

Press Release

**Edelweiss announces Public Issue of Unsecured Subordinated Redeemable
Non-Convertible Debentures (NCDs)**

ISSUE OPENS ON 17 JUNE 2014 & CLOSSES ON 2 JULY 2014**

Mumbai, June 12, 2014: ECL Finance Ltd, the NBFC arm of Edelweiss Financial Services Limited, today announced the public issue of Unsecured Redeemable Non-Convertible Debentures (NCDs) of the face value of Rs. 1000 each, aggregating to Rs. 2,000 million, with an option to retain over-subscription up to Rs. 2,000 million aggregating to a total of Rs. 4,000 million. The NCD's are in the nature of subordinated debt with a tenure of 70 months.

The funds raised through this Issue will be used for the financing activities including lending and investments, to repay existing loans and for business operations including for capital expenditure and working capital requirements.

The NCDs offer investors an opportunity to lock in at an attractive interest rate of 12.00% p.a. with monthly, annual and cumulative options. The effective yield in monthly option works out to 12.68% for 70 months tenure and under cumulative option, investors will get 2.01 times of the invested amount at maturity.

Sharing his thoughts on the announcement, Mr. Rashesh Shah, Chairman & CEO, Edelweiss Financial Services Ltd. said, "With a decisive and a pro-reform government and RBI signaling a dovish policy outlook, the interest rate scenario has been on a softening trajectory. NCDs with their attractive returns offer a better yielding opportunity for retail investors amongst the other comparable options in debt. Every investor should have diverse investments which include debt and other asset classes. NCDs also provide liquidity as they are listed on the stock exchanges."

The NCD Offering has received 'CARE AA' (Double A) and 'BWR AA (Outlook: Stable)' rating indicating 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 Brickwork*).

ECLF's Annual Income & PAT have grown to Rs 8,123 mn & Rs 1,600.44 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 43.18% upto FY14 .

Axis Capital Limited and Edelweiss Financial Services Limited are the lead managers for this NCD Issue. The issue opens on June 17, 2014 and closes on July 2, 2014 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 belonging to Edelweiss Group
- Established brand and parentage of Edelweiss Group, India's prominent financial services conglomerate with a diverse set of businesses
- Stable senior management team with extensive experience and expertise
- 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 & SME loans, loans against property, loan against marketable securities, Real Estate Finance loans, Public Issue financing, Funding against hedged Commodities & ESOP financing
- Consistently low levels of NPA
- Network of 11 branches with an employee strength of 349, as on April 30, 2014

ECLF's Company Identification number is U65990MH2005PLC154854

About Edelweiss Group:

The Edelweiss Group is one of India's prominent financial services organizations having businesses around five broad lines – Credit including Retail Finance and debt capital markets, Commodities, Financial Markets, Asset Management and Life Insurance services. The product/services portfolio of the Edelweiss Group caters to the diverse investment and strategic requirements of around 497,654 clients across corporate, institutional, high net worth individuals. The Edelweiss Group presence extends across geographies with 216 offices in 118 cities in India including offices in New York, Mauritius, Dubai, Singapore, Nigeria and Hong Kong. The Group has been adjudged "Business Superbrand 2010/11", voted and awarded the "Best Corporate Governance, India, 2013" from the London, UK, based Capital Finance International jury.

Edelweiss Financial Services trades under the symbols NSE: EDELWEISS, BSE: 532922, Bloomberg: EDEL.IN, Reuters: EDEL.BO. For more information, please contact www.edelweissfin.com. Its corporate identity number is L99999MH1995PLC094641.

Disclaimer clause of Brickwork

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind, BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or

withdraw the ratings at any time for any reasons.

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:

ECL Finance Limited is, subject to market conditions and other considerations, proposing a public issue of Unsecured Subordinated 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 June 10, 2014.

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

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