

ECL Finance Limited

Financial Statements

together with Independent Auditors' Report
for the year ended 31 March 2015

ECL Finance Limited

Financial statements together with Auditors' Report for the year ended 31 March 2015

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B S R & Associates LLP

Chartered Accountants

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Independent Auditors' Report

To the Members of
ECL Finance Limited

Report on the financial statements

We have audited the accompanying financial statements of ECL Finance Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2015, 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 financial statements

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

Auditors' responsibility

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



Independent Auditors' Report (Continued)

ECL Finance Limited

Auditors' responsibility (Continued)

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

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 auditor's 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

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.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, and its profits and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow



Independent Auditors' Report (Continued)
ECL Finance Limited

Report on Other Legal and Regulatory Requirements (Continued)

Statement dealt with by this Report is in agreement with the books of account;

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.38 to the financial statement.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B S R & Associates LLP**

Chartered Accountants

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



N Sampath Ganesh

Partner

Membership No: 042554

Mumbai

14 May 2015

ECL Finance Limited

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- ii. (a) The Company has conducted a physical verification of equity shares and other securities relating to Company's stock-in-trade on the basis of actual verification or statement received from depository participants at reasonable intervals.
- (b) The procedures for the physical verification of stock-in-trade followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of stock-in-trade. No material discrepancies have been noticed on physical verification of stock in trade.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchase of fixed assets and sale of services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
- v. The Company has not accepted any public deposits.
- vi. The Central Government has not prescribed the maintenance of cost records under sub- section 1 of Section 148 of the Act, for any of the activities conducted/ services rendered by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, wealth tax, service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of customs duty, excise duty, cess, investor education and protection fund and employees' state insurance, to the extent applicable, as at 31 March 2015. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.



ECL Finance Limited


Annexure to the Independent Auditors' Report (*Continued*)

- (b) According to the information and explanations given to us, there are no dues of income tax and service tax which have not been deposited with appropriate authorities on account of any dispute.
 - (c) According to the information and explanations given to us, there are no dues of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder which is required to be transferred.
- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix. The Company has not defaulted in repayment of dues to any financial institution, bank or debenture holder during the year.
- x. In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **B S R & Associates LLP**

Chartered Accountants

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



N Sampath Ganesh

Partner

Membership No: 042554

Mumbai
14 May 2015

ECL Finance Limited

Balance Sheet

(Currency : Indian rupees)

	Note	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	1,891,848,462	1,891,848,462
Reserves and surplus	2.2	15,479,156,311	13,689,708,442
		<u>17,371,004,773</u>	<u>15,581,556,904</u>
Non-current liabilities			
Long-term borrowings	2.3	60,635,278,975	25,248,092,434
Other long-term liabilities	2.4	135,043,553	199,869,499
Long-term provisions	2.5	334,026,382	278,804,354
Current liabilities			
Short-term borrowings	2.6	28,909,349,048	28,138,884,232
Trade payables	2.7	495,574,241	350,302,128
Other current liabilities	2.8	19,000,037,966	7,959,620,696
Short-term provisions	2.9	1,592,026,586	512,921,888
TOTAL		<u>128,472,341,524</u>	<u>78,270,052,135</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.10	264,595,734	263,598,244
Intangible assets	2.10	16,329,309	9,820,432
Capital work-in-progress		-	3,538,475
Non-current investments	2.11	6,993,353,637	5,043,751,704
Deferred tax assets (Net)	2.12	637,416,064	246,861,105
Long-term loans and advances	2.13	44,519,158,084	29,762,133,133
Other non-current assets	2.14	414,901,103	238,946,298
		<u>52,845,753,931</u>	<u>35,568,649,391</u>
Current assets			
Current investments	2.15	167,982,795	425,387
Stock - in - trade	2.16	23,473,938,608	6,832,619,687
Trade receivables	2.17	205,799,253	4,622,754
Cash and bank balances	2.18	3,187,684,571	2,978,660,206
Short-term loans and advances	2.19	45,883,712,046	31,989,895,494
Other current assets	2.20	2,707,470,320	895,179,216
		<u>75,626,587,593</u>	<u>42,701,402,744</u>
TOTAL		<u>128,472,341,524</u>	<u>78,270,052,135</u>

Significant accounting policies and notes to the financial statements

1 & 2

As per our report of even date attached.

For **B S R & Associates LLP**

Chartered Accountants

Firms' Registration No. 116231W /W-100024



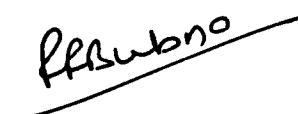
N Sampath Ganesh

Partner

Membership No: 042554

Mumbai
14 May 2015

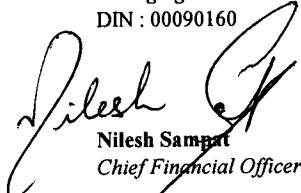
For and on behalf of the Board of Directors



Ravi R. Bubna

Managing Director & CEO

DIN : 00090160



Nilesh Sampat

Chief Financial Officer

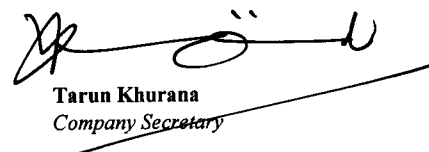
Mumbai
14 May 2015



Himanshu Kaji

Executive Director

DIN : 00009438



Tarun Khurana

Company Secretary

Mumbai
14 May 2015

ECL Finance Limited

Cash Flow Statement

(Currency : Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
A Cash flow from operating activities		
Profit before tax	2,767,983,658	2,285,625,376
<i>Adjustments for</i>		
Depreciation	33,505,086	20,921,047
Provision for compensated absences	3,331,000	1,193,000
Provision for standard assets	80,103,122	28,486,376
Diminution in value of current investments	76,997,158	-
Provision for restructured advances	109,286,878	-
Provision for non performing assets	802,305,294	368,321,863
Provision for doubtful debts	4,017,996	606,543
Provision for credit loss on securitisation	(1,771,463)	19,274,583
Bad- debts and advances written off	173,463,015	4,272,311
Profit on sale of investments	(257,850)	(622,797)
Dividend on investments	(700,000)	(700,000)
(Profit)/ loss on sale of fixed assets	(215,988)	303,494
Amortised loan processing fees	(53,687,577)	(73,404,269)
Amortised loan origination cost	49,593,349	63,180,836
Operating cash flow before working capital changes	4,043,953,678	2,717,458,363
<i>Add / (Less): Adjustments for working capital changes</i>		
(Increase)/Decrease in trade receivables	(205,194,495)	26,613,626
(Increase)/Decrease in stock in trade	(16,641,318,921)	195,556,532
Increase in receivables from financing business (net) (Refer note 1)	(29,627,857,399)	(12,518,316,061)
Decrease/(Increase) in loans and advances	723,814,909	(985,604,093)
(Increase) / Decrease in other assets	(2,860,602,908)	1,395,601,781
Increase in liabilities and provisions	2,350,789,804	973,912,090
Decrease in short term borrowing (Refer note 1)	(732,699,568)	(2,042,816,099)
Cash used in operations	(42,949,114,900)	(10,237,593,861)
Income taxes paid	(1,218,058,568)	(829,229,250)
Net cash used in operating activities - A	(44,167,173,468)	(11,066,823,110)
B Cash flow from investing activities		
Purchase of fixed assets	(38,004,925)	(23,587,623)
Increase in Capital Work-in-progress	-	(3,538,475)
Sale of fixed assets	718,962	7,482
Purchase of investments	(2,346,755,366)	(224,098,884)
Sale of investments	152,856,717	28,969,977
Dividend on investments	700,000	700,000
Net cash used in investing activities - B	(2,230,484,612)	(221,547,523)



ECL Finance Limited

Cash Flow Statement (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
C Cash flow from financing activities		
Proceeds from issue of long term secured debenture (Refer note 1)	20,748,133,207	5,715,870,259
Proceeds from bank term loan (Refer note 1)	16,986,192,238	6,604,355,663
Proceeds from non convertible subordinated debt	8,000,000,000	200,000,000
Net cash generated from financing activities - C	45,734,325,445	12,520,225,922
Net (Decrease) / Increase in cash and cash equivalents (A+B+C)	(663,332,635)	1,231,855,289
Cash and cash equivalent as at the beginning of the year	2,836,016,206	1,604,160,917
Cash and cash equivalent as at the end of the year (Refer note 2.18)	2,172,683,571	2,836,016,206

Notes:

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

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firms' Registration No. 116231W /W-100024



N Sampath Ganesh

Partner

Membership No: 042554

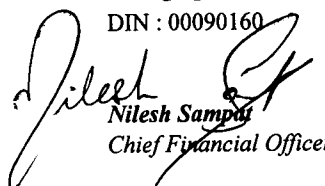
For and on behalf of the Board of Directors



Ravi R. Bubna

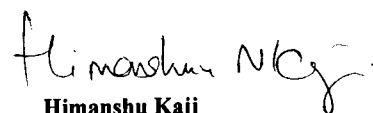
Managing Director & CEO

DIN : 00090160



Nilesh Sampat

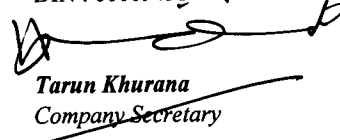
Chief Financial Officer



Himanshu Kaji

Executive Director

DIN : 00009438



Tarun Khurana

Company Secretary

Mumbai
14 May 2015

Mumbai
14 May 2015

ECL Finance Limited

Notes to the financial statements

1 Significant accounting policies

1.1 Basis of preparation of financial statements

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

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

1.2 Use of estimates

The preparation of the financial statements in conformity with the GAAP requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statement. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.3 Current-non-current classification

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

Assets

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

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

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

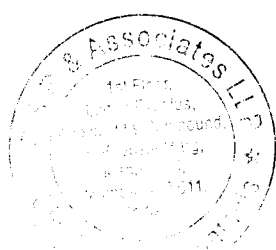
All other assets are classified as non-current.

Liabilities

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

- It is expected to be settled in the company's normal operating cycle.
- It is held primarily for the purpose of being traded;
- 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, result in its settlement by the issue of equity instruments do not affect its classification.



ECL Finance Limited

Notes to the financial statements *(Continued)*

1.3 *Current-non-current classification (Continued)*

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

All other liabilities are classified as non-current

1.4 *Revenue recognition*

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



ECL Finance Limited

Notes to the financial statements (*Continued*)

1.5 *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 year end. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis

1.6 *Securitisation*

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

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

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

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

1.7 *Provisioning on receivables from financing business*

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

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

1.8 *Fixed assets and depreciation*

Tangible fixed assets and Capital work in progress

Tangible fixed assets 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 for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

ECL Finance Limited

Notes to the financial statements (Continued)

1.8 Fixed assets and depreciation (Continued)

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

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

Intangible fixed assets

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

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

1.9 Impairment of assets

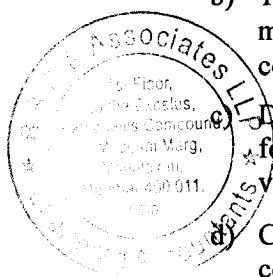
The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount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

1.10 Stock-in-trade

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

1.11 Investments

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



ECL Finance Limited

Notes to the financial statements (*Continued*)

1.11 *Investments (Continued)*

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

1.12 *Loan origination costs*

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

1.13 *Employee benefits*

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

Provident fund

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

Gratuity

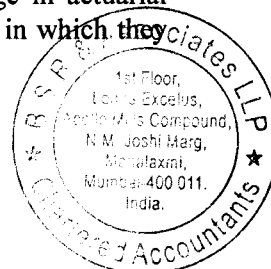
The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted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

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

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

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

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



ECL Finance Limited

Notes to the financial statements (*Continued*)

1.13 Employee benefits (*Continued*)

Compensated Absences

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

Deferred Bonus:

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

1.14 Taxation

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

Current tax

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

Deferred tax

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

1.15 Operating leases

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

1.16 Earnings per share

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

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

ECL Finance Limited

Notes to the financial statements (*Continued*)

1.16 Earnings per share (*continued*)

earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earning per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

1.17 Provisions and contingencies

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

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

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



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.1 Share capital

Authorised :

6,700,000,000 (Previous year: 6,700,000,000) equity shares of Re.1 each
4,000,000 (Previous year:4,000,000) preference shares of Rs 10 each

As at
31 March 2015

As at
31 March 2014

6,700,000,000
40,000,000

6,700,000,000
40,000,000

6,740,000,000

6,740,000,000

Issued, Subscribed and Paid up:

1,891,848,462 (Previous year:1,891,848,462) equity shares of Re.1 each, fully paid-up
(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.).

1,891,848,462

1,891,848,462

1,891,848,462

1,891,848,462

a. Movement in share capital :

	31 March 2015		31 March 2014	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	1,891,848,462	1,891,848,462	1,891,848,462	1,891,848,462
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	1,891,848,462	1,891,848,462	1,891,848,462	1,891,848,462

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 31 March 2015		As at 31 March 2014	
	No of shares	%	No of shares	%
Holding company				
Edelweiss Financial Services Limited	1,499,959,129	79.29%	1,499,959,129	79.29%
Fellow subsidiaries				
Edelweiss Securities Limited	97,416,683	5.15%	97,416,683	5.15%
Edelweiss Commodities Services Limited	146,976,650	7.77%	146,976,650	7.77%
	1,744,352,462	92.20%	1,744,352,462	92.20%

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

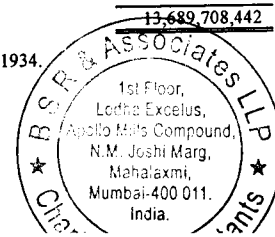
	As at 31 March 2015		As at 31 March 2014	
	No of shares	%	No of shares	%
Edelweiss Financial Services Limited (Holding Company) #	1,499,959,129	79.29%	1,499,959,129	79.29%
Edelweiss Securities Limited	97,416,683	5.15%	97,416,683	5.15%
Edelweiss Commodities Services Limited	146,976,650	7.77%	146,976,650	7.77%
Waverly Pte Limited	147,496,000	7.80%	147,496,000	7.80%
	1,891,848,462	100.00%	1,891,848,462	100.00%

including 6 shares held by nominees of Edelweiss Financial Services Limited

2.2 Reserves and surplus

	As at 31 March 2015	As at 31 March 2014
Securities Premium Account	7,080,663,265	7,313,938,186
Less: Non convertible debentures issue expenses	-	179,194,236
Less: Provision for premium payable on redemption of debentures	39,905,060	54,080,685
	7,040,758,205	7,080,663,265
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934 *	1,321,823,328	1,001,734,412
Add : Additions during the year	365,876,381	320,088,916
	1,687,699,709	1,321,823,328
Debenture Redemption Reserve	59,227,196	-
Add : Additions during the year	512,567,632	59,227,196
	571,794,828	59,227,196
Surplus in statement of profit and loss		
Opening Balance	5,227,994,653	4,006,866,185
Less: Adjustment on account of accumulated depreciation (Refer Note 2.10)	28,974	-
Add: Profit for the year	1,829,381,903	1,600,444,580
	7,057,347,582	5,607,310,765
Amount available for appropriation		
Appropriations:		
Transfer to Debenture Redemption Reserve	512,567,632	59,227,196
Transfer to Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934	365,876,381	320,088,916
	6,178,903,569	5,227,994,653
	15,479,156,311	13,689,708,442

* 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)

	As at 31 March 2015	As at 31 March 2014
2.3 Long-term borrowings		
<u>Secured</u>		
Non-convertible redeemable debentures		
a. Privately Placed Non-convertible debentures	21,796,882,862	10,541,921,640
b. Public issue of Non-convertible debentures	12,892,759,000	5,000,000,000
(Refer note 2.41)	<u>34,689,641,862</u>	<u>15,541,921,640</u>
Term loans from bank - (Refer note 2.43)	17,745,637,113	9,506,170,794
	<u>52,435,278,975</u>	<u>25,048,092,434</u>
<u>Unsecured</u>		
Non-convertible redeemable subordinated debt		
a. Privately Placed Non-convertible redeemable subordinated debt	4,200,000,000	200,000,000
b. Public issue of Non-convertible redeemable Subordinated debt	4,000,000,000	-
(Refer note 2.42)	<u>8,200,000,000</u>	<u>200,000,000</u>
	<u>60,635,278,975</u>	<u>25,248,092,434</u>
2.4 Other long term liabilities		
Unamortised processing fees	37,714,759	44,958,066
Unrealised gain on loan transfer transactions	97,328,794	154,911,433
	<u>135,043,553</u>	<u>199,869,499</u>
2.5 Long-term provisions		
Provision for employee benefits		
Gratuity	80,364	7,154,000
Compensated leave absences	7,190,000	4,388,000
Deferred bonus	32,398,000	-
Provision for non performing assets	59,172,128	174,006,298
Provision for standard assets	108,395,892	73,981,473
Provision for restructured assets and others	109,286,878	-
Provision for credit loss on securitisation	17,503,120	19,274,583
	<u>334,026,382</u>	<u>278,804,354</u>



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

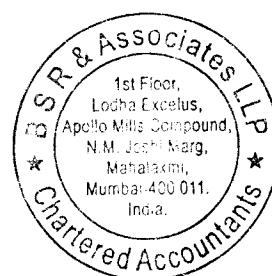
2.6 Short-term borrowings

Secured

	As at 31 March 2015	As at 31 March 2014
Bank overdraft	6,716,618,337	7,312,408,013
[Secured by charge on receivables from financing business and corporate guarantee from the holding company]		
Collateralised borrowing and lending obligation	13,950,000,000	960,000,000
[Secured by pledge of Government securities]		
Working capital demand loan	-	1,206,668,426
[Secured by charge on receivables from financing business and corporate guarantee from holding company]		
Term Loan from Banks (Refer note 2.43)	1,503,164,384	-
Privately placed non-convertible debentures	1,150,000,000	1,200,000,000
(Refer note 2.41)		
	23,319,782,721	10,679,076,439

Unsecured

Loan from Edelweiss Financial Services Limited the holding company	51,456,799	9,839,399
[repayable on demand, at variable rate of interest]		
Inter-corporate deposits	-	2,928,630
Commercial paper	5,750,000,000	17,900,000,000
Less: Unamortised discount	211,890,472	452,960,236
	5,538,109,528	17,447,039,764
	5,589,566,327	17,459,807,793
	28,909,349,048	28,138,884,232



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.7 Trade payables		
Trade payables (includes sundry creditors, provision for expenses and customer payables)	495,574,241	350,302,128
	<u>495,574,241</u>	<u>350,302,128</u>
2.8 Other current liabilities		
Current maturities of secured long term debt		
Term loan from banks (Refer note 2.43)	8,587,659,954	1,343,800,000
Privately placed Non-convertible redeemable debentures (Refer note 2.41)	5,369,476,479	3,708,610,441
Vehicle loans	-	298,418
Interest accrued but not due on borrowings	3,991,459,291	2,275,436,826
Interest accrued and due on borrowings	10,635,641	3,870,135
Income received in advance	98,856,227	7,500,000
Debenture application monies received pending allotment	-	195,464,000
Other Payables		
Accrued salaries and benefits	473,069,972	272,377,774
Withholding taxes, service tax and other taxes payable	31,839,207	20,920,625
Book overdraft	269,594,036	14,991,773
Unamortised processing fees	25,004,302	43,292,501
Premium received on outstanding exchange traded options(including MTM)	103,399,145	33,653,365
Unrealised gain on loan transfer transactions	25,793,331	34,165,556
Mark to Market on interest rate & currency derivatives	1,665,046	-
Others	11,585,335	5,239,282
	<u>19,000,037,966</u>	<u>7,959,620,696</u>
2.9 Short-term provisions		
Provision for employee benefits		
Compensated absences	1,576,000	1,047,000
Deferred bonus	55,342,000	-
Others		
Provision for non performing assets	1,287,614,319	370,474,855
Provision for standard assets	131,615,453	85,926,750
Provision for tax (net of advance taxes Rs. 2,391,147,823 Previous year: Rs. 1,127,061,810)	115,878,814	55,473,283
	<u>1,592,026,586</u>	<u>512,921,888</u>



ECL Finance Limited

Notes to the financial statements (Continued)

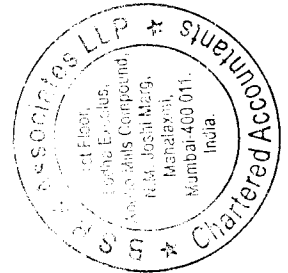
(Currency : Indian rupees)

2.10 Fixed assets

Description of Assets	Gross Block			Depreciation			Net Block			
	As at 1 April 2014	Additions during the year	Deductions during the year	As at 31 Mar 2015	As at 1 April 2014	Adjustment in Opening Reserve (Refer note below)	Charge for the year	Deductions during the year	As at 31 Mar 2015	As at 31 March 2014
Tangible assets										
Building	270,935,615	-	-	270,935,615	32,467,464	-	11,923,407	-	44,390,871	238,468,151
Leasehold improvements	2,300,323	-	-	2,300,323	320,201	-	414,097	-	734,298	1,980,122
Furniture and Fixtures	280,246	152,740	-	432,986	119,172	-	58,765	-	177,937	161,074
Vehicles	28,881,771	16,186,844	1,084,684	43,983,931	14,040,672	-	7,449,825	587,960	20,902,537	14,841,099
Office equipment	3,246,089	1,825,314	-	5,071,403	936,071	(17,587)	1,768,892	-	2,722,550	2,310,018
Computers	9,742,747	11,871,515	49,725	21,564,537	3,904,967	(11,387)	6,891,990	43,476	10,764,868	5,837,780
A	315,386,791	30,036,413	1,134,409	344,288,795	51,788,547	(28,974)	28,506,976	631,436	79,693,061	263,598,244
Intangible assets										
Software	10,522,414	11,506,987	-	22,029,401	701,982	-	4,998,110	-	5,700,092	9,820,432
B	10,522,414	11,506,987	-	22,029,401	701,982	-	4,998,110	-	5,700,092	9,820,432
Total (A+B)	325,909,205	41,543,400	1,134,409	366,318,196	52,490,529	(28,974)	33,505,086	631,436	85,393,153	273,418,676
Previous Year	303,430,438	23,587,623	1,108,857	325,909,205	32,367,363	-	20,921,047	797,881	52,490,529	273,418,676

Note

As per the requirement of the Companies Act, 2013, the Company has evaluated the useful lives of its fixed assets and has computed depreciation according to the provisions of Schedule II of the Act. Consequently, in the Statement of profit and loss of the Company, the depreciation charge for the year ended 31 March 2015 is higher by Rs.5,330,106 and an amount of Rs.28,974 has been charged to the opening balance of the retained earnings in respect of assets whose remaining useful life has expired as at 1 April 2014.



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015			As at 31 March 2014		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.11 Non-current investments						
Others (unquoted)						
<i>Investments in equity shares of companies (fully paid up)</i>						
Aeon Credit Services India Pvt Limited (associate company)	10	10,250,000	<u>102,500,000</u>	10	10,250,000	<u>102,500,000</u>
			102,500,000			102,500,000
<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	1,000,000,000	10	1,000,000	1,000,000,000
7% Non Cumulative Non Convertible Redeemable Preference Shares of Ecap Equities Limited	10	1,800,000	1,800,000,000	10	1,800,000	1,800,000,000
14.625% Cumulative Redeemable Preference Shares of Edelweiss Commodities Services Limited	-	-	-	10	5,240,000	78,647,969
1% Non cumulative Non Convertible Redeemable Preference shares of Edelweiss Investment Adviser Limited	10	220,000	220,000,000	10	110,000	110,000,000
11% Non-cumulative Optionally Convertible Preference Shares of Edelweiss Broking Limited	10	600,000	600,000,000	-	-	-
7% Non Cumulative Non Convertible Redeemable Preference Shares of Styrax Commodities Limited	10	1,800,000	<u>1,800,000,000</u>	10	1,800,000	<u>1,800,000,000</u>
			5,420,000,000			4,788,647,969
<i>Others</i>						
Investments in trust securities						
- EARC Trust - SC 12	-	70,000	-	1,000	70,000	65,400,000
- EARC Trust - SC 6	1,000	50,000	49,703,735	1,000	50,000	49,703,735
- EARC Trust - SC 109	1,000	633,500	633,500,000	-	-	-
- EARC Trust - SC 102	1,000	723,360	723,360,000	-	-	-
Investments in units of fund						
Edelweiss Stressed and Troubled Assets Revival Fund	10,000	6,875	<u>64,289,902</u>	10,000	3,750	<u>37,500,000</u>
			1,470,853,637			152,603,735
			<u>6,993,353,637</u>			<u>5,043,751,704</u>
Aggregate of unquoted investment						
- At carrying value			6,993,353,637			5,043,751,704



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

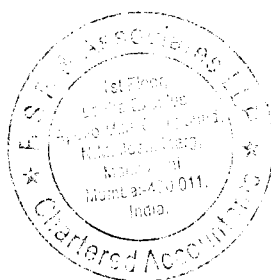
2.12 Deferred tax assets (Net)

Deferred tax assets on

	As at 31 March 2015	As at 31 March 2014
Provision for standard assets	83,063,126	54,352,805
Provision for credit loss on securitisation	6,057,480	6,551,431
Provision for non-performing, restructured and doubtful advances	505,518,317	185,275,308
Unamortised processing fees	21,705,812	29,996,368
Provision for deferred bonus	30,365,059	-
Disallowances under section 43B of the Income Tax Act, 1961	3,033,737	17,464,146
Others	26,926,600	-
	<u>676,670,131</u>	<u>293,640,058</u>

Deferred tax liabilities for

Unamortised loan origination costs	22,330,172	26,634,441
Difference between book and tax depreciation	16,923,895	20,144,512
	<u>39,254,067</u>	<u>46,778,953</u>
	<u>637,416,064</u>	<u>246,861,105</u>

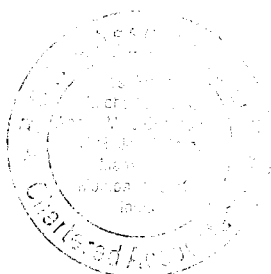


ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.13 Long-term loans and advances		
<u>Secured</u>		
<i>(Considered good, unless stated otherwise)</i>		
Receivables from financing business		
- considered good	42,090,261,899	26,032,262,514
- considered non performing assets	304,615,163	170,394,322
	<u>42,394,877,062</u>	<u>26,202,656,836</u>
Loans and advances to related parties (Refer note 2.29)	1,500,000,000	-
<u>Unsecured</u>		
<i>(Considered good, unless stated otherwise)</i>		
Receivables from financing business		
- considered good	388,606,846	1,081,898,971
- considered non performing assets	9,782,976	116,197,118
	<u>398,389,822</u>	<u>1,198,096,089</u>
Loans and advances to related parties (Refer note 2.29)	-	2,140,000,000
Other loans and advances		
Unamortised loan origination costs	45,342,280	47,327,515
Security Deposits	1,938,660	1,773,660
Advance income taxes	178,610,260	172,279,033
(net of provision for tax Rs.2,208,178,881 Previous year: Rs.1,564,887,705)		
	<u>624,281,022</u>	<u>3,559,476,297</u>
	<u><u>44,519,158,084</u></u>	<u><u>29,762,133,133</u></u>
2.14 Other non-current assets		
Long term bank deposits	138,158,696	80,514,696
Future interest receivable on loan transfer transaction	97,328,794	154,911,433
Interest Accrued but not due on loans given	167,876,432	-
Accrued interest on fixed deposits	11,537,181	3,520,169
	<u>414,901,103</u>	<u>238,946,298</u>

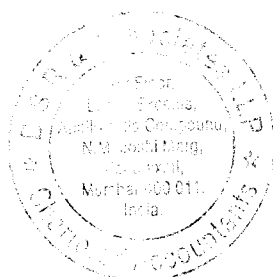


ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015			As at 31 March 2014		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.15 Current investments						
Investments in equity instruments (Quoted)						
Alok Industries Limited	10	22,642,893	<u>167,557,408</u>	-	-	<u>-</u>
			167,557,408			
Investments in mutual funds (Unquoted)						
Edelweiss Short Term Income Fund- Institutional Growth	10	40,777	<u>425,387</u>	10	40,777	425,387
			425,387			
			<u>167,982,795</u>			<u>425,387</u>
Aggregate of quoted investment			167,557,408			-
- At carrying value			167,557,408			-
- At market value						
Aggregate of unquoted investment			425,387			425,387
- At carrying value			622,475			569,804
- At net asset value						



Notes to the financial statements (Continued)

2.16 Inventories / Stock in trade

17,055,415,826

[illegible]

ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.16 Inventories / Stock in trade (Continued)

Debtentures and bonds (unquoted)

18.00% Jaycee Homes Ltd 29.09.2014 NCD					
20.00% Somi Infotech Private Ltd 31.12.2015 NCD					
20.00% Classic Infrapolution Private Ltd 05.09.2014 NCD					
19.00% Lily Realty Private Ltd 30.06.2016 NCD					
19.00% Shree Sukhakarta Developers Pvt Ltd 30.09.2016 NCD					
18.50% Suranjan Holding & Estate Developers Private Limited 21.02.17 NCD					
12.75% Mahan Synthetic Textiles Private Limited 18.12.2016 NCD					
14.25% Avantha Holdings Limited 06.01.2017 NCD					
18.00% Vgn Developers Private Limited 31.07.2018 NCD					
12.00% Landmark Barracks Projects Private Limited 17.08.2019 NCD					
20.00% Geertanjali Effective Realty Solutions Private Limited NCD					

(C)

Mutual funds (quoted)

Pramerica Liquid Fund					
HDFC Debt Fund For Cancer Cure - 2014					

(D)

Mutual funds (unquoted)

CPSE ETF					
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(E)

Total

Aggregate of stock-in-trade in quoted preference shares

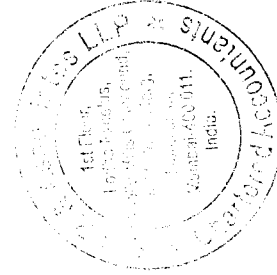
Aggregate of stock-in-trade in quoted debentures and bonds

Aggregate of stock-in-trade in unquoted debentures and bonds

Aggregate of stock-in-trade in units of quoted mutual fund

Aggregate of stock-in-trade in units of unquoted mutual fund

	Face Value	As at 31 March 2015 Quantity	Amount	Face Value	As at 31 March 2014 Quantity	Amount
	-	-	-	250,000	598	149,500,000
	-	-	-	1,000,000	450	457,110,000
	-	-	-	545,500	897	502,768,500
	62,500	8,901	561,870,074	100,000	10,531	1,059,585,156
	-	-	-	1,000,000	468	471,525,000
	1,000,000	42	42,000,000	1,000,000	1,100	1,100,000,000
	10,000,000	40	400,000,000	-	-	-
	10,000,000	100	1,000,000,000	-	-	-
	1,000,000	1,427	1,427,000,000	-	-	-
	1,000,000	1,300	1,300,000,000	-	-	-
	1,000,000	1,400	1,400,000,000	-	-	-
			6,130,870,074			3,740,488,656
	-	-	-	1,000	366,109	500,000,000
	10	1,000,000	10,000,000	10	1,000,000	10,000,000
	-	-	-	10	71,559,630	1,248,744,167
			-			1,248,744,167
	(A+B+C+D+E)		23,473,938,608			6,832,619,687
	- At carrying value		277,652,708			30,042,835
	- At market value		277,652,708			30,042,835
	- At carrying value		17,055,415,826			1,303,344,029
	- At market value		17,107,878,310			1,303,691,876
	- At carrying value		6,130,870,074			3,740,488,656
	- At carrying value		10,000,000			510,000,000
	- At net asset value		10,203,100			510,722,226
	- At carrying value		-			1,248,744,167
	- At net asset value		-			1,248,744,167

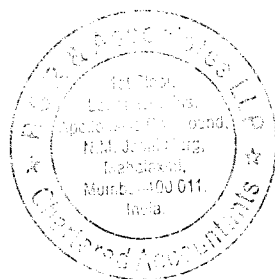


ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.17 Trade receivables		
Debtors outstanding for a period exceeding six months		
Unsecured, considered doubtful	4,624,539	606,543
Less: Provision for doubtful debts	4,624,539	606,543
	-	-
Other debts		
Unsecured, considered good	205,799,253	4,622,754
	205,799,253	4,622,754
2.18 Cash and bank balances		
Cash and cash equivalents		
Cash in hand	38,670	21,138
Balances with banks		
- in current accounts	2,172,644,901	833,495,068
- in fixed deposits with maturity less than 3 months	-	2,002,500,000
	2,172,683,571	2,836,016,206
Other bank balances		
- Short term deposits with banks	1,015,001,000	142,644,000
	3,187,684,571	2,978,660,206



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.19 Short-term loans and advances

Secured

(Considered good, unless stated otherwise)

	As at 31 March 2015	As at 31 March 2014
Receivables from financing business	38,888,073,666	22,219,485,354
- considered good	1,291,494,278	458,734,138
- considered non performing assets		
	40,179,567,944	22,678,219,492

Loans and advances to related parties (Refer note 2.29)	487,000,581	-
---------------------------------------------------------	--------------------	---

Unsecured

(Considered good, unless stated otherwise)

Receivables from financing business	4,963,892,733	8,267,765,750
- considered good	35,155,300	7,750,890
- considered non performing assets		
Loans and advances to related parties (Refer note 2.29)	-	10,000,000

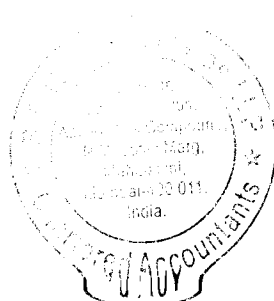
Other loans and advances	94,995,000	62,500,000
Deposits placed with exchange/ depositories	330	1,507,513
Deposits- others	33,849,473	1,186,559
Prepaid expenses	19,180,870	31,032,121
Unamortised loan origination costs	6,550,020	7,121,720
Loans and advances to employees	22,306,565	-
Vendor Advances	37,373,388	22,095,810
Input tax credit	-	36,475,851
Advance income taxes		
(net of provision for tax Rs Nil; Previous year : Rs 658,506,149)		
Advances recoverable in cash or in kind or for value to be received	3,839,842	864,239,788

5,217,143,521 **9,311,676,002**

45,883,712,046 **31,989,895,494**

2.20 Other current assets

Accrued interest on fixed deposits	4,658,249	1,793,623
Accrued interest on debt instruments	368,881,821	37,354,211
Accrued interest on loans given	1,221,177,078	503,090,869
Accrued interest on margin	2,187,231	1,372,482
Interest Accrued but not due on loans given	600,534,640	-
Mark to market on interest rate & currency derivatives	60,581,940	5,744,001
Premium paid on outstanding exchange traded options (including MTM)	30,658,825	106,370,790
Future interest receivable on loan transfer transaction	25,793,331	34,165,556
Margin placed with broker	392,997,205	205,287,683
	2,707,470,320	895,179,216



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

(Currency : Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.21 Fee and commission income		
Loan processing and other fees	244,518,280	285,213,129
	<u>244,518,280</u>	<u>285,213,129</u>
2.22 Income from treasury		
Profit / (loss) on trading of securities (net)	496,846,607	(87,228,707)
Profit on equity derivative instruments (net)	500,900,948	793,096,203
Profit / (Loss) on commodity derivative instruments (net)	57,960,000	(18,623,618)
Loss on trading in currency derivative instruments (net)	(11,230,239)	-
Loss on interest rate derivative instruments (net)	(18,130,394)	(7,251,731)
Profit on sale of current investments (net)	-	81,420
Profit on sale of long term investment (net)	257,850	541,377
Dividend on stock in trade	1,177,198	5,820,306
Dividend on long term Investment	700,000	700,000
Interest on interest rate swap	-	2,911,269
Profit / (Loss) on benchmark linked debentures	(2,304,097,399)	(2,146,749,966)
	<u>(1,275,615,429)</u>	<u>(1,456,703,447)</u>
2.23 Interest Income		
On loans	11,930,127,635	8,195,058,360
On fixed deposits	54,369,894	202,397,532
On debt instruments	1,368,123,925	829,897,914
On margin with brokers	51,441,686	38,624,413
On Collateralised borrowing and lending operations	1,451,928	16,271,901
On others	20,052,668	2,176,283
	<u>13,425,567,736</u>	<u>9,284,426,403</u>
2.24 Other income		
Profit on sale of fixed assets (net)	215,988	-
Miscellaneous income	17,155,687	9,823,454
	<u>17,371,675</u>	<u>9,823,454</u>

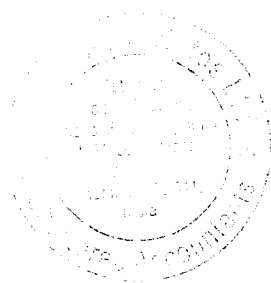


ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.25 Employee benefit expenses		
Salaries and wages (refer note 2.39)	1,076,188,429	623,346,979
Contribution to provident and other funds	26,307,068	16,789,352
Staff welfare expenses	3,068,933	6,833,786
	<u>1,105,564,430</u>	<u>646,970,117</u>
2.26 Finance costs		
Interest cost:		
Interest on debentures	1,195,684,604	397,000,609
Interest on subordinated debt	460,692,758	6,049,315
Interest on inter-corporate deposits	77,544	776,365
Interest on term loan	1,989,821,587	647,616,879
Interest on bank overdraft	76,238,633	259,327,953
Interest on loan from group companies	372,762,359	367,639,329
Interest - others	46,590,194	14,727,158
Interest on collateralised borrowing and lending operations	441,484,525	78,796,705
Interest on working capital demand loan	26,252,466	190,181,609
Other borrowing cost:		
Discount on commercial paper and debentures	1,705,872,513	1,951,489,886
Finance and bank charges	450,757,014	220,472,060
	<u>6,766,234,197</u>	<u>4,134,077,868</u>



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.27 Other expenses

	For the year ended 31 March 2015	For the year ended 31 March 2014
Advertisement and business promotion	31,375,347	23,835,677
Auditors' remuneration	1,283,450	1,306,475
Bad- debts and advances written off	173,463,015	4,272,311
Commission and brokerage	4,945,435	1,361,393
Communication	9,410,839	8,199,318
Computer expenses	450,894	703,323
Corporate social responsibility -Donations	40,687,200	-
Clearing & custodian charges	4,093,013	120,000
Dematerialisation charges	928,817	682,260
Diminution in value of current investments	76,997,158	-
Directors' sitting fees	320,000	180,000
Donations	-	21,000,000
Electricity charges (refer note 2.39)	5,859,350	4,687,026
Foreign exchange loss (net)	8,884	32,353
Insurance	4,620,306	604,545
Legal and professional fees	76,159,508	134,923,058
Loan origination costs amortised	49,593,349	63,180,836
Membership and subscription	7,023,587	867,463
Office expenses	4,756,720	2,172,831
Postage and courier	696,109	324,557
Printing and stationery	3,729,948	2,010,526
Provision for standard assets	80,103,122	28,486,376
Provision for restructured assets and others	109,286,878	-
Provision for non performing assets	802,305,294	368,321,863
Provision for doubtful debts	4,017,996	606,543
Provision for credit loss on securitisation	(1,771,463)	19,274,583
Rates and taxes	2,366,744	639,855
Rating support fees	118,750,000	215,500,000
Rent (refer note 2.39)	19,823,085	22,561,398
Repairs and maintenance - others	642,329	231,131
Securities transaction tax	16,994,094	23,775,778
Seminar & Conference	79,950	117,336
Service tax expenses	45,780,142	44,610,761
Commodity transaction tax expenses	-	162,040
Stamp duty	10,391,846	10,998,430
Stock exchange expenses	450,000	-
Travelling and conveyance	29,969,694	28,324,645
Wealth Tax	202,000	-
Miscellaneous expenses	2,760,251	1,090,441
	1,738,554,891	1,035,165,131

Auditors' remuneration:

As auditor	950,000	950,000
For other services	254,600	356,475
For reimbursement of expenses	78,850	-
	1,283,450	1,306,475



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
I Segment Revenue		
a) Capital based business	1,298,574,980	159,511,136
b) Financing business	11,112,560,360	7,962,478,669
c) Unallocated	706,922	769,734
Total Income	12,411,842,262	8,122,759,539
II Segment Results		
a) Capital based business	(123,510,369)	(423,640,397)
b) Financing business	2,935,084,744	2,732,533,826
c) Unallocated	(43,590,717)	(23,268,053)
Total	2,767,983,658	2,285,625,376
Profit before taxation	2,767,983,658	2,285,625,376
Less : Provision for taxation	938,601,755	685,180,796
Profit after taxation	1,829,381,903	1,600,444,580
Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
III Segment Assets		
a) Capital based business	25,880,554,838	9,792,776,823
b) Financing business	101,775,756,963	68,014,537,605
c) Unallocated	816,029,723	462,737,707
Total	128,472,341,524	78,270,052,135
IV Segment Liabilities		
a) Capital based business	25,031,563,790	7,036,217,880
b) Financing business	85,922,052,221	55,570,629,106
c) Unallocated	147,720,740	81,648,245
Total	111,101,336,751	62,688,495,231
V Capital Expenditure (Including Capital Work-In-Progress)		
a) Capital based business	3,914,250	943,505
b) Financing business	37,629,150	22,644,119
c) Unallocated	-	-
Total	41,543,400	23,587,623
VI Depreciation and amortisation		
a) Capital based business	3,156,874	836,842
b) Financing business	30,348,212	20,084,205
c) Unallocated	-	-
Total	33,505,086	20,921,047
VII Significant Non-Cash Expenses Other than depreciation and amortisation		
a) Capital based business	-	-
b) Financing business	993,941,828	416,689,365
c) Unallocated	-	-
Total	993,941,828	416,689,365

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

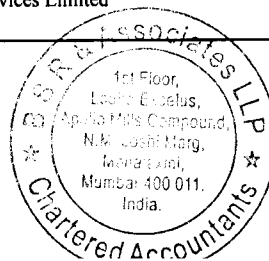
2.29 Disclosure of Related parties as required under AS 18-"Related Party Disclosures"

i. List of related parties and relationship:

Name of related parties by whom control is exercised : Holding Company	Edelweiss Financial Services Limited - Holding company
Subsidiary	Olive Business Centre Limited (up to December 4, 2014)
Associates	Aeon Credit Services India Pvt Ltd
Fellow Subsidiaries (with whom transactions have taken place)	Edelweiss Housing Finance Limited EC Commodity Limited ECap Equities Limited Edel Commodities Limited Edel Finance Company Limited Edelcap Securities Limited EdelGive Foundation Edelweiss Broking Limited Edelweiss Commodities Services Limited Edelweiss Comtrade Ltd Edelweiss Finance & Investments Limited Edelweiss Global wealth Management Limited Edelweiss Integrated Commodity Management Limited Edelweiss Investment Adviser Limited Edelweiss Securities Limited Edelweiss Tokio life Insurance Company Limited Edelweiss Web Services Limited
Key Management Personnel (with whom transactions have taken place)	Ravi Bubna Rashesh Shah Himanshu Kaji
Relative of Key Management Personnel (with whom transactions have taken place)	Sharda R Bubna Nalin Kaji Ms. Vidya Shah

ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	2015	2014
1	<u>Capital account transactions</u>			
	Investment in Equity Shares of	Olive Business Centre Limited	500,000	-
	Sale of Equity Shares to	Edelweiss Finance & Investments Limited	500,000	-
	Purchase of Preference Share from	Edelweiss Financial Services Limited	3,590,800	-
		Edelweiss Finance & Investments Limited	110,000,000	110,000,000
		Edelweiss Commodities Services Limited	600,000,000	100,050,000
	Sale of Preference Shares to	Edelweiss Financial Services Limited	78,600,000	-
2	<u>Current account transactions</u>			
	Loans taken from <i>(Refer Note-1 below)</i>	Edelweiss Financial Services Limited	19,639,607,080	14,791,494,760
	Loan repaid to	Edelweiss Financial Services Limited	19,597,989,680	15,193,118,117



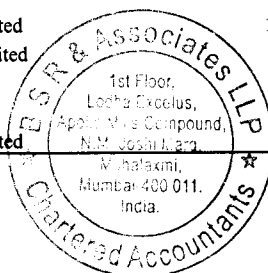
ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

Sr. No.	Nature of Transaction	Related Party Name	2015	2014
	Loans given to (Refer Note-1 below)	Edelweiss Commodities Services Limited	600,000,000	1,510,000,000
		ECap Equities Limited	-	350,000,000
		Edelweiss Financial Services Limited	-	1,510,000,000
		Edel Commodities Limited	-	350,000,000
		Edelweiss Housing Finance Limited	-	60,000,000
		Edelcap Securities Limited	-	275,449,347
		Nalin Kaji	-	580,000,500
		Sharda R Bubna	-	253,125,000
		Vidya Shah	1,112,655,435	-
	Repayment of loans by	Edelweiss Commodities Services Limited	1,210,000,000	100,000,000
		Edelweiss Financial Services Limited	-	2,010,000,000
		ECap Equities Limited	-	350,000,000
		Edelcap Securities Limited	-	275,449,347
		Edel Finance Company Limited	-	103,196,000
		Edel Commodities Limited	-	700,000,000
		Edelweiss Global wealth Management Limited	40,000,000	-
		Edelweiss Securities Limited	-	200,000,000
		Edelweiss Housing Finance Limited	-	60,000,000
		Nalin Kaji	-	580,000,500
		Sharda R Bubna	-	253,131,752
		Vidya Shah	1,020,233,333	-
	Issuance of Nifty Linked Debentures	Edelweiss Commodities Services Limited	500,000,000	-
	Redemption of Nifty Linked Debentures	ECap Equities Limited	6,540,300,000	3,818,605,960
	Issuance of Debt instruments	Edelweiss Commodities Services Limited	37,734,343,000	24,515,007,200
	Redemption of Debt instruments	Edelweiss Commodities Services Limited	1,110,000,000	18,850,000,000
3	Secondary market transactions			
	Purchases of securities (Stock in trade) from	Edelweiss Finance & Investments Limited	545,580,916	100,959,721
		ECap Equities Limited	-	2,488,484
		Edelweiss Tokio life Insurance Company Limited	597,821,740	741,630,000
		Edelweiss Securities Limited	-	285,286,750
		Edelweiss Commodities Services Limited	1,837,215,867	1,029,591
		Edelweiss Global Wealth Management Limited	134,037,123	-
	Sale of securities (Stock in trade) to	Edelweiss Finance & Investments Limited	2,309,802,075	876,032,849
		ECap Equities Limited	-	-
		Edelweiss Commodities Services Limited	3,150,207,262	536,984,000
		Edelweiss Securities Limited	507,972,303	830,596,707
		Edelweiss Tokio life Insurance Company Limited	99,680,959	421,159,000
		Edelweiss Global Wealth Management Limited	148,058,477	-
	Margin placed with (Refer Note-1 below)	Edelweiss Securities Limited	2,097,725,677	2,363,992,774
	Margin refund received from (Refer Note-1 below)	Edelweiss Securities Limited	1,909,589,331	2,347,385,269
4	Interest paid on loan	Edelweiss Financial Services Limited	372,762,359	367,639,329
5	Interest expense on Nifty linked debentures	ECap Equities Limited	903,629,105	479,357,367
		Others - Fellow subsidiaries	-	2,121,861
6	Interest expense on Non convertible debentures	Edelweiss Commodities Services Limited	10,075,986	-
		Edelweiss Finance & Investments Limited	1,383,233	-
7	Interest received on margin placed with brokers	Edelweiss Securities Limited	51,438,271	36,551,936
		Edelweiss Commodities Services Limited	3,415	2,072,477



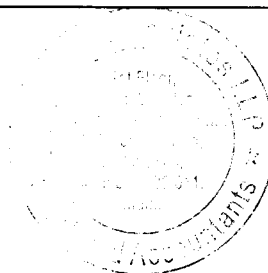
ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

Sr. No.	Nature of Transaction	Related Party Name	2015	2014	
8	Interest received on loans given to	Edelweiss Financial Services Limited	-	97,604,512	
		Edelweiss Commodities Services Limited	182,529,258	84,780,915	
		ECap Equities Limited	-	18,550,542	
		Edel Finance Company Limited	-	7,892,933	
		Edelweiss Global Wealth Management Limited	3,942,740	4,100,045	
		Nalin Kaji	-	1,249,997	
		Sharda R Bubna	-	430,156	
		Vidya Shah	9,235,929	-	
	Others-Fellow Subsidiaries	-	49,493,009		
9	Interest Received on application money paid	Edelweiss Commodities Services Limited	-	241,216	
10	Dividend Received on Investments	Edelweiss Commodities Services Limited	700,000	700,000	
11	Director Nomination deposit Received	Edelweiss Financial Services Limited	100,000	-	
12	Director Nomination deposit Refunded	Edelweiss Financial Services Limited	100,000	-	
13	Cost reimbursement paid to	Edelweiss Financial Services Limited	12,040,614	10,800,000	
		Edelweiss Housing Finance Limited	-	4,200,000	
		Edelweiss Commodities Services Limited	21,675,425	23,456,153	
		Edelweiss Web Services Limited	380,840	106,150	
		Others-Fellow Subsidiaries	563,000	-	
14	Cost Reimbursement Received from	Edelweiss Finance & Investments Limited	585,000	-	
		EC Commodity Limited	-	62,000	
		Edel Commodities Limited	-	18,000	
		Edelweiss Broking Limited	-	69,000	
		Edelweiss Comtrade Ltd	75,000	-	
		Others-Fellow Subsidiaries	46,000	-	
15	Reimbursement paid	Edelweiss Securities Limited	6,968,250	8,083,690	
		Edelweiss Financial Services Limited	448,804,422	335,906,188	
		Others-Fellow Subsidiaries	-	1,344,840	
16	Reimbursement received				
	Sale of Scrap	Edelweiss Securities Limited	-	7,470	
	Payment of Stamp duty recovered	Edel Finance Company Limited	-	20,010	
17	Cost reimbursement paid to				
		Rating support fees paid to	Edelweiss Financial Services Limited	118,750,000	215,500,000
		Clearing charges paid to	Edelweiss Securities Limited	280,000	120,000
		Commission and brokerage paid to	Edelweiss Securities Limited	151,970	81,312
			Edelweiss Broking Limited	54,924,351	39,312,312
			Edelweiss Investment Adviser Limited	1,913,784	164,925
		Branding Expenses Paid to	Edelweiss Financial Services Limited	-	35,000,000
		Donation to	EdelGive Foundation	36,400,000	18,000,000
		Advisory Fees paid to	Edelweiss Housing Finance Limited	16,768,573	35,776,000
			Edelweiss Financial Services Limited	-	41,800,000
		Processing Fees Paid to	Edelweiss Web Services Limited	380,840	-
18	Remuneration to Key Management Personnel	Ravi Bubna	80,130,591	37,571,530	
		Himanshu Kaji	40,000,000	10,000,000	
		Rashesh Shah	50,500,000	25,000,000	



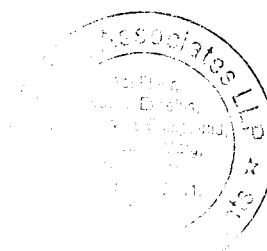
ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

Sr. No.	Nature of Transaction	Related Party Name	2015	2014
<u>Balances with related parties</u>				
1	Short term borrowings	Edelweiss Financial Services Limited	51,456,799	9,839,399
2	Trade Payables	Edelweiss Financial Services Limited	14,544,013	12,566,880
		Edelweiss Securities Limited	-	119,280,427
		Edelweiss Housing Finance Limited	17,164,312	40,376,842
		ECap Equities Limited	24,579,413	-
		Others-Fellow Subsidiaries	1,685,036	108,655
3	Debentures	Edelweiss Commodities Services Limited	1,870,517,000	-
		Edelweiss Finance & Investments Limited	181,128,000	-
4	<u>Other liabilities</u>			
	Interest accrued and due on borrowings	Edelweiss Financial Services Limited	10,635,641	3,870,135
5	Remuneration payable to Key Management Personnel	Ravi Bubna	72,500,000	30,000,000
		Himanshu Kaji	40,000,000	10,000,000
		Rashesh Shah	50,500,000	25,000,000
6	Corporate Guarantee taken	Edelweiss Financial Services Limited	34,494,100,000	31,184,700,000
7	Investments in equity shares	Aeon Credit Services India Pvt Ltd	102,500,000	102,500,000
8	Investments in Preference shares	Edelweiss Commodities Services Limited	1,000,000,000	1,078,647,969
		Ecap Equities Limited	1,800,000,000	1,800,000,000
		Edelweiss Investment Adviser Limited	220,000,000	110,000,000
		Edelweiss Broking Limited	600,000,000	-
9	Trade receivables	Edelweiss Web Services Limited	609,126	-
		Edelweiss Securities Limited	204,685,126	-
		Edelweiss Broking Ltd	-	22,631
10	<u>Loans and advances</u>			
	Secured	Edelweiss Commodities Services Limited	1,500,000,000	2,110,000,000
		Edelweiss Global wealth Management Limited	-	40,000,000
		Edelweiss Asset Reconstruction Company Limited	486,500,000	-
11	<u>Other assets</u>			
	Accrued interest on loans given	Edelweiss Financial Services Limited	-	733,810
		Edelweiss Commodities Services Limited	9,547,054	5,481,031
		Edelcap Securities Limited	-	-
		Edelweiss Asset Reconstruction Company Limited	3,184,915	-
		Edelweiss Global Wealth Management Limited	70,767	-
		Others-Fellow Subsidiaries	-	201,543
12	<u>Short-term loans and advances</u>			
	Advances recoverable in cash or in kind or for value to be received	Edel Commodities Limited	-	18,000
		EC Commodity Limited	-	62,000
		Edelweiss Broking Limited	-	69,000
		Edelweiss Finance and Investments Limited	645,542	-
		Others-Fellow Subsidiaries	116,000	-
13	<u>Other current assets</u>			
	Accrued interest on margin	Edelweiss Commodities Services Limited	-	585
		Edelweiss Securities Limited	1,915,511	1,310,760



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)

Sr. No.	Nature of Transaction	Related Party Name	2014-15	2013-14
Other current assets (Continued)				
14	Margin money balance with	Edelweiss Commodities Services Limited	-	426,825
		Edelweiss Securities Limited	392,995,964	204,859,618

Note -1 : 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.

2.30 Earnings per share

In accordance with Accounting Standard 20 on earnings per share issued by the Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below.

Particulars	2015	2014
a) Shareholders earnings (as per statement of profit and loss)	1,829,381,903	1,600,444,580
b) Calculation of weighted average number of Equity Shares of Re 1 each:		
- Number of equity shares outstanding at the beginning of the year	1,891,848,462	1,891,848,462
- Number of equity shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	1,891,848,462	1,891,848,462
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	1,891,848,462	1,891,848,462
Basic and diluted earnings per share (in Rupees) (a/b)	0.97	0.85

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

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

A) Defined contribution plan (Provident fund):

Amount of Rs. 19,873,704 (previous year: Rs. 11,182,528) 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

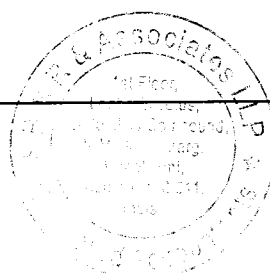
Net employee benefit expenses (recognized in employee cost)

	2015	2014
Current service cost	5,909,000	4,603,824
Interest on defined benefit obligation	1,738,000	1,034,000
Expected return on plan assets	(1,314,000)	(694,000)
Net actuarial losses/(gains) recognized in the year	Nil	Nil
Past service cost	Nil	Nil
Actuarial losses	100,000	663,000
Total included in 'Employee Benefit Expenses'	6,433,000	5,606,824

Balance Sheet

Changes in the present value of the defined benefit obligation are as follows:

	2015	2014
Liability at the beginning of the year	19,380,000	11,537,607
Interest cost	1,738,000	1,034,000
Current service cost	5,909,000	4,603,393
Employee Transfer in adjustment	143,000	1,551,000
Past service cost (non vested benefit)	Nil	Nil
Past service cost (vested benefit)	Nil	Nil
Benefit paid	(76,000.00)	(658,000.00)
Actuarial (gain)/loss:	2,779,000	1,312,000
Liability at the end of the year	29,873,000	19,380,000



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

B) Defined benefit plan (Gratuity) (Continued):

Changes in the Fair Value of Plan Assets are as follows:

	2015	2014
Fair value of plan assets at the Beginning of the year	12,226,000	5,121,430
Acquisition Adjustment	-	-
Expected Return on Plan Asset	1,314,000	693,570
Contributions	13,650,000	6,420,000
Benefits paid	(76,000.00)	(658,000.00)
Actuarial gain/(loss):	2,679,000	649,000
Fair value of plan assets at the end of the year	29,793,000	12,226,000

Amount Recognised in the Balance Sheet:

Particulars	2015	2014	2013	2012	2011
Liability as at the end of the year	29,873,000	19,380,000	11,537,607	3,883,392	2,997,240
Fair value of plan assets	29,793,000	12,226,000	5,121,430	4,333,350	3,202,431
as at the end of the year					
Amount recognized in Balance Sheet - Assets/(Liability)	(80,000)	(7,154,000)	(6,416,177)	449,958	205,191

Experience Adjustment :

Particulars	2015	2014	2013	2012	2011
On Plan Liabilities:	25000	2,332,000	4,064,518	(274,777)	(212,076)
(Gain)/ Loss					
On Plan Assets: Gain/	2679000	649,000	(219,718)	32,355	23,911
(Loss)					
Estimated contribution for next year	-	7,000,000	(6,500,000)	-	-

Principle actuarial assumptions at the balance sheet date:

	2015	2014
Discount rate current	7.80%	8.90%
Salary escalation current	7%	6%
Employees attrition rate (based on categories)	13-25%	13-25%

2.32 Encumbrances' on fixed deposits held by the Company

- Fixed deposit of Rs.Nil (Previous Year: Rs. 2,500,000) have been pledged with HDFC bank for meeting margin requirement for trading in interest rate swaps.
- Fixed deposit of Rs.920,000,000 (Previous Year: Rs.Nil) have been pledged with ICICI bank for meeting margin requirement for trading in cross currency swap and forward margin.
- Fixed deposit of Rs.45,000,000 (Previous Year: 25,000,000) have been pledged with Bank of India for bank guarantee for Non convertible debenture listing.
- Fixed deposit of Rs. 50,001,000 (Previous Year:Nil) have been pledged with Ratnakar bank for bank guarantee for Non convertible debenture listing.
- Fixed deposit of Rs.80,514,696 (Previous Year : 80,514,696) have been pledged with ING Vyasa for Securitization.
- Fixed deposit of Rs.57,644,000 (Previous Year : 57,644,000) have been pledged with Yes Bank for Securitization.

2.33 Open interest in equity index/ stock futures

Long Position as at 31 March 2015

No.	Particulars	Expiry date	No of Contracts	No. of units
1	Bank Nifty	30-Apr-15	84	2,100
2	Nifty	30-Apr-15	3,102	155,100

Long Position as at 31 March 2014

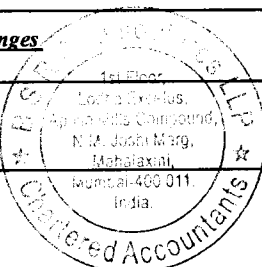
No.	Particulars	Expiry date	No of Contracts	No. of units
1	Bank Nifty	24-Apr-14	1,539	38,475
2	Nifty	24-Apr-14	2,870	143,500
3	Nifty	29-May-14	271	13,550

Open interest in Currency derivatives with exchanges

Long Position as at 31 March 2015

No.	Particulars	Expiry date	Number of Contracts	No. of units Involved
1	USDINR	28-Apr-15	30,000	30,000,000

Long Position as at 31 March 2014 - Nil



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.34 Option contracts outstanding:

Index/ Stock

No.	Name of the option – Index / Stock	Purpose	Total premium carried forward (Net of provision made) as at	
			31 March 2015	31 March 2014
1	Purchase of option- Nifty	Hedging	30,658,825	106,370,790
2	Sale of option- Nifty	Hedging	103,399,145	33,653,365

2.35 Open interest in interest rate derivatives :

Benchmark	Purpose	Notional Principal	Terms
As at 31 March 2015			
MIBOR	Hedging	7,500,000,000	Pay fixed vs. receive floating
MIBOR	Hedging	2,250,000,000	Pay floating vs. receive fixed
As at 31 March 2014			
MIBOR	Hedging	250,000,000	Pay fixed vs. receive floating
MIBOR	Hedging	6,900,000,000	Pay floating vs. receive fixed

2.36 Open interest in currency derivatives

Counterparty	Purpose	Notional Principal as at 31 March 2015	Notional Principal as at 31 March 2014
ICICI Bank Limited	Hedging	8,294,375,000	-

2.37 Operating leases

The Company has taken premises on operating lease. Rental expenses for the year ended 31 March 2015 aggregated to **Rs.19,823,085** (Previous year: Rs. 22,561,398) which has been included under the head other expenses – Rent in the statement of profit and loss.

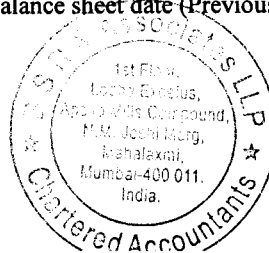
2.38 Contingent liabilities and commitments

Contingent liabilities

- Taxation matters of Assessment year 2008-09 and Assessment year 2010-11 in respect of which appeal is pending – **Rs. 544,605** (Previous year: Rs. 544,605).
- Litigation pending against the company amounting to **Rs. 10,857,000** (Previous year: Rs. 10,757,000).

Commitments

- Uncalled liabilities on non current investment of **Rs. 181,250,000** as at balance sheet date (Previous year: Rs. 212,500,000).
- Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is **Rs 3,853,000** (Previous year: Rs 2,824,000).
- Undrawn committed credit lines **Rs.1,475,452,109** as at balance sheet date (Previous year: Rs. 2,953,742,405).



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.39 Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like common senior management compensation cost, rent expenditure, etc. which is for the benefit of itself and its certain subsidiaries including ECL Finance Limited. This cost so expended is reimbursed by ECL Finance Limited on the basis of number of employees, area occupied, time spent by employees for other companies, actual identifications etc. On the same lines, employees' cost expended by ECL Finance Limited for the benefit of fellow subsidiaries is recovered by ECL Finance Limited. Accordingly, and as identified by the management, the expenditure heads in notes no. 2.25 and 2.27 include reimbursements paid and are net of the reimbursements received based on the management's best estimates.

2.40 Details of dues to micro, small and medium enterprises

Trade Payables includes Rs.Nil (Previous year: Rs.73,436) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

2.41 Details of Secured Debentures

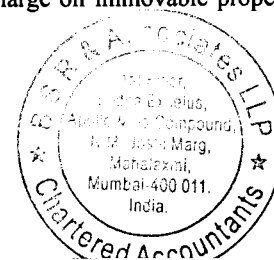
Details of the Secured Debentures as at 31 March 2015

Interest rate range	Maturity				Total
	> 3 Years	2 - 3 Years	1 - 2 Years	< 1 Year	
8%-9%	-	1,639,509,764	-	-	1,639,509,764
9.01%-10%	-	-	-	-	-
10.01%-11%	5,758,467,000	7,529,292,000	5,000,000,000	1,050,000,000	19,337,759,000
11.01%-12%	2,961,713,000	-	3,470,287,000	-	6,432,000,000
Above 12%	-	-	-	150,000,000	150,000,000
Nifty linked Debentures	438,500,000	3,483,528,195	4,408,344,902	5,319,476,479	13,649,849,576
Total	9,158,680,000	12,652,329,959	12,878,631,902	6,519,476,479	41,209,118,340

Details of the Secured Debentures as at 31 March 2014

Interest rate range	Maturity				Total
	> 3 Years	2 - 3 Years	1 - 2 Years	< 1 Year	
8%-9%	1,579,056,712	-	-	-	1,579,056,712
9.01%-10%	-	-	-	-	-
10.01%-11%	-	-	-	-	-
11.01%-12%	1,425,845,000	3,901,155,000	-	-	5,327,000,000
Above 12%	-	-	150,000,000	-	150,000,000
Nifty linked Debentures	1,522,730,515	3,327,558,998	3,635,575,418	4,908,610,441	13,394,475,372
Total	4,527,632,227	7,228,713,998	3,785,575,418	4,908,610,441	20,450,532,084

- The Company has an asset cover in excess of 125% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to Rs.4,000,000,000 by way of charge on immovable property, floating charge on movable properties in the form of receivables.
- The Company has an asset cover in excess of 125% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to Rs.6,200,612,234 by way of charge on immovable property, floating charge on movable properties in the form of stock-in-trade and receivables and corporate guarantee from holding company.
- The Company has an asset cover in excess of 125% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to Rs. 1,108,711,096 by way of charge on immovable property, floating charge on movable properties in the form of receivables and corporate guarantee from holding company.
- The Company has an asset cover in excess of 120% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to Rs. 1,639,500,000 by way of charge on immovable property and floating charge on movable properties in the form of stock-in-trade and receivables.



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.41 Details of secured debentures issued (Continued)

- e) 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.5,637,981,790 by way of charge on immovable property and floating charge on movable properties in the form of stock-in-trade and receivables.
- f) 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.19,116,659,000 by way of charge on immovable property and floating charge on movable properties in the form of receivables. The above Rs.19,116,659,000 includes Rs.12,892,759,000 public issue.
- g) 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.3,505,654,220 by way of charge on immovable property and floating charge on movable properties in the form of receivables.
- h) Debt Equity and Asset cover Ratio:

i) Debt Equity Ratio

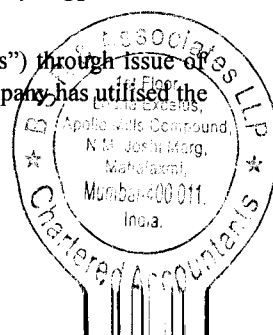
	2015	2014
Shareholder's fund		
Paid up capital	1,891,848,462	1,891,848,462
Add: Reserve and surplus	15,479,156,311	13,689,708,442
Less: Deferred tax asset	637,416,064	246,861,104
Equity (A)	16,733,588,709	15,334,695,800
Debt		
Long-term borrowings	60,635,278,975	25,248,092,434
Short-term borrowings	28,909,349,048	28,138,884,232
Current maturities of long term debt	13,957,136,432	5,052,708,859
Total Debt (B)	103,501,764,455	58,439,685,525
Debt equity Ratio (B/A)	6.19	3.81

ii) Asset cover Ratio

	2015	2014
Assets available		
Loans and advances [@]	98,266,097,825	60,959,787,936
Stock in trade	16,387,901,304	6,832,619,688
Total (A)	114,653,999,129	67,792,407,624
Secured debt		
Long-term Secured borrowings	52,435,278,975	25,048,092,434
Short-term Secured borrowings	23,319,782,721	10,679,076,439
Current maturities of secured long term debt	13,957,136,432	5,052,708,859
Total (B)	89,712,198,128	40,779,877,732
Asset cover (A/ B)	1.28	1.66

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

- i) In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.
- j) 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).
- k) During the year, the Company has raised Rs., 7,768,745,536.77 (net of issue expenses) ("net proceeds") through issue of 7,892,759 Redeemable Non-Convertible Debentures vide a Public Issue. As at March 31, 2015, the Company has utilised the whole of the aforementioned net proceeds towards the objects of the issue as stated in the Prospectus.



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.42 Details of unsecured debentures issued

Details of the unsecured Debentures issued as at 31 March 2015

Rate of Interest	> 3 Years	2 - 3 Years	1 - 2 Years	< 1 Year	Total
11.25%	4,000,000,000	-	-		4,000,000,000
12.00%	4,200,000,000	-	-		4,200,000,000
Total	8,200,000,000	-	-	-	8,200,000,000

During the year, the Company has raised Rs. 3,903,149,402 (net of issue expenses) ("net proceeds") through issue of 4,000,000 Unsecured Redeemable Non-Convertible Debentures vide a Public Issue. As at March 31, 2015, the Company has utilised the whole of the aforementioned net proceeds towards the objects of the issue as stated in the Prospectus.

Details of the unsecured Debentures issued as at 31 March 2014

Rate of Interest	> 3 Years	2 - 3 Years	1 - 2 Years	< 1 Year	Total
12%	200,000,000	-	-	-	200,000,000
Total	200,000,000	-	-	-	200,000,000

2.43 Details of the loan taken from Banks

As at 31 March 2015

Rate of Interest	Maturity			Total
	> 1 Year	1 - 3 Years	> 3 Years	
11.00%	1,503,164,384	-	-	1,503,164,384
11.15%	400,000,000	600,000,000	-	1,000,000,000
11.20%	200,000,000	1,450,000,000	300,000,000	1,950,000,000
11.25%	7,705,641,585	9,933,612,113	4,243,275,000	21,882,528,698
11.30%	282,018,369	750,000,000	468,750,000	1,500,768,369
Total	10,090,824,338	12,733,612,113	5,012,025,000	27,836,461,451

All the above term loans are secured by charge on receivables from financing business. Of the above, term loans amounting to Rs 20,424,876,853 are secured by corporate guarantee from holding company in addition to the charge on receivables from financing business.

As at 31 March 2014

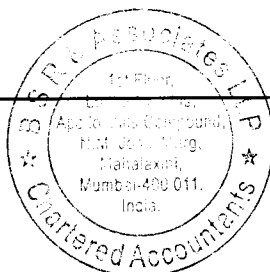
Rate of Interest	Maturity			Total
	> 1 Year	1 - 3 Years	> 3 Years	
11.20%	-	-	800,000,000	800,000,000
11.25%	1,343,750,000	6,974,999,349	1,481,221,445	9,799,970,794
11.75%	-	250,000,000	-	250,000,000
Total	1,343,750,000	7,224,999,349	2,281,221,445	10,849,970,794

All the above term loans are secured by corporate guarantee from the holding company in addition to the charge on receivables from financing business.

2.44 Foreign currency

The Company has undertaken the following transactions in foreign currency

	2015	2014
Expenditure incurred in foreign currency (on accrual basis)		
Membership and subscription	582,105	1,451,736
Computers	-	508,820
Travel Expenses	-	4,574
Total	582,105	1,965,130



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.45 Details of purchase, sale and change in inventory

	2015	2014
Opening stock		
Equity shares	-	-
Preference shares	30,042,835	-
Debt instruments	5,043,832,685	6,778,176,220
Mutual Fund	1,758,744,167	250,000,000
Total	6,832,619,687	7,028,176,220
Purchase		
Equity shares	-	603,341,584
Preference shares	2,076,627,556	574,197,596
Debt instruments	260,304,157,128	176,880,014,394
Mutual Fund	81,136,945,496	34,008,744,167
Total	343,517,730,180	212,066,297,741
Sales		
Equity shares	-	615,200,060
Preference shares	1,862,973,071	543,669,050
Debt instruments	242,413,843,802	178,505,020,249
Mutual Fund	83,096,440,992	32,510,736,208
Total	327,373,257,865	212,174,625,566
Closing stock		
Equity shares	-	-
Preference shares	277,652,708	30,042,835
Debt instruments	23,186,285,900	5,043,832,685
Mutual Fund	10,000,000	1,758,744,167
Total	23,473,938,608	6,832,619,687
Profit/(loss) on sale of securities	496,846,607	(87,228,707)

2.46 Key Ratios

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

	2015	2014
Gross NPAs as a percentage of Total Loans and Advance ¹	1.80%	1.24%
Net NPAs as a percentage of Total Advance ¹	0.39%	0.34%
Book Value per share (Rs.) ²	8.85	8.11
Current Ratio ³	1.51	1.16
Debt to Equity Ratio (refer note 2.41)	6.19	3.81
Return on average Equity ⁴ (%)	11.41%	10.87%
Return on average assets ⁵ (%)	1.77%	2.24%

1. Loans and Advance include debentures in the nature of loan

2. Book Value per share = Networth/number of equity shares. Networth = equity share capital and reserves less deferred tax asset

3. Current ratio is the ratio of current assets to current liabilities.

4. Return on average equity is the ratio of the net profit after tax to the annual average equity share capital and reserves less deferred tax asset.

5. Return on average assets is the ratio of the net profit after tax to the annual average total assets.



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

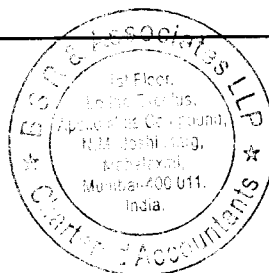
2.47 Banking facilities

The Company has obtained borrowing facilities from below mentioned banks:

1 Abu Dhabi Commercial Bank	17 Lakshmi Vilas Bank
2 Allahabad Bank	18 Oriental Bank of Commerce
3 Andhra Bank	19 Punjab & Sind Bank
4 Bank of Baroda	20 Punjab National Bank
5 Bank of India	21 Ratnakar Bank
6 Bank of Maharashtra	22 Small Industries Development Bank of India
7 Canara Bank	23 State Bank of Bikaner & Jaipur
8 Central Bank of India	24 State Bank of Hyderabad
9 Corporation Bank	25 State Bank of India
10 Dena Bank	26 State Bank of Travancore
11 Federal Bank	27 Syndicate Bank
12 IDBI Bank	28 Tamilnad Mercantile Bank
13 IndusInd Bank	29 UCO Bank
14 ING Vysya Bank	30 Union Bank of India
15 Karnataka Bank	31 Vijaya Bank
16 Karur Vysya Bank	32 Yes Bank

2.48 Investments

	2015	2014
1) Value of Investments		
i) Gross Value of Investments		
a) In India	7,161,336,432	5,044,177,091
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	7,161,336,432	5,044,177,091
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments.		
i) Opening balance	-	-
ii) Add : Provisions made during the year	-	-
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	-	-



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.49 Derivatives

A) Forward Rate Agreement / Interest Rate Swap

	2015	2014
i) The notional principal of swap agreements	9,750,000,000	7,150,000,000
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	22,753,528	5,744,001
iii) Collateral required by the NBFC upon entering into swaps	-	2,500,000
iv) Concentration of credit risk arising from the swaps*	100%	100%
v) The fair value of the swap book	21,088,482	3,119,712

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

B) Exchange Traded Interest Rate (IR) Derivatives

	2015	2014
i) Notional principal amount of exchange traded IR derivatives undertaken during the year	-	-
ii) Notional principal amount of exchange traded IR derivatives outstanding	-	-
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"	-	-

C) Qualitative disclosure for Derivatives

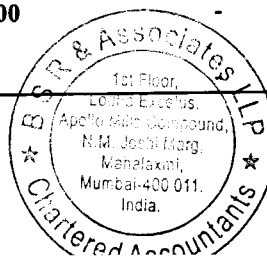
The Company undertakes transactions in derivative products in the role of a user with counter parties. The Company deals in the derivatives for balance sheet management i.e. for hedging fixed rate, floating rate or foreign currency assets/liabilities and for hedging the variable interest in case of benchmark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

	2015		2014	
	Currency Derivative	Interest Rate Derivatives	Currency Derivative	Interest Rate Derivatives
i) Derivatives (Notional Principal Amount)				
- For hedging	8,294,375,000	9,750,000,000	-	7,150,000,000
ii) Marked to Market Positions				
a) Assets (+)	37,828,412	22,753,528	-	5,744,001
b) Liability (-)	-	1,665,046	-	2,624,290
iii) Credit Exposure	391,125,140	86,250,000	-	84,000,000
iv) Unhedged Exposures	6,572,034,000	-	-	-



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.50 Capital to Risk Assets Ratio (CRAR)

	2015	2014
i) CRAR (%)	17.72%	16.06%
ii) CRAR - Tier I capital (%)	11.68%	15.56%
iii) CRAR - Tier II Capital (%)	6.04%	0.50%
iv) Amount of subordinated debt raised as Tier-II capital	8,200,000,000	200,000,000
v) Amount raised by issue of Perpetual Debt Instruments	-	-

2.51 Securitisation/ Direct Assignment:

The Company sells loans through securitisation and direct assignment.

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

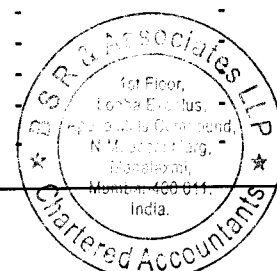
	2015	2014
Total number of loan assets under par structure	-	161
Total book value of loan assets	-	887,961,104
Sales consideration received	-	887,961,104

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

	2015	2014
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	643,783,599	872,875,345
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	64,378,360	87,287,535
a) Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
- First loss	64,378,360	87,287,535
- Others	-	-
4 Amount of exposures to securitisation transactions other than MRR	73,780,336	50,871,161
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	73,780,336	50,871,161
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-

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

	2015	2014
i) No. of accounts	-	-
ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
iii) Aggregate consideration	-	-
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	-	-



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.51 Securitisation/ Direct Assignment: (Continued)

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

	2015	2014
Total number of loan assets under par structure	50	93
Total book value of loan assets	359,777,337	522,327,569
Sales consideration received	359,777,337	522,327,569

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:

	2015	2014
1 No. of transactions assigned by the NBFC	2	1
2 Total amount outstanding	606,439,238	522,327,569
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	67,382,138	58,036,397
a) Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
- First loss		
- Others	67,382,138	58,036,397
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 as at 31 March

	2015	2014
i) No. of accounts	143	93
ii) Aggregate value (net of provisions) of accounts sold	882,104,906	522,327,569
iii) Aggregate consideration	882,104,906	522,327,569
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 / sold

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



ECL Finance Limited

Notes to the financial statements (Continued)

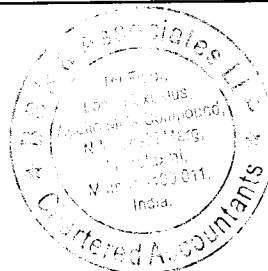
(Currency: Indian rupees)

2.52 Exposure to real estate sector, both direct and indirect

	2015	2014
A Direct Exposure		
(i) Residential Mortgages -	4,349,701,573	3,145,443,302
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:(Individual housing loans up to Rs.15 lakhs may be shown separately)	4,349,701,573	3,145,443,302
(ii) Commercial Real Estate -	28,694,919,191	19,451,419,251
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.	28,694,919,191	19,451,419,251
Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
- Residential	-	-
- Commercial Real Estate	-	-
B Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

2.53 Exposure to Capital Market

	2015
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	270,057,408
advances against shares / bonds / debentures or other securities or on clean basis to	
ii) individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	7,109,123,441
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	28,717,493,766
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	21,600,000
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	675,948,090
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)	-
Total Exposure to Capital Market	36,794,222,705



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.54 Asset Liability Management

Maturity pattern of certain items of assets and liabilities

As at 31 March 2015

Particulars	Liabilities			Assets	
	Borrowings from Banks	Market Borrowings	Loans and Advances	Investments	Stock in Trade
1 day to 30/31 days (One month)	217,862,978	14,986,158,601	9,944,204,688	37,256,965	15,392,763,154
Over One months to 2 months	233,333,333	2,651,126,221	6,488,376,605	-	-
Over 2 months up to 3 months	1,090,375,757	958,510,577	4,609,831,139	-	-
Over 3 months to 6 months	3,033,084,090	903,187,670	5,749,959,498	425,387	-
Over 6 months to 1 year	12,232,786,517	8,199,569,501	27,445,719,812	130,300,443	995,138,150
Over 1 year to 3 years	12,733,612,113	23,891,452,098	33,668,569,851	-	-
Over 3 years to 5 years	5,012,025,000	4,788,680,000	3,286,335,787	1,470,853,637	-
Over 5 years	-	12,570,000,000	7,073,100,445	5,522,500,000	-
Total	34,553,079,788	68,948,684,668	98,266,097,825	7,161,336,432	16,387,901,304

As at 31 March 2014

Particulars	Liabilities			Assets	
	Borrowings from Banks	Market Borrowings	Loans and Advances	Investments	Stock in Trade
1 day to 30/31 days (One month)	6,000,770,506	4,130,313,105	11,347,156,273	-	309,213,103
Over One months to 2 months	32,389	8,558,448,302	3,498,377,913	-	2,782,917,928
Over 2 months up to 3 months	287,532,640	4,629,275,241	3,729,103,972	-	-
Over 3 months to 6 months	2,655,937,527	1,998,360,644	4,532,553,747	-	652,268,500
Over 6 months to 1 year	918,851,795	4,012,020,942	9,483,760,593	425,387	-
Over 1 year to 3 years	8,030,381,754	11,014,289,416	19,444,698,202	3,026,251,022	3,088,220,156
Over 3 years to 5 years	1,475,839,040	4,527,632,227	3,489,420,307	2,017,500,681	-
Over 5 years	-	200,000,000	5,450,806,082	-	-
Total	19,369,345,651	39,070,339,877	60,975,877,089	5,044,177,090	6,832,619,687

2.55 Movements in Non Performing Advances:

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

	2015	2014
i) Net NPAs to Net advances (%)	0.30%	0.35%
ii) Movement of NPAs (Gross)		
a) Opening Balance	753,076,469	250,706,589
b) Additions during the year	1,181,141,975	570,438,296
c) Reductions during the year*	293,170,727	68,068,415
d) Closing balance	1,641,047,717	753,076,469
iii) Movement of Net NPAs		
a) Opening Balance	208,595,315	74,547,298
b) Additions during the year	170,484,579	190,643,778
c) Reductions during the year*	84,818,625	56,595,761
d) Closing balance	294,261,269	208,595,315
iv) Movement of Provisions for NPAs (excluding provision on Standard assets)		
a) Opening Balance	544,481,153	176,159,290
b) Additions during the year	1,010,657,396	379,794,517
c) Reductions during the year*	208,352,102	11,472,654
d) Closing balance	1,346,786,447	544,481,153

* Includes NPA written off during the year is Rs 171,930,283 (Previous year: Rs Nil)

ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.56 Details of 'Provisions and Contingencies'

Breakup of provisions and contingencies shown under the head other expenses in		2015	2014
Profit and loss account			
i) Provisions for depreciation on Investment		-	-
ii) Provision towards NPA		802,305,294	368,321,863
iii) Provision made towards Income tax		938,601,755	685,180,796
iv) Provision for Standard Assets including restructured and others		189,390,000	68,540,213
v) Other Provision and Contingencies			
a) Provision for doubtful debts		4,017,996	606,543
b) Provision for credit loss on securitisation		(1,771,463)	19,274,583

2.57 Concentration of Deposits, Advances, Exposures and NPAs

		2015	2014
A) Concentration of Advances			
Total Advances to twenty largest borrowers		36,401,995,479	28,538,459,968
% of Advances to twenty largest borrowers to Total Advances		37.04%	46.82%
B) Concentration of Exposures [§]			
Total Exposures to twenty largest borrowers / Customers		39,551,995,479	32,542,690,286
% of Exposures to twenty largest borrowers / Customers to Total Advances		37.52%	49.30%
C) Concentration of NPAs			
Total Exposures to top Four NPAs		0.96%	0.66%
D) Sector-wise NPAs			
		% of NPAs to Total Advances in that sector	
Sectors/Particulars		2015	2014
1	Agriculture & allied activities	0.00%	0.00%
2	MSME	0.00%	0.00%
3	Corporate borrowers	1.81%	1.01%
4	Services	0.00%	0.00%
5	Unsecured personal loans	0.16%	2.41%
6	Auto loans	0.00%	0.00%
7	Other personal loans	1.40%	1.85%

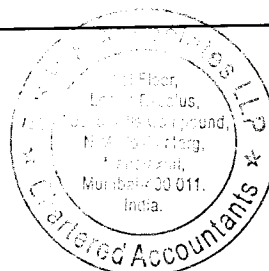
§ - includes Loans and advances and investments

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

During the year ended March 31, 2015 and March 31, 2014, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

2.59 Customer Complaints

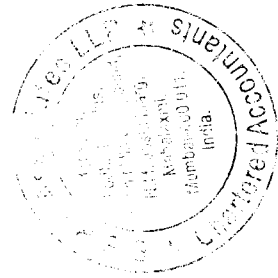
(a) No. of complaints pending at the beginning of the year	-
(b) No. of complaints received during the year	60
(c) No. of complaints redressed during the year	60
(d) No. of complaints pending at the end of the year	-



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

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

Type of Restructuring		Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total			
Sl No	Asset Classification	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	
	Details																
1	Restructured accounts as on 1st April, 2014 (Opening figures)	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	
2	Fresh restructuring during the year	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -	620,512,069 93,076,810	197,132,149 29,569,822	1 -	- -	817,644,218 122,646,632	620,512,069 93,076,810	197,132,149 29,569,822	1 -	- -	817,644,217 122,646,632	
4	Upgradations of restructured accounts to Standard category	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	
5	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	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	
6	Downgradations of restructured accounts during the year	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	
7	Write-offs of restructured accounts during the year	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	
8	Restructured accounts as on 31st Mar, 2015 (Closing figures)	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -	620,512,068 93,076,810	197,132,149 29,569,822	1 -	- -	817,644,217 122,646,632	620,512,068 93,076,810	197,132,149 29,569,822	1 -	- -	817,644,217 122,646,632	



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.61 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Figures are as at 31 March 2015)

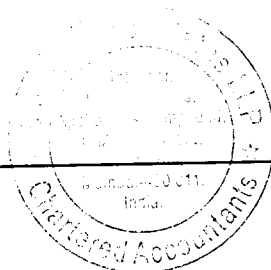
Liabilities Side:

Particulars	Amount Outstanding		Amount Overdue	
	2015	2014	2015	2014
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid				
a) Debentures:				
(other than those falling within the meaning of Public deposit)*				
(i) Secured	45,013,372,651	22,720,043,465	-	-
(ii) Unsecured	-	-	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	27,852,207,800	10,850,269,211	-	-
d) Inter-corporate loans and borrowing	-	2,928,630	-	-
e) Commercial Paper	5,538,109,528	17,447,039,764	-	-
f) Other loans	22,384,620,040	1,179,758,849	-	-
(i) Loan from Bank	-	1,206,668,426	-	-
- Working Capital Demand Loan	-	-	-	-
- Overdraft	6,716,618,337	7,312,408,013	-	-

* Please see Note 1 below

Assets side:

	Amount Outstanding	
	2015	2014
2) Break up of Loans and Advances including bills receivables		
(other than those included in (3) below)		
a) Secured	92,868,659,968	49,336,175,206
b) Unsecured	5,397,437,856	11,623,612,730
3) Break up of Leased Assets and stock on hire and other assets counting towards AFC	NA	NA
a) Lease assets including lease rentals under sundry debtors:		
(i) Financial Lease	-	-
(ii) Operating Lease	-	-
b) Stock on hire including hire charges under sundry debtors		
(i) Assets on hire	-	-
(ii) Repossessed assets	-	-
c) Other loans counting towards Asset Financing Company activities		
(i) Loans where assets have been repossessed	-	-
(ii) Other loans	-	-
4) Break up of Investments		
Current Investments:		
a) Quoted:		
(i) Shares: Equity	167,557,408	-
Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	425,387.20	425,386.99
(iv) Government Securities	-	-
(v) Others	-	-



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.61 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Figures are as at 31 March 2015) - **Continued**

	Amount Outstanding	
	2015	2014
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	102,500,000	102,500,000
Preference	5,420,000,000	4,788,647,969
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
- Investment in Units of E-STAR Fund	64,289,902	37,500,000
- Investments in security receipts of trusts	1,406,563,735	115,103,735

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

As at 31 March 2015

Particulars	Amount net of provisions		
	Secured 2015	Unsecured 2015	Total 2015
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	2,000,408,671	-	2,000,408,671
(c) Other related parties	-	-	-
2. Other than related parties	89,566,155,648	5,352,747,058	94,918,902,706
TOTAL	91,566,564,319	5,352,747,058	96,919,311,377

As at 31 March 2014

Particulars	Amount net of provisions		
	Secured 2014	Unsecured 2014	Total 2014
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	2,432,781,868	2,432,781,868
(c) Other related parties	-	-	-
2. Other than related parties	48,895,117,221	9,087,407,694	57,982,524,915
TOTAL	48,895,117,221	11,520,189,562	60,415,306,783



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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)	
	2015	2014	2015	2014
1) Related parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	3,722,500,000	3,091,147,969	3,722,500,000	3,091,147,969
(c) Other related parties	-	-	-	-
2) Other than related parties	3,439,033,521	1,953,173,539	3,438,836,432	1,953,029,122
TOTAL	7,161,533,521	5,044,321,508	7,161,336,432	5,044,177,091

** As per Accounting Standard 18 - Related Party Disclosures

7) Other Information

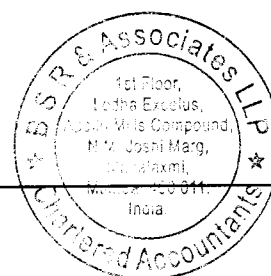
Particulars	2015	2014
a) Gross Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	1,641,047,717	753,076,469
b) Net Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	294,261,270	208,595,316
c) Assets acquired in satisfaction of debt	-	-

Notes:

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

2.62 Details of transaction with non executive directors

Name of the Non executive director	Nature of Transaction	Amount
Rujan Panjwani	Loans given	610,432,121
	Loans repaid	595,279,245
	Interest received on loan	6,312,339
Vidya Shah (from 20 March 2015)	Loans given	100,938,521
	Loans repaid	9,397,073
	Interest on loan	390,497
PN Venkatachalam	Sitting fees	300,000
Sunil Mitra	Sitting fees	20,000



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.63 Details of ratings assigned by credit rating agencies

Instrument category	CRISIL	ICRA	CARE	Brickworks
i) Long Term Instruments				
Rating	AA-/Stable	AA	AA	AA
Amount	37,250,000,000	79,500,000,000	77,750,000,000	11,500,000,000
ii) Short term instruments				
Rating	A1+	A1+	A1+	-
Amount	61,000,000,000	61,000,000,000	36,000,000,000	-
iii) Market linked debentures				
a Short Term				
Rating	PP- MLD A1+R	-	-	-
Amount	10,000,000,000	-	-	-
b Long Term				
Rating	PP MLD AA -r/stable	PP-MLD [ICRA]AA	PP MLD-AA	-
Amount	12,250,000,000	6,000,000,000	8,000,000,000	-

- 2.64 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.

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firms' Registration No. 116231W /W-100024

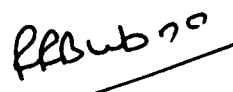


N Sampath Ganesh

Partner

Membership No: 042554

For and on behalf of the Board of Directors



Ravi R. Bubna

Managing Director & CEO

DIN: 00090160



Himanshu Kaji

Executive Director

DIN : 00009438



Nilesh Sampat

Chief Financial Officer



Tarun Khurana

Company Secretary

Mumbai
14 May 2015

Mumbai
14 May 2015