

Press Release

Edelweiss announces Public Issue of Secured Redeemable Non-Convertible Debentures (NCDs)

ISSUE OPENS ON 26 February, 2015 & CLOSSES ON 16 March, 2015**

Mumbai, February 23, 2015: ECL Finance Ltd (ECLF), the NBFC arm of Edelweiss Financial Services Limited, today announced the public issue of Secured Redeemable Non-Convertible Debentures (NCDs) of the face value of Rs. 1000 each, aggregating to Rs. 4,000 million, with an option to retain over-subscription up to Rs. 4,000 million aggregating to a total of Rs. 8,000 million.

The funds raised through this Issue will be used for onward lending purposes and for repayment of interest and principal of existing loans. The NCD issuance will help the company increase its liability duration as well as strengthen the ALM profile.

The NCDs offer investors an opportunity to lock in at an interest rate of 10.15% p.a. with a monthly interest option or an interest rate of 10.60% p.a. with an annual interest option for the 60 months tenure. The effective yield in the monthly option works out to 10.64% per annum whereas it works out to 10.60% for the annual and cumulative option for the 60 months tenure. Under the cumulative option, investors will get 1.655 times of the invested amount at maturity for the 60 months tenure. The NCD offer also includes a 36 months tenure option for which the effective yield works at 10.47% p.a, where as in annual and cumulative option it works out to 10.45%. Please refer to the Offer Documents for more details.

The NCD offering has received 'CARE AA' (Double A) and 'ICRA AA (Outlook: Stable)' rating indicating that the instruments with this rating are considered to have a high degree of safety for timely servicing of financial obligations and such instruments carry very low credit risk (*please see footnote on CARE and ICRA*).

ECLF's Annual Income & PAT have grown to Rs 8,123 mn & Rs 1,600 mn in FY14 from Rs 6,506 mn & Rs 1,212 mn for FY13 respectively. The Loan Book has grown significantly with a four year CAGR of 43% up to FY14.

Axis Capital Limited and Edelweiss Financial Services Limited are the lead managers for this NCD Issue. The issue opens on February 26, 2015 and closes on March 16, 2015 with an option of early closure**. The NCDs will be listed on BSE Limited and National Stock Exchange of India Limited to provide liquidity to the investors.

**The subscription list for the Issue shall remain open for subscription upto 5 p.m., with an option for early closure or extension by such period, as may be decided at the discretion of the duly authorized committee of Directors of our company subject to necessary approvals. In the event of such early closure of the Issue or extension of the Issue, our Company shall ensure that notice of such early closure or extension of the Issue is given as the case may be on such date of closure through advertisement/s in a leading national daily newspaper.

About ECL Finance Limited:

- Incorporated in July, 2005, ECLF is an NBFC arm belonging to Edelweiss Group
- Established brand and parentage of Edelweiss Group, India's prominent financial services conglomerate with a diverse set of businesses
- Professional and experienced senior management team
- Minimized concentration risk by diversifying the product portfolio and expanding the customer base
- Built on a scalable platform for our SME finance business
- Products include Corporate Finance, Structured Finance, loans against property, loans against securities, Real Estate Finance loans, Public Issue financing, SME Finance and other financial products.
- Consistently low levels of Net NPAs
- Diversified its sources of liabilities through two public issues of NCDs in 2014
- Network of 13 branches with an employee strength of 380, as on Dec 31, 2014

ECLF's Company Identification number is U65990MH2005PLC154854

About Edelweiss Group:

Edelweiss is a leading Indian company that provides a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. It offers products and services spanning across asset classes, consumer segments and geographies. Its businesses are broadly divided into **Credit including Retail Finance, Commodities, Financial Markets, Asset Management and Life Insurance**. The group's research driven approach and proven history of innovation has enabled it to foster strong relationships across all segments of clients. Life Insurance, Retail Finance including Housing Finance, Mutual Fund and Retail Financial Markets businesses have paved the way for Edelweiss to cater to the large retail client segment. Edelweiss' presence now covers 236 offices in 123 cities in India and abroad with 5,275 employees. Together with nearly 4,800 strong network of Authorized Persons and Sub-Brokers, Edelweiss group has presence across all major centers in India catering to over 545,000 clients under various businesses in retail and wholesale segments.

Edelweiss Financial Services trades under the symbols NSE: EDELWEISS, BSE: 532922, Bloomberg: EDEL.IN, Reuters: EDEL.BO.

To learn more about the Edelweiss Group, please visit www.edelweissfin.com.

Edelweiss Financial Services Limited **Corporate Identity Number:** L99999MH1995PLC094641

Disclaimer clause of CARE

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

Disclaimer clause of ICRA Limited

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with respect to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular makes no representation or warranty, express or implied as to the accuracy, timelines or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statement of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

Disclaimer of ECL Finance Ltd:

ECL Finance Limited is subject to market conditions and other considerations, proposing a public issue of Secured Redeemable Non Convertible Debentures and has filed the Prospectus with the Registrar of Companies - Maharashtra, Mumbai, BSE Limited, National Stock Exchange of India Limited and Securities and Exchange Board of India (for record purposes).

The Prospectus is available on our website at www.edelweissfin.com, on the website of the stock exchange at www.bseindia.com and www.nseindia.com and the respective websites of the LMs at www.axiscap.in and www.edelweissfin.com.

Investors proposing to participate in the Issue should invest only on the basis of information contained in the Prospectus dated February 18, 2015.

Disclaimer Clause of RBI

The Company Is Having A Valid Certificate Of Registration Dated April 24, 2006 Bearing Registration No. N-13.01831 Issued By The Reserve Bank Of India Under Section 45 Ia Of The Reserve Bank Of India Act, 1934. However, Rbi Does Not Accept Any Responsibility Or Guarantee About The Present Position As To The Financial Soundness Of The Company Or For The Correctness Of Any Of The Statements Or Representations Made Or Opinions Expressed By The Company And For Repayment Of Deposits/ Discharge Of Liability By The Company

For more information, please contact:

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