

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF ECL Finance Limited

#### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **ECL Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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

2. 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 of these standalone financial statements to 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. 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 financial statements.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

# Price Waterhouse Chartered Accountants LLP

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7. 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

8. 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 March 31, 2018, and its profit and its cash flows for the year ended on that date.

## Other Matter

9. The standalone financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 16, 2017, expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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 March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of ECL Finance Limited

Report on the Standalone Financial Statements

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(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone financial statements – Refer Note 2.39;

ii. The Company has made provision as at March 31, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 2.5, 2.9 and 2.75;

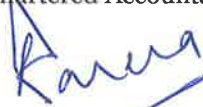
iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018;

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants



Russell I Parera

Partner

Membership Number 42190

Mumbai

May 02, 2018

# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of ECL Finance Limited on the standalone financial statements for the year ended March 31, 2018

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### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of ECL Finance Limited ("the Company") as of March 31, 2018 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

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

3. 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing 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.
4. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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.



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of ECL Finance Limited on the standalone financial statements for the year ended March 31, 2018

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### Meaning of Internal Financial Controls Over Financial Reporting

6. 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.

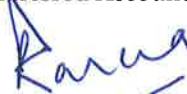
### Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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

8. 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 March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants



Russell L Parera  
Partner

Membership Number 42190

Mumbai  
May 02, 2018



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of ECL Finance Limited on the standalone financial statements for the year ended March 31, 2018

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- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
  
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.  
  
(c) The title deeds of immovable properties, as disclosed in Note 2.10 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The verification of securities held as stock in trade have been conducted on the basis of statement of holding received from the Depository Participants, account statement of Mutual Fund and clearing corporation holding statement at reasonable intervals by the Management during the year.
- 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. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not provided any guarantee or security in connection with any loan taken by parties covered under section 185. The Company is registered as a Non-Banking Financial Company with the Reserve Bank of India. Therefore, the provisions of Section 186, except sub-section (1) of Section 186, of the Act are not applicable to the Company.  
  
In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 of the Companies Act, 2013 in respect of loan made and 186 (1) of the Companies Act, 2013 in respect of investment made.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of ECL Finance Limited on the standalone financial statements for the year ended March 31, 2018

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- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, service-tax, duty of customs, duty of excise, value added tax or goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where the dispute is Pending
Income Tax Act, 1961	Income tax	259.91	A.Y. 2013-14	The Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	119.27	A.Y. 2014-15	The Commissioner of Income Tax (Appeal)

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) 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, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. 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. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non -cash transactions with its directors or persons connected with him/her. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of ECL Finance Limited on the standalone financial statements for the year ended March 31, 2018  
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- xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non- Banking Financial Institution.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants



Russell I Parera  
Partner  
Membership Number 42190

Mumbai  
May 02, 2018



# ECL Finance Limited

## Balance Sheet

(Currency : Indian rupees in million)

	Note	As at March 31, 2018	As at March 31, 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	1,948.11	1,891.85
Reserves and surplus	2.2	27,445.68	21,681.45
		<u>29,393.79</u>	<u>23,573.30</u>
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	134,263.66	91,933.54
Other long-term liabilities	2.4	3,972.59	964.81
Long-term provisions	2.5	1,503.21	1,155.56
<b>Current liabilities</b>			
Short-term borrowings	2.6	58,117.29	58,812.99
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	1,301.93	479.12
Other current liabilities	2.8	36,526.43	32,739.62
Short-term provisions	2.9	2,471.55	1,980.98
<b>TOTAL</b>		<u>267,550.45</u>	<u>211,639.92</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Property, Plant and Equipment	2.10	541.35	246.74
Intangible assets	2.10	41.92	10.02
Capital work in progress		-	270.12
Intangible under development		43.21	16.40
Non-current investments	2.11	6,668.56	6,663.53
Deferred tax assets (net)	2.12	1,104.19	880.39
Long-term loans and advances	2.13	101,281.45	69,686.33
Other non-current assets	2.14	2,157.62	1,907.18
		<u>111,838.30</u>	<u>79,680.71</u>
<b>Current assets</b>			
Current investments	2.15	0.43	67.23
Stock in trade	2.16	97,135.72	58,975.94
Trade receivables	2.17	5,476.32	1,169.67
Cash and bank balances	2.18	2,508.49	11,677.78
Short-term loans and advances	2.19	44,186.90	54,178.41
Other current assets	2.20	6,404.29	5,890.18
		<u>155,712.15</u>	<u>131,959.21</u>
<b>TOTAL</b>		<u>267,550.45</u>	<u>211,639.92</u>

The accompanying notes are an integral part of the financial statements

1 & 2

This is the Balance Sheet referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP


Chartered Accountants

Firm's Registration No. 012754N / N500016

  
Russell I Parera  
Partner  
Membership No: 42190


Mumbai  
May 2, 2018

For and on behalf of the Board of Directors

  
Raviprakash R. Bubna  
Managing Director & CEO  
DIN : 00090160

  
Nilesh Sampat  
Chief Financial Officer

Mumbai  
May 2, 2018

  
Himanshu Kaji  
Executive Director  
DIN : 00009438

  
Shekhar Prabhudesai  
Company Secretary

**ECL Finance Limited****Statement of Profit and Loss**

(Currency : Indian rupees in million)

	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Revenue from operations</b>			
Fee income	2.21	1,904.35	1,223.95
Income from treasury	2.22	(377.95)	574.50
Interest income	2.23	28,981.79	23,117.08
<b>Other income</b>	2.24	92.08	34.86
<b>Total Revenue</b>		<b>30,600.27</b>	<b>24,950.39</b>
<b>Expenses</b>			
Employee benefits expense	2.25	1,811.85	1,657.41
Finance costs	2.26	17,112.09	13,689.69
Depreciation and amortisation	2.10	52.78	42.59
Other expenses	2.27	4,588.26	3,630.99
<b>Total expenses</b>		<b>23,564.98</b>	<b>19,020.68</b>
<b>Profit before tax</b>		<b>7,035.29</b>	<b>5,929.71</b>
Tax expenses			
(1) Current tax [net of excess provision of earlier years(s) of Rs. 11.67 million (Previous year : 78.28 million)]		2,638.60	1,989.92
(2) Deferred tax (net)		(223.78)	36.61
<b>Profit for the year</b>		<b>4,620.47</b>	<b>3,903.18</b>
<b>Basic and diluted earnings per equity share in Rupees (Face value Re. 1 each)</b>	2.30	2.44	2.06

The accompanying notes are an integral part of the  
financial statements

1 & 2

This is the Statement of Profit and Loss referred to in our report of even date

**For Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm's Registration No. 012754N / N500016

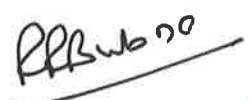


**Russell I Parera**

Partner

Membership No: 42190

**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  
Mumbai  
May 2, 2018



**Shekhar Prabhudesai**  
Company Secretary

Mumbai  
May 2, 2018

**ECL Finance Limited****Cash Flow Statement**

(Currency : Indian rupees in million)

	For the year ended March 31, 2018	For the year ended March 31 2017
<b>A Cash flow from operating activities</b>		
Profit before tax	7,035.29	5,929.71
<i>Adjustments for</i>		
Depreciation and amortisation	52.78	42.59
Provision for compensated absences	0.91	(0.34)
Provision for standard assets	277.45	228.56
Diminution in value of current investments	(128.31)	35.10
Provision for restructured advance	(0.20)	(38.75)
Provision for non performing assets	312.42	378.96
Provision for credit loss on securitisation	(3.34)	(7.47)
Bad- debts and advances written off	1,392.50	431.13
Profit on sale of investments	(677.57)	(33.72)
Dividend on investments	(458.59)	(72.64)
Profit on sale of fixed assets	-	(0.10)
Amortised loan processing fees	(51.08)	(31.07)
Amortised loan origination cost	50.02	35.62
Write-off of fixed assets	(0.32)	-
<b>Operating cash flow before working capital changes</b>	<b>7,801.96</b>	<b>6,897.58</b>
<i>Add / (Less): Adjustments for working capital changes</i>		
Increase in trade receivables	(4,306.65)	(568.97)
Decrease in stock in trade	6,466.40	18,183.28
Increase in receivables from financing business including Credit substitute	(69,070.36)	(49,544.75)
Increase in loans and advances	(249.11)	(49.21)
Decrease / (Increase) in other assets	864.43	(1,228.07)
Increase / (Decrease) in liabilities and provisions	4,628.05	(2,287.91)
<b>Cash used in operations</b>	<b>(53,865.28)</b>	<b>(28,598.05)</b>
Income taxes paid	(2,300.45)	(2,109.87)
<b>Net cash used in operating activities - A</b>	<b>(56,165.73)</b>	<b>(30,707.92)</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(384.46)	(28.93)
Decrease/ (Increase) in Capital Work-in-progress and Intangibles under development	243.63	(285.68)
Proceeds from Sale of fixed assets	5.17	1.28
Purchase of investments	(2,240.00)	(5,530.55)
Proceeds from Sale of investments	3,107.65	7,292.01
Dividend on investments	458.59	72.64
<b>Net cash generated from / (used in) investing activities - B</b>	<b>1,190.58</b>	<b>1,520.77</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of non convertible debentures	72,548.93	28,271.90
Proceeds from issuance of Share capital	1,200.00	-
Increase in short term borrowing (refer note 1)	(695.70)	11,479.08
Proceeds from banks / financial institutions term loan	54,250.00	31,951.46
Repayment of non convertible debentures	(66,562.12)	(20,811.76)
Repayment of banks / financial institutions term loan	(15,008.12)	(12,647.44)
<b>Net cash generated from financing activities - C</b>	<b>45,732.99</b>	<b>38,243.24</b>



**ECL Finance Limited****Cash Flow Statement (Continued)****For the year ended  
March 31, 2018****For the year ended  
March 31 2017**

(Currency : Indian rupees)

**Net increase / (Decrease) in cash and cash equivalents (A+B+C)****(9,242.16)****9,056.09**

Cash and cash equivalent as at the beginning of the year

**10,870.13****1,814.04**

Cash and cash equivalent as at the end of the year (refer note 2.18)

**1,627.97****10,870.13**

- 1 Net figures have been reported on account of volume of transactions.
- 2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014.

The accompanying notes are an integral part of the financial statements

This is the Cash Flow Statement referred to in our report of even date

**For Price Waterhouse Chartered Accountants LLP****For and on behalf of the Board of Directors**

Chartered Accountants

Firm's Registration No. 012754N / N500016

  
**Russell I Parera**

Partner

Membership No: 42190

  
**Raviprakash R. Bubna**

Managing Director &amp; CEO

DIN : 00090160

  
**Nilesh Sampat**

Chief Financial Officer

  
**Himanshu Kaji**

Executive Director

DIN : 00009438

  
**Shekhar Prabhudesai**

Company Secretary

Mumbai  
May 2, 2018Mumbai  
May 2, 2018

# ECL Finance Limited

## Notes to the financial statements

### 1 Significant accounting policies

#### 1.1 Background

ECL Finance Limited ('the Company') is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non Deposit Accepting Non Banking Financial Company (non-deposit accepting). The Company was incorporated on 18 July 2005, and is a subsidiary of Edelweiss Financial Services Limited.

The Company is primarily engaged in the business of corporate credit and retail credit. Under the corporate credit vertical it offers structured collateralised credit to corporates and Real Estate Finance to developers and under the retail credit vertical it offers mortgages including retail construction finance and loan against property, SME finance, rural micro finance, Agri finance and loan against securities.

#### 1.2 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.

#### 1.3 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.

#### 1.4 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:

- a. It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;

It is expected to be realized within 12 months after the reporting date; or





# ECL Finance Limited

## Notes to the financial statements (*Continued*)

### 1 Significant accounting policies (*continued*)

#### 1.4 Current-non-current classification (*Continued*)

- d. 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:

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

#### 1.5 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 period of 7 years 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



# ECL Finance Limited

## Notes to the financial statements (*Continued*)

### 1 Significant accounting policies (*continued*)

#### 1.5 Revenue recognition (*Continued*)

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.

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.

In accordance with 'Guidance Note on Accounting for Derivative Contracts' issued by the Institute of Chartered Accountants of India effective from 1 April 2016, the Company recognises all mark to market gains or losses on derivative contracts in the statement of profit and loss.

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

g. Penal interest income on delayed EMI or Pre-EMI is recognised on receipt basis.

#### 1.6 Borrowing Cost

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

#### 1.7 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.

#### 1.8 Securitisation / Assignment

The Company enters into securitization/ Assignment 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.

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



# ECL Finance Limited

## Notes to the financial statements (*Continued*)

### 1 Significant accounting policies (*continued*)

#### 1.9 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.

#### 1.10 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:

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.

#### 1.11 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



# ECL Finance Limited

## Notes to the financial statements (*Continued*)

### *1 Significant accounting policies (continued)*

#### **1.11 Impairment of assets (*Continued*)**

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.

#### **1.12 Stock-in-trade**

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

#### **1.13 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.

#### **1.14 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, demand deposits with banks and other fixed deposits with bank with original maturities of three months or less.

#### **1.15 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.





# ECL Finance Limited

## Notes to the financial statements (*Continued*)

### *1 Significant accounting policies (continued)*

#### *1.16 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. Changes in the present value of defined obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit or loss as past service cost

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.

##### *Compensated Absences*

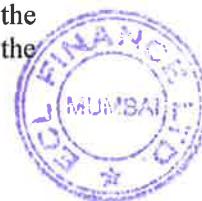
The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement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

##### *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).

#### *1.17 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).





# ECL Finance Limited

## Notes to the financial statements (*Continued*)

### *1 Significant accounting policies (continued)*

#### **1.17 Taxation (*Continued*)**

##### *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 backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised. 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.

#### **1.18 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.

#### **1.19 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.

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.

#### **1.20 Foreign Exchange transactions**

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.



# ECL Finance Limited

## Notes to the financial statements (*Continued*)

### *1 Significant accounting policies (continued)*

#### **1.21 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)

### 2.1 Share capital

#### Authorised :

	As at March 31, 2018	As at March 31, 2017
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
	<b>6,740.00</b>	<b>6,740.00</b>

#### Issued, Subscribed and Paid up:

1,948,107,252 (Previous year:1,891,848,462) equity shares of Re.1 each, fully paid-up	1,948.11	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.)		
	<b>1,948.11</b>	<b>1,891.85</b>

During the year the Company has issued 56,258,790 fully paid-up equity shares of Re.1 each at a premium of Rs 20.33 each for the consideration of 1,200.00 million to Edel Finance Company Limited.

#### a. Movement in share capital :

	March 31, 2018		31 March 2017	
	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	56,258,790	56.26	-	-
Outstanding at the end of the year	<b>1,948,107,252</b>	<b>1,948.11</b>	<b>1,891,848,462</b>	<b>1,891.85</b>

#### 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

	As at March 31, 2018		As at March 31, 2017	
	No of shares	%	No of shares	%
<b>Holding company</b>				
Edelweiss Financial Services Limited	1,499,959,129	76.99%	1,499,959,129	79.28%
<b>Fellow subsidiaries</b>				
Edelweiss Securities Limited	97,416,683	5.00%	97,416,683	5.15%
Edelweiss Commodities Services Limited	294,472,650	15.12%	146,976,650	7.77%
Edel Finance Company Limited	56,258,790	2.89%	-	-
Waverly Pte. Ltd	-	-	147,496,000	7.80%
	<b>1,948,107,252</b>	<b>100.00%</b>	<b>1,891,848,462</b>	<b>100.00%</b>

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

	As at March 31, 2018		As at March 31, 2017	
	No of shares	%	No of shares	%
Edelweiss Financial Services Limited (Holding Company) #	1,499,959,129	76.99%	1,499,959,129	79.28%
Edelweiss Securities Limited	97,416,683	5.00%	97,416,683	5.15%
Edelweiss Commodities Services Limited	294,472,650	15.12%	146,976,650	7.77%
Waverly Pte Limited	-	-	147,496,000	7.80%
	<b>1,891,848,462</b>	<b>97.11%</b>	<b>1,891,848,462</b>	<b>100.00%</b>

# 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 March 31, 2018	As at March 31, 2017
Securities Premium Account	6,839.25	6,991.43
Add : Additions during the year on issue of debentures	19.61	-
Add : Additions during the year on issue of Equity Shares	1,143.74	-
Less: Provision for premium payable on redemption of debentures [net of tax of Rs.10.36 million (previous year Rs.21.13 million)]	19.59	152.18
	<u>7,983.01</u>	<u>6,839.25</u>
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934 *	2,968.47	2,187.83
Add : Additions during the year	924.10	780.64
	<u>3,892.57</u>	<u>2,968.47</u>
Debenture Redemption Reserve	2,122.25	1,705.05
Add : Additions / (reduction) during the year	(401.65)	417.20
	<u>1,720.60</u>	<u>2,122.25</u>
Surplus in statement of profit and loss		
Opening Balance	9,751.48	7,046.14
Add: Profit for the year	4,620.47	3,903.18
<b>Amount available for appropriation</b>	<b>14,371.95</b>	<b>10,949.32</b>
Appropriations:		
Transfer to Debenture Redemption Reserve	(401.65)	417.20
Transfer to Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934	924.10	780.64
	<u>13,849.50</u>	<u>9,751.48</u>
	<u><b>27,445.68</b></u>	<u><b>21,681.45</b></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)

### 2.3 Long-term borrowings

#### Secured

Non-convertible redeemable debentures (refer note 2.42 and 2.29)

	As at March 31, 2018	As at March 31, 2017
a. Privately Placed Non-convertible debentures	43,437.51	34,179.80
Less: Unamortised discount	983.07	13.00
	<u>42,454.44</u>	<u>34,166.80</u>
b. Public issue of Non-convertible debentures		
(i) INR denominated USD settled notes (Masala Bonds)	5,020.00	5,020.00
Less: Unamortised discount	16.30	25.65
	<u>5,003.70</u>	<u>4,994.35</u>
(ii) In respect of public offer	1,408.47	2,834.31
	<u>48,866.61</u>	<u>41,995.46</u>
Term loans from bank (refer note 2.43)	64,525.32	36,131.99
Term loans from other Parties (refer note 2.43)	3,156.58	2,196.09
	<u>67,681.90</u>	<u>38,328.08</u>

#### Unsecured

Non-convertible redeemable debentures (refer note 2.42 and 2.29)

a. Privately Placed Non-convertible redeemable debentures	731.60	710.00
Less: Unamortised discount	183.23	-
	<u>548.37</u>	<u>710.00</u>
b. Privately Placed Non-convertible redeemable subordinated debt	11,884.10	6,900.00
Less: Unamortised discount	1,717.32	-
	<u>10,166.78</u>	<u>6,900.00</u>
c. Public issue of Non-convertible redeemable subordinated debt	4,000.00	4,000.00
d. Perpetual debentures	3,000.00	-
	<u>17,715.15</u>	<u>11,610.00</u>
	<u>134,263.66</u>	<u>91,933.54</u>

### 2.4 Other long term liabilities

Unamortised processing fees	69.79	32.65
Interest accrued but not due on borrowings	3,878.55	885.04
Unrealised gain on loan transfer transactions	24.25	47.12
	<u>3,972.59</u>	<u>964.81</u>

### 2.5 Long-term provisions

Provision for employee benefits		
Compensated leave absences	2.54	10.68
Deferred bonus	21.23	86.63
Provision for non performing assets	867.04	811.54
Provision for standard assets	607.37	238.34
Provision for credit loss on securitisation	5.03	8.37
	<u>1,503.21</u>	<u>1,155.56</u>





# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

### 2.6 Short-term borrowings

#### Secured

	As at March 31, 2018	As at March 31, 2017
Bank overdraft	18,235.36	3,872.83
[Secured by charge on receivables from financing business and credit substitute]		
Collateralised borrowing and lending obligation and Clearcorp repo order matching system	15,324.22	6,536.84
[Secured by pledge of Government securities and Treasury-bills]		
Working capital demand loan	4,370.00	3,100.00
[Secured by charge on receivables from financing business and credit substitute ]		
	<b>37,929.58</b>	<b>13,509.67</b>

#### Unsecured

Loan from related parties	12,124.87	14,080.73
[repayable on demand, at the rate of interest 9%]		
Commercial paper	8,250.00	31,620.00
Less : Unamortised discount	187.16	397.41
	<b>8,062.84</b>	<b>31,222.59</b>
	<b>58,117.29</b>	<b>58,812.99</b>



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2018	As at March 31, 2017
<b>2.7 Trade Payables</b>		
Payable to :		
Related party	-	-
Others	1,301.93	479.12
(includes sundry creditors, provision for expenses, customer payables and net payable against Government Securities )		
	<b>1,301.93</b>	<b>479.12</b>

## 2.8 Other current liabilities

Current maturities of secured long term debt		
Term loan from bank (refer note 2.43)	19,551.52	9,963.50
Term loan from other parties (refer note 2.43)	892.11	592.07
Public issue of Non-convertible debentures (refer note 2.42)	1,425.85	6,484.29
Privately Placed Non-convertible debentures (refer note 2.42)	8,875.23	10,625.18
Less: Unamortised discount	181.09	-
	<b>8,694.14</b>	<b>10,625.18</b>
Interest accrued but not due on borrowings	3,059.07	3,993.44
Other Payables		
Accrued salaries and benefits	720.57	496.66
Withholding taxes, Goods & service tax and other taxes payable	-	33.61
Book overdraft	1,707.83	325.66
Unamortised processing fees	51.78	22.25
Premium received on outstanding exchange traded options (including MTM)	191.37	70.50
MTM on Benchmark linked debentures	129.95	-
Unrealised gain on loan transfer transactions	8.01	13.69
Mark to Market on interest rate & currency derivatives	35.06	41.15
Others	59.17	77.62
	<b>36,526.43</b>	<b>32,739.62</b>

## 2.9 Short-term provisions

Provision for employee benefits :		
Compensated absences	11.34	2.29
Deferred bonus	112.36	188.82
Others		
Provision for non performing assets	1,522.56	1,265.84
Provision for standard assets	256.90	348.48
Provision for tax	568.39	175.55
(net of advance taxes Rs 3,927.81 million ; previous year :Rs 3,009.54 million)		



<b>2,471.55</b>	<b>1,980.98</b>
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# 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 April 1, 2017	Additions during the year	Deductions during the year	As at March 31, 2018	As at April 1, 2017	Charge for the year	Deductions during the year	As at March 31, 2018
<b>Property, Plant and Equipment</b>								
Building\$	273.26	270.11	-	543.37	66.50	17.92	-	458.95
Leasehold improvements	4.52	2.01	-	6.53	2.38	1.12	-	3.03
Furniture and Fixtures	1.28	30.07	-	31.35	0.43	2.99	-	27.93
Vehicles	53.64	6.29	22.30	37.63	33.24	6.24	17.50	15.65
Office equipment	7.65	14.28	2.61	19.32	5.29	3.22	2.29	13.10
Computers	44.23	21.60	0.80	65.03	30.00	13.09	0.75	22.69
<b>A</b>	<b>384.58</b>	<b>344.36</b>	<b>25.71</b>	<b>703.23</b>	<b>137.84</b>	<b>44.58</b>	<b>20.54</b>	<b>541.35</b>
<b>Intangible assets</b>								
Software	31.88	40.10	-	71.98	21.86	8.20	-	41.92
<b>B</b>	<b>31.88</b>	<b>40.10</b>	<b>-</b>	<b>71.98</b>	<b>21.86</b>	<b>8.20</b>	<b>-</b>	<b>41.92</b>
<b>Total (A+B)</b>	<b>416.46</b>	<b>384.46</b>	<b>25.71</b>	<b>775.21</b>	<b>159.70</b>	<b>52.78</b>	<b>20.54</b>	<b>583.27</b>
1) There is no revaluation of assets during the year. 2) There are no adjustments on account of borrowing costs. 3) \$ Charge against Secured Redeemable Non-convertible Debentures (Refer note 2.42)								



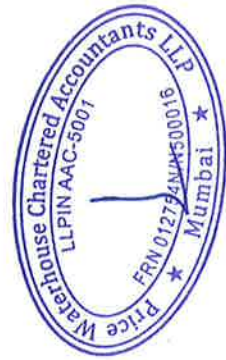
# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

### 2.10 Fixed assets

Gross Block					Depreciation			Net Block
Description of Assets	As at 1 April 2016	Additions during the year	Deductions during the year	As at 31 March 2017	As at 1 April 2016	Charge for the year	Deductions during the year	As at 31 March 2017
Property, Plant and Equipment								
Building	270.94	2.32	-	273.26	55.72	10.78	-	206.76
Leasehold improvements	3.47	1.05	-	4.52	1.43	0.95	-	2.14
Furniture and Fixtures	0.85	0.46	0.03	1.28	0.30	0.16	0.03	0.85
Vehicles	50.88	5.51	2.75	53.64	26.82	8.55	2.13	20.40
Office equipment	7.42	0.86	0.63	7.65	4.49	1.42	0.62	2.36
Computers	35.39	12.20	3.36	44.23	20.51	12.30	2.81	14.23
A	368.95	22.40	6.77	384.58	109.27	34.16	5.59	246.74
Intangible assets								
Software	25.35	6.53	-	31.88	13.43	8.43	-	10.02
B	25.35	6.53	-	31.88	13.43	8.43	-	10.02
Total (A+B)	394.30	28.93	6.77	416.46	122.70	42.59	5.59	256.76



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2018			As at March 31, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<b>2.11 Non-current investments (Non Trade)</b>						
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
			-			227.50
<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
1% Non cumulative Non Convertible Redeemable Preference shares of Edelweiss Investment Adviser Limited	-	-	-	10	220,000	220.00
			1,000.00			1,220.00
<i>Investments in securitisation trust securities</i>						
- EARC Trust SC 7	654.34	104,500	94.40	1,000	104,500	94.40
- EARC Trust SC 9	1	71,487	92.19	1,000	71,487	92.19
- EARC Trust SC 102	352.44	768,570	277.20	1,000	768,570	748.72
- EARC Trust SC 104	-	-	-	1,000	77,180	28.98
- EARC Trust SC 223	419.05	2,337,500	979.54	1,000	2,337,500	2,337.50
- EARC Trust SC 251	1,000	1,700,000	1,700.00	1,000	1,700,000	1,700.00
- EARC Trust SC 263	709.21	1,360,000	964.52	-	-	-
- EARC Trust SC 283	1.00	850,000	0.85	-	-	-
- EARC Trust SC 308	533.57	240,550	128.35	-	-	-
- EARC Trust SC 314	1,000	71,400	71.40	-	-	-
- EARC Trust SC 329	1,000	288,000	288.00	-	-	-
- EARC Trust SC 297	1,000	518,470	518.47	-	-	-
- EARC Trust SC 331	1,000	396,720	396.72	-	-	-
Less : Provision for diminution in value of investments			(49.45)			
<i>Investments in units of fund</i>						
Edelweiss Stressed and Troubled Assets Revival Fund	10,000	25,000	206.37	10,000	25,000	214.24
			5,668.56			5,216.03
			<u>6,668.56</u>			<u>6,663.53</u>
<b>Aggregate of unquoted investment</b>						
- At carrying value			6,668.56			6,663.53
- Aggregate Provision for diminution in value of investments			49.45			-





# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

### 2.12 Deferred tax assets (net)

#### Deferred tax assets

Provision for standard assets	302.01	203.08
Provision for credit loss on securitisation	1.76	2.89
Provision for non-performing, restructured and doubtful advances	723.18	615.27
Unamortised processing fees	42.48	19.00
Provision for deferred bonus	46.68	95.33
Provision for Diminution in value of current investments	63.70	61.52
Disallowances under section 43B of the Income Tax Act, 1961	0.01	4.49

As at  
March 31, 2018

As at  
March 31, 2017

1,179.82

1,001.58

#### Deferred tax liabilities

Unamortised loan origination costs	42.36	20.94
Unrealised Gain On Derivatives	6.09	83.55
Difference between book and tax depreciation	24.29	16.70
Others	2.89	-

75.63

121.19

1,104.19

880.39



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2018	As at March 31, 2017
<b>2.13 Long-term loans and advances</b>		
<i>(Considered good, unless stated otherwise)</i>		
<b><u>Secured</u></b>		
Receivables from financing business		
- considered good	92,112.16	65,889.84
- considered non performing assets	1,576.24	1,486.66
	<u>93,688.40</u>	<u>67,376.50</u>
<b><u>Unsecured</u></b>		
Receivables from financing business		
- considered good	7,116.75	1,998.80
- considered non performing assets	1.12	3.27
	<u>7,117.87</u>	<u>2,002.07</u>
Other loans and advances		
Unamortised loan origination costs	78.32	39.31
Security Deposits	29.65	3.95
Advance income taxes	367.21	264.50
(net of provision for tax Rs.4,309.78 million; Previous year: Rs. 3,473.16 million)		
	<u>475.18</u>	<u>307.76</u>
	<u>101,281.45</u>	<u>69,686.33</u>
<b>2.14 Other non-current assets</b>		
<i>(Unsecured Considered good, unless stated otherwise)</i>		
Long term bank deposits with banks (refer note 2.32)	57.64	80.51
Future interest receivable on loan transfer transaction	24.25	47.12
Interest Accrued but not due on debt instruments	1,962.75	1,209.66
Interest Accrued but not due on loans given	112.24	538.19
Contribution to gratuity fund (net) (refer note 2.31)	0.74	3.36
Accrued interest on fixed deposits	-	28.34
	<u>2,157.62</u>	<u>1,907.18</u>



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2018			As at March 31, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<b>2.15 Current investments</b>						
<b>Investments in equity instruments of other companies (quoted)</b>						
Alok Industries Limited	-	-	-	10.00	22,642,893	66.80
			-			66.80
<b>Investments in mutual funds (unquoted)</b>						
Edelweiss Short Term Income Fund- Institutional Growth	10	40,799	0.43	10	40,799	0.43
			0.43			0.43
			0.43			67.23
Aggregate of quoted investment						
- At carrying value			-			66.80
- At market value			-			66.80
Aggregate of unquoted investment						
- At carrying value			0.43			0.43
- At net asset value			0.73			0.71
- Aggregate Provision for diminution in value of investments			-			-



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

2.16 Stock in trade	As at March 31, 2018			As at March 31, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<b>Equity shares (quoted)</b>						
Coal India Limited	-	-	-	10	1,915,900	560.69
Hindustan Zinc Limited	-	-	-	2	1,136,000	328.08
IRB InvIT Fund	10	1,375,000	109.14	-	-	-
India Grid Trust	10	86,751	8.20	-	-	-
(A)			117.34			888.77
<b>Preference shares (quoted)</b>						
6.00% Zee Entertainment Enterprises Limited 05.03.2022 Preference Shares Sr-I	10	22,968,297	179.62	-	-	-
7.50 % Redeemable Preference Shares - Vedanta Limited	10	2,226,835	23.56	-	-	-
(B)			203.18			-
<b>Debentures and bonds (quoted)</b>						
<b>Credit Substitute</b>						
20.00% A B T Investments (India) Private Limited 31.08.2018 NCD	1,000,000	142	142.00	1,000,000	500	500.00
12.00% Future Corporate Resources Limited 28.01.2020 NCD (Sr-I)	-	-	-	10,000,000	35	350.00
12.00% Future Corporate Resources Limited 28.01.2020 NCD (Sr-II)	-	-	-	10,000,000	125	1,250.00
17.57% Saha Infotech Private Limited 31.03.2022 NCD	10,000,000	110	1,100.00	-	-	-
5.00% SVL Limited 20.09.2020 NCD	980,000	60	58.80	980,000	392	386.56
13.50% Nspira Management Services Private Limited 30.06.2020 NCD	853,333	387	330.24	1,000,000	387	387.00
15.00% Pantaloon Industries Limited 31.03.2017 NCD	-	-	-	10,000,000	50	500.00
11.75% Reliance Infrastructure Limited 30.05.2018 NCD	1,000,000	1,265	1,265.00	1,000,000	1,815	1,815.00
12.00% Pantaloon Industries Limited 28.01.2020 NCD	-	-	-	10,000,000	100	1,000.00
14.00% Shree Sukhakarta Developers Private Limited 30.06.2020 NCD	1,000,000	1,782	1,782.00	1,000,000	2,715	2,715.00
5.00% New Media Broadcasting Private Limited 18.02.2021 NCD	1,000,000	200	200.00	-	-	-
0.00% Viceroy Bangalore Hotels Private Limited 30.06.2021 NCD	666,667	444	296.00	-	-	-
18.00% Luxora Infrastructure Limited 31.03.2021 NCD	1,000,000	222	222.00	-	-	-
10.00% Abellon Cleanenergy Limited 02.06.2020 NCD	1,000,000	217	217.00	1,000,000	217	217.00
10.00% Shivakar Infra Private Limited 30.09.2021 NCD	1,000,000	1,311	1,311.00	1,000,000	2,000	2,000.00
12.00% Nspira Management Services Private Limited 30.09.2020 NCD	1,000,000	129	129.00	1,000,000	129	129.00
12.00% Sheltrex Karjat Private Limited 31.03.2022 NCD	1,000,000	590	590.00	1,000,000	900	900.00
14.00% Parinee Realty Private Limited 15.01.2021 NCD	500,000	2,200	1,100.00	500,000	4,200	2,100.00
10.00% Unitech Machines Limited 29.02.2024 NCD	-	-	-	1,000,000	2,500	2,500.00
(C)			8,743.04			16,749.56
<b>Others</b>						
9.00% Shriram Transport Finance Company Limited 28.03.2028 Bonds	1,000,000	300	300.00	-	-	-
9.25% Dewan Housing Finance Corporation Limited 09.09.2023 NCD	1,000	4,271	4.36	-	-	-
9.00% Yes Bank Limited Perpetual Bonds	1,000,000	25	25.00	-	-	-
9.14% Kudgi Transmission Limited 25.04.2031 NCD	1,000,000	9	9.25	-	-	-
11.00% Shriram Transport Finance Company Limited 20.04.2020 Bonds	1,000,000	10	10.39	-	-	-
9.14% Kudgi Transmission Limited 25.04.2029 NCD	-	-	-	13	119,984	1.58
8.75% Edelweiss Retail Finance Limited 22.03.2021 Bonds	1,000	1,249,000	1,235.89	-	-	-
7.35% National Highway Authority Of India 11.01.2031 Bonds	-	-	-	1,000	2,740	2.95
8.49% National Thermal Power Corporation Limited 25.03.2025 NCD	13	11,514	0.15	-	-	-
8.75% Muthoot Finance Limited 24.06.2020 Bonds	1,000	4,000	4.03	-	-	-
7.80% PIRAMAL ENTERPRISES LIMITED 19.04.2019 CCD	107,600	3,030	326.03	-	-	-
10.00% Edelweiss Housing Finance Limited 19.07.2026 NCD	1,000	53,375	56.74	-	-	-
8.85% Indiabulls Commercial Credit Limited 28.03.2028 Bonds	1,000,000	8,000	800.00	-	-	-
9.30% Dewan Housing Finance Corporation Limited 16.08.2026 Bonds	1,000	650	0.92	-	-	-
	1,000,000	6	6.16	-	-	-
9.14% Kudgi Transmission Limited 25.04.2030 Bonds	-	-	-	-	-	-
	1,000,000	1	1.04	-	-	-
9.55% Canara Bank Perpetual Bonds	-	-	-	-	-	-
8.90% Greater Hyderabad Municipal Corporation 16.02.2028 NCD	1,000,000	16	16.08	-	-	-
9.85% Dewan Housing Finance Corporation Limited Perpetual Bonds	1,000,000	550	550.06	-	-	-
9.00% Edelweiss Commodities Services Limited 17.04.2020 Bonds	1,000,000	900	928.35	-	-	-
8.65% Indiabulls Housing Finance Limited 26.09.2019 Bonds	-	-	-	1,000	13,000	12.88
9.75% Srei Equipment Finance Limited 17.01.2022 Bonds	-	-	-	1,000	81,210	80.45
8.35% National Insurance Company Limited 26.05.2027 Bonds	-	-	-	1,000,000	4	4.00
8.41% India Infrastructure Finance Company Limited 22.01.2024 Bonds	-	-	-	1,000	15,000	16.64
8.41% National Thermal Power Corporation Limited 16.12.2023 NCD	-	-	-	1,000	6,333	7.01
8.50% National Highways Authority Of India 05.02.2029 Bonds	-	-	-	1,000	14,700	17.34
(D)			4,274.45			142.85
<b>Government bonds (quoted)</b>						
10.03% Government Stock 09.08.2019 Bonds	-	-	-	100	2,000,000	214.98
6.35% Government Stock 02.01.2020 Bonds	100	5,500,000	546.32	-	-	-
6.79% Government Stock 15.05.2027 Bonds	100	7,000,000	664.60	-	-	-
8.40% Government Stock 28.07.2024 Bonds	-	-	-	100	5,000,000	540.63
8.27% Government Stock 09.06.2020 Bonds	100	5,000,000	513.57	-	-	-
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
6.17% Government Stock 12.06.2023 Bonds	100	7,500,000	704.02	-	-	-
7.16% Government Stock 20.05.2023 Bonds	100	5,500,000	543.71	-	-	-
6.90% Government Stock 13.07.2019 Bonds	100	2,860,000	286.87	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
7.80% Government Stock 03.05.2020 Bonds	100	6,500,000	661.75	-	-	-
8.35% Government Stock 14.05.2022 Bonds	100	1,500,000	155.45	-	-	-
8.07% Maharashtra Government Stock 23.10.2018 Bonds	100	3,000,000	301.95	-	-	-
7.80% Government Stock 11.04.2021 Bonds	100	8,500,000	866.28	100	3,000,000	311.15
8.34% Maharashtra Government Stock 03.02.2020 Bonds	100	3,000,000	305.76	-	-	-
6.68% Government Stock 17.09.2031 Bonds	100	5,500,000	507.97	-	-	-
8.52% Karnataka Government Stock 10.03.2020 Bonds	100	2,500,000	255.88	-	-	-
8.24% Government Stock 15.02.2027 Bonds	100	1,000,000	103.45	-	-	-
6.05% Government Of India 02.02.2019 Bonds	100	8,000,000	795.63	-	-	-



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

2.16 Stock in trade	As at March 31, 2018			As at March 31, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<b>Government bonds (quoted) Continued</b>						
8.56% Kerala Government Stock 16.02.2020 Bonds	100	5,000,000	511.69	100	1,000,000	104.50
7.59% Government Stock 11.01.2026 Bonds	100	1,500,000	149.27	100	500,000	52.26
8.38% Maharashtra Government Stock 25.03.2020 Bonds	100	2,500,000	255.37	-	-	-
7.72% Government Stock 25.05.2025 Bonds	100	10,000,000	1,004.52	-	-	-
8.15% Government Stock 11.06.2022 Bonds	-	-	-	100	500,000	52.45
6.97% Government Stock 06.09.2026 Bonds	100	4,000,000	381.54	-	-	-
8.13% Government Stock 21.09.2022 Bonds	100	1,000,000	102.67	-	-	-
8.11% Andhra Pradesh State Government Stock 23.10.2018 Bonds	100	2,500,000	251.68	-	-	-
8.20% Government Stock 15.02.2022 Bonds	100	35,500,000	3,660.40	100	1,500,000	158.43
6.84% Government Stock 19.12.2022 Bonds	100	2,000,000	196.23	-	-	-
8.23% Gujarat Government Stock 07.10.2019 Bonds	100	2,500,000	253.44	-	-	-
5.69% Government Stock 25.09.2018 Bonds	100	3,000,000	298.88	-	-	-
7.17% Government Stock 08.01.2028 Bonds	100	3,000,000	295.26	-	-	-
6.01% Government Stock 25.03.2028 Bonds	100	500,000	43.20	-	-	-
7.35% Government Stock 22.06.2024 Bonds	100	4,000,000	397.96	100	5,000,000	506.42
8.53% Maharashtra Government Stock 27.10.2020 Bonds	-	-	-	100	500,000	52.31
8.28% Tamil Nadu State Development Loans 09.09.2019 Bonds	-	-	-	100	3,000,000	308.94
			<b>15,015.32</b>			<b>6,164.59</b>
(E)						
<b>Debentures and bonds (unquoted)</b>						
<b>Credit Substitute</b>						
18.50% Manyata Developers Private Limited 30.06.2020 NCD	630,000	1,845	1,162.35	1,000,000	2,167	2,167.00
18.50% Kamla Landmarc Property Leasing & Finance Private Limited 10.06.2018 NCD	628,082	870	546.43	734,595	870	639.10
14.00% Skil Shipyard Holdings Private Limited 21.01.2019 NCD	-	-	-	3,370,000	275	926.75
14.00% Bcc Infrastructures Private Limited 31.05.2021 NCD	1,000,000	2,100	2,100.00	1,000,000	2,100	2,100.00
6.25% Avantha Holdings Limited 28.07.2018 NCD	-	-	-	10,000,000	160	1,600.00
18.00% VGN Developers Private Limited 31.07.2018 NCD	-	-	-	812,692	1,180	958.97
12.25% Sprit Textiles Private Limited 21.09.2018 NCD	-	-	-	10,000,000	208	2,080.00
9.00% Gonibedu Coffee Estate Private Limited 14.05.2017 NCD	-	-	-	10,000,000	248	2,480.00
13.00% Parsvnath Developers Limited 15.04.2019 NCD	-	-	-	500,000	350	175.00
0.00% Wonder Value Reality Developers Private Limited 22.05.2018 NCD	250,000	2,000	500.00	500,000	2,000	1,000.00
19.00% Modella Textiles Industries Limited 29.11.2017 NCD	-	-	-	1,000,000	1,760	1,760.00
14.00% Neptune Developers Limited 17.11.2020 NCD	1,000,000	2,350	2,350.00	1,000,000	2,350	2,350.00
18.00% Easy Home Solutions Private Limited 12.11.2019 NCD	-	-	-	1,000,000	250	250.00
0.00% Champalaji Finance Private Limited 28.11.2019 NCD	100,000	6,300	630.00	100,000	6,300	630.00
15.75% Klp Projects Private Limited 28.02.2021 NCD	137,255	2,550	350.00	823,529	2,550	2,100.00
13.50% Goldenarch Digital Solutions Private Limited 08.01.2021 NCD	10,000,000	275	2,750.00	-	-	-
14.00% Saya Homes Private Limited 30.09.2019 NCD	-	-	-	1,000,000	1,610	1,610.00
18.00% Krishna Enterprises (Housing & Infrastructures) Private Limited 13.10.2020 NCD	1,000,000	1,010	1,010.00	1,000,000	1,010	1,010.00
19.00% Samridhi Infra Square Private Limited 09.12.2020 NCD	500,000	800	400.00	500,000	800	400.00
17.00% Meeti Developers Private Limited 31.08.2020 NCD	500,000	1,100	550.00	500,000	1,100	550.00
Reset Rate Um Autocomp Private Limited 29.02.2024 NCD	811,899	723	587.00	-	-	-
Reset Rate Sterling Urban Ventures Private Limited 31.08.2022 NCD	1,000,000	1,200	1,200.00	-	-	-
14.05% Aspen Infrastructures Limited 01.07.2020 NCD	10,000,000	60	600.00	-	-	-
12.00% Reynold Shirting Limited 12.07.2020 NCD	777,778	900	700.00	-	-	-
17.50% Sowparnika Projects And Infrastructure Private Limited 31.07.2021 NCD	756,069	800	604.86	-	-	-
16.85% Rohan Developers Private Limited 31.03.2020 NCD	1,000,000	1,000	1,000.00	-	-	-
12.50% Attivo Economic Zone (Mumbai) Private Limited 30.05.2020 NCD	10,000,000	200	2,000.00	10,000,000	200	2,000.00
13.00% Aniline Construction Company Private Limited 30.09.2022 NCD	100,000	1,197	119.70	100,000	5,500	550.00
13.00% Neelkanth Realtors Private Limited 30.09.2020 NCD	1,000,000	750	750.00	1,000,000	750	750.00
Reset Rate Smaaash Entertainment Private Limited 29.08.2022 NCD	882,353	2,040	1,800.00	-	-	-
18.00% International Trading & Manufacturing Company Developers Private Limited 31.12.2020 NCD	500,000	1,500	750.00	500,000	1,500	750.00
12.00% Gonibedu Coffee Estates Private Limited 29.05.2019 NCD	9,473,684	325	3,078.95	-	-	-
12.00% Raheja Towers Private Limited 30.04.2022 NCD	500,000	1,705	852.50	-	-	-
0.00% Radius Sumer Developers Private Limited 12.04.2021 NCD	350,000	2,370	829.50	-	-	-
12.00% Reynold Shirting Limited 31.10.2022 NCD	1,000,000	1,700	1,700.00	-	-	-
18.50% Charms India Private Limited 30.06.2022 NCD	1,000,000	350	350.00	-	-	-
17.06% Gmr Enterprises Private Limited 04.08.2021 NCD	1,000,000	330	330.00	-	-	-
18.00% Century Real Estate Holdings Private Limited 22.01.2021 NCD	1,000,000	810	810.00	1,000,000	810	810.00
15.00% Alok Knit Exports Private Limited 11.05.2020 NCD	7,236,200	135	976.89	-	-	-
0.00% Horizontal Realty And Aviation Private Limited 13.11.2024 NCD	868,209	900	781.39	-	-	-
Reset Rate Opj Trading Private Limited 03.09.2020 NCD	1,000,000	1,300	1,300.00	-	-	-
10.00% Reliance Project Ventures And Management Private Limited 09.10.2022 NCD	1,000,000	1,500	1,500.00	-	-	-
Reset Rate Opj Trading Private Limited 15.10.2020 NCD	1,000,000	1,250	1,250.00	-	-	-
Reset Rate Platinum Infradevelopment Private Limited 06.08.2022 NCD	200,000	4,515	903.00	-	-	-
12.25% Sprit Infrapower & Multiventures Private Limited 21.09.2018 NCD	10,000,000	208	2,080.00	-	-	-
14.00% Sare Saamag Realty Private Limited 21.12.2022 NCD	500,000	1,100	550.00	-	-	-
17.00% Modella Textiles Industries Limited 30.11.2022 NCD	1,000,000	2,000	2,000.00	-	-	-
Reset Rate Crescent Amity Realtors Private Limited 30.12.2023 NCD	1,000,000	320	320.00	-	-	-
Reset Rate Smaaash Entertainment Private Limited 14.12.2022 NCD	1,000,000	200	200.00	-	-	-
14.00% Sare Shelters Project Private Limited 08.01.2023 NCD	500,000	1,840	920.00	-	-	-
12.00% Azeem Infinite Dwelling India Private Limited 21.08.2022 NCD Sr- 2	1,000,000	100	100.00	-	-	-
12.00% Azeem Infinite Dwelling India Private Limited 21.08.2022 NCD Sr- 1	1,000,000	2,000	2,000.00	-	-	-
15.60% Gayatri Energy Ventures Private Limited 12.10.2021 NCD Sr-Ii	1,000,000	1,500	1,500.00	-	-	-
12.00% Mohan Breweries And Distilleries Limited 30.10.2021 NCD	10,000,000	200	2,000.00	-	-	-
15.00% Royalgolf Link City Projects Private Limited 31.03.2023 NCD	500,000	787	393.50	-	-	-
10.00% Nirmal Lifestyle (Mulund) Private Limited 30.03.2023 NCD	1,000,000	1,000	1,000.00	-	-	-
13.65% Suhani Trading And Investment Consultants Private Limited 07.03.2021 NCD	1,000,000	2,900	2,900.00	-	-	-





# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

2.16 Stock in trade	As at March 31, 2018			As at March 31, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<b>Debentures and bonds (unquoted) Continued</b>						
<b>Credit Substitute</b>						
13.65% Ryka Commercial Ventures Private Limited 07.03.2021 NCD	1,000,000	1,000	1,000.00	-	-	-
14.50% Shree Naman Developers Private Limited 23.03.2021 NCD	500,000	3,600	1,800.00	-	-	-
15.00% Ecstasy Realty Private Limited 28.03.2023 NCD	10,000,000	340	3,400.00	-	-	-
20.35% Jana Holdings Limited 26.05.2023 NCD	1,000,000	1,550	1,550.00	-	-	-
13.65% Future Capital Investment Private Limited 19.03.2021 NCD	1,000,000	1,780	1,780.00	-	-	-
17.92% Gmr Enterprises Private Limited 15.03.2022 NCD	1,000,000	1,250	1,250.00	-	-	-
(F)			63,866.07			29,646.82
<b>Mutual funds (quoted)</b>						
JM High Liquidity Fund - Direct - Growth	-	-	-	10	22,471,506	1,000.00
Kotak Mahindra Mutual Fund Collection	10	461,398	1,000.00			-
Jm Equity Fund - Monthly Dividend Option -Payout	10	47,724,041	570.71			-
Reliance Liquid Fund - Treasury Plan - Institutional Option - Growth Option - Growth Plan	10	236,429	1,000.00			-
Reliance Medium Term Fund	10	27,168,155	1,000.00			-
LIC Nomura Income Plus Fund - Direct - Growth	-	-	-	10	339,185	1,000.00
HDFC Debt Fund For Cancer Cure - 2014	10	1,000,000	10.00	10	1,000,000	10.00
Edelweiss Active Bond Fund - Direct - Growth	-	-	-	10	71,852,978	1,300.00
Kotak Floater Fund - Direct Plan - Growth	-	-	-	10	562,086	1,500.00
(G)			3,580.71			4,810.00
<b>T- Bills (quoted)</b>						
T-BILL 15.02.2018 (364 DAYS)	-	-	-	100	3,000,000	282.41
T-BILL 12.04.2018 (91 DAYS)	100	3,745,200	368.71		-	-
T-BILL 24.08.2017 (182 DAYS)	-	-	-	100	3,000,000	290.94
T-BILL 12.07.2018 (182 DAYS)	100	7,972,700	772.68		-	-
T-BILL 06.09.2018 (182 DAYS)	100	2,000,000	194.22		-	-
(H)			1,335.61			573.35
<b>Total</b>	<b>(A+B+C+D+E+F+G+H)</b>		<b>97,135.72</b>			<b>58,975.94</b>
Aggregate of stock-in-trade in quoted Equity shares	- At carrying value		117.34			888.77
	- At market value		121.04			888.77
Aggregate of stock-in-trade in quoted Preference shares	- At carrying value		203.18			-
	- At market value		203.18			-
Aggregate of stock-in-trade in quoted debentures and Government bonds & T-Bills	- At carrying value		29,368.42			23,630.35
	- At market value		32,448.11			23,639.49
Aggregate of stock-in-trade in unquoted debentures and bonds	- At carrying value		63,866.07			29,646.82
Aggregate of stock-in-trade in units of quoted mutual fund	- At carrying value		3,580.71			4,810.00
	- At net asset value		3,590.92			4,811.61



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

### 2.17 Trade receivables

Debtors outstanding for a period exceeding six months

Unsecured, considered doubtful

Less : Provision for doubtful debts

As at  
March 31, 2018

As at  
March 31, 2017

4.62

4.62

4.62

4.62

Other debts

Unsecured, considered good

5,476.32

1,169.67

5,476.32

1,169.67

### 2.18 Cash and bank balances

#### Cash and cash equivalents

Cash in hand

0.06

0.02

Balances with banks

- in current accounts

1,627.91

10,850.11

- in fixed deposits with original maturity less than 3 months (refer note 2.32)

20.00

1,627.97

10,870.13

#### Other bank balances

- Short term deposits with banks (refer note 2.32)

880.52

807.65

(other bank deposits with maturity less than 12 months)

2,508.49

11,677.78



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

### 2.19 Short-term loans and advances

(Considered good, unless stated otherwise)

#### Secured

Receivables from financing business

- considered good

- considered non performing assets

As at  
March 31, 2018

As at  
March 31, 2017

32,568.43 24,002.67  
1,748.74 1,182.25  
34,317.17 25,184.92

#### Unsecured

Receivables from financing business

- considered good

- considered non performing assets

9,402.15 28,130.64  
1.30 482.93

Other loans and advances

Deposits placed with/exchange/depositories

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 1,977.12 million ; previous year : Rs 1,479.91 million)

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

71.05 91.05  
6.91 5.44  
42.90 21.21  
26.50 5.54  
42.56 55.87  
5.50 -  
90.51 138.53

180.35 62.28  
9,869.73 28,993.49

44,186.90 54,178.41

### 2.20 Other current assets

(Unsecured Considered good, unless stated otherwise)

Accrued interest on fixed deposits

Accrued interest on debt instruments

Accrued interest on loans given

Accrued interest on margin

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

47.16 0.21  
737.30 114.52  
2,945.25 1,243.40  
0.59 0.32  
1,258.68 1,390.83  
1,153.75 1,597.06  
27.50 33.64  
15.35 45.10  
3.91 723.34  
8.01 13.69  
183.25 696.90  
23.54 31.17

6,404.29 5,890.18



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

for the year ended  
March 31, 2018

for the year ended  
March 31, 2017

### 2.21 Fee income

Loan processing and other fees	1,904.35	1,223.95
	<u>1,904.35</u>	<u>1,223.95</u>

### 2.22 Income from treasury

Profit on trading of securities (net)	(15.88)	2,148.18
Profit / (loss) on equity derivative instruments (net)	315.39	501.85
Profit on trading in currency derivative instruments (net)	2.04	47.72
Loss on interest rate derivative instruments (net)	(154.42)	(217.87)
Profit on sale of long term investment	677.57	33.72
Dividend	458.59	72.64
Interest on interest rate swap	1.22	(23.37)
Cost of benchmark linked debentures	(1,662.46)	(1,988.37)
	<u>(377.95)</u>	<u>574.50</u>

### 2.23 Interest Income

On loans and Credit substitute (refer note 2.29)	26,582.79	20,647.17
On fixed deposits	81.89	89.00
On debt instruments	2,225.35	2,338.07
On margin with brokers	16.68	12.68
On collateralised borrowing and lending operations	22.05	25.11
On others	53.03	5.05
	<u>28,981.79</u>	<u>23,117.08</u>

### 2.24 Other income

Profit on sale of fixed assets (net)	-	0.10
Miscellaneous income	92.08	34.76
	<u>92.08</u>	<u>34.86</u>



## ECL Finance Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

for the year ended  
March 31, 2018

for the year ended  
March 31, 2017

#### 2.25 Employee benefit expenses

Salaries wages and Bonus (refer note 2.40)	1,715.73	1,585.10
Contribution to provident and other funds (refer note 2.31)	58.85	47.16
Staff welfare expenses	37.27	25.15
	<b>1,811.85</b>	<b>1,657.41</b>

#### 2.26 Finance costs

Interest cost :		
Interest on debentures	4,682.78	4,501.98
Interest on subordinated debt	1,302.12	1,199.86
Interest on term loan	5,763.40	3,142.04
Interest on bank overdraft	173.57	161.90
Interest on loan from holding company	81.36	-
Interest on loan from fellow subsidiaries	1,304.69	545.31
Interest on collateralised borrowing and lending operations	584.07	680.15
Interest on clearcorp repo order matching system	862.96	964.23
Interest on working capital demand loan	171.03	171.13
Interest - others	19.38	21.20
Other borrowing cost :		
Discount on commercial paper and debentures	1,614.03	1,934.41
Financial and bank charges	552.70	367.48
	<b>17,112.09</b>	<b>13,689.69</b>





# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

### 2.27 Other expenses

	for the year ended March 31, 2018	for the year ended March 31, 2017
Advertisement and business promotion	14.75	21.34
Auditors' remuneration ( <i>refer note below</i> )	7.18	9.06
Bad- debts and advances written off	1,392.50	431.13
Commission and brokerage	314.38	0.39
Communication	16.07	20.31
Computer expenses	21.59	4.57
Corporate social responsibility -Donation	96.92	71.74
Clearing & custodian charges	0.44	0.72
Dematerialisation charges	1.18	0.92
Diminution in value of investments	(128.31)	35.10
Directors' sitting fees	0.48	0.46
Electricity charges ( <i>refer note 2.40</i> )	22.37	12.22
Insurance	0.16	0.24
Legal and professional fees	451.40	248.50
Loss on sale of non performing assets	1,366.60	1,740.94
Loss on sale of of fixed assets	0.32	-
Loan origination costs amortised	50.02	35.62
Membership and subscription	3.31	2.78
Office expenses	3.56	14.34
Printing and stationery	3.59	5.37
Provision for standard assets	277.45	228.56
Provision for restructured assets	(0.20)	(38.75)
Provision for non performing assets	312.42	378.96
Provision for credit loss on securitisation	(3.34)	(7.47)
Rates and taxes	92.00	89.29
Rating support fees	1.74	155.70
Rent ( <i>refer note 2.40</i> )	134.27	85.23
Repairs and maintenance	4.62	1.67
Securities transaction tax	11.28	9.85
Stamp duty	25.76	15.79
Travelling and conveyance	67.57	46.38
Miscellaneous expenses	26.18	10.03
	<b>4,588.26</b>	<b>3,630.99</b>

### Auditors' remuneration:

As Auditors	6.76	8.48
Towards reimbursement of expenses	0.42	0.58
	<b>7.18</b>	<b>9.06</b>



# 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 March 31 2018	As at/ For the year ended March 31 2017
<b>I Segment Revenue</b>		
a) Capital based business	3,178.27	4,234.26
b) Financing business	27,421.50	20,715.51
c) Unallocated	0.50	0.62
<b>Total Income</b>	<b>30,600.27</b>	<b>24,950.39</b>
<b>II Segment Results</b>		
a) Capital based business	326.42	606.48
b) Financing business	6,820.14	5,422.94
c) Unallocated	(111.27)	(99.71)
<b>Profit before taxation</b>	<b>7,035.29</b>	<b>5,929.71</b>
Less : Provision for taxation	2,414.82	2,026.53
<b>Profit after taxation</b>	<b>4,620.47</b>	<b>3,903.18</b>
<b>III Segment Assets</b>		
a) Capital based business	38,042.73	29,598.44
b) Financing business	227,939.77	180,756.05
c) Unallocated	1,567.95	1,285.43
<b>Total</b>	<b>267,550.45</b>	<b>211,639.92</b>
<b>IV Segment Liabilities</b>		
a) Capital based business	31,221.82	28,831.55
b) Financing business	206,358.18	159,023.71
c) Unallocated	576.66	211.36
<b>Total</b>	<b>238,156.66</b>	<b>188,066.62</b>
<b>V Capital expenditure (Including intangibles under development)</b>		
a) Capital based business	-	-
b) Financing business	427.75	315.45
c) Unallocated	-	-
<b>Total</b>	<b>427.75</b>	<b>315.45</b>
<b>VI Depreciation and amortisation</b>		
a) Capital based business	8.56	7.25
b) Financing business	43.91	35.21
c) Unallocated	0.31	0.13
<b>Total</b>	<b>52.78</b>	<b>42.59</b>
<b>VII Significant non-cash expenses other than depreciation and amortisation</b>		
a) Capital based business	(128.16)	35.04
b) Financing business	1,979.58	992.16
c) Unallocated	0.01	-
<b>Total</b>	<b>1,851.43</b>	<b>1,027.20</b>



**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
Enterprise where significant influence is exercised	Aeon Credit Services India Pvt Ltd (Upto August 22, 2017)
Fellow Subsidiaries (with whom transactions have taken place)	Edelweiss Housing Finance Limited Edelweiss Finvest 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 Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited) Edelweiss AIF Fund I - EW Clover Scheme - I 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
Relative of Key Management Personnel (with whom transactions have taken place)	Sharda R Bubna Sandhya R. Bubna Ramautar S. Bubna
Enterprises over which promoter /KMPs/ Relatives exercise significant influence , with whom transactions have taken place	Ravi R Bubna HUF

**ii. Transactions with related parties :**

Nature of Transaction	Related Party Name	2018	2017
<b>Capital account transactions</b>			
Sale of Preference Shares to	Edelweiss Commodities Services Limited	-	2,400.00
<b>Current account transactions</b>			
Loans taken from (refer note-2 below)	Edelweiss Financial Services Limited	7,000.00	-
	Edelweiss Commodities Services Limited	47,426.59	64,169.55
	Edelweiss Finvest Private Limited	-	60.34
	Edelweiss Finance & Investments Limited	-	450.00
Loan repaid to (refer note-2 below)	Edelweiss Financial Services Limited	7,000.00	-
	Edelweiss Commodities Services Limited	49,382.44	50,836.28
	Edelweiss Finvest Private Limited	-	208.04
	Edelweiss Finance & Investments Limited	-	450.00
Loans given to (refer note-2 below)	Edelweiss Commodities Services Limited	6,453.41	4,530.32
	Edelweiss AIF Fund I - EW Clover Scheme - I	-	500.00
	Ramautar S Bubna	1.02	-
	Ravi R Bubna HUF	496.19	-
	Raviprakash R. Bubna	1.03	-
	Sandhya R. Bubna	1.02	-
	Sharda R. Bubna	1.02	-
Repayment of loans by (refer note-2 below)	Edelweiss Commodities Services Limited	6,453.41	4,530.32
	Edelweiss AIF Fund I - EW Clover Scheme - I	-	500.00
	Ramautar S Bubna	1.02	-
	Ravi R Bubna HUF	653.35	-
	Raviprakash R. Bubna	1.03	-
	Sandhya R. Bubna	1.02	-
	Sharda R. Bubna	1.02	-



# 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" (Continued)

Nature of Transaction	Related Party Name	2018	2017
Issuance of benchmark linked debentures	Edelweiss Commodities Services Limited	42.00	-
	ECap Equities Limited	382.79	-
Redemption - benchmark linked debentures	ECap Equities Limited	1,458.90	5,139.20
Sale / redemption of Commercial Papers to	Edelweiss Commodities Services Limited	14,970.12	31,818.98
	ECap Equities Limited	-	635.82
Purchase / Subscription of Commercial Papers from	Edelweiss Commodities Services Limited	4,997.23	9,777.26
	ECap Equities Limited	-	588.09
<b>Secondary market transactions</b>			
Purchases of securities (Stock in trade) from	Edelweiss Finance & Investments Limited	8,549.20	2,588.51
	ECap Equities Limited	2,145.71	722.43
	Edelweiss Commodities Services Limited	14,269.98	10,741.46
	Edelweiss Finvest Private Limited	641.31	414.41
	Edelweiss Securities Limited	-	767.45
	Edelcap Securities Limited	-	4,276.33
Sale of securities (Stock in trade)	Edelweiss Finance & Investments Limited	5,915.17	11,094.34
	ECap Equities Limited	2,741.55	496.28
	Edelweiss Commodities Services Limited	7,605.87	6,006.92
	Edelweiss Tokio Life Insurance Company Limited	1,046.27	31.08
	Edelweiss General Insurance Company Limited	186.72	-
	Edelweiss Finvest Private Limited	245.17	689.28
	Edelcap Securities Limited	-	7,526.48
Margin placed with (refer note -2 below)	Edelweiss Securities Limited	0.43	1,681.69
	Edelweiss Custodial Services Limited	236.07	2,206.04
Margin refund received from	Edelweiss Securities Limited	1.25	2,692.07
	Edelweiss Custodial Services Limited	747.43	1,568.44
Amount paid to Broker for trading in cash segment	Edelweiss Securities Limited	850.06	1,538.69
Amount received from Broker for trading in cash segment	Edelweiss Securities Limited	856.19	2,131.68
Assignment of Loan book from	Edelweiss Housing Finance Limited	1,614.34	-
Sale of Securities receipts to	Edelweiss Finvest Private Limited	-	2,007.32
Sale of Loans to	Edelweiss Asset Reconstruction Company Limited	2,600.00	-
Interest paid on loan	Edelweiss Financial Services Limited	81.36	-
	Edelweiss Commodities Services Limited	1,304.69	537.47
	Edelweiss Finvest Private Limited	-	6.99
	Edelweiss Finance & Investments Limited	-	0.86
Interest expense on benchmark linked debentures	ECap Equities Limited	506.03	895.56
Interest expense on non convertible debentures	Edelweiss Commodities Services Limited	23.56	48.22
	Edelweiss Finance & Investments Limited	-	12.58
	Edelweiss Finvest Private Limited	13.43	-
	ECap Equities Limited	0.34	0.57
Interest expense on Commercial Papers	ECap Equities Limited	2.73	4.36
	Edelweiss Commodities Services Limited	29.53	53.84
Interest income on margin placed with brokers	Edelweiss Securities Limited	0.02	11.15
	Edelweiss Custodial Services Limited	16.66	1.53
Interest Income on Commercial Papers	Edelweiss Housing Finance Limited	-	3.53
	Edelweiss Commodities Services Limited	-	0.01
Interest income on non convertible debentures	Edelweiss Commodities Services Limited	9.22	-
	Edelweiss Housing Finance Limited	1.47	-
	Edelweiss Finance & Investments Limited	5.41	-
	Edelweiss Retail Finance Limited	1.74	-
Interest income on loans given to	Edelweiss Commodities Services Limited	44.35	58.57
	Ravi R Bubna	0.01	-
	Ravi R Bubna HUF	12.54	-
	Ramaurar S. Bubna	0.01	-
	Sandhya R Bubna	0.01	-
	Sharda R Bubna	0.01	-
	Edelweiss AIF Fund I - EW Clover Scheme - I	-	1.15



**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	2018	2017
Dividend received on investments	Edelweiss Commodities Services Limited	0.70	0.70
	ECap Equities Limited	-	1.26
Directors nomination deposit refunded	Edelweiss Financial Services Limited	-	0.20
Arranger fees received from	Edelweiss Housing Finance Limited	-	33.20
	Edelweiss Finvest Private Limited	45.29	22.10
Management Fees received from	Edelweiss Multi Strategy Funds Management Private Limited (Formerly known as Forefront Capital Management Private Limited)	-	1.56
Enterprise Service charge paid to	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	107.17	-
Cost reimbursement paid to	Edelweiss Financial Services Limited	5.17	3.21
	Edelweiss Housing Finance Limited	4.17	0.19
	Edelweiss Commodities Services Limited	15.38	9.31
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	-	0.74
	Edelweiss Securities Limited	1.31	-
	Edelweiss Capital Markets Limited	-	0.14
	Edelweiss Asset Reconstruction Company Limited	-	0.04
	Edelweiss Retail Finance Limited	0.91	-
	ECap Equities Limited	2.09	2.20
	EFSL Trading Limited (Formerly known as EFSL Commodities Limited)	0.16	-
	Edelweiss Agri Value Chain Limited	0.33	0.15
	Edelweiss Asset Management Limited	0.08	-
	Edelweiss Broking Limited	3.58	0.26
	Edelcap Securities Limited	-	0.51
	Edel Finance Company Limited	-	4.52
	Edelweiss Finance & Investments Limited	0.01	1.00
	Edelweiss Finance & Investments Limited	-	0.34
	Edelweiss Securities Limited	-	0.03
	Edelweiss Financial Services Limited	0.12	-
	Edelcap Securities Limited	0.03	0.11
Cost reimbursement received from	Edelweiss Asset Reconstruction Company Limited	-	0.22
	Edelweiss Commodities Services Limited	-	0.48
	Edelweiss Custodial Services Limited	0.03	-
	Edelweiss Tokio Life Insurance Company Limited	0.03	-
	Edelweiss Global Wealth Management Limited	0.02	-
	Edelweiss Comtrade Limited	0.41	-
	Edelweiss Agri Value Chain 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)	0.08	0.18
	Edelweiss Retail Finance Limited	0.89	-
	Edelweiss Financial Services Limited	0.01	114.80
	Edelweiss Commodities Services Limited	16.77	203.53
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	27.20	-
	Edelcap Securities Limited	1.05	-
	Edelweiss Alternative Asset Advisors Limited	1.79	-
	Edelweiss Housing Finance Limited	0.14	-
Rating support fees paid to	Edelweiss Financial Services Limited	1.74	155.70
Corporate Guarantee support fee paid to	Edelweiss Financial Services Limited	9.92	-
Clearing charges paid to	Edelweiss Securities Limited	-	0.33
	Edelweiss Custodial Services Limited	0.24	0.02
Commission and brokerage paid to	Edelweiss Securities Limited	11.45	0.01
	Edelweiss Global Wealth Management Limited	307.19	-
	Edelweiss Investment Adviser Limited	2.26	4.53
Donation to	EdelGive Foundation	96.72	71.00
Management Fees Paid to	Edelweiss Alternative Asset Advisors Limited	116.45	4.83
Advisory fees paid to	Edelweiss Housing Finance Limited	57.97	-
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	-	0.69
	Edelweiss Asset Reconstruction Company Limited	141.50	22.79
Collateral management fees paid	Edelweiss Agri Value Chain Limited	37.46	9.10





**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	2018	2017
Rent paid to	Edelweiss Securities Limited	2.08	-
	Edelweiss Housing Finance Limited	2.86	-
	ECap Equities Limited	18.32	19.32
	Edelweiss Asset Management Limited	0.85	-
	Edelweiss Finvest Private Limited	0.11	-
	Edelweiss Broking Limited	5.09	2.32
	Edelweiss Commodities Services Limited	90.95	56.22
	Edelweiss Retail Finance Limited	2.45	-
	Edelweiss Agri Value Chain Limited	0.71	-
Purchase of fixed assets	Edelweiss Securities Limited	1.46	-
	Edelweiss Finance & Investments Limited	0.11	-
	Edelweiss Retail Finance Limited	0.02	-
	Edelweiss Housing Finance Limited	0.44	-
Remuneration paid to (refer note 3)	Raviprakash R. Bubna	72.54	44.50
	Himanshu Kaji	20.00	-
	Rashesh Shah	67.50	99.78
<b>Balances with related parties</b>			
Short term borrowings	Edelweiss Commodities Services Limited	12,124.87	14,080.73
Trade payables	Edelweiss Financial Services Limited	13.14	1.14
	Edelweiss Finance & Investments Limited	-	0.67
	Edelweiss Broking Limited	(0.81)	0.16
	Edelweiss Agri Value Chain Limited	-	0.21
	Edelweiss Investment Adviser Limited	0.07	0.52
	Edelweiss Asset Reconstruction Company Limited	31.27	-
	Edelweiss Retail Finance Limited	5.24	-
	Edelweiss Asset Management Limited	1.01	-
	Edelweiss Global Wealth Management Limited	104.22	-
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	58.15	1.39
	Edelweiss Securities Limited	2.62	-
	Edelweiss Commodities Services Limited	45.54	46.20
	Edelweiss Alternative Asset Advisors Limited	141.62	4.83
	Edelweiss Capital Markets Limited	-	0.14
	Edelcap Securities Limited	-	0.51
	Edel Finance Company Limited	-	5.20
	Edelweiss Housing Finance Limited	63.32	-
	Edelweiss Agri Value Chain Limited	0.40	-
	ECap Equities Limited	12.27	-
	EFSL Commodities Limited	0.05	-
Non convertible debentures (borrowings)	Edelweiss Commodities Services Limited	42.00	503.20
	Edelweiss Finance & Investments Limited	4.45	-
	Edelweiss Finvest Private Limited	63.51	-
Commercial Papers (borrowings)	Edelweiss Commodities Services Limited	-	3,758.76
<b>Other liabilities</b>			
Interest accrued but not due on Non convertible debenture	Edelweiss Finvest Private Limited	34.49	-
	Edelweiss Finance & Investments Limited	0.14	-
Interest accrued but not due on borrowings	Edelweiss Commodities Services Limited	-	0.03
Corporate guarantee taken from	Edelweiss Financial Services Limited	54.00	5,026.99
Investments in equity shares	Aeon Credit Services India Pvt Ltd	-	227.50
Investments in preference shares	Edelweiss Commodities Services Limited	1,000.00	1,000.00
	Edelweiss Investment Adviser Limited	-	220.00
Non convertible debentures (stock in trade)	Edelweiss Housing Finance Limited	56.74	-
	Edelweiss Commodities Services Limited	928.35	-
	Edelweiss Retail Finance Limited	1,235.89	-



**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	2018	2017
Trade receivables	Edelweiss Financial Services Limited	0.13	-
	Edelweiss Retail Finance Limited	1.47	-
	Edelweiss Comtrade Limited	1.00	-
	Edelweiss Housing Finance Limited	-	35.12
	Edelweiss Alternative Asset Advisors Limited	0.92	-
	Edelweiss Securities Limited	-	3.96
	Edelcap Securities Limited	-	0.11
	Edelweiss Commodities Services Limited	1.00	0.48
	Edelweiss Insurance Brokers Limited	0.10	0.06
	Edelweiss Custodial Services Limited	0.29	0.16
	Edelweiss Finvest Private Limited	50.02	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
	ECap Equities Limited	0.01	-
	EC Commodity Limited	0.01	-
	EFSL Commodities Limited	0.00	-
	Edelweiss Tokio Life Insurance Company Limited	0.04	-
Loans and advances	Ravi R Bubna HUF	35.65	-
	Sandhya R Bubna	0.01	-
<b>Other assets</b>			
Advances recoverable in cash or in kind or for value to be received	Edelweiss Broking Limited	-	0.01
	Edelweiss Finance & Investments Limited	-	0.22
<b>Other current assets</b>			
Margin money balance with	Edelweiss Securities Limited	5.06	2.19
	Edelweiss Custodial Services Limited	126.25	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. The variable compensation included herein is 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 2018.

**Policy on dealing with Related Party transactions:**

- The Company has made a list of related parties after considering the requirements and based on the annual declaration received from individuals like Directors and Key Managerial Personnel (KMP).

- The Directors and KMP's are also required to inform the Company of any changes to such declaration during the year.

- All related party transactions are reported and referred for approval to the Audit Committee as per section 177 of the Companies Act, 2013. The Audit committee may grant general approval for repetitive related party transactions. Such general approval will be valid for a period of one year and a fresh approval shall be taken for every financial year.

- As per section 188 of the Companies Act, 2013, the consent of the Board / Shareholders' approval is required, by a special resolution in a general meeting, for entering into the specified transactions with a related party, if they are not in ordinary course of business of the Company or at arm's length and exceeds the threshold limits as specified in the Act

**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

Particulars	2018	2017
a) Shareholders earnings (as per statement of profit and loss)	4,620.47	3,903.18
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	56.26	-
Total number of equity shares outstanding at the end of the year	1,948.11	1,891.85
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	1,892.16	1,891.85
Basic and diluted earnings per share (in rupees) (a/b)	2.44	2.06

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

Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with The Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

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

Amount of Rs. 43.67 million (previous year: Rs.42.60 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

	2018	2017
Current service cost	12.00	10.27
Interest cost	2.89	2.76
Expected Return on plan assets	(3.32)	(3.30)
Past service cost	6.95	-
Actuarial Loss / (Gain)	(3.55)	(5.24)
<b>Employer expense</b>	<b>14.97</b>	<b>4.49</b>

#### Balance Sheet

##### Reconciliation of Defined Benefit Obligation (DBO)

	2018	2017
Present value of DBO at start of year	46.95	44.64
Interest cost	2.89	2.76
Current Service cost	12.00	10.27
Past Service cost	6.95	-
Transfer In	(4.35)	(7.32)
Benefits paid	(2.92)	(1.18)
Actuarial (Gain) / Loss	(2.78)	(2.22)
<b>Present value of DBO at end of year</b>	<b>58.74</b>	<b>46.95</b>

##### Reconciliation of Fair Value of Plan Assets

	2018	2017
Fair value of plan assets at start of year	50.31	45.17
Expected Return on Plan Assets	3.32	3.30
Contributions by Employer	8.00	-
Benefits paid	(2.92)	(1.18)
Actuarial (loss)/ gain:	0.77	3.02
<b>Fair value of plan assets at end of the year</b>	<b>59.48</b>	<b>50.31</b>

##### Net Liability / (Asset) recognised in Balance Sheet

Particulars	2018	2017	2016	2015	2014
Present value of DBO	58.74	46.95	44.64	29.87	19.38
Fair value of plan assets	59.48	50.31	45.17	29.79	12.23
<b>Net (Assets)/Liability</b>	<b>(0.74)</b>	<b>(3.36)</b>	<b>(0.53)</b>	<b>0.08</b>	<b>7.15</b>

##### Experience Adjustments

Particulars	2018	2017	2016	2015	2014
On Plan Liabilities: (Gain)/ Loss	(1.14)	(3.77)	3.74	0.03	2.33
On Plan Assets: Gain/ (Loss)	0.48	2.84	(0.64)	2.68	0.65
Estimated contribution for next year	-	-	-	-	7.00

##### Actuarial assumptions

	2018	2017
Discount rate	7.30%	6.80%
Salary Growth Rate	7%	7%
Withdrawal / Attrition Rate (based on categories)	13%-25%	13%-25%
Expected return on Plan Assets	6.80% p.a.	7.40% p.a.
Mortality rate	IALM 2006-08 (Ult.)	IALM 2006-08 (Ult.)
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

- Fixed deposit of Rs. Nil million (Previous Year: Rs. 20.00 million) have been pledged with Bank of India for bank guarantee for Non convertible debenture listing.
- Fixed deposit of Rs. 50.01 million (Previous Year: Rs.50.00 million) have been pledged with Ratnakar bank for bank guarantee for Non convertible debenture listing.
- Fixed deposit of Rs. 80.51 million (Previous Year : Rs.80.51 million ) have been pledged with ING Vyasa for Securitization.
- Fixed deposit of Rs. 57.64 million(Previous Year : Rs.57.64 million) have been pledged with Yes Bank for Securitization.
- Fixed deposit of Rs. 50.00 million (Previous Year : Rs.Nil million) have been pledged with ICICI Bank against Bank Overdraft.

### 2.33 Open interest in equity index/ stock futures

As at March 31, 2018

Particulars	Long Position		Short Position	
	Number of contracts	Number of units	Number of contracts	Number of units
Maturity grouping				
< 1 month	26	36,300	283	85,466

As at March 31, 2017

Particulars	Long Position		Short Position	
	Number of contracts	Number of units	Number of contracts	Number of units
Maturity grouping				
< 1 month	-	-	1,482	3,051,900

As at March 31, 2018

Index Name	Maturity grouping	Long Position		Short Position	
		Number of contracts	Number of units	Number of contracts	Number of units
Nifty	< 1 month	-	-	301	22,575

As at March 31, 2017

Index Name	Maturity grouping	Long Position		Short Position	
		Number of contracts	Number of units	Number of contracts	Number of units
Nifty	< 1 month	2,298	172,350	-	-
	1-2 months	681	51,075	-	-
	2-3 months	343	25,725	-	-

### Open interest in Currency derivatives with exchanges

Long Position as at March 31 2018

No.	Particulars	Maturity Pattern	No. of Contracts	No. of units
1	NA	-	-	-

Long Position as at March 31 2017

No.	Particulars	Maturity Pattern	No. of Contracts	No. of units
1	USDINR	< 1 month	10,000	10,000,000

### Open interest in Interest rate derivatives with exchanges

Short Position as at March 31 2018

No.	Particulars	Maturity Pattern	No. of Contracts	No. of units
1	FUTIRC	< 1 month	2,040	4,080,000

Short Position as at March 31 2017

No.	Particulars	Maturity Pattern	No. of Contracts	No. of units
1	FUTIRC	< 1 month	938	1,876,000



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.34 Option contracts outstanding:

#### Index

No.	Name of the option – Index	Total premium carried forward (net of provision made) as at	
		March 31 2018	March 31 2017
1	Purchase of option- Nifty	3.91	723.34
2	Sale of option- Nifty	191.37	70.50

### 2.35 The following currency option contracts are outstanding as on 31 March 2018

Sr. no.	Name of currency option	Total premium carried forward	
		March 31 2018	March 31 2017
1	USDINR	0.04	-

### 2.36 Open interest in interest rate derivatives other than exchanges:

Benchmark	Purpose	Notional Principal ( in million)	Terms
<i>As at March 31 2018</i>			
MIBOR	Hedging	13,250.00	Pay fixed vs. receive floating
MIBOR	Hedging	16,500.00	Pay floating vs. receive fixed
<i>As at March 31 2017</i>			
MIBOR	Hedging	7,250.00	Pay fixed vs. receive floating
MIBOR	Hedging	24,500.00	Pay floating vs. receive fixed

### 2.37 Open interest in currency derivatives other than exchanges :

Particulars	Purpose	Notional Principal as at March 31 2018	Notional Principal as at March 31 2017
USD INR	Hedging	-	64.93

### 2.38 Operating leases

The Company has taken premises on operating lease. Rental expenses for the year ended 31 March 2018 aggregated to Rs. 141.40 million (Previous year: Rs. 7.37 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 :

	2018	2017
<b>Minimum lease payments for non cancellable lease</b>		
- Not later than one year	24.59	-
- later than one year and not later than five years	12.97	-
- later than five years	-	-
<b>Total</b>	<b>37.56</b>	<b>-</b>

Future minimum lease payments for the non-cancellable operating lease are gross of sharing of expenses with group Companies.

### 2.39 Contingent liabilities and commitments

#### Contingent liabilities

- Taxation matters of Assessment year 2013-14 and Assessment year 2014-15 in respect of which appeal is pending Rs. Nil million (Previous year: Rs. 0.54 million).
- Litigation pending against the Company amounting to Rs. 111.98 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

- Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 33.25 million (Previous year: Rs 54.55 million ).
- Undrawn committed credit lines subject to meeting of conditions Rs. 45,446.60 million as at balance sheet date (Previous year: Rs. 20,354.19





# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.40 Cost sharing

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

### 2.41 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.

### 2.42 Details of Secured and Unsecured Debentures

#### Details of the Secured Debentures as at 31 March 2018

- a) 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. Nil** million (previous year : Rs 4,000 million) by way of charge on immovable property, floating charge on movable properties in the form of receivables.
- b) 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. 54.00** million (previous year Rs 572.50 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.
- c) 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. 58,637.43** million (previous year Rs 46,639.72 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. 58,637.43** million (previous year : Rs 46,639.72 million) includes Rs. 5,003.70 million (previous year : Rs.4,994.35 million) of Masala Bonds issued during the previous year.
- d) 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. 1,408.47** million (previous year : Rs 7,892.76 million) by way of charge on immovable property and floating charge on movable properties in the form of receivables.
- e) In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.
- f) 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).
- g) During the previous year, the Company has raised Rs 4,981.77 million (net of issue expenses) ("net proceeds") through issue of 50,200 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 2018 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.
- h) During the year, The Company has raised Rs. 3,000.00 million through issue of 30,000 number of Unsecured Non-Convertible Subordinated Perpetual bonds in the nature of Debentures. Outstanding balance of perpetual debenture as on March 31, 2018 is 13.28% of Tier I Capital of Rs. 22,591.97 million as at March 31, 2017.





## 2.42 Details of Secured and Unsecured Debentures (Continued)

(i) Maturity profile and rate of interest of Long term including Current maturity of long term Non Convertible Debentures are as set out below

## Secured Debentures:

As at March 31 2018

Month	Rate of Interest				Benchmark linked Debentures*	Total
	8%-9%	9%-10%	10%-11%	11%-12%		
September-2027	1,250.00	-	-	-	-	1,250.00
March-2027	5,000.00	-	-	-	-	5,000.00
August-2026	-	-	-	-	8.18	8.18
June-2026	-	225.00	-	-	-	225.00
May-2026	-	200.00	-	-	-	200.00
March-2026	-	250.00	-	-	168.30	418.30
January-2026	-	-	-	-	3.43	3.43
December-2025	-	250.00	-	-	4.32	254.32
October-2025	-	3,325.00	-	-	-	3,325.00
September-2025	-	-	-	-	30.80	30.80
August-2025	-	-	-	-	13.31	13.31
April-2025	-	100.00	-	-	-	100.00
March-2025	-	-	100.00	-	-	100.00
February-2025	-	-	50.00	-	-	50.00
December-2024	-	-	200.00	-	-	200.00
January-2024	500.00	-	-	-	-	500.00
September-2022	-	6,500.00	-	-	-	6,500.00
January-2022	-	-	-	-	13.74	13.74
September-2021	5,000.00	-	-	-	-	5,000.00
May-2021	-	-	-	-	35.86	35.86
April-2021	-	-	-	-	10.80	10.80
March-2021	1,200.00	-	-	-	-	1,200.00
January-2021	-	-	-	-	19.78	19.78
December-2020	500.00	1,700.00	-	-	15.63	2,215.63
November-2020	-	-	-	-	9.10	9.10
October-2020	-	-	4,000.00	-	49.26	4,049.26
August-2020	-	-	-	-	67.01	67.01
July-2020	28.00	-	-	-	36.79	64.79
June-2020	314.30	-	-	-	64.66	378.96
May-2020	37.00	215.00	-	-	19.36	271.36
April-2020	214.00	-	-	-	196.63	410.63
March-2020	2,000.00	-	1,394.78	-	162.75	3,557.53
February-2020	750.00	-	-	-	175.34	925.34
January-2020	-	-	-	-	281.96	281.96
December-2019	-	6,601.78	-	-	277.96	6,879.74
November-2019	-	-	-	-	297.23	297.23
October-2019	-	-	-	-	293.80	293.80
September-2019	500.00	-	-	-	148.08	648.08
August-2019	-	-	2,500.00	-	303.05	2,803.05
July-2019	-	-	125.00	-	155.58	280.58
June-2019	-	-	-	-	187.72	187.72
May-2019	-	-	-	470.00	171.27	641.27
April-2019	-	-	-	-	145.05	145.05
March-2019	-	-	-	-	264.26	264.26
February-2019	-	250.00	-	327.00	81.58	658.58
January-2019	-	100.00	-	1,424.79	98.89	1,623.68
December-2018	-	1,650.00	-	-	242.49	1,892.49
November-2018	-	-	-	-	159.41	159.41
October-2018	-	-	-	-	191.59	191.59
September-2018	-	-	-	-	226.85	226.85
August-2018	-	-	2,600.00	-	619.98	3,219.98
July-2018	-	-	-	-	439.55	439.55
June-2018	-	-	-	-	297.34	297.34
May-2018	-	-	-	-	402.37	402.37
April-2018	-	-	-	-	743.89	743.89
<b>Total</b>	<b>17,293.30</b>	<b>21,366.78</b>	<b>10,969.78</b>	<b>2,221.79</b>	<b>7,134.95</b>	<b>58,986.60</b>



## 2.42 Details of Secured Debentures (Continued)

## Secured Debentures:

As at March 31 2017

Month	Rate of Interest				Benchmark linked Debentures*	Total
	8%-9%	9%-10%	10%-11%	11%-12%		
March-2027	5,000.00	-	-	-	-	5,000.00
August-2026	-	-	-	-	20.00	20.00
June-2026	-	225.00	-	-	-	225.00
May-2026	-	200.00	-	-	-	200.00
March-2026	-	250.00	-	-	400.00	650.00
January-2026	-	-	-	-	8.00	8.00
December-2025	-	250.00	-	-	10.00	260.00
October-2025	-	3,325.00	-	-	-	3,325.00
September-2025	-	-	-	-	70.00	70.00
August-2025	-	-	-	-	30.00	30.00
April-2025	-	100.00	-	-	-	100.00
March-2025	-	-	100.00	-	-	100.00
February-2025	-	-	50.00	-	-	50.00
December-2024	-	-	200.00	-	-	200.00
January-2024	500.00	-	-	-	-	500.00
January-2022	-	-	-	-	20.00	20.00
May-2021	-	-	-	-	50.00	50.00
April-2021	-	-	-	-	15.00	15.00
January-2021	-	-	-	-	20.00	20.00
December-2020	-	1,700.00	-	-	-	1,700.00
November-2020	-	-	-	-	10.00	10.00
October-2020	-	-	4,000.00	-	54.00	4,054.00
August-2020	-	-	-	-	83.70	83.70
July-2020	28.00	-	-	-	44.71	72.71
June-2020	-	-	-	-	80.00	80.00
May-2020	37.00	215.00	-	-	23.82	275.82
April-2020	42.00	-	-	-	242.99	284.99
March-2020	-	-	1,408.47	-	207.59	1,616.06
February-2020	250.00	-	-	-	212.25	462.25
January-2020	-	-	-	-	287.03	287.03
December-2019	-	6,644.35	-	-	333.84	6,978.19
November-2019	-	-	-	-	343.30	343.30
October-2019	-	-	-	-	352.23	352.23
September-2019	-	-	-	-	143.00	143.00
August-2019	-	-	2,500.00	-	349.50	2,849.50
July-2019	-	-	125.00	-	169.00	294.00
June-2019	-	-	-	-	213.31	213.31
May-2019	-	-	-	470.00	177.59	647.59
April-2019	-	-	-	-	160.00	160.00
March-2019	-	-	-	-	280.12	280.12
February-2019	-	250.00	-	327.00	100.87	677.87
January-2019	-	100.00	-	1,425.85	117.23	1,643.08
December-2018	-	1,650.00	-	-	273.94	1,923.94
November-2018	-	-	-	-	175.72	175.72
October-2018	-	-	-	-	258.08	258.08
September-2018	-	-	-	-	237.46	237.46
August-2018	-	-	2,600.00	-	643.35	3,243.35
July-2018	-	-	-	-	459.15	459.15
June-2018	-	-	-	-	254.98	254.98
May-2018	-	-	-	-	288.23	288.23
April-2018	-	-	-	-	802.80	802.80
March-2018	-	511.47	6,722.80	-	812.00	8,046.27
February-2018	-	-	-	-	807.85	807.85
January-2018	-	-	50.00	-	1,148.64	1,198.64
December-2017	-	60.00	-	-	939.77	999.77
November-2017	-	-	-	-	403.00	403.00
October-2017	-	-	100.00	-	596.60	696.60
September-2017	1,775.77	-	-	-	737.86	2,513.63
August-2017	-	-	85.00	-	872.36	957.36
July-2017	-	-	-	-	415.86	415.86
June-2017	-	-	-	-	242.50	242.50
May-2017	-	-	-	-	654.89	654.89
April-2017	-	-	-	-	173.10	173.10
Total	7,632.77	15,480.82	17,941.27	2,222.85	15,827.22	59,104.93

\* Benchmark against performance of specific indices like Nifty, Bank nifty, Stock index



(j) Maturity profile and rate of interest of Long term including Current maturity of long term Non Convertible Debentures are as set out below

**Unsecured Debentures:****As at March 31 2018**

Month	Rate of Interest				Benchmark linked Debentures*	Total
	8%-9%	9%-10%	10%-11%	11%-12%		
February-2020	-	-	-	-	490.78	490.78
April-2020	-	-	-	4,000.00	-	4,000.00
September-2020	-	-	-	500.00	-	500.00
December-2020	-	-	-	200.00	-	200.00
April-2022	-	-	3,000.00	-	-	3,000.00
June-2022	-	-	-	500.00	-	500.00
June-2023	-	-	-	-	1,016.97	1,016.97
July-2023	-	-	-	-	145.96	145.96
August-2023	-	-	-	-	685.59	685.59
May-2025	-	-	-	3,000.00	-	3,000.00
June-2025	-	-	-	-	23.88	23.88
September-2025	-	-	200.00	-	-	200.00
April-2026	-	-	-	-	44.84	44.84
June-2026	-	-	2,500.00	-	-	2,500.00
April-2027	-	-	-	-	168.79	168.79
June-2027	-	-	-	-	38.33	38.33
September-2027	-	200.00	-	-	-	200.00
October-2027	-	1,000.00	-	-	-	1,000.00
<b>Total</b>	-	<b>1,200.00</b>	<b>5,700.00</b>	<b>8,200.00</b>	<b>2,615.14</b>	<b>17,715.14</b>

**Unsecured Debentures:****As at March 31 2017**

Month	Rate of Interest				Benchmark linked Debentures*	Total
	8%-9%	9%-10%	10%-11%	11%-12%		
June-2026	-	-	2,500.00	-	-	2,500.00
April-2026	-	-	-	-	110.00	110.00
September-2025	-	-	200.00	-	-	200.00
May-2025	-	-	-	3,000.00	-	3,000.00
June-2022	-	-	-	500.00	-	500.00
December-2020	-	-	-	200.00	-	200.00
September-2020	-	-	-	500.00	-	500.00
April-2020	-	-	-	4,000.00	-	4,000.00
February-2020	-	-	-	-	600.00	600.00
<b>Total</b>	-	-	<b>2,700.00</b>	<b>8,200.00</b>	<b>710.00</b>	<b>11,610.00</b>

\* Benchmark against performance of specific indices like Nifty, Bank nifty, Stock index



# 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 March 31 2018

Month	Rate of Interest			Total
	8%-9%	9%-10%	10%-11%	
March-2023	100.00	-	-	100.00
February-2023	100.00	-	-	100.00
January-2023	450.00	-	-	450.00
December-2022	450.00	-	-	450.00
November-2022	100.00	-	-	100.00
October-2022	50.00	-	-	50.00
September-2022	1,606.58	-	-	1,606.58
August-2022	100.00	-	-	100.00
July-2022	550.00	-	-	550.00
June-2022	1,606.58	-	-	1,606.58
May-2022	100.00	-	-	100.00
April-2022	100.00	-	-	100.00
March-2022	1,981.57	40.00	-	2,021.57
February-2022	125.00	-	-	125.00
January-2022	550.00	-	-	550.00
December-2021	6,726.58	40.00	-	6,766.58
November-2021	125.00	-	-	125.00
October-2021	150.00	-	-	150.00
September-2021	2,376.58	40.00	-	2,416.58
August-2021	125.00	-	-	125.00
July-2021	775.00	-	-	775.00
June-2021	2,326.58	90.00	-	2,416.58
May-2021	125.00	-	-	125.00
April-2021	325.00	-	-	325.00
March-2021	2,543.25	90.00	-	2,633.25
February-2021	125.00	-	-	125.00
January-2021	775.00	-	-	775.00
December-2020	6,534.18	140.00	-	6,674.18
November-2020	125.00	-	-	125.00
October-2020	1,597.37	-	-	1,597.37
September-2020	3,003.03	140.00	-	3,143.03
August-2020	125.00	-	-	125.00
July-2020	929.97	-	-	929.97
June-2020	2,948.87	473.33	-	3,422.20
May-2020	125.00	-	-	125.00
April-2020	1,730.77	-	-	1,730.77
March-2020	3,290.53	140.00	-	3,430.53
February-2020	125.00	-	-	125.00
January-2020	930.77	-	-	930.77
December-2019	7,257.20	140.00	-	7,397.20
November-2019	187.50	-	-	187.50
October-2019	1,730.77	-	-	1,730.77
September-2019	3,856.27	140.00	-	3,996.27
August-2019	312.50	-	-	312.50
July-2019	930.77	50.00	-	980.77
June-2019	3,508.75	473.33	-	3,982.08
May-2019	187.50	-	-	187.50
April-2019	1,730.77	50.00	-	1,780.77
March-2019	3,881.67	140.00	-	4,021.67
February-2019	312.50	-	-	312.50
January-2019	993.27	50.00	-	1,043.27
December-2018	4,008.75	140.00	-	4,148.75
November-2018	187.50	-	-	187.50
October-2018	543.27	50.00	-	593.27
September-2018	3,975.42	140.00	-	4,115.42
August-2018	312.50	-	-	312.50
July-2018	993.27	50.00	-	1,043.27
June-2018	3,758.75	473.33	-	4,232.08
May-2018	187.50	-	-	187.50
April-2018	245.90	-	-	245.90
Total	85,035.54	3,089.99	-	88,125.53

As at March 31 2017

Month	Rate of Interest			Total
	8%-9%	9%-10%	10%-11%	
July-2022	-	50.00	-	50.00
April-2022	-	50.00	-	50.00
March-2022	62.50	352.50	-	415.00
February-2022	-	25.00	-	25.00
January-2022	-	50.00	-	50.00
December-2021	62.50	5,085.00	-	5,147.50
November-2021	-	25.00	-	25.00
October-2021	-	50.00	-	50.00
September-2021	62.50	685.00	-	747.50
August-2021	-	25.00	-	25.00
July-2021	-	125.00	-	125.00
June-2021	62.50	735.00	-	797.50



# 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 (Continued)

As at March 31 2017

Month	Rate of Interest			Total
	8%-9%	9%-10%	10%-11%	
May-2021	-	25.00	-	25.00
April-2021	-	125.00	-	125.00
March-2021	62.50	735.00	-	797.50
February-2021	-	25.00	-	25.00
January-2021	-	125.00	-	125.00
December-2020	62.50	4,910.00	-	4,972.50
November-2020	-	25.00	-	25.00
October-2020	-	147.37	-	147.37
September-2020	62.50	1,015.56	-	1,078.06
August-2020	-	25.00	-	25.00
July-2020	-	147.37	50.00	197.37
June-2020	62.50	1,065.56	112.50	1,240.56
May-2020	-	25.00	-	25.00
April-2020	-	147.37	50.00	197.37
March-2020	62.50	1,190.56	112.50	1,365.56
February-2020	-	25.00	-	25.00
January-2020	-	197.37	50.00	247.37
December-2019	62.50	5,386.39	112.50	5,561.39
November-2019	-	25.00	-	25.00
October-2019	-	197.37	50.00	247.37
September-2019	62.50	1,491.39	139.90	1,693.79
August-2019	-	150.00	-	150.00
July-2019	-	247.37	50.00	297.37
June-2019	62.50	1,516.39	249.68	1,828.57
May-2019	-	25.00	-	25.00
April-2019	-	247.37	50.00	297.37
March-2019	62.50	1,641.39	280.93	1,984.82
February-2019	-	150.00	-	150.00
January-2019	-	247.37	112.50	359.87
December-2018	62.50	1,672.64	343.43	2,078.57
November-2018	-	25.00	-	25.00
October-2018	-	247.37	112.50	359.87
September-2018	62.50	1,672.60	342.84	2,077.94
August-2018	-	150.00	-	150.00
July-2018	-	247.37	112.50	359.87
June-2018	62.50	1,672.64	343.43	2,078.57
May-2018	-	25.00	41.67	66.67
April-2018	-	247.38	112.50	359.88
March-2018	62.50	1,672.63	343.43	2,078.56
February-2018	-	150.00	41.67	191.67
January-2018	-	247.37	112.50	359.87
December-2017	62.50	1,672.64	343.43	2,078.57
November-2017	-	25.00	41.67	66.67
October-2017	-	247.37	112.45	359.82
September-2017	62.50	1,610.14	530.93	2,203.57
August-2017	-	125.00	83.33	208.33
July-2017	-	197.37	112.50	309.87
June-2017	62.50	1,610.14	621.83	2,294.47
May-2017	-	125.00	166.67	291.67
April-2017	-	-	112.50	112.50
<b>Total</b>	<b>1,250.00</b>	<b>42,181.36</b>	<b>5,452.29</b>	<b>48,883.65</b>

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

	2018	2017
<b>Opening stock</b>		
Equity shares	888.77	-
Preference shares	-	-
Debt instruments	53,277.17	52,285.77
Mutual Fund	4,810.00	6,460.00
<b>Total</b>	<b>58,975.94</b>	<b>58,745.77</b>
<b>Purchase</b>		
Equity shares	5,787.73	1,047.23
Preference shares	650.99	-
Debt instruments	890,435.44	1,042,451.29
Mutual Fund	1,685,500.00	1,251,582.70
<b>Total</b>	<b>2,582,374.16</b>	<b>2,295,081.22</b>
<b>Sales</b>		
Equity shares	6,529.73	74.48
Preference shares	441.51	-
Debt instruments	850,118.99	1,043,049.79
Mutual Fund	1,687,108.27	1,253,874.96
<b>Total</b>	<b>2,544,198.50</b>	<b>2,296,999.23</b>
<b>Closing stock</b>		
Equity shares	117.34	888.77
Preference shares	203.18	-
Debt instruments	93,234.49	53,277.17
Mutual Fund	3,580.71	4,810.00
<b>Total</b>	<b>97,135.72</b>	<b>58,975.94</b>
<b>Profit/(loss) on sale of securities</b>	<b>(15.88)</b>	<b>2,148.18</b>



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.45 Investments

	2018	2017
1) Value of Investments		
i) Gross Value of Investments		
a) In India	6,718.44	6,730.76
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	49.45	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	6,668.99	6,730.76
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments.		
i) Opening balance	-	-
ii) Add : Provisions made during the year	49.45	-
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	49.45	-





# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.46 Foreign currency

The Company has undertaken the following transactions in foreign currency

	2018	2017
<b>Expenditure incurred in foreign currency (on accrual basis)</b>		
Membership and subscription	5.13	1.71
Legal & Professional Fees	3.28	67.55
Travelling expenses	0.16	0.13
Miscellaneous expenses	30.42	0.57
<b>Total</b>	<b>38.99</b>	<b>69.96</b>

### 2.47 Derivatives

#### A) Forward Rate Agreement / Interest Rate Swap

	2018	2017
i) The notional principal of swap agreements	29,750.00	31,750.00
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	27.50	32.17
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	(7.56)	(8.99)

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

#### B) Exchange Traded Interest Rate (IR) Derivatives

	2018	2017
i) Notional principal amount of exchange traded IR derivatives undertaken during the year	66,940.60	2,763.00
ii) Notional principal amount of exchange traded IR derivatives outstanding	408.00	187.60
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

	2018		2017	
	Currency Derivative	Interest Rate Derivatives	Currency Derivative	Interest Rate Derivatives
i) Derivatives (Notional Principal Amount)				
- For hedging	-	30,158.00	1,297.69	31,937.60
ii) Marked to Market Positions				
a) Assets (+)	-	27.50	1.47	32.17
b) Liability (-)	-	(35.06)	-	(41.15)
iii) Credit Exposure	-	332.50	12.99	292.50
iv) Unhedged Exposures	-	-	-	-



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.48 Capital to Risk Assets Ratio (CRAR)

	2018	2017
i) CRAR (%)	17.09%	16.14%
ii) CRAR - Tier I capital (%)	11.82%	11.35%
iii) CRAR - Tier II Capital (%)	5.27%	4.79%
iv) Amount of subordinated debt raised as Tier-II capital	12,964.10	2,500.00
v) Amount raised by issue of Perpetual Debt Instruments	3,000	-

### 2.49 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:

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

	2018	2017
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	181.03	271.96
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	18.10	27.20
a) Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
- First loss	18.10	27.20
- Others	-	-
4 Amount of exposures to securitisation transactions other than MRR	120.06	110.96
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	120.06	110.96
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-

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

	2018	2017
i) No. of accounts	7	5.00
ii) Aggregate value (net of provisions) of accounts sold to SC / RC	1,586.98	5,009.45
iii) Aggregate consideration	2,600.00	5,050.00
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / (loss) over net book value	(1,013.02)	40.55



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.49 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 :

	2018	2017
Total number of loan assets under par structure	21.00	-
Total book value of loan assets	181.13	-
Sales consideration received	181.13	-

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:

	2018	2017
1 No. of transactions assigned by the NBFC	5	4.00
2 Total amount outstanding	353.07	325.68
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	39.23	36.19
a) Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
- First loss		
- Others	39.23	36.19
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.

	2018	2017
i) No. of accounts	21.00	-
ii) Aggregate value (net of provisions) of accounts sold	181.13	-
iii) Aggregate consideration	181.13	-
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	-	-

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

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



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.50 Exposure to real estate sector, both direct and indirect

	2018	2017
<b>A Direct Exposure</b>		
(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)	71,205.53	4,756.06
(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.	11,597.71	53,247.75
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
- Residential	-	-
- Commercial Real Estate	-	-
<b>B Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
<b>C Others (not covered above)</b>	-	11,992.02

### 2.51 Exposure to Capital Market

	2018	2017
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	117.34	-
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	36,122.99	17,118.13
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	50,572.67	34,294.43
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	4,065.75	1,461.46
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	84.69	1,380.67
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



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.52 Asset Liability Management

#### Maturity pattern of certain items of assets and liabilities

As at March 31 2018

Particulars	Assets			Liabilities	
	Loans and Advances	Investments	Stock in Trade	Borrowings from Banks	Other Borrowings
1 day to 30/31 days (One month)	10,443.76	0.43	-	22,851.26	28,191.92
Over One months to 2 months	10,004.60	-	-	187.50	3,120.71
Over 2 months up to 3 months	4,937.68	-	-	4,232.08	3,154.39
Over 3 months to 6 months	8,997.43	-	-	5,173.82	6,110.79
Over 6 months to 1 year	16,815.83	-	24,526.62	9,712.22	5,946.22
Over 1 year to 3 years	103,705.83	-	-	44,090.85	33,175.22
Over 3 years to 5 years	51,477.00	5,668.56	-	20,434.47	12,860.40
Over 5 years	13,699.10	1,000.00	-	-	23,702.71
<b>Total</b>	<b>220,081.23</b>	<b>6,668.99</b>	<b>24,526.62</b>	<b>106,682.20</b>	<b>116,262.36</b>

As at March 31 2017

Particulars	Assets			Liabilities	
	Loans and Advances	Investments	Stock in Trade	Borrowings from Banks	Other Borrowings
1 day to 30/31 days (One month)	27,468.55	0.43	6,582.00	1,461.91	22,087.64
Over One months to 2 months	4,317.72	-	5,108.79	191.67	16,713.48
Over 2 months up to 3 months	6,123.62	-	888.77	3,294.47	14,065.06
Over 3 months to 6 months	3,061.00	66.80	-	2,524.40	4,228.69
Over 6 months to 1 year	18,813.32	-	-	9,463.88	12,446.83
Over 1 year to 3 years	64,034.36	-	-	20,636.47	26,370.17
Over 3 years to 5 years	33,993.63	5,216.03	-	15,495.52	12,283.33
Over 5 years	13,004.64	1,447.50	-	-	17,148.05
<b>Total</b>	<b>170,816.84</b>	<b>6,730.06</b>	<b>12,579.56</b>	<b>53,068.32</b>	<b>125,343.25</b>

### 2.53 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

	2018	2017
<b>i) Net NPAs to Net advances (%)</b>	<b>0.75%</b>	<b>0.64%</b>
<b>ii) Movement of Gross NPAs</b>		
a) Opening Balance	3,155.11	2,283.93
b) Additions during the year	11,754.41	2,961.25
c) Reductions during the year*	(10,893.70)	(2,090.07)
d) Closing balance	4,015.82	3,155.11
<b>iii) Movement of Net NPAs</b>		
a) Opening Balance	1,077.73	585.11
b) Additions during the year	8,598.39	1,036.65
c) Reductions during the year	(8,049.90)	(544.03)
d) Closing balance	1,626.22	1,077.73
<b>iv) Movement of Provisions for NPAs (excluding provision on Standard assets)</b>		
a) Opening Balance	2,077.38	1,698.82
b) Additions during the year	3,156.02	1,924.60
c) Reductions during the year	(2,843.80)	(1,546.04)
d) Closing balance	2,389.60	2,077.38

\* Includes NPA written off during the year Rs. 1405.44 million (Previous year: Rs 322.45 million)



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.54 Details of 'Provisions and Contingencies'

Breakup of provisions and contingencies shown under the head other expenses in the Statement of Profit and loss	2018	2017
i) Provisions for depreciation on Investment	(128.31)	35.10
ii) Provision towards NPA	312.42	378.96
iii) Provision made towards Income tax	2,414.82	2,026.53
iv) Provision for Standard Assets including restructured and others	277.25	189.81
v) Other Provision and Contingencies		
a) Provision for doubtful debts	-	-
b) Provision for credit loss on securitisation	(3.34)	(7.47)

### 2.55 Concentration of Deposits, Advances, Exposures and NPAs

	2018	2017
<b>A) Concentration of Advances</b>		
Total Advances to twenty largest borrowers	53,352.85	47,681.00
% of Advances to twenty largest borrowers to Total Advances	24.16%	27.91%
<b>B) Concentration of Exposures <sup>§</sup></b>		
Total Exposures to twenty largest borrowers / Customers	53,352.85	47,681.00
% of Exposures to twenty largest borrowers / Customers to Total Advances	24.16%	27.91%
<b>C) Concentration of NPAs</b>		
Total Exposures to top Four NPAs	1.66%	1.48%
<b>D) Sector-wise NPAs</b>		
<b>Sectors/Particulars</b>	<b>% of NPAs to Total Advances in that sector</b>	
	<b>2018</b>	<b>2017</b>
1 Agriculture & allied activities	0.13%	0.01%
2 MSME	0.00%	0.00%
3 Corporate borrowers	2.82%	1.34%
4 Services	0.00%	10.47%
5 Unsecured personal loans	0.01%	0.00%
6 Auto loans	0.00%	0.00%
7 Other personal loans	0.17%	1.37%

§ - includes Loans and advances Credit Substitute and investments

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

During the year ended 31 March 2018 and 31 March 2017, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

### 2.57 Customer Complaints

	2018	2017
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	72	27
(c) No. of complaints redressed during the year	72	27
(d) No. of complaints pending at the end of the year	-	-





2.58 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 Asset Classification	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
1	Restructured accounts as on 1st April, 2017 (Opening figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations of restructured accounts to Standard category*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured advances which ceases to attract higher provisioning and/or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-off of restructured accounts during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured accounts as on 31st Mar, 2018 (Closing figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note :

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

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



2.58 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
1	Details Restructured accounts as on 1st April, 2016 (Opening figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations of restructured accounts to Standard category*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured advances which cease to attract higher provisioning and/or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year **	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Degradations of restructured accounts during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured accounts as on 31st Mar, 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)

2.59 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, 2016. (Figures are as at 31 March 2018)

### Liabilities Side:

Particulars	Amount Outstanding		Amount Overdue	
	2018	2017	2018	2017
<b>1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid</b>				
a) Debentures: (other than those falling within the meaning of Public deposit)*				
(i) Secured	58,986.60	59,104.93	-	-
(ii) Unsecured	17,715.15	11,610.00	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans (Bank and other parties)	88,125.53	48,883.65	-	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial Paper	8,062.84	31,222.59	-	-
f) Loan from Bank				
- Working Capital Demand Loan	4,370.00	3,100.00	-	-
- Overdraft	18,235.36	3,872.83	-	-
g) Other loans	27,449.09	20,617.57	-	-

\* As defined in paragraph 3(xv) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016

### Assets side:

	Amount Outstanding	
	2018	2017
<b>2) Break up of Loans and Advances including bills receivables including Credit substitute</b> (other than those included in (3) below)		
a) Secured	203,189.21	140,109.67
b) Unsecured	16,892.02	30,707.17
<b>3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>	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	-	-
<b>4) Break up of Investments</b>		
Current Investments:		
a) Quoted:		
(i) Shares: Equity	-	66.80
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)

2.60 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Figures are as at 31 March 2018) - Continued

	Amount Outstanding	
	2018	2017
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
Preference	1,000.00	1,220.00
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
- Investments in security receipts of trusts	5,462.19	5,001.79
- Investment in Units of E-STAR Fund	206.37	214.24

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

As at March 31 2018

Particulars	Amount net of provisions		Total
	Secured	Unsecured	
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
2. Other than related parties	200,799.95	16,891.68	217,691.63
<b>TOTAL</b>	<b>200,799.95</b>	<b>16,891.68</b>	<b>217,691.63</b>

As at March 31 2017

Particulars	Amount net of provisions		Total
	Secured	Unsecured	
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	138,036.08	30,703.38	168,739.46
<b>TOTAL</b>	<b>138,036.08</b>	<b>30,703.38</b>	<b>168,739.46</b>



# 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)	
	2018	2017	2018	2017
1) Related parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	1,000.00	1,447.50	1,000.00	1,447.50
(c) Other related parties	-	-	-	-
2) Other than related parties	5,668.99	5,283.26	5,668.99	5,283.26
<b>TOTAL</b>	<b>6,668.99</b>	<b>6,730.76</b>	<b>6,668.99</b>	<b>6,730.76</b>

\*\* As per Accounting Standard 18 - Related Party Disclosures

### 7) Other Information

Particulars	2018	2017
a) Gross Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	4,015.82	3,155.11
b) Net Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	1,626.22	1,077.73
c) Assets acquired in satisfaction of debt	-	-

#### Notes:

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.

### 2.61 Details of transaction with non executive directors

Name of the Non executive director	Nature of Transaction	2018	2017
PN Venkatachalam	Sitting fees	0.24	0.28
Biswamohan Mahapatra	Sitting fees	0.12	-
Sunil Mitra	Sitting fees	0.12	0.18





# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.62 Details of ratings assigned by credit rating agencies

As at March 31 2018

Instrument category	CRISIL	ICRA	CARE	Brickworks	SMERA
i) Long Term Instruments					
Rating	CRISIL AA/Stable	ICRA AA/Stable	CARE AA/Stable	BWR AA+/Stable	SMERA AA+/Stable
Amount	137,600.00	195,000.00	176,252.90	15,000.00 BWR AA/Stable 3,000.00	1500 SMERA AA/Stable 3000
ii) Short term instruments					
Rating	CRISIL A1+	ICRA A1+	CARE A1+	-	-
Amount	96,000.00	76,000.00	36,000.00	-	-
iii) Market linked debentures					
a Short Term					
Rating	CRISIL PP- MLD A1+R	ICRA PP MLD A1+	-	-	-
Amount	12,000.00	9,000.00	-	-	-
b Long Term					
Rating	CRISIL PP MLD AA r/stable	ICRA PP MLD AA/Stable	CARE PP MLD-AA	BWR PP MLD AA+/Stable	-
Amount	22,250.00	26,500.00	7,875.40	1,500.00	-

As at March 31 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

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

2.64 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.





**ECL Finance Limited****Notes to the financial statements (Continued)**

(Currency: Indian rupees in millions)

**2.65 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 96.69 million (previous year : Rs 71.43 million).

b) Amount spent during the year on :

Sr No	Particulars	2018			2017		
		In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
i	Construction/ Acquisition of any assets	-	-	-	-	-	-
ii	on purpose other than (i) above	96.72	-	96.72	71.74	-	71.74

**2.66 Draw Down from Reserves: Nil****2.67 Note to the Balance Sheet of a non-banking financial company as required in terms of Chapter II paragraph 5 of Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016 - Nil****2.68 Disclosure under Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015****Related Party transactions**

Particulars	2018	2017
Loans and advances in the nature of loans to subsidiaries	-	-
Loans and advances in the nature of loans to associates	-	-
Loans and advances in the nature of loans to firms/companies in which directors are interested	-	-
Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	-	-

- 2.69 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.

**2.70 Registration obtained from other financial sector regulators - None****2.71 Overseas Assets - Nil (Previous year - nil)****2.72 Details of financing of parent company products - None (Previous year - none)****2.73 Off-Balance sheet SPV sponsored - None (Previous year - none)****2.74 Previous year's figures have been regrouped and rearranged wherever necessary confirm to current year's presentation / classification.**

## ECL Finance Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

2.75 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.

2.76 There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2018.

Signature to notes forming part of the Financial Statements

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm's Registration No. 012754N / N500016



Russell I Parera

Partner

Membership No: 42190

Mumbai

2 May 2018

For and on behalf of the Board of Directors



Raviprakash R. Bubna

Managing Director & CEO

DIN: 00090160



Nilesh Sampat

Chief Financial Officer

Mumbai

2 May 2018



Himanshu Kaji

Executive Director

DIN : 00009438



Shekhar Prabhudesai

Company Secretary