



ECL FINANCE LIMITED

Our Company was incorporated on July 18, 2005 as a public limited company under the provisions of the Companies Act, 1956, as ECL Finance Limited and received the certificate for commencement of business on August 04, 2005. Registrar of Companies, Maharashtra, Mumbai, issued a certificate of incorporation to our Company dated July 18, 2005. The Corporate Identification Number of our Company is U65990MH2005PLC154854.

Our Company is registered as a Non-Banking Financial Company under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
Registered Office & Corporate Office: Edelweiss House, Off. C.S.T Road, Kalina, Mumbai 400098, Maharashtra, India.

Tel: +91 22 4009 4400; **Fax:** +91 22 4086 3661; **Website:** www.edelweissfin.com

For details of changes in Registered Office, see the section titled "History and certain other Corporate Matters" beginning on page 82.

Company Secretary and Compliance Officer: Ms. Preeti Chhabria; **Tel:** +91 22 4009 4400; **Fax:** +91 22 4086 3661; **E-mail:** Elfsubdebtpo@edelweissfin.com

PROMOTER OF OUR COMPANY: EDELWEISS FINANCIAL SERVICES LIMITED

Public Issue by ECL Finance Limited, ("Company" or "Issuer") of Un-Secured Redeemable Non-Convertible Debentures of the face value of ₹1,000 each, ("NCDs"), aggregating upto ₹2,000 million, hereinafter referred to as the "Base Issue" with an option to retain over-subscription upto ₹2,000 million aggregating to a total of upto ₹4,000 million, hereinafter referred to as the "Overall Issue size" or as the "Issue". The NCDs are in the nature of subordinated debt and will be eligible for Tier II capital

GENERAL RISKS

Investors are advised to read the Risk Factors carefully before taking an investment decision in the Issue. For taking an investment decision, the investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the investors is invited to the chapter titled "Risk Factors" on pages XI to XXVII. This document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India, any Registrar of Companies, the Reserve Bank of India ("RBI") or any stock exchange in India.

COUPON RATE, COUPON PAYMENT FREQUENCY, MATURITY DATE, MATURITY AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs, see section titled "Terms of the Issue" starting on page 154 of this Draft Prospectus. For details relating to eligible investors please see "The Issue" on page 16.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material respect and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated 'CARE AA' [Double A] by CARE for an amount of up to ₹4,000 million *vide* its letter dated May 16, 2014 and 'BWR AA (Outlook: Stable)' by Brickwork for an amount of up to ₹4,000 million *vide* its letter dated May 19, 2014. The rating of NCDs by CARE indicates instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The rating of NCDs by Brickwork indicates instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The ratings provided by CARE and/or Brickwork may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own investment decisions. Please refer to page 252 for the rationale for the above ratings.

LISTING

The NCDs offered through this Draft Prospectus are proposed to be listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). Our Company has obtained 'in-principle' approval for the Issue from NSE and BSE *vide* their letter (s) dated [●] and [●], respectively. For the purposes of the Issue, BSE shall be the designated stock exchange.

PUBLIC COMMENTS

This Draft Prospectus has been filed with NSE and BSE pursuant to the Regulation 6(2) of the SEBI Debt Regulations. This Draft Prospectus is open for public comments for a period of 7 (seven) Working Days from the date of filing with NSE and BSE (together "Stock Exchanges"). This Draft Prospectus is available on the website of our Company, on the website of the Stock Exchanges, i.e. NSE and BSE and the respective websites of the Lead Managers. All comments on this Draft Prospectus are to be forwarded to the attention of Ms. Preeti Chhabria, Company Secretary and Compliance Officer at our Registered Office at Edelweiss House, Off. C.S.T Road, Kalina, Mumbai 400098, Maharashtra, India **Tel:** +91 22 4009 4400; **Fax:** +91 22 4086 3661; **Email:** Elfsubdebtpo@edelweissfin.com. All comments MUST be received by the Issuer within 7 working days of filing this Draft Prospectus with the Stock Exchanges. Comments by post, fax and email shall be accepted, however, please note that all comments must be received by the Issuer by 5 p.m. on the 7th working day from the date on which this Draft Prospectus is filed with the Stock Exchanges.

LEAD MANAGERS TO THE ISSUE



Axis Capital Limited
Axis House, Level 1
C-2 Wadia International Centre,
P.B. Marg, Worli,
Mumbai 400 025, Maharashtra,
India
Tel.: +91 22 4325 2525
Fax: +91 22 4325 3000
Email: ecl.ncd@axiscap.in
Website: www.axiscap.in
Investor Grievance email: complaints@axiscap.in
Contact Person: Simran Gadh
Compliance Officer: M Natarajan
SEBI Regn. No.: INM000012029



Edelweiss Financial Services Limited*
14th floor, Edelweiss House,
Off CST Road, Kalina,
Mumbai 400 098, Maharashtra, India
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email ID: ecl.ncd@edelweissfin.com
Website: www.edelweissfin.com
Investor Grievance email:
customerservice.mb@edelweissfin.com
Contact Person: Sujaya Moghepadhye
Compliance Officer: B Renganathan
SEBI Regn. No.: INM0000010650



Link Intime India Private Limited
C- 13 Pannalal Silk Mills Compound,
LBS Marg,
Bhandup (West),
Mumbai 400 078, Maharashtra, India
Tel: +91 22 2596 7878;
Fax: +91 22 2596 0329
Email: ecl2.ncd@linkintime.co.in
Investor Grievance email:
ecl2.ncd@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Sachin Achar
SEBI Regn. Number: INR000004058****



Axis Trustee Services Limited***
2nd floor, Axis house, Bombay Dyeing
Mills Compound, Pandurang
Budhar Marg, Mumbai 400 025,
Maharashtra, India
Tel: +91 22 2425 5206;
Fax: +91 22 2425 4200
Email: bondtrustee@axistrustee.com
Investor Grievance email:
complaints@axistrustee.com
Website: www.axistrustee.com
Contact Person: Neelesh Baheti
SEBI Regn. Number:
IND000000494

ISSUE SCHEDULE**

Issue Opens on [●]

Issue closes on [●]

* Edelweiss Financial Services Limited (EFSL) is the Promoter of our Company. As EFSL is the holding company of our Company and there are common directors between EFSL and our Company, EFSL is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). EFSL will sign the due diligence certificate. Further, in compliance with the provisions of Regulation 21A (1) and explanation to Regulation 21A (1) of the Merchant Bankers Regulations, EFSL would be involved only in marketing of the Issue.

**The subscription list for the Issue shall remain open for subscription upto 5 p.m. with an option for early closure or extension by such period, as may be decided at the discretion of the Board subject to necessary approvals. In the event of such early closure of the Issue or extension of the Issue, our Company shall ensure that notice of such early closure or extension of the Issue is given as the case may be on such date of closure through advertisement/s in a leading national daily newspaper. For further details please refer to "General Information" on page 1.

*** Axis Trustee Services Limited pursuant to regulation 4(4) of SEBI Debt Regulations has by its letter dated May 22, 2014 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue. For further details please refer to "General Information-Debenture Trustee" on page 3.

****The SEBI registration of Link Intime India Private Limited ("Link Intime") has expired on May 5, 2014. Link Intime has made an application dated January 30, 2014 to SEBI for renewal of its registration in accordance with the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993. The renewal of the registration from SEBI is currently awaited. A copy of Prospectus and written consents of our Directors, our Company Secretary and Compliance Officer, our Auditors, the legal advisor, the Lead Managers, the Registrar to the Issue, Escrow Collection Bank(s), Refund Bank, Credit Rating Agencies, the Bankers to our Company, the Debenture Trustee, and the Lead Brokers to act in their respective capacities shall be filed with the Registrar of Companies, Mumbai, in terms of section 26 of the Companies Act, 2013, along with the requisite endorsed/certified copies of all requisite documents. For further details please refer to the chapter titled "Material Contracts and Documents for Inspection" beginning on page 249.

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise requires the following terms shall have the following meanings ascribed thereto in this Draft Prospectus. Reference to any statutes, regulations and policies shall include amendments thereto, from time to time.

All references to “Issuer”, “we”, and “us”, “our” and “our Company” are to ECL Finance Limited. In this Draft Prospectus, all references to “Edelweiss Group” are to Edelweiss Financial Services Limited and its subsidiaries.

Company Related Terms

Term	Description
“Issuer”, “the Company” and “our Company”	ECL Finance Limited, a company incorporated under the Companies Act, 1956 and registered as a Non-Banking Financial Company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934 and having its Registered Office at Edelweiss House, Off. C.S.T Road, Kalina, Mumbai - 400098, Maharashtra.
Act / Companies Act/Companies Act 2013	The Companies Act, 2013 to the extent notified by the MCA and read with the Rules framed thereunder
1956 Act/ Companies Act, 1956	The Companies Act, 1956, as amended read with the Rules framed thereunder
AOA / Articles / Articles of Association	Articles of Association of our Company
Board / Board of Directors	The Board of Directors of our Company and includes any Committee thereof
DIN	Director Identification Number
Equity Shares	Equity shares of the face value of ₹1 each of our Company
Edelweiss Group	Edelweiss Financial Services Limited and its subsidiaries
Loan Assets	Assets under financing activities
Memorandum / MOA / Memorandum of Association	Memorandum of Association of our Company
Net Loan Assets	Assets under financing activities net of Provision for non-performing assets
NAV	Net Asset Value
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934
NPA	Non-Performing Asset
Promoter	Edelweiss Financial Services Limited
₹ / Rs./ INR / Rupees	Indian Rupees
Financial Statements	Includes (i) Re-formatted standalone statement of assets and liabilities, Re-formatted standalone statement of profit and loss and Re-formatted standalone statement of cash flow as at or for the years ended March 31, 2010; March 31, 2011, March 31, 2012, March 31, 2013 and March 31, 2014 derived from the audited financial statements of the respective years
Statutory Auditors / Auditors	Our statutory auditors being B S R & Associates LLP, Chartered Accountants

Issue Related Terms

Term	Description
Allotment / Allotted	Unless the context otherwise requires, the allotment of the NCDs pursuant to the Issue to the Allottees
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted in accordance with the Basis of Allotment.

Term	Description
Allottee	The successful Applicant to whom the NCDs are being / have been Allotted pursuant to the Issue.
Applicant/ Investor	Any prospective Applicant who makes an Application pursuant to this Draft Prospectus and the Application Form. For more information on eligibility of the prospective Applicant please refer to the chapter titled “ <i>Issue Procedure</i> ” on page 159
Application	An application to subscribe to NCDs offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the Draft Prospectus.
Application Amount	Shall mean the amount of money that is paid by the Applicant while making the Application in the Issue by way of a cheque or demand draft or the amount blocked in the ASBA Account
Application Form	The form used by an Applicant to apply for NCDs being issued through the Draft Prospectus
Application Supported by Blocked Amount/ ASBA, ASBA Application	Shall mean the Application (whether physical or electronic) used by an Investor to make an Application authorizing the SCSB to block the amount payable on Application in its specified bank account;
ASBA Account	An account maintained by an ASBA Applicant with a SCSB which will be blocked by such SCSB to the extent of the Application Amount in relation to the Application Form made in ASBA mode.
Bankers to the Company	Andhra Bank, Bank of Baroda, Union Bank of India, Bank of India, Oriental Bank of Commerce, State Bank of Hyderabad, Karnataka Bank Limited, Vijaya Bank, Dena Bank, Abu Dhabi Commercial Bank, Central Bank of India, Yes Bank Limited, Lakshmi Vilas Bank Limited, Punjab National Bank, Federal Bank Limited, Karur Vyasa Bank Limited, IndusInd Bank Limited, ING Vyasa Bank Limited, Allahabad Bank, IDBI Bank Limited, State Bank of Bikaner and Jaipur, State Bank of India, Syndicate Bank and SIDBI
Bankers to the Issue / Escrow Collection Banks	[•]
Base Issue	Public Issue of NCDs by our Company aggregating upto ₹2,000 million
Basis of Allotment	The basis on which NCDs will be allotted to successful Applicants under the Issue and which is described in “ <i>Issue Procedure – Basis of Allotment</i> ” on page 182.
Brickwork	Brickwork Ratings India Private Limited
Business Days	All days excluding Saturdays, Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.
CARE	Credit Analysis and Research Limited
Coupon Rate	Please refer to the chapter titled “ <i>Issue Structure – Terms and Conditions in connection with the NCDs</i> ” on page 138.
CRISIL	CRISIL Limited
NCDs/ Bonds	Un-Secured Redeemable Non-Convertible Debentures of the face value of ₹1,000 each. The NCDs are in the nature of subordinated debt and will be eligible for Tier II capital.
Debt Application Circular	Circular No. CIR/IMD/DF-1/20/2012 issued by SEBI on July 27, 2012.
Debenture Trusteeship Agreement	Agreement dated June 02, 2014 entered into between our Company and the Axis Trustee Services Limited
Debenture Trust Deed	Trust Deed entered into between our Company and the Axis Trustee Services Limited pursuant to the Issue.
Debt Listing Agreement	The listing agreement between our Company and the stock exchange in connection with the listing of debt securities of our Company
Deemed Date of Allotment	The date on which the Board approves the Allotment of NCDs. All benefits relating to the NCDs including interest on the NCDs shall be available to the investors from the Deemed Date of Allotment. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment
Demographic Details	On the basis of name of the Applicant, PAN details, Depository Participant’s name, Depository Participant-Identification number and Beneficiary Account

Term	Description
	Number provided by the Applicants in the Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the investor such as address, PAN, bank account details for printing on refund orders or used for refunding through electronic mode, as applicable and occupation.
	These Demographic Details would be used for all correspondence with the Applicants including mailing of refund orders/ Allotment Advice and printing of bank particulars on refund/interest order and Demographic Details given by Applicant in the Application Form wouldn't be used for these purposes by Registrar
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL)
DP / Depository Participant	A depository participant as defined under the Depositories Act
Designated Stock Exchange/ DSE	BSE Limited ("BSE")
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at www.sebi.gov.in
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Account and the Registrar issues instructions to SCSBs for transfer of funds from the ASBA accounts to the Public Issue Accounts in terms of the Prospectus and the Escrow Agreement.
Draft Prospectus / Draft Offer Document	This draft prospectus dated June 2, 2014 filed with the Stock Exchanges for receiving public comments in accordance the Regulation 6(2) of the SEBI Debt Regulations
Escrow Agreement	Agreement dated [●] entered into amongst our Company, the Registrar, the Escrow Collection Banks, the Refund Bank and Lead Managers for collection of the Application Amount and for remitting the refunds, if any, of the amounts collected, to the Applicants (excluding the ASBA Applicants) on the terms and conditions contained thereof
Escrow Account	Accounts opened in connection with the Issue with the Escrow Collection Bank(s) and in whose favour the Applicant will issue cheques or bank drafts in respect of the Application Amount while submitting the Application
Financial Year/FY/Fiscal Year	Financial Year ending March 31
Institutional Portion	Portion of Applications received from Category I Applicants eligible to apply for the Issue which includes Resident Public Financial Institutions, Statutory Corporations including State Industrial Development Corporations, Commercial Banks, Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs, Provident Funds and Resident Pension Funds with minimum corpus of ₹250 million, Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs, Venture Capital funds and / or Alternative Investment Funds registered with SEBI, Insurance Companies registered with the IRDA, National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India), Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India, Mutual Funds, registered with SEBI
Issue	Public Issue of NCDs by our Company aggregating upto ₹2,000 million with an option to retain over-subscription upto ₹2,000 million aggregating to a total of upto ₹4,000 million
Lead Manager MoU	MoU dated June 02, 2014 entered into between our Company and the Lead Managers.
Issue Opening Date	[●]
Issue Closing Date	[●], or such earlier or later date that the Board of Directors decide, as the case may be, and communicated to the Investors and the Stock Exchange through notice of such early/ extension given on such date of closure through

Term	Description
	advertisement/s in a leading national daily newspaper
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which Applicants can submit their Applications as specified in this Draft Prospectus.
Lead Managers	Axis Capital Limited and Edelweiss Financial Services Limited
Lead Brokers	[•]
Market Lot	One NCD
Members of Syndicate	Members of Syndicate includes Lead Managers, Lead Brokers and Sub Brokers
NCD Holder/ Debenture Holder/Bond Holder	Any person who holds the NCDs issued in this Issue and whose name appears in the Register of Debenture Holders.
Non-Institutional Portion	Category II Applicants eligible to apply for the Issue which includes Companies, Bodies Corporate and Societies registered under the applicable laws in India and authorised to invest in NCDs, Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorized to invest in the NCDs, Public/Private Charitable/Religious Trusts which are authorised to invest in the NCDs, Scientific and/or Industrial Research Organisations, which are authorised to invest in the NCDs, Partnership Firms in the name of the partners and Limited Liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)
Options	Option I, Option II, Option III, Option IV, Option V and Option VI
Prospectus / Offer Document	The Prospectus dated [•] filed with the ROC in accordance with the SEBI Debt Regulations.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account and from the SCSBs on the Designated Date
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be. In case Record Date falls on a day when Stock Exchanges are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Refund Account	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount (excluding the ASBA Application) shall be made
Refund Bank(s)	[•]
Registrar to the Issue/Registrar	Link Intime India Private Limited
Registrar Agreement	The agreement dated May 20, 2014 between our Company and the Registrar in connection with the Issue
SEBI Debt Regulations/ Debt Regulations/ SEBI Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time.
SCSBs or Self Certified Syndicate Banks	The banks registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, including blocking of an ASBA Account, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other web-link as may be prescribed by SEBI from time to time. A list of the branches of the SCSBs where ASBA Applications submitted to the Lead Managers, Lead Brokers or the Trading Member(s) of the Stock Exchange, will be forwarded by such Lead Managers, Lead Brokers or the Trading Members of the Stock Exchange is available at www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time
Stock Exchange(s)	BSE Limited and National Stock Exchange of India Limited

Term	Description												
Subordinated Debt	<p>“Subordinated Debt” means an instrument, which is fully paid up, is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the non-banking financial company. The book value of such instrument shall be subjected to discounting as provided hereunder:</p> <table border="0"> <tr> <td style="text-align: center;">Remaining Maturity of the instruments</td> <td style="text-align: center;">Rate of discount</td> </tr> <tr> <td>(a) Upto one year</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>(b) More than one year but upto two years</td> <td style="text-align: center;">80%</td> </tr> <tr> <td>(c) More than two years but upto three years</td> <td style="text-align: center;">60%</td> </tr> <tr> <td>(d) More than three years but upto four years</td> <td style="text-align: center;">40%</td> </tr> <tr> <td>(e) More than four years but upto five years</td> <td style="text-align: center;">20%</td> </tr> </table> <p>to the extent such discounted value does not exceed fifty per cent of Tier I capital;</p>	Remaining Maturity of the instruments	Rate of discount	(a) Upto one year	100%	(b) More than one year but upto two years	80%	(c) More than two years but upto three years	60%	(d) More than three years but upto four years	40%	(e) More than four years but upto five years	20%
Remaining Maturity of the instruments	Rate of discount												
(a) Upto one year	100%												
(b) More than one year but upto two years	80%												
(c) More than two years but upto three years	60%												
(d) More than three years but upto four years	40%												
(e) More than four years but upto five years	20%												
Syndicate ASBA Application Locations	Application centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the members of the Syndicate shall accept ASBA Applications												
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.												
Trading Member(s)	Trading members registered with the Stock Exchanges who are not empanelled as Lead Brokers or sub brokers												
Tripartite Agreement(s)	Agreements entered into between the Issuer, Registrar and each of the Depositories under the terms of which the Depositories have agreed to act as depositories for the securities issued by the Issuer												
Trustees / Debenture Trustee	Trustees for the holders of the NCDs, in this case being Axis Trustee Services Limited												
Working Days	All days other than a Sunday or a public holiday in Mumbai on which commercial banks are open for business, except with reference to Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India												

Business/Industry Related Terms

Term	Description
ALM	Asset Liability Management
ALCO	Asset – Liability Committee
ATS	Average Ticket Size
Average Cost of Borrowing	Amount that is calculated by dividing the interest paid during the period by average of the monthly outstanding
Capital Market Finance	Loans against Securities, Margin Funding, IPO financing and other structured lending transactions
CRAR	Capital-to-Risk-Weighted Assets Ratio
DSA	Direct Sales Agent
FIR	First Information Report
Gross Spread	Yield on the average minus the cost of funds
KYC Norms	Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority
LC	Loan Company
Loan Book	Outstanding loans net of provisions made for NPAs
NBFC	Non-Banking Financial Company
Non-Deposit Accepting NBFC	Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time

Term	Description
Directions/ Prudential Norms	
NBFC-D	NBFC registered as a deposit accepting NBFC
NBFC-ND	NBFC registered as a non-deposit accepting NBFC
NBFC-ND-SI	Systemically Important NBFC-ND with Asset size of more than ₹1000 million
Secured Loan Book	Secured loan given against hypothecation of asset
SME	Small and Medium Enterprises
Tier I Capital	Tier I Capital means owned fund as reduced by investment in shares of other NBFC and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiary and companies in the same group exceeding, in aggregate, ten per cent of the owned fund and perpetual debt instruments issued by a Systemically important non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year
Tier II Capital	<p>Tier II capital includes the following:</p> <ul style="list-style-type: none"> (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty five percent; (c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a systemically important non- deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital. <p>to the extent the aggregate does not exceed Tier I capital.</p>
Vehicle Loans	Loans against new and used commercial vehicles and buses

Conventional and General Terms or Abbreviations

Term	Description
AGM	Annual General Meeting
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
DRR	Debenture Redemption Reserve
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FDI Policy	FDI in an Indian company is governed by the provisions of the FEMA read with the FEMA Regulations and the Foreign Direct Investment Policy
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time
FII/FIIs	Foreign Institutional Investor(s)
GDP	Gross Domestic Product
GoI	Government of India
G-Sec	Government Securities
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
IT Act	The Income Tax Act, 1961, as amended from time to time

Term	Description
IT	Information Technology
KYC	Know Your Customer
LTV	Loan to value
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
MIS	Management Information System
NA	Not Applicable
NECS	National Electronic Clearing Services
NEFT	National Electronic Funds Transfer
NII(s)	Non-Institutional Investor(s)
NIM	Net Interest Margin
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RM	Relationship Manager
ROC	Registrar of Companies, Maharashtra, Mumbai
RTGS	Real Time Gross Settlement
SBI	State Bank of India
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992 as amended from time to time
TDS	Tax Deducted at Source
TNW	Tangible Net worth
TOL	Total Outsider Liabilities
WDM	Wholesale Debt Market

Notwithstanding the foregoing:

1. In the chapter titled “*Summary of Main Provisions of the Articles of Association*” beginning on page 215, defined terms have the meaning given to such terms in that section.
2. In the chapter titled “*Financial Statements*” beginning on page 101, defined terms have the meaning given to such terms in that chapter.
3. In the paragraph titled “*Disclaimer Clause of NSE*” and “*Disclaimer Clause of BSE*” beginning on page 201 in the chapter “*Other Regulatory and Statutory Disclosures*” beginning on page 201 defined terms shall have the meaning given to such terms in those paragraphs.
4. In the chapter titled “*Statement of Tax Benefits*” beginning on page 33, defined terms have the meaning given to such terms in that chapter.
5. In the chapter titled “*Key Regulations and Policies*” beginning on page 206, defined terms have the meaning given to such terms in that chapter.
6. In the chapter titled “*Our Business*” beginning on page 65, defined terms have the meaning given to such terms in that chapter.

PRESENTATION OF FINANCIAL, INDUSTRY AND OTHER INFORMATION

Certain Conventions

In this Draft Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms, all references to “ECL Finance Limited”, “Issuer”, “we”, “us”, “our” and “our Company” are to ECL Finance Limited.

All references to “India” are to the Republic of India and its territories and possessions and all references to the “Government” or the “State Government” are to the Government of India, central or state, as applicable.

Financial Data

Our Company publishes its financial statements in Rupees. Our Company’s financial statements are prepared in accordance with Indian GAAP and the Companies Act, 1956.

The Financial Statements are included in this Draft Prospectus alongwith the examination reports, as issued by our Company’s Statutory Auditors, B S R & Associates, LLP in the chapter titled “*Financial Statements*” beginning at page 101.

In this Draft Prospectus, any discrepancies in any table, including “*Capital Structure*” and “*Objects of the Issue*” between the total and the sum of the amounts listed are due to rounding off. All the decimals have been rounded off to two decimal places.

The degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

Currency and units of Presentation

In this Draft Prospectus, all references to ‘Rupees’ / ‘Rs.’ / ‘INR’ / ‘₹’ are to Indian Rupees, the official currency of the Republic of India.

Except where stated otherwise in this Draft Prospectus, all figures have been expressed in ‘Millions’. All references to ‘million/Million/Mn’ refer to one million, which is equivalent to ‘ten lakhs’ or ‘ten lacs’, the word ‘Lakhs/Lacs/Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten million’ and ‘billion/bn./Billions’ means ‘one hundred crores’.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly no investment decision should be made solely on the basis of such information. Although our Company believes that industry data used in this Draft Prospectus is reliable, it has not been independently verified. Also, data from these sources may not be comparable. Similarly, internal reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Draft Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

FORWARD LOOKING STATEMENTS

This Draft Prospectus contains certain statements that are not statements of historical fact and are in the nature of “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “expect”, “estimate”, “intend”, “objective”, “plan”, “potential”, “project”, “will”, “will continue”, “will pursue”, “will likely result”, “will seek to”, “seek” or other words or phrases of similar import. All statements regarding our expected financial condition and results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability and other matters discussed in this Draft Prospectus that are not historical facts.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results, performance or achievements to differ materially from those contemplated by the relevant statement.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to our businesses and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry.

Important factors that could cause actual results to differ materially from our expectations include, but not limited to, the following:

- Any increase in the levels of non performing assets (“NPA”) on our loan portfolio, for any reason whatsoever, would adversely affect our business and results of operations;
- Any volatility in interest rates which could cause our Gross Spreads to decline and consequently affect our profitability;
- Unanticipated turbulence in interest rates or other rates or prices; the performance of the financial and capital markets in India and globally;
- Changes in political conditions in India;
- The rate of growth of our Loan Book;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Changes in Indian and/or foreign laws and regulations, including tax, accounting, banking, securities, insurance and other regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations;
- Any changes in connection with policies, statutory provisions, regulations and/or RBI directions in connection with NBFCs, including laws that impact our lending rates and our ability to enforce our collateral;
- Emergence of new competitors;
- Performance of the Indian debt and equity markets;
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations;
- Our ability to attract and retain qualified personnel; and

- Other factors discussed in this Draft Prospectus, including under the chapter titled “*Risk Factors*” beginning on page XI.

For further discussion of factors that could cause our actual results to differ from our expectations, please refer to the section titled “*Risk Factors*” and chapters titled “*Industry*” and “*Our Business*” beginning on pages XI, 40 and 65 respectively.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward looking statements speak only as on the date of this Draft Prospectus. The forward-looking statements contained in this Draft Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. Neither our Company or the Lead Managers, nor any of their respective affiliates has any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and Lead Managers will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange(s).

SECTION II - RISK FACTORS

An investment in NCDs involves a certain degree of risk. You should carefully consider all the information contained in this Draft Prospectus, including the risks and uncertainties described below, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. The following risk factors are determined on the basis of their materiality. In determining the materiality of risk factors, we have considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future. Additional risks, which are currently unknown, if materialises, may in the future have a material adverse effect on our business, financial condition and results of operations. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with Financial Statements.

Internal Risk Factors

- 1. We are subjected to supervision and regulation by the RBI as a systemically important NBFC, and changes in RBI's regulations governing us could adversely affect our business.***

We are subject to the RBI's guidelines on the regulation of NBFCs, including capital adequacy, exposure and other prudential norms. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. The RBI's regulations of NBFCs could change in the future which may require us to restructure our activities, incur additional cost or could otherwise adversely affect our business and our financial performance.

The RBI has not provided for any restriction on interest rates that can be charged by non-deposit taking NBFCs. Although the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions 2007 may not be fully applicable to a non-deposit taking NBFC, there can be no assurance that the RBI and/or the Government will not implement regulations or policies, including policies or regulations or legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that could have an adverse impact on non-deposit taking NBFCs. In addition, there can be no assurance that any changes in the laws and regulations relating to the Indian financial services sector will not adversely impact our business.

- 2. We may have to comply with stricter regulations and guidelines that may be issued by regulatory authorities in India. If we are unable to comply with any such regulatory requirements, our business and results of operations may be materially and adversely affected.***

We are regulated principally by and have reporting obligations to the RBI. We are also subject to the corporate, taxation and other laws in effect in India. The existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide enhanced control. Moreover new regulations may be passed that restrict our ability to do business.

We cannot assure you that we will not be subject to any adverse regulatory action in the future. Further, these regulations are subject to frequent amendments and depend upon government policy. The costs of compliance may be high, which may affect our profitability. If we are unable to comply with any such regulatory requirements, our business and results of operations may be materially and adversely affected.

3. *We have been subject to RBI inspection and any adverse action taken could affect our business and operations.*

In accordance with the RBI Act, RBI regularly carries out inspection of NBFCs. RBI had conducted inspection of our Company for the financial year ended March 31, 2010 (“**Inspection 1**”) and March 31, 2013 (“**Inspection 2**”) and reported certain observations which interalia included operational deficiencies observed in the trading, investments and credit policies, inadequate frequency of meetings of committees of Board, increase in Gross NPAs, inadequate coverage in MIS on certain areas of operation, non-classification of NPAs correctly as per IRAC norms, violation of the instructions for bank finance to NBFC as stated in DBOD Master Circular BP.BC.No.5/21.04.172/2010-11 dated July 1, 2010 on certain occasions and non-adherence to guidelines on corporate governance on certain accounts, internal controls of the company required considerable strengthening etc. In relation to Inspection 1, our Company has replied to RBI on the observations pointed out, including on the information and clarifications sought by RBI, followed by a personal hearing in September 2012. Subsequently, our Company provided all the requisite information to RBI after which it has not received anything further on the matter from RBI. In relation to (“**Inspection 2**”) our Company has replied to RBI on the observations pointed out, including on the information and clarifications sought by RBI. Our Company has not received anything further on the matter from RBI. The RBI had also conducted the inspection of our Company for the financial year ended March 31, 2012 and till date our Company has not received any observations on the same.

4. *Our ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs which could impact on our business could affect our growth, margins and business operations.*

The RBI vide its Notification (No. RBI/2006-07/205/DBOD.No. FSD.BC.46 / 24.01.028 /2006-07) dated December 12, 2006 has amended the regulatory framework governing banks to address concerns arising from divergent regulatory requirements for banks and NBFCs. This Notification reduces the exposure (both lending and investment, including off balance sheet exposures) of a bank to NBFCs like us. Accordingly, banks exposure limits on any NBFC are reduced from the 25% of the banks’ capital funds to 10% of its capital funds. Furthermore, RBI has suggested that banks may consider fixing internal limits for their aggregate exposure to all NBFCs combined. This Notification limits a bank’s exposure to NBFCs which consequently restricts our ability to borrow from banks.

This Notification could affect our business and any similar notifications released by the RBI in the future, which has a similar impact on our business could affect our growth, margins and business operations.

5. *Our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business may have a material adverse effect on our business, financial condition and results of operations.*

NBFCs in India are subject to strict regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as a NBFC with the RBI, we are also required to comply with certain other statutory and regulatory requirements for our business. In the future, we will be required to renew the applicable permits and approvals and obtain new permits and approvals for the current and any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operation.

In addition, our branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled and we shall not be able to carry on such activities.

6. *We may be impacted by volatility in interest rates which could cause our Gross Spreads to decline and consequently affect our profitability.*

Our results of operations are substantially dependent upon the level of our Net Interest Margins. Interest income from our financing activities is the largest component of our total income, and constituted 101%, 91%, and 90% of our total income for the Financial Year 2014, Financial Year 2013 and Financial Year 2012, respectively. As of March 31, 2014, our loan book was ₹ 60,959.79 million. We borrow and lend funds on both fixed and floating rates. Volatility in interest rates can materially and adversely affect our financial performance. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted.

Accordingly, our operations are susceptible to fluctuations in interest rates. Interest rates are highly sensitive and fluctuations thereof are dependent upon many factors, inter-alia including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic and international economic and political conditions, inflation and other factors. Rise in inflation, and consequent changes in Bank rates, Repo rates and Reverse Repo rates by the RBI has led to an increase in interest rates on loans provided by banks and financial institutions, and interest rates in India have been volatile in recent periods.

7. *We may not be able to recover, on a timely basis or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans which could adversely affect our financial condition and results of operations.*

Out of our Company's total gross loan portfolio of ₹60,959.79 million as of March 31, 2014, ₹49,336.18 million representing 81 % of the aggregate gross value of our loan book is secured by collaterals and ₹11,623.61 million representing 19% of the aggregate gross value of our loan book is unsecured loans. The value of collaterals is dependent on various factors inter-alia including (i) prevailing market conditions, (ii) the general economic and political conditions in India, (iii) growth of the equity markets and real estate markets in India and the areas in which we operate, and (iv) any change in statutory and/or regulatory requirements.

Delays in recovery, bankruptcy and foreclosure proceedings, any defect in the title in connection with the collateral and the necessity of obtaining regulatory approvals for the enforcement of such collaterals may affect the valuation of the collateral and consequently our Company may not be able to recover the full value of the collateral for the loans provided by us, in a timely manner or at all. Further, legal proceedings often have to be initiated by our Company in this regard, the money and time spend in this regard may adversely affect our cash flow.

The value of the security provided to us, may be subject to reduction in value on account of other extraneous reasons. Consequently, the realizable value of the security for the loans provided by us, when liquidated, may be lower than principal amount outstanding along with interest and other costs recoverable from such customers.

Any default in repayment of the outstanding credit obligations by our customers may expose us to losses. A failure or delay to recover the expected value from sale of collateral security could expose us to a potential loss. Any such losses could adversely affect our financial condition and results of operations. Furthermore, enforcing our legal rights by litigating against defaulting customers is generally a slow and potentially expensive process in India. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

8. *Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.*

Our liquidity and ongoing profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from a combination of borrowings such as term loans and working capital limits from banks and issuance of commercial paper, non-convertible debentures and equity through private equity investments. Our company is also in the process of diversifying its sources of funding by securitisation of its loan portfolio to other lenders such as

banks. Thus, our business depends and will continue to depend on our ability to access diversified low-cost funding sources.

In August 2012, RBI modified the extant guidelines relating to securitisation/ direct assignment transaction. Further, assets with bullet repayment of both the principal and the interest amounts cannot be securitised, either whole, or in part. These changes may adversely affect our ability to raise funds under this route.

The RBI vide its circular RBI/2012-13/560 DNBD(PD) CC No. 330/03.10.001/2012-13 dated. June 27, 2013 and RBI/2013-14/115 DNBS(PD) CC No.349/03.10.001/2013-14 dated July 02, 2013 issued certain guidelines with respect to raising money through private placement by NBFCs in the form of non-convertible debentures. These guidelines include restrictions on the number of investors in an issue to 49 investors, minimum subscription amount for a single investor of ₹2.5 million and in multiples of ₹1 million thereafter, prohibition on providing loan against its own debentures, etc. This has resulted in limiting the Company's ability to issue fresh debentures on private placement basis. Such changes in laws of the country applicable to our Company can disrupt funding sources which would have a material adverse effect on our liquidity and financial condition.

Out of our total long term outstanding debt, of ₹30,300.80 million, as on March 31, 2014, an amount of ₹ 5,052.71 million will mature during the current financial year. In order to retire these instruments, we either will need to refinance this debt, which could be difficult in the event of volatility in the credit markets, or raise equity capital or generate sufficient cash to retire the debt. Such changes in laws of India, applicable to our Company can disrupt funding sources which would have a material adverse effect on our liquidity and financial condition.

9. *The financing industry is becoming increasingly competitive and our growth will depend on our ability to compete effectively.*

The sector in which we operate is highly competitive and we face significant competition from banks and other NBFCs. Many of our competitors are large institutions, which may have much larger customer base and funding sources, larger branch networks and more capital than we do. Some of our competitors may be more flexible and better-positioned to take advantage of market opportunities. In particular, private banks in India and many of our competitors outside of India may have operational advantages in implementing new technologies and rationalising branches. These competitive pressures affect the industry in which we operate as a whole, and our future success will depend in large part on our ability to respond in an effective and timely manner to these competitive pressures.

10. *We extend margin funding loans, or loans against securities, to our clients, and any default by a client coupled with a downturn in the stock markets could result in substantial losses for us.*

We extend “loans against securities”, or margin funding loans, which comprises 11.26% of our Loan Book as on March 31, 2014, which are secured by liquid, marketable securities at appropriate or pre-determined margin levels. In the event of a volatile stock market or adverse movements in stock prices, the collateral securing the loans may have decreased significantly in value, which might result in losses which we may not be able to support. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. It is therefore difficult to carry out precise credit risk analysis on our clients. Although we use a technology-based risk management system and follow strict internal risk management guidelines on portfolio monitoring, which include limits on the amount of margin, the quality of collateral provided by the client and pre-determined margin call thresholds, no assurance can be given that if the financial markets witnessed a significant single-day or general downturn, our financial condition and results of operations would not be adversely affected.

11. *We, our Promoters and certain of our Directors are involved in certain legal and other proceedings and we cannot assure you that we will be successful in all of these actions. In the event we are unsuccessful in litigating any or all of the disputes, our business and results of operations may be adversely affected.*

Our Company is involved in certain legal proceedings, including civil suits, consumer cases and tax disputes. These legal proceedings are pending at different levels of adjudication before various courts, investing authorities and tribunals. Further, two of our Directors have been named in criminal proceedings,

which are currently pending. For further details in relation to legal proceedings, see the section titled “*Outstanding Litigations*” on page 187.

We incur cost in defending these proceedings. We cannot provide any assurance in relation to the outcome of these proceedings. Any adverse decision may have an adverse effect on our business, financial condition and results of operations. Further, there is no assurance that similar proceedings will not be initiated against us in the future.

12. *If we are unable to sustain our growth effectively, our business and financial results could be adversely affected.*

A principal component of our strategy is to continue to diversify into development of our new product portfolios to suit customer needs. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Failure to train our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with the borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

13. *Our growth will depend on our continued ability to access funds at competitive rates which are dependent on a number of factors including our ability to maintain our credit ratings which may adversely impact our business and results of operations.*

As we are a “systemically important non-deposit accepting” NBFC, our liquidity and ongoing profitability are primarily dependent upon our timely access to, and the costs associated with raising capital. Our business is significantly dependent on funding from the debt capital markets and commercial borrowings. The demand for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors including our ability to maintain positive credit ratings. Ratings reflect a rating agency’s opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. Any such adverse development could adversely affect our business, financial condition and results of operations.

As an NBFC, we also face certain restrictions on our ability to raise money from international markets which may further constrain our ability to raise funds at attractive rates. While our borrowing costs have been competitive in the past due to our ability to raise debt products, credit rating and our asset portfolio, in the event we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. This may adversely impact our business and results of operations.

14. *We face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations and profitability.*

We may face potential liquidity risks due to varying periods over which our assets and liabilities mature. As is typical for NBFCs, a portion of our funding requirements is met through short-term funding sources such as bank loans, working capital demand loans, cash credit, short term loans and commercial papers. Our inability to obtain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and financial performance.

- 15. *We do not own the premises where our branch offices are located and in the event our rights over the properties is not renewed or is revoked or is renewed on terms less favourable to us, our business activities may be disrupted.***

At present we do not own the premises of any of our branch offices. In the event the owner of the premises revokes the consent granted to us or fails to renew the tenancy, we may suffer disruption in our operations.

- 16. *High levels of customer defaults could adversely affect our business, financial condition, results of operations and future financial performance.***

Our business involves lending money and accordingly we are subject to customer default risk including default or delay in repayment of principal and/or interest on our loans. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. If borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted.

Our Company has in the past faced certain instances of customers having defaulted and/or failed to repay dues in connection with loans and/or finance provided by us. Our Company has also initiated various legal proceedings to recover the dues.

Customer defaults could also adversely affect our levels of NPAs and provisioning of the same, which could in turn adversely affect our operations, cash flows and profitability. Our Gross NPAs have increased to ₹753.08 million as at March 31, 2014 from ₹250.71 million as at March 31, 2013 respectively and our Net NPAs have increased to ₹208.60 million as at March 31, 2014 from ₹74.55 million as at March 31, 2013 respectively.

Our level of NPAs in future will depend upon our ability to improve our collections and recoveries in relation to our NPAs or otherwise. Moreover, as our loan portfolio matures, we may experience greater defaults in principal and/or interest repayments. Thus, if we are not able to control or reduce our level of NPAs, the overall quality of our loan portfolio may deteriorate and our results of operations may be adversely affected. Our current provisions may not be comparable to the loan portfolios of other similar financial institutions, currently as at March 31, 2014 our total provisioning for NPAs is ₹544.48 million. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of Gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. In the event of any further deterioration in our NPA portfolio, there could be an even greater, adverse impact on our results of operations. While we believe that we have provided for NPAs to cover known or expected losses which may arise in our asset portfolio, any increase in the level of final credit losses shall adversely affect our business, financial condition, results of operation and future financial performance.

- 17. *As at March 31, 2014, Loan against Property comprises of 8.78% of our Loan Book. Any adverse development in the real estate sector would adversely affect our results of operations.***

A significant portion of our disbursements comprises loans against property.

As at March 31, 2014, our total loan book size was ₹60,959.79 million. Our loan against property comprised of 8.78% of our total loan book as at March 31, 2014. In case of significant decline in property prices, or defect in terms of title of the property, we may not be able to recover our principal and interest in case of default.

Any downturn in market condition could have an impact on the Company's financials. To elucidate, any deterioration in the housing and property market may result in retarding the growth of our loan book, which in turn could result in a material adverse effect on our business, financial condition and results of operations.

- 18. Our loan book comprises of unsecured loans forming a part of our SME working capital loans and corporate lending portfolios. Our inability to recover the amounts due from customers in connection with such loans in a timely manner or at all and/or to comply with applicable statutory/regulatory requirements in connection with such loans could adversely affect our operations and profitability.**

Our loan book comprises of unsecured loans forming a part of our SME working capital loans and corporate lending portfolios. Since such loans are unsecured, in case of customer defaults in connection with such loans, our ability to realise the amounts due to us for such loans would be restricted to initiating legal proceedings for recovery, as we will not have the benefit of enforcing any security interest related to such loans. There can be no guarantee as to the time that would be taken for the final disposal of such legal proceedings and/or our ability to obtain favourable decisions in connection therewith.

As of March 31, 2014, our corporate finance loan book was ₹30,982.88 million constituting 50.83% of our total loan book. Further, our corporate lending products generally do not have any definite end-use restrictions and our customer may utilise such loans for various purposes, which are often incapable of being monitored on a regular basis or at all.

- 19. A decline in our capital adequacy ratio could restrict our future business growth.**

As per RBI Notification dated May 26, 2009, all non - deposit taking NBFCs have to maintain a minimum capital ratio, consisting of Tier I and Tier II capital, which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items w.e.f. March 31, 2012. Our capital adequacy ratio computed on the basis of applicable RBI requirements was 16.06% as at March 31, 2014, with Tier I capital comprising 15.56 % as at March 31, 2014. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all, and this may adversely affect the growth of our business.

- 20. Our contingent liabilities could adversely affect our financial condition.**

As per the audited financial statements of our Company for year ended March 31, 2014, we had certain contingent liabilities not provided for, amounting to ₹11.30 million. The contingent liability amounts disclosed in our audited financial statements represent estimates and assumptions of our management based on advice received. If, for any reason, these contingent liabilities materialize, it may adversely affect our financial condition. For further details, please refer to section titled “*Statement of Contingent liability – F-77*” in the chapter “*Financial Statements*” beginning on page 101.

- 21. Our significant indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to conduct our business and operations in the manner we desire.**

As of March 31, 2014, we had outstanding secured loans of ₹40,779.88 million (includes long term borrowings, short term borrowings and debentures, term loans from banks, excluding interest accrued and due on secured loans included in Other Current Liabilities) and unsecured loans of ₹17,659.81 million (includes long term borrowings, short term borrowings and debentures and interest accrued and due on unsecured loans included in other current liabilities) and we will continue to incur additional indebtedness in the future. Most of our borrowings are secured by our standard business receivables.

Some of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. Under some of our financing agreements, we require, and may be unable to obtain, consents from the relevant lenders for, amongst others, the following matters: to declare and/ or pay dividend to any of its shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable by our Company in that year, to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction or disposal of whole of the undertaking, to create or permit any charges or lien, or dispose off any encumbered assets, to amend its MOA and AOA, etc These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take

from time to time. Further, our lenders may recall certain short-term demand loans availed of by us at any time. For details relating to our borrowings please see the section titled “*Financial Indebtedness*” beginning on page 103.

22. *Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons. Our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.*

Our ability to sustain the rate of growth depends significantly upon selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and product executives. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated with our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. Hiring and retaining qualified and skilled managers is critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven. Moreover, competition for experienced employees can be intense. While we have an incentive structure our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.

23. *We may not be able to successfully sustain our growth rate.*

In recent years, our growth has been fairly substantial. Our growth strategy includes growing our secured lending and expanding our retail customer base. There can be no assurance that we will be able to sustain our growth plan successfully or that we will be able to expand further or diversify our product portfolio. If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

We also face a number of operational risks in executing our growth strategy. We have experienced growth in our corporate finance and loan against property businesses. Our rapid growth exposes us to a wide range of increased risks, including business and operational risks, such as the possibility of growth of NPAs, fraud risks and regulatory and legal risks.

Our ability to sustain our rate of growth also significantly depends upon our ability to recruit trained and efficient personnel and retain key managerial personnel, maintain effective risk management policies, continuing to offer products which are relevant to our target base of clients, developing managerial experience to address emerging challenges and ensuring a high standard of client service. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rates, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us.

24. *We are exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees, agents, customers or third parties, which could harm our results of operations and financial position.*

Some of our transactions expose us to the risk of misappropriation or unauthorized transactions by our employees and fraud by employees, agents, customers or third parties. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill.

Further some of our collaterals provided to us for the loans may not be adequately insured, which may expose us to loss of value for such collateral and consequently we may not be able to recover the full value of the collateral. Any loss of value to the collateral may have a material adverse effect on our profitability and business operations.

25. *Our insurance coverage may not adequately protect us against losses which could adversely affect our business, financial condition and results of operations.*

We maintain such insurance coverage that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We maintain general insurance for burglary, employee fidelity, electronic equipment, machinery breakdown, Directors and Officers Liability and Comprehensive General Liability insurance. We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or coinsurance requirement, could adversely affect our business, financial condition and results of operations.

26. *Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts.*

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. Management of operational, legal or regulatory risk requires among other things, policies and procedures properly to record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective.

Our future success will depend, in part, on our ability to respond to new technological advances and emerging banking standards and practices in a cost-effective and timely manner. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will be able to successfully implement new technologies or adapt its transaction processing systems to customer requirements or emerging market standards.

27. *Our Business is dependent on relationships established through our branches with our clients; any events that harm these relationships including closure of branches or the loss of our key personnel, employees may lead to decline in our revenue and profits.*

Our business is dependent on the key personnel, employees who directly manage client relationships. We encourage dedicated personnel to service specific clients since we believe that this leads to long-term client relationships, a trust based business environment and over time, better cross-selling opportunities. While no key personnel, employees contribute a significant percentage of the business, the business may suffer materially if a substantial number of them either become ineffective or leave the organization. Such an event could be detrimental to our business and profits.

28. *Our Company is exposed to many operational risks which could materially impact our business and results of operations.*

Our Company is exposed to many types of operational risks. Operational risk can result from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions,

failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. We attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures, undertaking regular contingency planning and providing employees with continuous training. Any failure to mitigate such risks could adversely affect our business and results of operations.

29. *Our results of operations could be adversely affected by any disputes with employees.*

As on April 30, 2014, we employed 349 full-time employees. Currently, none of our employees are members of any labor union. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

30. *Significant fraud, system failure or calamities could adversely impact our business.*

We seek to protect our computer systems and network infrastructure from physical break-ins as well as fraud and system failures. Computer break-ins and power and communication disruptions could affect the security of information stored in and transmitted through our computer systems and network infrastructure. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent fraud, break-ins, damage and failures, there can be no assurance that these security measures will be adequate. A significant failure of security measures or operational procedures could have a material adverse affect on our business and our future financial performance. Although we take adequate measures to safeguard against system-related and other frauds, there can be no assurance that it would be able to prevent frauds.

We are exposed to many types of operational risks, including the risk of fraud or other misconduct by employees and unauthorized transactions by employees. Our reputation could be adversely affected by significant frauds committed by employees, customers or outsiders.

31. *We depend on the accuracy and completeness of information about customers and counterparties which may adversely affect our reputation, business and results of operations.*

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including financial statements and other financial information. We may also rely on certain representations as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. For example, in deciding whether to extend credit, we may assume that a customer's audited financial statements conform to generally accepted accounting principles and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer. Our financial condition and results of operations may be adversely by relying on financial statements that do not comply with generally accepted accounting principles or other information that is materially misleading.

Moreover, we have implemented KYC norms and other measures, to prevent money laundering. In the event of ineffectiveness of these norms and systems, our reputation, business and results of operations may be adversely affected.

32. *Inaccurate appraisal of credit may adversely impact our business*

We may be affected by failure of employees to comply with internal procedures and inaccurate appraisal of credit or financial worth of our clients. Inaccurate appraisal of credit may allow a loan sanction which may eventually result in a bad debt on our books of accounts. In the event we are unable to check the risks arising out of such lapses, our business and results of operations may be adversely affected.

33. *We are exposed to fluctuations in the market values of our investment and other asset portfolio.*

Turmoil in the financial markets has adversely affected economic activity globally, including in India. Continued deterioration of the credit and capital markets could result in volatility of our investment

earnings and impairments to our investment and asset portfolio, which could negatively impact our financial condition and reported income.

34. *We may experience difficulties in expanding our business into new regions and markets in India and introducing our complete range of products in each of our branches.*

We continue to evaluate attractive growth opportunities to expand our business into new regions and markets in India. Factors such as competition, culture, regulatory regimes, business practices and customs and customer requirements in these new markets may differ from those in our current markets and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with other banks and financial institutions that already have a presence in those geographies and markets and are therefore more familiar with local regulations, business practices and customs and have stronger relationships with customers.

Our business may be exposed to various additional challenges including obtaining necessary governmental approvals, identifying and collaborating with local business and partners with whom we may have no previous working relationship; successfully gauging market conditions in local markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographical areas of India and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. Our inability to expand our current operations may adversely affect our business prospects, financial conditions and results of operations.

35. *The small and medium scale enterprises to which we provide loans may not perform and we may not be able to control the non-performance of such companies.*

We provide loans to select growing small and medium enterprises against the assets owned and profits made by such companies. We do not manage, operate or control such companies and have no control over their functions or operations. These investments will be subject to the risk that such companies may make business, financial or management decisions with which we do not agree, or that the majority shareholders or the management of such companies may take business, financial or management decisions that may be adverse to, or otherwise act in a manner that does not serve, our interest. The repayment of the loans extended to such companies will depend to a significant extent on the specific management team of the relevant debtor company. The actions taken by the management of our customers may lead to significant losses, affecting their ability to repay our loans and consequently adversely affect our financial performance.

36. *Any change in control of our Promoter or our Company may correspondingly adversely affect our goodwill, operations and profitability.*

As on April 30, 2014, our Promoter along with two of its subsidiaries holds 92.2% of our paid up share capital. If our Promoter ceases to exercise majority control over our Company as a result of any transfer of shares or otherwise, our ability to derive any benefit from the brand name “Edelweiss” and our goodwill as a part of the Edelweiss Group of companies may be adversely affected, which in turn could adversely affect our business and results of operations.

Any disassociation of our Company from the Edelweiss Group and/or our inability to have access to the infrastructure provided by other companies in the Edelweiss Group could adversely affect our ability to attract customers and to expand our business, which in turn could adversely affect our goodwill, operations and profitability.

37. *Our Promoters, Directors and related entities have interests in a number of entities, which are in businesses similar to ours and this may result in potential conflicts of interest with us.*

Certain decisions concerning our operations or financial structure may present conflicts of interest among our Promoters, other shareholders, Directors, executive officers and the holders of Equity Shares. Our Promoters, Directors and related entities have interests in the following entities that are engaged in businesses similar to ours:

- Edelweiss Finance & Investments Limited
- Edel Finance Company Limited

- Edelweiss Retail Finance Limited
- Edelweiss Housing Finance Limited

Commercial transactions in the future between us and related parties could result in conflicting interests. A conflict of interest may occur directly or indirectly between our business and the business of our Promoters which could have an adverse effect on our operations. Conflicts of interest may also arise out of common business objectives shared by us, our Promoters, Directors and their related entities. Our Promoters, Directors and their related entities may compete with us and have no obligation to direct any opportunities to us. We cannot provide any assurance that these or other conflicts of interest will be resolved in an impartial manner.

- 38. *We are dependent on EFSL, our Promoter, goodwill that we enjoy in the industry and our brand name and any factor affecting the business and reputation of EFSL may have a concurrent adverse effect on our business and results of operations.***

As on date, EFSL along with its subsidiaries holds 92.2% of our paid up capital. We leverage on the goodwill of the Edelweiss group. We believe that this goodwill ensures a steady inflow of business. In the event Edelweiss group is unable to maintain the quality of its services or its goodwill deteriorates for any reason whatsoever, our business and results of operations may be adversely affected. Moreover, we have not entered into any formal arrangements for usage of the “Edelweiss” brand name and logo which is owned by EFSL. We operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. Any failure to retain our Company name may deprive us of the associated brand equity that we have developed which may have a material adverse affect on our business and results of operations.

- 39. *We have entered into related party transactions and may continue to enter into related party transactions, which may involve conflict of interest.***

We have entered into related party transactions, within the meaning of AS 18 as issued by the Companies (Accounting Standards) Rules, 2006. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour. For further details, please refer to statement of related party transactions in “*Financial Statements - Significant Accounting Policies and Notes to Accounts on the Financial Statements (Annexure IV)*” beginning on page F-8.

Risks pertaining to this Issue

- 40. *If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to this Draft Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.***

Regulation 16 of the SEBI Debt Regulations and Section 71 of the Companies Act 2013 states that any company that intends to issue debentures must create a Debenture Redemption Reserve out of the profits of the company available for payment of dividend until the redemption of the debentures. Further, the Companies (Share Capital and Debentures) Rules, 2014 states that the Company shall create Debenture Redemption Reserve and ‘the adequacy’ of DRR will be 25% of the value of debentures issued through public issue as per present SEBI Debt regulations. Accordingly, if we are unable to generate adequate profits, the DRR created by us may not be adequate to meet the 25% of the value of the NCDs. Further, every company required to create Debenture Redemption Reserve shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than fifteen percent, of the amount of its debentures maturing during the year ending on the 31st day of March of the next year, in any one or more of the following methods, namely:(i) in deposits with any scheduled bank, free from any charge or lien;(ii) in unencumbered securities of the Central Government or of any State Government; (iii) in unencumbered securities mentioned in sub-clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (iv) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of Section 20 of the Indian Trusts Act, 1882; (v) the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above, provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below fifteen percent of the amount of the debentures maturing during the year ending on the 31st day of

March of that year. If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to this Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.

41. *Changes in interest rates may affect the price of our NCDs.*

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities tend to fall and when interest rates drop, the prices tend to increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

42. *You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.*

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all.

43. *There are certain risks in connection with the NCDs being subordinated.*

The NCDs will be in the nature of subordinated debt and hence the claims of the holders thereof will be subordinated to the claims of secured creditors of our Company. Further, since no charge upon the assets of our Company would be created in connection with the NCDs, in the event of default in connection therewith, the holders of NCDs may not be able to recover their principal amount and/or the interest accrued therein in a timely manner, for the entire value of the NCDs held by them or at all. Accordingly, in such a case the holders of NCDs may lose all or a part of their investment therein. Further, the NCDs are not redeemable at the instance of the Debenture Holders without the consent of RBI.

44. *There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.*

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and Allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Stock Exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchanges for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to the Draft Prospectus.

There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.

45. *Any downgrading in credit rating of our NCDs may affect the value of NCDs and thus our ability to raise further debts.*

The NCDs proposed to be issued under this Issue have been rated 'CARE AA' [Double A] by CARE for an amount of up to ₹4,000 million *vide* its letter dated May 16, 2014 and 'BWR AA (Outlook: Stable)' by Brickwork for an amount of up to ₹4,000 million *vide* its letter dated May 19, 2014. The rating of NCDs by CARE indicates instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The rating of NCDs by Brickwork indicates instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The ratings provided by CARE and/or Brickwork, may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to page 252 for the rationale for the above ratings.

46. *Our Company may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders.*

Our Company may, subject to receipt of all necessary consents from its existing lenders and the Debenture Trustee to the Issue, raise further borrowings and charge its assets. Our Company is free to decide the nature of security that may be provided for future borrowings. In such a scenario, the Bondholders will rank pari passu with other chargeholder and to that extent, may reduce the amounts recoverable by the NCD holders upon our Company's bankruptcy, winding-up or liquidation.

47. *You may be subject to taxes arising on the sale of the NCDs.*

Sales of NCDs by any holder may give rise to tax liability, as discussed in section entitled "*Statement of Tax Benefits*" on page 33.

48. *There may be no active market for the non-convertible debentures on the WDM segment of the stock exchange. As a result the liquidity and market prices of the non-convertible debentures may fail to develop and may accordingly be adversely affected.*

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market for listed debt securities, (iii) general economic conditions, and, (iv) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

49. *There may be a delay in making refund to Applicants.*

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (ii) withdrawal of the Issue, or (iii) failure to obtain the final approval from the NSE and/or BSE for listing of the NCDs, will be refunded to you in a timely manner. We however, shall refund such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

External Risk Factors

50. *Our results of operations have been, and may continue to be, adversely affected by Indian and international financial market and economic conditions.*

Our business is highly dependent on Indian and international markets and economic conditions. Such conditions in India include fluctuations in interest rates; housing prices; corporate or other scandals that reduce confidence in the financial markets, among others. International markets and economic conditions include the liquidity of global financial markets, the level and volatility of debt and equity prices and interest rates, investor sentiment, inflation, the availability and cost of capital and credit, and the degree to which international economies are expanding or experiencing recessionary pressures. The independent and/or collective fluctuation of these conditions can directly and indirectly affect demand for our lending finance and other financial products, or increase the cost to provide such products. In addition, adverse economic conditions, such as declines in housing values, could lead to an increase in mortgage and other home loan delinquencies and higher write-offs, which can adversely affect our earnings.

Global financial markets were and continue to be extremely volatile and were materially and adversely affected by a lack of liquidity, decreased confidence in the financial sector, disruptions in the credit markets, reduced business activity, rising unemployment, declining home prices and erosion of consumer confidence. These factors have contributed to and may continue to adversely affect our business, financial condition and results of operations.

51. *Financial difficulties and other problems in certain financial institutions in India could cause our business to suffer and adversely affect our results of operations.*

We are exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. Certain Indian financial institutions have experienced difficulties in recent years. Some co-operative banks (which tend to operate in rural sector) have also faced serious financial and liquidity crises. There has been a trend towards consolidation with weaker banks and NBFCs being merged with stronger entities. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect our business, our future financial performance, our shareholders' funds and the market price of our NCDs.

52. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business*

Terrorist attacks and other acts of violence or war may negatively affect our business and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which could adversely affect our business.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our NCDs.

53. *Natural calamities could have a negative impact on the Indian economy, particularly the agriculture sector, and cause our business to suffer*

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. Further, prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy thereby, adversely affecting our business.

54. *Any downgrading of India's debt rating by rating agencies could have a negative impact on our business.*

Any adverse revisions to India's credit ratings for domestic and international debt by rating agencies may adversely impact our ability to raise additional financing, the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse affect on our business and financial performance, our ability to raise financing for onward lending and the price of our NCDs.

55. *Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry*

There is no assurance that the liberalization policies of the government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. The Government of India plays an important role by regulating the policies and regulations that govern the private sector. The current economic policies of the government may change at a later date. The pace of economic liberalization could change and specific laws and policies affecting the industry and other policies affecting investments in our Company's business could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business.

Unstable domestic as well as international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business may be affected not only by changes in interest rates, changes in Government policy, taxation, social and civil unrest but also by other political, economic or other developments in or affecting India.

56. Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include: (i) central and state taxes and other levies; (ii) income tax; (iii) value added tax; (iv) turnover tax; (v) service tax; (vi) stamp duty; and (vii) other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time.

The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge, is currently 32.45 %. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

57. Financial instability in other countries could disrupt our business.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country may have adverse effects on the economy as a whole, in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India.

In the event that the current difficult conditions in the global credit markets continue or if the recovery is slower than expected or if there any significant financial disruption, this could have an adverse effect on our cost of funding, loan portfolio, business, prospects, results of operations and financial condition.

PROMINENT NOTES

1. This is a public issue of NCDs by our Company aggregating upto ₹2,000 million with an option to retain over-subscription upto ₹2,000 million for issuance of additional NCDs, aggregating to a total of ₹4,000 million.
2. For details on the interest of our Company's Directors, please refer to the sections titled "**Our Management**" and "**Capital Structure**" beginning on pages 85 and 22, respectively.
3. Our Company has entered into certain related party transactions, within the meaning of AS 18 as notified by the Companies (Accounting Standards) Rules, 2006, as disclosed in the chapter titled "**Financial Statements**" beginning on page 101.
4. Any clarification or information relating to the Issue shall be made available by the Lead Managers, and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever.
5. Investors may contact the Registrar to the Issue, Compliance Officer, Lead Managers for any complaints pertaining to the Issue. In case of any specific queries on allotment/refund, Investor may contact Registrar to the Issue.
6. In the event of oversubscription to the Issue, allocation of NCDs will be as per the "**Basis of Allotment**" set out in the chapter "**Issue Procedure**" on page 182.
7. Our Equity Shares are currently unlisted.
8. Most of our earlier secured non-convertible debentures issued by our Company on private placement basis are listed on BSE. The previous public issue of secured redeemable non-convertible debentures of face value of ₹ 1,000 each aggregating to 5,000 million in the year 2013-2014 is listed on NSE and BSE.

9. As of March 31, 2014, we had certain contingent liabilities not provided for, including the following:
- i. disputed income tax demand of ₹0.54 million; and
 - ii. Any other of ₹10.76 million.

For further information on such contingent liabilities, see note 38 of Annexure IV to our “**Financial Statements**”.

10. For further information relating to certain significant legal proceedings that we are involved in, see “**Outstanding Litigation**” beginning on page 187.

SECTION III – INTRODUCTION

GENERAL INFORMATION

ECL Finance Limited

Our Company was incorporated on July 18, 2005 as a public limited company under the provisions of the Companies Act, 1956 as ECL Finance Limited and received the certificate of commencement of business on August 04, 2005.

NBFC Registration

Our Company has obtained a certificate of registration dated April 24, 2006 bearing registration no. N-13.01831 issued by the Reserve Bank of India under section 45 IA of the Reserve Bank of India Act, 1934, to commence/carry on the business of non-banking financial institution without accepting public deposits subject to the conditions mentioned in the certificate of registration.

Registered Office & Corporate Office:

Edelweiss House, Off. C.S.T Road,
Kalina, Mumbai,
Maharashtra – 400098, Maharashtra, India
Tel.: +91 22 4009 4400
Fax: +91 22 4086 3661
Website: www.edelweissfin.com

Registration

Registration Number: U 65990 MH 2005 PLC 154854

Corporate Identity Number: U65990MH2005PLC154854

Chief Financial Officer:

Mr. Nilesh Sampat

Edelweiss House,
Off. C.S.T Road,
Kalina, Mumbai – 400098,
Maharashtra, India

E-mail: Nilesh.sampat@edelweissfin.com

Tel.: +91 22 4088 5997

Fax: +91 22 4086 3661

Company Secretary and Compliance Officer:

Ms. Preeti Chhabria

Edelweiss House,
Off. C.S.T Road,
Kalina, Mumbai – 400098,
Maharashtra, India

E-mail: Eclfsubdebtipo@edelweissfin.com

Tel.: +91 22 4009 4400

Fax: +91 22 4086 3661

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit of allotted NCDs, refund orders or interest on application money.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant and the collection centre of the Members of the Syndicate where the Application was submitted.

All grievances relating to the ASBA Application may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

All grievances arising out of Applications for the NCDs made through the Online Mechanism of the Stock Exchanges or through Trading Members may be addressed directly to the Stock Exchanges.

Registrar of Companies, Maharashtra, Mumbai

100, Everest House
Marine Lines
Mumbai 400 002
Maharashtra, India

Board of Directors

The following table sets out the details regarding the Board of Directors as on the date.

Name, Designation and DIN	Age (years)	Address
Mr. Rashesh Shah Designation: Managing Director DIN: 00008322	50	B- 233, 10 th Floor, Kalpataru Horizon –B, S.K. Ahire Marg, Worli, Mumbai – 400 018
Mr. Raviprakash R. Bubna Designation: Managing Director & CEO DIN: 00090160	47	1203, ‘C’ Wing, Lakshachandi Heights, Krishna Vatika Marg, Gokuldham, Goregaon (East), Mumbai - 400 063
Mr. Himanshu Kaji Designation: Executive Director DIN: 00009438	48	C/7, Ishwar Niwas, Sicka Nagar,V.P. Road Mumbai – 400 004
Mr. Rujan Panjwani Designation: Non-Executive Director DIN: 00237366	51	26 th Hem Prabha, 7 th Floor, Marine Drive, Mumbai - 400 020
Mr. P N Venkatachalam Designation: Independent Director DIN: 00499442	70	Flat No. 3C, Settlor Manor No.2, Sivaswamy Street, (Behind UTI Bank), Off Dr. Radhakrishnan Salai, Mylapore, Chennai, Tamil Nadu – 600 004
Mr. Pankaj Sood Designation: Non-Executive Director-Nominee Director DIN: 05185378	38	1003/Atria-B Akruiti Complex, Saiwadi Opp Teli Galli, Andheri East, Mumbai, Maharashtra, India 400069

For further details of Directors of our Company, please refer to chapter titled “*Our Management*” beginning on page 85.

Lead Managers to the Issue

Axis Capital Limited

Axis House, Level 1
C-2 Wadia International Centre,
P.B. Marg, Worli,
Mumbai 400 025,
Maharashtra, India

Tel.: +91 22 4325 2525

Fax: +91 22 4325 3000

Email: ecl.ncd@axiscap.in

Investor grievance email: complaints@axiscap.in

Website: www.axiscap.in

Contact Person: Simran Gadh

Compliance Officer: M. Natarajan

SEBI Regn. No.: INM000012029

Edelweiss Financial Services Limited*

Edelweiss House,
Off CST Road, Kalina,
Mumbai 400 098,
Maharashtra, India

Tel.: +91 22 40863535

Fax: +91 22 40863610

Email: ecl.uncd@edelweissfin.com

Investor grievance email:
customerservice.mb@edelweissfin.com

Website: www.edelweissfin.com

Contact Person: Sujaya Moghepadhye

Compliance Officer: B Renganathan

SEBI Regn. No.: INM0000010650

* Edelweiss Financial Services Limited (EFSL) is the Promoter of our Company. As EFSL is the holding company of our Company and there are common directors between EFSL and our Company, EFSL is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). EFSL will sign the due diligence certificate. Further, in compliance with the provisions of Regulation 21A (1) and explanation to Regulation 21A (1) of the Merchant Bankers Regulations, EFSL would be involved only in marketing of the Issue.

Debenture Trustee

Axis Trustee Services Limited

2nd floor, Axis house,
Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg,
Mumbai 400 025

Tel: +91 22 2425 5206;

Fax: +91 22 2425 4200

Email: bondtrustee @axistrustee.com

Investor Grievance email: complaints@axistrustee.com

Website: www.axistrustee.com

Contact Person: Neelesh Baheti

SEBI Regn. Number: IND000000494

Axis Trustee Services Limited has vide its letter dated May 22, 2014 given their consent for their appointment as Debenture Trustee to the Issue and for their name to be included in this Draft Prospectus and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue.

Registrar to the Issue:

Link Intime India Private Limited

C- 13 Pannalal Silk Mills Compound,
LBS Marg,
Bhandup (West),
Mumbai 400 078, Maharashtra, India

Tel: +91 22 2596 7878;

Fax: +91 22 2596 0329

Email: ecl2.ncd@linkintime.co.in

Investor Grievance mail: ecl2.ncd@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Sachin Achar

Registration Number: INR000004058****

*The SEBI registration of Link Intime India Private Limited (“Link Intime”) has expired on May 5, 2014. Link

Intime has made an application dated January 30, 2014 to SEBI for renewal of its registration in accordance with the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993. The renewal of the registration from SEBI is currently awaited.

Credit Rating Agencies:

Brickwork Ratings India Pvt Limited

C/502,Business Square,
151 Andheri-Kurla Road
Chakala,Andheri(E)
Mumbai- 400093
Mumbai, India
Tel: +91 22 28311426
Fax: +91 22 28389144
Email: info@brickworkratings.com
Contact Person: Mr. Jatin Vyas
Website: www.brickworkratings.com
SEBI Registration No: IN/CRA/005/2008

Credit Analysis and Research Limited

4th Floor, Godrej Coliseum,
Somaiya Hospital Road,
Off Eastern Express Highway,
Sion (E), Mumbai 400 022
Maharashtra, India
Tel: +91 22 67543416
Fax: +91 22 6754 3457
Email: Vijay.agrawal@careratings.com
Contact Person: Mr. Vijay Agarwal
Website: www.careratings.com
SEBI Registration No: IN/CRA/004/1999

Disclaimer clause of Brickwork

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

Disclaimer clause of CARE

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

Legal Counsel to the Issue

Khaitan & Co

One Indiabulls Centre,
13th Floor, Tower 1,
841 Senapati Bapat Marg,
Elphinstone Road,
Mumbai – 400 013,
Maharashtra, India.
Tel: + 91 22 6636 5000
Fax: + 91 22 6636 5050

Statutory Auditors of our Company

B S R & Associates LLP, Chartered Accountants

Lodha Excelus, 5th Floor,
Apollo Mills Compound,
NM Joshi Marg, Mahalakshmi,
Mumbai- 400 011, India
Tel: +91 22 3989 6000
Fax: +91 22 3090 1550

Email: gsampath@kpmg.com
Contact Person: N Sampath Ganesh
Membership No: 042554
Firm Registration Number: 116231W

Bankers to the Issue/ Escrow Collection Banks

[•]

Refund Bank

[•]

Lead Brokers

[•]

Bankers to our Company

<p>Allahabad Bank</p> <p>Allahabad Bank Building, 37, Mumbai Samachar Marg, Fort, Mumbai-400 023</p> <p>Tel:+91-22-22662018 Fax: +91-22-22661935 Email:br.mumfort@allahabadbank.in Contact Person: Chief Manager, Mr. T.K Vasudevan Website:http://www.allahabadbank.in</p>	<p>Abu Dhabi Commercial Bank Limited</p> <p>75, Rehemat Manzil, Veer Nariman Road, Churchgate Mumbai – 400 020</p> <p>Tel: +91-22-3953 4159 Fax:+91-22-3953 4106 Email: rajeev.deoras@adcbindia.com Contact Person: Rajeev Deoras, Head Corporate Banking</p>	<p>Andhra Bank</p> <p>Specialized Corporate Finance Branch, 16th Floor, Earnest House, NCPA Marg, Nariman Point, Mumbai – 400 021</p> <p>Tel:+91-22-22884876 Fax: +91-22-22885841 Email:bmmum1128@andhrabank.co.in Contact Person: Branch head Website:www.andhrabank.in</p>
<p>Dena Bank</p> <p>Deepavali, SV Road, Andheri West, Mumbai- 400 058</p> <p>Tel:+91-22-26283736 Email: andheri@denabank.co.in Contact Person: Mr. Ashutosh C Gharia (AGM) Website: www.denabank.com</p>	<p>Karnataka Bank Limited</p> <p>No. 839, First Floor, Heeral Market, Mount Road, Chennai - 600 002</p> <p>Tel:+91-44-23453243/45 Fax:+91-44-23453244 Email: mad.mount.rd@ktkbank.com Contact Person: Branch Manager, Mount Road Branch, Chennai Website:www.karnatakabank.com</p>	<p>Punjab National Bank</p> <p>Sir P. M. Road, Fort, Mumbai</p> <p>Tel:+91-22-22627555 Fax: +91-22-22678515 Email: BO0062@pnb.co.in Contact Person: Mr. Sanjay Varshneya (AGM) Website: www.pnbindia.in</p>
<p>The Lakshmi Vilas Bank Limited</p> <p>Fort Branch, Bharat House, 104, B.S. Marg, Fort, Mumbai-400 001</p> <p>Tel:+91 –22-2267 2255 Fax: +91-22-22670267 Email: mumbaifort_bm@lvbank.in Contact Person: Branch Head , Fort Branch, Mumbai Website:www.lvbank.com</p>	<p>ING Vysya Bank Limited</p> <p>ING Vysya House No. 22, M. G Road, Bangalore – 560001</p> <p>Tel:+91-80-22532135 Fax:+91-80-22532111 Contact Person: Mr. Akshay Hegde Email:Akshay.hegde@ingvasyabank.com Website:www.ingvasyabank.com</p>	<p>State Bank of Bikaner & Jaipur</p> <p>235/237, Peninsula House, D N Road, Fort, Mumbai-400001</p> <p>Tel:+91-22-22630620/25 Fax: +91-22-22630622 Email: sbbj10279@sbbj.co.in Contact Person: Mr. R.S. Chandrakant (DGM)/Mr. M.K. Jain (AGM) Website:www.sbbjbank.com</p>
<p>Oriental Bank of Commerce</p> <p>LCB, Maker Tower "E" 18th Floor, Cuffe Parade, Mumbai- 400 005</p> <p>Tel:+91- 22-22165903 Email: bm0902@obc.co.in</p>	<p>IndusInd Bank Limited</p> <p>Indusind House, First Floor, 425 D.B. Marg, Opera House, Mumbai- 400 004</p> <p>Tel:+91-22- 43457537</p>	<p>Vijaya Bank</p> <p>31-C DDA Shopping Centre, 3rd Floor, Opp Moolchand Hospital, Defence Colony, New Delhi-110024</p> <p>Tel:+91-11-24332133 Fax: +91-11-24332133 Email:</p>

Contact Person: Mr. Shashi Jain Website: www.obcindia.co.in	Email: nikhil.mathur@indusind.com Contact Person: Mr. Nikhil Mathur Website: www.indusind.com	delcorpbankingdgm@vijayabank.co.in Contact Person: Assistant General Manager Website: www.vijayabank.com
Small Industrial Development Bank of India MBKCBO, 1 st Floor, SME Development Centre, C-11, G Block, Bandra Kurla Complex, Bandra (E), Mumbai Tel: +91-22- 67531483 Fax: +91-22-67531175 Email: anoopp@sidbi.in Contact Person: Branch Head Website: www.sidbi.in	Federal Bank Limited Corporate Banking Branch, Ground Floor, Express Towers, Nariman Point, Mumbai- 400 021 Tel: +91-22- 61990207 Fax: +91-22-61990205 Email: bbyh@federalbank.co.in Contact Person: Mr Simon C D Website: www.federalbank.co.in	IDBI Bank Limited 224-A, Mittal Court, 2 nd Floor, 'A' Wing, Nariman Point, Mumbai- 400 021 Tel: +91-22-66588100 Fax: +91-22-66588130 Email: ss.abhyankar@idbi.co.in Contact Person: Mrs. Sneha Abhyankar Website: www.idbi.com
Union Bank of India Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai- 400 021 Tel: +91-22-22892151 Fax: +91-2285 5037 Email: cbsifbmumbai@unionbankofindia Contact Person: Branch Head Website: www.unionbankofindia.co.in	Karur Vysya Bank Limited No.108/1, G N Chetty Road, Near Raghavendra Mutt, T Nagar, Chennai-600 017 Tel: +91-44-28158731 Fax: +91-44-28158733 Email: tnagar@kvbmail.com Website: www.kvb.co.in Contact Person: Branch Head, T Nagar Branch, Chennai	Yes Bank Ltd IFC, Tower-2, 18 th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai-400 013 Tel: +91-22-33479039 Fax: +91-22-24214513 Email: amit.maheshwari@yesbank.in Contact Person: Mr. Amit Maheshwari Website: www.yesbank.in
State Bank of India Backbay Reclamation Branch, Nariman Point, Mumbai Tel: +91-22-22819589 Fax: +91-22-22049830 Email: sbi.01593@sbi.co.in Contact Person: Mr. Bharat Keswani Website: www.statebankofindia.com	State Bank of Hyderabad SBH, 1204 Ashok Mahal, Tulloch Marg, Colaba, Mumbai -400039 Tel: +91-22-22820177 Fax: +91-22-22851321 Email: overseas_mum@sbhyd.co.in Contact Person: Mr. S. Manikandan Website: www.sbhyd.co.in	

Self Certified Syndicate Banks

The list of Designated Branches that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For details of the Designated Branches of the SCSBs which shall collect ASBA Application Forms, please refer to the above-mentioned SEBI website.

Impersonation

As a matter of abundant precaution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of section 38 of the Companies Act, 2013 relating to punishment for fictitious Applications.

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447.”

Minimum Subscription

If our Company does not receive the minimum subscription of 75 % of the Base Issue, i.e. ₹1,500 million, prior to the Issue Closing date, the entire subscription shall be refunded to the Applicants within 15 working days from the date of closure of the Issue, failing which, our Directors who are officers in default shall be jointly and severally liable to pay that money with interest for the delayed period, at the rate of 15 percent per annum to the same bank account from which the Application Amount was received by our Company.

Credit Rating

BRICKWORK

The NCDs proposed to be issued under this Issue have been rated ‘BWR AA (Outlook: Stable)’ by Brickwork for an amount of up to ₹4,000 million *vide* its letter dated May 19, 2014. The rating of NCDs by Brickwork indicates instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

CARE

The NCDs proposed to be issued under this Issue have been rated ‘CARE AA’ [Double A] by CARE for an amount of upto ₹4,000 million *vide* its letter dated May 16, 2014. The rating of NCDs by CARE indicates instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Consents

The written consents of Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, our Statutory Auditors, the legal advisor, the Lead Managers, the Registrar to the Issue, Escrow Collection Bank(s), Refund Bank, Credit Rating Agencies, the Bankers to our Company, the Debenture Trustee, and the Lead Brokers to act in their respective capacities, will be filed along with a copy of the Prospectus with the ROC as required under Sections 26 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery with the Stock Exchanges.

Utilisation of Issue proceeds

The Board of Directors of our Company confirms that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- for the relevant Financial Years commencing from the Financial Year 2014, our Company will disclose on a half yearly basis, a statement indicating material deviations, if any, in the use of the proceeds of the Issue from the objects stated in the Draft Prospectus. This information shall be furnished to the stock exchange along with the half yearly financial results furnished under clause 29 of the Debt Listing Agreement to the Stock Exchanges and shall also be published in the newspapers simultaneously along with the half yearly financial results.
- the Issue proceeds shall be kept in the escrow account(s) opened in terms of the Draft Prospectus and shall be available to the Company only upon receipt of the minimum subscription of 75% of the Base Issue; and
- the Issue Proceeds shall not be utilized towards providing loan to or acquisition of shares of any person who is part of the same group or who is under the same management as our Company.

Issue Programme

ISSUE OPENS ON
ISSUE CLOSES ON

[●]
[●]*

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

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, during the Issue Period as mentioned above on all Business Days, (i) by the Lead Managers, Lead Brokers or the Trading Members of the Stock Exchanges, as the case may be, at the centers mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) Lead Managers, Lead Brokers or the Trading Members of the Stock Exchanges, as the case may be. On the Issue Closing Date the Application Forms will be accepted only between 10 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, not later than 3.00 p.m (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, all Applications may not be uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Managers, Lead Brokers or Trading Members of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise.

Please note that the Basis of Allotment under the Issue will be on a date priority basis. The Issue may close on such earlier date or extended date as may be decided at the discretion of the Board, subject to necessary approvals. In the event of such early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors, on or before such early date of closure or the initial Closing Date, as the case may be, through advertisement/s in a leading national daily newspaper.

SUMMARY OF BUSINESS, STRENGTHS AND STRATEGIES

In this section only, any reference to “we”, “us” or “our” refers to ECL Finance Limited. Unless stated otherwise, the financial data in this section is as per our reformatted financial statements prepared in accordance with Indian GAAP set forth elsewhere in the Draft Prospectus.

The following information should be read together with the more detailed financial and other information included in this Draft Prospectus, including the information contained in the chapter titled “Risk Factors” and “Industry” beginning on page XI and 40 respectively.

Overview

We are one of the leading systemically important non-deposit taking NBFCs, focused on offering a broad suite of secured corporate loan products, retail loan products which are customized to suit the needs of the corporates, SMEs and individuals. Our corporate and retail loan products include:

- **Corporate Finance**, which includes loans to corporates against charge of collateral security by the Corporates or their Promoters, comprises 50.83% of our Loan Book as on March 31, 2014.
- **Loan against Property**, which includes offering loans against collateral of residential / commercial property, comprises 8.78% of our Loan Book as on March 31, 2014.
- **Loan against Securities**, which includes offering loans against collateral of securities, comprises 11.26% of our Loan Book as on March 31, 2014.
- **Real Estate finance**, which includes offering loans to real estate developers for development of real estate projects comprises 15.33% of our Loan Book as on March 31, 2014.
- **Structured Finance**, which includes offering various structured financing solutions, comprises 3.86% of our Loan Book as on March 31, 2014.
- **SME Finance**, which includes loans to Small and Medium Enterprises for meeting their business requirements, comprises 6.04% of our Loan Book as on March 31, 2014.
- **Other financial products** which includes Public Issue Financing, ESOP Financing, Funding against Hedged Commodities, Loans against MF / Bonds, together comprises 3.90% of our Loan Book as on March 31, 2014.

Our Company has obtained a certificate of registration dated April 24, 2006 bearing registration no. N-13.01831 issued by the Reserve Bank of India under section 45 IA of the Reserve Bank of India Act, 1934, to commence/carry on the business of non-banking financial institution without accepting public deposits subject to the conditions mentioned in the certificate of registration.

We are part of the Edelweiss Group which is one of India’s prominent financial services organization having businesses organized around four broad lines – Credit including Retail Finance and debt capital markets; Commodities; Financial Markets including Asset Management and Life Insurance services. The product/ services portfolio of the Edelweiss Group caters to the diverse investment and strategic requirements of corporate, institutional, high net worth individuals and retail clients. Edelweiss Group has a pan India presence with a global footprint extending across geographies with offices in New York, Mauritius, Dubai, Singapore and Hong Kong. EFSL is listed on BSE and National Stock Exchange of India Limited along with its subsidiaries, offers to its customers a diversified financial services platform that provides various secured corporate loan products, retail loan products and services, SME financing, equity broking, sourcing and distribution of commodities, wealth advisory services, life insurance, investment banking and institutional broking. As on April 30, 2014 our Promoter along with two of its subsidiaries hold 92.2% of our paid up equity share capital.

Over the past several years, we have diversified and expanded our presence into markets that are of greater relevance to the products we offer. As on March 31, 2014 we have a total of 11 branches.

Our income from operations and profit after tax (PAT) of the Company for the year ending March 31, 2014 stood at ₹1,600.44 million. The Company's income from operations and PAT witnessed a CAGR of 42.50%, and 19.57% respectively over the last four Financial Years from FY2011 to FY2014. The loan book of the Company has witnessed a CAGR of 43.18% over the last four fiscal years.

Our Loan Book was ₹60,959.79 million as of March 31, 2014. Our capital adequacy ratio as of March 31, 2014 computed on the basis of applicable RBI requirements was 16.06%, compared to the RBI stipulated minimum requirement of 15%. Our Tier I capital as of March 31, 2014 was ₹ 11,333.43 million. Our gross NPAs as a percentage of total loan assets were 1.24% as of March 31, 2014. Our net NPAs as a percentage of net loan assets were 0.35 % as of March 31, 2014.

Key Operational and Financial Parameters

A summary of our key operational and financial parameters for the last three completed Financial Years as specified below, are as follows:

Parameters	<i>(In ₹ million)</i>		
	Financial Year ended March 31, 2014	Financial Year ended March 31, 2013	Financial Year ended March 31, 2012
Net worth (Note 1)	15,334.70	14,122.40	12,913.40
Total Debt of which			
- Non Current Maturities of Long Term Borrowing	25,248.09	12,650.50	6,790.70
- Short Term Borrowing	28,138.88	30,181.70	17,624.70
- Current Maturities of Long Term Borrowing	5,052.71	4,896.80	2,617.30
Net Fixed Assets	276.96	271.10	279.30
Non Current Assets(Note 2)	5,409.85	4,969.40	4,909.40
Cash and Cash Equivalents	2,978.66	3,654.10	309.70
Current Investments	0.43	0.90	20.70
Current Assets(Note 3)	8,397.51	7,841.70	4,128.30
Non Current Liabilities(Note 4)	478.69	257.40	166.00
Current Liabilities(Note 5)	3,770.12	2,618.80	1,408.20
Loan Book (Note 6)	60,959.79	47,990.40	31,872.90
Off Balance Sheet Assets	-	-	-
Interest Income	9,284.43	6,667.30	4,282.30
Interest Expense	4,134.08	3,354.90	1,849.40
Provisioning & Write-offs	368.32	51.80	61.10
PAT	1,600.44	1,211.70	809.50
Gross NPA (%) (Note 7)	1.24	0.52%	0.50%
Net NPA (%) (Note 8)	0.34%	0.16%	0.11%
Tier I Capital Adequacy Ratio (%)	15.56%	18.17%	24.39%
Tier II Capital Adequacy Ratio (%)	0.50%	0.23%	0.21%

Gross Debt: Equity Ratio of the Company:-

Before the issue of debt securities as at March 31,2014 (Note 9)	3.75
After the issue of debt securities (Assuming ₹ 4000 Million NCD Issue)	4.01

Note 1: Net worth = Share capital + Reserves & Surplus - Deferred Tax asset

Note 2: Noncurrent assets = Noncurrent investments + Unamortised Loan origination cost + Security deposit + Advance income taxes + other non-current assets

Note 3 : Current assets = Stock in trade + Trade receivables + Deposits placed with exchange/ depositories/ others + Prepaid expenses + Unamortised Loan origination cost + Loans and advances to employees + Input tax credit + Advance income taxes + Advances recoverable in cash/kind + other current assets

Note 4: Non Current liabilities = Other Long term liabilities + Long term Provisions

Note 5: Current liabilities = Trade payables + Other current liabilities + Short term provisions - Current maturities of secured long term debt

Note 6 : Loan book = Long term loans and advances(secured and unsecured)including loans given to related parties + Short term loans and advances (secured and unsecured)including loans given to related parties + Accrued interest thereon

Note 7: Gross NPA (%) = Gross Non Performing assets / Assets under management (loan book)

Note 8: Net NPA (%) = Net Non Performing assets/ Assets under management (loan book)

Note 9: Debt Equity ratio = Total Debt/(Share capital + Reserves and surplus)

OUR STRENGTHS

We believe that the following are our key strengths

Established brand and parentage

The Edelweiss Group is one of India's prominent financial services organization offering product/ services portfolio which caters to the diverse investment and strategic requirements of corporate, institutional, high net worth individuals and retail clients. EFSL, along with its subsidiaries, offers to its customers a diversified financial services platform that provides various secured corporate loan products, and retail loan products, such as SME financing, equity broking, sourcing and distribution of commodities, wealth advisory services, life insurance, investment banking and institutional broking debt syndication services and debt restructuring services. We believe EFSL's diversified service platform allows us to leverage relationships across various lines of businesses, thereby increasing our ability for repeat business and cross selling our products and benefits from customer reference.

Edelweiss group enjoys a large client base of over 497,654 clients from retail and wholesale segments across its various businesses. Edelweiss has 216 offices in 118 cities in India including 6 offices outside India. We believe that the success of the Edelweiss Group as a provider of financial services is largely built upon the ability to nurture and maintain client relationships which helps us to get new business as well as continuation of existing business from the satisfied clients. We believe that the Edelweiss brand is well recognized and associated with trust, governance and compliance structure, liquid balance sheet, high quality customer centric services, creative solutions to strategic and financial challenges and sound execution of clients' transactions. Among the many award and accolades received by the Edelweiss Group, few of the prominent ones are being adjudged a "Business Superbrand 2010/11", being voted India's Best Midcap Company by readers of Finance Asia and being awarded the 'Best Corporate Governance, India, 2013' from the London, UK, based Capital Finance International jury. We believe that being part of the Edelweiss group significantly enhances our ability to attract new clients. We believe that the brand value and scale of the business operations of the Edelweiss Group provides us with an advantage in an increasingly competitive market. We intend to continue to leverage the brand value of the Edelweiss Group to grow our business.

We draw upon a range of resources from the Edelweiss group such as information technology and infrastructure. We leverage Edelweiss groups experience in the various facets of the financial services sector which allows us to understand market trends and mechanics and helps us in designing our products to suit the requirements of our target customer base as well as to address opportunities that arise out of changes in market trends. We believe that by leveraging on the existing relationships and synergies with the Edelweiss group we will be able to further expand the size of our loan book, launch new products and build scale. We further believe that the relationships that Edelweiss Group has developed provides us with opportunities for cross selling our products through customer reference.

Liquid balance sheet with a track record of high growth and profitability

Our annual income and PAT have grown to ₹8,122.76 million and ₹1,600.44 million respectively in the Financial Year 2014 as compared to ₹6,506.40 million and ₹1,211.69 million for the Financial Year 2013 respectively. Tangible net worth of the Company has grown to ₹ 15,334.70 million as on March 31, 2014 from ₹14,122.37 million as on March 31, 2013. Our TOL/TNW ratio as on March 31, 2014 was 4.10 as compared to 3.59 as on March 31, 2013.

We also benefit from a liquid balance sheet with a high net worth, a low leverage and a comfortable Capital to Risk Weighted Assets Ratio (CRAR). Our focus while managing the balance sheet is on risk management and capital preservation which enables us to maintain adequate liquidity cushion to ensure smooth business operations.

We believe that our balance sheet also enables us to deploy capital for launching and scaling up new businesses, which are integral to our core strategy of risk-mitigation by diversification. It also enables us easier access to market borrowings on the back of a strong credit rating. A liquid balance sheet simultaneously permits us to redeploy capital efficiently towards business opportunities that appear at short notice.

Diversified product portfolio with dedicated product management teams

Our products strategy is focused on addressing evolving customer needs while ensuring that our products are profitable. Our product portfolio which are customized to suit the needs of corporates, SMEs and individuals, primarily comprises of corporate finance, loan against property, loan against securities, real estate finance, structured finance, SME finance and leasing solutions. Our diverse revenue stream reduces our dependence on any particular product line thus enabling us to spread and mitigate our risk exposure to any particular industry, business, geography or customer segment. Offering a wide range of products helps us attract more customers thereby increasing our scale of operations.

Each of our product lines is supported by a team of experienced and dedicated professionals. Our senior and middle management team comprise officials with significant experience in the financial services sector and particularly in the financing/lending industry, which we believe helps us implement policies and processes to ensure healthy credit quality and high standards of work ethics.

Secured Loan Book and Strong asset quality

Since inception, we have been providing majorly secured finance which ensures lower NPAs and fewer recovery related problems. As on March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 approximately 81%, 92%, 88% and 86% of our loan book is secured.

The corporate finance and structured finance loans are secured against a charge on marketable securities held by the Corporates or their Promoters and other collateral like real estate. Generally the disbursements are collaterally secured by a guarantee. Loans against property are secured against collateral of residential / commercial property while loan against securities are offered against collateral of securities. Further in real estate financing the financing is usually against real estate collateral and/or cash flows arising from real estate project. In case of SME financing the loans are generally secured against the personal guarantee of the promoters of the enterprise/ personal guarantee of all the partners of the partnership firm/ personal guarantee of all property owners. We believe that our credit appraisal mechanism, credit control processes, audit and risk management processes and policies help us maintain the quality of our loan book.

As on March 31, 2014 our gross NPAs constituted 1.24% of our loan book, as compared to 0.52% of our loan book on March 31, 2013. We maintain provisions on our loan book as on a conservative basis. Our provision coverage ratio is 72% of our gross NPAs as on March 31, 2014. As on March 31, 2014 our net NPAs constituted 0.35 % of our net loan book, as compared to 0.16 % of our loan book on March 31, 2013.

We are adequately capitalized to fund our growth

We are subject to capital adequacy ratio (“CAR”) requirements prescribed by the RBI. We are currently required to maintain a minimum 15% as prescribed under the Prudential Norms of RBI based on our total capital to risk weighted assets as part of our governance policy, we generally maintain capital adequacy higher than statutorily prescribed CAR. As on March 31, 2014, our capital adequacy ratio compared on the basis of applicable RBI requirement was 16.06 % as compared to a minimum of capital adequacy requirement of 15% stipulated by RBI.

Set forth below is our capital adequacy ratio for the last five Financial Years.

Particulars as on	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013	March 31, 2014
C A R prescribed by RBI	12	12	12	15	15
Total Capital Adequacy Ratio	49.46%	35.26%	24.60%	18.40%	16.06%
Out of which:					
Tier I	49.09%	35.04%	24.39%	18.17%	15.56%
Tier II	0.37%	0.22%	0.21%	0.23%	0.50%

Access to range of cost effective funding sources

Our fund requirements are currently predominantly sourced through credit facilities from banks and issue of redeemable non-convertible debentures on a private placement basis. We have accessed funds from a number of credit providers, including nationalized banks and private Indian banks. We believe that we have developed stable long term relationships with our lenders and have established a track record of timely servicing of our debts. We also access money market borrowings.

Well Defined Processes

We believe our business processes ensure complete independence of function and segregation of responsibilities. We believe our credit appraisal and credit control processes, centralized operations unit, independent audit unit for checking compliance with the prescribed policies and approving all loans at transaction level and risk management processes and policies provide for multiple checks and verifications for both legal and technical parameters, including collateral valuation and title search, document verification and fraud and KYC check, personal meetings with clients and audit before disbursement of loans. Further our processes have been standardized with the objective of providing high levels of service quality while maintaining process and time efficiency. This is done by facilitating the integration of workforce, processes and technology. Our key business processes are regularly monitored by the business/operations head.

Our loan approval and administration procedures, collection and enforcement procedures are designed to minimize delinquencies and maximize recoveries. We believe our procedures have ensured that the eventual write off due to non – recovery has remained less than 0.10% of Loan Book during the last three Financial Years.

We believe that we have internal controls and risk management systems employed throughout the company to assess and monitor risks across various business lines. Risk management systems function through an independent department for accounts and operations, and a dedicated centralized risk management team. We seek to monitor and control risk exposure through a variety of separate but complementary financial, credit and operational reporting systems.

Technology as a Differentiator

We have adopted advanced technology platforms to automate our business operations beginning from customer initiation for new business to customer servicing. We manage our processes electronically with our comprehensive electronic content management and workflow system using licensed software, and service our clients through an advanced multi-channel platform comprising internet and customer care interfaces. Our loan management package includes “FinnOne” which enhances the speed of loan process by minimizing manual intervention. We believe that this gives us a competitive edge over other financing companies as the loan process and sanction time to turn around time is significantly reduced. Our technology initiatives have increased process efficiency and accuracy, generated significant cost savings and provided us a platform to increase the scale of our business.

We believe our information technology has emerged from being computational intensive powering tasks and transactions alone to being collaboration intensive, powering inter organisational processes and relationships thereby giving us the required cutting edge.

Our specialized software loan management package include “FinnOne” for loan against property, working capital loans and loans against commercial assets products. FinnOne system has loan origination system, loan management system and collection and other modules for portfolio management and financial accounting. The application provides a seamless flow of the deal through its various stages of processing and maintains all records and audit trails besides generating various reports.

Professional and Experienced senior management team

Our Board consists of 6 Directors, and has extensive experience in the financial services sector. Each of our senior management personnel has extensive experience, industry knowledge and expertise. We believe that our management promotes a result-oriented culture that rewards our employees on the basis of merit. In order to maintain our credit appraisal and risk management systems, and to enforce our credit policies, we employ a number of senior managers who have extensive experience in the Indian banking and financial services sector and in specialized finance firms providing loans to retail customers. We believe our management team has been able to develop and execute our business strategies, while quickly responding to the changes in our business environment. In addition, our management has a track record of entering and growing new lines of business, such as real estate finance, loan against property and loans to small and medium enterprises Our Board, including the independent directors, also has extensive experience in the financial services and banking industries in India. We believe that the industry knowledge of our management and professionals, who are supported by a qualified pool of employees provide us with a distinct competitive advantage and also benefits us with respect to development of products and focus on geographical expansion, cost reduction, and efficient execution capabilities.

OUR STRATEGIES

Our key strategic priorities are as follows:

Retail Focus

We are focused on high growth, dispersed risk- retail lending. We seek to further increase our presence in promising segments including loans against property, loans against securities, by utilizing the extensive branch network of the Edelweiss group. This retail business is intended to provide scale & diversify the risk across geographies, industries & collaterals.

Minimize concentration risk by diversifying the Product Portfolio and expanding our customer base

We intend to further improve the diversity of our product portfolio to cater to the various financial needs of our customers and increase the share of income derived from sale of financial products and services.

Beyond our existing corporate and retail loan products, we intend to leverage our brand and office network, develop complementary business lines and become the preferred provider of financial products—a one-stop shop for customers’ financial needs.

Our diverse revenue stream will reduce our dependence on any particular product line thus enabling us to spread and mitigate our risk exposure to any particular industry, business, geography or customer segment. Offering a wide range of products helps us attract more customers thereby increasing our scale of operations.

We intend to launch a direct marketing initiative to target our existing and former customers to cater to all their financing requirements, thus generating new business and diversifying our loan portfolio. We expect that complementary business lines will allow us to offer new products to existing customers while attracting new customers as well. We expect that our knowledge of local markets will allow us to diversify into products desired by our customers, differentiating us from our competitors.

Optimizing return while maintaining the quality of Loan Book

We have consciously chosen to focus on providing secured loan products, which represent approximately 81%, 92%, 88%, and 86% of our loan book as on March 31, 2014, March 31, 2013 and March 31, 2012. We believe that we have implemented credit and risk management systems which we intend to rely upon to optimize our product mix in our loan portfolios. We believe that this will also help us in maintaining our margins in a volatile interest rate scenario.

Improve our credit ratings to optimize cost of funds

We fund our capital requirements through a variety of sources, including credit facilities from banks, issuance of non-convertible debentures, money market borrowings and inter corporate deposits. During the period of last three years, we have been able to upgrade our long term credit rating from “AA-” to “AA”.

For details of our credit ratings, as of April 30, 2014, please see section titled “Our Business – Credit Rating”, on page 77.

We believe that we have been able to achieve relatively stable and competitive cost of funds from a range of sources despite the difficult conditions in the global and Indian economy and the resulting reduced liquidity and increase in interest rates, primarily due to our credit ratings and the goodwill associated with the Edelweiss brand name. During the past three years, we have focused on improving our assets liability management by ensuring that we align our liabilities profile in sync with assets profile. As the assets profile moved towards longer duration with the addition of LAP and SME finance, we also changed our liability mix to include long term borrowings from banks instead of shorter term borrowing form debt markets/money markets. We have also increased long term market borrowing by issue of NCDs. We have also diversified our sources of borrowing by obtaining credit facility from a number of banks besides MFs. Based on our increasingly strong balance sheet, we believe that we will be able to further improve our credit ratings, and tap newer sources of funds.

Continue to Attract and Retain Talented Employees

As part of our business strategy, we are focused on attracting and retaining high quality talent. We recognize that the success of our business depends on our employees, particularly as we continue to expand our operations. We have successfully recruited and retained talented employees from a variety of backgrounds, including credit evaluation, risk management, treasury, technology and marketing. We will continue to attract talented employees through our retention initiatives and recruitment from local graduate colleges. Our retention initiatives include job rotation, secondments, stock options of our Promoter, performance based incentive, employee recognition programs, training at our training facilities, and on-the-job training. We invest a significant amount of time and resources for training our employees, which we believe fosters mutual trust, improves the quality of our customer service and puts further emphasis on our continued retention.

Build on a scalable platform for our SME finance business

Our Company’s SME finance business follows a region focused structure wherein our regional business heads are responsible for business development and profitability of our business for their respective regions. We have built an operating platform which we believe is scalable and can provide operational efficiencies for our future growth. We intend to strategically leverage the platform in building our SME loan book. This would not only help us in growing our loan book but also help us in achieving better geographic diversification in the loan portfolio.

Achieve operations excellence by further strengthening our operating processes and risk management systems

We are focused on building a process driven organization with a culture of compliance and audit. Operations excellence and Risk management forms an integral part of our business as we are exposed to various risks. The objective of our risk management systems is to measure and monitor the various risks we are subject to and to implement policies and procedures to address such risks. We intend to continue to improve our operating processes and risk management systems that will further enhance our ability to manage the risks inherent to our business.

Risk management forms an integral part of our business as we are exposed to various risks. The objective of our risk management systems is to measure and monitor the various risks we are subject to and to implement policies and procedures to address such risks. We intend to continue to improve our operating processes and risk management systems that will further enhance our ability to manage the risks inherent to our business. Furthermore, we intend to continue to train existing and new employees in appraisal skills, customer relations, communication skills to improve customer centricity and risk management procedures to enable replication of talent and ensures smooth transition on employee attrition, update our employees with latest developments to mitigate risks against frauds and cheating.

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled “Terms of the Issue” beginning on page 154.

Principal Terms and Conditions of the Issue

Terms and Conditions in Connection with the NCDs

Issuer	ECL Finance Limited
Lead Managers	Axis Capital Limited and Edelweiss Financial Services Limited
Debenture Trustee	Axis Trustee Services Limited
Registrar to the Issue	Link Intime India Private Limited
Type and nature of Instrument	Un-Secured Subordinated Redeemable Non-Convertible Debentures
Face Value of NCDs (₹ / NCD)	₹1,000
Issue Price (₹ / NCD)	₹1,000
Minimum Application	₹10,000 (10 NCDs) (for all options of NCDs, namely Options I, II, III, IV, V and VI either taken individually or collectively)
In Multiples of	One NCD after the minimum Application
Seniority	Subordinated to the claims of secured creditors
Mode of Issue	Public Issue
Issue	Public Issue by our Company of Un-Secured Redeemable NCDs aggregating up to ₹2,000 million with an option to retain over-subscription up to ₹2,000 million aggregating to a total of up to ₹4,000 million. The NCDs will be unsecured in the nature of subordinated debt and will be eligible for Tier II Capital.
Stock Exchange proposed for listing of the NCDs	BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”)
Listing and timeline for Listing	The NCDs shall be listed within 12 Working Days of Issue Closing Date.
Mode of Allotment	Both in physical and dematerialised form.
Mode of Trading	NCDs will be traded only in dematerialised form
Trading Lot	One NCD
Depositories	NSDL and CDSL
Security	The NCDs offered in this Issue shall be unsecured and is subordinated to the claims of secured creditors
Who can apply	<p>Category I</p> <ul style="list-style-type: none"> ▪ Resident Public Financial Institutions, Statutory Corporations including State Industrial Development Corporations, Commercial Banks, ▪ Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs; ▪ Provident Funds and Resident Pension Funds with minimum corpus of ₹250 million, Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs; ▪ Venture Capital funds and / or Alternative Investment Funds registered with SEBI; ▪ Insurance Companies registered with the IRDA; ▪ National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India); ▪ Insurance funds set up and managed by the Indian army, navy or the air force of the

- Union of India or by the Department of Posts, India
- Mutual Funds, registered with SEBI;

Category II

- Companies; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorized to invest in the NCDs;
- Public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);

Category III*

- Resident Indian individuals and
- Hindu undivided families through the Karta;

**With respect to applications received from Category III applicants, applications by applicants who apply for NCDs aggregating to a value not more than ₹ 10,00,000, across all series of NCDs, (Option I and/or Option II and/or Option III and/or Option IV and/or Option V and Option VI) shall be grouped together, (“Reserved Individual Portion”) while applications by applicants who apply for NCDs aggregating to a value exceeding ₹ 10,00,000, across all series of NCDs, (Option I and/or Option II and/or Option III and/or Option IV and/or Option V and Option VI), shall be separately grouped together, (“Unreserved Individual Portion”). Further all applications received from Category III Applicants will be grouped together on the basis of PAN, for calculating the total application size and determining whether the Applicant falls under Reserved Individual Portion or Unreserved Individual Portion.*

Rating	Rating Agency	Instrument	Rating symbol	Date of credit rating Letter	Amount rated (₹ million)	Rating definition
	CARE	Long-term subordinate debt issue	‘CARE AA’ [Double A]	May 16, 2014	4,000	The rating of NCDs by CARE indicates instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
	BRICKWORK	Subordinate debt issue (Public issue)	‘BWR AA (Outlook: Stable)’	May 19, 2014	4,000	The rating of NCDs by Brickwork indicates instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
Issue Size	Public Issue by our Company of Un-Secured Subordinated Redeemable NCDs aggregating up to ₹2,000 million with an option to retain over-subscription up to ₹2,000					

	million aggregating to a total of up to ₹4,000 million. Base Issue is for ₹2,000 million.
Pay-in date	3 (three) Business Days from the date of upload of application in the book building system of the Exchanges or the date of realisation of the cheques/demand drafts, whichever is later.
Application money	The entire Application Amount is payable on submitting the application.
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be. In case Record Date falls on a day when Stock Exchanges are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Issue Schedule*	The Issue shall be open from [•] to [•] with an option to close earlier and/or extend up to a period as may be determined by a Board.
Objects of the Issue	Please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 32.
Details of the utilisation of the proceeds of the Issue	Please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 32.
Coupon rate	Please refer to the chapter titled “ <i>Issue Structure – Terms and Conditions in connection with the NCDs</i> ” on page 138.
Working Days convention/Day count convention / Effect of holidays on payment	All days excluding, Sundays and a public holiday in Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period where working days shall mean all days, excluding Saturdays, Sundays and public holidays in Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881. Interest shall be computed on a 365 days a year basis on the principal outstanding on the NCDs. However, if period from the Deemed Date Of Allotment / anniversary date of Allotment till one day prior to the next anniversary / redemption date includes February 29, interest shall be computed on 366 days a-year basis, on the principal outstanding on the NCDs. If the date of payment of coupon does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest. In case of principal repayment on the date of redemption, if the date falls on a holiday, principal and interest due will be paid on the previous Working day (the “Effective Date”). Coupon will be paid on the Effective Date. Interest payment will need to be made on an actual / actual basis, which means that payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date falls on a holiday, the payment will be made on the previous Working Day, without any interest for the subsequent period outstanding. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force.
Issue Opening Date	[•]
Issue Closing Date*	[•]
Put and Call Option	There is no put and call option on the NCDs
Default interest date	In the event of any default in fulfillment of obligations by our Company under the Debenture Trust Deed, the Default Interest Rate payable to the Applicant shall be as prescribed under the Debenture Trust Deed

Interest on Application Money	Please refer to the chapter titled “ <i>Issue Structure- Interest on Application Money</i> ” on page 142.
Deemed Date of Allotment	The date on which the Board approves the Allotment of NCDs. All benefits relating to the NCDs including interest on NCDs shall be available to Investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.
Transaction documents	Lead Managers MoU dated June 02, 2014 between our Company and the Lead Managers, the Registrar Agreement dated May 20, 2014 between our Company and the Registrar to the Issue, Debenture Trustee Agreement dated June 02, 2014 executed between our Company and the Debenture Trustee and the agreed form of the Debenture Trust Deed to be executed between our Company and the Debenture Trustee.
Conditions precedent and subsequent to the disbursement	The conditions precedent and subsequent to disbursement will be finalised upon execution of the Debenture Trust Deed.
Events of default	Please refer to the chapter titled “ <i>Issue Structure- Events of Default</i> ” on page 150.
Cross Default	Please refer to the chapter titled “ <i>Issue Structure- Events of Default</i> ” on page 150.
Roles and responsibilities of the Debenture Trustee	Please refer to the chapter titled “ <i>Issue Structure- Debenture Trustees for the NCD holders</i> ” on page 150.
Settlement Mode	Please refer to the chapter titled “ <i>Issue Structure- Payment on Redemption</i> ” on page 148.
Governing law and jurisdiction	The Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Mumbai.

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

Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges.

Terms of the NCDs

Options	I	II	III	IV	V	VI
Tenure		[●] months			[●] Months	
Frequency of Interest Payment	Monthly	Annua l	Cumulative	Monthly	Annua l	Cumulative
Who can apply	Category I					
	<ul style="list-style-type: none"> ▪ Resident Public Financial Institutions, Statutory Corporations including State Industrial Development Corporations, Commercial Banks, ▪ Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs; ▪ Provident Funds and Resident Pension Funds with minimum corpus of ₹250 million, , Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs; ▪ Venture Capital funds and / or Alternative Investment Funds registered with SEBI; ▪ Insurance Companies registered with the IRDA; ▪ National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India); ▪ Insurance funds set up and managed by the Indian army, navy or the 					

- air force of the Union of India or by the Department of Posts, India
- Mutual Funds, registered with SEBI;

Category II

- Companies; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorized to invest in the NCDs;
- Public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);

Category III*

- Resident Indian individuals and
- Hindu undivided families through the Karta;

**With respect to applications received from Category III applicants, applications by applicants who apply for NCDs aggregating to a value not more than ₹ 10,00,000, across all series of NCDs, (Option I and/or Option II and/or Option III and/or Option IV and/or Option V and Option VI) shall be grouped together, (“Reserved Individual Portion”) while applications by applicants who apply for NCDs aggregating to a value exceeding ₹ 10,00,000, across all series of NCDs, (Option I and/or Option II and/or Option III and/or Option IV and/or Option V and Option VI), shall be separately grouped together, (“Unreserved Individual Portion”). Further all applications received from Category III Applicants will be grouped together on the basis of PAN, for calculating the total application size and determining whether the Applicant falls under Reserved Individual Portion or Unreserved Individual Portion.*

Type and nature of Instrument	Un-Secured Subordinated Redeemable Non-Convertible Debentures					
Minimum Application	₹10,000 (10 NCDs) (for all options of NCDs, namely Options I, II, III , IV, V and VI either taken individually or collectively)					
In Multiples of	1 NCD after the minimum Application					
Face Value of NCDs (₹ / NCD)	₹1,000					
Issue Price (₹ / NCD)	₹1,000					
Mode of Interest Payment/Redemption	Through Various options available.					
Coupon (%) for NCD Holders in Category I and Category II	[•]%	[•]%	[•]%	[•]%	[•]%	[•]%
Coupon (%) for Category III (Unreserved Individual Portion)	[•]%	[•]%	[•]%	[•]%	[•]%	[•]%
Coupon (%) for Category III (Reserved Individual Portion)	[•]%	[•]%	[•]%	[•]%	[•]%	[•]%
Coupon Type	Fixed					
Redemption Value for NCD Holders in Category I, Category II and Category III	[•]%	[•]%	[•]%	[•]%	[•]%	[•]%
Effective Yield of NCD Holders in Category I, Category II and Category III (per annum)	[•]%	[•]%	[•]%	[•]%	[•]%	[•]%
Redemption Date	[•] months from the Deemed Date of Allotment			[•] months from the Deemed Date of Allotment		

Redemption Amount (₹/NCD)	Face Value of the NCDs plus any interest at the applicable Coupon that may have accrued at the Redemption Date
Put and Call Option	NA
Deemed Date of Allotment	The date on which the Board approves the Allotment of NCDs. All benefits relating to the NCDs including interest on NCDs shall be available to Investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.

For details of category wise eligibility and allotment in the Issue please refer to “*Issue Procedure – How to apply – Who can apply*” and “*Issue Procedure – Basis of allotment*”, on pages 161 and 182, respectively.

CAPITAL STRUCTURE

Details of share capital

The share capital of our Company as at date of this Draft Prospectus is set forth below:

Share Capital	In ₹
Authorised Share Capital	
6,700,000,000 Equity Shares of ₹1 each	6,700,000,000
4,000,000 Preference Shares of ₹10 each	40,000,000
Total Authorised Share Capital	6,740,000,000
Issued, Subscribed and Paid-up share capital	
1,891,848,462 Equity Shares of ₹1 each fully paid up	1,891,848,462
Total Issued, Subscribed and Paid-up share capital	1,891,848,462

Changes in the Authorised Share Capital of our Company as on the date of this Draft Prospectus:

Date of Approval	Authorised Share Capital (in ₹)	Particulars
July 18, 2005 (Incorporation)	25,000,000	Authorised Share Capital of our Company on incorporation as mentioned in Clause V (a) of the Memorandum of Association was ₹25,000,000 divided into 2,500,000 Equity Shares of ₹10 each.
February 28, 2007 (EGM)	100,000,000	Authorised Share Capital was increased from ₹25,000,000 divided into 2,500,000 Equity Shares of ₹10 each to ₹100,000,000 divided into 6,000,000 Equity Shares of ₹10 each and 4,000,000 Preference Shares of ₹10 each.
April 20, 2007 (EGM)	550,000,000	Subdivision of face value of equity shares from ₹10 each to ₹1 each. Further, the Authorised Share Capital was increased from ₹100,000,000 divided into 6,000,000 Equity Shares of ₹10 each and 4,000,000 Preference Shares of ₹10 each to ₹550,000,000 divided into 510,000,000 Equity Shares of ₹1 each and 4,000,000 Preference Shares of ₹10 each.
December 21, 2007 (EGM)	700,000,000	Authorised Share Capital was increased from ₹550,000,000 divided into 510,000,000 Equity Shares of ₹1 each and 4,000,000 Preference Shares of ₹10 each to ₹700,000,000 divided into 660,000,000 Equity Shares of ₹1 each and 4,000,000 Preference Shares of ₹10 each.
July 11, 2008 (AGM)	740,000,000	Authorised Share Capital was increased from ₹700,000,000 divided into 660,000,000 Equity Shares of ₹1 each and 4,000,000 Preference Shares of ₹10 each to ₹740,000,000 divided into 700,000,000 Equity Shares of ₹1 each and 4,000,000 Preference Shares of ₹10 each.
December 16, 2008 (EGM)	6,740,000,000	Authorised Share Capital was increased from ₹740,000,000 divided into 700,000,000 Equity Shares of ₹1 each and 4,000,000 Preference Shares of ₹10 each to ₹6,740,000,000 divided into 6,700,000,000 Equity Shares of ₹1 each and 4,000,000 Preference Shares of ₹10 each.

Equity Share Capital History of our Company:

Date of Allotment	No. of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Equity Share Capital (in ₹)	Cumulative Equity Share Premium (in ₹)
July 18, 2005	1,00,000	10	10	Cash	Allotment to the Subscribers to the Memorandum ¹	100,000	1,00,000	Nil

Date of Allotment	No. of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Equity Share Capital (in ₹)	Cumulative Equity Share Premium (in ₹)
August 12, 2005	1,950,000	10	10	Cash	Allotment ²	2,050,000	20,500,000	Nil
March 30, 2007	200,000	10	500	Cash	Allotment ³	2,250,000	22,500,000	98,000,000
April 20, 2007	22,500,000	1	-	-	Subdivision ⁴	22,500,000	22,500,000	98,000,000
May 2007	22,500,000	1	-	Bonus	Bonus issue ⁵	45,000,000	45,000,000	98,000,000
May 18, 2007	278,446,363	1	6.47	Cash	Preferential allotment ⁶	323,446,363	323,446,363	1,621,895,390.00
May 2007	113,643,317	1	5.99	Cash	Preferential allotment ⁷	437,089,680	437,089,680	2,188,852,073.00
January 15, 2008	33,333,333	1	30	Cash	Preferential allotment ⁸	470,423,013	470,423,013	3,155,518,730.00
January 2008	33,333,333	1	30	Cash	Preferential allotment ⁹	503,756,346	503,756,346	4,122,185,387.00
January 2008	13,328,300	1	30	Cash	Preferential allotment ¹⁰	517,084,646	517,084,646	4,508,706,087.00
January 2008	13,090,500	1	29.99	Cash	Preferential allotment ¹¹	530,175,146	530,175,146	4,888,329,560.25
January 2008	40,000,000	1	30	Cash	Preferential allotment ¹²	570,175,146	570,175,146	6,048,329,560.25
December 05, 2008	50,000,000	1	6	Cash	Allotment pursuant to conversion of options ¹³	620,175,146	620,175,146	6,298,329,560.25
January 2009	1,271,673,316	1	1.80	Cash	Rights Issue ¹⁴	1,891,848,462	1,891,848,462	7,315,668,213.05
Total						1,891,848,462	1,891,848,462	7,315,668,213.05

¹ Initial allotment of 99,994 equity shares to the subscribers to the Memorandum viz. Edelweiss Financial Services Limited, and 1 equity share each to Mr. Rashesh Shah, Mr. Venkatachalam Ramaswamy, Mr. Deepak Mittal, Mr. Shriram Iyer, Mr. Rajeev Mehrotra and Mr. Prasad Baji.

² Allotment of 1,950,000 equity shares to Edelweiss Financial Services Limited.

³ Allotment of 200,000 equity shares to Edelweiss Financial Services Limited.

⁴ The face value of the equity shares of our Company was sub-divided from Rs.10 each to Re. 1 each through a resolution of its shareholders dated April 20, 2007

⁵ Allotment of 22,500,000 Equity Shares to the existing Equity Shareholders of our Company in the ratio of one new Equity Share for every one existing Equity Share held as on April 20, 2007 pursuant to capitalization of share premium/general reserves i.e. 22,499,940 Equity Shares to Edelweiss Financial Services Limited, 10 Equity Shares to Mr. Rashesh Shah jointly with Edelweiss Financial Services Limited, 10 Equity Shares to Mr. Venkatachalam Ramaswamy jointly with Edelweiss Financial Services Limited, 10 Equity Shares to Mr. Deepak Mittal jointly with Edelweiss Financial Services Limited, 10 Equity Shares to Shriram Iyer jointly with Edelweiss Financial Services Limited, 10 Equity Shares to Rajeev Malhotra jointly with Edelweiss Financial Services Limited, 10 Equity Shares to Prasad Baji jointly with Edelweiss Financial Services Limited.

⁶ Preferential allotment of 278,446,363 Equity Shares to Edelweiss Financial Services Limited.

⁷ Preferential allotment of 113,643,317 Equity Shares to Lehman Brothers Netherlands Horizons Limited Horizons BV.

⁸ Preferential allotment of 33,333,333 Equity Shares to Edelweiss Financial Services Limited.

⁹ Preferential allotment of 33,333,333 Equity Shares to Lehman Brothers Netherlands Horizons BV.

¹⁰ Preferential allotment of 13,328,300 Equity Shares to Galleon Special Opportunities Master Fund SPC Limited-Galleon Asian Crossover Segregated Portfolio.

¹¹ Preferential allotment of 13,090,500 Equity Shares to Shuaa Capital PSC.

¹² Preferential allotment of 40,000,000 Equity Shares to Waverly Pte Limited.

¹³ Allotment of 50,000,000 Equity Shares to Edelweiss Financial Services Limited pursuant to conversion of options.

¹⁴ Rights Issue of 1,093,179,433 Equity Shares to Edelweiss Financial Services Limited, 35,818,473 Equity Shares to Galleon Special Opportunities Master Fund SPC Limited-Galleon Asian, 35,179,410 Equity Shares to Shuaa Capital PSC, 107,496,000 Equity Shares to Waverly Pte Limited, in the ratio of 5.3748 to 1 Equity Shares.

Equity shares issued for consideration other than cash

Except for Bonus issue as detailed under, there has not been any issue of Equity Shares for consideration other than cash:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Reason for Allotment	Cumulative number of Equity Shares	Cumulative Paid up Capital (₹)	Cumulative Share Premium (₹)
May 14, 2007	22,500,000	1	-	Bonus	Bonus issue ¹	22,500,000	22,500,000	98,000,000

¹ Allotment of 22,500,000 Equity Shares as bonus shares to the existing Equity Shareholders of our Company in the ratio of one new Equity Share for every one existing Equity Shares held as on April 20, 2007 by capitalization of share premium/general reserves i.e. 22,499,940 Equity Shares to Edelweiss Financial Services Limited, 10 Equity Shares to Mr. Rashesh Shah jointly with Edelweiss Financial Services Limited, 10 Equity Shares to Mr. Venkatachalam Ramaswamy jointly with Edelweiss Financial Services Limited, 10 Equity Shares to Mr. Deepak Mittal jointly with Edelweiss Financial Services Limited, 10 Equity Shares to Shriram Iyer Jointly with Edelweiss Financial Services Limited, 10 Equity Shares to Rajeev Malhotra jointly with Edelweiss Financial Services Limited, 10 Equity Shares to Prasad Baji jointly with Edelweiss Financial Services Limited.

Shareholding pattern of our Company as on the date of this Draft Prospectus:

Sr. No.	Name of the Shareholder	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares	Shares pledged or otherwise encumbered
1.	Edelweiss Financial Services Limited	1,499,959,123	-	79.28	Nil
2.	Edelweiss Securities Limited	97,416,683	97,416,683	5.15	Nil
3.	Edelweiss Commodities Services Limited	146,976,650	146,976,650	7.77	Nil
4.	Waverly Pte Limited	147,496,000	-	7.80	Nil
5.	Mr. Rashesh Shah nominee of Edelweiss Financial Services Limited	1	-	Negligible	Nil
6.	Mr. Venkatachalam Ramaswamy nominee of Edelweiss Financial Services Limited	1	-	Negligible	Nil
7.	Mr. Deepak Mittal nominee of Edelweiss Financial Services Limited	1	-	Negligible	Nil
8.	Mr. Himanshu Kaji nominee of Edelweiss Financial Services Limited	1	-	Negligible	Nil

Sr. No.	Name of the Shareholder	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares	Shares pledged or otherwise encumbered
9.	Mr. Vikas Khemani nominee of Edelweiss Financial Services Limited	1	-	Negligible	Nil
10.	Mr. Rujan Panjwani nominee of Edelweiss Financial Services Limited	1	-	Negligible	Nil
Total		1,891,848,462	244,393,333	100	Nil

For details relating to credit rating please see "Our Business" on page 65.

Statement of the aggregate number of securities of the Issuer purchased or sold by the promoter group and by the directors of the company which is a promoter of the Issuer and by the Directors of the Issuer and their relatives within six months immediately preceding the date of filing this draft prospectus:

Save and except as disclosed herein, none of the Directors of the Company including their relatives as defined under Section 2(77) of the Companies Act, 2013 and the Promoter/Promoter Group of the Company have undertaken purchase and/or sale of the Securities of our Company during the preceding 6(six) months from the date of the Draft Prospectus:

Directors of the Issuer

Mr. Rashesh Shah

Sr. No.	Nature of Security	Date of Purchase/ Transfer	Number of Securities		Number of shares held as on date	Transferee
			Purchased	Sold		
1	Equity Shares	December 12, 2013	Nil	19	1*	Edelweiss Financial Services Limited
2	Equity Shares	December 12, 2013	Nil	1		Rashesh Shah as a nominee of Edelweiss Financial Services Limited

* As a nominee of Edelweiss Financial Services Limited

Mr. Himanshu Kaji

Sr. No.	Nature of Security	Date of Purchase/ Transfer	Number of Securities		Number of shares held as on date	Transferee
			Purchased	Sold		
1	Equity Shares	December 12, 2013	Nil	19	1*	Edelweiss Financial Services Limited
2	Equity Shares	December 12, 2013	Nil	1		Rashesh Shah as a nominee of Edelweiss Financial Services Limited

* As a nominee of Edelweiss Financial Services Limited

Rujan Panjwani

Sr. No.	Nature of Security	Date of Purchase/ Transfer	Number of Securities		Number of shares held as on date	Transferor
			Purchased	Sold		
1	Equity Shares	December 12, 2013	1	Nil	1*	Prasad Baji jointly with Edelweiss Financial Services Limited

* As a nominee of Edelweiss Financial Services Limited

Promoter of the Issuer

Edelweiss Financial Services Limited (EFSL)

Sr. No.	Nature of Security	Date of Purchase/ Transfer	Number of Securities		Number of shares held as on date	Transferor	
			Purchased	Sold			
1	Equity Shares	December 12, 2013	19	Nil	1,49,99,59,129 (Including 6 shares held by nominees of EFSL)	Rashesh Shah jointly with Edelweiss Financial Services Limited	
2.	Equity Shares	December 12, 2013	1 [#]	Nil			
3.	Equity Shares	December 12, 2013	19	Nil			Venkat Ramaswamy jointly with Edelweiss Financial Services Limited
4.	Equity Shares	December 12, 2013	1 ^{##}	Nil			
5	Equity Shares	December 12, 2013	19	Nil			Deepak Mittal jointly with Edelweiss Financial Services Limited
6	Equity Shares	December 12, 2013	1 ^{###}	Nil			
7	Equity Shares	December 12, 2013	19	Nil			Himanshu Kaji jointly with Edelweiss Financial Services Limited
8	Equity Shares	December 12, 2013	1 ^{####}	Nil			
9	Equity Shares	December 12, 2013	19	Nil			Vikas Khemani jointly with Edelweiss Financial Services Limited
10	Equity Shares	December 12, 2013	1 ^{#####}	Nil			
11	Equity Shares	December 12, 2013	19	Nil			Prasad Baji jointly with Edelweiss Financial Services Limited
12	Equity Shares	December 12, 2013	1 ^{#####}	Nil			

List of top ten holders of Equity Shares of our Company as on May 16, 2014 is:

Name of Shareholders		Address	Number of Equity Shares held	No of shares in demat form	Total Shareholding as % of total no of equity shares
Edelweiss Financial Services Limited	Financial	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400098	1,499,959,123	-	79.28
Edelweiss Limited	Securities	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400098	97,416,683	97,416,683	5.15
Edelweiss Services Limited	Commodities	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400098	146,976,650	146,976,650	7.77
Waverly Pte Limited		1 Kaki Bukit Road 1, #02-47, Enterprise One, Singapore 415934	147,496,000	-	7.80
Mr. Rashesh Shah as a nominee of Edelweiss Financial Services Limited		Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400098	1	-	Negligible
Mr. Venkatachalam Ramaswamy as a nominee		Edelweiss House, Off C.S.T. Road,	1	-	Negligible

Name of Shareholders	Address	Number of Equity Shares held	No of shares in demat form	Total Shareholding as % of total no of equity shares
of Edelweiss Financial Services Limited	Kalina, Mumbai - 400098			
Mr. Deepak Mittal as a nominee of Edelweiss Financial Services Limited	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400098	1	-	Negligible
Mr. Himanshu Kaji as a nominee of Edelweiss Financial Services Limited	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400098	1	-	Negligible
Mr. Vikas Khemani as a nominee of Edelweiss Financial Services Limited	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400098	1	-	Negligible
Mr. Rujan Panjwani as a nominee of Edelweiss Financial Services Limited	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400098	1	-	Negligible
Total		1,891,848,462	244,393,333	100

For details relating to credit rating please see "Our Business" on page 65.

Unlisted/Listed Privately Placed Secured Non- Convertible Debentures:

List of top ten debenture holders of our Company as on May 16, 2014

Sr. No.	Name Of Holders	Address	Number Of Instruments Held	Face Value Per Debenture	Amount
1.	Ecap Equities Limited	Edelweiss House Off C S T Roadkalina Mumbai Maharashtra 400098	8697 70	100000 10000000	1569700000
2.	Templeton India Short-Term Income Plan	Citibank N.A. Custody Services, Fifc-11th Flr, G Blockplot C-54 And C-55, Bkc Bandra-East, Mumbai 400051	950	1000000	950000000
3.	Emerging India Focus Funds	Standard Chartered Bank, Crescenzo securities Services, 3rd Floorc-38/39 G-Block, BKC Bandra (East)Mumbai India 400051	6440	100000	644000000
4.	Em Resurgent Fund	Standard Chartered Bank, Crescenzo securities Services, 3rd Floorc-38/39 G-Block, BKC Bandra (East)Mumbai India 400051	5363	100000	536300000

Sr. No.	Name Of Holders	Address	Number Of Instruments Held	Face Value Per Debenture	Amount
5.	Templeton India Income Opportunities Fund (Tiiof)	Citibank N.A. Custody Services, Fifc-11th Flr, G Blockplot C-54 And C-55, Bkc Bandra-East, Mumbai 400051	500	1000000	500000000
6.	Hdfc Trustee Company Ltd A/C Hdfc Liquid Fund	Hdfc Bank Ltd, Custody Services, Lodhai Think Techno Campus, Office Floor 8 next To Kanjurmarg Railway Stn Kanjurmarg East, Mumbai, Maharashtra 400042	5000	100000	500000000
7.	Larsen And Toubro Limited	L And T House ballard Estate Mumbai 400001	50	10000000	500000000
8.	Sociedade De Fomento Industrial Pvt Ltd	Hdfc Bank Ltd Custody Services lodha I Think Techno Campus Offflr 8 Next To Kanjurmarg Rly Stn Kanjurmarg - E Mumbai 400042	2500	100000	250000000
9.	Secretary Board Of Trustees Mpeb Employees Provident Fund	Block No 9 1st Floorshakti Bhawan Jabalpur 482008	200	1000000	200000000
10.	Bank Of India	Treasury Branch, Head Office, Star House, 7th Floorc-5, 'G'block, Bandra Kurla Complex Bandra(East) Mumbai. 400051	150	1000000	150000000

For details relating to credit rating please see "Our Business" on page 65.

Unsecured, Redeemable, Non-convertible Debentures:

List of top 10 Unsecured, Redeemable, Non-convertible Debenture holders of our Company as on May 16, 2014

Sr. No.	Name of the Holder	Address	Qty.	Face value of Debentures (in Rs.)	Amount (in Rs.)
1.	Syndicate Bank	F I M Department Maker Towers E Ii Floor Cuffe Parade Colaba Mumbai 400005	100	1000000	100000000
2.	The Lakshmi Vilas Bank Limited	Hdfc Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East Mumbai 400042	100	1000000	100000000

For details relating to credit rating please see "Our Business" on page 65.

Listed Secured Non- Convertible Debentures, issued vide public issue:

List of top ten debenture holders of our Company as on May16, 2014

Sr. No.	Name Of The Holder	Address	Qty.	Face Value Of Debentures (In Rs.)	Amount (In Rs.)
1.	Hdfc Trustee Co Ltd A/C Hdfc Fmp 1175d January 2014 (1)	Hdfc Bank Ltd Custody Services Lodha I Think Techno Campus Offflr 8 Next To Kanjurmarg Rly Stn Kanjurmarg - E Mumbai 400042	400000	1000	400000000
2.	Uti - Income Opportunities Fund	Uti Mutual Funduti Asset Management Company Ltddept. Of Fund Accounts, Uti Towergn Block, Bkc, Bandra (East), Mumbai 400051	300000	1000	300000000
3.	Kotak Mahindra Old Mutual Life Insurance Limited	Standard Chartered Bank, Crescenzo Securities Services, 3rd Floorc-38/39 G-Block, Bkc, Bandra (East) Mumbai India 400051	250000	1000	250000000
4.	Uti - Monthly Income Scheme	Uti Mutual Funduti Asset. Management Co. Pvt.Ltd.Uti Tower, 'Gn' Blook, Bandra Kurla Complex, Bandra (E), Mumbai.400051	150000	1000	150000000
5.	Edelweiss Commodities Services Limited	Edelweiss Houseoff C S T Road Kalina Mumbai 400098	147085	1000	147085000
6.	Kotak Mahindra Trustee Co. Ltd. A/C Kotak Medium Term Fund	Deutsche Bank Ag, Db House Hazarimal Somani Marg, P.O.Box No. 1142, Fort Mumbai 400001	100000	1000	100000000
7.	The Federal Bank Limited	Treasury Departmentc-8 1st Floor Laxmi Towersbandra - Kurla Complexbandra East Mumbai400051	93094	1000	93094000
8.	Bank Of Maharashtra Tibd	Apeejay House, 1st Floor, 130, Dr. V.B. Gandhi Marg, Fort, Mumbai 400001	93094	1000	93094000
9.	Hdfc Trustee Company Ltd - Hdfc Short Term Plan	Hdfc Bank Ltd, Custody Services, Lodhai Think Techno Campus,Office Floor 8next To Kanjurmarg Railway Stn Kanjurmarg East, Mumbai, Maharashtra 400042	93094	1000	93094000
10.	Kotak Mahindra Trustee Co Ltd- A/C Kotak Monthly Income Plan	Deutsche Bank Agdb House, Hazarimal Somani Margpost Box No. 1142, Fort Mumbai 400001	80000	1000	80000000

For details relating to credit rating please see "Our Business" on page 65.

Debt - equity ratio:

The debt-equity ratio of our Company, prior to this Issue is based on a total outstanding debt of ₹58,439.69 million and shareholder funds amounting to ₹15,334.70 million as on March 31, 2014.

Particulars	As at March 31, 2014	
	Pre issue	Post issue
Debt		
Long Term Loans (₹ in million)	25,248.09	29,248.09
Short Term Loans (₹ in million)	33,191.59	33,191.59
Total Debt (₹ in million)	58,439.68	62,439.68
Shareholders' funds		
Equity Share Capital (₹ in million)	1,891.85	1,891.85
Reserves and Surplus		
Securities Premium Account (₹ in million)	7,080.66	7,080.66
Debenture Redemption Reserve (₹ in million)	59.23	59.23
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934 (₹ in million)	1,321.82	1,321.82
Surplus in statement of profit and loss (₹ in million)	5,228.00	5,228.00
Total Shareholders' funds (₹ in million)	15,581.56	15,581.56
Long Term Debt to Equity Ratio (Number of times)	1.62	1.88
Debt to Equity Ratio (Number of times)	3.75	4.01

Notes:

- 1) Short term debts represent debts which are due within twelve months from 31 March 2014.
- 2) Long term debts represent debts other than short term debts, as defined above.
- 3) Long Term Debts/ Equity= Long Term Debts/ Total Shareholders' Funds.
- 4) The long term Debt to Equity ratio and Total Debt to Equity ratio post the Issue is indicative and is on account of assumed inflow of ₹4,000 million from the Issue.

For details on the total outstanding debt of our Company, please refer to the chapter titled "**Financial Indebtedness**" beginning on page 103.

Our Company has not made any acquisition or amalgamation in the last one year.

Our Company has not made any reorganization/ reconstruction in the last one year.

Our Company does not have any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, in pursuance of an option.

As on May 16, 2014, our Company has the following outstanding debt securities which were issued at a premium:

Date of Issue	Product Code	No. of Debentures	Face Value (INR)	Discount Per Debenture (INR)	Aggregate Discount (INR)
November 27, 2012	E5K201	499	100000	4000	1996000

For details relating to credit rating please see "Our Business" on page 65.

As on May 16, 2014, our Company has the following outstanding debt securities which were issued at a discount:

Date of Issue	Product Code	No. of Debentures	Face Value (INR)	Discount Per Debenture (INR)	Aggregate Discount (INR)
October 11, 2011	I4K101	199	100000	1000	199000
December 30, 2011	K4L101	385	100000	1500	577500

Date of Issue	Product Code	No. of Debentures	Face Value (INR)	Discount Per Debenture (INR)	Aggregate Discount (INR)
May 31, 2012	E5E210	638	100000	6000	3828000
August 28, 2012	K5H205	1	6000000	1399800	1399800
November 19, 2012	J5K202	275	100000	750	206250
November 26, 2012	J5K201	255	100000	750	191250
November 27, 2012	K5A201	165	100000	2000	330000
November 30, 2012	K5K202	500	100000	1000	500000
February 04, 2013	L5C201	330	100000	1500	495000
February 04, 2013	A6C301	207	100000	2000	414000
March 12, 2013	B5E301	656	100000	2000	1312000
March 12, 2013	D4C301	45	100000	1000	45000
March 13, 2013	B6E302	135	100000	2000	270000
April 02, 2013	C6H301	225	100000	1000	225000
April 02, 2013	C5E301	790	100000	2300	1817000
April 03, 2013	C5E302	250	100000	750	187500
April 03, 2013	I4C301	150	100000	1000	150000
April 03, 2013	C5C302	100	100000	1250	125000
April 11, 2013	C4D301	100	100000	1500	150000
May 06, 2013	H5D301	425	100000	2250	956250
May 06, 2013	D6I301	187	100000	2000	374000
May 07, 2013	D4D301	152	100000	1500	228000
May 24, 2013	H6E301	171	100000	500	85500
May 30, 2013	H6E303	50	100000	500	25000
June 05, 2013	E6J301	178	100000	2500	445000
June 05, 2013	I5E301	124	100000	2000	248000
June 06, 2013	E5G302	495	100000	650	321750
June 20, 2013	F6F301	339	100000	2500	847500
June 24, 2013	F6I301	195	100000	800	156000
July 03, 2013	I5F301	260	100000	2000	520000
July 17, 2013	J5G301	150	100000	2100	315000
August 05, 2013	B6G301	182	100000	2000	364000
August 05, 2013	K5G301	78	100000	2100	163800
August 05, 2013	G6G303	126	100000	2000	252000
October 04, 2013	I4I312	144	100000	1000	144000
October 04, 2013	I4I319	52	100000	1000	52000
October 04, 2013	K4I301	1292	100000	1500	1938000
November 06, 2013	D6J301	304	100000	2500	760000
December 04, 2013	C6B301	104	100000	2500	260000
January 03, 2014	D6C302	130	100000	2500	325000
February 05, 2014	E6D301	441	100000	2500	1102500
February 05, 2014	A6C303	298	100000	2000	596000
February 12, 2014	D7E401	100	100000	3750	375000
March 05, 2014	B6B402	244	100000	1200	292800
March 05, 2014	E6E401	256	100000	2500	640000
March 06, 2014	D7E402	90	100000	3500	315000
April 02, 2014	F7F401	948	100000	1500	1422000
April 03, 2014	F6F401	130	100000	2500	325000
April 03, 2014	F5C401	126	100000	1500	189000

For details relating to credit rating please see "Our Business" on page 65.

Employee Stock Option Scheme:

Our Company does not have any employee stock option scheme.

OBJECTS OF THE ISSUE

The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will boost tier II capital and capital adequacy and shall be used for the financing activities including lending and investments, subject to applicable statutory and/or regulatory requirements, to repay our existing loans and our business operations including for our capital expenditure and working capital requirements.

The Main Objects clause of the Memorandum of Association of our Company permits our Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which our Company has been carrying on till date.

Interim Use of Proceeds

Our Management will have the flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the Debt Regulations. For the relevant Financial Years commencing from the Financial Year 2014-2015, our Company will disclose on a half yearly basis, a statement indicating material deviations, if any, in the use of the proceeds of the Issue from the objects stated in the Draft Prospectus. This information shall be furnished to the stock exchanges along with the half yearly financial results furnished under clause 29 of the Debt Listing Agreement to the Stock Exchanges and shall also be published in the newspapers simultaneously along with the half yearly financial results.

Other Confirmations

In accordance with the Debt Regulations, our Company will not utilize the proceeds of the Issue for providing loans to or for acquisitions of shares of any person who is a part of the same group as our Company or who is under the same management of our Company.

The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any property.

The NCDs are in the nature of Subordinated Debt and will be eligible for Tier II capital and accordingly will be utilised in accordance with statutory and regulatory requirements including requirements of RBI.

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter, except payments to be made by way of fees and commission to various Edelweiss Group companies that participate in the Issue as SEBI registered intermediaries.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDER(S)

Under the existing provisions of law, the following tax benefits, inter-alia, will be available to the Debenture Holder(s). The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The information given below lists out the possible benefits available to the Debenture Holder(s) of an Indian company in which public are substantially interested¹, in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the debenture.

The Debenture Holder is advised to consider in its own case, the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

A. IMPLICATIONS UNDER THE INCOME-TAX ACT, 1961 ('I.T. ACT')

I. To the Resident Debenture Holder

1. Interest on NCD received by Debenture Holder(s) would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following:
 - a. On any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made there under.(w.e.f. 01.06.2008).
 - b. In case the payment of interest on debentures to a resident individual or a Hindu Undivided Family ('HUF'), Debenture Holder does not or is not likely to exceed Rs 5,000 in the aggregate during the Financial Year and the interest is paid by an account payee cheque.
 - c. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act; and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest.
 - d. (i) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under section 197A(1B) of the I.T. Act, "Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax".

To illustrate, as on 01.04.2014 -

- the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is Rs 2,00,000;
- in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the Financial year (Senior Citizen) is Rs 2,50,000; and

¹ Refer Section 2(18)(b)(B) of the I.T. Act.

- in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the Financial year (Super Senior Citizen) is Rs 5,00,000 for Financial Year 2014-15.

Further, section 87A provides a rebate of 100 percent of income-tax or an amount of Rs 2,000 whichever is less to a resident individual whose total income does not exceed Rs 500,000

(ii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non deduction of tax at source in accordance with the provisions of section 197A(1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.

(iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.

2. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge, education cess and secondary and higher education cess.
3. As per the provisions of section 2(29A) of the IT Act, read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

As per section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the debentures from the sale consideration.

However as per the third proviso to section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of section 48 of I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds. Accordingly, long term capital gains arising to the Debenture Holder(s), would be subject to tax at the rate of 10%, computed without indexation, as the benefit of indexation of cost of acquisition is not available in case of debentures.

In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

4. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para 3 above would also apply to such short term capital gains.
5. In case the debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterisation (especially considering the provisions explained in Para V below) and hold the such gains/income as interest income in the hands of such Debenture Holder(s).

II. To the Non Resident Debenture Holder

1. A non-resident Indian has an option to be governed by Chapter XII-A of the I.T. Act, subject to the provisions contained therein which are given in brief as under:

- (a) Under section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.
 - (b) Under section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I.T. Act in accordance with and subject to the provisions contained therein.
 - (c) Under section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.
 - (d) Under section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.
2. In accordance with and subject to the provisions of section 115I of the I.T. Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,
- (a) Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.
 - (b) Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act
3. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per section 115E, and at the normal rates for Short Term Capital Gains if the payee Debenture Holder is a Non Resident Indian.
4. The income tax deducted shall be increased by a surcharge as under:
- (a) In the case of non-resident Indian surcharge at the rate of 10% of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 1,00,00,000.
 - (b) In case of foreign companies, where the income paid or likely to be paid exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000 a surcharge of 2% of such tax liability is payable and when such income paid or likely to be paid exceeds Rs. 10,00,00,000, surcharge at 5% of such tax is payable.

Further, 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge) is also deductible.

5. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes ('CBDT'), in the case of a remittance to a country with which a Double Taxation Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the I.T. Act or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of Tax Residency Certificate ('TRC') is a mandatory condition for availing benefits under any DTAA. Further, such non-resident investor would also be required to furnish Form 10F alongwith TRC, if such TRC does not contain information prescribed by the CBDT vide its Notification No. 57/2013 dated 1 August 2013.
6. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 197(1) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest. However, an application for the issuance of such certificate would not be entertained in the absence of PAN as per the provisions of section 206AA.
7. Where, debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterisation (especially considering the provisions explained in Para V below) and hold the such gains/income as interest income in the hands of such Debenture Holder(s)

III. To the Foreign Institutional Investors (FIIs)

1. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and education and secondary and higher education cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and education and secondary and higher education cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.
2. Income other than capital gains arising out of debentures is taxable at 20% in accordance with and subject to the provisions of Section 115AD.
3. The Finance Act, 2013 (by way of insertion of a new section 194LD in the I.T. Act) provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian company to FIIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian company between June 1, 2013 and June 1, 2015 provided such rate does not exceed the rate as may be notified² by the Government.
4. In accordance with and subject to the provisions of section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs.
5. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.
6. The provisions at para II (4, 5 and 6) above would also apply to FIIs.

IV. To the Other Eligible Institutions

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorised by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10(23D) of the I.T. Act subject to and in accordance with the provisions contained therein. Further, as

² Refer Notification No. 56/2013 [F.No.149/81/2013-TPL]/SO 2311(E), dated 29-7-2013. As per the said Notification, in case of bonds issued on or after the 1st day of July, 2010, the rate of interest shall not exceed 500 basis points (bps) over the Base Rate of State Bank of India applicable on the date of issue of the said bonds.

per the provisions of section 196 of the I.T. Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the I.T. Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

V. General Anti-Avoidance Rule ('GAAR')

In terms of Chapter XA of the I.T. Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the I.T. Act. By this Rule, any arrangement entered into by an assessee may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be inter alia denial of tax benefit, applicable w.e.f 1-04-2016. The GAAR provisions can be said to be not applicable in certain circumstances viz. the main purpose of arrangement is not to obtain a tax benefit etc. including circumstances enumerated in CBDT Notification No. 75/2013 dated 23 September 2013.

VI. Exemption under Sections 54EC and 54F of the I.T. Act

1. Under section 54EC of the I.T. Act, long term capital gains arising to the Debenture Holder(s) on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. However, the exemption is subject to a limit of investment of Rs 50 lacs during any financial year in the notified bonds. Where the benefit of section 54EC of the I.T. Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the I.T. Act.
2. As per the provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

This exemption is available, subject to the condition that the Debenture Holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the Debenture Holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

VII. Requirement to furnish PAN under the I.T. Act

1. *Sec.139A(5A)*

Section 139A(5A) requires every person from whose income tax has been deducted at source under chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deduction of tax at source.

2. *Sec.206AA*

- (a) Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB ('deductee') to furnish his PAN to the deductor, failing which tax shall be deducted at the highest of the following rates:

- (ii) at the rate specified in the relevant provision of the I.T. Act; or
 - (iii) at the rate or rates in force; or
 - (iv) at the rate of twenty per cent.
- (b) A declaration under Section 197A(1) or 197A(1A) or 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.
- (c) Where a wrong PAN is provided, it will be regarded as non furnishing of PAN and Para (a) above will apply

VIII. Taxability of Gifts received for nil or inadequate consideration

As per section 56(2)(vii) of the I.T. Act, where an Individual or Hindu Undivided Family receives debentures from any person on or after 1st October, 2009:

- (ii) without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;
- (iii) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration;

shall be taxable as the income of the recipient at the normal rates of tax
However, this provision would not apply to any receipt:

- (a) From any relative; or
- (b) On the occasion of the marriage of the individual; or
- (c) Under a will or by way of inheritance; or
- (d) In contemplation of death of the payer or donor, as the case may be; or
- (e) From any local authority as defined in Section 10(20) of the I.T. Act; or
- (f) From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in Section 10(23C); or
- (g) From any trust or institution registered under section 12AA.

IX. Where the Debenture Holder is a person located in a Notified Jurisdictional Area ('NJA') under section 94A of the I.T. Act

Where the Debenture Holder is a person located in a NJA [at present, Cyprus has been notified³ as NJA], as per the provisions of section 94A of the I.T. Act -

- All parties to such transactions shall be treated as associated enterprises under section 92A of the I.T. Act and the transaction shall be treated as an international transaction resulting in application of transfer pricing regulations including maintenance of documentations, benchmarking, etc.
- No deduction in respect of any payment made to any financial institution in a NJA shall be allowed under the I.T. Act unless the assessee furnishes an authorisation in the prescribed form authorizing the Central Board of Direct Taxes or any other income-tax authority acting on its behalf to seek relevant information from the said financial institution [Section 94A(3)(a) read with Rule 21AC and Form 10FC].
- No deduction in respect of any expenditure or allowance (including depreciation) arising from the transaction with a person located in a NJA shall be allowed under the I. T. Act unless the assessee maintains such documents and furnishes such information as may be prescribed [Section 94A(3)(b) read with Rule 21AC].

³ Notification No. 86/2013, dated 1 November, 2013 published in Official Gazette through SO 4625 GI/13

- If any assessee receives any sum from any person located in a NJA, then the onus is on the assessee to satisfactorily explain the source of such money in the hands of such person or in the hands of the beneficial owner, and in case of his failure to do so, the amount shall be deemed to be the income of the assessee [Section 94A(4)].
- Any sum payable to a person located in a NJA shall be liable for withholding tax at the highest of the following rates:
 - (i) at the rate or rates in force;
 - (ii) at the rate specified in the relevant provision of the I.T. Act; or
 - (iii) at the rate of thirty per cent.

B. IMPLICATIONS UNDER THE WEALTH TAX ACT, 1957

Wealth-tax is not levied on investment in debentures under section 2(ea) of the Wealth-tax Act, 1957.

Notes

1. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds.
2. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and Wealth Tax Act, 1957 (collectively referred to as 'direct tax laws') and does not cover benefits under any other law.
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2015-16 (considering the Interim Budget 2014-15). The new Government is likely to present the Final budget (for the Financial Year 2014-15) in June/July 2014. It remains to be seen whether any of the provisions outlined above undergo change on account of the same.
4. Further, several of these benefits are dependent on the Debenture Holder fulfilling the conditions prescribed under the relevant provisions.
5. This statement is intended only to provide general information to the Debenture Holder(s) and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.
6. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
7. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.
8. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty.
9. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
10. Interest on application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A of the I.T. Act.

SECTION IV - ABOUT OUR COMPANY

INDUSTRY

Unless otherwise indicated, all of the information in this section is derived from the websites of and publicly available documents from various sources, including but not limited to industry websites and publications. The data may have been re-classified by us for the purpose of presentation.

The information in this section has not been independently verified by us, the Lead Managers or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Further, there is no assurance that the basis of the data included in the said report or the findings thereof are completely accurate or reliable. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.

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Further the industry chapter may be updated from time to time subject to availability of updated data from websites, reports and other documents referenced in this chapter.

Indian Economy

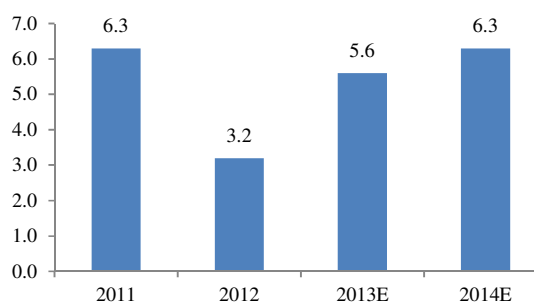
India is the largest democracy with a population of 1.2bn (Census 2011 estimate) and is also one of the fastest growing economies in the world. According to CIA World Factbook, India had an estimated GDP (purchasing power parity) of approximately US\$ 4.76 trillion (2012 estimate), which makes it the fourth largest economy in the world after the European Union, United States of America and China, in purchasing power parity terms.

Real GDP growth rate trends across the world

Country	Average Annual Real GDP Growth rate in %(2006-11)
China	10.9
India	8.4
Peru	7.2
Argentina	7.1
Indonesia	5.9
Egypt	5.4
Morocco	4.8
Colombia	4.8
Phillippines	4.8
Poland	4.7
Malaysia	4.6
Chile	4.2
Brazil	4.2

Source: Department of Economic Affairs, Government of India

Real GDP growth rate trends in India



Source: IMF

Indian Financial Services Sector

The Indian financial services sector has seen considerable broadening and deepening of the Indian financial markets due to various financial market reforms undertaken by the regulators, the introduction of innovative financial instruments in the recent years and the entry of sophisticated domestic and international players. Sectors such as banking, insurance, asset management and brokerage have been liberalised to allow private sector involvement, which has contributed to the development and modernization of the financial services sector. This is particularly evident in the non-banking financial services sector, such as equities, derivatives and commodities brokerage, residential mortgage and insurance services, where new products and expanding delivery channels have helped these sectors achieve high growth rates.

Overall market trend: Banks vs NBFCs

Banks and NBFCs differ in the manner in which they source their business, customer profile and product portfolio. They also vary with respect to key operational parameters like LTV, yield, loan tenure and collateral. The determination of the above factors is dependent on the risk-return profile of the financiers; which Banks are relatively more risk averse as compared to NBFCs. Nearly 90 per cent of the businesses generated for banks are through the existing branch network while the rest is contributed through the direct sales agents of the banks and cross selling. While NBFCs have limited branch network and reach, they typically source business through in-house employees, repeat customers and referrals. For some categories of loans, NBFCs also resort to use of Direct Selling Agents (DSAs). Since banks have got a wider reach as compared to NBFCs due to their large network, they have a diverse customer profile ranging from traders, manufacturers, service providers. Customers' relationships with banks are stickier because of their need to maintain deposit accounts with the banks which NBFCs cannot offer. NBFCs, therefore, have preference for customers with string promoter background, traders, sole proprietorships or business start-ups. Banks offer a wider range of products as compared to NBFCs as they have customers with diverse profile. Majority of bank products are pre-templated and standardized like term loan/demand loan, working capital loan, letter of credit and bank guarantees. Whereas NBFCs lack pre template products as they are largely designed based on customer needs. They mainly offer short term loans and long term loans to customer with healthy track record and past relationship.

The following table summarizes the differences between Banks and NBFCs with respect to key operational parameters.

Parameters	Banks	NBFC
LTV	Short Term:70%-75% Long Term:65%-70%	Short Term:75%-80% Long Term:75%-80%
Yield	13%-14%	15%-16%
Tenure	Short Term: Payable on Demand Long Term:2-5 years	Short Term:6 months- 1 year Long Term:2-4 years
Collateral	Short Term: Mortgage of stocks Long Term: Non-Business property (70%-80% of loan amount) and personal guarantee	Short Term: Largely unsecured Long Term: Non-Business property (70%-80% of loan amount) and personal guarantee

(Source: CRISIL Research)

Non-Banking Finance Companies (NBFCs)

Efficient intermediation by financial markets leads to higher economic growth by increasing savings and their optimal allocation for productive uses. Historically, banks have played this role. However, with the start of the reform process beginning 1990s, the importance and nature of financial intermediation has undergone a transformation with other intermediaries including non-banking financial companies (NBFCs) emerging as the new mechanisms for channelling savings to investments.

Non-Banking Finance Companies (NBFCs) are an integral part of the country's financial system, catering to a large market of niche customers, and have emerged as one of the major purveyors of retail and SME credit in India. It is a heterogeneous group of institutions (other than commercial and co-operative banks) performing financial intermediation in a variety of ways, such as accepting deposits, making loans and advances, providing leasing/hire purchase services, among others. There are over 12,000 NBFCs in India, (Source: Reserve Bank of India, Trends & Progress Report, November 2011) mostly in the private sector.

NBFCs can be divided into deposit taking NBFCs, i.e., those which accept deposits from the public and non-deposit taking NBFCs being those which do not accept deposits from the public.

Even though NBFCs perform functions similar to those of banks, there are a few differences:

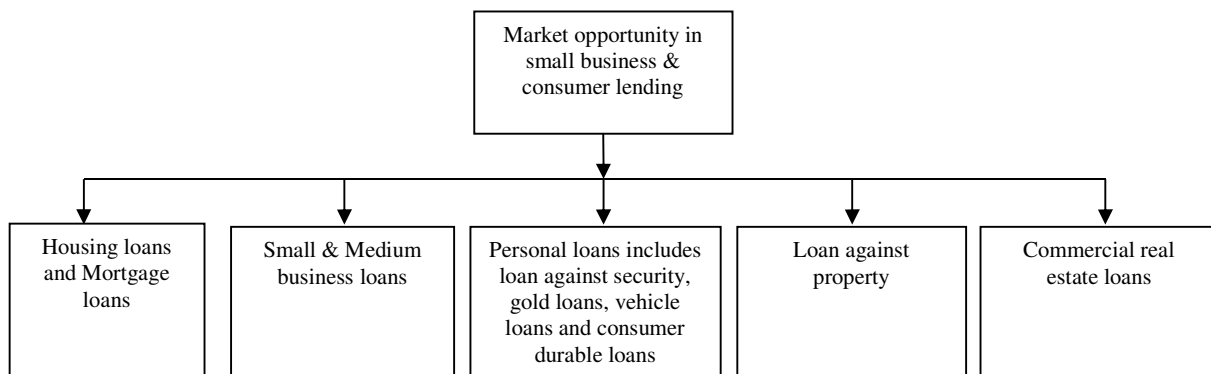
1. NBFCs cannot accept demand deposits;
2. NBFCs are not a part of the payment and settlement system and as such cannot allow their customers to operate accounts through the issuance of cheques; and
3. Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available for NBFC depositors.

NBFCs in India are classified into the following categories based on their activities –

1. Asset Finance company
2. Loan company
3. Infrastructure finance company
4. Core investment company
5. Investment Company

Opportunity landscape for NBFC spans across many products ranging from secured to unsecured products. Opportunity within each segment remains significantly large given the current low levels of penetration such as those for mortgage loans (9% of GDP vs 17-104% for other countries) (Source: IMF, European Mortgage Federation)

Opportunity landscape for NBFC



Key enablers of growth for NBFC

The core strength of NBFC lies in their presence in Tier II and Tier III cities, giving them a good understanding of the regional dynamics enabling them to build strong customer relationships. This coupled with product innovation and superior and timely product delivery, enables NBFC to maintain and enhance their edge despite rising competition intensity from banks.

Strong market penetration and high operating efficiency

NBFC have strengthened their presence in tier II and tier III cities where penetration is low. A significant part of the growth in NBFC is a form of substitution of credit typically to the unorganized sector, thereby contributing to the financial inclusion agenda.

Systems and process upgrade, focus on high-potential branches and enhanced orientation towards relationship based model enables NBFCs to deliver services very efficiently.

Product innovation and superior delivery

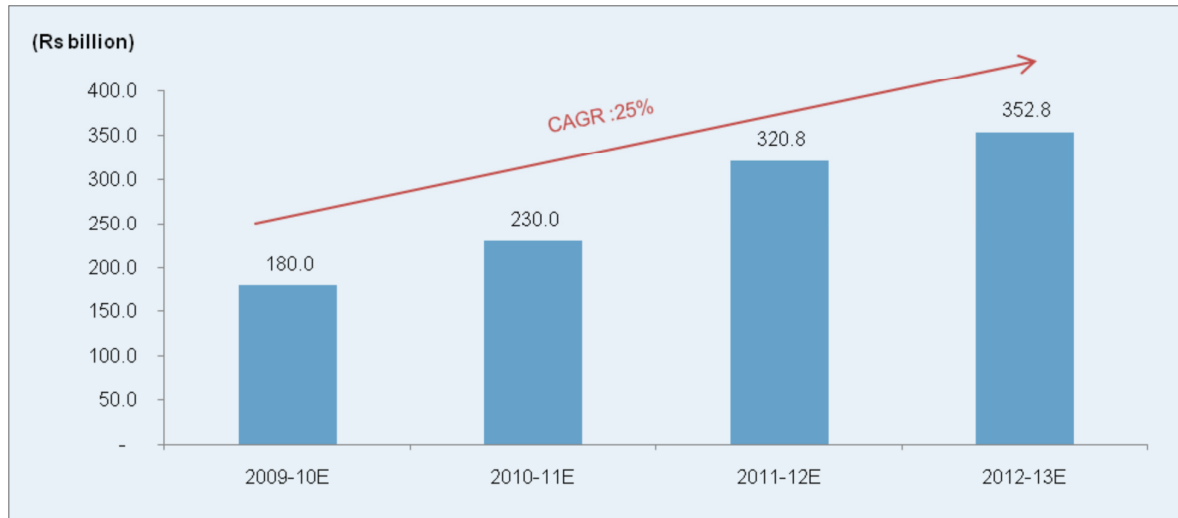
Given their deep understanding of customer needs, NBFCs focus on product innovation and customized product solutions. This helps the NBFCs maintain niche positioning and gives them an edge over the banks.

Diversification is pursued in a measured manner and largely restricted to activities that are related to the core segments.

LOAN AGAINST PROPERTY (LAP)

Loan against property (LAP) is defined as a loan availed against mortgage of property, either residential or commercial. The end-use of the loan amount is generally not closely monitored and could be used for either business or personal purposes. The loan can be taken by both salaried and self-employed classes. LAP is a secured loan, as it provides collateral to the financier. Financiers might be more comfortable with this product as it offers security against disbursement, as compared to unsecured loans. Such loans also fit the requirements of most SMEs, who constantly need funds to meet their rising working capital requirements. The proportion of residential properties mortgaged under LAP is higher (around 75 per cent), which comprises self-occupied, rented and vacant properties. On the other hand, commercial properties could include industrial plots, offices and other commercial establishments. Rent earning commercial properties also form a very attractive collateral for LAPs as necessary cash flow for servicing of the loan is assured. (Source: CRISIL Research)

Past trends in LAP market

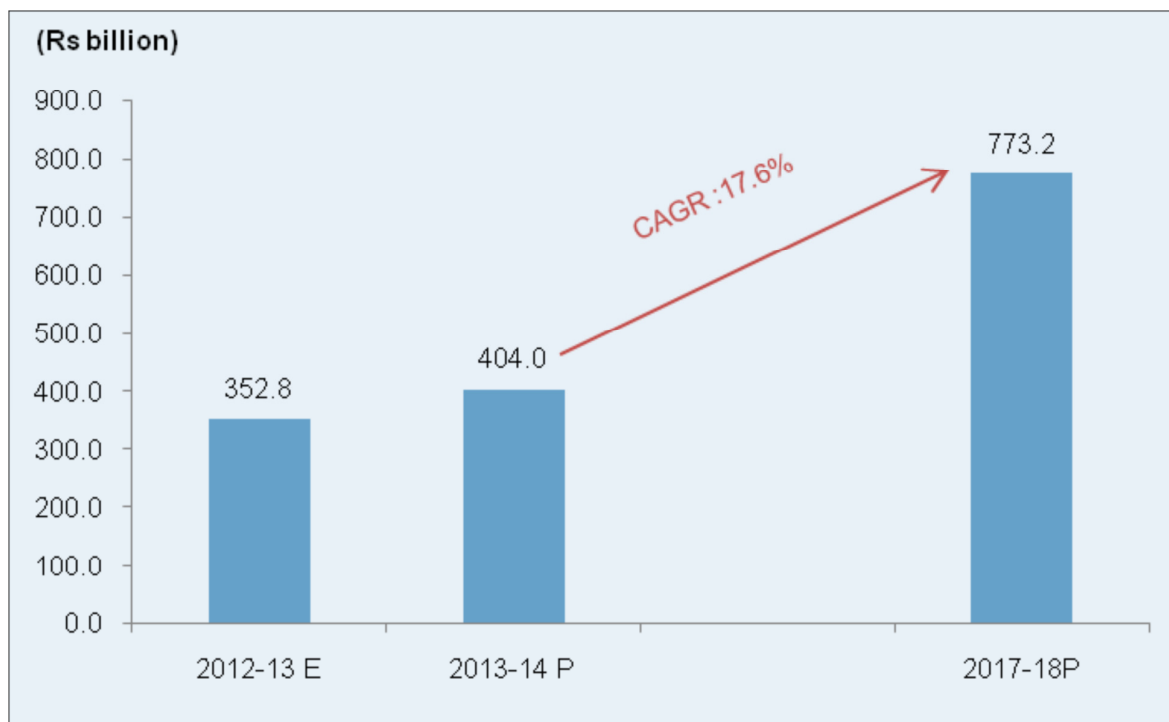


Source: CRISIL Research

The LAP market has seen exponential growth in the last 4 years, on the back of strong focus from financiers as well as the borrowers' increasing need for funds for their business requirements. The LAP market was estimated to be worth around Rs180 billion in 2009-10. CRISIL Research estimates the value of disbursements in the LAP market at around Rs 352.8 billion for 2012-13, representing a compounded annual growth of 25 per cent over 2009-10. (Source: CRISIL Research)

LAP Market – future growth trends

LAP market is still at a nascent stage in India and is poised for healthy growth in the coming years as players increase their focus and develop strategies to enter untapped segments. The LAP market is expected to grow at a CAGR of around 17.6 per cent over the next 5 years, driven by requirement of funds from small and medium enterprises. The overall value of LAP disbursements is estimated to go up to Rs 773 billion by 2017-18. This market could grow at a faster rate if the level of risk aversion amongst potential borrowers reduces, or the level of competition increases significantly.



Source: CRISIL Research

Growth drivers

SENP requiring more funds for business growth, given the expansion in economic activity

Though LAP can be availed by both salaried and self-employed customers, the latter category has the lion's share in disbursements. Self-employed customers account for over 85 per cent share in total LAP disbursements where 75 per cent belong to the self-employed non professionals (SENP) category and 10 per cent fall in the self-employed professional (SEP) category. This category mainly comprises of small manufacturers and traders who take LAP as a term loan to fund business requirements such as:

- Capacity expansion
- Diversification into the same line of business or a different vertical
- Debt consolidation

The salaried class accounts for the balance share and primarily avails LAP to meet personal expenses such as:

- Funding marriage
- Higher education
- Health treatment
- Repayment of previous loans.

In case of persons who have taken several personal and business loans earlier at higher rates of interest, LAP helps them foreclose their multiple outstanding loans and take a single loan in the form of LAP at comparatively lower interest rates.

Lower interest rates as compared to personal loans

As LAP is collateralised by a property, either residential or commercial, interest rates on such loans are lower as compared to personal loans. Thus, borrowers can get funds against the value of the collateral at a relatively lower interest rate as compared to personal loans.

Increased focus by industry players, such as banks, to increase their LAP disbursements, given the favourable risk-return equation

The principle that a potential increase in returns is accompanied by heightened risks applies to retail finance products as well. LAP though relatively riskier than housing loans, is more secure than personal loans, which have no collateral. Housing loans score above LAP as their end use is predictive and known, while discretionary productive use of LAP is not guaranteed.

LAP acts as a secure avenue for financiers to fund working capital requirements of micro, small and medium enterprises (MSMEs). It also helps SMEs monetise the value of the asset (property), whose value is constantly appreciating. At the same time, the conservative loan-to-value ratio for LAP disbursements provides comfort to financiers wary of delinquencies.

The pricing of the above loan products and the yields charged on them reflect the risk attached and returns that accrue. While LAP is priced higher than home loan by 100-300 bps, it is about 300 bps lower than a personal loan. The returns accruing to financiers from these retail finance products differ based on the risk attached to them; personal loans yield a higher net profit margin as compared to LAP and LAP yields a higher profit margin as compared to home loan. Thus LAP guarantees a favourable return as even in case of any defaults, it is secured against collateral.

High property prices enable financiers to unlock value in case of defaults

As LAP disbursements are backed by property, the value of which usually appreciates, increasing property prices in the major metros enable financiers to unlock value in case of defaults.

LAP market growth to be driven by increased focus of NBFCs

The larger presence of NBFCs in the LAP market is not surprising. Retail finance products such as vehicle loans, unsecured personal loans, loan against shares, etc were introduced by NBFCs, who strategically keep looking at newer avenues for earning higher yields. Due to a higher cost of funds in comparison to banks, NBFCs have to venture into high-yield loans (also relatively riskier asset classes) to keep margins high, as they will not be able to achieve such margins on standard products such as home loans.

Led by their strong origination skills and collection mechanism, NBFCs have created a niche for themselves in the LAP market. NBFCs have an edge over banks, given their quicker turnaround times in meeting borrower needs in the LAP market. Systems and process upgrade focus on high potential branches and enhanced orientation towards a relationship based model has resulted in healthy improvement in operating efficiencies for NBFCs.

Various schemes offered by financiers under the LAP umbrella

Declining overdraft facility

Banks dominate this product segment as NBFCs cannot directly offer overdraft facilities to customers. In this scheme, the borrowing limit declines every month by a specified amount. Thus, if the customer has used up the sanctioned limit, he will be required to repay the interest along with the principal for an amount equal to the decline in limit, in the following month. Moreover, in this case, the customer is saved the hassle of submitting his inventory details every quarter, which is essential in the case of a pure overdraft facility. However, the challenge here is to get the customer to use this account for his business transactions so that the funds flow from the account can be monitored.

Term lending facility

The term lending facility is similar to a term loan given to the customer, where the repayment is in the form of EMIs.

Lease rental discounting

This scheme is used, when the property mortgaged is commercial. Here, the EMI is set off against a share of the rentals earned by leasing the property. In this scheme, it is very important that the credentials of the client are

well-established and that the client has the wherewithal to fulfill the terms of the contract, thus reducing possibilities of a default. However, in tier-II and tier-III markets, share of disbursements under this scheme (as a percentage of total LAP disbursements) is lesser than 5 per cent.

Key market trends

Average ticket size for LAP is higher as compared to a housing loan

The average ticket size of LAP is more than double the amount of home loan. It is estimated at Rs 4.5-5.0 million vis-à-vis Rs 2.0-2.5 million for home loans (urban new houses). Concentration in urban centres and end usage of funds for business requirements justify the higher ticket size of LAP.

Higher prepayments by customer lead to lower tenures in LAP

The maximum tenure for LAP is up to 10 years, thereby allowing borrowers to spread their payouts over a longer term. However, the average actual tenure of LAP is 5-6 years, which is lower than home loans, primarily because of higher prepayments in this industry and lower contractual tenure. Since most of the customers are self-employed, prepayments are dependent on business cycles.

LAP offers higher yields to financiers

The yields on LAP depend on the type of collateral given for the loan. The differential between the yields on home loan and LAP is 200-250 basis points (bps). The yields on LAP are directly proportional to the risk faced by the financiers. Typically, residential properties carry a lower yield as compared to commercial properties with a differential of 50-100 bps. Even within the residential segment, yields are higher for vacant or rented properties as compared to self-occupied properties. This is because the probability of default in a vacant or rented property is much higher than a self-occupied one, because the emotional attachment of borrowers to their homes tempers the level of delinquencies in the Indian market. Further, since the end use of funds is not closely monitored the risk is higher.

Property valuation based on market price leads to lower loan-to-value (LTV) ratio

The amount of disbursement in LAP is linked to the current market value of the property, whereas home loan considers the agreement value of the property. Being one of the important credit parameters, LTV ratio varies according to the risk of the collateral. Similar to yield pattern, a self-occupied residential property typically attracts a higher LTV ratio of 65 per cent, followed by a vacant or rented property (around 60 per cent) and then commercial property (55 per cent). For aggressive NBFC players, LTV for existing customers can be as high as 70 per cent also.

Higher instalment-to-income ratio (IIR) in case of LAP

Defined as the ratio of amount of monthly loan instalment to net income, IIR is typically higher in LAP (55-60 per cent) as compared to home loan (40-45 per cent). This can be attributed to the customer profile, largely comprising the self-employed non-professional (SENP) category, and the strategy of NBFCs to tap this segment in pursuit of higher yields.

The following table summarises the differences between a typical home loan and LAP

Parameters	Home Loans	LAP
Average Ticket Size	Rs 20-25 lacs	Rs 40-45 lacs
Average Contracted tenure	15 years	10 years
Average Tenure	9-10 years	5-6 years
LTV	Based on agreement value (Around 75%)	Based on market value -Residential(65%) -Commercial (55%)
Instalment to income ratio (IIR)	40-45%	55-60%

Source: Industry, CRISIL Research

Credit appraisal process for LAP

Credit appraisal assumes greater significance in the case of LAP. Higher proportion of self employed customers, higher average ticket size loan and a lower average tenure as compared to home loans make it essential for the financier to assess the repayment capability of the borrower. Valuation of the underlying property and assessment of the borrower's repayment capability assumes significance in LAP. Since LAP is given against the current market value of the property, correct valuation of the same is very important. For this purpose, players in the LAP market conduct a technical inspection of the underlying property, taking into account the age of the property, maintenance and quality of construction, valuation of properties in surrounding areas, and the title deeds of the property. In addition, players make sure that the property is free from any encumbrance. A credit quality check is done in the case of LAP to assess the repayment capability of the borrower. Since a majority of LAP customers are self employed, financiers find it difficult to examine the income streams of the borrower. The following are the income surrogates taken into consideration:

- Average balances in bank account
 - Checking of the average bank balances in savings and current account for the past 2 years
- EMI equaliser/ Repayment Track Record (RTR)
 - The current Equated Monthly Installment (EMI) pegging to the EMI that the customer has paid in the recent past
- Turnover-based lending
 - Ignoring the costs reported by the company. A pre-defined net margin is applied to the gross sales of the business to arrive at indicative repayment capability
- Liquid Income Programme
 - Loan amount in this method is based on the assessment done by the bank's authorised chartered accountant on the actual margin of the customer
- Low LTV scheme
 - In this scheme the LTV given is very low (below 40 per cent) hence; the client is required to submit minimum documentation.

WHOLESALE LENDING

Wholesale lending includes credit services provided to large corporate bodies, mid-sized companies; international trade finance business, other banks and financial Institutions. It encompasses both long term and short term funding with long term loans accounting for a majority of the loan book. Within long term loans, infrastructure sector accounts for a significant share owing to large scale investments in the sector driven by government policies and private investments. While long term loans are mainly driven by the investment cycle; short term loans are influenced by business revenue growth and working capital requirements.

Banks have a major market share in wholesale lending as compared to NBFCs. Banks extend both long and short term funding to diverse sectors. On the other hand, NBFCs have limited exposure in case of long term funding except certain public NBFCs that cater to infrastructure. At the same time, the product portfolio in case of short term loans is less extensive as compared with Banks.

As per the RBI guidelines on the disclosure as per the Accounting Standard 17 (Segment Reporting), Corporate /Wholesale Banking includes all advances to trusts, partnership firms, companies and statutory bodies, which are not included under 'Retail Banking'.

Wholesale lending includes services provided to large corporate bodies, mid-sized companies, international trade, other banks and financial Institutions. Infrastructure sector accounts for a large proportion of the wholesale lending market due to significant investments in the sector driven by government supported policies. Public sector banks have a major market share in wholesale lending as compared to NBFCs. Banks have a

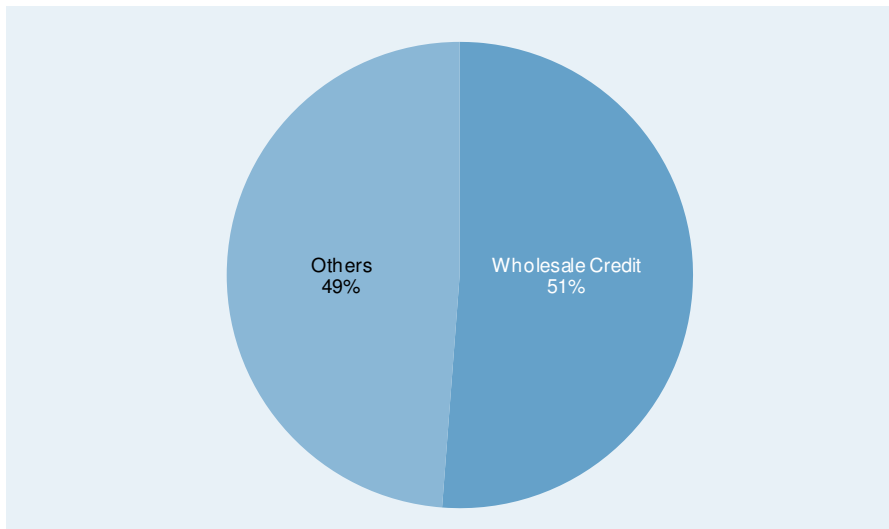
diverse customer profile including large corporate and SME clients and they cater to diverse manufacturing and service sectors like power, roads, ports, other infrastructure, basic metals, etc. On the other hand NBFCs give preference to customers with strong promoter background but they also cater to the riskier segments such as new business start-ups and sole proprietorships. A major proportion of the disbursements of NBFCs are directed towards the infrastructure sector, especially to the power sector.

Wholesale credit is 50-51 per cent of the total outstanding bank credit

Wholesale credit forms a majority of the total bank credit and constituted 50-51 per cent of the bank credit over the past 5-6 years. As of March 2013, total outstanding bank credit towards wholesale segment is estimated at Rs 24.9 trillion; forming about 51 per cent of the total bank credit.

Further, wholesale lending continues to occupy a significant share (~55 per cent) of the overall estimated credit (Banks and NBFCs), while NBFCs have a minimal exposure towards wholesale lending in their portfolio.

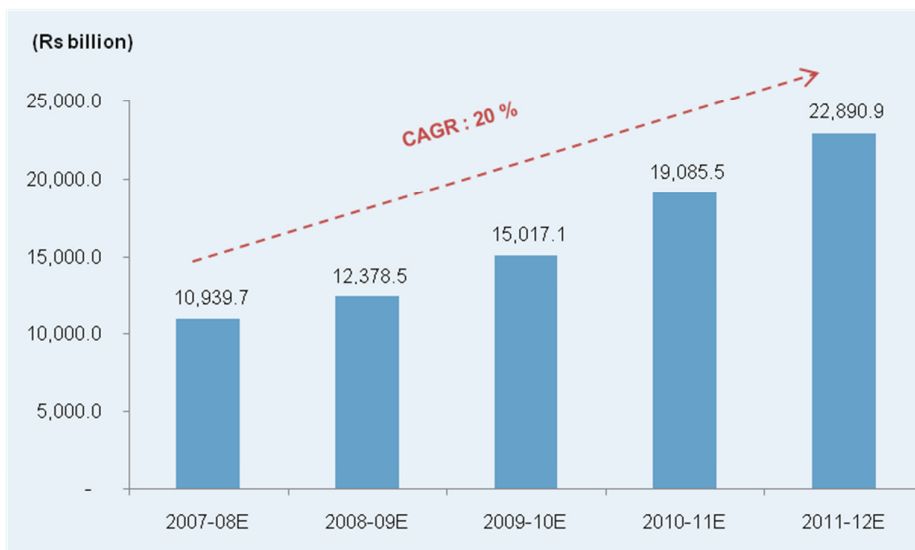
Wholesale lending as percentage of bank credit



Note: The above includes only Banks

Source: RBI, CRISIL Research

Wholesale lending credit over past 5 years



Note: The above includes Banks and NBFCs

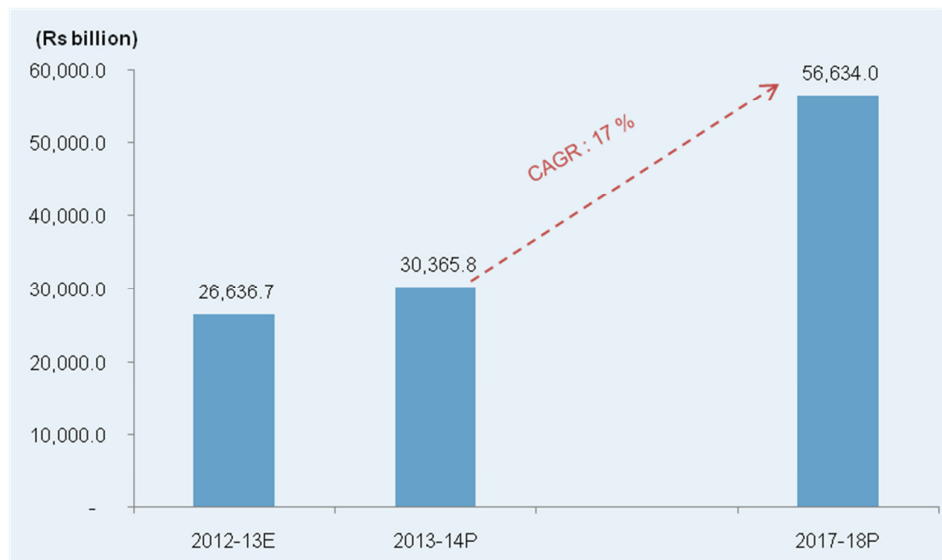
Source: RBI, CRISIL Research, Industry

The wholesale credit from 2007-08 to 2011-12 has grown at a CAGR of 20 per cent. While it has witnessed mixed trends in growth in the past few years, it is largely in line with the overall bank credit. Further, wholesale lending has seen moderation in the past 1-2 years owing to economic slowdown and sluggish demand in major sectors like infrastructure, construction etc. This trend became prominent post 2010-11 and continued till 2012-13.

During 2012-13, wholesale lending credit expanded by 16 per cent as against the overall bank credit growth of 13.5 per cent on a y-o-y basis.

Wholesale lending is expected to grow at 17 per cent over next five years

Expected growth trends in wholesale credit



Source: RBI, CRISIL Research

CRISIL Research estimates bank credit to touch decadal lows, as GDP growth hovers around 4.8 per cent and interest rates stay elevated. Thus, aggregate bank credit is forecast to grow by 13-14 per cent y-o-y due to lower investments and increased credit risk. While wholesale lending expanded at a CAGR of 20 per cent in the last five years, given the ongoing economic crisis, it is expected to augment at a moderate 17 per cent CAGR from 2013-14 to 2017-18. Slowdown in investment cycle, high interest rates and concerns over asset quality will limit credit growth over the medium term. However, with the expected gradual recovery in the GDP leading to a pick up in the investment cycle, wholesale lending is expected to gain momentum over the next few years. The expected economic recovery is likely to drive consumption thereby improving demand-supply sentiments; thus aiding demand for working capital loans.

Growth drivers

Wholesale credit to gain traction with expected growth in investments

Over the past 5 years, the economy has gone through a rough phase. India’s GDP was at about 8.6 percent during 2007-08, whereas it has steadily slumped to around 4.8 per cent in 2012-13. The growth in the economy directly translates to investment and vice versa. As the GDP growth deteriorated, it led to sluggish investments in sectors like roads, power, transmission and distribution as these require huge initial investments and have long gestation periods before the projects become viable and start providing stable cash flows. Further, the depreciation in the rupee made imports of fuel expensive, which exerted inflationary pressure on the economy, leading to tightening of monetary policy by the Central bank.

This phenomenon is expected to continue in 2013-14 on the back of a slowdown in industrial capex and infrastructure investments. A weak business environment coupled with low capacity utilisation is expected to result in a decline in industrial capex during the year.

We expect industrial and infrastructure investments to improve gradually during the next five years. Hence, from 2013-14 to 2017-18, investments are expected to expand at a CAGR of about 10 per cent. At the same time, the economy is expected to recover from the current sub 5 per cent levels to about 7 per cent by 2017-18.

With the expected pick up in investments leading to higher funding requirement, wholesale credit is expected to gain traction over the next 5 years. This funding would be both in the form of infrastructure financing and project financing.

Gradual revival in business cycle to boost working capital needs

Domestic consumption was adversely impacted due to sluggishness in the economy coupled with increase in interest rates. This led to lacklustre demand across several sectors, which impacted production and capacity utilisation. As a result, there was an increase in debtor and inventory days that further lengthened the working capital cycle for companies. As a result, the requirement of short-term loans has been rising gradually in the past 2-3 years amidst a slowdown in investment cycle. At the same time, Banks have been cautious to meet increasing funding requirements while ensuring healthy asset quality levels.

Over the next 5 years, working capital requirements are expected to gain a fillip with an expected improvement in business cycles across key consumption sectors.

Over the medium term, although new capital investments have dried up, the current demand for term loans is arising from loans sanctioned previously for ongoing projects.

As a result of the above factors, working capital credit is expected to grow faster than term loans in 2013-14. Revenue growth forecasts, longer working capital cycles and the willingness of banks to extend corporate credit are the key factors that will influence growth.

The key product categories

The key product categories under short-term funding include working capital loans and trade finance, while long term loans account for a major portion under long term funding. Working capital loans comprise cash credit, overdraft and demand loans and trade finance consists of export credit, bills financing etc. As of March, 2012, of the overall credit extended by banks, long term loans account for nearly 42 per cent.

Long Term Loan

Long term loans can be sanctioned either in the form of a project loan (green field or brown field) or a non-project loan. Project loans are sanctioned for setting up a new unit or for expansion of existing units whereas term loans (non-project) are extended for the purpose of acquisition of fixed assets, viz., building, plant and machinery etc. These loans have tenure of greater than five years and have long gestation periods before the cash flows are generated.

Short Term Loans

Working capital loans

A working capital loan is money borrowed from the bank to finance day-to-day requirement. Working capital loans comprise of cash credit, overdraft and demand loans. The working capital funds are generally required for purchase of raw materials, stores, fuel, for payment of labour, power charges, for storing finished goods till they are sold out & for financing the sales by way of sundry debtors / receivables. This is given in the form of cash credit, overdraft and demand loans depending on the company's needs and risk profile.

Trade finance

Trade finance largely includes export credit, bills financing etc. It may be in the form of either pre-shipment or post shipment finance to exporters. Pre-shipment / Packing Credit also known as 'Packing credit' is a loan/ advance granted to an exporter for financing the purchase, processing, manufacturing or packing of goods prior to shipment. Packing credit can also be extended as working capital assistance to meet expenses such as wages, utility payments, travel expenses etc; to companies engaged in export or services.

On the other hand, any loan or advance granted by a bank to an exporter of goods / services during the interim period of post shipment of goods and realisation of export proceeds or advance granted to an exporter is referred to as 'post-shipment credit'.

Overall market trends: Banks vs NBFCs

Banks and NBFCs differ in the manner in which they source their business, customer profile and product portfolio. They also vary with respect to key operational parameters like LTV, yield, loan tenure and collateral. The determination of the above factors is dependent on the risk-return profile of the financiers; Banks are relatively more risk averse as compared to NBFCs.

The following table summarises the differences between Banks and NBFCs

Parameters	Banks	NBFC
Yield	Long term : 10%-13% Short Term : 10%-12.5%	Long Term :13%-16%
Tenure	Short Term : Less than 1 yaer Medium Term :3-7 years Long Term : Greater than 7 years	Short Term :3-5 years Long Term :Greater than 5 years
Collateral	Assets related to the project are taken as collateral.Project financiers have first right of lien on the assets unless they provide sub-ordinated debt	Assets related to the project are taken as collateral.Project financiers have first right of lien on the assets unless they provide sub-ordinated debt

Source: Industry, CRISIL Research

Other parameters on which Banks and NBFCs differ

Sourcing of business

Sourcing of the business is done through branch networks, current clients and referrals. NBFCs source their business through branch networks, in-house employees, repeat customers and referrals.

Customer profile

Since large corporate have got good credit profile and relationship with the banks, they are offered attractive rates for the new projects and lower refinance rates for completed projects having strong cash flows. NBFCs give preference to customers with string promoter background but they also cater to the clients with riskier profile in the new business start-ups and sole proprietorship segment.

Product portfolio

Banks cater to diverse manufacturing and service sectors such as power, roads, ports, other infrastructure, basic metals, automobiles, textile etc. In NBFCs, majority of the disbursements are made towards infrastructure sector especially to power and are mainly long term in nature. They also provide structured financial products. In terms of short term funding, NBFCs offer corporate loans on the back of collaterals such as real estate, securities, etc. This is generally directed towards meeting their funding requirements in case of M&A transactions, exercise of warrants, and other short term requirements.

Credit assessment plays an important role in wholesale credit

Over the last few years, credit assessment has assumed greater significance in the wake of economic crisis and declining asset quality levels. Banks and NBFCs have strengthened their internal procedures to assess the credibility and purpose of the loan. While Banks and NBFCs have a similar criteria to establish the credit worthiness of customers, Banks have stricter due diligence norms whereas NBFCs do lend to riskier segments as well.

As per CRISIL research, the gross NPA of the scheduled commercial banks was 3.3 per cent as of 2012-13 and is expected to rise to 4.4 percent (2013-14 estimate) due to slippages from loans restructured in 2011-12,

continued stress in the infrastructure sector (especially power) and construction segment, and lower asset sales to Asset Reconstruction Companies (ARCs) owing to pricing issues. In the instances of defaults combined with deterioration in the asset quality, the terms of the loans are re-negotiated in majority of accounts.

Post the subprime crisis in 2008, the RBI allowed banks to restructure stressed assets, while maintaining the asset classification. The special regulatory treatment allowed for standard accounts helped banks limit growth in GNPA's.

Industry participants indicate both banks and NBFCs are increasingly restructuring debts (mainly long term loans) in case of defaults/ potential deterioration in asset quality and collateral enforcement acts as the last resort to recover the loan/debt. Further, private banks with strong credit underwriting reported lower slippages. For private banks, this enormous difference reflects better credit underwriting norms, recoveries and upgradations.

Credit assessment parameters for long term loans are detailed below:

- Long term loan credit assessment is primarily based on the project viability with respect to generating stable cash flows in future
- Are the project's cash flows sufficient to service the debt, which is measured by debt-service coverage ratios and interest coverage ratios
- Long standing relationship with the banks and the firms healthy credit history also plays an important role
- To facilitate the due diligence process of infrastructure projects with respect to design disciplines and project viability, banks engage with lender engineers who
 - Monitors the status of the project, techno-commercial feasibility studies
 - Provide regular feedback about progress of the work and proper application of funds
 - Suggest possible remedial measures to avoid/ reduce time and cost overruns
 - Liaison between the lender and the borrower
 - Ensure safety aspects at site
- Banks also hire industry experts to gain expertise in the domain before making a disbursement decision.
- While banks rely on external experts and lender engineers for credit assessment, NBFCs place the long standing relationships with the client as an important aspect in credit assessment.

Credit assessment parameters for short term loans are detailed below

For short term financing such as cash credit, over draft facility to meet the working capital needs, the credit assessment is done by:

- Reviewing the stability of financial statements of last 3-5 years.
- Determining the quality of movable inventory and recoverable receivable
- Working capital financing limits is typically set after removing the promoter's margin and sundry creditors up to 60-70 per cent of the working capital requirement
- The limit in the overdraft facility is reset every quarter by reviewing the bank statements of the debtors and their loan servicing history.

NBFCs on the other hand do not undertake extensive due diligence or refer to market experts. They lend to riskier segments. The past relationship with the clients, strong promoter background and business experience forms the core of credit assessment. NBFCs are typically involved in long term project financing and follow similar due diligence process to an extent.

Term loans

Term loans can be sanctioned either in the form of a project loan (green field or brown field) or a non-project loan. Project loans are sanctioned for setting up a new unit or for expansion of existing units whereas term loans (non-project) are extended for the purpose of acquisition of fixed assets, viz., building, plant and machinery etc. As of March, 2012, of the overall credit extended by banks, long term loans account for nearly 42 per cent.

Key Growth Drivers

Overall economic growth, infrastructure development, simplified FDI and globalization in Indian Companies are key drivers of wholesale lending.

Economic and demographic drivers

- GDP growth to facilitate incremental capital investments thereby warranting higher proportion of long term funding
- The segment will also benefit from continued globalization and expansion of Indian companies

Infrastructure development

- India spent 7 per cent of GDP on infrastructure in the eleventh plan; Planning Commission projects this share to increase going ahead to around 9 per cent in the twelfth plan
- An expected increase in infrastructure investments, creating demand for additional banking products and services

LOAN AGAINST SHARES (LAS)

Under LAS, a loan is advanced against the security of listed equity shares. Loans are extended only against those securities that are a part of the approved list maintained by the company. LAS offers opportunity to leverage investments in shares for loans to meet unforeseen expenses or immediate requirements of liquidity. LAS can be availed of for any personal and/or business purposes and this has to be declared at the time of origination. However, unlike LAP disbursements, the end-use of LAS is restricted. It cannot be used for:

- Inter-corporate investments or
- Acquiring controlling interest in company / companies.
- Advances to the bank's directors against its equity shares.
- Advances to bank employees/employee trusts set up by them for the purpose of purchasing their (banks') own shares under ESOP/ IPO or from the secondary market. This prohibition will apply irrespective of whether the advances are unsecured or secured.
- Share and stock brokers not registered with SEBI and who do not comply with capital adequacy norms prescribed by SEBI / stock exchanges.

The above-mentioned restrictions are as per RBI guidelines applicable only to banks, while there are no restrictions by RBI on NBFCs.

RBI guidelines on exposure norms for banks

As per RBI guidelines, loans against security of shares, convertible bonds, convertible debentures and units of equity oriented mutual funds should not exceed the limit of Rs 10 lakh if the securities are held in physical form and Rs 20 lakh per individual if the securities are held in demat form. For subscribing to IPOs, loans given to individuals will not exceed Rs 10 lakh. Banks may extend finance to employees for purchasing shares of their own companies under ESOP to the extent of 90 per cent of the purchase price of the shares or Rs 20 lakh, whichever is lower.

LAS constitutes a minute proportion of the total outstanding bank credit

As of March 2013, total outstanding credit towards loan against shares was around Rs 56.5 billion. Banks majorly account for the LAS segment as compared to the NBFCs. Individuals prefer banks to NBFCs because of the good relationship that the customers have with the bank. On the other hand, NBFCs have an advantage over banks as they are not bound by the exposure norms and restrictions prescribed by the RBI and they offer attractive margins vis-a-vis banks.

As of March 2013, LAS segment was around 1 per cent as a proportion of retail credit and 0.1 per cent of the total outstanding bank credit.

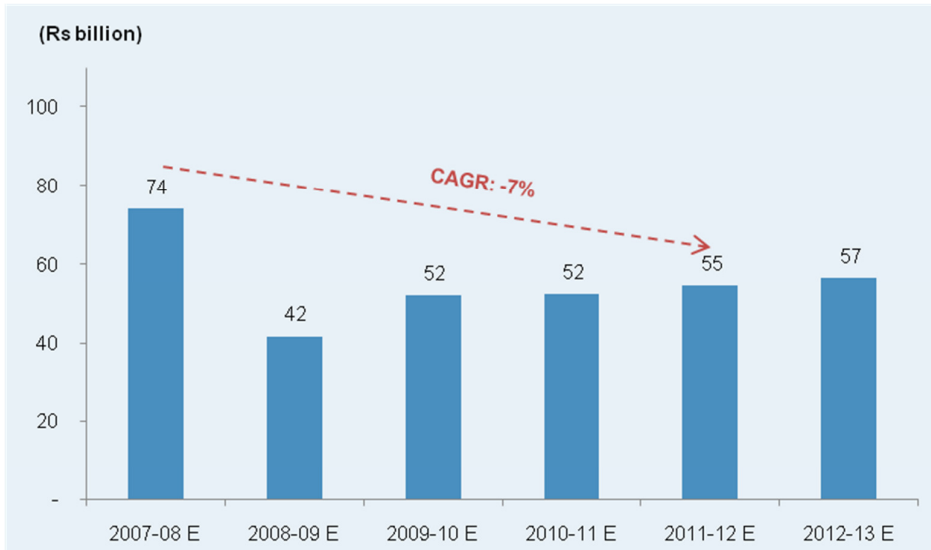
Share of LAS in bank credit (Rs 49 trillion)- 2012-13

Share of LAS in retail bank credit (Rs 9 trillion) 2012-13



Source: RBI, Crisil Research

Trend in LAS growth over the past five years

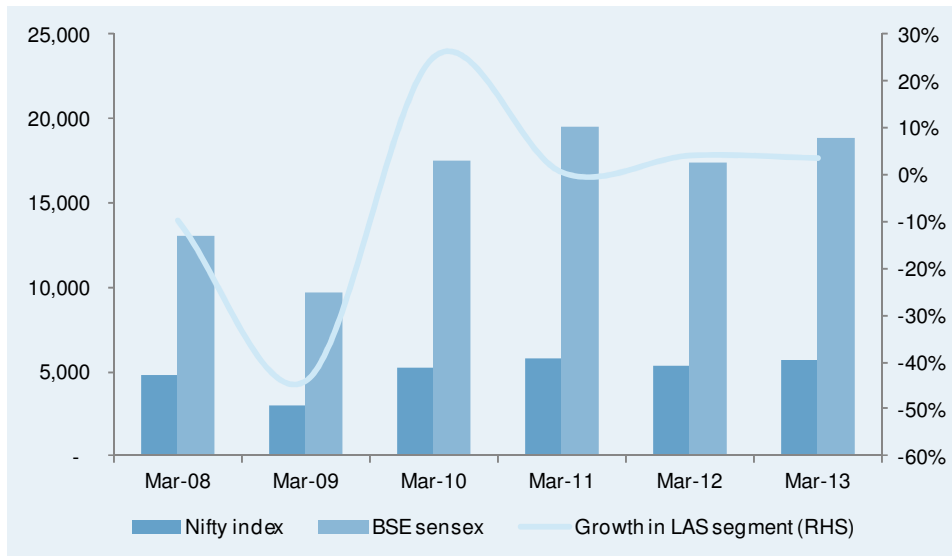


Note: The above market size is as per outstanding at the end of the year and not disbursements during the year
Source: RBI, Crisil Research

During the period 2007-08 to 2011-12, the LAS segment has de-grown by around 7 per cent. This largely reflects the performance trends of the equity markets as depicted in the above graph. LAS declined sharply in the year ended March 2009, mainly due to the global downturn. However, with gradual recovery in the equity

markets post the downturn, LAS has also shown progress and has expanded at a CAGR of 9-10 per cent between 2008-09 and 2011-12.

S&P BSE Sensex and CNX Nifty over the past five years

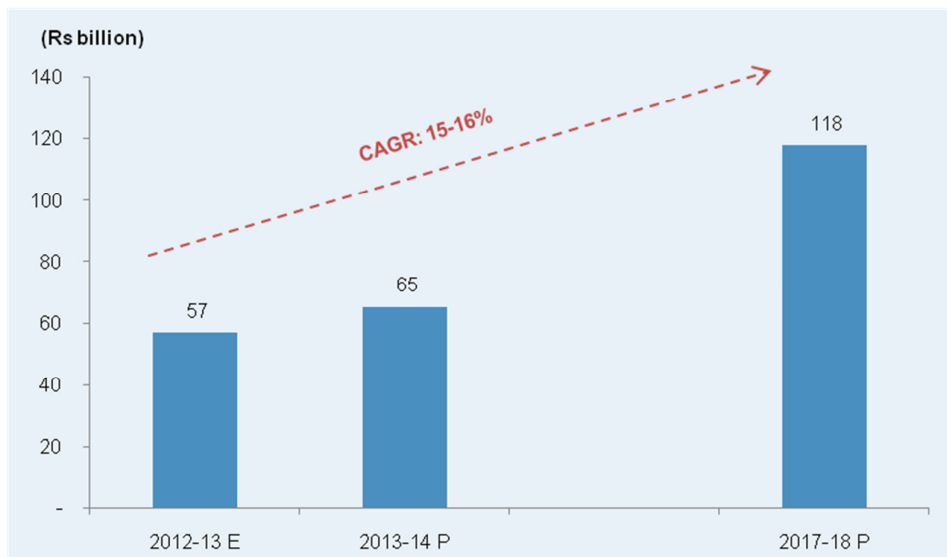


Source: BSE, NSE, Crisil Research

During 2012-13, the LAS segment grew by 4 per cent y-o-y as against the overall bank credit growth of 13.5 per cent and an 8 per cent growth in the indices of BSE and NSE.

LAS expected to expand at 15-16 per cent CAGR over next five years

LAS over the next five years



Source: RBI, Crisil Research

Over the next 5 years (2013-14 to 2017-18), the LAS segment is expected to increase at a CAGR of 15-16 per cent with the expected economic recovery and growth in performance of the equity market.

Other factors that are likely to have a positive impact on LAS include increase in loan to value (LTV), and favourable interest rates in the backdrop of a gradual recovery in the economy. Also, instant liquidity, ease of

borrowing, interest charged only on outstanding amount, liquid nature of collateral and high collateral cover will also aid the growth in this segment.

The growth in this segment would largely be driven by the performance of the equity markets. Also, the nature of collateral, instant liquidity, interest only on outstanding amount etc will aid the growth of this segment. While the above-mentioned factors would continue to drive LAS growth in general, NBFCs are likely to benefit more as they are not bound by restrictions and exposure norms. For instance, RBI has laid guidelines governing LAS such as advance to be extended only to individuals, brokers etc, and with a pre-defined upper limit.

Performance of the equity markets

An expected improvement in the macroeconomic scenario combined with likely earnings growth (gradual recovery across key sectors) would drive a rebound in the equity markets, which in turn would drive the growth in the LAS segment. As the economy rebounds, stronger demand and improving profitability would drive the earnings growth boosting the performance of the equity markets.

Instant liquidity and easy to borrow

Loans against shares, debentures or bonds are usually taken by individuals to meet contingencies or urgent personal needs and the loan processing in this segment is typically simple and quick. This also provides the customer with instant liquidity without selling the securities or without losing on any of the benefits on the securities. The securities are pledged in favour of the bank, but dividends, bonuses, or any other benefit on the pledged shares shall accrue only to the customer and not the bank.

Interest accrues only on outstanding amount

The bank creates a current account in the customer's name with the loan amount as the limit. The customer can withdraw money from the account as and when needed and he will be charged only on the amount utilised and for the period that it is utilised.

Exhaustive list of approved securities

Every bank has an extensive list of shares and mutual funds that can be kept as collateral. Hence, the customer is offered a loan against an exhaustive list of securities.

Liquid nature of collateral and high collateral cover

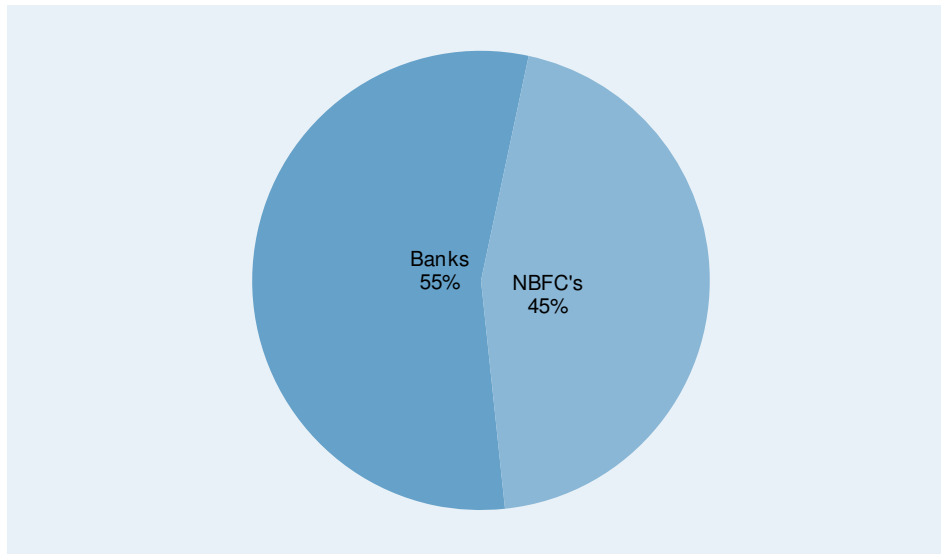
The collateral in this segment is highly liquid in nature and it is usually based on banks/NBFCs approved list of shares. Also, the minimum margin stipulation of 50 per cent and NPAs below 1 per cent makes it more attractive for the banks and NBFCs to lend to this segment.

Banks and NBFCs have a sizeable presence

Though banks can cater to only individuals, brokers and market makers in this segment, the reach of the entire banking industry is far greater than that of the NBFCs. Hence, banks have a major share in this segment.

However, NBFCs also have a sizeable presence as there are no restrictions and exposure norms applicable to them. Also, the addressable market is much larger for NBFCs. Promoter funding, a riskier segment, where the promoters of listed companies can avail a loan against the pledging of their equities, is largely dominated by the NBFCs.

Total LAS market in 2012-13: Rs 56.5billion (E)



Source: RBI, Crisil Research, Industry

Segment-wise players

The leading banks in the LAS segment are HDFC, ICICI, IDBI bank, Citibank etc. Some of the key players in the NBFC segment are JM financial, Religare, Edelweiss, Motilal Oswal, India Infoline, L&T Finance, etc.

Overall market trends: Banks vs NBFCs

Banks and NBFCs differ in the manner in which they source their business, customer profile and product portfolio. They also vary with respect to key operational parameters like LTV, yield etc. The determination of the above factors depends on the risk-return profile of the financiers.

The following table summarizes the differences between Banks and NBFCs

Parameters	Banks	NBFC
Margins	50%	40-50%
Yield	12.5-14%	14-16%
Tenure	1 year, can be renewed after 1 year	1 year, can be renewed after 1 year
Collateral	Approved list of shares, debentures, bonds etc by banks, are revised from time to time	Approved list of shares, debentures, bonds etc by NBFC's, are revised from time to time

Source: Industry, CRISIL Research

As per RBI guidelines, banks can charge a minimum margin of 50 per cent of the market value of equity shares/convertible debentures for securities held in the physical form and a minimum 25 per cent for securities held in the dematerialised form. These are minimum margin stipulations and banks can stipulate higher margins. Other parameters in which the Banks and NBFCs differ are:

Sourcing of business

Sourcing of business for banks is done through branch networks, current clients and referrals. NBFCs source their business through branch networks, in-house employees, repeat customers and referrals.

Customer profile

As per RBI guidelines, banks can lend to only individuals (limit Rs 10 lakh in case of physical shares/debentures and Rs 20 lakh in case of dematerialised shares/debentures), share and stock brokers and market makers in this segment. The loans to individuals are largely to meet unexpected expenses and contingencies, while it is mostly as a working capital to the stock and share brokers and market makers.

On the other hand, there are no restrictions on the amount and type of customer that the NBFCs can lend to. They can lend to individuals, companies, banks, partners etc. NBFCs provide loans on pledged securities, to enable promoters meet their fund requirements. NBFCs finance promoters to meet working capital requirements, capex, investment, holding consolidation etc.

In promoter funding through loans against shares, the owner of the company pledges a part of his holdings for a fixed tenure and interest rate. The tenure of the loan is mostly short term and would vary from 3 months to 1 year.

Credit assessment: Similar for banks and NBFCs

Credit assessment is largely the same for both banks and NBFCs, and it largely depends on the risk profile of the stock that is being kept as collateral and the credit ability of the customer.

Banks/NBFCs avail the facility of pledging of dematerialised shares/debentures, whereby the securities pledged by the borrower get blocked in favour of the lending bank. The loan limit depends on the valuation of the security, applicable margin and ability to service and repay the loan. The loan is normally given in the form of overdraft facility against the pledge of the securities. A declaration is obtained from the borrower indicating the details of the loans / advances availed against shares and other securities, from any other bank, in order to ensure compliance with the ceilings prescribed for the purpose.

In case of a situation when the collateral value goes below a pre-determined limit, the bank or the NBFC solicits for additional collateral or cash. In case the customer cannot do the same within the specified time limit, the bank/NBFC can sell the collateral to recover the loan amount.

The ceiling of Rs10 lakh / Rs 20 lakh for advances against shares/debentures to individuals is not applicable in the case of share and stock brokers / commodity brokers and the advances would be need -based taking into account the financial position of the borrower, operations on his own account and on behalf of clients, income earned, etc.

Since the collateral is highly liquid in nature and has good cover due to high margin stipulation, the credit quality of this segment is superior and NPAs are below 1 per cent in case of both banks and NBFCs.

SME FINANCING IN INDIA

India's micro, small & medium enterprises – the SME segment – contribute enormously to the country's economic development and growth. There are about 31 million SMEs in the country, employing about 73 million people. SMEs account for more than 12 per cent of India's GDP; about 45 per cent of the country's manufacturing output and 40 per cent of total exports. They complement the large units as suppliers and also directly cater to end-users. Consequently, SMEs are a critical pillar of economic growth.

SME units offer a huge opportunity for banks, NBFCs, PEs and VCs. Over the past four years i.e., 2007-08 to 2011-12, the SME portfolio of banks has augmented at a compounded annual rate of 22 per cent – marginally higher than the credit growth of the banking sector, which expanded at a CAGR of 20 per cent. However, the SME portfolio of the banks grew by only 10 per cent in 2012-13 on a y-o-y basis. The SME segment continues to be under-banked, accounting for just 27 per cent of the industry and services portfolio of banks. The potential for increasing funding to SMEs, therefore, remains significant.

The Reserve Bank of India (RBI) adopted the definition of micro, small and medium enterprises in line with the provision of MSMED Act, 2006 the Micro, Small and Medium Enterprises (MSME) which inter alia defines MSME as where:

- Investment in Plant & Machinery does not exceed Rs 100 mn for companies in the manufacturing sector.
- Investment in equipment does not exceed Rs 50 mn for companies in the services sector.

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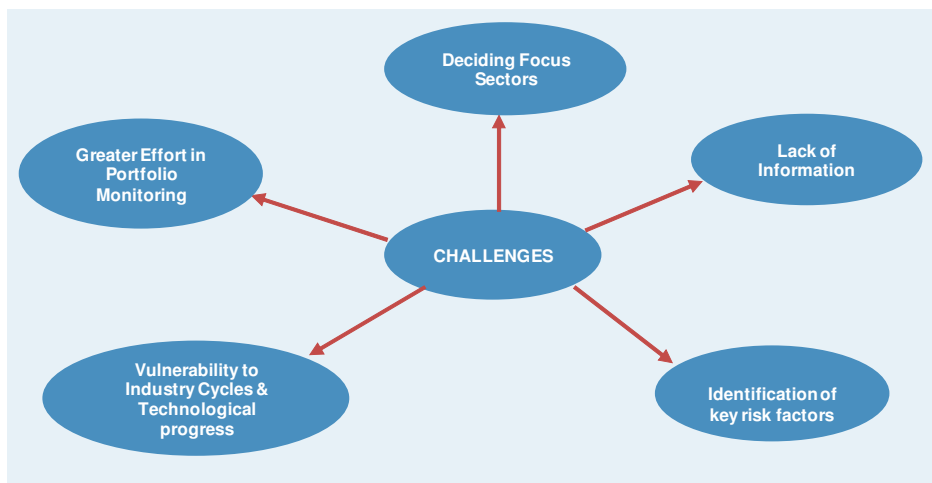
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The National Manufacturing Policy, unveiled in November 2011, aims to boost the share of manufacturing in GDP to 25.0 per cent over the next decade, from 15.4 per cent in 2011-12. To achieve this target, it would be necessary to substantially boost the growth rate of SMEs. Some of the issues that SMEs encounter are: lack of capital, procurement of raw materials at competitive rates, lack of access to global markets, modern technology and skilled manpower, besides inadequate infrastructure. Accordingly, financiers can play a vital role, by not just providing adequate, timely and affordable credit to individual companies, but by also providing funds to set up institutions/projects that resolve non-credit related issues and aid the overall development of SMEs.

Financiers are cautious while funding SMEs, due to the latter's small scale of operations, high default risk and relatively higher transaction costs. As of 2012-13, outstanding bank credit to SMEs constituted 19 per cent of the total credit outstanding. At the same time, outstanding SME credit of Rs 9.0 trillion accounted for about 27 per cent of the industry and services portfolio.

Challenges faced by financiers

On the other hand, loans made to SMEs have a higher chance of defaulting and turning into a non-performing asset (NPA). CRISIL Research estimates that the proportion of NPAs in banks' SME portfolio is about 1.1 to 1.4 times the average NPAs in their total industry and services portfolio. This is because SMEs are more vulnerable to business cycles. They also suffer from technological obsolescence because of lower net worth, and weak bargaining power with customers and raw material suppliers. The susceptibility to business cycles has a direct impact on the repayment ability of SME enterprises; thus impairing the ability of financial institutions (Banks and NBFCs) to extend further credit to the sector.



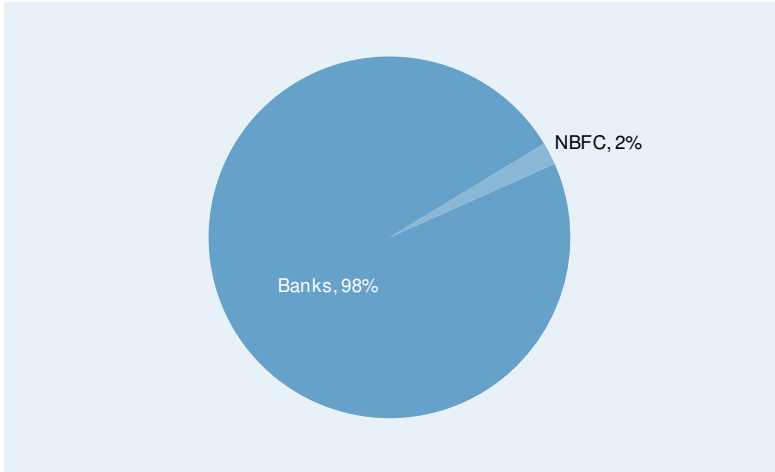
Under such circumstances, a major challenge before financiers is the lack of relevant and timely information on the relative performance and prospects of different SME-oriented industries. Lack of information limits the lending potential of financiers and/or increases the probability of defaults. Thus, appropriate credit appraisal mechanisms play a critical role in managing SME credit and have gained higher significance over the last few years. Both banks and NBFCs have tightened their lending norms and credit appraisal procedures to ensure lower delinquencies.

In addition, the SME segment is highly heterogeneous in terms of the size of enterprises, variety of products and services provided, and the level of technology employed. These factors, coupled with the lower ticket size of loans, make it tough to identify SMEs with a good business and financial profile.

Banks dominate the SME segment

Further, NBFCs have limited presence in corporate portfolio and cater mainly to the SMEs. However, their share has gradually increased over the last 5 years. NBFCs mainly deal in asset financing with lower focus on the corporate segment. While the share of NBFCs is expected to gradually increase over the long term, their growth in SME portfolio would be constrained as they do not provide CC/OF facilities like the banks.

Share of Banks and NBFCs in SME credit



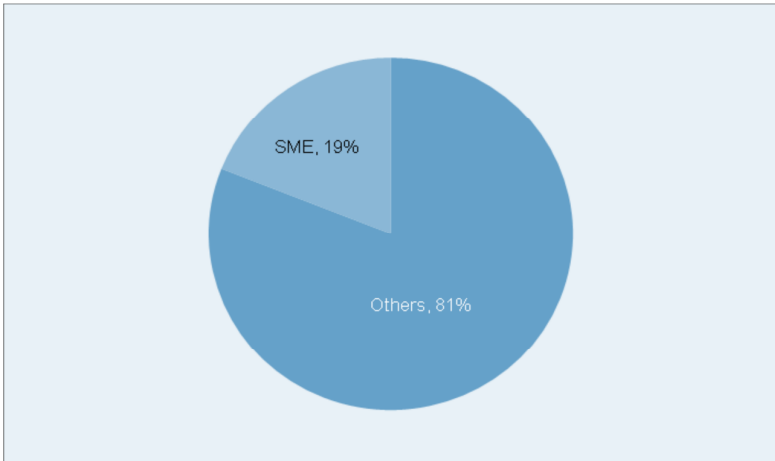
Source: Crisil Research

Segment wise players

All banks have their own internal definition of SMEs (based on turnover) in addition to the norms defined by the RBI. The definition and scope of SME financing also varies across NBFCs. Banks, both public sector and private sector dominate the SME segment.

Some of the leading public sector banks dominant in SME financing are State Bank of India, Bank of India, Bank of Baroda and others. HDFC, ICICI, Axis banks are the prominent private sector banks in SME financing. While NBFCs form a small proportion of SME financing, some of the key players are Future Capital, Tata Capital Financial Services, Shriram City Union, Bajaj Finance and Magma Fincorp Limited etc.

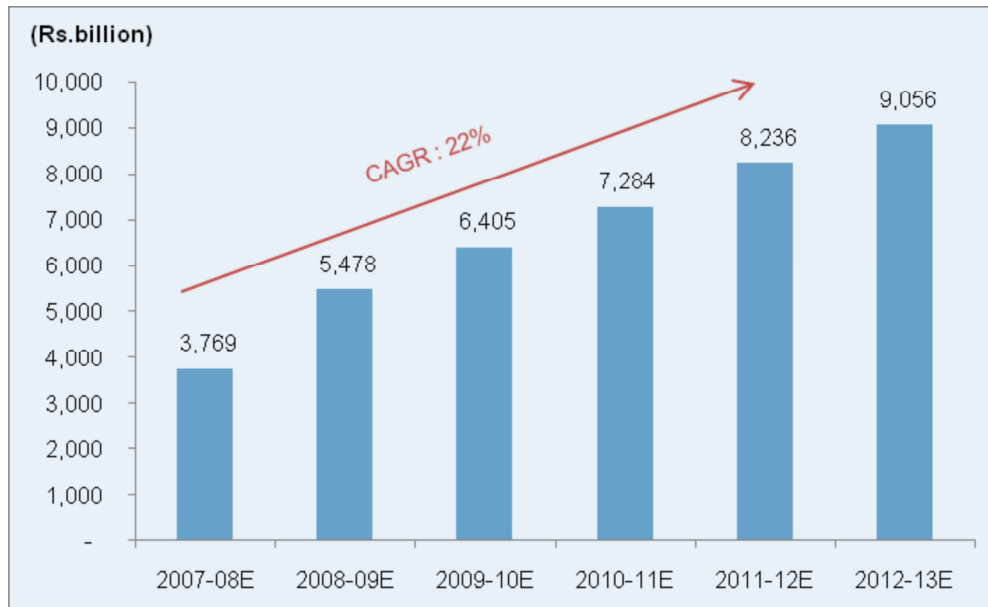
Share of SME in overall banking credit (Rs 49 trillion) – 2012-13



Source: RBI, Crisil Research

The availability of bank credit is crucial for SMEs, given their limited access to alternative sources of finance such as primary equity markets, private equity and venture capital.

Trends in SME credit – 2007-08 to 2012-13



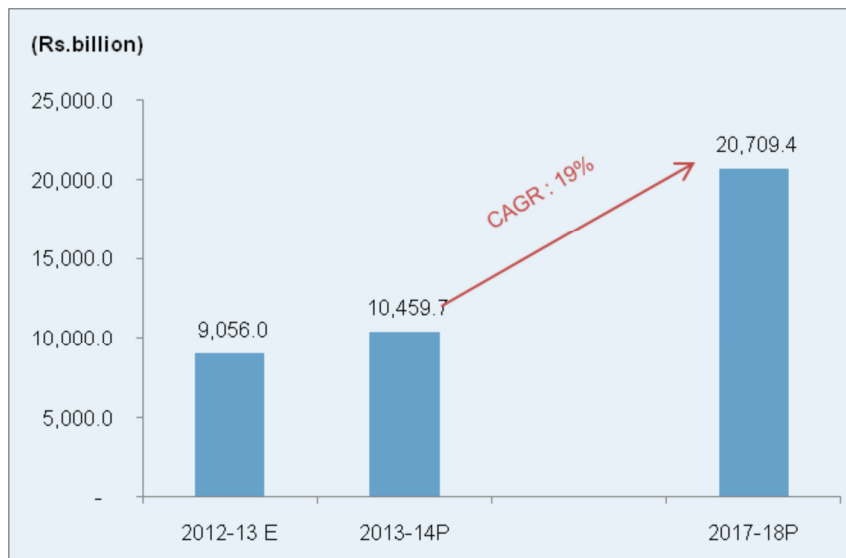
Source: Crisil Research

While SME credit (CAGR: 22 per cent) marginally outpaced overall credit (CAGR: 20 per cent) growth during the period 2007-08 to 2011-12; SME credit has seen moderation in the past 2 -3 years. This trend became prominent starting 2009-10 and continued till 2012-13.

During 2012-13, SME credit expanded by 10 per cent as against the overall bank credit growth of 13.5 per cent on a y-o-y basis. Thus, we believe that the on-going economic crisis and liquidity crunch has affected SME sector more significantly than the large corporate.

Further, the SME segment continues to be under banked, accounting for just 27 per cent of the industry and services portfolio of banks in 2012-13. This presents immense potential for increasing lending to SMEs.

SME credit to register a strong 19 per cent CAGR over the next five years



Source: Crisil Research

Over the next 5 years (2013-14 to 2017-18), the SME portfolio of banks is expected to increase at a relatively higher CAGR of about 19 per cent with the expected recovery in the economy. Over the next 4 -5 years, sectors such as construction, auto components, pharmaceuticals, hospitals & nursing homes, etc, are expected to post a healthy growth. This is expected to be further supported by an increase in the availability of credit from banks, leading to higher loan penetration over the medium-to-long term. Other factors that are likely to have a positive impact on SME credit expansion include increase in loan to value (LTV), favourable interest rates and lower credit losses in the backdrop of a gradual economic recovery.

Key Growth Drivers

The sectors mentioned below are expected to drive the growth in the SME credit portfolio:

Hospitals & Nursing homes

The industry has a size of Rs 3 trillion in 2012-13, which is expected to expand at a CAGR of 12 per cent to reach Rs.5.2 trillion in 2017-18. It holds immense potential for financiers.

Key drivers: Non-cyclical demand, huge untapped market, high and stable margins, etc.

Construction - Roads and bridges

The aggregate spends in the construction industry are expected to grow at a sluggish pace of 2-4 per cent in 2013-14, impacted by a slowdown in industrial capex and infrastructure investments. It is expected that industrial and infrastructure investments will improve gradually during the next five years. Hence, during the 2013-14 to 2017-18 period, construction investments are expected to post a CAGR of about 8 per cent to about Rs 17.6 trillion.

Key drivers: Government's continued focus on improving the country's road infrastructure, strong debt-servicing indicators and RoCE of players.

Pharmaceuticals – Bulk drugs

Bulk drug exports are estimated to have expanded at a CAGR of about 18 per cent between 2007-08 and 2012-13 to an estimated Rs 630 billion in 2012-13(E). Of this, exports to regulated markets, that had a 50 per cent share, increased at a CAGR of about 23 per cent over the past 5 years. In exports to regulated markets, exports of on-patent drugs are estimated to have surged at a 39 per cent CAGR (on a low base), while that of off-patent drugs maintained a growth rate of 17 per cent. Exports to semi-regulated markets (the traditional export destinations for Indian players) also grew at a slow, but steady 14 per cent CAGR.

Key drivers: Unaffected by business cycles, increasing spend on healthcare, growing opportunity in regulated generics market abroad

Pharmaceuticals – Formulations

Formulation exports expanded at 18.6 per cent CAGR to an estimated Rs.588 billion in 2012-13 from Rs 252 billion in 2007-08. Growth was enabled by a 22 per cent growth (CAGR) in exports to regulated markets. The domestic formulations market grew by about 12 per cent (y-o-y) in 2012-13 to an estimated Rs 623.3 billion. Domestic formulation sales are set to grow at a CAGR of 12-14 per cent between 2012-13 and 2017-18, with the market size crossing Rs 1.1 trillion.

Key drivers: SMEs well-placed to capitalise on opportunity due to low cost of manufacturing and process chemistry skills

Players enjoy strong cash accruals, strong debt-servicing indicators.

Auto components

Industry size of Rs 2,429 billion in 2012-13(E), expected to grow at 13-15 per cent in the medium term.

Key drivers: Growth in automobile industry and increase in exports. Also replacement market for auto components is also set to expand with increasing new vehicle sales. This will fuel the growth of tier 2 and tier 3 auto component players.

Real Estate financing

Real estate financing is a mode of funding for the creation/acquisition of real estate such as office buildings, retail space, residential building, industrial or warehouse space and hotels etc. Developers are the predominant customers who avail real estate financing with the underlying asset (real estate property) as collateral against funding for construction purpose.

Some of the leading banks providing real estate finance are SBI, ICICI, HDFC etc where as some of the NBFCs who are engaged in real estate financing are Indiabulls, Religare, Edelweiss, Reliance Capital, etc.

RBI categorises this sector as sensitive and has laid down the following guidelines. These guidelines are applicable for banks while there are no restrictions by RBI on NBFCs.

- Banks should frame comprehensive prudential norms in relation to the ceiling on the total amount of real estate loans, single/group exposure limits for such loans, margins, security, repayment schedule and availability of supplementary finance.
- Banks should ensure that the borrowers have obtained prior permission from government, local government, and other statutory authorities for the project (*wherever applicable*)
- Exposure of banks to entities for setting up SEZs or for acquisition of units in SEZs, which includes real estate, would be treated as exposure to commercial real estate sector for the purpose of risk weight and capital adequacy from a prudential perspective.
- Banks should ensure that the bank credit is used for productive construction activity and not for any activity connected with speculation in real estate.

Key market trends

The real estate market has experienced slowdown over past few years owing to sluggishness in the economy. This led to liquidity crunch in the market affecting the real estate financing requirement. The weakening of economy led to lower demand and slowdown in the construction activities. In such a scenario, Banks became more risk averse towards lending the real estate segment. This resulted in real estate developers to head towards NBFCs to seek financing even if it came at higher rates. The trend amongst the NBFCs recently was to invest in residential projects than in commercial units owing to lower risk and visibility of returns. Real estate financing will continue to be driven by the developments in the real estate sector which in turn shall be driven by the following factors:

- Rapid urbanisation and improved infrastructure facilities
- India's emergence as an attractive off-shoring destination and availability of a pool of high skilled labour
- Rise in disposable income and growing middle class, increasing demand for quality residential real estate and real estate as an investment option.

Public Issue financing

Public issue finance involves financing individual investors to buy shares of public issues and get funding for upto 50 per cent or more depending upon the expected over-subscription ,of the individual's subscription amount. These loans are short-term borrowings with a maximum holding period of 90 days.

Banks may grant advances to individuals for subscribing to IPOs. Loans/advances to any individual from the banking system against security of shares, convertible bonds, convertible debentures, units of equity oriented mutual funds and PSU bonds should not exceed the limit of Rs 10 lakh for subscribing to IPOs. The corporates should not be extended credit by banks for investment in other companies' IPOs. Similarly, banks are not permitted to provide finance to NBFCs for further lending to individuals for IPOs. Therefore NBFCs resort to raising short term resources for this purpose from Mutual Funds.

Key market trends

Generally, high net worth investors choose public issue funding, as they have a higher ability to take risk. It is believed that a strong listing enables investors (utilising borrowed money) to cover up for the cost of funds from the listing gain.

In case of a bank financing the public issue, a demat account is required to be opened with the same bank and the shares that are allotted in the IPO becomes the security for the bank. Typically, NBFC's and brokers, who lend money to investors for public issue financing, obtain a power of attorney to operate the trading and bank account of the investor. In case of a sudden fall in the stock price of the newly-listed issue, the bank, NBFC or the broker can ask the investor to replenish margins or sell the holding to reduce lending losses.

The expected financial and market performance of the company, which is coming out with an IPO, is the main factor that is considered while extending loans. Each bank and NBFC has its own parameters to assess the risk.

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OUR BUSINESS

In this section only, any reference to “we”, “us” or “our” refers to ECL Finance Limited. Unless stated otherwise, the financial data in this section is as per our reformatted financial statements prepared in accordance with Indian GAAP set forth elsewhere in the Draft Prospectus.

The following information should be read together with the more detailed financial and other information included in this Draft Prospectus, including the information contained in the chapter titled “Risk Factors” and “Industry” beginning on page XI and 40 respectively.

Overview

We are one of the leading systemically important non-deposit taking NBFCs, focused on offering a broad suite of secured corporate loan products, retail loan products which are customized to suit the needs of the corporates, SMEs and individuals. Our corporate and retail loan products include:

- **Corporate Finance**, which includes loans to corporates against charge on collateral security by the Corporates or their Promoters, comprises 50.83% of our Loan Book as on March 31, 2014.
- **Loan against Property**, which includes offering loans against collateral of residential / commercial property, comprises 8.78% of our Loan Book as on March 31, 2014.
- **Loan against Securities**, which includes offering loans against collateral of securities, comprises 11.26% of our Loan Book as on March 31, 2014.
- **Real Estate finance**, which includes offering loans to real estate developers for development of real estate projects comprises 15.33% of our Loan Book as on March 31, 2014.
- **Structured Finance**, which includes offering various structured financing solutions, comprises 3.86% of our Loan Book as on March 31, 2014.
- **SME Finance**, which includes loans to Small and Medium Enterprises for meeting their business requirements, comprises 6.04% of our Loan Book as on March 31, 2014.
- **Other financial products** which includes Public Issue Financing, ESOP Financing, Funding against Hedged Commodities, Loans against MF / Bonds, together comprises 3.90% of our Loan Book as on March 31, 2014.

Our Company has obtained a certificate of registration dated April 24, 2006 bearing registration no. N-13.01831 issued by the Reserve Bank of India under section 45 IA of the Reserve Bank of India Act, 1934, to commence/carry on the business of non-banking financial institution without accepting public deposits subject to the conditions mentioned in the certificate of registration.

We are part of the Edelweiss Group which is one of India’s prominent financial services organization having businesses organized around four broad lines – Credit including Retail Finance and debt capital markets; Commodities; Financial Markets including Asset Management and Life Insurance services. The product/ services portfolio of the Edelweiss Group caters to the diverse investment and strategic requirements of corporate, institutional, high net worth individuals and retail clients. Edelweiss Group has a pan India presence with a global footprint extending across geographies with offices in New York, Mauritius, Dubai, Singapore and Hong Kong. EFSL is listed on BSE and National Stock Exchange of India Limited and through its subsidiaries, offers to its customers a diversified financial services platform that provides various secured corporate loan products, retail loan products and services, SME financing, equity broking, sourcing and distribution of commodities, wealth advisory services, life insurance, investment banking and institutional broking. As on April 30, 2014, our Promoter along with two of its subsidiaries holds 92.2% of our paid up share capital.

Over the past several years, we have diversified and expanded our presence into markets that are of greater relevance to the products we offer. As on March 31, 2014 we have a total of 11 branches.

Our income from operations and profit after tax (PAT) of the Company for the year ending March 31, 2014 stood at ₹ 8,122.76 million and ₹1,600.44 million, respectively. The Company’s income from operations and

PAT witnessed a CAGR of 42.50%, and 19.57% respectively over the last four Financial Years from FY2011 to FY2014. The loan book of the Company has witnessed a CAGR of 43.18% over the last four fiscal years.

Our Loan Book was ₹60,959.79 million as of March 31, 2014. Our capital adequacy ratio as of March 31, 2014 computed on the basis of applicable RBI requirements was 16.06%, compared to the RBI stipulated minimum requirement of 15%. Our Tier I capital as of March 31, 2014 was ₹ 11,333.43 million. Our gross NPAs as a percentage of total loan assets were 1.24% as of March 31, 2014. Our net NPAs as a percentage of net loan assets were 0.34 % as of March 31, 2014.

Key Operational and Financial Parameters

A summary of our key operational and financial parameters for the last three completed Financial Years as specified below, are as follows:

Parameters	<i>(In ₹ million)</i>		
	Financial Year ended March 31, 2014	Financial Year ended March 31, 2013	Financial Year ended March 31, 2012
Net worth (Note 1)	15,334.70	14,122.40	12,913.40
Total Debt of which			
- Non Current Maturities of Long Term Borrowing	25,248.09	12,650.50	6,790.70
- Short Term Borrowing	28,138.88	30,181.70	17,624.70
- Current Maturities of Long Term Borrowing	5,052.71	4,896.80	2,617.30
Net Fixed Assets	276.96	271.10	279.30
Non Current Assets(Note 2)	5,409.85	4,969.40	4,909.40
Cash and Cash Equivalents	2,978.66	3,654.10	309.70
Current Investments	0.43	0.90	20.70
Current Assets(Note 3)	8,397.51	7,841.70	4,128.30
Non Current Liabilities(Note 4)	478.69	257.40	166.00
Current Liabilities(Note 5)	3,770.12	2,618.80	1,408.20
Loan Book (Note 6)	60,959.79	47,990.40	31,872.90
Off Balance Sheet Assets	-	-	-
Interest Income	9,284.43	6,667.30	4,282.30
Interest Expense	4,134.08	3,354.90	1,849.40
Provisioning & Write-offs	368.32	51.80	61.10
PAT	1,600.44	1,211.70	809.50
Gross NPA (%) (Note 7)	1.24	0.52%	0.50%
Net NPA (%) (Note 8)	0.34%	0.16%	0.11%
Tier I Capital Adequacy Ratio (%)	15.56%	18.17%	24.39%
Tier II Capital Adequacy Ratio (%)	0.50%	0.23%	0.21%

Gross Debt: Equity Ratio of the Company:-

Before the issue of debt securities as at March 31,2014 (Note 9)	3.75
After the issue of debt securities (Assuming ₹ 4000 Million NCD Issue)	4.01

Note 1: Net worth = Share capital + Reserves & Surplus - Deferred Tax asset

Note 2: Noncurrent assets = Noncurrent investments + Unamortised Loan origination cost + Security deposit + Advance income taxes + other non-current assets

Note 3 : Current assets = Stock in trade + Trade receivables + Deposits placed with exchange/ depositories/ others + Prepaid expenses + Unamortised Loan origination cost + Loans and advances to employees + Input tax credit + Advance income taxes + Advances recoverable in cash/kind + other current assets

Note 4: Non Current liabilities = Other Long term liabilities + Long term Provisions

Note 5: Current liabilities = Trade payables + Other current liabilities + Short term provisions - Current maturities of secured long term debt

Note 6 : Loan book = Long term loans and advances(secured and unsecured)including loans given to related parties + Short term loans and advances (secured and unsecured)including loans given to related parties + Accrued interest thereon

Note 7: Gross NPA (%) = Gross Non Performing assets / Assets under management (loan book)

Note 8: Net NPA (%) = Net Non Performing assets/ Assets under management (loan book)

Note 9: Debt Equity ratio = Total Debt/(Share capital + Reserves and surplus)

OUR STRENGTHS

We believe that the following are our key strengths

Established brand and parentage

The Edelweiss Group is one of India's prominent financial services organization offering product/ services portfolio which caters to the diverse investment and strategic requirements of corporate, institutional, high net worth individuals and retail clients. EFSL, through its subsidiaries, offers to its customers a diversified financial services platform that provides various secured corporate loan products, and retail loan products, such as SME financing, equity broking, sourcing and distribution of commodities, wealth advisory services, life insurance, investment banking and institutional broking debt syndication services and debt restructuring services. We believe EFSL's diversified service platform allows us to leverage relationships across various lines of businesses, thereby increasing our ability for repeat business and cross selling our products and benefits from customer reference.

Edelweiss group enjoys a large client base of over 497,654clients from retail and wholesale segments across its various businesses. Edelweiss has 216 offices in 118 cities in India including 6 offices outside India. We believe that the success of the Edelweiss Group as a provider of financial services is largely built upon the ability to nurture and maintain client relationships which helps ECLF to get new business as well as continuation of existing business from the satisfied clients. We believe that the Edelweiss brand is well recognized and associated with trust, governance and compliance structure, liquid balance sheet, high quality customer centric services, creative solutions to strategic and financial challenges and sound execution of clients' transactions. Among the many award and accolades received by the Edelweiss Group, few of the prominent ones are being adjudged a "Business Superbrand 2010/11", being voted India's Best Midcap Company by readers of Finance Asia and being awarded the 'Best Corporate Governance, India, 2013' from the London, UK, based Capital Finance International jury. We believe that being part of the Edelweiss group significantly enhances our ability to attract new clients. We believe that the brand value and scale of the business operations of the Edelweiss Group provides us with an advantage in an increasingly competitive market. We intend to continue to leverage the brand value of the Edelweiss Group to grow our business.

We draw upon a range of resources from the Edelweiss group such as information technology and infrastructure. We leverage Edelweiss groups experience in the various facets of the financial services sector which allows us to understand market trends and mechanics and helps us in designing our products to suit the requirements of our target customer base as well as to address opportunities that arise out of changes in market trends. We believe that by leveraging on the existing relationships and synergies with the Edelweiss group we will be able to further expand the size of our loan book, launch new products and build scale. We further believe that the relationships that Edelweiss Group has developed provides us with opportunities for cross selling our products through customer reference.

Liquid balance sheet with a track record of high growth and profitability

Our annual income and PAT have grown to ₹8,122.76 million and ₹1,600.44 million respectively in the Financial Year 2014 as compared to ₹6,506.40 million and ₹1,211.69 million for the Financial Year 2013 respectively. Net worth of the Company has grown to ₹ 15,334.70 million as on March 31, 2014 from ₹14,122.37 million as on March 31, 2013. Our TOL/TNW ratio as on March 31, 2014 was 4.10 as compared to 3.59 as on March 31, 2013.

We also benefit from a liquid balance sheet with a high net worth, a low leverage and a comfortable Capital to Risk Weighted Assets Ratio (CRAR). Our focus while managing the balance sheet is on risk management and capital preservation which enables us to maintain adequate liquidity cushion to ensure smooth business operations.

We believe that our balance sheet also enables us to deploy capital for launching and scaling up new businesses, which are integral to our core strategy of risk-mitigation by diversification. It also enables us easier access to market borrowings on the back of a strong credit rating. A liquid balance sheet simultaneously permits us to redeploy capital efficiently towards business opportunities that appear at short notice.

Diversified product portfolio with dedicated product management teams

Our products strategy is focused on addressing evolving customer needs while ensuring that our products are profitable. Our product portfolio which are customized to suit the needs of corporates, SMEs and individuals, primarily comprises of corporate finance, loan against property, loan against securities, real estate finance, structured finance, SME finance and leasing solutions. Our diverse revenue stream reduces our dependence on any particular product line thus enabling us to spread and mitigate our risk exposure to any particular industry, business, geography or customer segment. Offering a wide range of products helps us attract more customers thereby increasing our scale of operations.

Each of our product lines is supported by a team of experienced and dedicated professionals. Our senior and middle management team comprise officials with significant experience in the financial services sector and particularly in the financing/lending industry, which we believe helps us implement policies and processes to ensure healthy credit quality and high standards of work ethics.

Secured Loan Book and Strong asset quality

Since inception, we have been providing majorly secured finance which ensures lower NPAs and fewer recovery related problems. As on March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 approximately 81%, 92%, 88% and 86% of our loan book is secured.

The corporate finance and structured finance loans are secured against a pledge of marketable securities held by the Corporates or their Promoters and other collateral like real estate. Generally the disbursements are collaterally secured by a guarantee. Loans against property are secured against collateral of residential / commercial property while loan against securities are offered against collateral of securities. Further in real estate financing the financing is usually against real estate collateral and/or cash flows arising from real estate project. In case of SME financing the loans are generally secured against the personal guarantee of the promoters of the enterprise/ personal guarantee of all the partners of the partnership firm/ personal guarantee of all property owners. We believe that our credit appraisal mechanism, credit control processes, audit and risk management processes and policies help us maintain the quality of our loan book.

As on March 31, 2014 our gross NPAs constituted 1.24% of our loan book, as compared to 0.52% of our loan book on March 31, 2013. We maintain provisions on our loan book as on a conservative basis. Our provision coverage ratio is 72% of our gross NPAs as on March 31, 2014. As on March 31, 2014 our net NPAs constituted 0.35 % of our net loan book, as compared to 0.16 % of our loan book on March 31, 2013.

We are adequately capitalized to fund our growth

We are subject to capital adequacy ratio (“CAR”) requirements prescribed by the RBI. We are currently required to maintain a minimum 15% as prescribed under the Prudential Norms of RBI based on our total capital to risk weighted assets as part of our governance policy, we generally maintain capital adequacy higher than statutorily prescribed CAR. As on March 31, 2014, our capital adequacy ratio compared on the basis of applicable RBI requirement was 16.06 % as compared to a minimum of capital adequacy requirement of 15% stipulated by RBI.

Set forth below is our capital adequacy ratio for the last five Financial Years.

Particulars as on	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013	March 31, 2014
C A R prescribed by RBI	12	12	12	15	15
Total Capital Adequacy Ratio	49.46%	35.26%	24.60%	18.40%	16.06%
Out of which:					
Tier I	49.09%	35.04%	24.39%	18.17%	15.56%
Tier II	0.37%	0.22%	0.21%	0.23%	0.50%

Access to range of cost effective funding sources

Our fund requirements are currently predominantly sourced through credit facilities from banks and issue of redeemable non-convertible debentures on a private placement basis. We have accessed funds from a number of credit providers, including nationalized banks and private Indian banks. We believe that we have developed stable long term relationships with our lenders and have established a track record of timely servicing of our debts. We also access money market borrowings.

Well Defined Processes

We believe our business processes ensure complete independence of function and segregation of responsibilities. We believe our credit appraisal and credit control processes, centralized operations unit, independent audit unit for checking compliance with the prescribed policies and approving all loans at transaction level and risk management processes and policies provide for multiple checks and verifications for both legal and technical parameters, including collateral valuation and title search, document verification and fraud and K Y C check, personal meetings with clients and audit before disbursement of loans. Further our processes have been standardized with the objective of providing high levels of service quality while maintaining process and time efficiency. This is done by facilitating the integration of workforce, processes and technology. Our key business processes are regularly monitored by the business/operations head.

Our loan approval and administration procedures, collection and enforcement procedures are designed to minimize delinquencies and maximize recoveries. We believe our procedures have ensured that the eventual write off due to non – recovery has remained less than 0.10% of Loan Book during the last three Financial Years.

We believe that we have internal controls and risk management systems employed throughout the company to assess and monitor risks across various business lines. Risk management systems function through an independent department for accounts and operations, and a dedicated centralized risk management team. We seek to monitor and control risk exposure through a variety of separate but complementary financial, credit and operational reporting systems.

Technology as a Differentiator

We have adopted advanced technology platforms to automate our business operations beginning from customer initiation for new business to customer servicing. We manage our processes electronically with our comprehensive electronic content management and workflow system using licensed software, and service our clients through an advanced multi-channel platform comprising internet and customer care interfaces. Our loan management package includes “FinnOne” which enhances the speed of loan process by minimizing manual intervention. We believe that this gives us a competitive edge over other financing companies as the loan process and sanction time to turn around time is significantly reduced. Our technology initiatives have increased process efficiency and accuracy, generated significant cost savings and provided us a platform to increase the scale of our business.

We believe our information technology has emerged from being computational intensive powering tasks and transactions alone to being collaboration intensive, powering inter organisational processes and relationships thereby giving us the required cutting edge.

Our specialized software loan management package include “FinnOne” for loan against property, working capital loans and loans against commercial assets products. FinnOne system has loan origination system, loan management system and collection and other modules for portfolio management and financial accounting. The application provides a seamless flow of the deal through its various stages of processing and maintains all records and audit trails besides generating various reports.

Professional and Experienced senior management team

Our Board consists of 6 Directors, and has extensive experience in the financial services sector. Each of our senior management personnel has extensive experience, industry knowledge and expertise. We believe that our management promotes a result-oriented culture that rewards our employees on the basis of merit. In order to maintain our credit appraisal and risk management systems, and to enforce our credit policies, we employ a number of senior managers who have extensive experience in the Indian banking and financial services sector and in specialized finance firms providing loans to retail customers. We believe our management team has been able to develop and execute our business strategies, while quickly responding to the changes in our business environment. In addition, our management has a track record of entering and growing new lines of business, such as real estate finance, loan against property and loans to small and medium enterprises. Our Board, including the independent directors, also has extensive experience in the financial services and banking industries in India. We believe that the industry knowledge of our management and professionals, who are supported by a qualified pool of employees provide us with a distinct competitive advantage and also benefits us with respect to development of products and focus on geographical expansion, cost reduction, and efficient execution capabilities.

OUR STRATEGIES

Our key strategic priorities are as follows:

Retail Focus

We are focused on high growth, dispersed risk- retail lending. We seek to further increase our presence in promising segments including loans against property, loans against securities, by utilizing the extensive branch network of the Edelweiss group. This retail business is intended to provide scale & diversify the risk across geographies, industries & collaterals.

Minimize concentration risk by diversifying the Product Portfolio and expanding our customer base

We intend to further improve the diversity of our product portfolio to cater to the various financial needs of our customers and increase the share of income derived from sale of financial products and services.

Beyond our existing corporate and retail loan products, we intend to leverage our brand and office network, develop complementary business lines and become the preferred provider of financial products—a one-stop shop for customers’ financial needs.

Our diverse revenue stream will reduce our dependence on any particular product line thus enabling us to spread and mitigate our risk exposure to any particular industry, business, geography or customer segment. Offering a wide range of products helps us attract more customers thereby increasing our scale of operations.

We intend to launch a direct marketing initiative to target our existing and former customers to cater to all their financing requirements, thus generating new business and diversifying our loan portfolio. We expect that complementary business lines will allow us to offer new products to existing customers while attracting new customers as well. We expect that our knowledge of local markets will allow us to diversify into products desired by our customers, differentiating us from our competitors.

Optimizing return while maintaining the quality of Loan Book

We have consciously chosen to focus on providing secured loan products, which represent approximately 81%, 92%, 88%, and 86% of our loan book as on March 31, 2014, March 31, 2013 and March 31, 2012. We believe that we have implemented credit and risk management systems which we intend to rely upon to optimize our product mix in our loan portfolios. We believe that this will also help us in maintaining our margins in a volatile interest rate scenario.

Improve our credit ratings to optimize cost of funds

We fund our capital requirements through a variety of sources, including credit facilities from banks, issuance of non-convertible debentures, money market borrowings and inter corporate deposits. During the period of last three years, we have been able to upgrade our long term credit rating from “AA-” to “AA”.

For details of our credit ratings, as of April 30, 2014, please see section titled “Our Business – Credit Rating”, on page 77.

We believe that we have been able to achieve relatively stable and competitive cost of funds from a range of sources despite the difficult conditions in the global and Indian economy and the resulting reduced liquidity and increase in interest rates, primarily due to our credit ratings and the goodwill associated with the Edelweiss brand name. During the past three years, we have focused on improving our assets liability management by ensuring that we align our liabilities profile in sync with assets profile. As the assets profile moved towards longer duration with the addition of LAP and SME finance, we also changed our liability mix to include long term borrowings from banks instead of shorter term borrowing form debt markets/money markets. We have also increased long term market borrowing by placement of NCDs. We have also diversified our sources of borrowing by obtaining credit facility from a number of banks besides MFs. Based on our increasingly strong balance sheet, we believe that we will be able to further improve our credit ratings, and tap newer sources of funds.

Continue to Attract and Retain Talented Employees

As part of our business strategy, we are focused on attracting and retaining high quality talent. We recognize that the success of our business depends on our employees, particularly as we continue to expand our operations. We have successfully recruited and retained talented employees from a variety of backgrounds, including credit evaluation, risk management, treasury, technology and marketing. We will continue to attract talented employees through our retention initiatives and recruitment from local graduate colleges. Our retention initiatives include job rotation, secondments, quarterly reviews, stock options of our Promoter, performance based incentive, employee recognition programs, training at our training facilities and on-the-job training. We invest a significant amount of time and resources for training our employees, which we believe fosters mutual trust, improves the quality of our customer service and puts further emphasis on our continued retention.

Build on a scalable platform for our SME finance business

Our Company’s SME finance business follows a region focused structure wherein our regional business directors are responsible for business development and profitability of our business for their respective regions. We have built an operating platform which we believe is scalable and can provide operational efficiencies for our future growth. We intend to strategically leverage the platform in building our SME loan book. This would not only help us in growing our loan book but also help us in achieving better geographic diversification in the loan portfolio.

Achieve operations excellence by further strengthening our operating processes and risk management systems

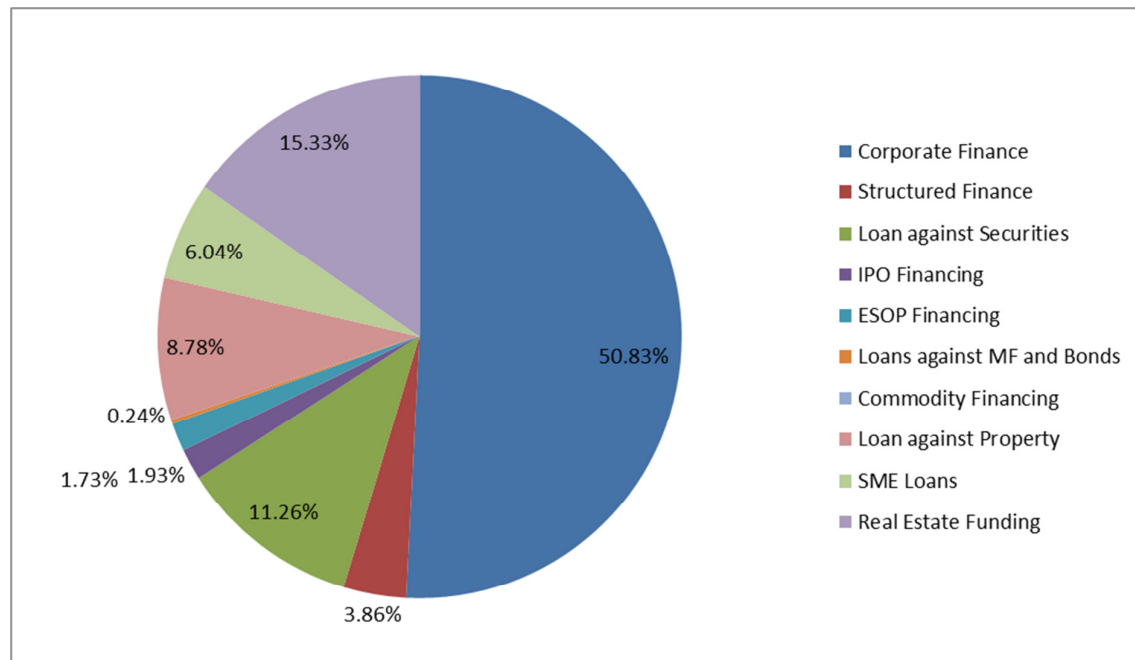
We are focused on building a process driven organization with a culture of compliance and audit. Operations excellence and Risk management forms an integral part of our business as we are exposed to various risks. The objective of our risk management systems is to measure and monitor the various risks we are subject to and to implement policies and procedures to address such risks. We intend to continue to improve our operating processes and risk management systems that will further enhance our ability to manage the risks inherent to our business.

Risk management forms an integral part of our business as we are exposed to various risks. The objective of our risk management systems is to measure and monitor the various risks we are subject to and to implement policies and procedures to address such risks. We intend to continue to improve our operating processes and risk management systems that will further enhance our ability to manage the risks inherent to our business. Furthermore, we intend to continue to train existing and new employees in appraisal skills, customer relations, communication skills to improve customer centricity and risk management procedures to enable replication of

talent and ensures smooth transition on employee attrition, update our employees with latest developments to mitigate risks against frauds and cheating.

OUR PRODUCTS

Edelweiss Group launched credit business in 2007 through ECLF. Thereafter we have successfully diversified into many different, though interdependent, lines of credit businesses, which enable us to capture opportunities across entire fixed income domain by harnessing synergies between the principal and agency sides of this business and providing alternative solutions to clients for meeting their debt requirements. Similarly, the diversification into Retail Finance draws synergies across the large retail segments together with other similarly grouped lines of businesses. Our loan book stood at ₹60,959.79 million as on March 31, 2014 as compared to ₹47,990.40 million as on March 31, 2013 respectively. The following chart illustrates the Loan Book attributable to each product line, as on March 31, 2014:



A. Corporate Finance

As on March 31, 2014 our Corporate Finance loans accounted for 50.83% of the Loan Book. Corporate Finance loans are majorly offered to Corporates against liquid market securities. Further depending upon individual cases, other collateral like immovable property is also taken. The loans include bridge financing or other short term loans to corporates. The funds so raised are utilized for the working capital requirement of the corporates, for expansion and diversification in the business etc. The tenure of the loans generally ranges upto 2 years.

B. Loan against Property (“LAP”)

As on March 31, 2014 our Loan against Property accounted for 8.78% of the Loan Book. Loan against Property (“LAP”) is a loan facility majorly offered to self-employed individuals requiring funds for business purposes against mortgage of residential / commercial property. As a part of LAP lease rental discounting is also offered where the lessee is a large corporate. The funds so raised are utilized for meeting business as well as investment needs.

C. Loan against Securities (“LAS”)

As on March 31, 2014 our Loan against Securities accounted for 11.26% of the Loan Book. LAS is a loan facility offered against liquid marketable security wherein investors borrow funds against their existing portfolio of investments.

D. Real Estate finance

As on March 31, 2014 our Real Estate Finance accounted for 15.33% of the Loan Book respectively.

Real Estate financing is to enable developers to raise money for development of real estate projects. The financing is usually against real estate collateral and/or cash flows arising from real estate project to meet the short and medium term requirements.

E. Structured Finance

As on March 31, 2014 our Structured Finance loans accounted for 3.86% of the Loan Book. These solutions are customized to match the specific requirements of the clients with a totally client-centric approach

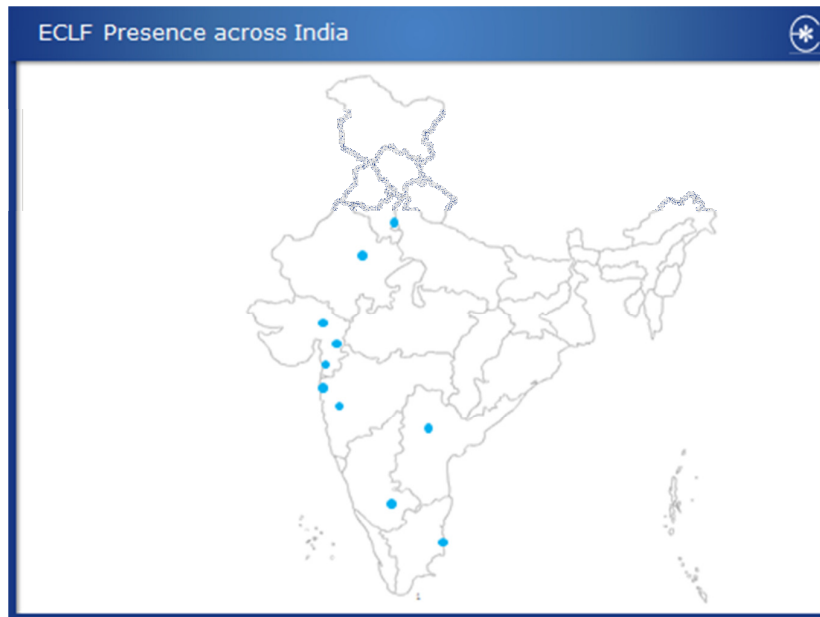
F. Small and Medium Enterprises Finance (“SME Finance”)

As on March 31, 2014 our SME Finance loans accounted for 6.04% of the Loan Book respectively. SME Lending is funding proprietorship firms, partnership firms, private limited companies, closely held public limited Companies and self-employed professionals mainly for the purposes of business expansion, meeting working capital requirements, financing capital equipment purchase, refinance of existing loans and for purchase of commercial property. SME finance is generally backed by the personal guarantee of promoters/partners/proprietors and property as collateral.

G. Other financial products which includes Public Issue Financing, ESOP Financing, Funding against Hedged Commodities, Loans against MF / Bonds, Leasing and Equipment Finance, together comprises 3.90% of our Loan Book as on March 31, 2014.

- (i) **Public Issue Financing** is a unique loan facility that is offered to our customers to leverage funds in the public issues (IPOs and FPOs). Loans are provided for subscription in the public issues of liquid marketable securities on a case to case basis.
- (ii) **ESOP Financing** is offered to employees of other corporates to exercise their options granted under ESOP Schemes of their respective companies. The tenure of the loan ranges from one month to twelve months.
- (iii) **Funding against Hedged Commodities** is to fund against the commodities which are traded on commodity exchanges in India.
- (iv) **Loans against MF / Bonds** are offered against units of various approved MF schemes and Bonds.
- (v) **Leasing and equipment financing:** ECLF plans to introduce leasing and equipment financing in order to be able to offer a wider range of solutions to its corporate clients. Leasing and equipment financing is offered against plant and machinery.

BRANCH NETWORK



PROCESSES

Customer Evaluation, Credit Appraisal and Disbursement

Our Credit Policies

All loans are sanctioned under the credit risk policy approved by our internal Risk Management Committee. Emphasis is applied on demonstrated past and future assessment of income, repayment capacity and credit history prior to approving any loan. We undertake periodic update of credit policies based on portfolio performance, product profitability and market and economic development.

Loan Origination

We source all potential customers through approved channel partners or through our experienced and well trained sourcing teams. The channel partners undergo a detailed evaluation process covering their experience, past performance, market standing and distribution business model before empanelment with us. Further, we monitor their performance periodically for adherence to processes prescribed for them for customer sourcing.

Loan Management Technology Platform

For loan against property, working capital loans and loans against commercial assets products, we use “FinnOne” system. FinnOne system has loan origination system, loan management system and collection and other modules to do the portfolio management and financial accounting. The application provides a seamless flow of the deal through its various stages of processing and maintains all records and audit trails besides generating various reports.

Evaluation

We undertake various credit control checks and field investigations on a prospective customer which inter-alia includes an internal data de-duplication check, CIBIL database check, fraud verification, asset verification and valuation, trade credit reference checks and other legal and technical verification procedures. After having completed our internal verification procedures all documents submitted by the prospective customer are checked and verified as required and any discrepancies and/or gaps in such documentation are highlighted and sent to the prospective customer for corrections, explanations and resubmissions as required.

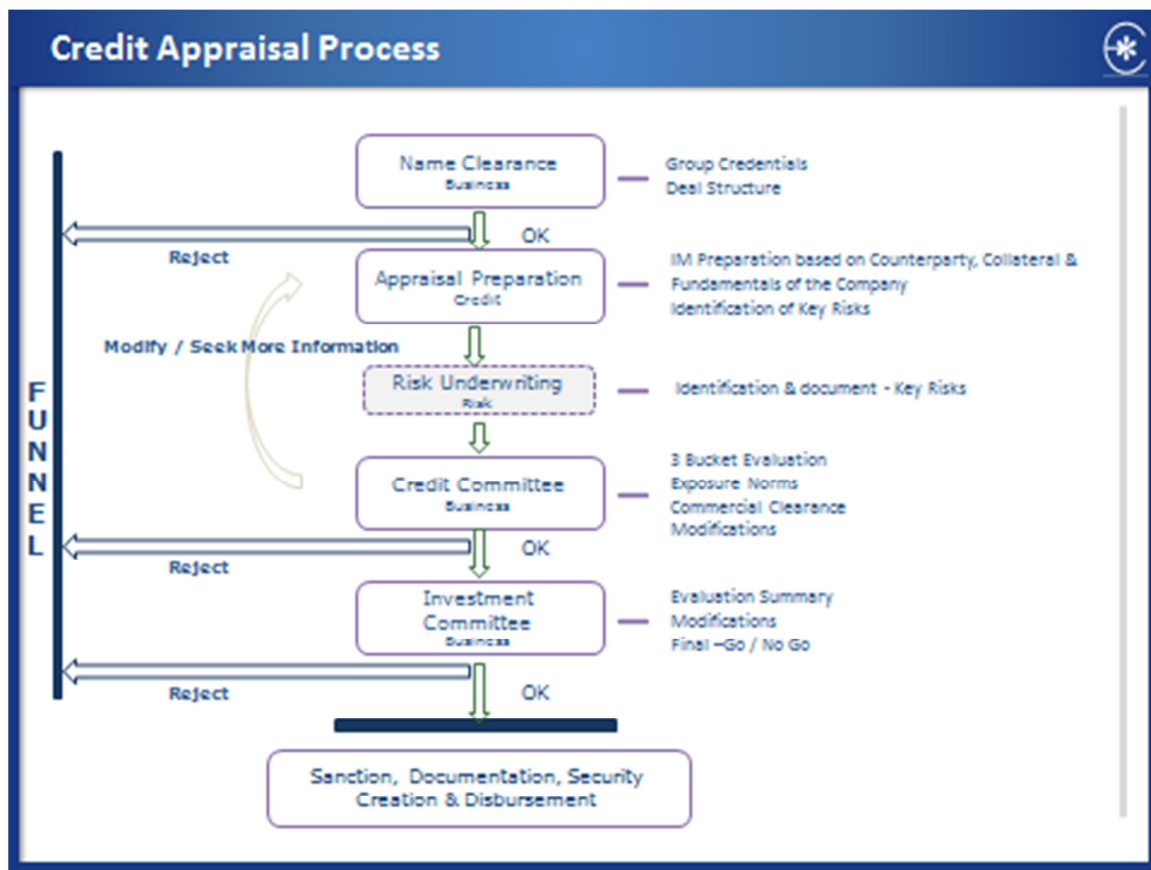
All applications once logged into FinnOne are evaluated on various parameters. Based on the demographic, financial and business information provided, FinnOne automatically initiates internal and external checks which

include de-duplication with the existing database to find possible matches with the existing customer list, automated generation of credit bureau reports to check customers' past credit history with all lenders, contact point verification, valuation, legal and technical evaluation of proposed collaterals by empanelled agencies. Similar due diligence is also carried out in respect of guarantors, if any. We conduct various diligence procedures in connection with the collateral/security for such loans which include review and verification of the relevant ownership documents and obtain title reports as applicable. Reports from these checks along with detailed analysis of financial statements, tax challans, bank statements and other documents put together constitute the credit file for all customers. These files are at length reviewed by the credit managers for evaluation using automated credit evaluation tool. Based on the document review the credit managers conduct personal discussions with the customers at their workplace. The discussion is intended to gather information about the business model of the customer, his positioning in the value chain, dependence of suppliers and/or customers and to ascertain any business risks like export dependence, raw-material supplies, etc. which might adversely impact the business cash flows and hence diminish repayment capacity. Further, additional business documents like stock registers and books of accounts are reviewed during such visits.

Based on the all the information gathered, and assessment of customer's business risks, debt servicing ability and collateral risks, the credit manager puts the transaction proposal to appropriate approving committee in the hierarchy for decision.

Credit Appraisal

Our basic credit appraisal process broadly follows the following flow chart:



Approval and Disbursement Process

Once the credit history, credentials, information and documents have been submitted by the prospective customer and verified to our satisfaction, the applications are approved at the appropriate credit approval level. There are five progressive levels of approvals which a proposal can be put to which are based on loan product, loan amount and identified risks. All proposals require minimum of two approvals and upto nine approvals for larger ticket size loans.

With due sanctioning of the loan, we execute agreements in connection with the loan and creation of security in relation thereto, if any, with the customer. Margin money and other charges are collected prior to loan disbursements. The disbursing officer retains evidence of the applicant's acceptance of the terms and conditions of the loan as part of the loan documentation.

Prior to the loan disbursement, our concerned officer ensures that a Know Your Customer, ("KYC"), checklist is completed by the applicant. The concerned officer verifies such information provided and includes the records in the relevant loan file. The officer is also required to ensure that the contents of the loan documents are explained in detail to the customer either in English or in the local language of the customer and a statement to such effect is included as part of the loan documentation. The customer is provided with a copy of the loan documents executed by him. Further although our customers have the option of making payments by cash or cheque, we may require the applicant to submit post-dated cheques covering an initial period prior to any loan disbursement.

Loan administration and monitoring

The customer (and guarantor, if any) execute(s) the security creation documents and the loan agreement setting out the terms of the loan. A loan repayment schedule is attached as a schedule to the loan agreement, which generally sets out periodical repayment terms. Repayments are made in periodical installments. Loans disbursed are recovered from the customer in accordance with the loan terms and conditions agreed with the customer. We track loan repayment schedules of our customers on a monthly basis, based on the outstanding tenure of the loans, the number of installments due and defaults committed, if any. This data is analyzed based on the loans disbursed and location of the customer. All recovery of amounts due on loans is managed internally by us. Our feet-on-street officials ensure complete focus on all stages of the collections process.

We monitor the completeness of documentation, creation of security etc. through regular visits to the business outlets by our regional as well as head office executives and internal auditors. All customer accounts are reviewed at least once a year, with a higher frequency of reviews for the larger exposures and delinquent customers. Our regional directors review collections regularly and personally contact customers that have defaulted on their loan payments.

Our regional directors are assisted by the feet-on-street officers, who are also responsible for the collection of installments from each customer serviced by them. We believe that close monitoring of debt servicing efficiency enables us to maintain high recovery ratios and maintain satisfactory asset quality.

Portfolio Management, Collection and Recovery Processes

We manage the portfolio management and collection processes in-house. We have on-roll collection personnel across branches to ensure timely collection of dues. As part of our collection process we have centralised tele-calling through which calls to all customers are made before the due-dates. In-case of non-payment the central team initiates collection calling for dues. We utilise our in-field personnel for collection of payment.

Further, for effective recovery management, all early delinquent customers are management by a dedicated team which undertakes methodical customer visits for recovery of dues. In cases where customers are unable to make payments and move to higher delinquency levels, a specified team of collection officers are deployed who manage deep delinquent accounts. In addition to customer visits, this team utilises available legal tools for attachment of properties, for re-payment of dues and legal arbitration proceedings.

MARKETING

We source our potential customers through our experienced and well trained sourcing teams or through pre-approved channel partners. The channel partners undergo a detailed evaluation process covering their experience, past performance, market standing and distribution business model before empanelment with us. Further there is also cross selling of loan products to clients having an existing relationship with other lines of business of Edelweiss Group. We monitor their performance periodically for adherence to processes prescribed for them for customer sourcing. In addition, Edelweiss group carries out advertising campaigns with TV ads, print ads and road shows to increase the visibility of our brand.

NPA

We believe we follow risk management policies to ensure that the asset quality of our credit book remains comfortable. Gross non-performing loans were ₹753 million, equal to 1.24% of total loans as on March 31, 2014, compared to ₹251 million representing 0.52% of total loans as on March 31, 2013 respectively. The net NPA ratio is 0.34% as on March 31, 2014 compared to 0.16% as on March 31, 2013 indicating a healthy Provision Coverage Ratio of 72.30% and 70% respectively.

The NPA details are as under:

(₹ In million)					
Particulars	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013	March 31, 2014
Total Loans	14,504	24,486	31,873	47,990	60,960
Gross NPLs	131	79	159	251	753
Gross NPLs %	0.90%	0.32%	0.50%	0.52%	1.24%
Provision Held for Non-Performing Loans	13	63	124	176	544
Net NPLs	118	16	35	75	209
Net NPLs %	0.81%	0.07%	0.11%	0.16%	0.34%
NPL Provision Cover	10.00%	79.85%	78.21%	70.27%	72.30%
Standard Asset Provision Held	71	62	84	131	160

FUNDING SOURCES

We raise funds from diversified sources and through a wide range of instruments in order to reduce our funding cost and to have a large lender base. This helps us to raise resources at the most competitive rates, protect interest margins and maintain a diversified funding portfolio that enable us to achieve funding stability and liquidity. Our sources of funding comprise of credit facilities from banks, redeemable non-convertible debentures and money market borrowings.

BORROWINGS

Please refer to the sections titled “*Financial Statements*” and “*Financial Indebtedness*” on pages 101 and 103.

CREDIT RATING

Rating details of our Company as on April 30, 2014

(₹ in million)					
Sr.No	Rating Agency	Amount	Purpose	Rating	Date of Issue/revalidation of rating
1.	Crisil	2,500	Long term - NCD	CRISIL AA- /Stable	December 11, 2013
2.	Crisil	2,000	Long term - NCD	CRISIL AA- /Stable	December 11, 2013
3.	Crisil	50	Long term - NCD	CRISIL AA- /Stable	December 11, 2013
4.	Crisil	1,000	Long term - structured product	CRISIL PP MLD AA - r/stable	December 11, 2013
5.	ICRA	1,000	Long term - structured product	ICRA PP-MLD AA-	February 07, 2014
6.	Crisil	27,950	Long term - Banking	CRISIL AA- /Stable	April 17, 2014
7.	Crisil	250	Long term - structured product	CRISIL PP MLD AA - r/stable	December 11, 2013

Sr.No	Rating Agency	Amount	Purpose	Rating	Date of Issue/revalidation of rating
8.	Crisil	300	Long term - structured product	CRISIL PP MLD AA - r/stable	December 11, 2013
9.	Crisil	200	Long term - structured product	CRISIL PP MLD AA - r/stable	December 11, 2013
10.	Crisil	150	Long term - structured product	CRISIL PP MLD AA - r/stable	December 11, 2013
11.	Crisil	850	Long term - structured product	CRISIL PP MLD AA - r/stable	December 11, 2013
12.	Crisil	1,500	Long term - structured product	CRISIL PP MLD AA - r/stable	December 11, 2013
13.	Crisil	100	Long term - NCD	CRISIL AA- /Stable	December 11, 2013
14.	Crisil	150	Long term - NCD	CRISIL AA- /Stable	December 11, 2013
15.	Crisil	250	Short Term	CRISIL PP-MLD A1+R	March 05, 2014
16.	Crisil	1,000	Short Term	CRISIL PP-MLD A1+R	March 05, 2014
17.	Crisil	500	Short Term	CRISIL PP-MLD A1+R	March 05, 2014
18.	Crisil	500	Short Term	CRISIL PP-MLD A1+R	March 05, 2014
19.	Crisil	500	Short Term	CRISIL PP-MLD A1+R	March 05, 2014
20.	Crisil	2,000	Long term - structured product	CRISIL PP MLD AA - r/stable	December 11, 2013
21.	Crisil	1,500	Long term - NCD	CRISIL AA- /Stable	December 11, 2013
22.	Crisil	1,000	Long term - NCD	CRISIL AA- /Stable	December 11, 2013
23.	Crisil	36,000	CPs- ST	CRISIL A1+	April 25, 2014
24.	Crisil	3,000	Long term - structured product	CRISIL PP MLD AA - r/stable	December 11, 2013
25.	Crisil	750	Short Term	CRISIL PP-MLD A1+R	March 05, 2014
26.	Crisil	500	Short Term	CRISIL PP-MLD A1+R	March 05, 2014
27.	CARE	250	Long term - NCD	CARE AA	September 04, 2013
28.	CARE	1,500	Long term - NCD	CARE AA	February 10, 2014
29.	Crisil	3,000	Long term - structured product	CRISIL PP MLD AA - r/stable	December 11, 2013
30.	CARE	500	Long Term PP-MLD	CARE PP MLD-AA	December 10, 2013
31.	CARE	500	Long Term PP-MLD	CARE PP MLD-AA	September 16, 2013
32.	CARE	2,000	Long Term PP-MLD	CARE PP MLD-AA	January 08, 2014
33.	CARE	1,000	Long term –	CARE AA	November 20, 2013

Sr.No	Rating Agency	Amount	Purpose	Rating	Date of Issue/revalidation of rating
			subordinate debt		
34.	BWR	1,000	Long term - subordinate debt	BWR AA	November 20, 2013
35.	CARE	1,000	Bank Lines	CARE AA	December 2, 2013
36.	CARE	5,000	Long Term – Retail Bond	CARE AA	January 02, 2014
37.	Brickwork	5,000	Long Term – Retail Bond	BWR AA	January 02, 2014
38.	Crisil	1,000	Long term - NCD	CRISIL AA- /Stable	December 11, 2013
39.	Crisil	1,000	Long term - NCD	CRISIL AA- /Stable	December 11, 2013

TREASURY OPERATIONS

Our treasury operations are mainly focused on meeting our funding requirements and managing short term surpluses. Our sources of funding comprise of credit facilities from term loans from banks, cash credits from banks, redeemable non-convertible debentures and money market borrowings. We believe that through our treasury operations we are able to maintain our ability to repay borrowings as they mature and obtain new loans at competitive rates. Our treasury department undertakes liquidity management by seeking to maintain an optimum level of liquidity and complying with the RBI requirements of asset liability management. The objective is to ensure smooth functioning of all our operations and at the same time avoid the holding of excessive cash. Our treasury maintains a balance between interest earning liquid assets and cash to optimize earnings. We actively manage our cash and funds flow using various cash management services provided by banks. As part of our treasury activities we also invest our temporary surplus funds with liquid debt based mutual funds. Our investments are made in accordance with the investment policy approved by the Board.

CAPITAL ADEQUACY

We are subject to capital adequacy ratio (“CAR”) requirements prescribed by RBI. We are currently required to maintain a minimum of 15 % as prescribed under the Prudential Norms of RBI based on our total capital to risk weighted assets. As part of our governance policy, we maintain capital adequacy higher than statutorily prescribed CAR.

The following table sets out our capital adequacy ratios computed on the basis of applicable RBI requirements as of the dates indicated:

Particulars as on	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013	March 31, 2014
C A R prescribed by RBI	12	12	12	15	15
Total Capital Adequacy Ratio	49.46%	35.26%	24.60%	18.40%	16.06%
Out of which:					
Tier I	49.09%	35.04%	24.39%	18.17%	15.56%
Tier II	0.37%	0.22%	0.21%	0.23%	0.50%

RISK MANAGEMENT POLICY

We have a well defined risk management policy framework for risk identification, assessment, and control to effectively manage risks associated with the various business activities. The risk function is mainly looked after by a Business Risk Group embedded in the business. As the second line of defense, Edelweiss group has created a Global Risk Group that is responsible for managing the risk arising out of various business activities at a central level.

We extend loans to clients by way of corporate and SME loans, LAS, public issue funding, ESOP funding and LAP etc. The margin requirements are conservative and have withstood market volatility and scenarios of sharply declining prices. The lending norms followed by the company are conservative. The Edelweiss group

has centralized risk monitoring systems to monitor the client's credit exposure in addition to the monitoring by the respective businesses.

On a consistent basis we have very low non-performing assets (NPAs) in our portfolio and provide for 0.25 per cent of general loan loss provisions on incremental loans as per RBI guidelines. Our average loan-to-value (LTV) ratio at the initiation of collateralized loans is usually around 40 to 50 per cent. Typically in case the collateral cover falls below 2 times, notification of top-up cum liquidation goes to clients. Moreover, the group's risk management policy framework ensures adequate collateral cover in the loan portfolio at all times.

Other risks include counterparty and liquidity risks in light of security-based lending. We have a policy of funding against approved scrips with adequate coverage. Further we also keep our sectoral exposure within laid down limits avoiding concentration in any particular sector.

ASSET AND LIABILITY MANAGEMENT (“ALCO”)

We require sizeable working capital and hence day-to-day liquidity management becomes a critical function. In addition, as our LAP and SME Finance book scales up, the asset side duration lengthens requiring greater attention to management of liabilities. Our Treasury & Balance Sheet Management Unit (“BMU”) at a centralized level, therefore, manages Edelweiss Group's liquidity, while also managing the balance sheet and ensuring that maturing liabilities are repaid smoothly. It also manages key components of balance sheet, monitors interest rate sensitivity in our portfolio and takes preemptive steps to mitigate any potential liquidity and interest rate risks.

The Asset Liability Management Committee of our Company was constituted on July 25, 2007. The ALM statement of our Company is prepared on a monthly basis to track the inflows and outflows in the relevant buckets. The ALM statement is placed before our Asset Liability Management Committee (ALCO) on a periodical basis. Since the company has a mixed lending portfolio comprising of short term and long term loans, efforts are made to match the maturity of liabilities with those of the assets and minimise the ALM mismatch.

Treasury assets are structured to maintain sufficient liquidity to address capital needs of the business as also to manage interest rate risk. Our focus on enterprise wide risk management ensures optimum returns in this business while preserving our capital. In addition to Treasury & BMU, the Asset Liability Management Committee actively reviews any asset liability mis-match effectively plugging possible mis-matches.

CUSTOMER CENTRICITY

The customer is the main reason for the growth of a services oriented company, like that of ours. While most companies would believe that they are customer oriented, the degree of focus on customers' experience and the centrality that customers enjoyed in their approach varies.

As we re-orient our businesses and go more and more retail, we believe that customer centrality is going to be the key driver of our business.

We believe that we can build a competitive advantage by being customer centric. Customer centrality actually goes far beyond just great customer service. Customer centrality is about how we design our products, how we build our internal systems and processes, how we sell and finally how we service our customers.

We have engaged at Edelweiss Group level the services of an internationally renowned expert in this field and his team has conducted a series of training programmes to train the trainers who are now evangelizing this concept across Edelweiss Group including at ECLF. A system of measuring customer feedback – internal as well as external customers – has been developed using the Net Promoter Score Methodology and going forward upping the scores based on this feedback will be an integral part of the key responsibility areas of each line of business. We are also putting in place a suitable system of Reward and Recognition for this.

CORPORATE SOCIAL RESPONSIBILITY

Edelweiss Group's Corporate Social Responsibilities are carried out through EdelGive Foundation which is the philanthropic arm of the Edelweiss Group. Edelgive undertakes CSR activities in a centralized manner for Edelweiss Group. EdelGive's mission is to leverage its resources with a view to empowering social entrepreneurs and organisations towards achieving systemic change. Through the EdelGive Foundation, the Edelweiss Group including us, financially support worthy non-profits and social entrepreneurs, plan, review and

manage our portfolio of non-profits and social entrepreneurs. equip philanthropists with investment advice customised for the non-profit sector, analyze outcomes of philanthropic investments and monitor both individual programme milestones as well as their broader social impact.

TECHNOLOGY

We believe in leveraging technology to give us a strategic competitive advantage, improves productivity and performance, enable new ways of managing and organising and develop new businesses and give customers a better experience. Over the years, Edelweiss group has constantly invested in building and upgrading its technological infrastructure. Edelweiss Group has a 100-member technology team with relevant BFSI domain expertise that helps in providing contemporary, flexible technology solutions. Edelweiss has leveraged technology effectively to enable growth, build risk management and provide enhanced customer experience for its Credit business. The Technology enterprise function is managed centrally for the Edelweiss group and all the group companies including us share the services.

Our specialized software loan management packages used include “FinnOne” for loan against property, working capital loans and loans against commercial assets products. FinnOne system has loan origination system, loan management system and collection and other modules for portfolio management and financial accounting. The application provides a seamless flow of the deal through its various stages of processing and maintains all records and audit trails besides generating various reports.

COMPETITION

Our competitors include public sector banks, private sector banks and foreign banks, housing finance companies, co-operative banks, regional rural banks and NBFCs.

INSURANCE COVERAGE

Various types of insurance covers are taken at a centralized level covering all the subsidiaries in the Edelweiss Group. We are also covered under such insurance policies. We have necessary and adequate general insurance for burglary, employee fidelity, electronic equipment, machinery breakdown, Directors and Officers Liability and Comprehensive General Liability insurance

EMPLOYEES

We believe that our human capital is one of our most important strengths and is the driver of growth, efficiency and productivity and thus invest in developing our talent and leadership through various initiatives.

We have launched several initiatives aimed at strengthening the ability of our managers to bring together people, strategies, and execution to drive business results. We also have a Leadership Program with the objective of massively multiply leadership capability, growing internal leaders and providing for seamless execution of organisation's growth target in future. The three tiered Edelweiss Leadership Pool (ELP) at the centralized level in the Edelweiss Group, consisting of ~8% of the organisation employee base, comprises of Senior Leaders (SL), Advancing Leaders (AL) and Emerging Leaders (EL), each of whom undergo a structured Engagement, Communication and Development (ECD) programme in the span of their membership period. A number of ECLF employees form a part of these groups.

The number of employees in ECLF is as under:

As on	No of employees
March 31, 2011	55
March 31, 2012	106
March 31, 2013	280
April 30, 2014	349

HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Corporate Profile

Our Company was originally incorporated on July 18, 2005 as a public limited company under the provisions of the Companies Act, 1956 as ECL Finance Limited and received the certificate of commencement of business on August 04, 2005. The Corporate Identification Number of our Company is U65990MH2005PLC154854.

Our Company has obtained a certificate of registration dated April 24, 2006 bearing registration no. N-13.01831 issued by the Reserve Bank of India under section 45 IA of the Reserve Bank of India Act, 1934, to commence/carry on the business of non-banking financial institution without accepting public deposits subject to the conditions mentioned in the certificate of registration.

Our Company does not have any subsidiary.

Change in registered office of our Company

The registered office of our Company was changed from 14th Floor, Express Towers, Nariman Point, Mumbai – 400021, Maharashtra to Edelweiss House, Off. C.S.T Road, Kalina, Mumbai – 400098, Maharashtra with effect from April 15, 2011.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

1. To carry on in India or abroad the business of financing, money lending, bill discounting, factoring, corporate lending to advance money with or without securities; to provide finance to industrial enterprises on short term, medium term and long term basis; to provide finance on the securities of shares, stocks, bonds, debentures or other similar instruments; to participate in consortium finance with other institution or body corporates but the company shall not do Banking business as defined in the Banking Regulation Act, 1949; to take acceptances and obligations; to provide guarantees and counter guarantees and provide all types of financial services. To carry on the business to provide all kinds of Loans including secured, unsecured, long term, on demand, on call, term loans to any persons, firms, institutions, companies, organizations either on security of movable or immovable properties or personal securities under any scheme. To invest the funds of the Company and for that purpose to acquire, invest, subscribe, hold, dispose of, sell, pledge mortgage, transfer either in the name of the Company or any nominee or trustee, shares, stocks, debentures, debenture stock, annuities, bonds (Convertible or otherwise) mortgages, units of mutual funds or trust or any other entity incorporated or otherwise, Euro convertible bonds, obligations and securities, including any coupons, warrants, options and such other derivatives thereof issued or guaranteed by any company, corporation, trust or undertaking of whatever nature or by any Government, public body or authority or statutory corporation or enterprise whether in India or elsewhere, from time to time and to vary such investments.

Key Milestones and Major Events

Financial Year	Particulars
2007	Obtained a certificate of registration dated April 24, 2006 bearing registration no. N-13.01831 issued by the Reserve Bank of India under section 45 IA of the Reserve Bank of India Act, 1934, to commence/carry on the business of non-banking financial institution without accepting public deposits subject to the conditions mentioned in the certificate of registration
2008	Commenced the Corporate Finance business in financial year 2008 and reached Loan Book of ₹8,163 millions as on March 31, 2008
2009	The Loan Book of our company was ₹5,602 millions as on March 31, 2009
2010	The Loan Book of our company was ₹14,504 millions as on March 31, 2010
2011	The Loan Book of our company was ₹24,486 millions as on March 31, 2011
2012	<ul style="list-style-type: none">• Commenced SME & LAP business during Financial Year 2012• The Loan Book of our Company was ₹31,873 millions as on March 31, 2012
2013	The Loan Book of our Company was ₹47,990 millions as on March 31, 2013

Financial Year	Particulars
2014	The Loan Book of our Company was ₹60960 millions as on March 31, 2014

Key Agreements

Share Subscription and Shareholders Agreement dated January 16, 2008 and as amended (“SHSA”) between Edelweiss Capital Limited (currently Edelweiss Financial Services Limited) (hereinafter referred as “Edelweiss”), Lehman Brothers Netherlands Horizons B.V (hereinafter referred as “Lehman”), Waverly Pte. Limited. (hereinafter referred as “Investor”) and the Company. The parties to the SHSA are collectively referred to as the Parties.

Pursuant to the SHSA, Waverly Pte. Limited. agreed to subscribe to 40,000,000 Equity Shares of our Company at a price of INR 30 per Equity Share aggregating to INR 1,200,000,000. Our Company shall further issue on the completion date 7,575,757 warrants to Edelweiss, 7,575,757 to Lehman and 9,090,909 warrants to the Investor.

Major Terms of the SHSA

- Edelweiss shall continue to hold, at all times prior to an IPO, at least forty per cent. (40%) of the share capital of the Company and shall ensure control over the management, Board and policies thereof.
- Board of Directors- The Investor shall be entitled to appoint 1 (one) Director to the Board of the Company (including alternate Director in place of such nominated Director) (“Investor Director”).
- **Initial Public Offering (IPO)** -The Parties hereby acknowledge and confirm that it is the intention of the Parties to initiate an IPO of the Company before January 1, 2013. The terms and conditions of such IPO including the size of the issue, price of the Equity Shares and related matters shall be as finalized by the Company in consultation with the Shareholders. If the IPO is by way of an offer for sale or includes an offer for sale component then, the Investor shall have a first right to offer its Equity Shares in such offer for sale. If any balance Equity Shares are required to be offered to meet the then existing mandatory initial public offer norms prescribed by SEBI, stock exchange or any other Governmental Authority, then such Equity Shares may, at the option of Edelweiss, be offered by Edelweiss or by way of a further issue of Equity Shares or by offer for sale by other Shareholders.
- Without prejudice to any other rights of the Investor under the SHSA, if the IPO does not take place within the period mentioned in the above bullet point, the Investor shall have the right, but not the obligation, to inform and consult with the Company and Edelweiss regarding its intention to initiate the IPO. If Edelweiss and the Investor are unable to reach a joint agreement to initiate an IPO then the Investor will, notwithstanding anything contained herein above, but subject to providing a three (3) months notice to the Company, have the right, but not the obligation, (i) to sell some or all of its Equity Shares by way of a secondary offering of the Equity Shares to the public (subject to Applicable Law) in an IPO to be triggered by it, without any restrictions whatsoever, subject to compliance with Applicable Laws, or (ii) subject to the Applicable Law, exercise the option to swap for the Equity Shares held by it with the shares of Edelweiss, based on a third party valuation, which shall be binding on the Edelweiss, Investor and the Company. Such third party valuer shall be appointed by mutual agreement of all Parties. In case of such offer for sale, the Investor shall have a first right to offer the Equity Shares held by it. If any balance Equity Shares are required to be offered to meet the then existing mandatory initial public offer norms prescribed by SEBI, stock exchange or any other regulatory authority, then such Equity Shares may, at the option of Edelweiss, be offered by Edelweiss or by way of a further issue of the Equity Shares or by offer for sale by other Shareholders. All expenses in relation to such offer for sale and IPO shall be borne by the Investor.
- Transfer Restrictions – (1) Our Promoter has a right of first offer in respect of the transfer of shares (all and not part of it) by Waverly Pte. Limited or its affiliates after the lock in period i.e., May 31, 2009; (2) Waverly Pte. Limited has a tag along right in respect of Equity Shares proposed to be transferred by our Promoter to an eligible third party and in case Waverly Pte. Limited does not intend to exercise the tag along rights, then our Promoter has the right of Drag Along.
- Waverly Pte. Limited shall further have pre-emptive rights and certain information rights.

Assignment of Receivables

Pursuant to the terms of an Assignment Agreement dated November 30, 2011 between Edelweiss Finance & Investments Limited (“**EFIL**”), a fellow subsidiary and our Company (“**Assignment Agreement**”), EFIL has assigned with effect from November 30, 2011 to our Company its portfolio of loan against property in connection with certain loan facilities relating to mortgage loans amounting to ₹1,158 million (the “**EFIL Receivables**”), together with all right, title, interest and obligations therein, present or future and remedies to enforce the same, under the relevant underlying loan and security documents relating to the EFIL Receivables as of November 30, 2011. Our Company is entitled to and bound by all contracts, agreements and other instruments to which EFIL was party with respect to EFIL Receivables, including but not limited to the loan agreement, vendor, channel partner agreements, escrow agreement. Our Company is appointed as attorney by EFIL to initiate legal or other proceedings against the defaulting debtors. Our Company is further entitled to any amounts received by EFIL in the interregnum under the loan agreements from existing debtors.

OUR MANAGEMENT

The Articles of Association of our Company require us to have not less than 3 (three) and not more than 12 (twelve) Directors. As on the date of this Draft Prospectus, we have 3 (three) Executive Directors, 2 (two) Non-executive Director and 1 (one) Independent Director.

Board of Directors

The general superintendence, direction and management of our affairs and business are vested in the Board of Directors. Currently, we have 6 (six) Directors on the Board of Directors.

Details relating to Directors

Name, Designation, DIN, Nationality, Occupation and Address	Age (years)	Date of Appointment	Other Directorships
Mr. Rashesh Shah Designation: Managing Director DIN: 00008322 Nationality: Indian Occupation: Service Term: 3 years from August 01, 2013 Address: B- 233, 10 th Floor, Kalpataru Horizon –B, S.K. Ahire Marg, Worli, Mumbai – 400 018	50	August 01, 2013	1. Edelweiss Financial Services Limited 2. Ivy Financial Services Private Limited 3. Edelweiss Tokio Life Insurance Company Limited 4. Rediff.com India Limited 5. Edelweiss Asset Reconstruction Company Limited 6. SBI Hong Kong Co. Ltd
Mr. Raviprakash R. Bubna Designation: Managing Director & CEO DIN: 00090160 Nationality: Indian Occupation: Service Term: 3 years from December 01, 2012 Address: 1203, 'C' Wing, Lakshachandi Heights, Krishna Vatika Marg, Gokuldham, Goregaon (East), Mumbai - 400 063	47	December 01, 2009	1. Edelweiss Finance & Investments Limited
Mr. Himanshu Kaji Designation: Executive Director DIN: 00009438 Nationality: Indian Occupation: Service Term : 3 years from August 01, 2013 Address: C/7, Ishwar Niwas, Sicka Nagar, VP Road, Mumbai – 400 004	48	August 01, 2013	1. Kaji and Maulik Securities Private Limited 2. HNK Consulting Private Limited 3. Edelweiss Financial Services Limited 4. Edelweiss Trusteeship Company Limited 5. Edelweiss Tokyo Life Insurance Company Limited

Name, Designation, DIN, Nationality, Occupation and Address	Age (years)	Date of Appointment	Other Directorships
Mr. Rujan Panjwani Designation: Non Executive Director DIN: 00237366 Nationality: Indian Occupation: Service Term : Liable to retire by rotation Address: 26 th Hem Prabha, 7 th Floor, Marine Drive, Mumbai 400 020	51	May 15, 2008	1. Edelweiss Financial Services Limited 2. Edelweiss Tokio Life Insurance Company Limited 3. Edelweiss Asset Management Limited 4. Edel Land Limited 5. Edelweiss Custodial Services Limited 6. EC Global Limited 7. Edelweiss Commodities Services Limited
Mr. P N Venkatachalam Designation: Independent Director DIN: 00499442 Nationality: Indian Occupation: Professional Term: 3 years from April 1, 2014 Address: Flat No. 3C, Settlor Manor No.2, Sivaswamy Street, (Behind UTI Bank), Off Dr. Radhakrishnan Salai, Mylapore, Chennai, Tamil Nadu – 600 004	70	December 20, 2007	1. Khazana Jewellery Private Limited 2. Edelweiss Financial Services Limited 3. Edelweiss Finance & Investments Limited 4. Edelweiss Commodities Services Limited 5. Sundaram Finance Limited 6. UTI Asset Management Company Limited 7. UTI Retirement Solutions Limited
Mr. Pankaj Sood Designation: Non Executive Director – Nominee Director DIN: 05185378 Nationality: Indian Occupation: Professional Term: NA Address: 1003/Atria-B Akruti Complex, Saiwadi Opp Teli Galli, Andheri East, Mumbai, Maharashtra, India 400069	38	February 01, 2014	1. Nil

Profile of Directors

Mr. Rashesh Shah, aged 50 years is the co-founder and Chairman of Edelweiss Financial Services Limited and is the Managing Director of our Company.

He has over 20 years of experience in financial markets and the corporate sector. He founded Edelweiss in 1995 and has since grown the Edelweiss Group to become a diversified financial services organization with businesses ranging from credit (wholesale, SME, retail finance and housing finance), financial markets, insurance and commodities.

Mr. Rashesh Shah serves on the boards of various companies and public institutions and is also serving as Chairman, Maharashtra Council of FICCI. He is a member of the SEBI committee to review Insider Trading Regulations.

Among the several accolades Mr. Rashesh Shah has received, are the 'Entrepreneur of the Year' award from Bombay Management Association (2008-2009) and the 'Special Award for Contribution to Development of Capital Markets in India' by Zee Business 2011. Under his leadership, Edelweiss has received numerous awards, the most recent being 'The Best Managed Mid Cap Company in India' by Finance Asia, Hong Kong and 'Best Corporate Governance, India' by Capital Finance International, London, UK.

Mr. Rashesh Shah's academic qualifications include a Masters Degree in Business Administration from Indian Institute of Management, Ahmedabad.

Mr. Raviprakash R. Bubna, aged 47 years, is the Managing Director & CEO. He holds a Master's Degree in Business Administration (marketing) and a Bachelor's Degree in Commerce. Prior to being associated with our Company, he was the Joint President & Country Head of Birla Global Finance Limited, Non-Banking Financial Company of Aditya Birla Group. Mr. Bubna carries with him rich experience in corporate finance, quantitative financing, risk, credit as well as general management. He has been instrumental in conceptualizing innovative products such as loan against IPO & credit insurance for channel financing.

Mr. Himanshu Kaji, aged 48 years, is an Executive Director. He is a Chartered Accountant and holds a Post Graduate Diploma in Securities Law. He has over two decades of experience in the financial services sector. Mr. Himanshu Kaji has been involved with Edelweiss since the early days, advising Edelweiss through strategic and broking related challenges. Being an Executive Director of our Promoter and Group Chief Operating Officer of Edelweiss, he oversees the finance, risk, resources, operations, technology, governance, administration, investor relations and compliance function at Edelweiss. He is also in charge of corporate planning, which looks at strategy development and execution for the Edelweiss Group.

Mr. Rujan Panjwani, aged 51 years, is a Non – executive director. He is an electrical engineer by qualification. He has over two and half decades of experience in the financial services sector working across all assets. He helped set up the Edelweiss Group's Treasury and Balance Sheet unit. He has also set up Edelweiss's Global Risk Group – the nodal point for all risk monitoring and management. He has also played a role in setting up several businesses for Edelweiss Group including asset management and credit, for which he had oversight responsibilities till 2012.

Mr. P.N. Venkatachalam, aged 70 years, is an Independent Director. He holds a Master of Arts Degree in Economics and is a Certified Associate of the Indian Institute of Bankers. Mr. Venkatachalam has over 40 years of experience in the banking sector in India and abroad. He joined State Bank of India as a probationary officer in April 1967 and retired in March 2004 as its Managing Director.

Mr. Pankaj Sood, aged 38 years, is a Non – executive director (Nominee Director). He holds a Post Graduate Diploma in Computer Aided Management from Indian Institute of Management, Calcutta and a Bachelor's Degree in Chemical Engineering from India Institute of Technology, Kharagpur. He has 15 years of experience in private equity and merger and acquisition transactions in India. He has prior work experience with Kotak Investment Banking, Ernst & Young and SBI Capital Markets.

Confirmations

Our Directors have not been identified as willful defaulters by the RBI, ECGC or any government authority.

Remuneration of the Directors

The Board of Directors of our Company in their meeting held on May 15, 2008 have approved payment of sitting fees to the Independent Director of our Company for attending every meeting of the Board of Directors and Committees, in accordance with the applicable provisions of the Companies Act, 1956 and rules made thereunder.

Terms and conditions of employment of Executive Directors

Mr. Rashesh Shah was appointed for a period of 3 years, with effect from August 01, 2013 as the Managing Director of our Company by a resolution of the Board of Directors dated July 25, 2013 and the approval of the members was obtained at the AGM held on September 02, 2013.

The remuneration paid/payable to Mr. Rashesh Shah for the financial year ended March 31, 2014 is ₹ 25.00 million.

Mr. Raviprakash R. Bubna was re-appointed for a period of 3 years, with effect from December 01, 2012 as the Executive Director of our Company by a resolution of the Board of Directors dated November 05, 2012 and the approval of the members was obtained at the AGM held on September 02, 2013.

Mr. Raviprakash R. Bubna was designated as Managing Director & CEO w.e.f. May 14, 2013.

The remuneration paid/payable to Mr. Raviprakash R. Bubna for the financial year ended March 31, 2014 is ₹ 37.57 million.

Mr. Himanshu Kaji was appointed for a period of 3 years, with effect from August 01, 2013 as the Executive Director of our Company by a resolution of the Board of Directors dated July 25, 2013 and the approval of the members was obtained at the AGM held on September 02, 2013.

The remuneration paid/payable to Mr. Himanshu Kaji for the financial year ended March 31, 2014 is ₹ 10.00 million.

The general terms of the employment of the Managing Directors and the Executive Director are as under:

S. No.	Category	Remuneration
1.	Salary Limit	₹12,500,000 per annum
2.	Performance Bonus	Performance based bonus payments, up to 200% of the salary limit at such intervals as decided by the Board
3.	Perquisites	Perquisites shall be restricted to an amount equivalent to annual salary

Details of remuneration paid/payable to our Directors during the financial year ended March 31, 2014 by our Company and our associates are as follows:

Sl. No.	Name of the Director	By the Company		Total Remuneration (₹)
		Remuneration (₹)	Nature	
1.	Mr. Rashesh Shah	25,000,000	Managerial Remuneration	25,000,000
2.	Mr. Raviprakash R. Bubna	37,571,530	Managerial Remuneration	37,571,530
3.	Mr. Himanshu Kaji	10,000,000	Managerial Remuneration	10,000,000
4.	Mr. Rujan Panjwani	Nil	Nil	Nil
5.	Mr. P N Venkatachalam	180,000	Sitting fees	180,000
6.	Mr. Pankaj Sood	Nil	Nil	Nil

No remuneration was paid by Aeon Credit Service India Private Limited, the Associate Company of ECL Finance Limited to our Directors.

Borrowing Powers of the Board

Pursuant to resolution passed by the shareholders of our Company at their AGM held on July 22, 2011 and in

accordance with provisions of Section 293 (1)(d) of the Act and all other applicable provisions of the Act and the Articles of Association of our Company, the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purpose) by a sum not exceeding ₹100,000 million. Further the Board of Directors of our Company has at their meeting held on May 16, 2014, in accordance with the provisions of Section 180(1)(a) and Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013, subject to the approval of the shareholders of our Company, granted consent to our Company for borrowing moneys, from time to time, in any manner and, if thought fit, to mortgage/charge the Company's undertaking and any property or any part thereof to secure such borrowings up to a limit of Rs. ₹120,000 million (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business).

Interest of the Directors

All the Directors of our Company, including our Independent Director, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them. Further none of the Directors of our Company have any interest in the promotion of our Company or any immovable property acquired by our Company in the two years preceding the date of this Draft Prospectus or any immovable property proposed to be acquired by it.

All the Directors of our Company, including the Independent Director, may also be deemed to be interested to the extent of Equity Shares or debentures, if any, held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All our directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as otherwise stated in this Draft Prospectus and statutory registers maintained by our Company in this regard, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements and which may be entered into with them.

Our Company's directors have not taken any loan from our Company.

Debenture holding of Directors:

As on date, none of our Directors hold any debentures in our Company.

None of our Directors' relatives have been appointed to an office or place of profit

Changes in the Directors of our Company during the last three years:

The Changes in the Board of Directors of our Company in the three years preceding the date of this Draft Prospectus are as follows:

Name of Director	Date of Change	Reason
Mr. Rajeev Mehrotra#	December 12, 2011	Resignation
Mr. Rashesh Shah	August 01, 2013	Appointment
Mr. Himanshu Kaji	August 01, 2013	Appointment
Mr. Pankaj Sood	February 01, 2014	Appointment

Appointed on January 25, 2006

Shareholding of Directors, including details of qualification shares held by Directors

As per the provisions of our MOA and AOA, Directors are not required to hold any qualification shares. Details of the Equity shares of ₹1 each held in our Company by our Directors, as on date, are provided in the

table given below:

Sr. No.	Name of Director	Number of Equity Shares held	Percentage of the total paid-up capital (%)
1.	Mr. Rashesh Shah*	1	Negligible
2.	Mr. Himanshu Kaji*	1	Negligible
3.	Mr. Rujan Panjwani*	1	Negligible

*Mr. Rashesh Shah, Mr. Himanshu Kaji and Mr. Rujan Panjwani hold Equity Share of our Company as a nominee of our Promoter.

Except as above, none of the Directors of our Company, hold any Equity Shares in our Company, or in the Associates of our Company.

Details of various committees

Our Company has interalia constituted the following committees:

1. Audit Committee

The Audit Committee of our Company was constituted on July 25, 2007 pursuant to Section 292A of the Companies Act, 1956, and other applicable regulations. The Audit Committee was last reconstituted on January 23, 2012.

The committee currently comprises of 3 Directors.

The members of the Audit Committee as on date of this Draft Prospectus are:

1. Mr. Raviprakash R. Bubna;
2. Mr. P.N. Venkatachalam, and
3. Mr. Rujan Panjwani

The terms of reference of the Audit Committee, *inter alia*, include:

1. the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2. review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. examination of the financial statement and the auditors' report thereon;
4. approval or any subsequent modification of transactions of the company with related parties;
5. scrutiny of inter-corporate loans and investments;
6. valuation of undertakings or assets of the company, wherever it is necessary;
7. evaluation of internal financial controls and risk management systems;
8. monitoring the end use of funds raised through public offers and related matters; and
9. to review the functioning of the Vigil Mechanism.

2. Risk Management Committee

The Risk Management Committee of our Company was constituted on January 15, 2008 and was last reconstituted on July 30, 2010.

The members of the Risk Management Committee as on date of this Draft Prospectus are:

1. Mr. Raviprakash R. Bubna;
2. Mr. Rujan Panjwani; and
3. Mr. Mayank Soti.

The terms of reference of the Risk Management Committee, *inter alia*, include:

1. To ensure that all the risk associated with the functioning of our Company are identified, controlled and mitigated;
2. To lay down procedures regarding managing and mitigating the risk through integrated risk management systems, strategies and mechanisms;
3. To deal with issues relating to credit policies and procedure and manage the credit risk, operational risk, management of policies and process;
4. To identify, measure and monitor the various risk faced by our Company, assist in developing the policies and verifying the models that are used for risk measurement from time to time;
5. To ensure that the risk policy and other policies including KYC-AML are properly implemented and followed.

3. Asset Liability Management Committee

The Asset Liability Management Committee of our Company was constituted on July 25, 2007. The Asset Liability Management Committee was last reconstituted on May 14, 2013.

The members of the Asset Liability Management Committee as on date of this Draft Prospectus are:

1. Mr. Raviprakash R. Bubna;
2. Mr. Rujan Panjwani;
3. Mr. S. Ranganathan; and
4. Mr. Mayank Soti

The terms of reference of the Asset Liability Management Committee, *inter alia*, include:

- (i) monitoring the asset liability gap
- (ii) strategizing action to mitigate risk associated with the asset liability gap
- (iii) Developing risk policies and procedures and verifying adherence to various risk parameters and prudential limits
- (iv) reviewing the risk monitoring system
- (v) ensure that credit exposure to any one group does not exceed the internally set limits as well as statutory limits set by RBI.

4. Nomination and Remuneration Committee

The Nomination Committee of our Company was constituted on July 25, 2007. The Nomination Committee was last reconstituted on January 23, 2012. The Nomination Committee was re-christened as Nomination

and Remuneration Committee

The members of the Nomination and Remuneration Committee as on date of this Draft Prospectus are:

1. Mr. Rujan Panjwani;
2. Mr. P.N. Venkatachalam; and
3. Mr. Raviprakash R. Bubna;

The terms of reference of the Nomination Committee, *inter alia*, include:

1. Identify the persons who are qualified to become Directors;
2. Formulate the criteria for determining the qualifications, positive attributes etc. and independence of a Director; and
3. Formulate the Remuneration Policy in compliance with the Act, for the approval of the Board.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of our Company was constituted on May 16, 2014.

The members of the Stakeholders' Relationship Committee as on date of this Draft Prospectus are:

1. Mr. Raviprakash R. Bubna;
2. Mr. Rujan Panjwani; and
3. Mr. P. N. Venkatachalam.

The terms of reference of the Stakeholders' Relationship Committee, *inter alia*, include to consider and resolve the grievances of the security holders of the Company.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of our Company was constituted on May 16, 2014.

The members of the Corporate Social Responsibility Committee as on date of this Draft Prospectus are:

1. Mr. Himanshu Kaji
2. Mr. Rujan Panjwani; and
3. Mr. P. N. Venkatachalam.

The terms of reference of the Corporate Social Responsibility Committee, *inter alia*, the matters specified in Schedule VII of the Companies Act 2013.

OUR PROMOTER

Profile of our Promoter

Our Promoter is Edelweiss Financial Services Limited. Our Promoter was originally incorporated on November 21, 1995 as a public limited company under the provisions of the Companies Act, 1956 as Edelweiss Capital Limited. Subsequently, our Promoter received the certificate of commencement of business on January 16, 1996. Further, the name of our Promoter was changed to Edelweiss Financial Services Limited pursuant to Fresh Certificate of Incorporation dated August 1, 2011 issued by the ROC, Maharashtra, Mumbai. The registered office of our Promoter is situated at Edelweiss House, Off C.S.T Road, Kalina, Mumbai-400 098.

Our Promoter has obtained a certificate of permanent registration dated October 11, 2012 bearing registration no INM0000010650 issued by the Securities and Exchange Board of India to carry on the activities as a category I Merchant Banker.

As on March 31, 2014, our Promoter has 48 subsidiaries including our Company:

S. No.	Name of the Subsidiary Companies as on March 31, 2014
1.	Edelweiss Securities Limited
2.	Edelweiss Comtrade Ltd.
3.	Edelweiss Financial Services Inc
4.	Edelweiss Securities (Hong Kong) Private Ltd.
5.	Edelweiss Finance & Investments Limited
6.	EC Global Limited
7.	Edelweiss Commodities Services Limited
8.	Edelweiss Capital Markets Ltd.
9.	Edelweiss Housing Finance Limited
10.	Edelweiss Metals Limited
11.	Edel Commodities Limited
12.	EFSL Comtrade Ltd.
13.	Edelweiss Commodities Nigeria Limited
14.	Edelweiss Commodities Pte Limited
15.	Edel Commodities Trading Limited
16.	EFSL Commodities Limited
17.	Edelweiss Broking Limited
18.	Edelweiss Web Services Limited
19.	Edelweiss Financial Advisors Ltd.
20.	Edel Finance Company Ltd.
21.	Ecap Equities Limited
22.	Edelcap Securities Limited
23.	Edelweiss Retail Finance Limited
24.	ECL Finance Limited
25.	Edelweiss Global Wealth Management Limited
26.	Edelweiss Insurance Brokers Limited
27.	EC Commodity Limited
28.	Edelweiss Custodial Services Limited
29.	Edelweiss Investment Adviser Limited
30.	Edelweiss Tokio Life Insurance Company Limited
31.	Edelweiss Trustee Services Limited
32.	Edelweiss Alternative Asset Advisors Limited
33.	Edel Investments Limited
34.	Edel Land Limited
35.	Edelgive Foundation
36.	Edelweiss Asset Management Limited
37.	Edelweiss Trusteeship Company Limited
38.	Edelweiss Capital (Singapore) Pte. Limited
39.	Edelweiss Alternative Asset Advisors Pte. Limited
40.	Edelweiss International (Singapore) Pte. Limited

S. No.	Name of the Subsidiary Companies as on March 31, 2014
41.	Edelweiss Investment Advisors Private Limited
42.	EC International Limited
43.	Aster Commodities DMCC
44.	ECap International Limited (Wound-up wef 03Apr14)
45.	EAAA LLC
46.	EW Special Opportunities Advisors LLC
47.	EW India Special Assets Advisors LLC
48.	EW SBI Crossover Advisors LLC

Interest of our Promoter in our Company

Except as stated under the chapter titled “*Financial Statements*” beginning on page 101 and to the extent of their shareholding in our Company, our Promoter does not have any other interest in our Company’s business. Further, our Promoter has no interest in any property acquired by our Company in the last two years from the date of this Draft Prospectus, or proposed to be acquired by our Company, or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Further as on March 31, 2014, our Company, has outstanding bank facility of ₹ 19,369.35 million, which have been guaranteed by our Promoter.

Our Promoter does not intend to subscribe to this Issue.

Other Confirmations

Our Promoter has confirmed that they have not been identified as willful defaulters by the RBI or any government authority.

There were no instances of non-compliance by our Promoter on any matter related to the capital markets, resulting in disciplinary action against the Company by the Stock Exchanges or Securities & Exchange Board of India (SEBI) or any other statutory authority, except the following:-

- i) that our Promoter had submitted an offer of settlement with Securities and Exchange Commission, USA (SEC) and the same has been accepted by SEC without admitting or denying the findings, in relation to their charges of non-registration as a broker dealer while acting as a Book Running Lead Manager /Co lead manager in the private placement / initial public offering / further public offering of Indian issuers, wherein shares were sold or marketed and also for providing brokerage services to U.S. investors during the period 2008-2011; and
- ii) SEBI has settled and passed the Consent Order on May 11, 2011, disposing off the proceedings against our Promoter, with respect to its Merchant Banking operations.

Our Promoter has not been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchanges in India or abroad.

Promoter share holding in our Company as on date of the Draft Prospectus:

Sr. No.	Name of Promoter	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares	Shares pledged or otherwise encumbered
1.	Edelweiss Financial Services Limited	1,499,959,129*	Nil	79.28%	Nil
	Total	1,499,959,129	Nil	79.28%	Nil

*This includes the 6 Equity Shares held by Mr. Rashesh Shah, Mr. Venkatachalam Ramaswamy, Mr. Deepak Mittal, Mr. Himanshu Kaji, Mr. Vikas Khemani and Mr. Rujan Panjwani as nominees.

Further two subsidiaries of our Promoters namely, Edelweiss Securities Limited and Edelweiss Commodities Services Limited together hold 244,393,333 Equity Shares amounting to 12.92% of the paid up capital of our Company.

No Shares of our Company were allotted to our Promoter during the last three Financial Years:

Statement of the aggregate number of securities of the Issuer Company and its subsidiary companies purchased or sold by the Promoter Group and by the Directors of the Company which is a Promoter of the Issuer and by the Directors of the Issuer and their relatives within six months immediately preceding the date of this Draft Prospectus:

Nil

Details of Promoter's Contribution in our Company:

Sr. No.	Date of Allotment/ Transfer	Allotment/ Transfer	Number of Equity Shares	Face Value (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Sources of funds contributed
1.	July 18, 2005	Allotment to Edelweiss Financial Services Limited (EFSL) as the Subscribers to the Memorandum	1,00,000	10	10	Cash	Own funds
2.	August 12, 2005	Allotment to EFSL	1,950,000	10	10	Cash	Own funds
3.	March 30, 2007	Allotment to EFSL	200,000	10	500	Cash	Own funds
4.	April 20, 2007	Subdivision	22,500,000	1	-	-	-
5.	May 14, 2007	Allotment to EFSL pursuant to Bonus Issue	22,500,000	1	-	Bonus Issue	
6.	May 18, 2007	Preferential allotment to EFSL	278,446,363	1	6.47	Cash	Own funds
7.	January 15, 2008	Preferential allotment to EFSL	33,333,333	1	30	Cash	Own funds
8.	December 05, 2008	Allotment to EFSL pursuant to conversion of options	50,000,000	1	6	Cash	Own funds
9.	January 02, 2009	Allotment to EFSL pursuant Rights Issue	1,093,179,433	1	1.80	Cash	Own funds
Total			1,499,059,129				

Shareholding Pattern of our Promoter as on March 31, 2014

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A + B)	As a percentage of (A + B + C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(IV)	(VII)	(VIII)	(IX) = (VIII)/(IV) *100
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	13	242765690	242765690	31.57	31.57	16183000	6.67
(b)	Central Government/ State Government(s)							
(c)	Bodies Corporate	1	41950000	41950000	5.45	5.45	Nil	Nil
(d)	Financial Institutions/Banks							
(e)	Any Other (specify)							
	Sub-Total (A)(1)	14	284715690	284715690	37.02	37.02	16183000	5.68
2	Foreign							
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	1	1000000	1000000	0.13	0.13	Nil	Nil
(b)	Bodies Corporate							
(c)	Institutions							
(d)	Qualified Foreign Investors							
(e)	Any Other (specify)							
	Sub-Total (A)(2)	1	1000000	1000000	0.13	0.13	Nil	Nil
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	15	285715690	285715690	37.15	37.15	16183000	5.66
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/UTI	1	8673	8673	0.00	0.00		
(b)	Financial Institutions/Banks	8	162372	162372	0.02	0.02		
(c)	Central Government/ State Government(s)							
(d)	Venture Capital Funds							
(e)	Insurance Companies							
(f)	Foreign Institutional Investors	29	173655134	173655134	22.58	22.58		
(g)	Foreign Venture Capital Investors							
(h)	Qualified Foreign Investors	1	100000	100000	0.01	0.01		
(e)	Any Other (specify)							
	Sub-Total (B)(1)	39	173926179	173926179	22.62	22.62	N.A.	N.A.
2	Non-institutions							
(a)	Bodies Corporate	696	6731708	6731708	0.88	0.88		
(b) (i)	Individuals - Individual shareholders holding nominal share capital up to Rs. 1 Lakh.	129236	26578221	26462011	3.46	3.46		
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	54	80654738	80094738	10.48	10.48		
(c)	Qualified Foreign Investors							
(d)	Any Other (specify):							
i)	Clearing Member	205	724264	724264	0.09	0.09		
ii)	Non Resident Indians	428	15678445	15123445	2.04	2.04		
iii)	Non Resident Indians (Non Repatriable)	172	460529	460529	0.06	0.06		
iv)	Foreign Companies	8	125654694	125498694	16.34	16.34		

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A + B)	As a percentage of (A + B + C)	Number of shares	As a percentage
v)	Independent Directors	3	8022180	8022180	1.04	1.04		
vi)	Trusts	11	44898682	44898682	5.84	5.84		
	Sub-Total (B)(2)	130813	309403461	308016251	40.23	40.23		
	Total Public Shareholding (B)= (B)(1)+(B)(2)	130852	483329640	481942430	62.85	62.85		
	Total (A) + (B)	130867	769045330	767658120	100.00	100.00	16183000	2.10
(C)	Shares held by custodians and against which Depository Receipts have been issued				N.A.		N.A.	N.A.
1	Promoter and Promoter Group							
2	Public							
	GRAND TOTAL (A)+(B)+(C)	130867	769045330	767658120	N.A.	100.00	16183000	2.10

Board of directors of our Promoter as on the date of filing of this Draft Prospectus

Sr. No.	Name of Director	Designation
1.	Mr. Rashesh Shah	Chairman, Managing Director & CEO
2.	Mr. Venkatachalam Ramaswamy	Executive Director
3.	Mr. Himanshu Kaji	Executive Director
4.	Mr. Rujan Panjwani	Executive Director
5.	Mr. Kunnasagaran Chinniah	Non-Executive – Independent Director
6.	Mr. Narendra Jhaveri	Non-Executive – Independent Director
7.	Mr. P. N. Venkatachalam	Non-Executive – Independent Director
8.	Mr. Berjis Desai	Non-Executive – Independent Director
9.	Mr. Sanjiv Misra	Non-Executive – Independent Director
10.	Mr. Sunil Mitra	Non-Executive – Independent Director
11.	Mr. Navtej S. Nandra	Non-Executive – Independent Director

There has been no change in control of our Promoter during the last three years.

Financial Performance of our Promoter for the last three Financial Years on a consolidated basis

Summary statement of assets and liabilities

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital*	724.15	718.94	711.90
(b) Reserves and Surplus*	26,569.10	23,834.32	22,565.86
Sub total	27,293.25	24,553.26	23,277.76
(2) Share application money pending allotment	0.08	22.50	11.78
(3) Minority Interest	3,656.99	2,333.10	2,387.79
(4) Non Current Liabilities			
(a) Long-term borrowings	35,503.48	19,800.83	10,774.62
(b) Deferred tax liabilities (Net)	-	-	-
(c) Other Long-term liabilities	269.33	135.45	115.76
(d) Long-term provisions	1,401.94	722.18	344.17
Sub total	37,174.75	20,658.46	11,234.55
(5) Current liabilities			

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
(a) Short-term borrowings	87,256.81	89,737.45	90,472.06
(b) Trade payables	8,722.85	10,230.31	7,833.32
(c) Other current liabilities	14,827.12	14,186.25	6,334.43
(d) Short-term provisions	1,363.65	570.21	828.16
Sub total	112,170.43	114,724.22	105,467.97
TOTAL	180,295.50	162,291.54	142,379.85
ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	4,507.54	4,808.76	4,070.47
(ii) Intangible assets	305.20	151.80	134.31
(iii) Capital work-in-progress	504.13	17.16	1,003.14
(iii) Intangible assets under development	27.04	4.35	15.79
Sub total	5,343.91	4,982.07	5,223.71
(b) Goodwill on consolidation*	-	-	-
(c) Non-current investments	8,724.14	8,086.57	7,316.12
(d) Deferred tax assets (Net)	517.62	359.64	259.83
(e) Long-term loans & advances*	39,570.70	27,163.50	17,593.57
(f) Other non-current assets	3,557.89	3,051.82	1,348.91
Sub total	52,370.35	38,661.53	26,518.43
(2) Current assets			
(a) Current investments	12,538.98	4,026.00	6,694.63
(b) Stock- in- trade	37,909.94	31,520.81	33,830.34
(c) Trade receivables	4,203.00	1,583.23	1,888.64
(d) Cash and Bank Balances	19,637.06	37,089.79	32,747.56
(e) Short-term loans & advances*	43,151.12	39,566.12	27,969.90
(f) Other current assets	5,141.14	4,861.99	7,506.64
Sub total	122,581.24	118,647.94	110,637.71
TOTAL	180,295.50	162,291.54	142,379.85

Summary statement of profit and loss

(₹ in million)

Particulars	2013-2014	2012-2013	2011-2012
INCOME			
Revenue from operations			
a. Fee and commission income	3,556.28	3,193.71	3,213.08
b. Income from treasury	2,865.02	2,456.36	2,534.01
c. Interest income	17,759.67	15,354.56	10,660.95
d. Premium from life insurance business	1,062.08	524.77	107.20
e. Other operating revenue	219.05	243.35	109.76
Other Income	93.22	67.49	81.87
Total Revenue	25,555.32	21,840.24	16,706.87
EXPENSES			
a. Employee benefits expense	4,580.20	3,639.13	2,712.07
b. Finance cost	12,106.70	11,133.29	8,296.50
c. Depreciation and amortization expense	524.10	514.26	421.94
d. Change in life insurance policy liability	608.73	314.87	57.59
e. Other Expense	4,220.60	3,645.44	3,231.80
Total expenses	22,040.33	19,246.99	14,719.90
Profit before exceptional items	3,514.99	2,593.25	1,986.97
Exceptional items	-	-	-

Particulars	2013-2014	2012-2013	2011-2012
Profit before tax	3,514.99	2,593.25	1,986.97
Tax expenses			
Current tax	1,748.95	1,094.95	390.03
Minimum alternate tax (MAT)	(245.35)	(117.82)	23.13
Deferred tax	(157.53)	(95.62)	267.70
Total Tax expenses	1,346.07	881.51	680.86
Profit for the year	2,168.92	1,711.74	1,306.11
Share of minority interest in profit for the year	(33.54)	(72.87)	28.68
Profit for the year after minority interest	2,202.46	1,784.61	1,277.43
Earnings per equity share (Face Value ₹1)			
Basic	2.86	2.35	1.69
Diluted	2.85	2.31	1.66

Financial Performance of our Promoter for the last three Financial Years on a standalone basis

Summary statement of assets and liabilities

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	724.15	718.94	711.90
(b) Reserves and Surplus	11453.45	11188.63	11118.60
Sub total	12177.60	11907.57	11830.50
(2) Share application money pending allotment	0.08	22.50	11.78
(3) Non Current Liabilities			
(a) Long-term borrowings	3057.09	2304.06	2525.47
(b) Deferred tax liabilities (Net)	-	-	-
(c) Other Long-term liabilities	-	-	-
(d) Long-term provisions	3.06	13.53	-
Sub total	3060.15	2317.59	2525.47
(4) Current liabilities			
(a) Short-term borrowings	5431.85	6728.54	21300.62
(b) Trade payables	65.42	65.79	94.10
(c) Other current liabilities	156.63	398.55	789.04
(d) Short-term provisions	249.31	150.16	311.50
Sub total	5903.21	7343.04	22495.26
TOTAL	21141.04	21590.70	36863.01
ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	40.49	45.90	42.41
(ii) Intangible assets	19.04	18.86	14.47
(iii) Capital work-in-progress	-	-	-
Sub total	59.53	64.76	56.88
(b) Non-current investments	13639.55	14297.98	14406.89
(c) Deferred tax assets (Net)	75.32	27.55	19.98
(d) Long-term loans & advances	1417.67	536.73	424.83
(e) Other non-current assets	4.14	-	-
Sub total	15136.68	14862.26	14851.70
(2) Current assets			
(a) Current investments	-	-	237.90

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
(b) Inventories	-	-	-
(c) Trade receivables	213.71	122.88	204.82
(d) Cash and Bank Balances	146.31	193.93	14.82
(e) Short-term loans & advances	5225.47	6062.56	20846.00
(f) Other current assets	359.34	284.31	650.89
Sub total	5944.83	6663.68	21954.43
TOTAL	21141.04	21590.70	36863.01

Summary statement of profit and loss

(₹ in million)

Particulars	2013-2014	2012-2013	2011-2012
INCOME			
Revenue from operations	2149.09	1568.08	2069.51
Other Income	1.73	0.61	3.40
Total Revenue	2150.82	1568.69	2072.91
EXPENDITURE			
a. Employee benefits expense	311.19	388.94	373.53
b. Finance cost	611.79	390.35	633.39
c. Depreciation and amortisation expense	27.14	19.49	17.07
d. Other Expense	397.93	298.81	289.14
e. Provision & write off	-	-	-
Total expenditure	1348.05	1097.59	1313.13
Profit before exceptional items	802.77	471.10	759.78
Exceptional items	-	-	-
Profit before tax	802.77	471.10	759.78
Tax expenses			
Current tax expense for current year	143.88	10.76	45.00
Deferred tax / Minimum alternate tax	-74.07	-7.57	28.44
Current tax expense for previous year	-	-	-
Total Tax expenses	69.81	3.19	73.44
Profit (loss) for the year	732.96	467.91	686.34
Earnings per equity share (Face Value ₹1)			
Basic	0.95	0.62	0.91
Diluted	0.95	0.60	0.89

* Netting off Goodwill on consolidation & Esop Trusts

SECTION V - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No.
1.	Auditors report on the Reformatted Standalone Financial Statements of our Company as at and for the financial years ended March 31, 2010, 2011, 2012 2013 and 2014 as issued by the Statutory Auditor.	F-1
2.	Financial Information of our Company as at and for the financial years ended March 31, 2010, 2011, 2012, 2013 and 2014.	F-4

The Board of Directors
ECL Finance Limited
Edelweiss House
Off CST Road
Kalina
MUMBAI 400 098

30 May 2014

Dear Sirs

We have examined the Reformatted Standalone Statement of Assets and Liabilities and Schedules forming part thereof, the Reformatted Standalone Statement of Profit and Losses and Schedules forming part thereof and the Reformatted Standalone Statement of Cash Flows (together referred to as "Reformatted Standalone Financial Statements") of ECL Finance Limited ('ECLF' or 'the Company'), as at and for the years ended 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010 annexed to this report for the purpose of inclusion in the Offer Document to be filed by the Company in connection with the proposed issue of Unsecured Redeemable Non Convertible Debentures ('NCDs') of ₹ 1,000 each (face value) aggregating to Rs ₹ 2,000 million with an option to retain over-subscription upto ₹ 2,000 million aggregating to a total of upto ₹ 4,000 million (Proposed Public Issue), approved by the Board of Directors of the Company by taking into consideration the requirements of :-

- a. section 26(1)(b)(i) of the Companies Act 2013 read with rule 4 (1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and
- b. the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ('the Regulations') issued by Securities and Exchange Board of India ('SEBI'), as amended from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992 (the 'SEBI Act').

The preparation of such Reformatted Standalone Financial Statements is the responsibility of the Company's management. Our responsibility is to report on such statements based on our procedures.

1. The Reformatted Standalone Financial Statements have been extracted by the Management from the audited Financial Statements of the Company as at and for the years ended 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010 and from the books of accounts underlying such financial statements of the Company, which were approved by the Board of Directors and which have been audited by us and in respect of which we have issued our audit opinion dated 16 May 2014; 14 May 2013; 15 May 2012; 16 May 2011 and 20 May 2010 respectively to the Members of the Company.
2. We have examined the Reformatted Standalone Financial Statements taking into consideration:
 - a. the terms of reference received from the Company requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its Proposed Public Issue of NCDs; and
 - b. the Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (ICAI).

3. In accordance with the requirements of section 26(1)(b)(i) of the Companies Act 2013 read with rule 4(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Regulations and the terms of our engagement agreed with you, we further report that:

The Reformatted Standalone Financial Statements of the Company as at and for the years ended 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010 examined by us are set out in Annexure I to III to this report.

4. Based on our examination as above, we further report that:
 - a. The Reformatted Standalone Financial Statements have to be read in conjunction with the notes given in Annexure IV;
 - b. the figures of earlier years have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform primarily to the requirements of the Revised Schedule VI of the Companies Act, 1956.
 - c. in the preparation and presentation of Reformatted Standalone Financial Statements based on audited financial statements as referred to in paragraph 2 and 3 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 1 above.
5. As stated in our audit reports referred to in paragraph 1 above, we conducted our audit in accordance with the auditing standards generally accepted in India to enable us to issue an opinion on the General Purpose Financial Statements. Those standards require we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit involves performing procedures to obtain audit evidence supporting the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
6. We have not audited any financial statements of the Company as of any date or for any period subsequent to 31 March 2014. Accordingly, we express no opinion or negative assurance on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to 31 March 2014.

Other Financial Information

7. At the Company's request, we have also examined the following financial information proposed to be included in the Offer document prepared by the Management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the years ended 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010:
 - a) Statement of secured and unsecured loans, as appearing in Annexure V;
 - b) Statement of accounting ratios, as appearing in Annexure VI;

- c) Statement of dividend paid/proposed, rates of dividend, as appearing in Annexure VII; and
 - d) Statement of tax shelters, as appearing in Annexure VIII.
8. In our opinion, the Reformatted Standalone Financial Statements and other financial information as disclosed in the Annexures to this report read with the significant accounting policies and notes disclosed in Annexure IV has been prepared in accordance with the requirements of section 26(1)(b)(i) of the Companies Act 2013 read with rule 4(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Regulations.
9. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. This report is intended solely for your information and for inclusion in the offer document prepared in connection with the proposed Public Issue of NCDs of the ECL Finance Limited and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W

N Sampath Ganesh
Partner
Membership No: 042554
Mumbai

Reformatted Standalone Statement of Assets and Liabilities

(Currency : ₹ in millions)

	Note	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
EQUITY AND LIABILITIES						
Shareholders' funds						
Share capital	2	1,891.85	1,891.85	1,891.85	1,891.85	1,891.85
Reserves and surplus	3	13,689.71	12,322.54	11,090.08	10,280.58	9,262.40
		15,581.56	14,214.39	12,981.93	12,172.43	11,154.25
Non-current liabilities						
Long-term borrowings	4	25,248.09	12,650.49	6,790.74	4,194.51	2,526.15
Other long term liabilities	5	199.87	50.90	14.71	33.50	-
Long-term provisions	6	278.80	206.54	151.16	74.75	46.92
Current liabilities						
Short-term borrowings	7	28,138.89	30,181.71	17,624.73	12,672.98	8,622.30
Trade payables	8	350.30	198.21	210.79	255.15	215.85
Other current liabilities	9	7,959.62	7,201.22	3,595.63	1,508.96	124.49
Short-term provisions	10	512.92	116.18	219.12	120.93	270.66
TOTAL		78,270.05	64,819.64	41,588.81	31,033.21	22,960.62
ASSETS						
Non-current assets						
Fixed assets	11					
Tangible assets		263.60	270.39	279.32	9.03	5.69
Intangible assets		9.82	0.70	-	-	-
Capital work-in-progress		3.54	-	-	-	-
Non-current investments	12	5,043.75	4,847.50	4,650.00	1,000.01	1.76
Deferred tax assets (Net)	13	246.86	92.01	68.54	50.68	45.52
Long-term loans and advances	14	29,762.13	20,973.26	11,703.69	6,297.94	3,248.96
Other non-current assets	15	238.95	-	-	-	-
		35,568.65	26,183.86	16,701.55	7,357.66	3,301.93
Current assets						
Current investments	16	0.43	0.93	20.72	28.74	26.55
Stock in trade	17	6,832.62	7,028.17	3,342.66	4,371.96	7,907.86
Trade receivables	18	4.62	31.84	279.02	38.28	-
Cash and bank balances	19	2,978.66	3,654.06	309.65	197.37	66.59
Short-term loans and advances	20	31,989.90	27,298.29	20,526.21	18,611.40	11,520.15
Other current assets	21	895.18	622.49	409.00	427.80	137.55
		42,701.40	38,635.78	24,887.26	23,675.55	19,658.70
TOTAL		78,270.05	64,819.64	41,588.81	31,033.21	22,960.63

Note : The accompanying statement of significant accounting policies (Note 1) and notes to statements (note 2 to 48) form an integral part of this statement.

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firms' Registration No. 116231W

For and on behalf of the Board of Directors

N Sampath Ganesh
Partner
Membership No: 042554

Ravi R. Bubna
Managing Director & CEO

Rujan Panjwani
Director

Preeti Chhabria
Company Secretary

Place: Mumbai
Date: 30 May 2014

Mumbai
30 May 2014

Reformatted Standalone Statement of Profit and Loss

(Currency : ₹ in millions)

	Note	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
Revenue from operations						
Fee and commission income	22	285.21	342.79	190.52	182.46	124.92
Income from treasury	23	(1,456.69)	(512.35)	(460.67)	123.42	244.31
Interest income	24	9,284.42	6,667.25	4,282.27	3,951.66	1,594.20
Other operating revenue	25	-	-	0.24	2.67	-
Other income	26	9.82	8.71	1.67	1.57	6.40
Total revenue		8,122.76	6,506.40	4,014.03	4,261.78	1,969.83
Expenses						
Employee benefits expenses	27	646.97	498.77	235.57	181.25	94.18
Finance costs	28	4,134.08	3,354.87	1,849.40	1,771.22	338.90
Depreciation	11	20.92	19.24	10.58	1.82	1.50
Other expenses	29	1,035.17	802.01	733.40	766.20	366.99
Total expenses		5,837.13	4,674.89	2,828.95	2,720.49	801.57
Profit before tax		2,285.63	1,831.51	1,185.08	1,541.29	1,168.26
Tax expense:						
(1) Current tax (includes short/excess provisions of earlier years)		840.02	643.30	393.44	528.25	401.50
(2) Deferred tax benefit		(154.84)	(23.48)	(17.86)	(5.15)	(16.09)
Profit for the year		1,600.44	1,211.69	809.50	1,018.19	782.85

Basic and diluted earnings per equity share (Face value Re. 1 each)

32	0.85	0.64	0.43	0.54	0.41
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Note : The accompanying statement of significant accounting policies (note 1) and notes to statements (note 2 to 49) form an integral part of this statement.

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firms' Registration No. 116231W

For and on behalf of the Board of Directors

N Sampath Ganesh
Partner
Membership No: 042554

Ravi R. Bubna
Managing Director & CEO

Rujan Panjwani
Director

Preeti Chhabria
Company Secretary

Place: Mumbai
Date: 30 May 2014

Mumbai
30 May 2014

Reformatted Standalone Statement of Cash Flows

(Currency : ₹ in millions)

	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
A Cash flow from operating activities					
Profit before tax	2,285.63	1,831.51	1,185.08	1,541.29	1,168.25
Adjustments for					
Depreciation	20.92	19.25	10.58	1.82	1.50
Provision for gratuity	-	-	-	-	0.48
Provision for compensated absences	1.19	2.76	0.52	0.96	-
Provision for standard assets	28.49	47.76	21.82	(9.25)	38.86
Provision for non performing assets	368.32	51.82	61.14	50.20	8.54
Provision for doubtful debts	0.61	-	-	-	-
Provision for credit loss on securitisation	19.27	-	-	-	-
Bad- debts and advances written off	4.27	16.94	-	-	-
Profit on sale of investments	(0.62)	(1.92)	(0.78)	(2.26)	(9.98)
Dividend on current investment	(0.70)	-	(0.87)	(1.43)	(47.05)
Share of (profit)/ loss from partnership firm	-	1.30	(15.26)	13.54	(1.75)
(Profit)/ loss on sale of fixed assets	0.30	(0.31)	-	-	-
Interest income on fixed deposits	-	(10.87)	(16.75)	(4.77)	(89.26)
Interest income on inter-corporate deposits	-	-	-	-	-
Amortised loan processing fees	(73.40)	(19.70)	(1.93)	-	-
Amortised loan origination cost	63.18	24.12	2.20	-	-
Write-off of fixed assets	-	-	0.01	-	-
Operating cash flow before working capital changes	2,717.46	1,962.66	1,245.76	1,590.10	1,069.59
<i>Add / (Less): Adjustments for working capital changes</i>					
Decrease/ (increase) in trade receivables	26.61	247.18	(240.74)	(20.91)	-
(Increase)/ decrease in stock in trade	195.56	(3,685.52)	1,029.31	3,535.90	(5,521.77)
(Increase)/decrease in receivables from financing business (net) (Refer note a)	(12,518.32)	(16,134.45)	(7,387.23)	(9,981.21)	(8,902.86)
(Increase)/ decrease in loans and advances	(985.60)	(51.16)	273.33	(27.69)	(12.13)
Inter-corporate deposit placed	-	-	-	(300.00)	-
(Increase) in other assets and bank balances	1,395.60	(2,112.53)	(31.00)	(384.18)	(119.78)
Increase/(decrease) in liabilities and provisions	973.91	3,641.31	2,116.57	181.12	224.42
(Decrease)/ increase in loan from holding company	(401.62)	(227.57)	498.12	(369.27)	395.29
Increase/ (decrease) in commercial paper	(290.03)	8,102.80	(2,146.53)	5,614.18	6,166.62
(Decrease)/increase in inter-corporate deposit issued	(5.90)	(75.31)	(165.86)	-	219.00
Increase in bank overdraft	(671.05)	1,036.17	6,446.01	501.27	-
Increase in working capital demand loan	(1,304.22)	2,510.89	-	-	-
Proceeds from Collateralised borrowing and lending obligations	(70.00)	710.00	320.00	-	-
(Decrease) in optionally fully convertible debentures	-	-	-	-	(1,020.90)
Increase/(decrease) in non convertible debentures	700.00	500.00	-	(1,680.00)	4,219.10
Cash generated/ (used in) from operations	(10,237.59)	(3,575.53)	1,957.74	(1,340.69)	(3,283.42)
Income taxes paid	(829.23)	(682.72)	(602.30)	(537.69)	(386.73)
Net cash generated/ (used in) from operating activities - A	(11,066.82)	(4,258.25)	1,355.44	(1,878.38)	(3,670.15)
B Cash flow from investing activities					
Purchase of fixed assets	(23.59)	(12.77)	(280.88)	(5.16)	(4.18)
Increase in Capital Work-in-progress	(3.54)	-	-	-	-
Sale of fixed assets	0.01	2.07	-	-	-
Purchase of investments	(224.10)	(197.50)	(3,670.33)	(1,029.97)	(227,357.93)
Sale of investments	28.97	21.71	29.13	31.79	227,465.95
Share of profit/ (loss) from partnership firm	-	(1.30)	15.26	(13.54)	-
Interest received on fixed deposits	-	9.85	16.75	4.77	90.95
Interest received on inter-corporate deposit placed	-	-	-	-	-
Dividend on current investments	0.70	-	0.87	1.43	47.05
Net cash used in investing activities - B	(221.55)	(177.94)	(3,889.20)	(1,010.68)	241.84

Reformatted Standalone Statement of Cash Flows

(Currency : ₹ in millions)

	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
C Cash flow from financing activities					
Proceeds from other secured loans (net) (Refer note a)		5,880.52	2,596.23	2,919.85	2.41
Proceeds from issue of long term secured debenture	5,715.87	-	-	-	-
Proceeds from / (repayment) to bank term loan	6,604.36	-	-	-	-
Proceeds from non convertible subordinated debt	200.00	-	-	-	-
Net cash generated from financing activities - C	12,520.23	5,880.52	2,596.23	2,919.85	2.41
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	1,231.86	1,444.33	62.47	30.79	(3,425.90)
Cash and cash equivalent as at the beginning of the year	1,604.17	159.84	97.37	66.58	3,492.48
Cash and cash equivalent as at the end of the year (Refer note 19)	2,836.03	1,604.17	159.84	97.37	66.58

Notes:

Net figures have been reported on account of volume of (a) transactions.

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firms' Registration No. 116231W

For and on behalf of the Board of Directors

N Sampath Ganesh
Partner
Membership No: 042554

Ravi R. Bubna
Managing Director & CEO

Rujan Panjwani
Director

Preeti Chhabria
Company Secretary

Place: Mumbai
Date: 30 May 2014

Mumbai
30 May 2014

ECL Finance Limited

Notes forming part of Reformatted Standalone Financial Statements

Annexure IV

1 Significant accounting policies

1.1 Basis of preparation of financial statements

The accompanying financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply with the accounting standards issued by the Companies (Accounting Standards) Rules, 2006, circulars and guidelines issued by the Reserve Bank of India ('RBI') and the relevant provisions of the Companies Act, 1956 ('the Act') and the Revised Schedule VI to the Act. 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 generally accepted accounting principles, 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:

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

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

All other assets are classified as non-current.

Liabilities

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

- a. It is expected to be settled in the company's normal operating cycle.
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within 12 months after the reporting date; or
- d. 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

ECL Finance Limited

Notes forming part of Reformatted Standalone Financial Statements

1.3 Current-non-current classification (Continued)

Annexure IV

option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification.

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

All other liabilities are classified as non-current.

1.4 Revenue recognition

- a. Fee income including processing fees (other than loan against property) and other fees is accounted for on an accrual basis in accordance with the terms of the 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 is 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. Unrealised gain on securitisation comprises of future interest receivable under par structure of securitisation/ assignment. Securitisation deferred consideration receivable comprises of Company’s share of future interest strip receivables in case of a par structure securitised / assigned deals. The Company follow the guidelines as notified by RBI in its circular “Revisions to the Guidelines on Securitisation Transactions” issued on 21 August 2012.
- e. Income from treasury operations comprises of profit/loss on sale of securities and profit/ loss on equity, commodity and interest rate derivative instruments.
 - i) Profit/loss on sale of securities is determined based on the weighted average cost of the 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, appropriate 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 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 income on interest rate derivatives’ in statement of profit and loss.
- f. Dividend income is recognised when the right to receive payment is established.

ECL Finance Limited

Notes forming part of Reformatted Standalone Financial Statements

1.4 Revenue recognition (Continued)

Annexure IV

- g. Profit/loss earned on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.
- h. Profit/loss from share in partnership firm is accounted for once the amount of the share of profit/loss is ascertained and credited / debited to the Company's account in the books of the partnership firm.

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.

Change in Accounting Policy:

During the financial years 2008-09 and 2009-10 the unrealised loss on the fair valuation of such embedded derivatives was recognised in the profit and loss account on a gross basis and unrealised gains if any were ignored. The accounting policy was changed from the financial year 2010-11 and had the company continued to follow the accounting policy as in the previous years, the Interest expenses for the financial year 2010-11 would have been lower and profit before tax higher by Rs 1,45,000,000.

1.6 Premium on redemption of debentures

Premium on redemption of debentures is provided for on time proportion basis out of the balance in Securities Premium Account to the extent of balance available in such account

1.7 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 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.

1.8 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.

ECL Finance Limited

Notes forming part of Reformatted Standalone Financial Statements

1.9 Fixed assets and depreciation

Annexure IV

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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.

Depreciation is charged at the minimum rates prescribed by the Schedule XIV of the Act as given below:

Class of asset	Rate of depreciation
Building	5.00%
Furniture and fixtures	18.10%
Office equipments	13.91%
Computers	40.00%
Vehicles	25.89%

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 assets such as software are amortised over a period of 3 years or its estimated useful life whichever is shorter.

All fixed assets individually costing less than Rs 5,000 are fully depreciated in the year of installation.

1.10 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 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.

1.11 Stock-in-trade

- a) The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and disclosed as current assets.
- b) The securities held as stock-in-trade are valued at lower of weighted average cost or market value. In case of units of mutual funds held as stock-in-trade, net asset value is considered as fair value.

ECL Finance Limited

Notes forming part of Reformatted Standalone Financial Statements

1.11 Stock-in-trade (Continued)

Annexure IV

- c) 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.
- d) Commercial papers, certificate of deposits and treasury bills are valued at carrying cost.

1.12 Investments

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

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

Current investments are carried at lower of cost 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.

1.13 Loan origination costs

Loan origination costs 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.

1.14 Employee benefits

The accounting policy followed by the Company in respect of its employee benefit schemes in accordance with Accounting Standard 15 Employee benefits (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.

ECL Finance Limited

Notes forming part of Reformatted Standalone Financial Statements

1.14 Employee benefits (Continued)

Annexure IV

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

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

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

Compensated Absences

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

1.15 Taxation

Tax expense comprises income 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).

Income 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.

1.16 Operating leases

Lease payments 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.

ECL Finance Limited

Notes forming part of Reformatted Standalone Financial Statements

1.17 Earnings per share

Annexure IV

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earnings Per Share prescribed by the Companies (Accounting Standards) Rules, 2006. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

1.18 Provisions and contingences

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.

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities

(Currency : ₹ in millions)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
2 Share capital					
Authorised :					
670,00,00,000 equity shares of Re.1 each	6,700.00	6,700.00	6,700.00	6,700.00	6,700.00
4,000,000 preference shares of Rs 10 each	40.00	40.00	40.00	40.00	40.00
	6,740.00	6,740.00	6,740.00	6,740.00	6,740.00
Issued, Subscribed and Paid up:					
1,891,848,462 equity shares of Re.1 each, fully paid-up	1,891.85	1,891.85	1,891.85	1,891.85	1,891.85
(Of the above 1,499,959,129 fully paid-up equity shares of Re.1 each, are held by Edelweiss Financial Services Limited, the holding company and its nominees).					
	1,891.85	1,891.85	1,891.85	1,891.85	1,891.85

a. Movement in share capital :

	31 March 2014 Amount	31 March 2013 Amount	31 March 2012 Amount	31 March 2011 Amount	31 March 2010 Amount
Outstanding at the beginning of the year	1,891.85	1,891.85	1,891.85	1,891.85	1,891.85
Shares issued during the year:					
Conversion of option	-	-	-	-	-
Rights Issue on equity shares	-	-	-	-	-
Outstanding at the end of the year	1,891.85	1,891.85	1,891.85	1,891.85	1,891.85

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.

Share held by holding/ ultimate holding Company and/ or their subsidiaries/ associates

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	%
Holder company	No of shares	No of shares	No of shares	No of shares	No of shares	
Edelweiss Financial Services Limited	1,499,959,129	1,499,959,129	1,499,959,129	1,499,959,129	1,499,959,129	79.29%
Fellow subsidiaries						
Edelweiss Securities Limited	97,416,683	97,416,683	97,416,683	97,416,683	97,416,683	5.15%
Edelweiss Commodities Services Limited (formerly Comfort Projects Limited)	146,976,650	146,976,650	146,976,650	146,976,650	146,976,650	7.77%
	1,744,352,462	1,744,352,462	1,744,352,462	1,744,352,462	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 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	%
Holder company	No of shares	No of shares	No of shares	No of shares	No of shares	
Edelweiss Financial Services Limited (Holding Company)	1,499,959,129	1,499,959,129	1,499,959,129	1,499,959,129	1,499,959,129	79.29%
Edelweiss Securities Limited	97,416,683	97,416,683	97,416,683	97,416,683	97,416,683	5.15%
Edelweiss Commodities Services Limited (formerly Comfort Projects Limited)	146,976,650	146,976,650	146,976,650	146,976,650	146,976,650	7.77%
Waverly Pte Limited	147,496,000	147,496,000	147,496,000	147,496,000	147,496,000	7.80%
	1,891,848,462	1,891,848,462	1,891,848,462	1,891,848,462	1,891,848,462	100.00%

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
3 Reserves and surplus					
Securities Premium Account	7,313.94	7,293.17	7,293.17	7,293.17	7,293.17
Add : Additions during the year					
On conversion of option	-	-	-	-	-
On issue of nifty linked debentures	-	45.75	-	-	-
On right issue of equity shares	-	-	-	-	-
Less: Non convertible debentures issue expenses	(179.19)	-	-	-	-
Less: Provision for premium payable on redemption of debentures	(54.09)	(24.99)	-	-	-
	<u>7,080.66</u>	<u>7,313.93</u>	<u>7,293.17</u>	<u>7,293.17</u>	<u>7,293.17</u>
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934 *	1,001.73	759.40	597.50	393.86	237.29
Add : Additions during the year	320.09	242.34	161.90	203.64	156.57
	<u>1,321.82</u>	<u>1,001.74</u>	<u>759.40</u>	<u>597.50</u>	<u>393.86</u>
Debenture Redemption Reserve					
Add : Additions during the year	59.23	-	-	-	-
	<u>59.23</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Surplus in statement of profit and loss					
Opening Balance	4,006.87	3,037.52	2,389.91	1,575.36	949.09
Add: Profit for the year	1,600.44	1,211.69	809.50	1,018.19	782.85
Amount available for appropriation	<u>5,607.31</u>	<u>4,249.21</u>	<u>3,199.41</u>	<u>2,593.55</u>	<u>1,731.94</u>
Appropriations:					
Transfer to Debenture Redemption Reserve	59.23	-	-	-	-
Transfer to Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934	320.09	242.34	161.90	203.64	156.57
	<u>5,227.99</u>	<u>4,006.87</u>	<u>3,037.51</u>	<u>2,389.91</u>	<u>1,575.37</u>
	<u><u>13,689.71</u></u>	<u><u>12,322.54</u></u>	<u><u>11,090.08</u></u>	<u><u>10,280.58</u></u>	<u><u>9,262.40</u></u>

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

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in m)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
4 Long-term borrowings					
<u>Secured</u>					
Non-convertible redeemable debentures					
a. Secured by charge on immovable property and floating charge on loans and advances and stock-in-trade (Refer note 41)	7,056.06	1,524.98	2,050.00	1,250.00	23.60
b. Secured by charge on immovable property and floating charge on loans and advances, stock-in-trade and corporate guarantee from holding company (Refer note 41)	8,485.86	7,329.96	4,739.97	2,943.00	2,500.00
	15,541.92	8,854.94	6,789.97	4,193.00	2,523.60
Term loans from bank (Secured by charge on receivables from financing business and corporate guarantee from holding company) (Refer note 42)	9,506.17	3,795.25	-	-	-
Vehicle loans (Secured by hypothecation of vehicles.)	-	0.30	0.77	1.51	2.55
<u>Unsecured</u>					
Non-convertible redeemable Subordinated Debt (Coupon rate 12% per annum, payable annually, ending in December 2020)	200.00	-	-	-	-
	25,248.09	12,650.49	6,790.74	4,194.51	2,526.15
5 Other long term liabilities					
Unamortised processing fees	44.96	50.90	14.71	-	-
Debenture application monies received pending allotment Unrealised gain on loan transfer transactions [refer note 1.4 (d)]	-	-	-	33.50	-
	154.91	-	-	-	-
	199.87	50.90	14.71	33.50	-
6 Long-term provisions					
Provision for employee benefits					
Gratuity	7.15	6.42	-	-	1.60
Compensated leave absences	4.39	2.53	-	-	-
Deferred bonus	-	-	-	-	27.31
Provision for non performing assets	174.01	145.85	122.93	59.32	3.10
Provision for standard assets	73.98	51.74	28.23	15.43	14.91
Provision for credit loss on securitisation	19.27	-	-	-	-
	278.80	206.54	151.16	74.75	46.92

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
7 Short-term borrowings					
<u>Secured</u>					
Bank overdraft	7,312.41	7,983.46	6,947.29	501.27	-
[Secured by charge on receivables from financing business] Collateralised borrowing and lending obligation [Secured by pledge of Government securities]	960.00	1,030.00	320.00	-	-
Working capital demand loan [Secured by charge on receivables from financing business]	1,206.67	2,510.89	-	-	-
Non-convertible debenture [Secured by charge on immovable property and floating charge on loans and advances and corporate guarantee from holding company] (Refer note 41)	1,200.00	500.00	-	-	15.50
	10,679.08	12,024.35	7,267.29	501.27	15.50
<u>Unsecured</u>					
Loan from Edelweiss Financial Services Limited the holding company [repayable on demand, at variable rate of interest]	9.84	411.46	639.03	140.91	510.18
Non-convertible debentures	-	-	-	-	1,680.00
Inter-corporate deposit	2.93	8.83	84.14	250.00	250.00
Commercial paper	17,900.00	18,080.00	9,880.00	11,990.00	6,300.00
Less: Unamortised discount	452.96	342.93	245.73	209.20	133.38
	17,447.04	17,737.07	9,634.27	11,780.80	6,166.62
	17,459.81	18,157.36	10,357.44	12,171.71	8,606.80
	28,138.89	30,181.71	17,624.73	12,672.98	8,622.30

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
8 Trade payables					
Trade payables (includes sundry creditors, provision for expenses and customer payables)	350.30	198.21	210.79	255.15	215.85
	<u>350.30</u>	<u>198.21</u>	<u>210.79</u>	<u>255.15</u>	<u>215.85</u>
9 Other current liabilities					
Current maturities of secured long term debt :					
Term loan from bank (Refer note 42)	1,343.80	450.00	-	-	-
Non-convertible redeemable debentures (Refer note 41)	3,708.61	4,446.45	2,616.50	1,266.90	-
Vehicle loans	0.30	0.37	0.83	1.04	0.95
Interest accrued but not due on borrowings	2,275.44	891.80	361.38	151.60	16.49
Interest accrued and due on borrowings	3.87	0.56	187.81	-	-
Income received in advance	7.50	47.41	-	0.35	19.85
Debenture application monies received pending allotment	195.46	617.10	-	-	-
Other Payables :					
Accrued salaries and benefits	272.38	164.53	60.18	37.79	35.65
Withholding taxes, service tax and other taxes payable	20.92	57.81	34.54	39.99	21.14
Book overdraft	14.99	334.13	212.75	-	30.41
Unamortised processing fees	43.29	34.11	17.08	-	-
Premium received on outstanding exchange traded options	33.65	151.17	103.75	11.23	-
Unrealised gain on loan transfer transactions [refer note 1.4 (d)]	34.17	-	-	-	-
Others	5.24	5.78	0.81	0.06	-
	<u>7,959.62</u>	<u>7,201.22</u>	<u>3,595.63</u>	<u>1,508.96</u>	<u>124.49</u>
10 Short-term provisions					
Provision for employee benefits					
Compensated absences	1.05	1.70	1.48	0.96	-
Deferred bonus	-	3.81	17.81	27.31	7.55
Others :					
Provision for non performing assets	370.47	30.31	1.41	3.96	9.97
Provision for standard assets	85.93	79.69	55.43	46.33	56.10
Provision for tax (Net of advance tax 2014 ₹ 1,127.06 Million; 2013 ₹ 339.99 Million; 2012 ₹ 71.12 Million; 2011 ₹ 490.76 Million; 2010 ₹ 415.18 Million; 2009 ₹ 292.02 Million)	55.47	0.67	142.99	42.37	197.04
	<u>512.92</u>	<u>116.18</u>	<u>219.12</u>	<u>120.93</u>	<u>270.66</u>

11 Fixed assets

Particulars	Tangible assets						Total Tangible Asset	Intangible Assets Computer Software	Total Fixed Assets
	Building	Leasehold improvements	Furniture and Fixtures	Vehicles	Office equipment	Computers			
Gross Block									
As at 31 March 2010	-	-	0.05	5.52	1.47	0.48	7.52	-	7.52
Addition	1.48	-	-	3.29	0.28	0.11	5.16	-	5.16
Disposals	-	-	-	-	-	-	-	-	-
As at 31 March 2011	1.48	-	0.05	8.81	1.75	0.59	12.68	-	12.68
Addition	267.78	-	-	11.34	0.34	1.42	280.88	-	280.88
Disposals	-	-	-	-	-	(0.10)	(0.10)	-	(0.10)
As at 31 March 2012	269.26	-	0.05	20.15	2.09	1.91	293.46	-	293.46
Addition	-	0.31	-	6.78	0.97	4.00	12.06	0.71	12.77
Disposals	-	-	-	(2.59)	(0.20)	-	(2.79)	-	(2.79)
As at 31 March 2013	269.26	0.31	0.05	24.34	2.86	5.91	302.73	0.71	303.44
Addition	1.67	1.99	0.24	4.54	0.98	4.34	13.77	9.82	23.59
Disposals	-	-	(0.01)	-	(0.60)	(0.50)	(1.11)	-	(1.11)
As at 31 March 2014	270.94	2.30	0.28	28.88	3.25	9.74	315.39	10.52	325.92

Particulars	Tangible assets						Total Tangible Asset	Intangible Assets Computer Software	Total Fixed Assets
	Building	Leasehold improvements	Furniture and Fixtures	Vehicles	Office equipment	Computers			
Accumulated Depreciation									
As at 31 March 2010	-	-	0.02	1.17	0.30	0.33	1.82	-	1.82
Charge for the year	0.07	-	0.00	1.50	0.18	0.07	1.82	-	1.82
Disposals	-	-	-	-	-	-	-	-	-
As at 31 March 2011	0.07	-	0.02	2.67	0.48	0.41	3.64	-	3.64
Charge for the year	6.80	-	0.00	3.31	0.20	0.27	10.58	-	10.58
Disposals	-	-	-	-	-	(0.09)	(0.09)	-	(0.09)
As at 31 March 2012	6.87	-	0.02	5.98	0.68	0.59	14.13	-	14.13
Charge for the year	13.12	0.03	0.00	4.73	0.30	1.05	19.23	0.01	19.24
Disposals	-	-	-	(0.92)	(0.10)	-	(1.03)	-	(1.03)
As at 31 March 2013	19.99	0.03	0.02	9.79	0.88	1.64	32.33	0.01	32.34
Charge for the year	12.48	0.29	0.09	4.26	0.41	2.71	20.23	0.69	20.92
Disposals	-	-	(0.01)	-	(0.36)	(0.43)	(0.80)	-	(0.80)
As at 31 March 2014	32.47	0.32	0.12	14.04	0.94	3.90	51.76	0.70	52.46

Particulars	Tangible assets						Total Tangible Asset	Intangible Assets Computer Software	Total Fixed Assets
	Building	Leasehold improvements	Furniture and Fixtures	Vehicles	Office equipment	Computers			
Net Block									
As at 31 March 2010	-	-	0.03	4.35	1.17	0.14	5.69	-	5.69
As at 31 March 2011	1.41	-	0.03	6.14	1.27	0.18	9.03	-	9.03
As at 31 March 2012	262.39	-	0.03	14.17	1.41	1.32	279.32	-	279.32
As at 31 March 2013	249.27	0.28	0.03	14.55	1.98	4.27	270.39	0.70	271.09
As at 31 March 2014	238.47	1.98	0.16	14.84	2.31	5.84	263.60	9.82	273.42

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
12 Non-current investments					
Others (unquoted)					
<i>Investments in equity shares of companies (fully paid up)</i>					
Aeon Credit Services India Pvt Limited	102.50	102.50	-	-	-
	<u>102.50</u>	<u>102.50</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Investments in preference shares of companies (fully paid up)</i>					
7% Non Cumulative Non Convertible Redeemable Preference Shares of Edelweiss Commodities Services Limited	1,000.00	1,000.00	1,000.00	1,000.00	-
7% Non Cumulative Non Convertible Redeemable Preference Shares of Ecap Equities Limited	1,800.00	1,800.00	1,800.00	-	-
14.625% Cumulative Redeemable Preference Shares of Edelweiss Commodities Services Limited	78.65	-	-	-	-
1% Non cumulative Non Convertible Redeemable Preference shares of Edelweiss Investment Adviser Limited	110.00	-	-	-	-
7% Non Cumulative Non Convertible Redeemable Preference Shares of Styrax Commodities Limited	1,800.00	1,800.00	1,800.00	-	-
	<u>4,788.65</u>	<u>4,600.00</u>	<u>4,600.00</u>	<u>1,000.00</u>	<u>-</u>
<i>Others</i>					
Investments in partnership firms					
- Capital account	-	-	-	0.01	0.01
- Current account	-	-	-	-	1.75
Investments in trust securities					
- EARC Trust - SC 12	65.40	70.00	-	-	-
- EARC Trust - SC 6	49.70	50.00	50.00	-	-
Investments in units of fund :					
Application money - Edelweiss Stressed and Troubled Assets Revival Fund	37.50	25.00	-	-	-
	<u>152.60</u>	<u>145.00</u>	<u>50.00</u>	<u>0.01</u>	<u>1.76</u>
	<u>5,043.75</u>	<u>4,847.50</u>	<u>4,650.00</u>	<u>1,000.01</u>	<u>1.76</u>
Aggregate of unquoted investment					
- At carrying value	5,043.75	4,847.50	4,650.00	1,000.01	1.75

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
13 Deferred tax assets (Net)					
Deferred tax assets					
Provision for standard assets	54.35	42.64	27.14	20.04	23.59
Difference between book and tax depreciation	-	-	-	0.22	0.73
Provision for credit loss on securitisation	6.55	-	-	-	-
Provision for non-performing assets	185.28	57.15	40.34	20.53	4.34
Amortised processing fees	30.00	27.58	10.32	-	-
Amortisation of income on sale of receivable	-	-	-	0.08	-
Disallowances under section 43B of the Income Tax Act, 1961	17.46	2.61	6.28	9.81	16.86
	<u>293.64</u>	<u>129.98</u>	<u>84.08</u>	<u>50.68</u>	<u>45.52</u>
Deferred tax liabilities					
Amortised loan origination costs	26.63	28.35	9.33	-	-
Difference between book and tax depreciation	20.14	9.62	6.21	-	-
	<u>46.78</u>	<u>37.97</u>	<u>15.54</u>	<u>-</u>	<u>-</u>
	<u>246.86</u>	<u>92.01</u>	<u>68.54</u>	<u>50.68</u>	<u>45.52</u>

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
14 Long-term loans and advances					
<i>(Considered good, unless stated otherwise)</i>					
<u>Secured</u>					
Receivables from financing business					
- considered good	26,032.26	18,052.00	7,952.72	5,438.74	2,978.71
- considered non performing assets	170.39	21.38	87.42	0.22	30.97
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	26,202.66	18,073.38	8,040.14	5,438.96	3,009.68
<u>Unsecured</u>					
<i>(Considered good, unless stated otherwise)</i>					
Receivables from financing business					
- considered good	1,081.90	1,202.19	1,910.00	-	-
- considered non performing assets	116.20	135.77	66.85	59.31	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,198.10	1,337.96	1,976.85	59.31	-
Loans and advances to related parties	2,140.00	1,440.00	1,427.30	734.60	39.10
Other loans and advances :					
Unamortised loan origination costs	47.33	60.16	18.54	3.54	-
Security Deposits	1.77	2.62	2.74	2.74	2.74
Advance income taxes	172.28	59.14	238.12	58.79	197.44
(net of provision for tax , 2013 : ₹1768.89 Million; 2012: ₹ 1096.31 Million; 2011 : ₹ 938.80 Million; 2010: ₹ 6.39 Million; 2009: ₹ Nil)					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,559.48	2,899.88	3,663.55	858.98	239.28
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	29,762.13	20,973.26	11,703.69	6,297.94	3,248.96
15 Long-term loans and advances					
Long term bank deposits with banks	80.51	-	-	-	-
Deferred Consideration on loan transfer transactions [refer note 1.4 (d)]	154.91	-	-	-	-
Accrued interest on fixed deposits	3.52	-	-	-	-
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	238.95	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
16 Current investments					
Others (unquoted)					
Investments in mutual funds:					
Birla Sweep Fund	-	-	-	-	-
Edelweiss Gilt Fund- Growth	-	0.50	0.50	0.50	0.50
Edelweiss Short Term Income Fund- Institutional Growth	0.43	0.43	0.46	-	-
Edelweiss EDGE Top 100 Fund - Plan B - Dividend	-	-	19.76	28.24	26.05
	<u>0.43</u>	<u>0.93</u>	<u>20.72</u>	<u>28.74</u>	<u>26.55</u>
Aggregate of current unquoted investment					
- At carrying value	0.43	0.93	21.29	30.47	26.55
- At net asset value	0.57	1.14	20.72	28.74	26.56

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
17 Stock in trade					
Equity shares (quoted)					
Network 18 Media and Investments Limited	-	-	-	-	0.01
(A)	-	-	-	-	0.01
Equity shares (Unquoted)					
Pradip Overseas Limited	-	-	-	-	5.97
Persistant System Limited	-	-	-	-	2.44
(B)	-	-	-	-	8.41
Preference shares (quoted)					
6.00% Zee Entertainment Enterprises Limited Cumulative Non-Convertible Redeemable 5.03.2022 Preference Shares	30.04	-	-	-	-
(C)	30.04	-	-	-	-
Mutual funds (quoted)					
HDFC Debt Fund For Cancer Cure - 2014	10.00	-	-	-	-
Pramerica Liquid Fund	500.00	-	-	-	-
(D)	510.00	-	-	-	-
Mutual funds (unquoted)					
Edelweiss Liquid Plus CF	-	-	-	45.72	56.20
Edelweiss Monthly interval fund	-	-	-	-	3.09
Edelweiss Income Advantage Fund - Growth	-	-	-	26.30	70.00
DSP BR Small And Midcap Fund	-	-	-	-	25.00
Reliance Long Term Equity Fund	-	-	-	-	25.00
CPSE ETF	1,248.74	-	-	-	-
Pramerica Liquid Fund	-	250.00	-	-	-
(E)	1,248.74	250.00	-	72.02	179.29
Debentures and bonds (quoted)					
11.25% Tata Cap 2014 NCD	-	-	-	-	-
11.30% IDBI 2018 Bond	-	-	-	-	-
8.95% IDBI Bank 2024 Bonds	-	-	-	-	80.00
11.00% IDBI 2010 Bonds	-	-	-	-	4.02
6.84% HDFC NCD	-	-	-	-	452.90
10.70% IRFC 2023 Bonds	-	-	-	-	-
6.85% IIFCL 2014 Tax Free Series II	-	-	-	-	-
6.05% GOI 2019 Bonds	-	-	-	-	-
6.30% GOI 2023 Bonds	-	-	-	-	0.25
8.20% GOI 2022 Bonds	-	-	-	-	50.23
7.60% HUDCO 2013	-	-	-	-	-
10.15% Apollo Hospitals Enterprise Ltd 2017 NCD	-	-	29.53	-	-
8.20% Housing And Urban Development Corporation Ltd (Hudco) 05.03.2027 NCD	-	54.17	12.91	-	-
8.30% Power Finance Corporation Ltd 01.02.2027 Bond	-	4.36	5.01	-	-
9.50% State Bank Of India 04.11.2025 Bond	-	-	14.60	-	-
9.95% State Bank Of India 16.03.2026 Bond	-	2.78	5.87	193.08	-
7.83% Govt. Stock 2018 Bond	241.63	243.25	241.70	-	-
11.50% Tata Steel Ltd Perpetual 11.05.2021 NCD	-	1.05	-	-	-
10.40% Tata Steel Ltd. 2019 NCD	-	-	-	-	4.17
8.20% National Highways Authority Of India 25.01.2022 Bond	-	58.03	-	-	-
9.45% State Bank Of India 16.03.2026 Ncd	0.15	-	-	-	-
8.50% National Highways Authority Of India 05.02.2029 Bonds	1.00	-	-	-	-
5.95% NTPC 2011 Bonds	-	-	-	-	3.87
9.50% NABARD 2012 Bonds	-	-	-	-	9.21
10.75% Tata Bluescope Steel Ltd 27.09.2019 NCD	1.07	280.13	-	1,580.80	-
8.00% Indian Railway Finance Corporation Ltd 23.02.2022 Bond	0.67	17.37	-	-	-
9.30% Power Grid Corporation Of India Ltd 28.06.2016 NCD	-	9.82	-	-	-
12.75% India Infoline Finance Ltd 17.09.2018 NCD	-	1.09	-	-	-
12.75% India Infoline Finance Ltd 17.09.2018 NCD- Monthly interest	-	5.45	-	-	-
10.75% STFC 2020 NCD	-	-	0.97	-	-
10.75% STFC 2012 NCD	-	-	179.82	181.62	497.78
11.03% STFC 2014 NCD (Cumulative)	-	-	20.01	125.60	125.22
11.85% Shriram City Union Finance Ltd 2014 NCD	-	-	0.10	-	-
12.10% Shriram City Union Finance Ltd 2016 NCD	-	-	5.10	-	-
10.60% Shriram City Union Finance Ltd 06.10.2015 Bond	-	10.80	-	-	-
14.25% Parsvnath Developers Ltd NCD	-	-	845.00	845.00	-
9.75% Shriram Transport Finance Company Ltd 01.06.2015 NCD	-	0.49	-	-	-
7.38% Rural Electrification Corporation 19.12.2027 Bond	-	20.96	-	-	-
7.40% India Infrastructure Finance Company Ltd 22.01.2033 NCD	0.90	97.42	-	-	-
6.90% Union Bank 2010 Bonds	-	-	-	-	5.00
8.33% Union Bank 2016 Bond	-	-	-	-	197.01
10.05% Yes Bank Ltd 27.12.2027 Bond	37.00	285.00	-	-	-
9.65% Yes Bank 2020 Bonds	-	-	-	-	608.94
9.27% United Bank Of India Perpetual 05.12.2022 Bond	-	7.88	-	-	-
7.36% India Infrastructure Finance Company Ltd 22.01.2028 Bond	-	5.36	-	-	-

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
17 Stock in trade					
7.62% Housing And Urban Development Corporation Ltd. (Hudco) 11.11.2021 NCD	-	24.94	-	-	-
7.51% Housing And Urban Development Corporation Ltd. (Hudco) 16.02.2028 Bond	-	0.99	-	-	-
0.00% India Infoline Finance Ltd 17.09.2018 NCD	10.97	2.68	-	-	-
11.40% THE TATA POWER COMPANY LIMITED PERPETUAL NCD	2.05	-	-	-	-
10.75% Shriram Transport Finance Company Limited 24.10.2016 Ncd	4.11	-	-	-	-
10.65% Tata Motors Finance Limited 03.08.2022 Ncd	1.33	-	-	-	-
10.75% TATA MOTORS FINANCE LIMITED 25.03.2020 NCD	-	-	-	-	400.00
7.20% RECL 2014 Bonds	-	-	0.94	-	-
8.65% RECL 2020 Bonds	-	-	-	-	49.13
8.00% RECL 2014 Bonds	-	-	-	-	195.90
7.90% RECL 2012 Bonds	-	-	-	-	250.60
7.22% RECL 2014 Bonds	-	-	1.88	-	-
10.24% L&T FINANCE LIMITED 17.09.2019 NCD	-	-	19.59	1.43	7.51
8.40% L&T Finance 08.03.2013 NCD	-	-	-	-	164.30
8.50% L&T Fin 08.03.2013 NCD	-	-	-	-	25.30
8.10% IRFC Tax Free 2027 Bonds	-	-	87.70	-	-
10.20% SBI 2022 Bonds	-	-	2.06	-	-
9.05% SBI Perpetual Bonds	-	-	-	-	149.06
8.50% PFC 2014 Bonds	-	-	19.32	-	-
8.95% PFC 30/03/2015 Bonds	-	-	-	-	50.00
8.95% PFC 30/03/2020 Bonds	-	-	-	-	50.18
8.95% PFC 30/03/2025 Bonds	-	-	-	-	272.64
8.90% PFC 15/03/2025 Bonds	-	-	-	-	6.98
9.40% PFC 2013 Bonds	-	-	0.99	-	-
9.45% SBI UT2 2026 Bonds	-	-	0.31	-	-
11% Annual STFC 2014 NCD	-	-	-	58.97	109.13
12% Tata Capital Ltd 2014 NCD	-	-	-	36.55	-
7.40% Tata Capital Ltd. 2011 NCD	-	-	-	-	200.00
8.30% Tata Capital Ltd. 2012 NCD	-	-	-	-	250.00
12.50% Deccan Chronicle 2012 Bonds	-	-	-	102.00	105.50
9.15% Electrosteel Castings Ltd 2013 Bonds	-	-	-	250.08	598.80
10.90% Tata Motors Finance Ltd. 2020 NCD	-	-	-	7.76	134.63
9.95% Tata Motors Ltd. 2020 Bonds	-	-	-	-	196.96
8.95% Infotel Brodband Services Pvt Ltd 2020 NCD	-	-	-	168.03	-
0.00% Recl 2021 Bonds	-	-	-	0.34	-
7.50% Bank of Maharashtra 2013 Bonds	-	-	-	-	0.97
10.15% ICICI Bank Ltd 2012 NCD	-	-	-	0.60	-
0.001% ICICI Bank Pref Shares 20/04/2018	-	-	-	-	139.28
8.75% PFC 2025 Bonds	-	-	-	1.93	-
6.70% BSES Ltd 2018 NCD	-	-	-	1.54	-
6.15% NPC 2018 NCD	-	-	-	4.61	-
9.35% Religare Finvest Ltd. 14/10/2011 NCD	-	-	-	-	254.25
8.84% PGC 2019 NCD	-	-	-	20.00	-
8.20% POWER FINANCE CORPORATION LIMITED 01.02.2022 BONDS	2.13	-	-	-	-
8.10% Indian Railway Finance Corporation Limited 23.02.2027 Bonds	11.12	-	-	-	-
10.90% Tata Motors Finance Limited 20.01.2020 Ncd	6.92	-	-	-	-
11.52% India Infoline Housing Finance Limited 26.12.2018 Ncd	25.70	-	-	-	-
8.76% National Housing Bank 13.01.2034 Ncd	4.39	-	-	-	-
0.00% National Bank For Agriculture And Rural Developmen 01.01.2018 Ncd	0.63	-	-	-	-
8.68% National Housing Bank 24.03.2029 Bonds	4.61	-	-	-	-
0.00% National Bank For Agriculture And Rural Development 01.03.2019 Bonds	3.85	-	-	-	-
8.93% National Housing Bank 24.03.2029 Bonds	104.08	-	-	-	-
9.48% PNB Housing Finance Ltd 31.01.2024 Bonds	4.97	-	-	-	-
8.63% Indian Railway Finance Corporation Limited 26.03.2029 Bonds	50.55	-	-	-	-
9.18% Power Finance Corporation Ltd 15.04.2021 Ncd	10.78	-	-	-	-
6.70% Canara Bank 2010 Bonds	-	-	-	-	0.50
0% Sundaram Finance Ltd 2011 NCD	-	-	-	-	222.22
0% Sundaram Finance Ltd 2012 NCD	-	-	-	-	203.09
8.08% Govt. Stock 2022 Bonds	-	-	96.35	-	-
8.28% Govt. Stock 2027 Bonds	-	-	2.90	-	-
8.79% Govt. Stock 2021 Bond	489.25	515.48	-	-	-
8.15% Govt. Stock 2022 Bond	283.50	299.67	-	-	-
(F)	1,303.34	1,949.17	1,592.66	3,579.94	6,075.53
Commercial papers/ certificate of deposit					
Axis Bank CD 10/12/2010	-	-	-	-	190.78
Federal Bank CD 10/09/2010	-	-	-	-	975.34
Tata Motors Finance Ltd CP -12.11.2010	-	-	-	-	478.49
(G)	-	-	-	-	1,644.61

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
17 Stock in trade					
Debtentures and bonds (unquoted)					
18.00% Jaycee Homes Ltd 29.09.2014 NCD	149.50	448.50	600.00	-	-
19.00% Rational Buildcon Private Ltd 31.01.2016 NCD	-	400.00	400.00	-	-
20.00% Medical Technologies Ltd 14.07.2013 NCD	-	-	500.00	-	-
14.00% Era Housing & Developers (India) Ltd 30.12.2013 NCD	-	250.00	250.00	250.00	-
20.00% Soni Infratech Private Ltd 31.12.2015 NCD	457.11	450.00	-	-	-
20.00% Mighty Construction Pvt Ltd 2013 NCD	-	-	-	470.00	-
20.00% Classic Infrasoolution Private Ltd 05.09.2014 NCD	502.77	900.00	-	-	-
19.00% Lily Realty Private Ltd 30.06.2016 NCD	1,059.59	980.50	-	-	-
19.00% SHREE SUKHAKARTA DEVELOPERS PVT LTD 30.09.2016 NCD	471.53	-	-	-	-
18.50% Suranjan Holding & Estate Developers Private Limited 21.02.17 Ncd	1,100.00	-	-	-	-
14.00% Orbit Corporation Ltd 29.09.2015 NCD	-	1,400.00	-	-	-
(H)	3,740.49	4,829.00	1,750.00	720.00	-
Total (A+B+C+D+E+F+G+H)	6,832.62	7,028.17	3,342.66	4,371.96	7,907.86
Aggregate of stock-in-trade in units of quoted mutual fund	- At carrying value - At net asset value	510.00 510.72	- -	- -	- -
Aggregate of stock-in-trade in units of unquoted mutual fund	- At carrying value - At net asset value	1,248.74 1,248.74	250.00 250.60	- -	72.03 180.41
Aggregate of stock-in-trade in quoted debtentures and bonds	- At carrying value - At market value	1,303.34 1,303.69	1,949.18 1,967.72	1,592.66 1,598.87	3,579.94 3,581.30
Aggregate of stock-in-trade in unquoted debtentures and bonds	- At carrying value - At market value	3,740.49	4,829.00	1,750.00	720.00
Aggregate of stock-in-trade in quoted equity shares and warrants	- At book value - At market value	- -	- -	- -	0.01 0.01
Aggregate of stock-in-trade in quoted preference shares	- At carrying value - At market value	30.04 30.04	- -	- -	- -
Aggregate of stock-in-trade in unquoted equity shares	- At book value	-	-	-	8.42
Aggregate of stock-in-trade in commercial papers and CDs	- At carrying value	-	-	-	1,644.60

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
18 Trade receivables					
Unsecured, considered doubtful	0.61	-	-	-	-
Provision for doubtful debts	(0.61)	-	-	-	-
	-	-	-	-	-
Unsecured, considered good	4.62	31.84	279.02	38.28	-
	4.62	31.84	279.02	38.28	-
19 Cash and bank balances					
Cash and cash equivalents					
Cash in hand	0.02	0.01	0.04	0.03	0.01
Balances with banks					
- in current accounts	833.50	1,604.15	159.81	97.34	66.58
- in fixed deposits with maturity less than 3 months	2,002.50	-	-	-	-
	2,836.02	1,604.16	159.85	97.37	66.59
Other bank balances					
- Short term deposits with banks	142.64	2,049.90	149.80	100.00	-
	2,978.66	3,654.06	309.65	197.37	66.59

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
20 Short-term loans and advances					
<u>Secured</u>					
<i>(Considered good, unless stated otherwise)</i>					
Receivables from financing business					
- considered good	22,219.49	26,163.01	20,028.78	15,631.68	10,070.43
- considered non performing assets	458.73	71.37	4.70	19.71	99.74
	<u>22,678.22</u>	<u>26,234.38</u>	<u>20,033.48</u>	<u>15,651.39</u>	<u>10,170.17</u>
<u>Unsecured</u>					
<i>(Considered good, unless stated otherwise)</i>					
Receivables from financing business					
- considered good	8,267.77	202.04	137.76	1,000.61	1,000.22
- considered non performing assets	7.75	22.19	-	-	-
Loans and advances to related parties	10.00	680.50	257.40	1,600.84	285.32
Other loans and advances					
Deposits placed with/ exchange/ depositories	62.50	0.60	0.60	-	-
Deposits- others	1.51	-	-	-	-
Prepaid expenses	1.19	-	-	-	1.27
Unamortised loan origination costs	31.03	27.21	10.22	11.02	-
Loans and advances to employees	7.12	7.17	3.13	3.35	-
Intercorporate deposits placed	-	-	-	300.00	-
Input tax credit	22.10	13.73	29.82	41.71	22.42
Advance income taxes	36.48	105.60	29.53	-	6.57
(Net of provision for taxes 2014: ₹ 658.51 Million; 2013: ₹ 400.95 Million; 2012: ₹ 523.64 Million; 2011: ₹ Nil; 2010: ₹ 331.46 Million;)					
Advances recoverable in cash or in kind or for value to be received	864.24	4.87	24.27	2.48	34.18
	<u>9,311.68</u>	<u>1,063.91</u>	<u>492.73</u>	<u>2,960.01</u>	<u>1,349.98</u>
	<u>31,989.90</u>	<u>27,298.29</u>	<u>20,526.21</u>	<u>18,611.40</u>	<u>11,520.15</u>
21 Other current assets					
Accrued interest on fixed deposits	1.79	2.04	1.01	1.97	-
Accrued interest on debt instruments	37.35	97.65	61.57	100.26	126.03
Accrued interest on loans given	503.09	121.24	85.74	55.28	0.59
Accrued interest on margin	1.37	-	-	-	-
Mark to market on interest rate derivatives	5.74	-	0.79	-	-
Premium paid on outstanding exchange traded options	106.37	215.98	176.04	0.09	-
Contribution to gratuity fund (net)	-	-	0.45	0.21	-
Deferred Consideration on loan transfer transactions [refer note 1.4 (d)]	34.17	-	-	-	-
Margin placed with broker	205.29	185.58	83.40	269.99	10.93
	<u>895.18</u>	<u>622.49</u>	<u>409.00</u>	<u>427.80</u>	<u>137.55</u>

Notes forming part of Reformatted Standalone Statement of Profit and Loss

(Currency : ₹ in millions)

	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
Revenue from operations					
22 Fee and commission income					
Loan processing and other fees	285.21	342.79	190.52	182.46	124.92
	<u>285.21</u>	<u>342.79</u>	<u>190.52</u>	<u>182.46</u>	<u>124.92</u>
23 Income from treasury					
Profit / (loss) on trading of securities (net)	(87.23)	188.87	(200.00)	192.31	221.49
Profit / (loss) on equity derivative instruments (net)	793.10	5.11	(218.18)	80.59	(35.97)
Profit / (loss) on commodity derivative instruments (net)	(18.62)	(44.53)	76.00	(1.63)	-
Profit on interest rate derivative instruments (net)	(7.25)	20.77	17.89	-	-
Profit on sale of current investments (net)	0.08	1.92	0.78	2.26	9.98
Profit on sale of long term investment (net)	0.54	-	-	-	-
Dividend on stock in trade	5.82	-	0.10	-	0.01
Dividend on current investments	-	-	0.87	1.43	47.05
Dividend on long term Investment	0.70	-	-	-	-
Interest on interest rate swap	2.91	2.16	-	-	-
Cost of benchmark linked debenture	(2,146.75)	(685.35)	(153.39)	(138.00)	-
Share of profit / (loss) in partnership firm	-	(1.30)	15.26	(13.54)	1.75
	<u>(1,456.69)</u>	<u>(512.35)</u>	<u>(460.67)</u>	<u>123.42</u>	<u>244.31</u>
24 Interest Income					
On loans	8,195.06	5,905.61	3,621.32	3,283.88	1,078.79
On intercorporate deposits	-	-	0.92	0.08	-
On fixed deposits	202.40	10.87	16.75	4.77	89.26
On debt instruments	829.90	738.70	614.03	657.95	422.45
On margin with brokers	38.62	11.46	28.96	4.66	3.12
On Collateralised borrowing and lending operations	16.27	-	-	-	-
On others	2.18	0.61	0.29	0.32	0.58
	<u>9,284.42</u>	<u>6,667.25</u>	<u>4,282.27</u>	<u>3,951.66</u>	<u>1,594.20</u>
25 Other operating revenue					
Profit on securitisation of receivables	-	-	0.24	2.67	-
	<u>-</u>	<u>-</u>	<u>0.24</u>	<u>2.67</u>	<u>-</u>
26 Other income					
Miscellaneous income	9.82	8.71	1.67	1.57	6.40
	<u>9.82</u>	<u>8.71</u>	<u>1.67</u>	<u>1.57</u>	<u>6.40</u>

Notes forming part of Reformatted Standalone Statement of Profit and Loss (Continued)

(Currency : ₹ in millions)

	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
27 Employee benefit expenses					
Salaries and wages (Refer note 40)	623.35	484.60	232.33	179.42	93.47
Contribution to provident and other funds	16.79	12.75	2.89	1.64	0.60
Staff welfare expenses	6.83	1.42	0.35	0.19	0.11
	<u>646.97</u>	<u>498.77</u>	<u>235.57</u>	<u>181.25</u>	<u>94.18</u>
28 Finance costs					
Interest cost:					
Interest on debentures	397.00	362.02	227.19	661.65	272.12
Interest on Subordinated Debt	6.05	-	-	-	-
Interest on Inter-corporate deposits	0.78	2.05	5.76	23.19	0.83
Interest on term loan	647.62	77.38	-	-	-
Interest on bank overdraft	259.33	174.30	22.87	-	-
Interest on loan from group companies	367.64	699.08	294.29	136.30	18.08
Interest - others	14.73	7.17	0.21	1.40	0.13
Interest on shortfall in payment of Advance Income Tax	-	0.89	-	-	-
Interest on Collaterised borrowing and lending operations	78.80	53.58	-	-	-
Interest on working capital demand loan	190.18	162.42	-	-	-
Other borrowing cost:	-	-	-	-	-
Discount on commercial paper and debentures	1,951.49	1,682.83	1,288.22	947.61	47.16
Financial and bank charges	220.47	133.15	10.86	1.07	0.58
	<u>4,134.08</u>	<u>3,354.87</u>	<u>1,849.40</u>	<u>1,771.22</u>	<u>338.90</u>

Notes forming part of Reformatted Standalone Statement of Profit and Loss (Continued)

(Currency : ₹ in millions)

	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
29 Other expenses					
Advertisement and business promotion	23.84	1.73	2.46	76.79	5.86
Auditors' remuneration	1.31	1.08	1.12	1.37	1.03
Bad- debts and advances written off	4.27	16.94	-	-	-
Commission and brokerage	1.36	1.82	0.41	111.74	108.34
Communication	8.20	5.39	2.97	4.68	1.87
Computer expenses	0.70	1.04	0.89	0.64	0.64
Clearing & custodian charges	0.12	0.12	0.12	0.10	0.80
Dematerialisation charges	0.68	0.60	0.47	1.02	0.11
Directors' sitting fees	0.18	0.12	0.14	0.12	0.14
Donation	21.00	31.80	22.80	-	0.50
Electricity charges (Refer note 40)	4.69	3.81	2.12	1.89	1.68
Foreign exchange loss (net)	0.03	0.03	-	-	-
Insurance	0.60	0.53	0.06	0.10	0.06
Legal and professional fees	134.92	203.58	104.26	68.42	7.07
Write-off of fixed assets	-	-	0.01	-	-
Loan origination costs amortised	63.18	24.12	2.20	-	-
Membership and subscription	0.87	1.68	0.76	0.77	0.17
Office expenses	2.17	1.24	0.47	3.70	1.58
Postage and courier	0.32	0.08	0.08	0.09	(0.39)
Printing and stationery	2.01	1.08	1.03	1.51	0.42
Provision for standard assets	28.49	47.76	21.82	(9.25)	38.86
Provision for non performing assets	368.32	51.82	61.14	50.20	8.54
Provision for credit loss on securitisation	19.27	-	-	-	-
Rates and taxes	0.64	2.17	0.69	0.53	0.76
Rating support fees	215.50	315.30	464.05	413.51	163.77
Rent (Refer note 40)	22.56	22.27	1.74	11.50	15.64
Repairs and maintenance - others	0.23	0.47	0.01	0.17	0.11
Securities transaction tax	23.78	12.02	5.84	2.73	1.41
Seminar & Conference	0.12	0.02	-	-	-
Service tax expenses	44.61	28.09	5.28	-	-
Stamp duty	11.00	8.77	18.07	20.11	3.97
Stock exchange expenses	-	-	-	-	-
Travelling and conveyance	28.32	16.20	7.47	3.44	3.95
Miscellaneous expenses	1.09	0.33	4.91	0.32	0.10
	1,035.17	802.01	733.39	766.20	366.99
Auditors' remuneration:					
As auditor	0.95	0.95	0.90	0.90	0.83
For other services	0.36	0.13	0.20	0.47	0.20
Out of pocket expenses	-	-	0.02	-	-
	1.31	1.08	1.12	1.37	1.03

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

30 Segment reporting

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, derivatives, 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, segmental disclosures relating to revenue, results, assets and liabilities have been prepared.

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in one geographical segment.

The following table gives information on segment assets and liabilities as at March 31 2014,2013, 2012, 2011 and 2010 and the segment revenue, expenses and result for the years ended on that date:

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

30 Segment reporting (Continued)

Particulars	Capital Based Business					Financing Business					Unallocated					Total				
	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10
Segment revenue																				
Income from external customers	159.51	248.68	199.07	790.79	684.64	7,962.48	6,257.11	3,814.67	3,470.32	1,294.97	0.77	0.61	0.29	0.66	0.20	8,122.76	6,506.40	4,014.03	4,261.77	1,979.82
Total	159.51	248.68	199.07	790.79	684.64	7,962.48	6,257.11	3,814.67	3,470.32	1,294.97	0.77	0.61	0.29	0.66	0.20	8,122.76	6,506.40	4,014.03	4,261.77	1,979.82
Segment result	(423.64)	(584.87)	(265.70)	257.50	435.90	2,732.53	2,449.65	1,534.16	1,336.59	749.00	(23.27)	(33.27)	(83.39)	(52.80)	(16.65)	2,285.63	1,831.51	1,185.08	1,541.29	1,168.25
Income tax- current and deferred																				
Current tax	-	-	-	-	-	-	-	-	-	-	840.02	643.30	393.44	528.25	401.50	840.02	643.30	393.44	528.25	401.50
Deferred tax charge/(credit)	-	-	-	-	-	-	-	-	-	-	(154.84)	(23.48)	(17.86)	(5.15)	(16.09)	(154.84)	(23.48)	(17.86)	(5.15)	(16.09)
Fringe benefit tax											-	-	-	-	-	-	-	-	-	-
Net Profit/(loss)	(423.64)	(584.87)	(265.70)	257.50	435.90	2,732.53	2,449.65	1,534.16	1,336.59	749.00	(708.45)	(653.09)	(458.96)	(575.90)	(402.06)	1,600.44	1,211.69	809.50	1,018.19	782.84
Segment assets and liabilities																				
Carrying amount of segment assets	9,792.78	14,493.63	9,154.03	5,869.00	8,128.20	68,014.54	49,968.11	31,743.70	24,854.47	14,500.29	462.74	357.87	691.07	309.73	122.01	78,270.05	64,819.61	41,588.81	31,033.20	22,750.50
Carrying amount of segment liabilities	7,036.22	11,631.38	10,421.74	6,271.56	4,309.04	55,570.63	38,972.59	17,608.05	12,238.61	7,027.51	81.65	1.26	577.09	350.60	259.71	62,688.50	50,605.22	28,606.88	18,860.78	11,596.27
Capital expenditure	0.94	1.53	25.28	1.34	1.50	22.64	11.23	249.99	3.71	2.59	-	-	5.62	0.10	0.08	23.59	12.77	280.88	5.16	4.18
Depreciation	0.84	2.31	0.95	0.47	0.54	20.08	16.94	9.42	1.31	0.93	-	-	0.21	0.04	0.03	20.92	19.25	10.58	1.82	1.50
Non cash expenditure other than depreciation	-	-	-	-	-	416.69	98.63	82.01	40.95	47.41	-	-	-	-	-	416.69	98.63	82.01	40.95	47.41

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

31 Related parties**A. Related Parties by whom control is exercised**

Sr No	For the year ended March 31,2014	For the year ended March 31,2013	For the year ended March 31,2012	For the year ended March 31,2011	For the year ended March 31,2010
1	Edelweiss Financial Services Limited	Edelweiss Financial Services Limited	Edelweiss Financial Services Limited(Formerly Edelweiss Capital Limited)	Edelweiss Capital Limited	Edelweiss Capital Limited

B. Associates(With whom Transactions have taken place during the year)

Sr No	For the year ended March 31,2014	For the year ended March 31,2013	For the year ended March 31,2012	For the year ended March 31,2011	For the year ended March 31,2010
1	Aeon Credit Services India Pvt Ltd	Aeon Credit Services India Pvt Ltd	-	-	-

C. Fellow Subsidiaries(With whom Transactions have taken place during the year)

Sr No	For the year ended March 31,2014	For the year ended March 31,2013	For the year ended March 31,2012	For the year ended March 31,2011	For the year ended March 31,2010
1	Edelweiss Finance and Investments Limited	Edelweiss Finance and Investments Limited	Edelweiss Finance and Investments Limited	Edelweiss Finance and Investments Limited	Edelweiss Finance and Investments Limited (Formerly Crossborder Investments Private Limited)
2	-	-	Edelweiss Trading & Holdings Ltd (Refer Note 1)	Edelweiss Trading & Holdings Ltd (formerly Edelweiss Commodities Limited)	Edelweiss Commodities Limited
3	Edelcap Securities Limited (Refer note 2)	Edelcap Securities Limited	Edelcap Securities Limited	Edelcap Securities Limited	Edelcap Securities Limited
4	Edelweiss Securities Limited	Edelweiss Securities Limited	Edelweiss Securities Limited	Edelweiss Securities Limited	Edelweiss Securities Limited
5	ECap Equities Limited	ECap Equities Limited	ECap Equities Limited	ECap Equities Limited	ECap Equities Limited
6	EC Commodity Limited	EC Commodity Limited	EC Commodity Limited	EC Commodity Limited	EC Commodity Limited
7	Edel Commodities Limited (Refer note 2)	Edel Commodities Limited	-	Edel Commodities Limited	Edel Commodities Limited

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (*Continued*)

(Currency: ₹ in Millions)

Annexure-IV

Sr No	For the year ended March 31,2014	For the year ended March 31,2013	For the year ended March 31,2012	For the year ended March 31,2011	For the year ended March 31,2010
8	Edelweiss Broking Limited	Edelweiss Broking Limited	Edelweiss Broking Limited	Edelweiss Broking Limited	Edelweiss Broking Limited
9	Edelweiss Global Wealth Management Limited	Edelweiss Global Wealth Management Limited (Formerly Edelweiss Financial Products and Solution Limited)	-	Edelweiss Financial Products and Solution Limited	Edelweiss Financial Products and Solution Limited
10	Edelweiss Investment Adviser Ltd	Edelweiss Investment Adviser Ltd (Formerly Edelweiss Investment Advisors Limited)	Edelweiss Investments Advisors Ltd	Edelweiss Investments Advisors Ltd (formerly Edelweiss Property Advisors Ltd)	-
11	Edel Finance Company Limited	Edel Finance Company Limited	Edel Finance Company Limited	Edel Finance Company Limited (formerly Dropadi Finance Ltd)*	-
12	-	-	-	Edelweiss Asset Management Limited	Edelweiss Asset Management Limited
13	Edelweiss Commodities Services Limited	Edelweiss Commodities Services Limited (formerly Comfort Projects Limited)	Comfort Projects Limited (Refer Note 1)	-	-
14	Edelweiss Tokio Life Insurance Company Limited	Edelweiss Tokio Life Insurance Company Limited	Edelweiss Tokio Life Insurance Company Limited	-	-
15	Edelweiss Financial Advisors Limited	Edelweiss Financial Advisors Limited	Edelweiss Financial Advisors Limited	-	-
16	Edelweiss Housing Finance Limited	Edelweiss Housing Finance Limited	-	-	-
17	-	Edelweiss Stock Broking Limited	-	-	-

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (*Continued*)

(Currency: ₹ in Millions)

Annexure-IV

Sr No	For the year ended March 31,2014	For the year ended March 31,2013	For the year ended March 31,2012	For the year ended March 31,2011	For the year ended March 31,2010
18	EdelGive Foundation	EdelGive Foundation	-	-	-
19	Edelweiss Web Services Limited	-	-	-	-

*With effect from 16th June, 2010

D) Key management personnel with whom transactions have taken place during the year

Sr No	For the year ended March 31,2014	For the year ended March 31,2013	For the year ended March 31,2012	For the year ended March 31,2011	For the year ended March 31,2010
1	Ravi Bubna	Ravi Bubna	Ravi Bubna	Ravi Bubna	Ravi Bubna
2	Rashesh Shah	-	-	-	-
3	Himanshu Kaji	-	-	-	-

E) Relative of Key management personnel with whom transactions have taken place during the year

Sr No	For the year ended March 31,2014	For the year ended March 31,2013	For the year ended March 31,2012	For the year ended March 31,2011	For the year ended March 31,2010
1	Sharda R Bubna	-	-	-	-
2	Nalin Kaji	-	-	-	-

Note 1 : With effect from 1 April 2011 (being the appointed date), the securities business of erstwhile Edelweiss Trading & Holdings Limited (“ETHL”), a subsidiary of Edelweiss Financial Services Limited, has been demerged and merged with Edelweiss Securities Limited (“ESL”) and businesses other than securities business have been merged with Comfort Projects Limited (“CPL”) (an ultimate subsidiary of Edelweiss Financial Services Limited) vide an order of the Hon. High Court of Andhra Pradesh. The effective date of the order is May 12, 2012. All related party transactions during the year and the outstanding balances as at the end of the year have accordingly been disclosed against ESL and CPL in the financial statements of the Company.

Note 2 : With effect from 1 April 2013 (being the appointed date):

- a) The Derivatives Business of Edel Commodities Limited (“Demerging Company”) has been merged with Edelweiss Commodities Services Limited (“Resulting Company”) vide an order of the Hon. High Court of Andhra Pradesh. The effective date of the order is 11 May 2014;

All related party outstanding balances as at the end of the year relating to these demerged businesses have been disclosed as being outstanding to / from the respective Resulting Companies. All related party transactions other than that of revenue nature from the Appointed Date in relation to the demerged business accounted in the Balance Sheet have been disclosed to have been transacted with the respective Demerging Companies.

- b) The Demerged Business of Edelcap Securities Limited has been merged with ECap Equities Limited (Ecap) vide an order of the Hon. High Court of Andhra Pradesh. The effective date of the order is 11 May 2014. All related party transactions transacted during the year and the outstanding balances thereof as at the end of the year relating to the Demerged Business have accordingly been disclosed to have been transacted by the Ecap.

31 Related parties (Continued)

Related Party Transactions for FY 2013-2014

Particulars	Holding Company	Fellow Subsidiaries	Associate	Key management personnel	Relative of Key management personnel
Capital account transactions					
Investment in Equity Shares					
Aeon Credit Services India Pvt Ltd			-		
			(102.50)		
Investment in Preference Shares					
Edelweiss Commodities Services Limited		100.05			
		(-)			
Edelweiss Finance & Investments Limited		110.00			
		(-)			
Current account transactions					
Loans taken from					
Edelweiss Financial Services Limited	290,807.14				
	(166,346.98)				
Edelweiss Commodities Services Limited		-			
		(2,000.00)			
Loan repaid to					
Edelweiss Financial Services Limited	291,208.77				
	(166,574.55)				
Edelweiss Commodities Services Limited		-			
		(2,000.00)			
Loans given to					
Edelweiss Commodities Services Limited		2,810.00			
		(500.00)			
ECap Equities Limited		650.50			
		(-)			
Edel Finance Company Limited		-			
		(211.70)			
Edelweiss Financial Services Limited	1,510.00				
	(-)				
Edelweiss Securities Limited		-			
		(200.00)			
Edelweiss Global wealth Management Limited		-			
		(40.00)			
Edelweiss Finance and Investments Limited		-			
		(200.00)			
Edel Commodities Limited		350.00			
		(700.00)			
Nalin Kaji					1,394.65
					(-)
Sharda R Bubna					253.13
					(-)
Others		335.45			
		(-)			
Repayment of loans by					
Edelweiss Commodities Services Limited		1,400.00			
		(500.00)			
Edelweiss Financial Services Limited	2,010.00				
	(-)				

31 Related parties (Continued)

Related Party Transactions for FY 2013-2014

Particulars	Holding Company	Fellow Subsidiaries	Associate	Key management personnel	Relative of Key management personnel
ECap Equities Limited		650.50 (-)			
Edelcap Securities Limited		275.45 (249.10)			
Edel Finance Company Limited		103.20 (116.80)			
Edelweiss Finance and Investments Limited		- (200.00)			
Edel Commodities Limited		700.00 (350.00)			
Ravi Bubna				- (2.50)	
Nalin Kaji					1,394.65 (-)
Sharda R Bubna					253.13 (-)
Others		260.00 (-)			
Redemption of Nifty Linked Debentures					
ECap Equities Limited		3,818.61 (792.83)			
Secondary market transactions					
Purchases of securities (Stock in trade) from					
Edelweiss Finance & Investments Limited		100.96 (362.84)			
ECap Equities Limited		2.49 (100.39)			
Edelweiss Tokio life Insurance Company Limited		741.63 (2,246.19)			
Edelweiss Securities Limited		285.29 (1,384.22)			
Edelweiss Commodities Services Limited		1.03 (4,642.07)			
Sale of securities (Stock in trade) to					
Edelweiss Finance & Investments Limited		876.03 (150.83)			
ECap Equities Limited		- (234.84)			
Edelweiss Commodities Services Limited		536.98 (-)			
Edelweiss Securities Limited		830.60 (47.02)			
Edelweiss Tokio life Insurance Company Limited		421.16 (524.54)			
Amount paid / debits with broker					
Edelweiss Securities Limited		14,033.55 (11,385.51)			

31 Related parties (Continued)

Related Party Transactions for FY 2013-2014

Particulars	Holding Company	Fellow Subsidiaries	Associate	Key management personnel	Relative of Key management personnel
Edelweiss Commodities Services Limited		737.31 (430.97)			
Amounts received / credits with broker					
Edelweiss Securities Limited		14,014.25 (11,283.36)			
Edelweiss Commodities Services Limited		762.60 (574.65)			
Debt instruments issued					
Edelweiss Commodities Services Limited		24,515.01 (27,770.76)			
Debt instruments redemption					
Edelweiss Commodities Services Limited		18,850.00 (13,900.00)			
Interest paid on loan					
Edelweiss Financial Services Limited	367.64 (549.08)				
Edelweiss Commodities Services Limited		- (150.00)			
Interest expense on Nifty linked debentures					
ECap Equities Limited		479.36 (123.67)			
Others		2.12 (-)			
Interest received on margin placed with brokers					
Edelweiss Securities Limited		36.55 (8.08)			
Edelweiss Commodities Services Limited		2.07 (3.38)			
Interest received on loans given to					
Edelweiss Financial Services Limited	97.60 (60.00)				
Edelweiss Commodities Services Limited		84.78 (72.17)			
ECap Equities Limited		18.55 (29.18)			
Edel Finance Company Limited		7.89 (7.49)			
Ravi Bubna				- (0.08)	
Nalin Kaji					1.25 (-)
Sharda R Bubna					0.43 (-)
Others		53.59 (10.02)			

31 Related parties (Continued)

Related Party Transactions for FY 2013-2014

Particulars	Holding Company	Fellow Subsidiaries	Associate	Key management personnel	Relative of Key management personnel
Interest Received on Application money paid					
Edelweiss Commodities Services Limited		0.24 (-)			
Dividend Received on Investments					
Edelweiss Commodities Services Limited		0.70 (-)			
Cost reimbursement paid to					
Edelweiss Securities Limited		- (40.68)			
Edelweiss Financial Services Limited	10.80 (10.80)				
Edelweiss Housing Finance Limited		4.20 (-)			
Edelweiss Commodities Services Limited		23.46 (22.71)			
Edelweiss Web Services Limited		0.11 (-)			
Cost Reimbursement Received from					
Edelweiss Finance & Investments Limited		- (0.03)			
EC Commodity Limited		0.06 (-)			
Edel Commodities Limited		0.02 (-)			
Edelweiss Broking Limited		0.07 (-)			
Reimbursement paid					
Edelweiss Securities Limited		8.08 (5.68)			
Edelweiss Financial Services Limited	335.91 (218.16)				
Others		1.34 (1.57)			
Reimbursement received					
Bonus cost Recovered					
Edelweiss Housing Finance Limited		- (13.72)			

31 Related parties (Continued)

Related Party Transactions for FY 2013-2014

Particulars	Holding Company	Fellow Subsidiaries	Associate	Key management personnel	Relative of Key management personnel
Sale of Scrap					
Edelweiss Broking Limited		- (0.00)			
Edelweiss Securities Limited		0.01 (-)			
Edelweiss Financial Services Limited	- (0.00)				
Payment of Stamp duty recovered					
Edel Finance Company Limited		0.02 (-)			
Rating support fees paid to					
Edelweiss Financial Services Limited	215.50 (315.30)				
Clearing charges paid to					
Edelweiss Securities Limited		0.12 (0.12)			
Commission and brokerage paid to					
Edelweiss Securities Limited		0.08 (0.47)			
Edelweiss Broking Limited		39.31 (-)			
Edelweiss Investment Adviser Limited		0.16 (-)			
Branding Expenses Paid to	35.00				
Edelweiss Financial Services Limited	(-)				
Donation to					
EdelGive Foundation		18.00 (31.40)			
Advisory Fees paid to					
Edelweiss Housing Finance Limited		35.78 (80.33)			
Edelweiss Financial Services Limited	41.80 (42.34)				
Remuneration paid to					
Ravi Bubna				37.57 (26.78)	
Rashesh Shah				25.00 (-)	
Himanshu Kaji				10.00 (-)	
Assignment of loans to					
Edelweiss Finance & Investments Limited		- (48.68)			

31 Related parties (Continued)

Related Party Transactions for FY 2013-2014

Particulars	Holding Company	Fellow Subsidiaries	Associate	Key management personnel	Relative of Key management personnel
Balances with related parties					
Short term borrowings					
Unsecured loan					
Edelweiss Financial Services Limited	9.84 (411.46)				
Trade Payables					
Edelweiss Financial Services Limited	12.57 (10.92)				
Edelweiss Securities Limited		119.28 (43.90)			
Edelweiss Housing Finance Limited		40.38 (72.11)			
Others		0.11 (0.15)			
Other liabilities					
Interest accrued and due on borrowings					
Edelweiss Financial Services Limited	3.87 (0.56)				
Bonus payable					
Ravi Bubna				30.00 (20.00)	
Rashesh Shah				25.00 (-)	
Himanshu Kaji				10.00 (-)	
Corporate Guarantee taken	31,184.70 (26,938.40)				
Investments in equity shares					
Aeon Credit Services India Pvt Ltd			102.50 (102.50)		
Investments in Preference shares					
Edelweiss Commodities Services Limited		1,078.65 (1,000.00)			
Ecap Equities Limited		1,800.00 (1,800.00)			
Edelweiss Investment Adviser Limited		110.00 (-)			
Trade receivables					
Edelweiss Finance & Investments Limited		- (0.03)			
Edelweiss Commodities Services Limited		- (25.87)			
Edelweiss Broking Ltd		0.02 (5.95)			

31 Related parties (Continued)

Related Party Transactions for FY 2013-2014

Particulars	Holding Company	Fellow Subsidiaries	Associate	Key management personnel	Relative of Key management personnel
Loans and advances					
Unsecured					
Edelweiss Financial Services Limited	- (500.00)				
Edelcap Securities Ltd		- (227.30)			
Edelweiss Commodities Services Limited		2,110.00 (700.00)			
Edel Finance Company Limited		- (103.20)			
Edel Commodities Limited		- (350.00)			
Edelweiss Securities Limited		- (200.00)			
Edelweiss Global wealth Management Limited		40.00 (40.00)			
Other assets					
Accrued interest on loans given					
Edelweiss Financial Services Limited	0.73 (-)				
Edelweiss Commodities Services Limited		5.48 (-)			
Edelcap Securities Limited		- (38.15)			
Others		0.20 (0.57)			
Short-term loans and advances					
Advances recoverable in cash or in kind or for value to be received					
Edel Commodities Limited		0.02 (-)			
EC Commodity Limited		0.06 (-)			
Edelweiss Broking Limited		0.07 (-)			
Other current assets					
Accrued interest on margin					
Edelweiss Commodities Services Limited		0.00 (-)			
Edelweiss Securities Limited		1.31 (-)			
Margin money					
Edelweiss Commodities Services Limited		0.43 (-)			
Edelweiss Securities Limited		204.86 (185.57)			

31 Related parties (Continued)

Related Party Transactions for FY 2012-2013

Particulars	Holding Company	Fellow Subsidiaries	Associate	Key management personnel
Capital account transactions				
Investment in Equity Shares				
Aeon Credit Services India Pvt Ltd			102.50	
			-	
Investment in Preference Shares				
Ecap Equities Limited		-		
		(1,800.00)		
Current account transactions				
Loans taken				
Edelweiss Financial Services Limited	166,346.98			
	(94,190.83)			
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		2,000.00		
		(2,000.00)		
EC Commodity Limited		-		
		(2,000.00)		
Loan repaid				
Edelweiss Financial Services Limited	166,574.55			
	(93,776.81)			
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		2,000.00		
		(2,000.00)		
EC Commodity Limited		-		
		(2,000.00)		
Loans given				
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		500.00		
		(27,955.16)		
Ecap Equities Limited		-		
		(317.50)		
Edelcap Securities Limited		-		
		(17.92)		
Edel Finance Company Limited		211.70		
		(71.60)		
Edelweiss Investments Adviser Limited		-		
		(447.60)		
Edelweiss Financial Services Limited	-			
	(1,200.00)			
Edelweiss Securities Limited		200.00		
		(-)		
Edelweiss Global wealth Management Limited		40.00		
		-		
Edelweiss Finance and Investments Limited		200.00		
		-		
Edel Commodities Limited		700.00		
		-		

31 Related parties (Continued)

Related Party Transactions for FY 2012-2013

Particulars	Holding Company	Fellow Subsidiaries	Associate	Key management personnel
Loans received				
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		500.00 (28,696.13)		
Edelweiss Financial Services Limited	(700.00)	-		
ECap Equities Limited		- (331.03)		
Edelcap Securities Limited		249.10 (43.92)		
Edel Finance Company Limited		116.80 (209.64)		
Edelweiss Investments Adviser Limited		- (679.80)		
Edelweiss Finance and Investments Limited		200.00 -		
Edel Commodities Limited		350.00 -		
Ravi Bubna				2.50 -
Redemption of Nifty Linked Debentures				
ECap Equities Limited		792.83 -		
Inter-corporate deposits placed				
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		- (350.00)		
Inter-corporate deposits redeemed				
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		- (350.00)		
Secondary market transactions				
Purchases of securities (Stock in trade) from				
Edelweiss Finance & Investments Limited		362.84 (1,037.23)		
ECap Equities Limited		100.39 (228.08)		
Edelcap Securities Limited		- (1,659.98)		
Edelweiss Tokio life Insurance Company Limited		2,246.19 (98.20)		
Edelweiss Securities Limited		1,384.22 (399.49)		
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		4,642.07 -		
Sale of securities (Stock in trade) to				
Edelweiss Finance & Investments Limited		150.83 (59.81)		
ECap Equities Limited		234.84 (225.92)		
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		- (299.22)		
Edelweiss Securities Limited		47.02 (1,514.93)		
Edelweiss Tokio life Insurance Company Limited		524.54 (395.58)		

31 Related parties (Continued)

Related Party Transactions for FY 2012-2013

Particulars	Holding Company	Fellow Subsidiaries	Associate	Key management personnel
Amount paid / debits with broker				
Edelweiss Securities Limited		11,385.51 (10,098.67)		
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		430.97 (4,547.94)		
Amounts received / credits with broker				
Edelweiss Securities Limited		11,283.36 (10,283.01)		
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		574.65 (4,401.85)		
Debt instruments issued				
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		27,770.76 (11,870.94)		
Debt instruments redemption				
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		13,900.00 -		
Loss on Structured Products				
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		- (29.87)		
Interest paid on loan				
Edelweiss Financial Services Limited	549.08 (85.61)			
EC Commodity Limited		- (104.34)		
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		150.00 (104.34)		
Interest expense on NCD				
ECap Equities Limited		123.67 -		
Interest received On margin				
Edelweiss Securities Limited		8.08 (18.86)		
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		3.38 (10.10)		
Interest received on loan				
Edelweiss Financial Services Limited	60.00 (5.84)			
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		72.17 (75.27)		
ECap Equities Limited		- (30.59)		
Edelcap Securities Limited		29.18 (8.67)		
Edel Finance Company Limited		7.49 (1.44)		
Edelweiss Investments Adviser Limited		- (14.35)		
Ravi Bubna				0.08 (0.25)
Others		10.02 -		

31 Related parties (Continued)

Related Party Transactions for FY 2012-2013

Particulars	Holding Company	Fellow Subsidiaries	Associate	Key management personnel
Cost reimbursement paid				
Edelweiss Securities Limited		40.68 (14.20)		
Edelweiss Financial Services Limited	10.80 (17.40)			
Edelweiss Housing Finance Limited		- (30.36)		
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		22.71 (1.94)		
Edelweiss Stock Broking Limited		- (0.04)		
Cost Reimbursement Received				
Edelweiss Finance & Investments Limited		0.03 -		
Reimbursement paid				
Edelweiss Securities Limited		5.68 (9.77)		
Edelweiss Financial Services Limited	218.16 (214.97)			
Others		1.57 -		
Reimbursement received				
Employee cost recovered				
Edelweiss Finance & Investments Limited		- (8.29)		
Bonus cost Recovered				
Edelweiss Housing Finance Limited		13.72 -		
Sale of Scrap				
Edelweiss Broking Limited		0.00 -		
Edelweiss Financial Services Limited	0.00 -			
Rating support fees				
Edelweiss Financial Services Limited	315.30 (464.05)			
Clearing charges				
Edelweiss Securities Limited		0.12 (0.12)		
Commission and brokerage paid				
Edelweiss Securities Limited		0.47 (0.41)		
Donation paid				
EdelGive Foundation		31.40 (22.80)		

31 Related parties (Continued)

Related Party Transactions for FY 2012-2013

Particulars	Holding Company	Fellow Subsidiaries	Associate	Key management personnel
Advisory Fees paid				
Edelweiss Housing Finance Limited		80.33		
Edelweiss Financial Services Limited	42.34	-		
Remuneration				
Ravi Bubna				26.78 (11.42)
Assignment of loans				
Edelweiss Finance & Investments Limited		48.68 (1,158.84)		
Received on behalf of clients				
Edelweiss Broking Limited		- (14.84)		
Edelweiss Financial Advisors Limited		- (10.31)		
Balances with related parties				
Short term borrowings				
Unsecured loan				
Edelweiss Financial Services Limited	411.46 (639.03)			
Trade Payables				
Edelweiss Financial Services Limited	10.92 (83.16)			
Edelweiss Securities Limited		43.90 (14.20)		
Edelweiss Housing Finance Limited		72.11 (30.14)		
Edelweiss Broking Limited		- (0.00)		
Others		0.15 -		
Other current liabilities				
Interest accrued and due on borrowings				
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		- (93.91)		
EC Commodity Limited		- (93.91)		
Interest accrued but not due on borrowings				
Edelweiss Financial Services Limited	0.56 -			
Bonus payable				
Ravi Bubna				20.00 (4.50)
Corporate Guarantee taken	26,938.40 (8,500.00)			
Investments in equity shares				
Aeon Credit Services India Pvt Ltd			102.50 -	
Investments in Preference shares				
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		1,000.00 (1,000.00)		
Ecap Equities Limited		1,800.00 (1,800.00)		

31 Related parties (Continued)

Related Party Transactions for FY 2012-2013

Particulars	Holding Company	Fellow Subsidiaries	Associate	Key management personnel
Trade receivables				
Edelweiss Securities Limited		- (76.20)		
Edelweiss Finance & Investments Limited		0.03 (8.23)		
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		25.87 (169.45)		
Edelweiss Broking Ltd		5.95 (14.84)		
Edelweiss Financial Advisors Limited		- (10.31)		
Loans and advances				
Unsecured				
Edelweiss Financial Services Limited	500.00 (500.00)			
Edelcap Securities Ltd		227.30 (476.40)		
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		700.00 (700.00)		
Edel Finance Company Limited		103.20 (8.30)		
Edel Commodities Limited		350.00 -		
Edelweiss Securities Limited		200.00 -		
Edelweiss Global wealth Management Limited		40.00 -		
Ravi Bubna				- (2.50)
Other current assets				
Accrued interest on loans given				
Edelweiss Financial Services Limited	- (5.25)			
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		- (0.41)		
Edelcap Securities Limited		38.15 (52.73)		
Ravi Bubna				- (0.50)
Others		0.57 -		
Margin money				
Edelweiss Securities Limited		185.57 (83.41)		

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)
(Currency: ₹ in Millions)

Annexure IV

31 Related parties (Continued)

Related Party Transactions for FY 2011-2012

Particulars	Holding company	Fellow subsidiary	Key management personnel
Current account transactions			
Loans taken			
Edelweiss Financial Services Limited	94,190.83 (286,076.61)		
Comfort Projects Limited		2,000.00 -	
EC Commodity Limited		2,000.00 -	
Edelweiss Trading & Holdings Limited		- (5,000.00)	
ECap Equities Limited		- (2.10)	
Loan repaid			
Edelweiss Financial Services Limited	93,776.81 (286,445.87)		
Comfort Projects Limited		2,000.00 -	
EC Commodity Limited		2,000.00 -	
Loans given			
Comfort Projects Limited		27,955.16 -	
Edelweiss Trading & Holdings Limited		- (29,171.52)	
ECap Equities Limited		317.50 (3,172.00)	
Edelcap Securities Limited		17.92 (653.30)	
Edel Finance Company Limited		71.60 (1,910.44)	
Edelweiss Investments Advisors Limited		447.60 (245.40)	
Edelweiss Financial Services Limited	1,200.00 -		
Loans received			
Comfort Projects Limited		28,696.13 -	
Edelweiss Trading & Holding Limited		- (27,744.50)	
Edelweiss Financial Services Limited	700.00 -		
ECap Equities Limited		331.03 (3,381.00)	
Edelcap Securities Limited		43.92 (238.83)	
Edel Finance Company Limited		209.64 (1,764.10)	
Edelweiss Investments Advisors Limited		679.80 (13.20)	
Inter-corporate deposits placed			
Comfort Projects Limited		350.00 -	
Inter-corporate deposits redeemed			
Comfort Projects Limited		350.00 -	

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)
(Currency: ₹ in Millions)

Annexure IV

31 Related parties (Continued)

Related Party Transactions for FY 2011-2012

Particulars	Holding company	Fellow subsidiary	Key management personnel
Investments			
Preference Shares			
Edelweiss Trading & Holding Limited		-	
		(1,000.00)	
Ecap Equities Limited		1,800.00	
		-	
Reimbursement paid			
Edelweiss Financial Services Limited	214.97 (361.73)		
Edelweiss Securities Limited		1.95 (9.17)	
Secondary market transactions			
Purchases of securities (Stock in trade) from			
Edelweiss Finance & Investments Limited		1,037.23 (700.70)	
Ecap Equities Limited		228.08 (1,738.65)	
Edelcap Securities Limited		1,659.98 (2,567.65)	
Edelweiss Tokio life Insurance Company Limited		98.20 -	
Edelweiss Securities Limited		399.49 -	
Sale of securities (Stock in trade) to			
Edelweiss Finance & Investments Limited		59.81 (174.64)	
Ecap Equities Limited		225.92 (247.00)	
Comfort Projects Limited		299.22 -	
Edelcap Securities Limited		- (29.10)	
Edelweiss Securities Limited		1,514.93 (2,730.32)	
Edelweiss Tokio life Insurance Company Limited		395.58 (97.57)	
Amount paid / debits with broker			
Edelweiss Securities Limited		10,098.67 (16,524.69)	
Comfort Projects Limited		4,547.94 -	
Edelweiss Trading & Holdings Limited		- (15.98)	
Amounts received / credits with broker			
Edelweiss Securities Limited		10,283.01 (16,136.11)	

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)
(Currency: ₹ in Millions)

Annexure IV

31 Related parties (Continued)

Related Party Transactions for FY 2011-2012

Particulars	Holding company	Fellow subsidiary	Key management personnel
Comfort Projects Limited		4,401.85	
		-	
Edelweiss Trading & Holdings Limited		(39.34)	
Purchase/ Subscription of debt instruments			
Edelweiss Capital Limited	(5,651.76)	-	
Sale/ Redemption of debt instruments			
Edelweiss Capital Limited	(5,650.74)	-	
Debt instruments issued			
Edelweiss Trading & Holdings Limited		(38,479.54)	
Debt instruments redemption			
Edelweiss Trading & Holdings Limited		(38,485.42)	
Loss on Structured Products			
Comfort Projects Limited		29.87	
		-	
Interest paid on loan			
Edelweiss Financial Services Limited	85.61 (136.30)		
EC Commodity Limited		104.34	
		-	
Comfort Projects Limited		104.34	
		-	
Edelweiss Trading & Holdings Limited		(9.00)	
Interest received on Securities			
Edelweiss Financial Services Limited	(12.84)	-	
Interest paid on Securities			
Edelweiss Trading & Holdings Limited		(33.76)	
Interest received On margin			
Edelweiss Securities Limited		18.86 (4.60)	
Comfort Projects Limited		10.10	
		-	
Edelweiss Trading & Holdings Limited		(0.06)	
Interest received on inter corporate deposits			
ECap Equities Limited		-	
		-	
Interest received on loan			
Edelweiss Financial Services Limited	5.84	-	
		-	
Edelweiss Trading & Holding Limited		(38.26)	

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)
(Currency: ₹ in Millions)

Annexure IV

31 Related parties (Continued)

Related Party Transactions for FY 2011-2012

Particulars	Holding company	Fellow subsidiary	Key management personnel
Comfort Projects Limited		75.27 -	
ECap Equities Limited		30.59 (15.18)	
Edelcap Securities Limited		8.67 (55.70)	
Edel Finance Company Limited		1.44 (25.24)	
Edelweiss Investments Advisors Limited		14.35 (8.68)	
Reimbursement paid			
Edelweiss Securities Limited		-	
Cost reimbursement paid			
Edelweiss Securities Limited		14.20 (63.32)	
Edelweiss Financial Services Limited	17.40 (108.30)		
Edelweiss Housing Finance Limited		30.36 -	
Comfort Projects Limited		1.94 -	
Edelweiss Stock Broking Limited		0.04 -	
Edelweiss Financial Advisors Limited		- (0.83)	
Rating support fees			
Edelweiss Financial Services Limited	464.05 (413.51)		
Clearing charges			
Edelweiss Securities Limited		0.12 (0.10)	
Commission and brokerage paid			
Edelweiss Financial Services Limited	- (86.71)		
Edelweiss Broking Limited		- (23.84)	
Edelweiss Securities Limited		0.41 (0.09)	
Donation paid			
EdelGive Foundation		22.80 -	
Management fees on NLD paid			
Edelweiss Securities Limited		7.82 -	
Remuneration			
Ravi Bubna			11.42 (10.00)

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)
(Currency: ₹ in Millions)

Annexure IV

31 Related parties (Continued)

Related Party Transactions for FY 2011-2012

Particulars	Holding company	Fellow subsidiary	Key management personnel
Reimbursement received			
Employee cost recovered			
Edelweiss Finance & Investments Limited		8.29 (15.00)	
Assignment of loans			
Edelweiss Finance & Investments Limited		1,158.84 -	
Received on behalf of clients			
Edelweiss Broking Limited		14.84 -	
Edelweiss Financial Advisors Limited		10.31 -	
Balances with related parties			
Short term borrowings			
Unsecured loan			
Edelweiss Financial Services Limited	639.03 (140.91)		
Trade Payables			
Edelweiss Financial Services Limited	83.16 (53.81)		
Edelweiss Securities Limited		14.20 (72.76)	
Edelweiss Housing Finance Limited		30.14 -	
Edelweiss Broking Limited		0.00 -	
Edelweiss Financial Advisors Limited		- (0.82)	
Other current liabilities			
Interest accrued and due on borrowings			
Comfort Projects Limited		93.91 -	
EC Commodity Limited		93.91 -	
Bonus payable			
Ravi Bubna			4.50 (3.50)
Corporate Guarantee taken	8,500.00 -		
Investments in Preference shares			
Confort Projects Limited		1,000.00 -	
Edelweiss Trading & Holdings Limited		- 1,000.00	
Ecap Equities Limited		1,800.00 -	
Trade receivables			
Edelweiss Securities Limited		76.20 (0.04)	

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)
(Currency: ₹ in Millions)

Annexure IV

31 Related parties (Continued)

Related Party Transactions for FY 2011-2012

Particulars	Holding company	Fellow subsidiary	Key management personnel
Edelweiss Finance & Investments Limited		8.23 (14.89)	
Confort Projects Limited		169.45 -	
Edelweiss Trading & Holdings Limited		- (23.36)	
Edelweiss Broking Ltd		14.84 -	
Edelweiss Financial Advisors Limited		10.31 -	
Loans and advances			
Unsecured			
Edelweiss Financial Services Limited	500.00 -		
Edelcap Securities Ltd		476.40 (502.40)	
Confort Projects Limited		700.00 -	
Edelweiss Investments Advisors Ltd		- (232.20)	
Edelweiss Trading & Holding Ltd (formerly Edelweiss Commodities Ltd)		- (1,440.97)	
ECap Equities Limited		- (13.53)	
Edel Finance Company Limited		8.30 (146.34)	
Other current assets			
Accrued interest on loans given			
Edelweiss Financial Services Limited	5.25 -		
Confort Projects Limited		0.41 -	
Edelcap Securities Limited		52.73 (55.03)	
Edelweiss Trading & Holdings Limited		- 0.00	
Edelweiss Securities Limited		- 0.00	
Ravi Bubna			3.00 (3.25)
Margin money			
Edelweiss Securities Limited		83.41 (270.01)	

(#) Inclusive of brokerage paid
Amounts in brackets represent previous year numbers

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

31 Related parties (Continued)

Related Party Transactions for FY 2010-2011

Particulars	Holding company	Fellow subsidiary	Key management personnel
Loans taken			
Optionally fully convertible debentures redeemed			
Edelweiss Capital Limited	- (1,020.90)		
Current account transactions			
Loans taken			
Edelweiss Capital Limited	286,076.61 (33,165.81)		
Others		5,002.10 -	
Loan repaid			
Edelweiss Capital Limited	286,445.87 (33,561.10)		
Loans given			
Edelweiss Trading & Holdings Ltd (formerly Edelweiss Commodities Ltd)		29,171.52 (2,000.75)	
ECap Equities Limited		3,172.00 (2,257.49)	
Edelcap Securities Limited		653.30 (1,103.71)	
Others		2,155.84 -	
Loans repaid			
Edelweiss Trading & Holding Ltd (formerly Edelweiss Commodities Ltd)		27,744.50 (2,296.10)	
ECap Equities Limited		3,381.00 (3,299.30)	
Edelcap Securities Limited		238.83 (1,975.55)	
Others		1,777.30 -	
Investments			
Preference Shares			
Edelweiss Trading & Holding Ltd (formerly Edelweiss Commodities Ltd)		1,000.00 -	
Reimbursement paid			
Edelweiss Capital Limited	361.73 (310.73)		
Others		- (0.89)	
Purchases of securities (Stock in trade) from			
Edelweiss Finance & Investments Limited		700.70 (212.78)	
ECap Equities Limited		1,738.65 (1,087.36)	
Edelcap Securities Limited		2,567.65 (300.44)	
Others		- (542.19)	

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

31 Related parties (Continued)

Related Party Transactions for FY 2010-2011

Particulars	Holding company	Fellow subsidiary	Key management personnel
Sale of securities (Stock in trade) to			
Edelweiss Finance & Investments Limited		174.64 (264.37)	
ECap Equities Limited		247.00 (570.40)	
Edelweiss Securities Limited		2,730.32 -	
Others		126.67 -	
Secondary market transactions			
Amount paid / debits with broker			
Edelweiss Securities Limited		16,524.69 (3,514.12)	
Others		15.98 -	
Amount received / credits with broker			
Edelweiss Securities Limited		16,136.11 (3,519.54)	
Others		39.34 -	
Purchase/ Subscription of debt instruments			
Edelweiss Capital Limited	5,651.76 -		
Sale/ Redemption of debt instruments			
Edelweiss Capital Limited	5,650.74 -		
Debt instruments issued			
Edelweiss Trading & Holdings Ltd (formerly Edelweiss Commodities Ltd)		38,479.54 -	
Debt instruments redemption			
Edelweiss Trading & Holdings Ltd (formerly Edelweiss Commodities Ltd)		38,485.42 -	
Interest paid on optionally fully convertible debentures			
Edelweiss Capital Limited	- (20.00)		
Interest paid on inter corporate deposits			
Edelweiss Asset Management Limited			
Interest paid on loan			
Edelweiss Capital Limited	136.30 (18.08)		
Others	9.00 -		

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

31 Related parties (Continued)

Related Party Transactions for FY 2010-2011

Particulars	Holding company	Fellow subsidiary	Key management personnel
Interest received on Securities			
Edelweiss Capital Limited	12.84	-	
Interest paid on Securities			
Edelweiss Trading & Holdings Ltd (formerly Edelweiss Commodities Ltd)		33.76	
		-	
Interest received On margin			
Edelweiss Securities Limited		4.60	
		(3.12)	
Others		0.06	
		-	
Interest received on loan			
Edelweiss Trading & Holding Ltd (formerly Edelweiss Commodities Ltd)		38.26	
		(16.62)	
ECap Equities Limited		15.18	
		(84.55)	
Edelcap Securities Limited		55.70	
		(60.78)	
Edel Finance Company Limited (formerly Dropadi Finance Ltd)		25.24	
		-	
Others		8.68	
		-	
Reimbursement paid			
Edelweiss Securities Limited		9.17	
		(6.75)	
Cost reimbursement paid			
Edelweiss Securities Limited		63.32	
		(30.38)	
Edelweiss Capital Limited	521.81		
	(194.92)		
Others		0.83	
		-	
Clearing charges			
Edelweiss Securities Limited		0.10	
		(0.80)	
Commission and brokerage			
Edelweiss Capital Limited	86.71		
	(12.00)		
Edelweiss Broking Limited		23.84	
		-	
Others		0.09	
		(0.15)	

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

31 Related parties (Continued)

Related Party Transactions for FY 2010-2011

Particulars	Holding company	Fellow subsidiary	Key management personnel
Remuneration			
Ravi Bubna			10.00 (18.49)
Reimbursement received			
Employee cost recovered			
Edelweiss Finance & Investments Limited		15.00 (16.50)	
Balances with related parties			
Unsecured loan			
Loans taken			
Edelweiss Capital Limited	140.91 (510.18)		
Sundry creditors			
Edelweiss Capital Limited	53.81 (122.84)		
Edelweiss Securities Limited		72.76 (34.36)	
Others		0.82 -	
Bonus payable			
Ravi Bubna			3.50 (13.00)
Loans and advances			
Edelweiss Trading & Holding Ltd (formerly Edelweiss Commodities Ltd)		1,440.97 (13.96)	
ECap Equities Limited		13.53 (222.53)	
Edelcap Securities Limited		502.40 (87.93)	
Others		378.54 -	
Advances recoverable in cash or kind			
Edelweiss Finance & Investments Limited		14.89 (26.99)	
Edelcap Securities Ltd		55.03 -	
Others		0.00 -	
Ravi Bubna			3.25 (3.22)
Margin money			
Edelweiss Securities Limited		401.16 (12.60)	
Edelweiss Broking Limited		- (137.80)	
Others		23.36 -	

(#) Inclusive of brokerage paid
Amounts in brackets represent previous year numbers

31 Related parties (Continued)

Related Party Transactions for FY 2009-2010

Particulars	Holding company	Fellow subsidiary	Key management personnel
Capital account			
Equity share capital issued			
Edelweiss Capital Limited	-		
	(1,143.18)		
Share premium			
Edelweiss Capital Limited	-		
	(1,124.54)		
Loans taken			
Optionally fully convertible debentures redeemed			
Edelweiss Capital Limited	1,020.90		
	-		
Inter - corporate deposits issued			
Edelweiss Asset Management Limited		-	
		(170.00)	
Inter - corporate deposits redeemed			
Edelweiss Asset Management Limited		-	
		(170.00)	
Current account transactions			
Loans taken			
Edelweiss Capital Limited	33,165.81		
	(15,775.18)		
Loan repaid			
Edelweiss Capital Limited	33,561.10		
	(17,059.38)		
Loans given			
Edelweiss Commodities Limited		2,000.75	
		(700.00)	
ECap Equities Limited		2,257.49	
		(2,337.00)	
Edelcap Securities Limited		1,103.71	
		(3,517.30)	
Loans repaid			
Edelweiss Commodities Limited		2,296.10	
		(1,009.30)	
ECap Equities Limited		3,299.30	
		(3,601.34)	
Edelcap Securities Limited		1,975.55	
		(4,477.07)	
Sales of loan			
Edelweiss Finance & Investments Limited		-	
		(4,045.70)	
Loan given			
Inter corporate deposit subscribed			
ECap Equities Limited		-	
		(500.00)	
Inter corporate deposit redeemed			
ECap Equities Limited		-	
		(500.00)	
Reimbursement paid			
Edelweiss Capital Limited	310.73		
	(101.92)		
Edelweiss Securities Limited		0.89	
		-	
Purchases of securities			
Edelweiss Finance & Investments Limited		212.78	
		(2,330.16)	

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

31 Related parties (Continued)

Related Party Transactions for FY 2009-2010

Particulars	Holding company	Fellow subsidiary	Key management personnel
ECap Equities Limited		1,087.36 (212.01)	
Edelcap Securities Limited		300.44 (29.61)	
Edelweiss Commodities Limited		160.92 (29.61)	
Edelweiss Financial Products and Solution Limited		- (570.54)	
EC Commodities Limited		157.36 -	
Edel Commodities Limited		54.91 -	
Edelweiss Securities Limited		169.00 -	
Sale of securities			
Edelweiss Finance & Investments Limited		264.37 -	
ECap Equities Limited		570.40 -	
<i>Secondary market transactions</i>			
Purchases(#)			
Edelweiss Securities Limited		1,303.06 (5,494.30)	
Sales(#)			
Edelweiss Securities Limited		1,373.35 (7,046.29)	
Interest paid on optionally fully convertible debentures			
Edelweiss Capital Limited	20.00 (130.37)		
Interest paid on inter corporate deposits			
Edelweiss Asset Management Limited		- (5.98)	
Interest paid on loan			
Edelweiss Capital Limited	18.08 (116.35)		
Interest received on commercial paper			
Edelweiss Securities Limited		- (6.38)	
Interest received On margin			
Edelweiss Securities Limited		3.12 -	
Interest received on inter corporate deposits			
ECap Equities Limited		- (191.45)	
Interest received on loan			
Edelweiss Commodities Limited		16.62 (12.03)	
ECap Equities Limited		84.55 (25.78)	
Edelcap Securities Limited		60.78 (31.26)	

31 Related parties (Continued)

Related Party Transactions for FY 2009-2010

Particulars	Holding company	Fellow subsidiary	Key management personnel
Reimbursement paid			
Rent paid			
Edelweiss Capital Limited	- (17.40)		
Edelweiss Securities Limited		6.75 (0.36)	
Utilities			
Edelweiss Capital Limited	- (6.00)		
Edelweiss Securities Limited		- (0.18)	
Printing and stationery			
Edelweiss Capital Limited	- (1.20)		
Edelweiss Securities Limited		- 0.35	
Employee cost			
Edelweiss Capital Limited	23.73 (20.00)		
Edelweiss Securities Limited		- 27.00 (1.20)	
Rating support fees			
Edelweiss Capital Limited	163.77		
Office expenses			
Edelweiss Securities Limited		1.11 (2.50)	
Repairs and maintenance			
Edelweiss Securities Limited		0.11 -	
Clearing charges			
Edelweiss Securities Limited		0.80 -	
Conveyance			
Edelweiss Securities Limited		0.12 -	
Software charges			
Edelweiss Capital Limited	- (0.59)		
Advertisement expenses			
Edelweiss Capital Limited	7.42 (5.00)		
Commission and brokerage			
Edelweiss Capital Limited	12.00 -		
Edelweiss Broking Limited		65.00 -	
Edelweiss Securities Limited		0.15 -	
Electricity expenses			
Edelweiss Securities Limited		0.78 -	
Telephone expenses			
Edelweiss Securities Limited		0.89 -	

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

31 Related parties (Continued)

Related Party Transactions for FY 2009-2010

Particulars	Holding company	Fellow subsidiary	Key management personnel
Stamp duty charges			
Edelweiss Securities Limited		- (0.02)	
Remuneration			
Ravi Bubna			18.49 -
Reimbursement received			
Employee cost			
Edelweiss Finance & Investments Limited		16.50 (4.80)	
Edelweiss Commodities Limited		- (10.00)	
Balances with related parties			
Unsecured loan			
Optionally fully convertible debentures			
Edelweiss Capital Limited	- (1,020.90)		
Loans			
Edelweiss Capital Limited	- 510.18 (114.89)		
Sundry creditors			
Edelweiss Capital Limited	122.84 -		
Edelweiss Securities Limited		34.36 (0.51)	
Bonus payable			
Ravi Bubna			13.00 -
Loans and advances			
Edelweiss Commodities Limited		13.96 (309.30)	
ECap Equities Limited		- 222.53 (1,264.34)	
Edelcap Securities Limited		- 87.93 (959.77)	
Advances recoverable in cash or kind			
Edelweiss Finance & Investments Limited		26.99 -	
Ravi Bubna			3.22 (3.16)
Sundry debtors			
Edelweiss Capital Limited	- (0.19)		
Edelweiss Commodities Limited		- (9.78)	
Margin money			
Edelweiss Securities Limited		12.60 (3.77)	
Edelweiss Broking Limited		- 137.80 -	

(#) Inclusive of brokerage paid

Amounts in brackets represent previous year numbers

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

32 Earnings per share

In accordance with Accounting Standard 20 on earnings per share prescribed by Company (Accounting standard) Rules, 2006, the computation of earnings per share is set out below.

Particulars	2014	2013	2012	2011	2010
a) Shareholders earnings (as per statement of profit and loss)	1,600	1,212	810	1,018	783
b) Calculation of weighted average number of Equity Shares of ₹ 1 each :					
- Number of equity shares outstanding at the beginning of the year	1,892	1,892	1,892	1,892	1,892
- Number of equity shares issued during the year	-	-	-	-	-
Total number of equity shares outstanding at the end of the year	1,892	1,892	1,892	1,892	1,892
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	1,892	1,892	1,892	1,892	1,892
Basic and diluted earnings per share (in ₹) (a/b)	0.85	0.64	0.43	0.54	0.41

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 ended 31 March 2014,2013,2012,2011 and 2010.

The Company has Nil warrants outstanding as at 31 March 2014, 31 March 2013, Nil as at 31 March 2012, Nil as at 31 March 11 and 39.24 Million as at 31 March 2010 which have no impact on diluted earnings per share.

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (*Continued*)

(Currency: ₹ in Millions)

Annexure-IV

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

FY 2013-14

A) *Defined contribution plan (Provident fund):*

Amount of ₹ 11.18 (previous year: ₹ 5.81) 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)

	2014	2013
Current service cost	4.60	3.18
Interest on defined benefit obligation	1.03	0.31
Expected return on plan assets	(0.69)	(0.94)
Net actuarial losses/(gains) recognized in the year	Nil	Nil
Past service cost	Nil	Nil
Actuarial losses	0.66	4.38
Total included in 'Employee Benefit Expenses'	5.60	6.93

Balance Sheet

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

	2014	2013
Liability at the beginning of the year	11.54	3.88
Interest cost	1.03	0.31
Current service cost	4.60	3.18
Employee Transfer in adjustment	1.55	-
Past service cost (non vested benefit)	Nil	Nil
Past service cost (vested benefit)	Nil	Nil
Benefit paid	(0.66)	-
Actuarial (gain)/loss:	1.31	4.16
Liability at the end of the year	19.38	11.54

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

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

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

	2014	2013
Fair value of plan assets at the Beginning of the year	5.12	4.33
Acquisition Adjustment	-	-
Expected Return on Plan Asset	0.69	0.94
Contributions	6.42	0.06
Benefits paid	(0.66)	-
Actuarial gain/(loss):	0.65	(0.22)
Fair value of plan assets at the end of the year	12.23	5.12

Amount Recognised in the Balance Sheet:

Particulars	2014	2013	2012
Liability at the end of the year	19.38	11.54	3.88
Fair value of plan assets at the end of the year	12.23	5.12	4.33
Amount recognized in Balance Sheet - Assets/(Liability)	(7.15)	(6.42)	0.45

Experience Adjustment :

Particulars	2014	2013	2012
On Plan Liabilities: (Gain)/ Loss	2.33	4.06	(0.27)
On Plan Assets: Gain/ (Loss)	0.65	(0.22)	0.03
Estimated Contribution for next year	7.00	(6.50)	Nil

Principle actuarial assumptions at the balance sheet date:

	2014	2013
Discount rate current	8.9%	7.9%
Salary escalation current	6%	6%
Employees attrition rate (based on categories)	13-25%	13-25%

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

33 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:

	2013	2012
Fair value of plan assets at the Beginning of the year	4.33	3.2
Acquisition Adjustment	-	-
Expected Return on Plan Asset	0.94	0.26
Contributions	0.06	1.18
Benefits paid	-	-
Actuarial gain/(loss):	(0.22)	(0.31)
Fair value of plan assets at the end of the year	5.12	4.33

Amount Recognised in the Balance Sheet:

Particulars	2013	2012	2011
Liability at the end of the year	11.54	3.88	2.99
Fair value of plan assets at the end of the year	5.12	4.33	3.20
Amount recognized in Balance Sheet - Assets/(Liability)	(6.42)	0.45	0.21

Experience Adjustment :

Particulars	2013	2012	2011
On Plan Liabilities: (Gain)/ Loss	4.06	(0.27)	(0.21)
On Plan Assets: Gain/ (Loss)	(0.22)	0.03	0.02
Estimated Contribution for next year	(6.50)	Nil	Nil

Principle actuarial assumptions at the balance sheet date:

	2013	2012
Discount rate current	7.90%	8.00%
Salary escalation current	6.00%	6.00%
Employees attrition rate (based on categories)	13-25%	13-35%

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (*Continued*)

(Currency: ₹ in Millions)

Annexure-IV

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

FY 2012-13:

A) *Defined contribution plan (Provident fund):*

Amount of ₹ 5.81million (previous year: ₹ 1.95million) 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)

	2013	2012
Current service cost	3.18	1.46
Interest on defined benefit obligation	0.31	0.24
Expected return on plan assets	(0.94)	(0.26)
Net actuarial losses/(gains) recognized in the year	Nil	Nil
Past service cost	Nil	Nil
Actuarial (gain) or losses	4.38	(0.5)
Total included in 'Employee Benefit Expenses'	6.93	0.94

Balance Sheet

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

	2013	2012
Liability at the beginning of the year	3.88	3.00
Interest cost	0.31	0.24
Current service cost	3.18	1.45
Past service cost (non vested benefit)	Nil	Nil
Past service cost (vested benefit)	Nil	Nil
Benefit paid		
Actuarial (gain)/loss:	4.16	(0.81)
Liability at the end of the year	11.54	3.88

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

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

FY 2011-12:

A) Defined contribution plan (Provident fund):

Amount of ₹ 1.95 (previous year: ₹ 0.27) 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)

	2012	2011
Current service cost	1.46	1.48
Interest on defined benefit obligation	0.24	0.13
Expected return on plan assets	(0.26)	Nil
Net actuarial losses/(gains) recognized in the year	Nil	Nil
Past service cost	Nil	Nil
Actuarial (gain) or losses	(0.50)	(0.24)
Total included in 'Employee Benefit Expenses'	0.94	1.37

C) Defined benefit plan (Gratuity):

Balance Sheet

Details of provision for gratuity

	2012	2011
Liability at the end of the year	3.88	3.00
Fair value of plan assets at the end of the year	4.33	3.20
Difference	0.45	0.21
Unrecognized past service cost	Nil	Nil
Unrecognized transition liability	Nil	Nil
Amount in Balance Sheet	0.45	0.21

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

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

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

	2012	2011
Liability at the beginning of the year	2.99	1.60
Interest cost	0.24	0.13
Current service cost	1.46	1.47
Past service cost (non vested benefit)	Nil	Nil
Past service cost (vested benefit)	Nil	Nil
Benefit paid		
Actuarial (gain)/loss:		
Experience adjustment	(0.28)	(0.21)
Assumption change	(0.53)	Nil
Liability at the end of the year	3.88	2.99

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

	2012	2011
Fair value of plan assets at the Beginning of the year	3.20	Nil
Acquisition Adjustment	Nil	Nil
Expected Return on Plan Asset	0.26	Nil
Contributions	1.18	3.18
Benefits paid	Nil	Nil
Actuarial gain/(loss):		
Experience adjustment	0.032	0.02
Assumption change	(0.34)	Nil
Fair value of plan assets at the end of the year	4.33	3.20

Principle actuarial assumptions at the balance sheet date:

	2012	2011
Discount rate current	8%	8%
Salary escalation current	6%	10%
Employees attrition rate (based on categories)	13-35%	2-15%

FY 2010-11

A) Defined contribution plan (Provident fund):

Amount of ₹ 0.27 (previous year: ₹ 0.12) is recognised as expenses and included in "Employee Costs".

B) Defined benefit plan (Gratuity):

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

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

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

Profit and loss account

Net employee benefit expenses (recognized in employee cost)

	2011	2010
Current service cost	1.48	0.69
Interest on defined benefit obligation	0.13	0.13
Expected return on plan assets	Nil	Nil
Net actuarial losses/(gains) recognized in the year	Nil	Nil
Past service cost	Nil	Nil
Actuarial (gain) or losses	(0.24)	(0.34)
Total included in 'Employee Benefit Expense'	1.37	0.48

Balance Sheet

Details of provision for gratuity

	2011	2010
Liability at the end of the year	2.99	1.60
Fair value of plan assets at the end of the year	3.20	Nil
Difference	0.21	1.60
Unrecognized past service cost	Nil	Nil
Unrecognized transition liability	Nil	Nil
Amount in Balance Sheet	0.21	1.60

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

	2011	2010
Liability at the beginning of the year	1.60	1.12
Interest cost	0.128	Nil
Current service cost	1.48	0.48
Past service cost (non vested benefit)	Nil	Nil
Past service cost (vested benefit)	Nil	Nil
Benefit paid		
Actuarial (gain)/loss on obligations	(0.21)	Nil
Liability at the end of the year	2.99	1.60

C) Defined benefit plan (Gratuity):

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

	2011	2010
Fair value of plan assets at the Beginning of the year	Nil	Nil
Acquisition Adjustment	Nil	Nil
Expected Return on Plan Asset	Nil	Nil
Contributions	3.18	Nil
Benefits paid	Nil	Nil
Actuarial (gain)/loss	0.02	Nil
Fair value of plan assets at the end of the year	3.20	Nil

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

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

Principle actuarial assumptions at the balance sheet date:

	2011	2010
Discount rate current	8%	7.5%
Salary escalation current	10%	8%
Employees attrition rate (based on categories)	2-15%	2-15%

FY 2009-10

A) Defined contribution plan (Provident fund):

Amount of ₹ 0.12 (previous year: ₹ 0.11) is recognised as expenses and included in "Employee Costs".

B) Defined benefit plan (Gratuity):

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

Profit and loss account

Net employee benefit expenses (recognized in employee cost)

	2010	2009
Current service cost	0.69	0.78
Interest on defined benefit obligation	0.13	0.11
Expected return on plan assets	Nil	Nil
Net actuarial losses/(gains) recognized in the year	Nil	Nil
Past service cost	Nil	Nil
Actuarial (gain) or losses	(0.34)	(0.30)
Total included in 'Employee Benefit Expense'	0.48	0.59

Balance Sheet

Details of provision for gratuity

	2010	2009
Liability at the end of the year	1.60	1.13
Fair value of plan assets at the end of the year	Nil	Nil
Difference	1.60	1.13
Unrecognized past service cost	Nil	Nil
Unrecognized transition liability	Nil	Nil
Amount in Balance Sheet	1.60	1.13

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

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

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

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

	2010	2009
Liability at the beginning of the year	1.12	0.54
Interest cost	Nil	Nil
Current service cost	0.48	0.59
Past service cost (non vested benefit)	Nil	Nil
Past service cost (vested benefit)	Nil	Nil
Benefit paid		
Actuarial (gain)/loss on obligations	Nil	Nil
Liability at the end of the year	1.60	1.13

Principle actuarial assumptions at the balance sheet date:

	2010	2009
Discount rate current	7.5%	7%
Salary escalation current	8%	8%
Employees attrition rate (based on categories)	2-15%	2-15%

34. Open interest in equity index/ stock futures:

Long Position as at 31 March 2014

Sr. No.	Particulars	Expiry date	Number of Contracts	No. of units Involved
1	Bank Nifty	24-Apr-14	1539	38,475
2	Nifty	24-Apr-14	2870	143,500
3	Nifty	29-May-14	271	13,550

Long Position as at 31 March 2013

Sr. No.	Particulars	Expiry date	Number of Contracts	No. of units Involved
1	Bank Nifty	25-Apr-13	102	2550
2	Nifty	25-Apr-13	3468	173,400
3	Nifty	30-May-13	153	7650

Long Position as at 31 March 2012

Sr. No.	Particulars	Expiry date	Number of Contracts	No. of units Involved
1	Bank Nifty	26-Apr-12	177	4,425
2	Nifty	26-Apr-12	8,183	409,150
3	Nifty	26-May-12	7	350

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (*Continued*)

(Currency: ₹ in Millions)

Annexure-IV

34 *Open interest in equity index/ stock futures: (Continued)*

Short Position as at 31 March 2012

Sr. No.	Particulars	Expiry date	Number of Contracts	No. of units Involved
1	HDFC	26-Apr-11	2	1,000

Long Position as at 31 March 2011

Sr. No.	Particulars	Expiry date	Number of Contracts	No. of units Involved
1	Bank Nifty	28-Apr-11	39	975
2	Nifty	28-Apr-11	6,140	307,000
3	Bank Nifty	26-May-11	108	2,700

35 *Open interest in commodity futures:*

Long Position as at 31 March 2013

Sr. no.	Name of commodity future	Expiry date	No. of contracts	Number of units involved (in kgs)
1	Silver	4-May-13	69	2,070
2	Gold.995	5-June-13	165	16,500

Long Position as at 31 March 2012

Sr. no.	Name of commodity future	Expiry date	No. of contracts	Number of units involved (in kgs)
1	Gold.995	5-Jun-12	175	175
2	Silver	5-May-12	73	2,190

Short Position as at 31 March 2012

Sr. no.	Name of commodity future	Expiry date	No. of contracts	Number of units involved (in kgs)
1	Silver Mini.999	30-Apr-12	1	10

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

35 Open interest in commodity futures:(Continued)

Short Position as at 31 March 2011

Sr. no.	Name of commodity future	Expiry date	No. of contracts	Number of units involved (in kgs)
1	Gold.995	4-Jun-11	75	75
2	Gold.995	5-Aug-11	41	41
3	Gold.995	5-Oct-11	13	13
4	Silver	5-May-11	20	600
5	Silver	5-Sept-11	20	600

36 Option contracts outstanding:

Index/ Stock as at 31 March 2014

Sr. no.	Name of the option – Index / Stock	Total premium carried forward at 31 March 2014 (Net of provision made)
1	Nifty	72.72

Index/ Stock as at 31 March 2013

Sr. no.	Name of the option – Index / Stock	Total premium carried forward at 31 March 2013 (Net of provision made)
1	Nifty	64.81

Index/ Stock as at 31 March 2012

Sr. no.	Name of the option – Index / Stock	Total premium carried forward at 31 March 2012 (Net of provision made)
1	Nifty	72.29

Long Position as at 31 March 2012

Sr. No.	Particulars	Expiry date	Number of Contracts	No. of units Involved
1	Nifty	26-Apr-12	1,374	68,700
2	Nifty	28-Jun-12	10	500
3	Nifty	27-Dec-12	306	15,300
4	Nifty	26-Dec-13	3,900	195,000

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

36 Option contracts outstanding(Continued)

Short Position as at 31 March 2012

Sr. No.	Particulars	Expiry date	Number of Contracts	No. of units Involved
1	Nifty	26-Apr-12	1,374	68,700
2	Nifty	28-Jun-12	76	3,800
3	Nifty	27-Dec-12	463	23,150
4	Nifty	26-Dec-13	3,500	175,000

Long Position as at 31 March 2011

Sr. No.	Particulars	Expiry date	Number of Contracts	No. of units Involved
1	Nifty	30-Jun-11	2	100

Short Position as at 31 March 2011

Sr. No.	Particulars	Expiry date	Number of Contracts	No. of units Involved
1	Nifty	30-Jun-11	2	100
2	Nifty	29-Dec-11	859	42,950

37 Open interest in interest rate derivatives:

As at 31 March 2014:

Benchmark	Notional Principal (Rs. in lakh)	Terms
MIBOR	250.00	Pay fixed Vs. receive floating
MIBOR	6,900.00	Pay floating Vs. receive fixed

As at 31 March 2013:

Benchmark	Notional Principal(Amount)	Terms
MIBOR	250.00	Pay fixed Vs. receive floating

As at 31 March 2012:

Benchmark	Notional Principal(Amount)	Terms
MIBOR	250.00	Pay fixed Vs. receive floating

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (*Continued*)

(Currency: ₹ in Millions)

Annexure-IV

38 *Operating leases*

The Company has taken premises on operating lease. Rental expenses for last five years which has been included under the head other expenses – Rent in the statement of profit and loss are as follows:

Particulars	2014	2013	2012	2011	2010
Rental Expense	22.56	22.27	1.74	11.50	15.64

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

	2014	2013	2012	2011	2010
Minimum lease payments for non cancellable lease					
- not later than one year	-	0.38	-	-	-
- later than one year and not later than five years	-	-	-	-	-
- later than five years	-	-	-	-	-
Total	-	0.38	-	-	-

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

39 Contingent liabilities and capital commitments

Contingent liabilities

A) Taxation Matters

Year	Particulars
FY 2013-14	<p>Taxation matters of Assessment year 2008-09 and Assessment year 2010-11 in respect of which appeal is pending – ₹ 0.54 millions.</p> <p>The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under section 14A (2) 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.</p>
FY 2012-13	<p>Taxation matters of Assessment year 2009-10 and Assessment year 2010-11 in respect of which appeal is pending – ₹ 0.54millions.</p> <p>The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under section 14A (2) 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</p>
FY 2011-12	<p>Taxation matters of Assessment Year 2009-10 in respect of which appeal is pending – ₹ 0.51 millions.</p> <p>The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under section 14A (2) 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</p>
FY 2010-11	<p>The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under section 14A (2) 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</p>
FY 2009-10	<p>Taxation matters in respect of which appeal is pending – ₹ 0.69 millions. The demand paid under protest in respect of disputed taxation matters pertaining to open assessments of earlier years is Nil</p>

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

39 Contingent liabilities and capital commitments (Continued)

B) Litigation amounts pending against the company for last 5 years is as follows:

Year	Amount
FY 2013-14	10.76
FY 2012-13	0.51
FY 2011-12	2.81
FY 2010-11	1.58
FY 2009-10	Nil

Capital Commitments as at Balance Sheet Date

Year	Particulars
FY 2013-14	a) Uncalled liabilities on non current investment of ₹ 212.50 Millions b) Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹2.82 Millions c) Undrawn committed credit lines ₹ 2,953.74 Millions as at balance sheet date.
FY 2012-13	Uncalled liabilities on non current investment of ₹ 225.00 Millions
FY 2011-12	Nil
FY 2010-11	Nil
FY 2009-10	Nil

40 Cost sharing (FY 2009-10 to FY 2013-14)

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 Edelweiss Finance & Investments Limited and Edelweiss Trading & Holdings Limited (formerly Edelweiss Commodities Limited) is recovered by ECL Finance Limited. Accordingly, and as identified by the management, the expenditure heads in note no. 27 and 29 include reimbursements paid and are net of the reimbursements received based on the management's best estimate

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

41 Details of secured debentures issued

Series of issue	Allotment date	Date of redemption	Amount outstanding as at 31 March 2014	Amount outstanding as at 31 March 2013	Amount outstanding as at 31 March 2012	Amount outstanding as at 31 March 2011	Amount outstanding as at 31 March 2010
Long Term							
8% Debenture**	26-Sep-12	12-Jun-13	1,579.06	1,524.98	-	-	-
12.25% Debenture	15-Nov-13	15-Nov-15	150.00	-	-	-	-
11.15% Debenture	20-Feb-14	19-Feb-17	127.00	-	-	-	-
11.15% Debenture	20-Feb-14	19-Feb-17	200.00	-	-	-	-
11.60% Debenture	28-Jan-14	28-Jan-17	1,907.13	-	-	-	-
11.60% Debenture - Cumulative	28-Jan-14	28-Jan-17	1,667.03	-	-	-	-
11.85% Debenture	28-Jan-14	28-Jan-19	1,053.16	-	-	-	-
11.85% Debenture - Cumulative	28-Jan-14	28-Jan-19	372.69	-	-	-	-
11.5% Debenture	19-Dec-11	18-Dec-13	-	-	2,000.00	-	-
10.6% Debenture	11-Jan-12	12-Jun-13	-	-	50.00	-	-
7.635% Debenture	5-Mar-10	5-Sep-11	-	-	-	-	625.00
7.635% Debenture	5-Mar-10	5-Mar-12	-	-	-	-	625.00
7.635% Debenture	5-Mar-10	5-Sep-12	-	-	-	625.00	625.00
7.635% Debenture	5-Mar-10	5-Mar-13	-	-	-	625.00	625.00
Total (A)			7,056.06	1,524.98	2,050.00	1,250.00	2,500.00
G5C201	28-Mar-12	31-Aug-15	5.50	5.50	5.50	-	-
B3B001	24-Feb-10	24-May-13	-	-	-	-	13.70
B2B001	25-Feb-10	24-May-12	-	-	-	-	3.60
C1C002	30-Mar-10	30-Jun-11	-	-	-	-	6.50
B5C202	6-Mar-12	6-Aug-15	3.00	3.00	3.00	-	-
F5C201	6-Mar-12	6-Aug-15	1.00	1.00	1.00	-	-
F5C203*	27-Mar-12	27-Jul-15	15.00	15.00	15.00	-	-
C5E201	22-Mar-12	22-Jul-15	-	7.50	7.50	-	-
F5C202*	28-Mar-12	20-Jul-15	20.90	20.90	20.90	-	-
F5C204*	20-Mar-12	16-Jul-15	25.00	25.00	25.00	-	-
B5C201	5-Mar-12	6-Jul-15	20.30	20.30	20.30	-	-
E5B201	28-Feb-12	29-Jun-15	19.20	19.20	19.20	-	-
A5B201	23-Feb-12	23-Jun-15	28.50	28.50	28.50	-	-
E5C201*	6-Mar-12	22-Jun-15	11.80	11.80	11.80	-	-
A5A101	31-Jan-12	1-Jun-15	4.00	4.00	4.00	-	-
B5B203	29-Feb-12	26-May-15	-	13.50	13.50	-	-
D5B202*	10-Feb-12	25-May-15	29.70	29.70	29.70	-	-
D5A102*	31-Jan-12	18-May-15	88.60	88.60	88.60	-	-
D5B201*	31-Jan-12	18-May-15	17.40	17.40	17.40	-	-
L4A105	16-Jan-12	18-May-15	-	-	11.20	-	-
L4A102	13-Jan-12	13-May-15	12.60	12.60	12.60	-	-
K4L101*	30-Dec-11	30-Apr-15	38.31	38.14	37.28	-	-
L4L103	29-Dec-11	29-Apr-15	32.90	32.90	32.90	-	-
L4L107	23-Dec-11	23-Apr-15	7.00	7.00	7.00	-	-
L4A103*	3-Jan-12	3-Apr-15	36.60	36.60	36.60	-	-
K4L103	5-Dec-11	2-Apr-15	18.00	18.00	18.00	-	-
L4L102*	30-Dec-11	30-Mar-15	-	58.40	58.40	-	-
K4L104*	7-Dec-11	9-Mar-15	-	50.00	50.00	-	-
K4L106*	8-Dec-11	9-Mar-15	-	11.70	11.70	-	-
K4L105*	5-Dec-11	5-Mar-15	-	77.00	77.00	-	-
K4K102*	30-Nov-11	2-Mar-15	-	23.80	23.80	-	-
I4J101*	14-Sep-11	16-Feb-15	-	45.00	45.00	-	-
I4K101	11-Oct-11	11-Feb-15	-	19.79	19.73	-	-
I4L101*	10-Oct-11	10-Feb-15	-	48.90	48.90	-	-
I4K102*	4-Oct-11	4-Feb-15	-	48.40	48.40	-	-
I4I102	30-Sep-11	30-Jan-15	-	11.50	11.50	-	-
I4I103*	30-Sep-11	30-Jan-15	-	5.00	5.00	-	-
I4I104	29-Sep-11	29-Jan-15	-	20.00	20.00	-	-
I4K103*	29-Sep-11	29-Jan-15	-	10.00	10.00	-	-
J4J104	19-Oct-11	19-Jan-15	-	17.00	17.00	-	-
J4J102	17-Oct-11	19-Jan-15	-	41.00	41.00	-	-
H4H101	5-Sep-11	5-Jan-15	-	10.80	10.80	-	-
H4H112	30-Aug-11	30-Dec-14	-	29.00	29.00	-	-
H4H114	29-Aug-11	29-Dec-14	-	27.00	27.00	-	-
H4J102*	25-Aug-11	24-Dec-14	-	5.00	5.00	-	-
H4H105	24-Aug-11	24-Dec-14	-	23.30	23.30	-	-
L4L106*	23-Dec-11	24-Dec-14	-	15.50	15.50	-	-
H4J101*	23-Aug-11	23-Dec-14	-	10.00	10.00	-	-
G4G101	4-Aug-11	2-May-13	-	-	66.00	-	-
G4G102	4-Aug-11	2-May-13	-	-	49.90	-	-

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

41 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	Amount	Amount	Amount	Amount	Amount
			outstanding as at 31 March 2014	outstanding as at 31 March 2013	outstanding as at 31 March 2012	outstanding as at 31 March 2011	outstanding as at 31 March 2010
H4H109*	26-Aug-11	31-May-13	-	-	12.00	-	-
I4J103	10-Oct-11	10-Nov-14	-	33.50	33.50	-	-
F4I101	4-Jul-11	4-Nov-14	-	2.00	2.00	-	-
I4I101	4-Oct-11	29-Apr-13	-	-	42.80	-	-
F4H103*	30-Jun-11	30-Oct-14	-	5.00	5.00	-	-
G4I101	29-Jul-11	29-Oct-14	-	12.00	12.00	-	-
F4H102	30-Jun-11	29-Oct-14	-	39.80	39.80	-	-
H4H110	24-Aug-11	24-Oct-14	-	-	10.00	-	-
E4H102*	13-Jun-11	13-Oct-14	-	30.00	30.00	-	-
C4I101	8-Apr-11	8-Oct-14	-	51.40	51.40	-	-
F4H101	30-Jun-11	30-Sep-14	-	2.50	2.50	-	-
G4G108	28-Jul-11	29-Sep-14	-	14.50	14.50	-	-
G4G105	26-Jul-11	26-Sep-14	-	22.00	22.00	-	-
H4H107	17-Aug-11	17-Sep-14	-	1.00	1.00	-	-
H4H103	16-Aug-11	16-Sep-14	-	18.50	18.50	-	-
G4H102	12-Aug-11	12-Sep-14	-	-	40.50	-	-
D4D107	29-Apr-11	29-Aug-14	-	17.50	17.50	-	-
G4G109	29-Jul-11	29-Aug-14	-	43.00	43.00	-	-
E4E109*	30-May-11	29-Aug-14	-	25.50	25.50	-	-
G4G104	22-Jul-11	22-Aug-14	-	15.50	15.50	-	-
D4D104*	20-Apr-11	20-Aug-14	-	20.00	20.00	-	-
C4D101*	17-Feb-11	18-Aug-14	-	44.00	44.00	44.00	-
F4G102	13-Jul-11	13-Aug-14	-	6.50	6.50	-	-
C4F101	4-Feb-11	4-Aug-14	-	33.50	33.50	33.50	-
F4F102	30-Jun-11	30-Jul-14	-	7.00	7.00	-	-
C4E102	29-Mar-11	29-Jul-14	-	10.00	10.00	10.00	-
A4E101	29-Mar-11	29-Jul-14	-	120.00	120.00	120.00	-
D4D106*	29-Apr-11	29-Jul-14	-	19.00	19.00	-	-
C4B101*	17-Jan-11	17-Jul-14	-	4.00	4.00	4.00	-
C4D102*	15-Apr-11	15-Jul-14	-	50.00	50.00	-	-
B4B101*	13-Jan-11	14-Jul-14	-	38.50	38.50	38.50	-
B4E102	8-Mar-11	8-Jul-14	-	52.00	52.00	52.00	-
B4I101	7-Mar-11	7-Jul-14	-	19.50	19.50	19.50	-
B4C102	4-Mar-11	4-Jul-14	-	22.50	22.50	22.50	-
E4E102	31-May-11	30-Jun-14	-	24.60	24.60	-	-
C4C101*	30-Mar-11	30-Jun-14	-	2.50	2.50	2.50	-
E4E107	27-May-11	27-Jun-14	-	2.50	2.50	-	-
B4A001*	23-Dec-10	23-Jun-14	-	47.00	47.00	47.00	-
E4E104	23-May-11	23-Jun-14	-	21.30	21.30	-	-
B4D102*	21-Feb-11	20-Jun-14	-	17.60	17.60	17.60	-
E4E106	20-May-11	20-Jun-14	-	24.00	24.00	-	-
E4E101	20-May-11	20-Jun-14	-	16.10	16.10	-	-
E4E105	19-May-11	19-Jun-14	-	13.00	13.00	-	-
A4A003*	15-Dec-10	16-Jun-14	-	46.00	46.00	46.00	-
B4C103*	11-Mar-11	11-Jun-14	-	168.00	168.00	168.00	-
D4E102	6-May-11	6-Jun-14	-	12.50	12.50	-	-
A4A002*	8-Dec-10	6-Jun-14	-	49.00	49.00	49.00	-
A4C101*	31-Jan-11	30-May-14	-	117.80	117.80	117.80	-
D4D102	29-Apr-11	29-May-14	-	16.50	16.50	-	-
A4J101	28-Jan-11	28-May-14	-	2.60	2.60	2.60	-
B4B102*	25-Feb-11	26-May-14	-	10.00	10.00	10.00	-
A4A001*	23-Nov-10	23-May-14	-	85.50	85.50	85.50	-
A4C001*	21-Jan-11	21-May-14	-	130.10	130.10	130.10	-
A4F101	21-Jan-11	21-May-14	-	20.50	20.50	20.50	-
L3A001*	25-Jan-11	25-Apr-14	-	131.90	131.90	131.90	-
L3L001	24-Dec-10	24-Apr-14	-	5.60	5.60	5.60	-
K3A002	22-Dec-10	22-Apr-14	-	28.50	28.50	28.50	-
K3A001	21-Dec-10	21-Apr-14	-	31.50	31.50	31.50	-
L3L101	12-Jan-12	14-Apr-14	-	65.51	64.14	-	-
K3K007	30-Nov-10	31-Mar-14	-	-	10.00	10.00	-
K3L002*	8-Dec-10	7-Mar-14	-	-	30.00	30.00	-
K3L001*	7-Dec-10	7-Mar-14	-	-	15.00	15.00	-
J3J004	29-Oct-10	28-Feb-14	-	-	25.00	25.00	-
K3K003*	30-Nov-10	28-Feb-14	-	-	15.50	15.50	-

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

41 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	Amount	Amount	Amount	Amount	Amount
			outstanding as at 31 March 2014	outstanding as at 31 March 2013	outstanding as at 31 March 2012	outstanding as at 31 March 2011	outstanding as at 31 March 2010
J3J001	28-Oct-10	28-Feb-14	-	-	3.00	3.00	-
K3K002*	24-Nov-10	24-Feb-14	-	-	30.00	30.00	-
K3K006*	24-Nov-10	24-Feb-14	-	-	9.40	9.40	-
J3J003	21-Oct-10	21-Feb-14	-	-	60.00	60.00	-
K3K005*	19-Nov-10	19-Feb-14	-	-	49.00	49.00	-
J3J002	15-Oct-10	14-Feb-14	-	-	10.00	10.00	-
I3I001	1-Oct-10	3-Feb-14	-	-	0.90	0.90	-
I3I002	30-Sep-10	30-Jan-14	-	-	100.00	100.00	-
I3I001	29-Sep-10	29-Jan-14	-	-	28.70	28.70	-
J3J102	18-Oct-11	20-Jan-14	-	-	5.00	-	-
L3J103	19-Oct-11	20-Jan-14	-	-	0.50	-	-
L3J102	18-Oct-11	20-Jan-14	-	-	12.00	-	-
J3J101	19-Oct-11	20-Jan-14	-	-	36.03	-	-
H3H002	9-Sep-10	9-Jan-14	-	-	6.00	6.00	-
H3H003*	31-Aug-10	31-Dec-13	-	-	5.00	5.00	-
H3H001	31-Aug-10	30-Dec-13	-	-	12.40	12.40	-
H3K001*	27-Sep-10	27-Dec-13	-	-	26.00	26.00	-
I3K001*	21-Sep-10	20-Dec-13	-	-	53.50	53.50	-
G3H001*	9-Aug-10	9-Dec-13	-	-	16.00	16.00	-
H3J001*	6-Sep-10	3-Dec-13	-	-	112.80	112.80	-
H3I101	2-Sep-11	2-Dec-13	-	-	5.46	-	-
G3G002	30-Jul-10	30-Nov-13	-	-	8.10	8.10	-
G3G003*	22-Jul-10	23-Nov-13	-	-	20.50	20.50	-
F3G001*	21-Jul-10	21-Nov-13	-	-	42.50	42.50	-
G3I001	19-Jul-10	19-Nov-13	-	-	14.00	14.00	-
G3I002*	15-Jul-10	15-Nov-13	-	-	10.00	10.00	-
G3G001*	26-Jul-10	26-Oct-13	-	-	27.00	27.00	-
E3E003*	10-Jun-10	9-Oct-13	-	-	37.00	37.00	-
F3F101	30-Jun-11	30-Sep-13	-	-	32.50	-	-
F3F001	28-Jun-10	30-Sep-13	-	-	4.60	4.60	-
D3E003*	25-May-10	25-Sep-13	-	-	15.00	15.00	-
H3C201*	6-Mar-12	20-Sep-13	-	-	4.00	-	-
H3B201*	17-Feb-12	12-Sep-13	-	-	10.00	-	-
D3E006*	10-May-10	10-Sep-13	-	-	5.00	5.00	-
D3E002*	10-May-10	10-Sep-13	-	-	10.00	10.00	-
G3H102	9-Aug-11	9-Sep-13	-	-	5.00	-	-
E3E001	28-May-10	28-Aug-13	-	-	4.90	4.90	-
D3E001	7-May-10	7-Aug-13	-	-	16.00	16.00	-
E3E222*	6-May-10	6-Aug-13	-	-	30.00	-	-
E3E111*	5-May-10	5-Aug-13	-	-	15.00	-	-
D3D002	5-May-10	5-Aug-13	-	-	55.00	55.00	-
D3D001	28-Apr-10	29-Jul-13	-	-	10.20	10.20	-
D3D101	29-Apr-11	29-Jul-13	-	-	20.60	-	-
F3B201	6-Mar-12	29-Jul-13	-	-	32.50	-	-
G3C201*	29-Mar-12	22-Jul-13	-	-	8.50	-	-
C3C002	26-Mar-10	26-Jun-13	-	-	15.50	15.50	-
B3B201	20-Mar-12	21-Jun-13	-	-	80.74	-	-
B3F101	10-Jun-11	10-Jun-13	-	-	20.00	-	-
B3C101	3-Mar-11	3-Jun-13	-	-	22.40	22.40	-
D3B201*	10-Feb-12	31-May-13	-	-	14.00	-	-
D3L103*	7-Dec-11	28-May-13	-	-	2.00	-	-
D3L102*	5-Dec-11	27-May-13	-	-	19.00	-	-
B3B001	24-Feb-10	24-May-13	-	-	13.70	13.70	-
D3L101*	1-Dec-11	22-May-13	-	-	20.50	-	-
D3A203*	31-Jan-12	22-May-13	-	-	21.80	-	-
D3A201	12-Jan-12	13-May-13	-	-	3.00	-	-
L2A101	31-Jan-12	1-May-13	-	-	185.98	-	-
K3A101	28-Jan-11	29-Apr-13	-	-	7.00	7.00	-
C3L101	29-Dec-11	29-Apr-13	-	-	29.60	-	-
B3L102	9-Dec-11	9-Apr-13	-	-	5.00	-	-
G5D201*	17-Apr-12	20-Aug-15	21.20	21.20	-	-	-
C5C201	24-Apr-12	24-Aug-15	18.50	18.50	-	-	-
D5G201	8-May-12	8-Sep-15	20.00	20.00	-	-	-
E5E205	29-May-12	29-Sep-15	50.80	50.80	-	-	-
E5E201	30-May-12	30-Sep-15	5.00	5.00	-	-	-

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

41 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	Amount	Amount	Amount	Amount	Amount
			outstanding as at 31 March 2014	outstanding as at 31 March 2013	outstanding as at 31 March 2012	outstanding as at 31 March 2011	outstanding as at 31 March 2010
ESE210	31-May-12	1-Oct-15	62.08	60.93	-	-	-
ESF201	5-Jun-12	5-Oct-15	2.00	2.00	-	-	-
ESE202	7-Jun-12	7-Oct-15	48.00	48.00	-	-	-
ESF206	8-Jun-12	8-Oct-15	9.70	9.70	-	-	-
ESF202	15-Jun-12	15-Oct-15	20.00	20.00	-	-	-
F4F201	19-Jun-12	19-Jun-14	-	7.00	-	-	-
F5F201	22-Jun-12	22-Oct-15	11.50	11.50	-	-	-
H5F201*	29-Jun-12	29-Oct-15	133.70	133.70	-	-	-
F5F203	29-Jun-12	29-Oct-15	1.00	1.00	-	-	-
F5H201*	29-Jun-12	29-Oct-15	2.50	2.50	-	-	-
F4F202	29-Jun-12	30-Jun-14	-	3.50	-	-	-
I5G202*	6-Jul-12	6-Nov-15	10.70	10.70	-	-	-
F5G202	6-Jul-12	23-Nov-15	23.90	23.90	-	-	-
F5G201	6-Jul-12	6-Nov-15	38.60	38.60	-	-	-
F4F203	6-Jul-12	7-Jul-14	-	2.00	-	-	-
F5G204	10-Jul-12	10-Nov-15	10.00	10.00	-	-	-
I5G201	17-Jul-12	4-Dec-15	10.00	10.00	-	-	-
G5G201	18-Jul-12	18-Nov-15	1.50	1.50	-	-	-
J5G201*	27-Jul-12	27-Nov-15	81.90	81.90	-	-	-
J5G203	31-Jul-12	1-Dec-15	29.00	29.00	-	-	-
G5G204	3-Aug-12	3-Dec-15	4.00	4.00	-	-	-
G5H202*	3-Aug-12	3-Dec-15	10.00	10.00	-	-	-
G4H201	6-Aug-12	6-Nov-14	-	44.00	-	-	-
J5H201	7-Aug-12	24-Dec-15	20.50	20.50	-	-	-
J5H202	7-Aug-12	7-Dec-15	14.00	14.00	-	-	-
J5H205	10-Aug-12	10-Dec-15	2.00	2.00	-	-	-
J5G202	24-Aug-12	24-Dec-15	10.00	10.00	-	-	-
K5H205*	28-Aug-12	28-Dec-15	5.27	4.85	-	-	-
K5H201*	31-Aug-12	31-Dec-15	23.00	23.00	-	-	-
K5J201*	31-Aug-12	31-Dec-15	23.50	23.50	-	-	-
H4H202	31-Aug-12	1-Dec-14	-	24.40	-	-	-
G5G205	5-Sep-12	5-Jan-16	5.00	5.00	-	-	-
H4H201	6-Sep-12	8-Dec-14	-	29.00	-	-	-
K5I201*	7-Sep-12	28-Jan-16	24.40	24.40	-	-	-
K5I202*	7-Sep-12	7-Jan-16	17.00	17.00	-	-	-
H4H203	10-Sep-12	10-Dec-14	-	4.50	-	-	-
K2I201*	11-Sep-12	1-Feb-16	15.00	15.00	-	-	-
H4I201	12-Sep-12	12-Dec-14	-	1.00	-	-	-
H5I202*	14-Sep-12	7-Oct-15	7.00	7.00	-	-	-
L5K201	17-Sep-12	18-Jan-16	39.00	39.00	-	-	-
I5K202	17-Sep-12	17-Dec-15	39.00	39.00	-	-	-
L5I204*	21-Sep-12	11-Feb-16	7.00	7.00	-	-	-
L5I203*	28-Sep-12	28-Jan-16	24.20	24.20	-	-	-
I5K201	28-Sep-12	28-Dec-15	8.30	8.30	-	-	-
I4I201	28-Sep-12	29-Dec-14	-	21.50	-	-	-
H4J201	3-Oct-12	3-Oct-14	-	21.00	-	-	-
I5J201*	5-Oct-12	5-Feb-16	5.00	5.00	-	-	-
I5L201*	8-Oct-12	8-Feb-16	4.50	4.50	-	-	-
I5L204*	8-Oct-12	8-Feb-16	3.00	3.00	-	-	-
I5L202	8-Oct-12	8-Feb-16	9.50	9.50	-	-	-
L5I202	16-Oct-12	16-Feb-16	285.80	285.80	-	-	-
J5L204	29-Oct-12	29-Jan-16	20.00	20.00	-	-	-
J5L201	31-Oct-12	1-Feb-16	8.00	8.00	-	-	-
J5J201	31-Oct-12	2-Mar-16	72.30	72.30	-	-	-
J5J202	31-Oct-12	2-Mar-16	45.20	45.20	-	-	-
J5C201	31-Oct-12	4-Mar-16	10.00	10.00	-	-	-
J5L202	31-Oct-12	4-Mar-16	4.50	4.50	-	-	-
A6J201	31-Oct-12	2-Mar-16	36.00	36.00	-	-	-
A6J202	31-Oct-12	2-Mar-16	27.50	27.50	-	-	-
A6J204	31-Oct-12	2-Mar-16	25.50	25.50	-	-	-
A6J205	31-Oct-12	2-Mar-16	44.00	44.00	-	-	-
A6J206	31-Oct-12	2-Mar-16	5.00	5.00	-	-	-
D4K201	1-Nov-12	2-Jun-14	-	7.50	-	-	-
C6K201	7-Nov-12	9-Mar-16	6.50	6.50	-	-	-
I4K201	7-Nov-12	8-Dec-14	-	57.00	-	-	-

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

41 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	Amount	Amount	Amount	Amount	Amount
			outstanding as at 31 March 2014	outstanding as at 31 March 2013	outstanding as at 31 March 2012	outstanding as at 31 March 2011	outstanding as at 31 March 2010
J5L203	7-Nov-12	7-Mar-16	6.00	6.00	-	-	-
J5K202	12-Nov-12	12-Feb-16	27.38	27.30	-	-	-
B6K202	19-Nov-12	21-Mar-16	166.30	166.30	-	-	-
J5A201	21-Nov-12	21-Mar-16	5.00	5.00	-	-	-
J5K201	26-Nov-12	26-Feb-16	25.39	25.33	-	-	-
K5A201	27-Nov-12	28-Mar-16	16.30	16.20	-	-	-
K5K201	27-Nov-12	28-Mar-16	77.00	77.00	-	-	-
E5K201	27-Nov-12	1-Oct-15	49.90	49.90	-	-	-
B6K201*	30-Nov-12	2-May-16	74.70	74.70	-	-	-
K5K202	30-Nov-12	31-Mar-16	49.70	49.55	-	-	-
K5K203	30-Nov-12	4-Apr-16	10.00	10.00	-	-	-
K5L201	4-Dec-12	4-Apr-16	20.00	20.00	-	-	-
K5L202	6-Dec-12	6-Apr-16	58.70	58.70	-	-	-
B6L201*	7-Dec-12	11-May-16	15.80	15.80	-	-	-
B6L202	10-Dec-12	11-Apr-16	12.50	12.50	-	-	-
K5E201	10-Dec-12	10-May-16	16.70	16.70	-	-	-
L5B201	19-Dec-12	22-Apr-16	15.00	15.00	-	-	-
C6L201	21-Dec-12	24-Jun-16	17.50	17.50	-	-	-
C6L202	28-Dec-12	1-Jul-16	31.00	31.00	-	-	-
C5A201	3-Jan-13	7-May-15	12.50	12.50	-	-	-
C6A201*	4-Jan-13	8-Jun-16	5.00	5.00	-	-	-
C4L201	4-Jan-13	7-Jul-14	-	4.10	-	-	-
L3A201	7-Jan-13	11-Apr-14	-	28.00	-	-	-
L5F301	8-Jan-13	12-May-16	148.00	148.00	-	-	-
C6A302	11-Jan-13	15-Jul-16	53.90	53.90	-	-	-
L3A202	15-Jan-13	18-Apr-14	-	15.00	-	-	-
C6A303	15-Jan-13	19-Jul-16	17.00	17.00	-	-	-
D6A301	24-Jan-13	29-Jul-16	95.50	95.50	-	-	-
D6A302	24-Jan-13	29-Jul-16	48.50	48.50	-	-	-
A6C302	28-Jan-13	1-Jun-16	21.00	21.00	-	-	-
D6C301	29-Jan-13	3-Aug-16	50.00	50.00	-	-	-
L3C201	31-Jan-13	6-May-14	-	19.20	-	-	-
A4C301	31-Jan-13	6-May-14	-	14.50	-	-	-
D6A304	31-Jan-13	5-Aug-16	16.20	16.20	-	-	-
D6A305	31-Jan-13	5-Aug-16	250.10	250.10	-	-	-
D6A303	31-Jan-13	5-Aug-16	5.50	5.50	-	-	-
L5C201	31-Jan-13	6-Jun-16	32.68	32.53	-	-	-
A6C301	31-Jan-13	6-Jun-16	20.43	20.31	-	-	-
C4A301	31-Jan-13	5-May-14	-	21.01	-	-	-
B4L202	1-Feb-13	9-May-14	-	7.30	-	-	-
A4C303	1-Feb-13	6-May-14	-	10.00	-	-	-
D6B301	1-Feb-13	8-Aug-16	10.00	10.00	-	-	-
A6G301	4-Feb-13	8-Jun-16	261.90	261.90	-	-	-
E6B301*	7-Feb-13	11-Aug-16	67.50	67.50	-	-	-
D6B302	7-Feb-13	12-Aug-16	28.00	28.00	-	-	-
D6B304	7-Feb-13	12-Aug-16	38.10	38.10	-	-	-
C6A301	7-Feb-13	11-Aug-16	2.50	2.50	-	-	-
D6B305	11-Feb-13	16-Aug-16	30.00	30.00	-	-	-
D6B306*	11-Feb-13	31-Aug-16	30.00	30.00	-	-	-
D6B307	12-Feb-13	17-Aug-16	10.00	10.00	-	-	-
D6B303	14-Feb-13	19-Aug-16	214.50	214.50	-	-	-
D6B308	15-Feb-13	22-Aug-16	10.40	10.40	-	-	-
D6B309	15-Feb-13	22-Aug-16	54.00	54.00	-	-	-
E6B303	22-Feb-13	26-Aug-16	24.00	24.00	-	-	-
B4D301	28-Feb-13	3-Jun-14	-	28.50	-	-	-
B4D302	28-Feb-13	3-Jun-14	-	6.00	-	-	-
F4C301	6-Mar-13	6-Jun-14	-	10.00	-	-	-
B6E301	7-Mar-13	11-Jul-16	32.20	32.20	-	-	-
B5E301	8-Mar-13	10-Jun-15	64.90	64.32	-	-	-
D4C301	8-Mar-13	11-Jun-14	-	4.46	-	-	-
B6E302	8-Mar-13	11-Jul-16	13.23	13.23	-	-	-
F3C301*	8-Mar-13	12-Sep-16	23.30	23.30	-	-	-
B5C301	12-Mar-13	15-Jun-15	30.00	30.00	-	-	-
B4C301	12-Mar-13	14-Jul-16	30.00	30.00	-	-	-
G5C301	13-Mar-13	17-Dec-15	25.00	25.00	-	-	-

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

41 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	Amount	Amount	Amount	Amount	Amount
			outstanding as at 31 March 2014	outstanding as at 31 March 2013	outstanding as at 31 March 2012	outstanding as at 31 March 2011	outstanding as at 31 March 2010
C4C301	21-Mar-13	23-Jun-14	-	15.00	-	-	-
B2B001	25-Feb-10	24-May-12	-	-	-	3.60	-
D2D001	28-Apr-10	27-Jul-12	-	-	-	43.00	-
D2D002	28-Apr-10	28-May-12	-	-	-	44.00	-
D2D003	29-Apr-10	30-Jul-12	-	-	-	1.00	-
D2D004	29-Apr-10	30-Jul-12	-	-	-	11.00	-
D2E003	14-May-10	14-Aug-12	-	-	-	42.50	-
E3E111	5-May-10	5-Aug-13	-	-	-	15.00	-
E3E222	6-May-10	6-Aug-13	-	-	-	30.00	-
E2E002	21-May-10	21-Aug-12	-	-	-	25.00	-
E3H015	14-May-10	13-Aug-13	-	-	-	10.00	-
D2E001	31-May-10	31-Aug-12	-	-	-	18.30	-
E2E001	31-May-10	31-Aug-12	-	-	-	60.70	-
G2J001	11-Aug-10	10-Nov-12	-	-	-	10.00	-
H2H001	6-Sep-10	3-Dec-12	-	-	-	19.30	-
H2I003 *	3-Sep-10	3-Dec-12	-	-	-	45.00	-
I2I004	30-Sep-10	31-Dec-12	-	-	-	10.30	-
I2I005	21-Sep-10	21-Dec-12	-	-	-	18.00	-
I2I002	8-Oct-10	8-Jan-13	-	-	-	28.00	-
I2I003	8-Oct-10	8-Jan-13	-	-	-	16.10	-
I2I006	28-Sep-10	27-Dec-12	-	-	-	12.60	-
J2J001	29-Oct-10	29-Jan-13	-	-	-	2.80	-
J2J002	15-Oct-10	15-Jan-13	-	-	-	9.00	-
K2K001	30-Nov-10	28-Feb-13	-	-	-	14.00	-
K2L001	1-Dec-10	1-Mar-13	-	-	-	20.00	-
K2L002	6-Dec-10	6-Mar-13	-	-	-	68.60	-
K2L003	9-Dec-10	8-Mar-13	-	-	-	26.20	-
L1A101	12-Jan-11	12-Apr-12	-	-	-	10.00	-
B2B101	25-Feb-11	25-May-12	-	-	-	12.00	-
B2B102	28-Feb-11	28-May-12	-	-	-	10.00	-
D2B101	11-Feb-11	10-Aug-12	-	-	-	10.00	-
B2C101	11-Mar-11	11-Jun-12	-	-	-	50.00	-
C2C101	30-Mar-11	29-Jun-12	-	-	-	20.30	-
C2C102	23-Mar-11	22-Jun-12	-	-	-	3.00	-
C2E102	25-Mar-11	25-Jun-12	-	-	-	29.00	-
F6C303*	26-Aug-11	31-May-13	12.00	-	-	-	-
C6E301	10-Oct-11	10-Nov-14	33.00	-	-	-	-
F6C302	4-Jul-11	4-Nov-14	42.00	-	-	-	-
C6H302	4-Oct-11	29-Apr-13	10.00	-	-	-	-
H5C301	30-Jun-11	30-Oct-14	11.80	-	-	-	-
C6H301	29-Jul-11	29-Oct-14	22.34	-	-	-	-
D5C301	30-Jun-11	29-Oct-14	102.00	-	-	-	-
C5E301	24-Aug-11	24-Oct-14	77.99	-	-	-	-
F6E301	13-Jun-11	13-Oct-14	126.30	-	-	-	-
H5C302	8-Apr-11	8-Oct-14	10.60	-	-	-	-
C5C302	30-Jun-11	30-Sep-14	9.93	-	-	-	-
F6C301	28-Jul-11	29-Sep-14	31.20	-	-	-	-
E6C301	26-Jul-11	26-Sep-14	10.00	-	-	-	-
C6I301	17-Aug-11	17-Sep-14	10.00	-	-	-	-
C6G301*	16-Aug-11	16-Sep-14	50.00	-	-	-	-
C5D301	12-Aug-11	12-Sep-14	10.00	-	-	-	-
G5D301	29-Apr-11	29-Aug-14	76.00	-	-	-	-
D4D307	29-Jul-11	29-Aug-14	26.50	-	-	-	-
H5D301	30-May-11	29-Aug-14	41.93	-	-	-	-
D6I301	22-Jul-11	22-Aug-14	18.42	-	-	-	-
D4D306	20-Apr-11	20-Aug-14	100.00	-	-	-	-
F5E301	17-Feb-11	18-Aug-14	23.00	-	-	-	-
H6E301	13-Jul-11	13-Aug-14	17.04	-	-	-	-
H6E302	4-Feb-11	4-Aug-14	10.00	-	-	-	-
H6E303	30-Jun-11	30-Jul-14	4.98	-	-	-	-
E6J301	29-Mar-11	29-Jul-14	17.46	-	-	-	-
I5E301	29-Mar-11	29-Jul-14	12.24	-	-	-	-
F5E302	29-Apr-11	29-Jul-14	10.00	-	-	-	-
E5G302	17-Jan-11	17-Jul-14	49.30	-	-	-	-
E5G301	15-Apr-11	15-Jul-14	16.50	-	-	-	-

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

41 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	Amount outstanding as at 31 March 2014	Amount outstanding as at 31 March 2013	Amount outstanding as at 31 March 2012	Amount outstanding as at 31 March 2011	Amount outstanding as at 31 March 2010
ISF302	13-Jan-11	14-Jul-14	3.50	-	-	-	-
F6F301	8-Mar-11	8-Jul-14	33.27	-	-	-	-
D5H301	7-Mar-11	7-Jul-14	9.00	-	-	-	-
F6I301	4-Mar-11	4-Jul-14	19.38	-	-	-	-
F5F302	31-May-11	30-Jun-14	10.00	-	-	-	-
I6H301	30-Mar-11	30-Jun-14	37.20	-	-	-	-
I6H302	27-May-11	27-Jun-14	34.10	-	-	-	-
I6H303	23-Dec-10	23-Jun-14	6.50	-	-	-	-
ISF301	23-May-11	23-Jun-14	25.65	-	-	-	-
LSI301	21-Feb-11	20-Jun-14	22.50	-	-	-	-
F5I301	20-May-11	20-Jun-14	59.50	-	-	-	-
J5G301	20-May-11	20-Jun-14	14.78	-	-	-	-
J6I301	19-May-11	19-Jun-14	4.50	-	-	-	-
B6G301	15-Dec-10	16-Jun-14	17.93	-	-	-	-
K5G301	11-Mar-11	11-Jun-14	7.68	-	-	-	-
G6G303	6-May-11	6-Jun-14	12.40	-	-	-	-
G6I302	8-Dec-10	6-Jun-14	9.00	-	-	-	-
F6H301	31-Jan-11	30-May-14	27.00	-	-	-	-
H6K301	29-Apr-11	29-May-14	55.00	-	-	-	-
K5H301	28-Jan-11	28-May-14	12.00	-	-	-	-
H6A301	25-Feb-11	26-May-14	10.00	-	-	-	-
H6J301	23-Nov-10	23-May-14	15.00	-	-	-	-
ISI301	21-Jan-11	21-May-14	7.50	-	-	-	-
H5I301	21-Jan-11	21-May-14	7.00	-	-	-	-
ISI302	25-Jan-11	25-Apr-14	17.50	-	-	-	-
ISL301	24-Dec-10	24-Apr-14	7.50	-	-	-	-
I6J301	22-Dec-10	22-Apr-14	18.00	-	-	-	-
L6J302*	21-Dec-10	21-Apr-14	47.00	-	-	-	-
JSJ302	12-Jan-12	14-Apr-14	63.50	-	-	-	-
JSJ301	30-Nov-10	31-Mar-14	44.00	-	-	-	-
J6C301	8-Dec-10	7-Mar-14	12.00	-	-	-	-
J6J302	7-Dec-10	7-Mar-14	38.50	-	-	-	-
J6J303	29-Oct-10	28-Feb-14	8.00	-	-	-	-
D6J301	30-Nov-10	28-Feb-14	29.76	-	-	-	-
C6K301	28-Oct-10	28-Feb-14	5.00	-	-	-	-
A7K301*	24-Nov-10	24-Feb-14	56.50	-	-	-	-
E7K301	24-Nov-10	24-Feb-14	21.50	-	-	-	-
B7K301*	21-Oct-10	21-Feb-14	15.00	-	-	-	-
C7K301	19-Nov-10	19-Feb-14	10.00	-	-	-	-
K5A301	15-Oct-10	14-Feb-14	66.50	-	-	-	-
C6B301	1-Oct-10	3-Feb-14	10.17	-	-	-	-
C6K302	30-Sep-10	30-Jan-14	10.00	-	-	-	-
B6K301	29-Sep-10	29-Jan-14	10.00	-	-	-	-
C7L301*	18-Oct-11	20-Jan-14	44.50	-	-	-	-
B7L301	19-Oct-11	20-Jan-14	19.50	-	-	-	-
K5L301	18-Oct-11	20-Jan-14	17.00	-	-	-	-
D7L301*	19-Oct-11	20-Jan-14	25.00	-	-	-	-
C7L303	9-Sep-10	9-Jan-14	89.00	-	-	-	-
C7L302	31-Aug-10	31-Dec-13	15.50	-	-	-	-
L5B302	31-Aug-10	30-Dec-13	10.00	-	-	-	-
C6L301	27-Sep-10	27-Dec-13	54.00	-	-	-	-
L4L302	21-Sep-10	20-Dec-13	7.50	-	-	-	-
L5B301	9-Aug-10	9-Dec-13	21.50	-	-	-	-
C7C301*	6-Sep-10	3-Dec-13	35.50	-	-	-	-
D6C302	2-Sep-11	2-Dec-13	12.71	-	-	-	-
L4L303	30-Jul-10	30-Nov-13	2.50	-	-	-	-
L6D301	22-Jul-10	23-Nov-13	52.50	-	-	-	-
L4A301	21-Jul-10	21-Nov-13	55.00	-	-	-	-
D7A301*	19-Jul-10	19-Nov-13	20.00	-	-	-	-
L5C301	15-Jul-10	15-Nov-13	63.00	-	-	-	-
B7A302	26-Jul-10	26-Oct-13	15.00	-	-	-	-
L6C301	10-Jun-10	9-Oct-13	20.00	-	-	-	-
B6A401	30-Jun-11	30-Sep-13	34.50	-	-	-	-
B7A301	28-Jun-10	30-Sep-13	28.00	-	-	-	-
C7A401	25-May-10	25-Sep-13	7.00	-	-	-	-

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

41 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	Amount outstanding as at 31 March 2014	Amount outstanding as at 31 March 2013	Amount outstanding as at 31 March 2012	Amount outstanding as at 31 March 2011	Amount outstanding as at 31 March 2010
A7D301	6-Mar-12	20-Sep-13	20.00	-	-	-	-
E7D401	17-Feb-12	12-Sep-13	45.00	-	-	-	-
C7A302	10-May-10	10-Sep-13	22.50	-	-	-	-
A6C401	10-May-10	10-Sep-13	11.00	-	-	-	-
E6D301	9-Aug-11	9-Sep-13	43.06	-	-	-	-
A6C303	28-May-10	28-Aug-13	29.24	-	-	-	-
A5A301	7-May-10	7-Aug-13	16.50	-	-	-	-
A6A301	6-May-10	6-Aug-13	20.50	-	-	-	-
A7C301	5-May-10	5-Aug-13	13.00	-	-	-	-
D7D301*	5-May-10	5-Aug-13	19.50	-	-	-	-
A6D301	28-Apr-10	29-Jul-13	41.50	-	-	-	-
K5C301	29-Apr-11	29-Jul-13	98.50	-	-	-	-
K5D401	6-Mar-12	29-Jul-13	10.00	-	-	-	-
C4B401	29-Mar-12	22-Jul-13	19.50	-	-	-	-
D7E401*	26-Mar-10	26-Jun-13	9.64	-	-	-	-
F4B401*	20-Mar-12	21-Jun-13	49.00	-	-	-	-
D7E301*	10-Jun-11	10-Jun-13	15.00	-	-	-	-
A6E401	3-Mar-11	3-Jun-13	10.00	-	-	-	-
D7B402	10-Feb-12	31-May-13	24.00	-	-	-	-
D7C401*	7-Dec-11	28-May-13	65.50	-	-	-	-
B6B401	5-Dec-11	27-May-13	16.00	-	-	-	-
D7C402*	24-Feb-10	24-May-13	92.00	-	-	-	-
D7B403	1-Dec-11	22-May-13	132.00	-	-	-	-
D7B401*	31-Jan-12	22-May-13	19.90	-	-	-	-
D7E403*	12-Jan-12	13-May-13	10.00	-	-	-	-
D7C404*	31-Jan-12	1-May-13	35.00	-	-	-	-
B6B402	28-Jan-11	29-Apr-13	24.12	-	-	-	-
B7E402	29-Dec-11	29-Apr-13	25.50	-	-	-	-
E6E401	9-Dec-11	9-Apr-13	24.98	-	-	-	-
D4B401	17-Apr-12	20-Aug-15	70.00	-	-	-	-
D7E402*	24-Apr-12	24-Aug-15	8.69	-	-	-	-
B7D401	8-May-12	8-Sep-15	7.50	-	-	-	-
B6C401	29-May-12	29-Sep-15	7.00	-	-	-	-
G7C401*	30-May-12	30-Sep-15	20.50	-	-	-	-
F7C401	31-May-12	1-Oct-15	15.00	-	-	-	-
D7C403	5-Jun-12	5-Oct-15	195.50	-	-	-	-
B6C402	7-Jun-12	7-Oct-15	10.50	-	-	-	-
L5D401	8-Jun-12	8-Oct-15	47.50	-	-	-	-
D7C405	15-Jun-12	15-Oct-15	84.50	-	-	-	-
C5C402	19-Jun-12	19-Jun-14	10.00	-	-	-	-
C7C402	22-Jun-12	22-Oct-15	10.50	-	-	-	-
C6E401	29-Jun-12	29-Oct-15	15.50	-	-	-	-
Total (B)			8,485.86	7,329.96	4,739.97	2,943.00	23.60
Short Term							
C3C002	26-Mar-10	26-Jun-10	-	-	-	-	15.50
H3H202	17-Aug-12	16-Aug-13	-	250.00	-	-	-
H3H203	30-Aug-12	29-Aug-13	-	250.00	-	-	-
I4I313	20-Sep-13	19-Sep-14	100.00	-	-	-	-
I4I314	20-Sep-13	19-Sep-14	100.00	-	-	-	-
I4I315	20-Sep-13	19-Sep-14	150.00	-	-	-	-
I4I316	20-Sep-13	19-Sep-14	100.00	-	-	-	-
J4J301	7-Oct-13	6-Oct-14	250.00	-	-	-	-
C5C401	12-Mar-14	11-Mar-15	250.00	-	-	-	-
C5C403	21-Mar-14	19-Mar-15	250.00	-	-	-	-
Total (C)			1,200.00	500.00	-	-	15.50
Current maturity of long term debt							
11.50% Debenture	26-Sep-12	12-Jun-13	-	50.00	-	-	-
10.60% Debenture	19-Dec-11	18-Dec-13	-	2,000.00	-	-	-
7.635% Debenture	5-Mar-10	5-Sep-12	-	-	625.00	625.00	-
7.635% Debenture	5-Mar-10	5-Mar-13	-	-	625.00	625.00	-
Total (D)			-	2,050.00	1,250.00	1,250.00	-
B3B001	24-Feb-10	24-May-13	-	13.70	-	-	-
C3C002	26-Mar-10	26-Jun-13	-	15.50	-	-	-
D3D001	28-Apr-10	29-Jul-13	-	10.20	-	-	-
E3E222*	6-May-10	6-Aug-13	-	30.00	-	-	-

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

41 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	Amount	Amount	Amount	Amount	Amount
			outstanding as at 31 March 2014	outstanding as at 31 March 2013	outstanding as at 31 March 2012	outstanding as at 31 March 2011	outstanding as at 31 March 2010
D3E001	7-May-10	7-Aug-13	-	16.00	-	-	-
E3E111*	5-May-10	5-Aug-13	-	15.00	-	-	-
D3D002	5-May-10	5-Aug-13	-	55.00	-	-	-
D3E002*	10-May-10	10-Sep-13	-	10.00	-	-	-
D3E006*	10-May-10	10-Sep-13	-	5.00	-	-	-
D3E003*	25-May-10	25-Sep-13	-	15.00	-	-	-
E3E001	28-May-10	28-Aug-13	-	4.90	-	-	-
E3E003*	10-Jun-10	9-Oct-13	-	37.00	-	-	-
F3F001	28-Jun-10	30-Sep-13	-	4.60	-	-	-
G3I002*	15-Jul-10	15-Nov-13	-	10.00	-	-	-
G3I001	19-Jul-10	19-Nov-13	-	14.00	-	-	-
F3G001*	21-Jul-10	21-Nov-13	-	42.50	-	-	-
G3G003*	22-Jul-10	23-Nov-13	-	20.50	-	-	-
G3G001*	26-Jul-10	26-Oct-13	-	27.00	-	-	-
G3G002	30-Jul-10	30-Nov-13	-	8.10	-	-	-
G3H001*	9-Aug-10	9-Dec-13	-	16.00	-	-	-
H3H001	31-Aug-10	30-Dec-13	-	12.40	-	-	-
H3H003*	31-Aug-10	31-Dec-13	-	5.00	-	-	-
H3J001*	6-Sep-10	3-Dec-13	-	112.80	-	-	-
H3H002	9-Sep-10	9-Jan-14	-	6.00	-	-	-
I3K001*	21-Sep-10	20-Dec-13	-	53.50	-	-	-
H3K001*	27-Sep-10	27-Dec-13	-	26.00	-	-	-
I3I001	29-Sep-10	29-Jan-14	-	28.70	-	-	-
I3J001	1-Oct-10	3-Feb-14	-	0.90	-	-	-
J3J001	28-Oct-10	28-Feb-14	-	3.00	-	-	-
K3K005*	19-Nov-10	19-Feb-14	-	49.00	-	-	-
K3K006*	24-Nov-10	24-Feb-14	-	9.40	-	-	-
K3K002*	24-Nov-10	24-Feb-14	-	30.00	-	-	-
K3K003*	30-Nov-10	28-Feb-14	-	15.50	-	-	-
K3L001*	7-Dec-10	7-Mar-14	-	15.00	-	-	-
K3L002*	8-Dec-10	7-Mar-14	-	30.00	-	-	-
K3A101	28-Jan-11	29-Apr-13	-	7.00	-	-	-
B3C101	3-Mar-11	3-Jun-13	-	22.40	-	-	-
D3D101	29-Apr-11	29-Jul-13	-	20.60	-	-	-
F3F101	30-Jun-11	30-Sep-13	-	32.50	-	-	-
G4G101	4-Aug-11	2-May-13	-	66.00	-	-	-
G4G102	4-Aug-11	2-May-13	-	49.90	-	-	-
G3H102	9-Aug-11	9-Sep-13	-	5.00	-	-	-
H4H109*	26-Aug-11	31-May-13	-	12.00	-	-	-
I4I101	4-Oct-11	29-Apr-13	-	42.80	-	-	-
J3J102	18-Oct-11	20-Jan-14	-	5.00	-	-	-
L3J102	18-Oct-11	20-Jan-14	-	12.00	-	-	-
L3J103	19-Oct-11	20-Jan-14	-	0.50	-	-	-
J3J101	19-Oct-11	20-Jan-14	-	36.29	-	-	-
D3L101*	1-Dec-11	22-May-13	-	20.50	-	-	-
D3L102*	5-Dec-11	27-May-13	-	19.00	-	-	-
D3L103*	7-Dec-11	28-May-13	-	2.00	-	-	-
B3L102	9-Dec-11	9-Apr-13	-	5.00	-	-	-
C3L101	29-Dec-11	29-Apr-13	-	29.60	-	-	-
D3A201	12-Jan-12	13-May-13	-	3.00	-	-	-
D3A203*	31-Jan-12	22-May-13	-	21.80	-	-	-
L2A101	31-Jan-12	1-May-13	-	187.11	-	-	-
D3B201*	10-Feb-12	31-May-13	-	14.00	-	-	-
H3B201*	17-Feb-12	12-Sep-13	-	10.00	-	-	-
F3B201	6-Mar-12	29-Jul-13	-	32.50	-	-	-
H3C201*	6-Mar-12	20-Sep-13	-	4.00	-	-	-
B3B201	20-Mar-12	21-Jun-13	-	81.04	-	-	-
G3C201*	29-Mar-12	22-Jul-13	-	8.50	-	-	-
C3D201	13-Apr-12	15-Jul-13	-	20.00	-	-	-
D3D202	19-Apr-12	2-Aug-13	-	50.00	-	-	-
D3D203	19-Apr-12	2-Aug-13	-	50.00	-	-	-
D3D204	26-Apr-12	26-Jul-13	-	7.00	-	-	-
F3D201	26-Apr-12	26-Jul-13	-	30.00	-	-	-
D3D201	30-Apr-12	30-Jul-13	-	4.00	-	-	-
I2E201	17-May-12	17-Sep-13	-	13.00	-	-	-

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

41 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	Amount	Amount	Amount	Amount	Amount
			outstanding as at 31 March 2014	outstanding as at 31 March 2013	outstanding as at 31 March 2012	outstanding as at 31 March 2011	outstanding as at 31 March 2010
D3E201	18-May-12	2-Sep-13	-	6.00	-	-	-
E3E202	18-May-12	2-Sep-13	-	28.70	-	-	-
I2E202	22-May-12	23-Sep-13	-	20.00	-	-	-
E3E201	29-May-12	30-Sep-13	-	15.30	-	-	-
G3F201	6-Jun-12	6-Sep-13	-	2.00	-	-	-
I2F201	6-Jun-12	7-Oct-13	-	12.50	-	-	-
J3F201	14-Jun-12	14-Oct-13	-	10.00	-	-	-
L3F201	22-Jun-12	23-Dec-13	-	20.40	-	-	-
H3F201	29-Jun-12	30-Sep-13	-	81.21	-	-	-
E3F201	29-Jun-12	14-Oct-13	-	9.00	-	-	-
L3F203	29-Jun-12	30-Dec-13	-	13.70	-	-	-
A4G201	6-Jul-12	6-Jan-14	-	8.00	-	-	-
A4G203	16-Jul-12	17-Jan-14	-	10.00	-	-	-
K3H204	28-Aug-12	28-Nov-13	-	50.00	-	-	-
G3G201	31-Aug-12	2-Dec-13	-	30.20	-	-	-
G3H201	31-Aug-12	2-Dec-13	-	35.00	-	-	-
G3H202	31-Aug-12	2-Dec-13	-	34.50	-	-	-
H3H201	31-Aug-12	2-Dec-13	-	25.00	-	-	-
K3H201	4-Sep-12	4-Dec-13	-	8.00	-	-	-
A4I201	7-Sep-12	7-Mar-14	-	47.40	-	-	-
J3J204	30-Oct-12	30-Jan-14	-	2.00	-	-	-
J3J205	31-Oct-12	31-Jan-14	-	2.00	-	-	-
J3K201	6-Nov-12	6-Feb-14	-	2.00	-	-	-
J3K202	7-Nov-12	7-Feb-14	-	2.00	-	-	-
L3K201	12-Nov-12	12-Feb-14	-	15.30	-	-	-
L3L201	24-Dec-12	27-Mar-14	-	10.00	-	-	-
I3I002	30-Sep-10	30-Jan-14	-	100.00	-	-	-
J3J002	15-Oct-10	14-Feb-14	-	10.00	-	-	-
J3J003	21-Oct-10	21-Feb-14	-	60.00	-	-	-
J3J004	29-Oct-10	28-Feb-14	-	25.00	-	-	-
K3K007	30-Nov-10	31-Mar-14	-	10.00	-	-	-
L2I103	30-Sep-11	29-Mar-13	-	-	6.90	-	-
L2I101	20-Sep-11	20-Mar-13	-	-	1.00	-	-
K2L003	9-Dec-10	8-Mar-13	-	-	26.20	-	-
K2L002	6-Dec-10	6-Mar-13	-	-	68.60	-	-
K2L001	1-Dec-10	1-Mar-13	-	-	20.00	-	-
K2K001	30-Nov-10	28-Feb-13	-	-	14.00	-	-
A3H102	30-Aug-11	28-Feb-13	-	-	3.00	-	-
K2H101	24-Aug-11	25-Feb-13	-	-	7.00	-	-
A3H101	5-Aug-11	12-Feb-13	-	-	4.00	-	-
A3G101	29-Jul-11	8-Feb-13	-	-	32.90	-	-
J2J001	29-Oct-10	29-Jan-13	-	-	2.80	-	-
L2J101	5-Oct-11	21-Jan-13	-	-	11.50	-	-
J2L101	18-Oct-11	18-Jan-13	-	-	109.50	-	-
J2J002	15-Oct-10	15-Jan-13	-	-	9.00	-	-
L2G101	4-Jul-11	11-Jan-13	-	-	111.20	-	-
I2I002	8-Oct-10	8-Jan-13	-	-	28.00	-	-
I2I003	8-Oct-10	8-Jan-13	-	-	16.10	-	-
L2H101	30-Aug-11	7-Jan-13	-	-	12.50	-	-
I2I004	30-Sep-10	31-Dec-12	-	-	10.30	-	-
I2I006	28-Sep-10	27-Dec-12	-	-	12.60	-	-
I2I005	21-Sep-10	21-Dec-12	-	-	18.00	-	-
H2K101	13-Sep-11	13-Dec-12	-	-	175.80	-	-
H2I003	3-Sep-10	3-Dec-12	-	-	45.00	-	-
H2H001	6-Sep-10	3-Dec-12	-	-	19.30	-	-
J2G103	29-Jul-11	29-Nov-12	-	-	4.50	-	-
J2G102	27-Jul-11	27-Nov-12	-	-	41.10	-	-
J2G101	18-Jul-11	19-Nov-12	-	-	4.30	-	-
J2H101	10-Aug-11	12-Nov-12	-	-	18.50	-	-
G2J001	11-Aug-10	10-Nov-12	-	-	10.00	-	-
H2F101	24-Jun-11	24-Sep-12	-	-	18.50	-	-
F2H101	22-Jun-11	21-Sep-12	-	-	25.00	-	-
G1E101	31-May-11	31-Aug-12	-	-	16.50	-	-
D2E001	31-May-10	31-Aug-12	-	-	18.30	-	-
E2E001	31-May-10	31-Aug-12	-	-	60.70	-	-

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

41 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	Amount	Amount	Amount	Amount	Amount
			outstanding as at 31 March 2014	outstanding as at 31 March 2013	outstanding as at 31 March 2012	outstanding as at 31 March 2011	outstanding as at 31 March 2010
E2E002	21-May-10	21-Aug-12	-	-	25.00	-	-
D2E003	14-May-10	14-Aug-12	-	-	42.50	-	-
D2B101	11-Feb-11	10-Aug-12	-	-	10.00	-	-
D2D004	29-Apr-10	30-Jul-12	-	-	11.00	-	-
D2D003	29-Apr-10	30-Jul-12	-	-	1.00	-	-
D2D001	28-Apr-10	27-Jul-12	-	-	43.00	-	-
C2D103	7-Apr-11	6-Jul-12	-	-	13.00	-	-
C2D102	7-Apr-11	6-Jul-12	-	-	22.00	-	-
C2D101	1-Apr-11	2-Jul-12	-	-	34.50	-	-
C2C101	30-Mar-11	29-Jun-12	-	-	20.30	-	-
C2E102	25-Mar-11	25-Jun-12	-	-	29.00	-	-
C2C102	23-Mar-11	22-Jun-12	-	-	3.00	-	-
B2C101	11-Mar-11	11-Jun-12	-	-	50.00	-	-
D2D002	28-Apr-10	28-May-12	-	-	44.00	-	-
B2B102	28-Feb-11	28-May-12	-	-	10.00	-	-
B2B101	25-Feb-11	25-May-12	-	-	12.00	-	-
B2B001	25-Feb-10	24-May-12	-	-	3.60	-	-
C1C002	30-Mar-10	30-Jun-11	-	-	-	6.30	-
D1D001	30-Apr-10	29-Jul-11	-	-	-	9.00	-
E1E001	31-May-10	31-Aug-11	-	-	-	0.70	-
H1H001	24-Aug-10	24-Nov-11	-	-	-	0.90	-
L1A101	12-Jan-11	12-Apr-12	-	-	10.00	-	-
A4A001*	23-Nov-10	23-May-14	85.50	-	-	-	-
A4A002*	8-Dec-10	6-Jun-14	49.00	-	-	-	-
A4A003*	15-Dec-10	16-Jun-14	46.00	-	-	-	-
B4A001*	23-Dec-10	23-Jun-14	47.00	-	-	-	-
B4B101*	13-Jan-11	14-Jul-14	38.50	-	-	-	-
A4F101	21-Jan-11	21-May-14	20.50	-	-	-	-
A4C001*	21-Jan-11	21-May-14	130.10	-	-	-	-
A4C101*	31-Jan-11	30-May-14	117.80	-	-	-	-
C4D101*	17-Feb-11	18-Aug-14	44.00	-	-	-	-
B4D102*	21-Feb-11	20-Jun-14	17.60	-	-	-	-
B4C102	4-Mar-11	4-Jul-14	22.50	-	-	-	-
C4C101*	30-Mar-11	26-Jun-14	2.50	-	-	-	-
C4D102*	15-Apr-11	26-Jun-14	50.00	-	-	-	-
D4D106*	29-Apr-11	29-Jul-14	19.00	-	-	-	-
D4D102	29-Apr-11	29-May-14	16.50	-	-	-	-
D4D107	29-Apr-11	29-Aug-14	17.50	-	-	-	-
D4E102	6-May-11	6-Jun-14	12.50	-	-	-	-
E4E101	20-May-11	20-Jun-14	16.10	-	-	-	-
E4E106	20-May-11	20-Jun-14	24.00	-	-	-	-
E4E107	27-May-11	27-Jun-14	2.50	-	-	-	-
E4E109*	30-May-11	30-May-14	25.50	-	-	-	-
E4E102	31-May-11	30-Jun-14	24.60	-	-	-	-
E4H102*	13-Jun-11	13-Oct-14	30.00	-	-	-	-
F4H102	30-Jun-11	30-Oct-14	39.80	-	-	-	-
F4H101	30-Jun-11	30-Sep-14	2.50	-	-	-	-
F4H103*	30-Jun-11	30-Oct-14	5.00	-	-	-	-
F4F102	30-Jun-11	28-Apr-14	7.00	-	-	-	-
F4I101	4-Jul-11	4-Nov-14	2.00	-	-	-	-
F4G102	13-Jul-11	26-Apr-14	6.50	-	-	-	-
G4G104	22-Jul-11	22-Aug-14	15.50	-	-	-	-
G4G105	26-Jul-11	26-Sep-14	22.00	-	-	-	-
G4G108	28-Jul-11	29-Sep-14	14.50	-	-	-	-
G4I101	29-Jul-11	29-Oct-14	12.00	-	-	-	-
G4G109	29-Jul-11	29-Aug-14	43.00	-	-	-	-
H4J101*	23-Aug-11	23-Dec-14	10.00	-	-	-	-
H4H105	24-Aug-11	24-Dec-14	23.30	-	-	-	-
H4J102*	25-Aug-11	24-Dec-14	5.00	-	-	-	-
I4J101*	14-Sep-11	16-Feb-15	45.00	-	-	-	-
I4K103*	29-Sep-11	29-Jan-15	10.00	-	-	-	-
I4I102	30-Sep-11	30-Jan-15	11.50	-	-	-	-
I4K102*	4-Oct-11	4-Feb-15	48.40	-	-	-	-
I4L101*	10-Oct-11	10-Feb-15	48.90	-	-	-	-
I4K101	11-Oct-11	11-Feb-15	19.85	-	-	-	-

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

41 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	Amount	Amount	Amount	Amount	Amount
			outstanding as at 31 March 2014	outstanding as at 31 March 2013	outstanding as at 31 March 2012	outstanding as at 31 March 2011	outstanding as at 31 March 2010
J4J102	17-Oct-11	19-Jan-15	41.00	-	-	-	-
J4J104	19-Oct-11	19-Jan-15	17.00	-	-	-	-
K4K102*	30-Nov-11	2-Mar-15	23.80	-	-	-	-
K4L105*	5-Dec-11	5-Mar-15	77.00	-	-	-	-
K4L106*	8-Dec-11	9-Mar-15	11.70	-	-	-	-
L4L106*	23-Dec-11	23-Jan-15	15.50	-	-	-	-
L4L102*	30-Dec-11	30-Mar-15	58.40	-	-	-	-
L3L101	12-Jan-12	14-Apr-14	65.98	-	-	-	-
B5B203	29-Feb-12	30-Mar-15	13.50	-	-	-	-
F4F201	19-Jun-12	19-Jun-14	7.00	-	-	-	-
F4F202	29-Jun-12	30-Jun-14	3.50	-	-	-	-
F4F203	6-Jul-12	7-Jul-14	2.00	-	-	-	-
G4H201	6-Aug-12	6-Nov-14	44.00	-	-	-	-
H4H202	31-Aug-12	1-Dec-14	24.40	-	-	-	-
H4H201	6-Sep-12	8-Dec-14	29.00	-	-	-	-
H4H203	10-Sep-12	10-Dec-14	4.50	-	-	-	-
H4I201	12-Sep-12	12-Dec-14	1.00	-	-	-	-
I4I201	28-Sep-12	29-Dec-14	21.50	-	-	-	-
H4J201	3-Oct-12	3-Oct-14	21.00	-	-	-	-
D4K201	1-Nov-12	2-Jun-14	7.50	-	-	-	-
I4K201	7-Nov-12	8-Dec-14	57.00	-	-	-	-
C4L201	4-Jan-13	7-Jul-14	4.10	-	-	-	-
L3A201	7-Jan-13	11-Apr-14	28.00	-	-	-	-
L3A202	15-Jan-13	18-Apr-14	15.00	-	-	-	-
L3C201	31-Jan-13	6-May-14	19.20	-	-	-	-
A4C301	31-Jan-13	6-May-14	14.50	-	-	-	-
C4A301	31-Jan-13	5-May-14	21.18	-	-	-	-
B4L202	1-Feb-13	9-May-14	7.30	-	-	-	-
A4C303	1-Feb-13	6-May-14	10.00	-	-	-	-
B4D301	28-Feb-13	3-Jun-14	28.50	-	-	-	-
B4D302	28-Feb-13	3-Jun-14	6.00	-	-	-	-
F4C301	6-Mar-13	6-Jun-14	10.00	-	-	-	-
D4C301	8-Mar-13	11-Jun-14	4.49	-	-	-	-
C4C301	21-Mar-13	23-Jun-14	15.00	-	-	-	-
C5C303	26-Mar-13	26-Mar-15	12.50	-	-	-	-
C5E302	28-Mar-13	30-Mar-15	24.91	-	-	-	-
I4C301	28-Mar-13	26-Jun-14	14.97	-	-	-	-
B4B301	28-Mar-13	30-Jun-14	50.00	-	-	-	-
B4C302	28-Mar-13	30-Jun-14	16.70	-	-	-	-
C4D301	11-Apr-13	16-Jul-14	9.97	-	-	-	-
C4D302	15-Apr-13	16-Jun-14	500.00	-	-	-	-
D4D304	23-Apr-13	27-May-14	10.00	-	-	-	-
G4D301	26-Apr-13	28-Jul-14	10.00	-	-	-	-
C4D303	29-Apr-13	31-Jul-14	5.00	-	-	-	-
D4D302	29-Apr-13	31-Jul-14	4.00	-	-	-	-
G4D302	29-Apr-13	31-Jul-14	10.00	-	-	-	-
D4D301	2-May-13	4-Aug-14	15.14	-	-	-	-
D4D308	2-May-13	4-Aug-14	5.00	-	-	-	-
H4E301	2-May-13	4-Aug-14	2.50	-	-	-	-
E4E301	7-Jun-13	9-Jul-14	4.50	-	-	-	-
E4F301	14-Jun-13	15-Sep-14	10.00	-	-	-	-
H4F301	14-Jun-13	15-Dec-14	5.00	-	-	-	-
F4F301	21-Jun-13	22-Sep-14	3.50	-	-	-	-
F4F302	21-Jun-13	22-Sep-14	23.70	-	-	-	-
F4G301	11-Jul-13	13-Oct-14	13.00	-	-	-	-
F4G302	11-Jul-13	13-Oct-14	60.50	-	-	-	-
H4H301	16-Aug-13	17-Nov-14	16.00	-	-	-	-
G4H301	16-Aug-13	17-Nov-14	13.00	-	-	-	-
H4H303	30-Aug-13	1-Dec-14	19.00	-	-	-	-
G4H303	30-Aug-13	1-Dec-14	17.00	-	-	-	-
L4I301	6-Sep-13	8-Dec-14	8.00	-	-	-	-
H4I301	13-Sep-13	15-Dec-14	10.00	-	-	-	-
L4I302	23-Sep-13	24-Dec-14	10.00	-	-	-	-
I4I302	27-Sep-13	29-Dec-14	19.50	-	-	-	-
I4I312	30-Sep-13	31-Dec-14	14.31	-	-	-	-

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

41 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	Amount	Amount	Amount	Amount	Amount
			outstanding as at 31 March 2014	outstanding as at 31 March 2013	outstanding as at 31 March 2012	outstanding as at 31 March 2011	outstanding as at 31 March 2010
I4I305	30-Sep-13	31-Dec-14	67.50	-	-	-	-
I4I318	30-Sep-13	31-Dec-14	5.00	-	-	-	-
I4I301	30-Sep-13	1-Jan-15	70.00	-	-	-	-
I4I319	30-Sep-13	31-Dec-14	5.17	-	-	-	-
K4I301	30-Sep-13	3-Nov-14	128.14	-	-	-	-
I4J301	15-Oct-13	16-Jan-15	7.50	-	-	-	-
I4J303	15-Oct-13	16-Jan-15	7.50	-	-	-	-
I4I317	31-Oct-13	2-Feb-15	22.00	-	-	-	-
I4J302	31-Oct-13	2-Feb-15	22.50	-	-	-	-
L4J301	1-Nov-13	2-Dec-14	10.00	-	-	-	-
L4K303	12-Nov-13	13-Feb-15	10.00	-	-	-	-
L4K302	12-Nov-13	13-Feb-15	10.00	-	-	-	-
A5K301	18-Nov-13	19-Feb-15	10.00	-	-	-	-
B5K301	21-Nov-13	23-Feb-15	5.00	-	-	-	-
B5K302	22-Nov-13	23-Feb-15	15.00	-	-	-	-
A5K302	29-Nov-13	2-Mar-15	7.50	-	-	-	-
C5L301	12-Dec-13	16-Mar-15	10.00	-	-	-	-
C5L302	18-Dec-13	23-Mar-15	20.00	-	-	-	-
C5L303	20-Dec-13	25-Mar-15	3.00	-	-	-	-
C4F101	4-Feb-11	4-Aug-14	33.50	-	-	-	-
A4E101	29-Mar-11	29-Jul-14	120.00	-	-	-	-
K3A001	21-Dec-10	21-Apr-14	31.50	-	-	-	-
L3L001	24-Dec-10	24-Apr-14	5.60	-	-	-	-
A4J101	28-Jan-11	28-May-14	2.60	-	-	-	-
B4I101	7-Mar-11	7-Jul-14	19.50	-	-	-	-
B4E102	8-Mar-11	8-Jul-14	52.00	-	-	-	-
C4E102	29-Mar-11	29-Jul-14	10.00	-	-	-	-
C4I101	8-Apr-11	8-Oct-14	51.40	-	-	-	-
K3A002	22-Dec-10	22-Apr-14	28.50	-	-	-	-
Total (E)			3,708.61	2,396.45	1,366.50	16.90	-
Total (A+B+C+D+E)			20,450.53	13,801.39	9,406.47	5,459.90	2,539.10

* Non Principal Protected

** Redeemable at premium

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (*Continued*)

(Currency: ₹ in Millions)

Annexure-IV

41 Details of Secured Debentures issued(Continued)

For FY 2013-14

- a) The Company has an asset cover in excess of 125% in accordance with the terms of the trust deed in respect of Secured Redeemable Non-convertible Debentures aggregating to ₹ 720.20 Million by way of charge on immovable property and floating charge on movable properties in the form of stock-in-trade and corporate guarantee from holding company.
- b) The Company has an asset cover in excess of 125% in accordance with the terms of the trust deed in respect of Secured Redeemable Non-convertible Debentures aggregating to ₹ 9,717.70 Million by way of charge on immovable property and floating charge on movable properties in the form of stock-in-trade and receivables and corporate guarantee from holding company.
- c) The Company has an asset cover in excess of 125% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to ₹ 1,406 Million by way of charge on immovable property and floating charge on movable properties in the form of receivables and corporate guarantee from holding company.
- d) 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 ₹ 1,579.10 Million by way of charge on immovable property and floating charge on movable properties in the form of stock-in-trade and receivables.
- 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 ₹ 2,027.60 Million 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 ₹ 5,000 Million by way of charge on immovable property and floating charge on movable properties in the form of receivables.
- g) In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.
- h) 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).
- i) During the year, the Company has raised ₹ 4,820.81 (net of issue expenses) (“net proceeds”) through issue of 5,000,000 Secured Redeemable Non-Convertible Debentures vide a Public Issue. As at March 31, 2014, the Company has utilised the full of the aforementioned net proceeds towards the Objects of the Issue as stated in the IPO prospectus.

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (*Continued*)

(Currency: ₹ in Millions)

Annexure-IV

41 Details of Secured Debentures issued(Continued)

For FY 2012-13:

- a) The Company has an asset cover in excess of 125% in accordance with the terms of the trust deed in respect of Secured Redeemable Non-convertible Debentures aggregating to ₹ 1,867.70 Million by way of charge on immovable property and floating charge on movable properties in the form of stock-in-trade.
- b) The Company has an asset cover in excess of 125% in accordance with the terms of the trust deed in respect of Secured Redeemable Non-convertible Debentures aggregating to ₹ 5,899.20 Million by way of charge on immovable property and floating charge on movable properties in the form of stock-in-trade and receivables.
- c) 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 ₹ 2,000.00 Million by way of charge on immovable property and floating charge on movable properties in the form of receivables.
- d) 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 ₹ 2,509.50 Million by way of charge on immovable property and floating charge on movable properties in the form of receivables.
- e) 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 ₹ 1,525.00 Million by way of charge on immovable property and floating charge on movable properties in the form of stock-in-trade and receivables.
- f) In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.
- g) 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).

For FY 2011-12:

- a) The Company has an asset cover in excess of 200% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to ₹ 1,250.00 Million by way of charge on the immovable property and floating charge on movable properties in the form of receivables.
- b) The Company has an asset cover in excess of 125% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to ₹ 1,093.10 Million by way of charge on immovable property and floating charge on movable properties in the form of stock-in-trade.
- c) 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 ₹ 1,910.50 Million by way of charge on immovable property and floating charge on movable properties in the form of stock-in-trade and receivables.
- d) 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 ₹ 2,000.00 Million by way of charge on immovable property and floating charge on movable properties in the form of receivables.
- e) The debt equity ratio as at 31 March 2012 is '2.08 : 1' based on the debt of ₹ 27,032.80 Million and equity of ₹ 12,981.93 Million . Asset coverage ratio is '2.15: 1' based on asset cover available of ₹ 35,215.59 and debt of ₹ 16,353.76 Million.
- f) In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.
- g) Certain benchmark linked debentures have a clause for on early redemption event which is automatically triggered on the achievement of pre determined benchmark index level(s).

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (*Continued*)

(Currency: ₹ in Millions)

Annexure-IV

41 Details of Secured Debentures issued(*Continued*)

For FY 2010-11:

The Company has asset cover of 200 % in accordance with terms of trust deed in respect of the relevant listed Secured Redeemable Non-Convertible Debentures of face value of ₹ 1 Million each aggregating to ₹

- 2,500.00 Million by way of charge on immovable property created and floating charge on movable property in the form of receivables.
- The Company has an asset cover of 125% in accordance with terms of trust deed in respect of relevant listed Secured Redeemable Non Convertible Debentures amounting to ₹ 1,135.00 Million by way of charge created on immovable property and floating charge on movable property in the form of stock-in-trade.
- The Company has asset cover of 125% in accordance with terms of trust deed in respect of the relevant listed Secured Redeemable Non-Convertible Debentures amounting to ₹ 303.80 Million by way of charge created on immovable property and floating charge on movable property in the form of stock-in-trade and receivables subsequent to balance sheet date and within the prescribed time limits.

Impact of change in accounting policy:

From the current year, the Company has started accounting all benchmark linked debentures products on fair value basis as against the previous policy for not recognising unrealised gain. Had the company continued to follow the accounting policy as same as last year, the Interest expenses would have been lower and profit before tax higher by ₹ 145.00 Million.

For FY 2009-10

- The Company has asset cover of 200 % in accordance with terms of trust deed in respect of the relevant listed Secured Redeemable Non-Convertible Debentures of face value of ₹ 1 Million each aggregating to ₹ 2,500.00 Million by way of charge on immovable property created and floating charge on movable property in the form of receivables subsequent to balance sheet date and within the prescribed time limits.
- The Company has asset cover of 125% in accordance with terms of trust deed in respect of the relevant listed Secured Redeemable Non-Convertible Debentures amounting to ₹ 39.10 Million by way of charge created on immovable property and floating charge on movable property in the form of stock-in-trade subsequent to balance sheet date and within the prescribed time limits.

42 Long term bank borrowing secured by charge on loan receivable

FY 2013-14

Following is the repayment terms of term loans:

Term Loans from Banks – Secured				
Maturities	0-2 years	2-3 years	> 3 years	TOTAL
Rate of interest				
11.20%	-	800	-	800
11.25%	5,581	2,738	1,481	9,800
11.75%	-	250	-	250

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

42 Long term bank borrowing secured by charge on loan receivable (Continued)

FY 2012-13

Following is the repayment terms of term loans:

Term Loans from Banks – Secured				
Maturities	0-2years	2-3years	>3years	TOTAL
Rate of interest				
11.25%	400.00	950.50	400.00	1,750.50
11.50%	500.00	988.20	-	1488.20
12.50%	-	1,000.00	-	1,000.00

Note: There is no term loan from bank from FY 2009-10 to FY 2011-12.

43 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:

Particular	Year ended March 31, 2014	Year ended March 31, 2013
Total number of loan assets under par structure	175	Nil
Total book value of loan assets	888	Nil
Sales consideration received	888	Nil

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

S. No.	Particulars	Year ended March 31, 2014	Year ended March 31, 2013
1.	No. of SPVs sponsored by the NBFC for securitisation transactions	2	-
2.	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	872.90	-
3.	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	88.80	-
	a) Off-balance sheet exposures	-	-
	* First loss	-	-
	* Others	-	-
	b) On-balance sheet exposures	88.80	-
	* First loss	88.80	-
	* Others	-	-
4.	Amount of exposures to securitisation transactions other	49.40	-

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

	than MRR			
a)	Off-balance sheet exposures		-	-
	i)	Exposure to own securitisations	-	-
		* First loss	-	-
		* Loss	-	-
	ii)	Exposure to third party securitisations	-	-
		* First loss	-	-
		* Others	-	-
b)	On-balance sheet exposures		49.40	-
	i)	Exposure to own securitisations	49.40	-
		* First loss	49.40	-
		* Others	-	-
	ii)	Exposure to third party securitisations	-	-
		* First loss	-	-
		* Others	-	-

43. 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:

Particular	Year ended March 31, 2014	Year ended March 31, 2013
Total number of loan assets under par structure	93	-
Total book value of loan assets	580.40	-
Sales consideration received	580.40	-

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:

S. No.	Particulars	Year ended March 31, 2014	Year ended March 31, 2013
1.	No. of transactions assigned by the NBFC	1	-
2.	Total amount outstanding	580.40	-
3.	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	58.00	-
	a) Off-balance sheet exposures	-	-
	* First loss	-	-
	* Others	-	-
	b) On-balance sheet exposures	58.00	-
	* First loss	58.00	-
	* Others	-	-

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (*Continued*)

(Currency: ₹ in Millions)

Annexure-IV

4.	Amount of exposures to securitisation transactions other than MRR		-	-
	a)	Off-balance sheet exposures	-	-
		i)		
		Exposure to own securitisations	-	-
		* First loss	-	-
		* Loss	-	-
		ii)		
		Exposure to third party securitisations	-	-
		* First loss	-	-
		* Others	-	-
	b)	On-balance sheet exposures	-	-
		i)		
		Exposure to own securitisations	-	-
		* First loss	-	-
		* Others	-	-
		ii)		
		Exposure to third party securitisations	-	-
		* First loss	-	-
		* Others	-	-

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

44 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 2014, 2013, 2012, 2011, 2010)

	2014		2013		2012		2011		2010	
	Outstanding	Overdue	Outstanding	Overdue	Outstanding	Overdue	Outstanding	Overdue	Outstanding	Overdue
<u>Liabilities side :</u>										
(1) Loans and Advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid:										
(a) Debentures : Secured	22,720.04	-	14,693.75	-	9,767.84	-	5,611.50	-	2,539.10	-
: Unsecured	-	-	-	-	-	-	-	-	1,696.49	-
(other than falling within the meaning of public deposits*)										
(b) Deferred Credits		-	-	-	-	-	-	-	-	-
(c) Term Loans	10,850.27	-	4,245.91	-	1.60	-	2.55	-	3.50	-
(d) Inter-Corporate Loans and Borrowing	2.93	-	8.83	-	84.14	-	250.00	-	250.00	-
(e) Commercial Paper	17,447.04	-	17,737.07	-	9,634.27	-	11,780.80	-	6,166.62	-
(f) Other Loans:										
Loan from related parties	13.71	-	411.46	-	826.85	-	140.91	-	510.18	-
Collateralised Lending and Borrowing	960.00	-	1,030.00	-	320.00	-	-	-	-	-
Non-convertible Subordinated Debt	206.05	-	-	-	-	-	-	-	-	-
Bank Overdraft	7,312.41	-	7,983.46	-	6,947.29	-	501.28	-	-	-
Working Capital Demand Loan	1,206.67	-	2,510.89	-	-	-	-	-	-	-
(Please see Note 1 below)										

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

44 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 2014, 2013, 2012, 2011, and 2010) (Continued)

<u>Assets side :</u>	2014	2013	2012	2011	2010
	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:					
(a) Secured	49,336.18	44,307.77	28,073.63	21,086.38	13,166.78
(b) Unsecured	11,623.61	3,682.67	3,799.31	3,636.05	1,382.50
(3) Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities	NA	NA	NA	NA	NA
(i) Lease assets including lease rentals under sundry debtors :					
(a) Financial Lease	-	-	-	-	-
(b) Operating Lease	-	-	-	-	-
(ii) Stock on hire including hire charges under sundry debtors:					
(a) Assets on Hire	-	-	-	-	-
(b) Repossessed Assets	-	-	-	-	-
(iii) Other loans counting towards AFC activities :					
(a) Loans where assets have been repossessed	-	-	-	-	-
(b) Loans other than (a) above	-	-	-	-	-

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

- 44 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 2014,2013,2012,2011,2010)(Continued)

	2014	2013	2012	2011	2010
	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding
(4) <u>Break-up of Investments</u>					
Current Investments:					
1. <u>Quoted</u> :					
(i) Shares : (a) Equity	-	-	-	-	-
(b) Preference	-	-	-	-	-
(ii) Debentures and Bonds	-	-	-	-	-
(iii) Units of Mutual Funds	-	-	-	-	-
(iv) Government Securities	-	-	-	-	-
(v) Others	-	-	-	-	-
2. <u>Unquoted</u> :					
(i) Shares : (a) Equity	-	-	-	-	-
(b) Preference	-	-	-	-	-
(ii) Debentures and Bonds	-	-	-	-	-
(iii) Units of Mutual Funds	0.425	0.925	20.721	28.74	26.56
(iv) Government Securities	-	-	-	-	-
(v) Others (Bank Certificate of Deposit)	-	-	-	-	-
Long Term investments :					
1. <u>Quoted</u> :					
(i) Shares : (a) Equity	-	-	-	-	-
(b) Preference	-	-	-	-	-
(ii) Debentures and Bonds	-	-	-	-	124.60
(iii) Units of Mutual Funds	-	-	-	-	-
(iv) Government Securities	-	-	-	-	-
(v) Others	-	-	-	-	-
2. <u>Unquoted</u> :					
(i) Shares : (a) Equity	102.50	102.50	-	-	-
(b) Preference	4,788.65	4,600.00	4,600.00	1,000.00	-
(ii) Debentures and Bonds	-	-	-	-	-
(iii) Units of Mutual Funds	-	-	-	-	-
(iv) Government Securities	-	-	-	-	-
(v) Others					
(i) Investments in security receipts of trusts	115.10	120.00	50.00	-	-
(ii) Investment in units of E-STAR Fund	37.50	-	-	-	-
(iii) Investment in Partnership Firm	-	-	-	0.01	1.75

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

44 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 2014,2013,2012,2011,2010) (Continued)

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

(Please see Note 2 below)

Category	2014			2013			2012			2011			2010		
	Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties**															
(a) Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Companies in the same group	-	2,432.78	2,432.78	-	2,120.50	2,120.50	-	1,684.70	1,684.70	-	2,335.44	2,335.44	-	324.41	324.42
(c) Other related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Other than related parties	48,895.12	9,087.41	57,982.53	44,282.50	1,411.29	45,693.79	28,016.14	2,047.76	30,063.89	21,086.38	1,300.61	22,386.99	13,166.78	1,058.09	14,224.87
Total	48,895.12	11,520.19	60,415.31	44,282.50	3,531.79	47,814.29	28,016.14	3,732.46	31,748.59	21,086.38	3,636.05	24,722.43	13,166.78	1,382.50	14,549.29

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

44 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 2014,2013,2012,2011,2010) (Continued)

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) (Please see Note 3):										
Category	2014		2013		2012		2011		2010	
	Market Value / Break-up or fair value or NAV	Book Value (net of provisions)	Market Value / Break-up or fair value or NAV	Book Value (net of provisions)	Market Value / Break-up or fair value or NAV	Book Value (net of provisions)	Market Value / Break-up or fair value or NAV	Book Value (net of provisions)	Market Value / Break-up or fair value or NAV	Book Value (net of provisions)
1. Related Parties **										
(a) Subsidiaries	-	-	-	-	-	-	-	-	-	-
(b) Companies in the same group	3,091.15	3,091.15	2,902.50	2,902.50	2,800.00	2,800.00	1,000.00	1,000.00	-	-
(c) Other related parties	-	-	-	-	-	-	-	-	-	-
2. Other than related parties	1,953.17	1,953.03	1,946.14	1,945.93	1,870.72	1,870.72	28.78	28.74	28.32	28.31
Total	5,044.32	5,044.18	4,848.64	4,848.43	4,670.72	4,670.72	1,028.78	1,028.74	28.32	28.31

** As per Accounting Standard of ICAI (Please see Note 3)

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (*Continued*)

(Currency: ₹ in Millions)

Annexure-IV

- 44** 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 2014,2013,2012,2011,2010) (*Continued*)

(7) Other information	2014	2013	2012	2011	2010
Particulars					
(i) Gross Non-Performing Assets					
(a) Related Party	-	-	-	-	-
(b) Other than Related Parties	753.08	250.71	158.98	79.24	130.71
(ii) Net Non-Performing Assets					
(a) Related Party	-	-	-	-	-
(b) Other than Related Parties	208.60	74.55	34.64	15.96	117.64
(iii) Assets acquired in satisfaction of debts	-	-	-	-	-

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions,1998
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (*Continued*)

(Currency: ₹ in Millions)

Annexure-IV

45 *Capital to Risk Assets Ratio (CRAR)*

Sr.No.	Items	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
i.	CRAR (%)	16.06%	18.40%	24.60%	35.26%	49.46%
ii.	CRAR - Tier I capital (%)	15.56%	18.17%	24.39%	35.04%	49.09%
iii.	CRAR - Tier II Capital (%)	0.50%	0.23%	0.21%	0.22%	0.37%

46 *Exposure to real estate sector, both direct and indirect; and*

Category	2014	2013	2012	2011	2010
A Direct exposure					
i. Residential Mortgages	3145.00	3,758.00	902.00	Nil	Nil
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.1.5million may be shown separately)	3145.00	3,758.00	902.00	Nil	Nil
ii. Commercial Real Estate	19,451.00	16,069.00	7,886.00	626.00	Nil
Lending secured by mortgages on commercial real estate's (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 would also include non-fund based (NFB) limits;	19,451.00	16,069.00	7,886.00	626.00	Nil
Investments in Mortgage Backed Securities (MBS) and other securitised exposures	Nil	Nil	Nil	Nil	Nil
Residential	Nil	Nil	Nil	Nil	Nil
Commercial Real Estate	Nil	Nil	Nil	Nil	Nil
B Indirect Exposure					
Fund based and non-fund based exposures on National	Nil	Nil	Nil	Nil	Nil
Housing Bank (NHB) and Housing Finance Companies (HFCs)					

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (*Continued*)

(Currency: ₹ in Millions)

Annexure-IV

47 *Asset Liability Management*

Maturity pattern of certain items of assets and liabilities as at March 31, 2014

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	6,000.80	-	287.50	2,655.90	918.90	8,030.40	1,475.80	-	19,369.30
Market borrowings	4,130.30	8,558.40	4,629.30	1,998.40	4,012.00	11,014.30	4,527.60	200.00	39,070.30
Assets									
Advances	11,347.20	3,498.40	3,729.10	4,532.60	9,483.80	19,444.70	3,489.40	5,450.80	60,975.90
Investments	-	-	-	-	0.40	3,026.30	2,017.50	-	5,044.20
Stock in trade	309.20	2,782.90	-	652.30	-	3,088.20	-	-	6,832.60

Maturity pattern of certain items of assets and liabilities as at March 31, 2013

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	4,150.00	1,000.00	364.30	3,405.20	2,025.20	3,395.50	400.00	-	14,740.20
Market borrowings	7,505.90	6,054.00	4,364.40	1,172.40	5,018.40	5,382.50	3,491.20	-	32,988.80
Assets									
Advances	9,380.90	3,297.00	2,092.50	5,661.20	6,605.20	13,784.70	1,575.50	5,593.50	47,990.50
Investments	-	-	-	-	0.90	-	4,847.50	-	4,848.40
Stock in trade	2,951.80	1,967.90	1,616.50	281.10	210.80	-	-	-	7,028.10

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (*Continued*)

(Currency: ₹ in Millions)

Annexure-IV

47 *Asset Liability Management (Continued)*

Maturity pattern of certain items of assets and liabilities as at March 31, 2012

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	3,000.10	3,947.40	0.10	0.20	0.30	0.60	0.20	-	6,948.90
Market borrowings	1,059.00	69.60	9,555.60	1,056.00	1,552.70	6,327.60	462.40	-	20,083.90
Assets									
Advances	2,887.30	2,460.10	258.10	3,654.20	11,168.90	11,290.00	154.30	-	31,872.90
Investments	-	-	-	-	20.70	-	-	4,650.00	4,670.70
Stock in trade	835.70	668.50	1,347.10	167.10	334.30	-	-	-	3,342.70

Maturity pattern of certain items of assets and liabilities as at March 31, 2011

	1 day to 30 /31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	501.40	0.10	0.10	0.20	0.50	1.10	0.40	-	503.80
Market borrowings	1,120.10	4,912.80	4,673.40	1,715.50	875.90	2,945.00	1,248.00	-	17,490.70
Assets									
Advances	6,709.80	-	656.30	2,170.40	10,391.70	4,780.40	13.80	-	24,722.40
Investments	-	-	-	-	-	28.70	-	1,000.00	1,028.70

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (*Continued*)

(Currency: ₹ in Millions)

Annexure-IV

47 *Asset Liability Management (Continued)*

Maturity pattern of certain items of assets and liabilities as at March 31, 2010

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	0.10	0.10	0.10	0.31	0.62	1.93	0.34	-	3.50
Market borrowings	2,183.00	1,288.81	3,671.29	-	1,463.70	2,509.90	29.20	-	11,145.90
Assets									
Advances	2,112.89	-	1,170.12	1,420.00	6,093.15	3,657.15	38.11	-	14,491.42
Investments	-	-	-	-	26.56	-	-	1.75	28.31

48 *Loans to Directors:*

FY 2012-13: Loans and advances include Rs. Nil (Previous year: Rs. 3.00 million) due from Director (maximum amount due at any time during the year Rs. 2.5million (Previous year: Rs. 3.25 million)).

FY 2011-12: Loans and advances include Rs. 3.00 million (Previous year: Rs. 3.25 million) due from Director (maximum amount due at any time during the year Rs. 3.25 million (Previous year: Rs. 3.25million)).

FY 2010-11: Loans and advances include Rs. 3.25 million (Previous year: Rs. 3.22) due from Director (maximum amount due at any time during the year Rs. 3.25 million (Previous year: Rs. 3.22 million)).

FY 2009-10: Loans and advances include Rs. 3.22 million (Previous year: Rs. 3.16 million) due from Director (maximum amount due at any time during the year Rs. 3.22 million (Previous year: Rs. 5.00 million))

As per our report of even date attached.

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.116231W

For and on behalf of the Board Directors

N Sampath Ganesh
Partner
Membership No: 042554

Ravi R.Bubna
Managing Director
& *CEO*

Rujan Panjwani
Director

Preeti Chhabria
Company
Secretary

Mumbai
30 May 2014

Mumbai
30 May 2014

MATERIAL DEVELOPMENTS

Except as stated below, there have been no material developments since March 31, 2014 there have arisen no circumstances that materially or adversely affect the operations, or financial condition or profitability of the Company or the value of its assets or its ability to pay its liabilities with the next 12 months.

The following table sets out our capital adequacy ratios computed on the basis of applicable RBI requirements on a standalone basis as of the dates indicated:

Particulars	As at March 31, 2014
Capital Adequacy Ratio*	16.06%
Tier I Capital	15.56%
Tier II Capital	0.50%

**of our Company standalone*

Our Company has received application money amounting to ₹ 470.00 million in relation to an issue of ₹ 1,250 million (including green shoe option of ₹ 750 million) Secured, Redeemable, Non-convertible Debentures on private placement basis. The allotment in respect of the above debentures was not made as on May 16, 2014.

FINANCIAL INDEBTEDNESS

As on May 16, 2014, our Company has outstanding secured borrowings of ₹ 33,546.76 million and unsecured borrowings of ₹ 25,423.59 million. A summary of all the outstanding secured and unsecured borrowings together with a brief description of certain significant terms of such financing arrangements are as under:

A. ECL Finance Limited

- Secured Loan Facilities

(in ₹ million)

Name of the Lender, facility and details of documentation	Amount Sanctioned	Rate of Interest	Amount Outstanding as on May 16, 2014	Security	Repayment Date/Schedule
Abu Dhabi Commercial Bank# <i>Term loan</i> Sanction letter dated June 26, 2013 Term loan agreement dated June 28, 2013 Hypothecation agreement dated June 28, 2013	Term loan- 250.00	Base rate + 1.25% p.a.	250.00*	##	In bullet at maturity at the end of 36 months from the date of first draw down
Allahabad Bank# <i>Working Capital Loan</i> Sanction Letter dated December 21, 2012 Hypothecation Agreement dated January 21, 2013	Cash credit – 500.00	Base Rate + 2.5% p.a. w.m.r. (floating)	NIL*	##	On demand

Name of the Lender, facility and details of documentation	Amount Sanctioned	Rate of Interest	Amount Outstanding as on May 16, 2014	Security	Repayment Date/Schedule
<p><i>Working capital loan</i></p> <p>Supplemental hypothecation of book debts dated March 16, 2013</p> <p>Instrument of hypothecation of book debts dated March 7, 2012 –</p> <p><i>Term Loan</i></p> <p>Instrument of hypothecation of book debts dated March 16, 2013</p>					
<p>Bank of India#</p> <p><i>Term loan & working capital loan</i></p> <p>Sanction letter dated May 8, 2013</p> <p><i>Working capital loan</i></p> <p>Sanction Letter dated March 5, 2012</p> <p>Supplemental deed of hypothecation of book debts dated May 13, 2013</p> <p>Instrument of hypothecation of book debts dated March 21, 2012</p> <p>Facility agreement dated March 21, 2012</p> <p><i>Term loan</i></p> <p>Hypothecation cum loan agreement dated May 13, 2013</p>	<p>Working capital loan (cash credit) – 1,850.00 (working capital demand loan-1,000 as a sublimit of cash credit)</p> <p>Term loan- 800.00</p>	<p>Working capital loan (cash credit)– Base rate + 2% p.a.</p> <p>Term loan – Base rate + 1% p.a.</p>	<p>NIL*</p> <p>800.00*</p>	<p>##</p>	<p><i>Working capital loan –</i> On demand or after the expiry of one year, whichever is earlier</p> <p><i>Term loan –</i> Bullet payment after a period of 36 months from the date of first disbursement</p>
Canara Bank#	1500.00	Base Rate +	NIL*	##	On demand

Name of the Lender, facility and details of documentation	Amount Sanctioned	Rate of Interest	Amount Outstanding as on May 16, 2014	Security	Repayment Date/Schedule
Secured ODBD Modified Sanction Letter dated January 11, 2014 Modified Sanction Letter dated October 30, 2013 Sanction letter dated September 06, 2013		2.55% (presently 12.50% p.a-floating)			
Oriental Bank of Commerce#	<i>Term loan</i> – 750.00	<i>Term loan</i> – Base Rate + 1.00% p.a.	750.00*	##	<i>Term loan</i> – Single bullet installment of sanction amount after a moratorium of 36 months from the date of the first disbursement.
<i>Sanction letter dated December 14, 2013</i>	<i>Working capital loan (cash credit)</i> – 1,500.00	<i>Working capital loan (cash credit)</i> –	NIL*		
<i>Amendment dated June 28, 2013 to sanction letter dated March 30, 2013</i>	<i>(Working capital demand loan- 1000.00 as a sublimit of cash credit)</i>	<i>Base Rate + 2.50% p.a. (working capital demand loan)- Base rate + 1.00%</i>			<i>Working capital loan – On demand</i>
<i>Sanction letter dated March 30, 2013</i>					
<i>Term loan agreement dated March 30, 2013</i>					
<i>Working capital loan</i>					
<i>Sanction letter dated December 14, 2013</i>					
<i>Sanction letter dated September 07, 2012</i>					
<i>Modified sanction letter dated January 23, 2012</i>					
<i>Sanction letter dated November 30, 2011</i>					

Name of the Lender, facility and details of documentation	Amount Sanctioned	Rate of Interest	Amount Outstanding as on May 16, 2014	Security	Repayment Date/Schedule
Supplemental agreement to secure credit/loan facilities dated December 24, 2013					
Common agreement dated February 10, 2012					
Hypothecation agreement dated February 10, 2012					
Punjab National Bank#	Cash credit- 1,000.00	Base rate + 2.25 % p.a	NIL*	##	Facility subject to renewal annually.
<i>Working capital loan</i>					
Renewed sanction letter dated June 3, 2013					
Sanction letter dated January 19, 2011					
Deed of hypothecation of book debts and receivables dated March 5, 2012					
Vijaya Bank#	<i>Term loan-</i> 600.00	Term loan- Base rate + 1.05% p.a	600.00*	##	<i>Term loan-</i> Repayable in single bullet payment after 3 years from the date of first disbursement
<i>Term loan and working capital loan</i>	Cash credit- 1,500.00	Cash credit- Base rate + 1.80% p.a	NIL*		<i>Working capital loan-</i> Facility for 12 months subject to annual renewal
Sanction letter dated April 15, 2013					
<i>Term Loan</i>					
Modified sanction letter dated June 18, 2013					
Articles of agreement dated June 24, 2013					
Agreement for hypothecation of supply bills and book debts dated June 24, 2013					

Name of the Lender, facility and details of documentation	Amount Sanctioned	Rate of Interest	Amount Outstanding as on May 16, 2014	Security	Repayment Date/Schedule
<p><i>Working Capital Loan</i></p> <p>Sanction letter dated December 17, 2011</p> <p>Supplementary agreement dated June 24, 2013</p> <p>Agreement for demand cash credit against hypothecation of stocks and book debts dated February 10, 2012</p>	1,000.00	Base rate + 500 bps	NIL*	##	On demand
<p>Yes Bank Limited#</p> <p><i>Working capital facility</i></p> <p>Addendum dated March 12, 2013 to Facility Letter dated March 05, 2013</p> <p>Addendum letter dated March 5, 2013 to Facility Letter dated March 01, 2011</p> <p>Agreement for cash credit dated March 28, 2011</p> <p>Deed of hypothecation dated March 28, 2011</p> <p>Sanction letter dated March 1, 2011</p>	Overdraft -250.00	Base rate + 3%	NIL*	##	On demand
<p>Central Bank of India#</p> <p><i>Overdraft loan facility</i></p> <p>Modification of overdraft facility Letter dated September 5, 2012</p>					

Name of the Lender, facility and details of documentation	Amount Sanctioned	Rate of Interest	Amount Outstanding as on May 16, 2014	Security	Repayment Date/Schedule
Overdraft facility letter dated April 9, 2012					
Overdraft agreement dated September 14, 2012					
Deed of hypothecation dated September 14, 2012					
Dena Bank#	500.00	Bank rate + 2.50%	NIL*	##	Renewal at the end of one year
<i>Working capital facility</i>					
Sanction Letter dated March 23, 2013					
Agreement of hypothecation (goods, book debts and other movable assets to secure multiple facilities) dated March 30, 2013					
Federal Bank Limited#	Cash credit-500.00 (Working capital demand loan – 250.00 as a sublimit of cash credit limit)	Cash Credit- Base rate +2.30	NIL*	##	Lumpsum
<i>Working capital demand loan</i>					
Modified Sanction letter dated February 05, 2014		Working capital demand loan - Base rate + 1.05%			
Modified sanction letter dated July 31, 2013					
Modified sanction letter dated March 15, 2013					
Sanction letter dated September 22, 2012					
Agreement of cash credit dated September 26, 2012					
Indusind Bank Limited#	1,000.00 Medium term	To be decided mutually at	1,000.00*	##	On demand for cash credit

Name of the Lender, facility and details of documentation	Amount Sanctioned	Rate of Interest	Amount Outstanding as on May 16, 2014	Security	Repayment Date/Schedule
<p><i>Term loan</i></p> <p>Sanction letter dated January 29, 2014</p> <p>Supplemental Deed of Hypothecation dated February 18, 2014</p> <p>Supplemental Multi facility agreement dated February 18, 2014</p> <p><i>Cash credit/ Working capital demand loan</i></p> <p>Additional sanction letter dated December 19, 2012</p> <p>Sanction letter dated December 19, 2012</p> <p>Multi facility loan agreement dated December 27, 2012</p> <p>Master general terms agreement dated December 27, 2012</p> <p>Deed of hypothecation dated December 27, 2012</p>	<p>loan- 1000.00 as sub limit of cash credit/working capital demand loan</p>	<p>the time of draw down</p>			<p>and Bullet repayment on maturity of each working capital demand loan</p> <p>Medium term loan: bullet repayment at the end of the tenor (tenor is a maximum of three years)</p>
<p>ING Vysya Bank Limited#</p> <p>Revised sanction letter dated February 21, 2014</p> <p>Sanction letter dated December 20, 2012</p> <p><i>Cash credit/ Overdraft and Working capital demand loan &</i></p>	<p><i>Cash credit/ Overdraft/Working capital demand loan-250.00 –)</i></p> <p><i>Term loan– 750.00</i></p>	<p><i>Cash credit/ Overdraft- Bank base rate + 2.1% p.a.</i></p> <p><i>Term loan – Bank base rate + 0.45% p.a</i></p>	<p>250.00*</p> <p>437.50*</p>	<p>##</p>	<p><i>Cash Credit/ Overdraft – On demand;</i></p> <p><i>Working Capital Demand Loan – maximum up to 12 months;</i></p> <p><i>Term Loan – Repayable in 12 equal quarterly instalments with first instalment due on March 31, 2013</i></p>

Name of the Lender, facility and details of documentation	Amount Sanctioned	Rate of Interest	Amount Outstanding as on May 16, 2014	Security	Repayment Date/ Schedule
<i>Term loan</i>					
Deed of general hypothecation dated December 24, 2012					
Facility agreement dated December 24, 2012					
<i>Term Loan</i>					
Deed of general hypothecation dated December 24, 2012					
Facility agreement dated December 24, 2012					
Karnataka Bank#	Demand Promissory Note Loan – 500.00	Base rate + 0.50%	500.00*	##	10 equal quarterly instalments of ₹ 50 million each after initial holiday period of 5 months.
Modified Sanction letter dated March 15, 2014					
Hypothecation agreement dated March 19, 2014					
Modified sanction letter dated September 24, 2012					
Sanction letter dated September 20, 2012					
Hypothecation agreement dated September 26, 2012					
Karur Vysya Bank Limited#	Cash credit- 300.00 (working capital demand loan- 300.00 as a sublimit of cash credit)	Cash credit - Base rate + 1.75% p.a (floating). Working capital demand loan- Base rate + 1.00% (floating)	NIL*	##	Cash credit- December 31, 2014 Working capital demand loan- 90 days
<i>Working capital loan</i>					
Revised sanction letter dated January 20, 2014					
Sanction letter dated August 31, 2012					
Agreement for					

Name of the Lender, facility and details of documentation	Amount Sanctioned	Rate of Interest	Amount Outstanding as on May 16, 2014	Security	Repayment Date/Schedule
working capital demand loan dated February 25, 2013 Supplemental agreement to be taken whenever sub-limits are granted within the overall limits dated February 25, 2013 Hypothecation agreement dated September 21, 2012					
Lakshmi Vilas Bank Limited#					
<i>Term Loan</i>	Term loan-1000.00	Base rate	NIL*	##	Repayable in 12 quarterly instalments, without any holiday period commencing from the 3 rd month from the date of 1 st draw down.
Sanction letter dated March 06, 2014					
Small Industries Development Bank of India	1,000.00	11.25% p.a.	700.00*	Exclusive charge by way of hypothecation of book debts and current assets of the Company in respect of	Repayable in 10 equal quarterly instalments of ₹100 million each, commencing after a moratorium period of 6
<i>Term Loan</i>					
Sanction Letter dated December 4, 2012					

Name of the Lender, facility and details of documentation	Amount Sanctioned	Rate of Interest	Amount Outstanding as on May 16, 2014	Security	Repayment Date/Schedule
Loan Agreement dated December 19, 2012 Charge and hypothecation of book debts, current assets and receivables dated December 19, 2012				MSME assistance, with a minimum asset cover of 1.33 times	months from the date of first disbursement. The due dates of payment of instalments shall be first day of each quarter.
State Bank of Hyderabad#	Cash credit – 500.00	Base rate + 3.25 % p.a.	NIL*	##	On demand
Sanction Letter dated January 15, 2013 Agreement of loan for overall limit dated January 21, 2013 Agreement of hypothecation of goods and assets dated January 21, 2013					
Union Bank of India #	<i>Secured overdraft-</i> 1,850.00	<i>Secured overdraft-</i> Base rate + 2.25%	NIL*	##	<i>Secured Overdraft-</i> On demand
<i>Secured overdraft & term loan</i>	<i>Term loan-</i> 800.00	<i>Term loan-</i> Base rate + 1% p.a.	800*		<i>Term Loan-</i> Bullet repayment after 3 years from the date of the first disbursement
Sanction letter dated December 24, 2012 Composite hypothecation deed dated December 26, 2012 <i>Secured overdraft</i> Sanction letter dated March 9, 2012 Supplementary agreement to hypothecation of book debts agreement dated December 26, 2012 Hypothecation of book debts agreement dated					

Name of the Lender, facility and details of documentation	Amount Sanctioned	Rate of Interest	Amount Outstanding as on May 16, 2014	Security	Repayment Date/Schedule
December 26, 2012					
<i>Term Loan</i>					
General term loan agreement dated December 26, 2012					
IDBI Bank Limited	Cash credit-500.00	BBR + 22bps	NIL*	First pari passu charge by way of hypothecation on current assets including receivables, both present and future (eligible for bank finance as per RBI guidelines) with a minimum asset coverage ratio of 1.33 times considering a margin of 25% (excluding capital market receivables)	On demand
Sanction letter dated March 10, 2014					
Deed of Hypothecation dated March 13, 2014					
Facility agreement dated March 13, 2014				Corporate guarantee of Edelweiss Financial Services Limited	
Syndicate Bank#	Term loan-	Base rate +	1,000.00*	##	20 equal quarterly instalments of ₹ 50 million each stary from Q1 of financial year 2014-2015 and ending on Q4 of financial year 2018-19
	1000.00	1%			
<i>Term Loan</i>					
Sanction letter dated March 27, 2014					
Charge and hypothecation of book debts agreement dated March 28, 2014					
General agreement dated March 28,					

Name of the Lender, facility and details of documentation			Amount Sanctioned		Rate of Interest	Amount Outstanding as on May 16, 2014	Security	Repayment Date/Schedule
2014								
State Bank of India#	Bank of	Term loan-	1000.00	loan-	Base rate + 1.25%	1,000.00*	First hypothecation charge on non-capital market loan receivables of the Company, current and future (excluding doubtful receivables) on pari passu basis with other working capital and term lenders. The security to be maintained at a minimum of 1.10 times the term loan outstanding	16 quarterly installments of ₹ 62.5 million, payable after the moratorium period of 12 months from the date of disbursement
Term Loan								
Sanction letter dated December 09, 2013								
Term loan agreement dated December 31, 2013								
Deed of Hypothecation dated December 31, 2013								
State Bank of Bikaner and Jaipur#			Term loan-	500.00	Base rate + 1.00%	500.00*	##	16 equal quarterly instalments after an initial moratorium period of 12 months.
Term Loan								
Sanction letter dated December 28, 2013								
Agreement for hypothecation of goods and assets dated December 30, 2013								
State Bank of Bikaner and Jaipur#	Bank of	Term loan-	500.00	million	Base rate + 1.00%	500.00*	##	16 equal quarterly instalments after an initial moratorium period of 12
Term Loan								
Sanction letter								

Name of the Lender, facility and details of documentation	Amount Sanctioned	Rate of Interest	Amount Outstanding as on May 16, 2014	Security	Repayment Date/Schedule
dated March 11, 2014					months.
Sanction letter dated December 28, 2013					
Agreement of loan for overall limit dated March 14, 2014					
Agreement for hypothecation of goods and assets dated March 14, 2014					

Total outstanding Bank Borrowings for our Company is ₹11,587.50 million.*

**Excludes interest accrued, if any*

#Inter Creditor Agreement dated April 30, 2014 amongst Abu Dhabi Commercial Bank, Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of India, Canara Bank, Central Bank of India, Dena Bank, Federal Bank Limited, IndusInd Bank Limited, ING Vysya Bank Limited, Karnataka Bank Limited, Karur Vysya Bank Limited, Lakshmi Vilas Bank, Oriental Bank of Commerce, Punjab National Bank, State Bank of Hyderabad, State Bank of Bikaner and Jaipur, State Bank of India, Syndicate Bank, Union Bank of India, Vijaya Bank and Yes Bank Limited (“**Consortium Members**”) and Union Bank of India (Lead Bank) and Axis Trustee Services Limited (“**Security Trustee**”). [**“Inter Creditor Agreement”**]

Joint term loan agreement dated April 30, 2014 amongst our Company (Borrower) and Abu Dhabi Commercial Bank, Andhra Bank, Bank of Baroda, Bank of India, IndusInd Bank Limited, ING Vysya Bank Limited, Karnataka Bank Limited, Lakshmi Vilas Bank, Oriental Bank of Commerce, State Bank of Bikaner and Jaipur, State Bank of India, Syndicate Bank, Vijaya Bank (Consortium Members), Union Bank of India (Consortium Member & Lead Banker) and Axis Trustee Services Limited (Security Trustee) [**“Joint Term Loan Agreement”**]

Joint working capital facility agreement dated April 30, 2014 amongst our Company (Borrower) and Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of India, Canara Bank, Central Bank of India, Dena Bank, Federal Bank Limited, ING Vysya Bank Limited, Karur Vysya Bank Limited, Oriental Bank of Commerce, Punjab National Bank, State Bank of Hyderabad, Vijaya Bank and Yes Bank (Consortium Members), Union Bank of India (Consortium Member & Lead Banker) and Axis Trustee Services Limited (Security Trustee) [**“Joint Working Capital Facility Agreement”**]

Security Trust Deed dated April 30, 2014 between our Company (Borrower) and Abu Dhabi Commercial Bank, Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of India, Canara Bank, Central Bank of India, Dena Bank, Federal Bank Limited, IndusInd Bank Limited, ING Vysya Bank Limited, Karnataka Bank Limited, Karur Vysya Bank Limited, Lakshmi Vilas Bank Limited, Oriental Bank of Commerce, Punjab National Bank, State Bank of Hyderabad, State Bank of Bikaner and Jaipur, State Bank of India, Syndicate Bank, Vijaya Bank and Yes Bank Limited (“**Consortium Members**”) and Union Bank of India (Consortium Member and Lead Bank) and Axis Trustee Services Limited (“**Security Trustee**”)

Indenture of mortgage dated April 30, 2014 between our Company and Axis Trustee Services Limited

##First pari-passu charge by way of mortgage (without possession over flat located at Flat No. 1, Ground Floor, Shree Chintamani CHS Ltd, Aptewadi, Shirgaon, Badlapur (East) Taluka – Ambernath, Thane.

First pari passu charge on all of its rights, title, interests, benefits, claims and demands, in, to, or in respect of all the current assets of the borrower including receivables, provided that the receivables shall be to the extent of 1.33 times of the total amounts of the outstanding loans.

Corporate Guarantee by Edelweiss Financial Services Limited in favour of Axis Trustee Services Limited

Terms and conditions of the term loans

Re-scheduling	Prepayment	Penalty	Default
Nil	Prepayment of loans before the expiry of the stipulated payment date shall carry a prepayment penalty of two (2) % premium per annum for the unexpired term of the loan or 1% absolute over the amount of the loan, whichever is lower.	The borrower shall pay on the defaulted amounts, an additional penal interest at the rate of 2% per annum, for the period of default.	<p>The following event shall also constitute an event of default (if it is not cured within a period of 30 (thirty) business days of written intimation issued to the borrower of the same):</p> <ol style="list-style-type: none"> 1. If the borrower shall fail to repay the loans or interest or any portion thereof in terms of the Joint Term Loan agreement dated April 30, 2014. 2. If the borrower commits any breach of any covenant to be observed or performed on its part herein contained or contained in the sanction letters; 3. If any circumstances shall occur which in the opinion of the consortium members or any of them is prejudicial to or imperils the security assets (including the security interest created therein) or any part thereof; 4. If the security assets (including the security interest created therein) or any part thereof becomes enforceable; 5. If any person shall take any steps towards applying for or obtaining an order for the appointment of a receiver / liquidator (provisional or otherwise) of any property or assets whatsoever of the borrower (and/or any other person creating security interest over the security assets on its behalf) and a receiver / liquidator is appointed; 6. If the borrower (and/or any other person creating security interest over the security assets on its behalf) makes compromises with its creditors or defaults or attempts to default in respect of any of its financial obligations; 7. If the Borrower (and/or any other person creating security interest over the security assets on its behalf) suspends or ceases to carry on business or fails to conduct its business to the satisfaction of the consortium members or any of them; and 8. If the quantum of security assets is not maintained at 1.33 times of the total amounts of the term loans availed by the Borrower and outstanding at any point in time. <p>The following event shall also constitute an event of default (if it is not cured within a period of 45 (forty five) business days of its occurrence):</p> <ol style="list-style-type: none"> a. Any representation or statement made or deemed to be made by a borrower or any other person (creating security interest on its behalf) in any of the consortium documents or any other document delivered under or in connection with any consortium document is or is proved to have been incorrect or misleading when made or deemed to be made

Re-scheduling	Prepayment	Penalty	Default
			<p>b. Any financial indebtedness of the borrower (and/or any other person creating security interest over the security assets on its behalf) is not paid when due or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described) in connection therewith;</p> <p>c. The occurrence of any event or circumstance, which would or is likely to prejudicially or adversely affect in any manner the capacity of the borrower to repay the loans;</p> <p>d. The borrower (and/or any other person creating security interest over the security assets on its behalf) is or is presumed by law or deemed by law to be unable or admits inability to pay its debts as they fall due, or suspends making payments on any of its debts, or by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;</p> <p>e. Any part of a consortium documents is not binding and effective in accordance with its written terms or is alleged by any party not to be binding and effective in accordance with its written terms for any reason; and</p> <p>f. Any security document (once executed) ceases to be in full force and effect or is otherwise prejudiced, impaired, or imperilled, or any security document does not (once executed) create in favour of the security trustee (for the benefit of the consortium members the security interest which it is expressed to create) with the ranking and priority it is expressed to have.</p>

- **Secured Non-Convertible Debentures**

Our Company has vide a initial public offer issued, secured, redeemable, non-convertible debentures of which ₹ 5,000.00 million is outstanding as on May 16, 2014, the details of which are set forth below

(₹ in million)

Series	Tenor	Coupon (in %)	Amount outstanding as on May 16, 2014	Date of Allotment	Redemption Date/Schedule	Security
INE804I07SG6	36 months	11.60%	1,907.13	January 28, 2014	January 28, 2017	##
INE804I07SH4	36 months	NA	1,667.03	January 28, 2014	January 28, 2017	##
INE804I07SI2	60 months	11.85%	1,053.16	January 28, 2014	January 28, 2019	##
INE804I07SJ0	60 months	NA	372.69	January 28, 2014	January 28, 2019	##

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First pari-passu charge on (i) Flat No. B/301, Real Home, in the Building No. 11, in the layout of 'Madhuban Township' on the land forming part of the Housing Project known as "Madhuban Township" on land bearing Survey No. 90, Hissa No. 12 & 13, Survey No. 91, Hissa No. 1 village Gokhiware, in Taluka Vasai, District Thane in the State of Maharashtra and (ii) receivables of our Company (both present and future) to the value of one time of the debentures.

Our Company has issued on private placement basis, secured, redeemable, non-convertible debentures of which ₹ 15,479.50 million is outstanding as on May 16, 2014, the details of which are set forth below

Debenture Series	Tenor	Coupon	Amounts# outstanding as on May 16, 2014	Security	Dates of Allotment	Redemption Date/Schedule
Disclosure Doc dated December 25, 2012	1826 days (5 years)	8% p.a.	1,500,000,000	**	September 26, 2012	September 26 2017
Disclosure Doc dated February 10, 2014	5 years	11.15% p.a.	327,000,000	**	February 20, 2014	February 20 2019
F5I301	823 days	Market Linked	59,500,000	**	July 16, 2013	October 12 2015
F4G302	459 days	Market Linked	60,500,000	**	July 16, 2013	October 13 2014
Disclosure Doc dated October 22, 2013	23 Months	12.25% p.a.	150,000,000	**	November 15, 2013	October 15 2015
A4A001	42 Months	Non Principal Protected - Market Linked	85,500,000	**	November 23, 2010	May 23 2014
A4A002	42 Months	Non Principal Protected - Market Linked	49,000,000	**	December 08, 2010	June 06 2014
A4A003	42 Months	Non Principal Protected - Market Linked	46,000,000	**	December 15, 2010	June 16 2014
A4C001	40 Months	Non Principal Protected - Market Linked	130,100,000	**	January 21, 2011	May 21 2014
A4C101	40 Months	Non Principal Protected - Market Linked	117,800,000	**	January 31, 2011	May 30 2014
A4E101	40 Months	Market Linked	120,000,000	**	March 29, 2011	July 29 2014
A4F101	40 Months	Market Linked	20,500,000	**	January 21, 2011	May 21 2014
A4J101	40 Months	Market Linked	2,600,000	**	January 28, 2011	May 28 2014
A5A101	1217 days	Market Linked	4,000,000	**	January 31, 2012	June 01 2015
A5B201	1216 days	Market Linked	28,500,000	**	February 23, 2012	June 23 2015
A5K301	455 days	Market Linked	10,000,000	**	November 21, 2013	February 19 2015
A6C301	1218 days	Market Linked	20,700,000	**	February 04, 2013	June 06 2016
A6C302	1218 days	Market Linked	21,000,000	**	January 30, 2013	June 01 2016
A6G301	1218 days	Market Linked	261,900,000	**	February 06, 2013	June 08 2016
A6J201	1214 to 1222 days from First Initial Fixing Date	Market Linked	36,000,000	**	November 07, 2012	March 02 2016

Debenture Series	Tenor	Coupon	Amounts# outstanding as on May 16, 2014	Security	Dates of Allotment	Redemption Date/Schedule
A6J202	1214 to 1222 days from First Initial Fixing Date	Market Linked	27,500,000	**	November 07, 2012	March 02 2016
A6J204	1214 to 1222 days from First Initial Fixing Date	Market Linked	25,500,000	**	November 07, 2012	March 02 2016
A6J205	1214 to 1222 days from First Initial Fixing Date	Market Linked	44,000,000	**	November 07, 2012	March 02 2016
A6J206	1214 to 1222 days from First Initial Fixing Date	Market Linked	5,000,000	**	November 07, 2012	March 02 2016
A7K301	1215 days	Non Principal Protected - Market Linked	56,500,000	**	November 11, 2013	March 10 2017
B4A001	42 Months	Non Principal Protected - Market Linked	47,000,000	**	December 23, 2010	June 23 2014
B4B101	42 Months	Non Principal Protected - Market Linked	38,500,000	**	January 13, 2011	July 14 2014
B4B301	453 to 461 days	Market Linked	50,000,000	**	April 03, 2013	June 30 2014
B4C102	40 Months	Market Linked	22,500,000	**	March 04, 2011	July 04 2014
B4C301	1217 days	Market Linked	30,000,000	**	March 15, 2013	July 14 2016
B4C302	446 to 464 days	Market Linked	16,700,000	**	April 03, 2013	June 30 2014
B4D102	40 Months	Non Principal Protected - Market Linked	17,600,000	**	February 21, 2011	June 20 2014
B4D301	455 to 463 days	Market Linked	28,500,000	**	March 04, 2013	June 03 2014
B4D302	456 to 464 days	Market Linked	6,000,000	**	March 04, 2013	June 03 2014
B4E102	40 Months	Market Linked	52,000,000	**	March 08, 2011	July 08 2014
B4I101	40 Months	Market Linked	19,500,000	**	March 07, 2011	July 07 2014
B5B203	1125 days	Market Linked	13,500,000	**	February 29, 2012	March 30 2015
B5C201	1218 days	Market Linked	20,300,000	**	March 05, 2012	July 06 2015
B5C202	1248 days	Market Linked	3,000,000	**	March 06, 2012	August 06 2015
B5C301	822 days	Market Linked	30,000,000	**	March 15, 2013	June 15 2015
B5E301	820 days	Market Linked	65,600,000	**	March 12, 2013	June 10 2015
B5K301	454 days	13.35%	5,000,000	**	November 26, 2013	February 23 2015

Debenture Series	Tenor	Coupon	Amounts# outstanding as on May 16, 2014	Security	Dates of Allotment	Redemption Date/Schedule
B5K302	453 days	13.10%	15,000,000	**	November 27, 2013	February 23 2015
B6E301	1218 days	Market Linked	32,200,000	**	March 11, 2013	July 11 2016
B6E302	1216 days	Market Linked	13,500,000	**	March 13, 2013	July 11 2016
B6G301	910 days	25.45%	18,200,000	**	August 05, 2013	February 01 2016
B6K201	1249 days	Non Principal Protected - Market Linked	74,700,000	**	December 11, 2012	May 02 2016
B6K202	1218 days	Market Linked	166,300,000	**	November 19, 2012	March 21 2016
B6L201	1247 to 1255 days	Non Principal Protected - Market Linked	15,800,000	**	December 18, 2012	May 11 2016
B6L202	1218 days	Market Linked	12,500,000	**	December 10, 2012	April 11 2016
B7K301	1217 days	Non Principal Protected - Market Linked	15,000,000	**	November 21, 2013	March 22 2017
C4C101	39 months	Non Principal Protected - Market Linked	2,500,000	**	March 30, 2011	June 30 2014
C4C301	450 to 458 days	Market Linked	15,000,000	**	March 26, 2013	June 23 2014
C4D101	42 Months	Non Principal Protected - Market Linked	44,000,000	**	February 18, 2011	August 18 2014
C4D102	39 Months	Non Principal Protected - Market Linked	50,000,000	**	April 15, 2011	July 15 2014
C4D301	456 days	Market Linked	10,000,000	**	April 16, 2013	July 16 2014
C4D302	424 days	Market Linked	500,000,000	**	April 18, 2013	June 16 2014
C4D303	454 days	Market Linked	5,000,000	**	May 03, 2013	July 31 2014
C4E102	40 Months	Market Linked	10,000,000	**	March 29, 2011	July 29 2014
C4F101	42 Months	Market Linked	33,500,000	**	February 04, 2011	August 04 2014
C4I101	42 Months	Market Linked	51,400,000	**	April 08, 2011	October 08 2014
C4L201	545 days	Market Linked	4,100,000	**	January 08, 2013	July 07 2014
C5A201	850 days	Market Linked	12,500,000	**	January 07, 2013	May 07 2015
C5C201	1217days	Market Linked	18,500,000	**	April 24, 2012	August 24 2015
C5C302	818 days	Market Linked	10,000,000	**	April 03, 2013	June 30 2015
C5C303	723 days	22.65%	12,500,000	**	April 02, 2013	March 26 2015
C5D301	760 days	Market Linked	10,000,000	**	April 18, 2013	May 18 2015

Debenture Series	Tenor	Coupon	Amounts# outstanding as on May 16, 2014	Security	Dates of Allotment	Redemption Date/Schedule
C5E301	819 days	Market Linked	79,000,000	**	April 02, 2013	June 30 2015
C5E302	726 days	Market Linked	25,000,000	**	April 03, 2013	March 30 2015
C6A201	1247 days	Non Principal Protected - Market Linked	5,000,000	**	January 08, 2013	June 08 2016
C6A301	1276 to 1284 days	Market Linked	2,500,000	**	February 11, 2013	August 11 2016
C6A302	1277 days	Market Linked	53,900,000	**	January 15, 2013	July 15 2016
C6A303	1277 to 1285 days	Market Linked	17,000,000	**	January 17, 2013	July 19 2016
C6E301	1213 days	Market Linked	33,000,000	**	April 02, 2013	July 28 2016
C6G301	1216 to 1224 days	Non Principal Protected - Market Linked	50,000,000	**	April 12, 2013	August 11 2016
C6H301	1280 days	Market Linked	22,500,000	**	April 02, 2013	October 03 2016
C6H302	1274 days	Market Linked	10,000,000	**	April 02, 2013	September 27 2016
C6I301	1277 days	Market Linked	10,000,000	**	April 09, 2013	October 07 2016
C6K201	1214 to 1222 days from Trade Date	39.50%	6,500,000	**	November 09, 2012	March 09 2016
C6K301	913 days	Market Linked	5,000,000	**	November 08, 2013	May 09 2016
C6L201	1276 days	Market Linked	17,500,000	**	December 26, 2012	June 24 2016
C6L202	1277 days	Market Linked	31,000,000	**	January 01, 2013	July 01 2016
C7K301	1217 days	42.75%	10,000,000	**	November 22, 2013	March 23 2017
D4C301	456 days	Market Linked	4,500,000	**	March 12, 2013	June 11 2014
D4D102	37 Months	Market Linked	16,500,000	**	April 29, 2011	May 29 2014
D4D106	39 Months	Non Principal Protected - Market Linked	19,000,000	**	April 29, 2011	July 29 2014
D4D107	40 Months	Market Linked	17,500,000	**	April 29, 2011	August 29 2014
D4D301	454 days	Market Linked	15,200,000	**	May 07, 2013	August 04 2014
D4D302	454 days	Market Linked	4,000,000	**	May 03, 2013	July 31 2014
D4D304	396 days	Market Linked	10,000,000	**	April 26, 2013	May 27 2014
D4D306	1275 days	Market Linked	100,000,000	**	May 06, 2013	November 01 2016
D4D307	822 days	Market Linked	26,500,000	**	May 03, 2013	August 03 2015
D4D308	454 days	Market Linked	5,000,000	**	May 07, 2013	August 04 2014

Debenture Series	Tenor	Coupon	Amounts# outstanding as on May 16, 2014	Security	Dates of Allotment	Redemption Date/Schedule
D4E102	37 Months	Market Linked	12,500,000	**	May 06, 2011	June 06 2014
D4K201	578 days	Market Linked	7,500,000	**	November 07, 2012	June 02 2014
D5A102	1203 days	Non Principal Protected - Market Linked	88,600,000	**	January 31, 2012	May 18 2015
D5B201	1203 days	Non Principal Protected - Market Linked	17,400,000	**	January 31, 2012	May 18 2015
D5B202	1200 days	Non Principal Protected - Market Linked	29,700,000	**	February 10, 2012	May 25 2015
D5C301	751 days	24.30%	102,000,000	**	April 03, 2013	April 24 2015
D5G201	1218 days	Market Linked	20,000,000	**	May 08, 2012	September 08 2015
D5H301	815 to 823 days	Market Linked	9,000,000	**	June 20, 2013	September 21 2015
D6A301	1278 days	Market Linked	95,500,000	**	January 28, 2013	July 29 2016
D6A302	1278 days	Market Linked	48,500,000	**	January 28, 2013	July 29 2016
D6A303	1278 days	Market Linked	5,500,000	**	February 04, 2013	August 05 2016
D6A304	1278 days	Market Linked	16,200,000	**	February 04, 2013	August 05 2016
D6A305	1278 days	Market Linked	250,100,000	**	February 04, 2013	August 05 2016
D6B301	1280 days	Market Linked	10,000,000	**	February 05, 2013	August 08 2016
D6B302	1278 days	Market Linked	28,000,000	**	February 11, 2013	August 12 2016
D6B303	1278 days	Market Linked	214,500,000	**	February 18, 2013	August 19 2016
D6B304	1278 days	Market Linked	38,100,000	**	February 11, 2013	August 12 2016
D6B305	1280 days	Market Linked	30,000,000	**	February 13, 2013	August 16 2016
D6B306	1295 days	Non Principal Protected - Market Linked	30,000,000	**	February 13, 2013	August 31 2016
D6B307	1279 days	Market Linked	10,000,000	**	February 15, 2013	August 17 2016
D6B308	1279 days	Market Linked	10,400,000	**	February 20, 2013	August 22 2016
D6B309	1279 days	Market Linked	54,000,000	**	February 20, 2013	August 22 2016
D6C301	1280 days	Market Linked	50,000,000	**	January 31, 2013	August 03 2016
D6I301	1275 days	Market Linked	18,700,000	**	May 06, 2013	November 01 2016
D6J301	909 days	Market Linked	30,400,000	**	November 06, 2013	May 03 2016
E4E101	37 Months	Market Linked	16,100,000	**	May 20, 2011	June 20 2014

Debt Series	Tenor	Coupon	Amounts# outstanding as on May 16, 2014	Security	Dates of Allotment	Redemption Date/Schedule
E4E102	37 Months	Market Linked	24,600,000	**	May 31, 2011	June 30 2014
E4E106	37 Months	Market Linked	24,000,000	**	May 20, 2011	June 20 2014
E4E107	37 Months	Market Linked	2,500,000	**	May 27, 2011	June 27 2014
E4E109	39 Months	Non Principal Protected - Market Linked	25,500,000	**	May 30, 2011	August 29 2014
E4E301	392 days	Market Linked	4,500,000	**	June 12, 2013	July 09 2014
E4F301	453 days	Market Linked	10,000,000	**	June 19, 2013	September 15 2014
E4H102	1218 days	Non Principal Protected - Market Linked	30,000,000	**	June 13, 2011	October 13 2014
E5B201	1217 days	Market Linked	19,200,000	**	February 28, 2012	June 29 2015
E5C201	1203 days	Non Principal Protected - Market Linked	11,800,000	**	March 06, 2012	June 22 2015
E5E201	1218 days	Market Linked	5,000,000	**	May 30, 2012	September 30 2015
E5E202	1217 days	Market Linked	48,000,000	**	June 07, 2012	October 07 2015
E5E205	1218 days	Market Linked	50,800,000	**	May 29, 2012	September 29 2015
E5E210	1218 days	Market Linked	63,800,000	**	May 31, 2012	October 01 2015
E5F201	1217 days	Market Linked	2,000,000	**	June 05, 2012	October 05 2015
E5F202	1217 days	Market Linked	20,000,000	**	June 15, 2012	October 15 2015
E5F206	1217 days	Market Linked	9,700,000	**	June 08, 2012	October 08 2015
E5G301	821 days	Market Linked	16,500,000	**	June 12, 2013	September 11 2015
E5G302	823 days	Market Linked	49,500,000	**	June 06, 2013	September 07 2015
E5K201	1038 days	Market Linked	49,900,000	**	November 27, 2012	October 01 2015
E6B301	1277 days	Non Principal Protected - Market Linked	67,500,000	**	February 11, 2013	August 11 2016
E6B303	1276 days	Market Linked	24,000,000	**	February 27, 2013	August 26 2016
E6C301	1276 days	Market Linked	10,000,000	**	April 03, 2013	September 30 2016
E6J301	1276 days	Market Linked	17,800,000	**	June 05, 2013	December 02 2016
E7K301	1276 days	Market Linked	21,500,000	**	November 13, 2013	May 12 2017
F3C301	1280 days	Non Principal Protected - Market Linked	23,300,000	**	March 12, 2013	September 12 2016
F4C301	452 days	13.93%	10,000,000	**	March 11,	June 06 2014

Debenture Series	Tenor	Coupon	Amounts# outstanding as on May 16, 2014	Security	Dates of Allotment	Redemption Date/Schedule
					2013	
F4F201	730 days	23.20%	7,000,000	**	June 19, 2012	June 19 2014
F4F202	731 days	23.20%	3,500,000	**	June 29, 2012	June 30 2014
F4F203	731 days	21.75%	2,000,000	**	July 06, 2012	July 07 2014
F4F301	453 days	Market Linked	3,500,000	**	June 26, 2013	September 22 2014
F4F302	453 days	Market Linked	23,700,000	**	June 26, 2013	September 22 2014
F4G301	449 to 457 days	Market Linked	13,000,000	**	July 16, 2013	October 13 2014
F4H101	1188 days	Market Linked	2,500,000	**	June 30, 2011	September 30 2014
F4H102	1218 days	Market Linked	39,800,000	**	June 30, 2011	October 30 2014
F4H103	1218 days	Non Principal Protected - Market Linked	5,000,000	**	June 30, 2011	October 30 2014
F4I101	1219 days	Market Linked	2,000,000	**	July 04, 2011	November 04 2014
F5C201	1248 days	Market Linked	1,000,000	**	March 06, 2012	August 06 2015
F5C202	1209 days	Non Principal Protected - Market Linked	20,900,000	**	March 28, 2012	July 20 2015
F5C203	1217 days	Non Principal Protected - Market Linked	15,000,000	**	March 27, 2012	July 27 2015
F5C204	1213 days	Non Principal Protected - Market Linked	25,000,000	**	March 20, 2012	July 16 2015
F5E301	913 days	Market Linked	23,000,000	**	May 10, 2013	November 09 2015
F5E302	727 days	QTRLY 2.50% ON FACE VALUE	10,000,000	**	June 05, 2013	June 02 2015
F5F201	1217 days	Market Linked	11,500,000	**	June 22, 2012	October 22 2015
F5F203	1217 days	Market Linked	1,000,000	**	June 29, 2012	October 29 2015
F5F302	820 days	Market Linked	10,000,000	**	July 02, 2013	September 30 2015
F5G201	1218 days	Market Linked	38,600,000	**	July 06, 2012	November 06 2015
F5G202	1235 days	Market Linked	23,900,000	**	July 06, 2012	November 23 2015
F5G204	1218 days	Market Linked	10,000,000	**	July 10, 2012	November 10 2015
F5H201	1217 days	Non Principal Protected - Market Linked	2,500,000	**	June 29, 2012	October 29 2015
F6C301	1277 days	Market Linked	31,200,000	**	April 02, 2013	September 30 2016
F6C302	1274 days	Market Linked	42,000,000	**	April 02, 2013	September 27 2016

Debenture Series	Tenor	Coupon	Amounts# outstanding as on May 16, 2014	Security	Dates of Allotment	Redemption Date/Schedule
F6C303	1277 days	Non Principal Protected - Market Linked	12,000,000	**	April 02, 2013	September 30 2016
F6E301	1275 days	Market Linked	126,300,000	**	April 03, 2013	September 29 2016
F6F301	1096 days	33.00%	33,900,000	**	June 20, 2013	June 20 2016
F6H301	1246 days	Market Linked	27,000,000	**	August 12, 2013	January 09 2017
F6I301	1213 to 1221 days	Market Linked	19,500,000	**	June 24, 2013	October 21 2016
G4D301	454 days	12.85%	10,000,000	**	April 30, 2013	July 28 2014
G4D302	454 days	13.00%	10,000,000	**	May 03, 2013	July 31 2014
G4G104	1127 days	Market Linked	15,500,000	**	July 22, 2011	August 22 2014
G4G105	1158 days	Market Linked	22,000,000	**	July 26, 2011	September 26 2014
G4G108	1159 days	Market Linked	14,500,000	**	July 28, 2011	September 29 2014
G4G109	1127 days	Market Linked	43,000,000	**	July 29, 2011	August 29 2014
G4H201	818 to 826 days	Market Linked	44,000,000	**	August 06, 2012	November 06 2014
G4H301	449 to 457 days	Market Linked	13,000,000	**	August 21, 2013	November 17 2014
G4H303	453 days	Market Linked	17,000,000	**	September 04, 2013	December 01 2014
G4I101	1188 days	Market Linked	12,000,000	**	July 29, 2011	October 29 2014
G5C201	1251 days	Market Linked	5,500,000	**	March 28, 2012	August 31 2015
G5C301	1004 days	Market Linked	25,000,000	**	March 18, 2013	December 17 2015
G5D201	1220 days	Non Principal Protected - Market Linked	21,200,000	**	April 17, 2012	August 20 2015
G5D301	909 days	Market Linked	76,000,000	**	May 02, 2013	October 28 2015
G5G201	1218 days	Market Linked	1,500,000	**	July 18, 2012	November 18 2015
G5G204	1214 to 1222 days	Market Linked	4,000,000	**	August 03, 2012	December 03 2015
G5G205	1214 to 1222 days	Market Linked	5,000,000	**	September 05, 2012	January 05 2016
G5H202	1213 to 1221 days	Non Principal Protected - Market Linked	10,000,000	**	August 03, 2012	December 03 2015
G6G303	1184 days	Market Linked	12,600,000	**	August 05, 2013	November 01 2016
G6I302	1272 to 1280 days	Market Linked	9,000,000	**	August 06, 2013	February 02 2017
H4E301	454 days	13.00%	2,500,000	**	May 07, 2013	August 04 2014

Debt Series	Tenor	Coupon	Amounts# outstanding as on May 16, 2014	Security	Dates of Allotment	Redemption Date/Schedule
H4F301	544 days	Market Linked	5,000,000	**	June 19, 2013	December 15 2014
H4H105	1218 days	Market Linked	23,300,000	**	August 24, 2011	December 24 2014
H4H201	818 to 826 days	Market Linked	29,000,000	**	September 06, 2012	December 08 2014
H4H202	822 days	Market Linked	24,400,000	**	August 31, 2012	December 01 2014
H4H203	819 to 827 days	Market Linked	4,500,000	**	September 10, 2012	December 10 2014
H4H301	449 to 457 days	Market Linked	16,000,000	**	August 21, 2013	November 17 2014
H4H303	449 to 457 days	Market Linked	19,000,000	**	September 04, 2013	December 01 2014
H4I201	817 to 825 days	Market Linked	1,000,000	**	September 12, 2012	December 12 2014
H4I301	449 to 457 days	Market Linked	10,000,000	**	September 18, 2013	December 15 2014
H4J101	1218 days	Non Principal Protected - Market Linked	10,000,000	**	August 23, 2011	December 23 2014
H4J102	1217 days	Non Principal Protected - Market Linked	5,000,000	**	August 25, 2011	December 24 2014
H4J201	726 to 734 days	Market Linked	21,000,000	**	October 10, 2012	October 03 2014
H5C301	1002 days	Market Linked	11,800,000	**	April 02, 2013	December 30 2015
H5C302	1002 days	Market Linked	10,600,000	**	April 03, 2013	December 31 2015
H5D301	819 days	23.00%	42,500,000	**	May 06, 2013	August 03 2015
H5F201	1217 days	Non Principal Protected - Market Linked	133,700,000	**	June 29, 2012	October 29 2015
H5I202	1118 days	Non Principal Protected - Market Linked	7,000,000	**	September 14, 2012	October 07 2015
H5I301	819 days	Market Linked	7,000,000	**	September 18, 2013	December 16 2015
H6A301	1276 days	Market Linked	10,000,000	**	August 27, 2013	February 23 2017
H6E301	1187 days	39.75%	17,100,000	**	May 24, 2013	August 23 2016
H6E302	1187 days	39.75%	10,000,000	**	May 30, 2013	August 29 2016
H6E303	1187 days	39.75%	5,000,000	**	May 30, 2013	August 29 2016
H6J301	1272 to 1280 days	Market Linked	15,000,000	**	September 04, 2013	March 03 2017
H6K301	1273 to 1281 days	Market Linked	55,000,000	**	August 14, 2013	February 09 2017
I4C301	635 days	Market Linked	15,000,000	**	April 03, 2013	December 29 2014
I4I102	1218 days	Market Linked	11,500,000	**	September 30, 2011	January 30 2015

Debenture Series	Tenor	Coupon	Amounts# outstanding as on May 16, 2014	Security	Dates of Allotment	Redemption Date/Schedule
I4I201	822 days	Market Linked	21,500,000	**	September 28, 2012	December 29 2014
I4I301	450 to 458 days	Market Linked	70,000,000	**	October 04, 2013	January 01 2015
I4I302	451 days	Market Linked	19,500,000	**	October 04, 2013	December 29 2014
I4I305	449 to 457 days	Market Linked	67,500,000	**	October 04, 2013	December 31 2014
I4I312	453 days	Market Linked	14,400,000	**	October 04, 2013	December 31 2014
I4I313	359 days	Market Linked	100,000,000	**	September 25, 2013	September 19 2014
I4I314	359 days	Market Linked	100,000,000	**	September 25, 2013	September 19 2014
I4I315	359 days	Market Linked	150,000,000	**	September 25, 2013	September 19 2014
I4I316	359 days	Market Linked	100,000,000	**	September 25, 2013	September 19 2014
I4I317	453 days	Market Linked	22,000,000	**	November 06, 2013	February 02 2015
I4I318	453 days	Market Linked	5,000,000	**	October 04, 2013	December 31 2014
I4I319	453 days	Market Linked	5,200,000	**	October 04, 2013	December 31 2014
I4J101	1251 days	Non Principal Protected - Market Linked	45,000,000	**	September 14, 2011	February 16 2015
I4J301	455 days	Market Linked	7,500,000	**	October 18, 2013	January 16 2015
I4J302	453 days	Market Linked	22,500,000	**	November 06, 2013	February 02 2015
I4J303	452 days	Market Linked	7,500,000	**	October 21, 2013	January 16 2015
I4K101	1219 days	Market Linked	19,900,000	**	October 11, 2011	February 11 2015
I4K102	1219 days	Non Principal Protected - Market Linked	48,400,000	**	October 04, 2011	February 04 2015
I4K103	1218 days	Non Principal Protected - Market Linked	10,000,000	**	September 29, 2011	January 29 2015
I4K201	761 days	Market Linked	57,000,000	**	November 07, 2012	December 08 2014
I4L101	1219 days	Non Principal Protected - Market Linked	48,900,000	**	October 10, 2011	February 10 2015
I5E301	819 days	23.00%	12,400,000	**	June 05, 2013	September 02 2015
I5F301	819 days	23.00%	26,000,000	**	July 03, 2013	September 30 2015
I5F302	819 days	25.25%	3,500,000	**	June 14, 2013	September 11 2015
I5G201	1235 days	Market Linked	10,000,000	**	July 17, 2012	December 04 2015
I5G202	1218 days	Non Principal Protected -	10,700,000	**	July 06, 2012	November 06 2015

Debt Series	Tenor	Coupon	Amounts# outstanding as on May 16, 2014	Security	Dates of Allotment	Redemption Date/Schedule
		Market Linked				
I5I301	834 days	Market Linked	7,500,000	**	September 17, 2013	December 30 2015
I5I302	822 days	Market Linked	17,500,000	**	October 04, 2013	January 04 2016
I5J201	1218 days	Non Principal Protected - Market Linked	5,000,000	**	October 05, 2012	February 05 2016
I5K201	1186 days	Market Linked	8,300,000	**	September 28, 2012	December 28 2015
I5K202	1186 days	Market Linked	39,000,000	**	September 17, 2012	December 17 2015
I5L201	1218 days	Non Principal Protected - Market Linked	4,500,000	**	October 08, 2012	February 08 2016
I5L202	1218 days	Market Linked	9,500,000	**	October 08, 2012	February 08 2016
I5L204	1218 days	Non Principal Protected - Market Linked	3,000,000	**	October 08, 2012	February 08 2016
I5L301	819 days	Market Linked	7,500,000	**	October 08, 2013	January 05 2016
I6H301	1272 to 1280 days	Market Linked	37,200,000	**	July 03, 2013	December 30 2016
I6H302	1272 to 1280 days	Market Linked	34,100,000	**	July 03, 2013	December 30 2016
I6H303	1272 to 1280 days	Market Linked	6,500,000	**	July 03, 2013	December 30 2016
I6J301	1212 to 1220 days	Market Linked	18,000,000	**	October 10, 2013	February 08 2017
J4J102	1190 days	Market Linked	41,000,000	**	October 17, 2011	January 19 2015
J4J104	1188 days	Market Linked	17,000,000	**	October 19, 2011	January 19 2015
J4J301	361 days	Market Linked	250,000,000	**	October 10, 2013	October 06 2014
J5A201	1212 to 1220 days	Market Linked	5,000,000	**	November 22, 2012	March 21 2016
J5C201	1220 days	Market Linked	10,000,000	**	October 31, 2012	March 04 2016
J5G201	1218 days	Non Principal Protected - Market Linked	81,900,000	**	July 27, 2012	November 27 2015
J5G202	1214 to 1222 days	Market Linked	10,000,000	**	August 24, 2012	December 24 2015
J5G203	1218 days	Market Linked	29,000,000	**	July 31, 2012	December 01 2015
J5G301	819 days	22.35%	15,000,000	**	July 17, 2013	October 14 2015
J5H201	1234 days	Market Linked	20,500,000	**	August 07, 2012	December 24 2015
J5H202	1213 to 1221 days	Market Linked	14,000,000	**	August 07, 2012	December 07 2015
J5H205	1217 days	Market Linked	2,000,000	**	August 10, 2012	December 10 2015

Debenture Series	Tenor	Coupon	Amounts# outstanding as on May 16, 2014	Security	Dates of Allotment	Redemption Date/Schedule
J5J201	1218 days	Market Linked	72,300,000	**	October 31, 2012	March 02 2016
J5J202	1218 days	Market Linked	45,200,000	**	October 31, 2012	March 02 2016
J5J301	818 days	Market Linked	44,000,000	**	November 06, 2013	February 02 2016
J5J302	727 days	23.25%	63,500,000	**	October 30, 2013	October 27 2015
J5K201	1187 days	Market Linked	25,500,000	**	November 26, 2012	February 26 2016
J5K202	1187 days	Market Linked	27,500,000	**	November 19, 2012	February 12 2016
J5L201	1188 days	Market Linked	8,000,000	**	October 31, 2012	February 01 2016
J5L202	1220 days	Market Linked	4,500,000	**	October 31, 2012	March 04 2016
J5L203	1214 to 1222 days	Market Linked	6,000,000	**	November 09, 2012	March 07 2016
J5L204	1187 days	Market Linked	20,000,000	**	November 07, 2012	January 29 2016
J6C301	1216 days	Market Linked	12,000,000	**	November 06, 2013	March 06 2017
J6I301	1272 to 1280 days	Market Linked	4,500,000	**	July 17, 2013	January 13 2017
J6J302	1275 days	Market Linked	38,500,000	**	November 06, 2013	May 04 2017
J6J303	1275 days	Market Linked	8,000,000	**	November 06, 2013	May 04 2017
K2I201	1238 days	Non Principal Protected - Market Linked	15,000,000	**	September 11, 2012	February 01 2016
K4I301	395 days	12.00%	129,200,000	**	October 04, 2013	November 03 2014
K4K102	1188 days	Non Principal Protected - Market Linked	23,800,000	**	November 30, 2011	March 02 2015
K4L101	1217 days	Non Principal Protected - Market Linked	38,500,000	**	December 30, 2011	April 30 2015
K4L103	1214 days	Market Linked	18,000,000	**	December 05, 2011	April 02 2015
K4L105	1186 days	Non Principal Protected - Market Linked	77,000,000	**	December 05, 2011	March 05 2015
K4L106	1187 days	Non Principal Protected - Market Linked	11,700,000	**	December 08, 2011	March 09 2015
K5A201	1217 days	Market Linked	16,500,000	**	November 27, 2012	March 28 2016
K5E201	1247 days	Market Linked	16,700,000	**	December 10, 2012	May 10 2016
K5G301	819 days	22.35%	7,800,000	**	August 05, 2013	November 02 2015
K5H201	1217 days	Non Principal Protected - Market Linked	23,000,000	**	August 31, 2012	December 31 2015

Debenture Series	Tenor	Coupon	Amounts# outstanding as on May 16, 2014	Security	Dates of Allotment	Redemption Date/Schedule
K5H205	1217 days	Non Principal Protected - Market Linked	6,000,000	**	August 28, 2012	December 28 2015
K5H301	819 days	27.50%	12,000,000	**	August 26, 2013	November 23 2015
K5I201	1238 days	Non Principal Protected - Market Linked	24,400,000	**	September 07, 2012	January 28 2016
K5I202	1217 days	Non Principal Protected - Market Linked	17,000,000	**	September 07, 2012	January 07 2016
K5J201	1217 days	Non Principal Protected - Market Linked	23,500,000	**	August 31, 2012	December 31 2015
K5K201	1127 days	Market Linked	77,000,000	**	November 27, 2012	March 28 2016
K5K202	1217 days	Market Linked	50,000,000	**	November 30, 2012	March 31 2016
K5K203	1221 days	Market Linked	10,000,000	**	November 30, 2012	April 04 2016
K5L201	1217 days	Market Linked	20,000,000	**	December 04, 2012	April 04 2016
K5L202	1217 days	Market Linked	58,700,000	**	December 06, 2012	April 06 2016
L4A102	1216 days	Market Linked	12,600,000	**	January 13, 2012	May 13 2015
L4A103	1186 days	Non Principal Protected - Market Linked	36,600,000	**	January 03, 2012	April 03 2015
L4I301	453 days	17.00%	8,000,000	**	September 11, 2013	December 08 2014
L4I302	454 days	15.25%	10,000,000	**	September 26, 2013	December 24 2014
L4J301	390 days	12.25%	10,000,000	**	November 07, 2013	December 02 2014
L4K302	452 days	Market Linked	10,000,000	**	November 18, 2013	February 13 2015
L4K303	452 days	Market Linked	10,000,000	**	November 18, 2013	February 13 2015
L4L102	1186 days	Non Principal Protected - Market Linked	58,400,000	**	December 30, 2011	March 30 2015
L4L103	1217 days	Market Linked	32,900,000	**	December 29, 2011	April 29 2015
L4L106	1127 days	Non Principal Protected - Market Linked	15,500,000	**	December 23, 2011	January 23 2015
L4L107	1217 days	Market Linked	7,000,000	**	December 23, 2011	April 23 2015
L5B201	1218 days	Market Linked	15,000,000	**	December 21, 2012	April 22 2016
L5C201	1218 days	Market Linked	33,000,000	**	February 04, 2013	June 06 2016
L5F301	1218 days	Market Linked	148,000,000	**	January 10, 2013	May 12 2016
L5I202	1218 days	Market Linked	285,800,000	**	October 16, 2013	February 16 2016

Debenture Series	Tenor	Coupon	Amounts# outstanding as on May 16, 2014	Security	Dates of Allotment	Redemption Date/Schedule
L5I203	1217 days	Non Principal Protected - Market Linked	24,200,000	**	2012 September 28, 2012	2016 January 28 2016
L5I204	1238 days	Non Principal Protected - Market Linked	7,000,000	**	September 21, 2012	February 11 2016
L5I301	1276 days	Market Linked	22,500,000	**	July 15, 2013	January 11 2017
L5K201	1218 days	Market Linked	39,000,000	**	September 17, 2012	January 18 2016
L6J302	1217 days	Non Principal Protected - Market Linked	47,000,000	**	October 11, 2013	February 09 2017
C6K302	822days	27.15%	10,000,000	**	December 06, 2013	March 07 2016
B6K301	913days	Market Linked	10,000,000	**	December 06, 2013	June 06 2016
K5L301	820days	Market Linked	17,000,000	**	December 16, 2013	March 15 2016
A5K302	453days	Market Linked	7,500,000	**	December 04, 2013	March 02 2015
L5B301	822days	Market Linked	21,500,000	**	January 03, 2014	April 04 2016
D6C302	913days	Market Linked	13,000,000	**	January 03, 2014	July 04 2016
C5L301	454days	13.30%	10,000,000	**	December 17, 2013	March 16 2015
C5L302	455days	13.40%	20,000,000	**	December 23, 2013	March 23 2015
A6A301	819days	Market Linked	20,500,000	**	February 05, 2014	May 04 2016
A6D301	819days	Market Linked	41,500,000	**	February 12, 2014	May 11 2016
A6C401	819days	Market Linked	11,000,000	**	February 04, 2014	May 03 2016
D7E301	1276days	Non Principal Protected - Market Linked	15,000,000	**	February 18, 2014	August 17 2017
C7A302	1276days	Market Linked	22,500,000	**	February 04, 2014	August 03 2017
B7L301	1216days	Market Linked	19,500,000	**	December 11, 2013	April 10 2017
C7L302	1275days	Market Linked	15,500,000	**	December 26, 2013	June 23 2017
D7L301	1288days	Non Principal Protected - Market Linked	25,000,000	**	December 20, 2013	June 30 2017
B7E402	1216days	Market Linked	25,500,000	**	March 05, 2014	July 03 2017
L5D401	758days	Market Linked	47,500,000	**	March 12, 2014	April 08 2016
A6E401	822days	Market Linked	10,000,000	**	February 21, 2014	May 23 2016
D7C401	1276days	Non Principal Protected -	65,500,000	**	February 26, 2014	August 25 2017

Debt Series	Tenor	Coupon	Amounts# outstanding as on May 16, 2014	Security	Dates of Allotment	Redemption Date/Schedule
		Market Linked				
F7C401	1217days	Market Linked	15,000,000	**	March 07, 2014	July 06 2017
D7C402	1275days	Non Principal Protected - Market Linked	92,000,000	**	March 04, 2014	August 30 2017
B6C401	822days	Market Linked	7,000,000	**	March 07, 2014	June 06 2016
L4L302	455days	Market Linked	7,500,000	**	January 02, 2014	April 02 2015
L5B302	819days	Market Linked	10,000,000	**	January 01, 2014	March 30 2016
L4A301	455days	Market Linked	55,000,000	**	January 09, 2014	April 09 2015
L6C301	1217days	Market Linked	20,000,000	**	January 16, 2014	May 17 2017
A6C303	819days	Market Linked	29,800,000	**	February 05, 2014	May 04 2016
A7D301	1276days	Market Linked	20,000,000	**	February 04, 2014	August 03 2017
F4B401	1278days	Non Principal Protected - Market Linked	49,000,000	**	February 13, 2014	August 14 2017
B7D401	1217days	Market Linked	7,500,000	**	March 06, 2014	July 05 2017
D7B401	1275days	Non Principal Protected - Market Linked	19,900,000	**	March 04, 2014	August 30 2017
D7B403	1275days	Market Linked	132,000,000	**	March 04, 2014	August 30 2017
D7E403	1275days	Non Principal Protected - Market Linked	10,000,000	**	March 04, 2014	August 30 2017
D4B401	1276days	Market Linked	70,000,000	**	March 05, 2014	September 01 2017
C7C301	1278days	Non Principal Protected - Market Linked	35,500,000	**	January 03, 2014	July 04 2017
L5C301	822days	Market Linked	63,000,000	**	January 10, 2014	April 11 2016
C5L303	454days	13.40%	3,000,000	**	December 26, 2013	March 25 2015
A5A301	453days	Market Linked	16,500,000	**	February 05, 2014	May 04 2015
B6A401	758days	25.55%	34,500,000	**	January 28, 2014	February 25 2016
G7C401	1278days	Non Principal Protected - Market Linked	20,500,000	**	March 07, 2014	September 05 2017
D7C403	1276days	Market Linked	195,500,000	**	March 12, 2014	September 08 2017
D7C404	1275days	Non Principal Protected - Market Linked	35,000,000	**	March 04, 2014	August 30 2017
C7F401	1216days	Market Linked	12,500,000	**	April 02, 2014	July 31 2017

Debt Series	Tenor	Coupon	Amounts# outstanding as on May 16, 2014	Security	Dates of Allotment	Redemption Date/Schedule
D7C405	1276days	Market Linked	84,500,000	**	March 12, 2014	September 08 2017
C6E401	819days	Market Linked	15,500,000	**	March 31, 2014	June 27 2016
C7L303	1276days	Market Linked	89,000,000	**	December 24, 2013	June 22 2017
C6L301	1272 to 1280 days	Market Linked	54,000,000	**	January 01, 2014	June 30 2017
D7D301	1276days	Non Principal Protected - Market Linked	19,500,000	**	February 05, 2014	August 04 2017
A7C301	1216days	Market Linked	13,000,000	**	February 05, 2014	June 05 2017
C7A401	1276days	Market Linked	7,000,000	**	January 29, 2014	July 28 2017
E7D401	1276days	Market Linked	45,000,000	**	February 04, 2014	August 03 2017
C4B401	1276days	Market Linked	19,500,000	**	February 12, 2014	August 11 2017
D7B402	1276days	Market Linked	24,000,000	**	February 26, 2014	August 25 2017
C5C401	355days	Market Linked	250,000,000	**	March 21, 2014	March 11 2015
C5C403	359days	Market Linked	250,000,000	**	March 25, 2014	March 19 2015
C7C402	1185days	Market Linked	10,500,000	**	March 26, 2014	June 23 2017
C7C403	1217days	Market Linked	10,500,000	**	April 01, 2014	July 31 2017
E7E401	1276days	Market Linked	11,000,000	**	April 01, 2014	September 28 2017
C7E401	1216days	Market Linked	13,000,000	**	April 02, 2014	July 31 2017
L6D301	1217days	Market Linked	52,500,000	**	January 09, 2014	May 10 2017
L4L303	455days	Market Linked	2,500,000	**	January 03, 2014	April 03 2015
D7A301	1278days	Non Principal Protected - Market Linked	20,000,000	**	January 10, 2014	July 11 2017
B7A301	1276days	Market Linked	28,000,000	**	January 28, 2014	July 27 2017
B7A302	1276days	Market Linked	15,000,000	**	January 14, 2014	July 13 2017
F7F401	1276days	Market Linked	94,800,000	**	April 02, 2014	September 29 2017
C6F401	819days	Market Linked	10,000,000	**	April 01, 2014	June 28 2016
F6C401	819days	28.00%	20,000,000	**	April 01, 2014	June 28 2016
C7E402	1190days	Non Principal Protected - Market Linked	100,000,000	**	May 08, 2014	August 10 2017
E6D301	910days	Market Linked	44,100,000	**	February 05, 2014	August 03 2016
D7E401	1276days	Non Principal	10,000,000	**	February 12,	August 11

Debt Series	Tenor	Coupon	Amounts# outstanding as on May 16, 2014	Security	Dates of Allotment	Redemption Date/Schedule
		Protected Market Linked	-		2014	2017
B6B401	819days	Market Linked	16,000,000	**	March 03, 2014	May 30 2016
B6B402	758days	Market Linked	244,00,000	**	March 05, 2014	April 01 2016
E6E401	910days	Market Linked	25,600,000	**	March 05, 2014	August 31 2016
K5D401	758days	Market Linked	10,000,000	**	February 12, 2014	March 11 2016
K5A301	819days	Market Linked	66,500,000	**	December 04, 2013	March 02 2016
C7L301	1276days	Non Principal Protected Market Linked	44,500,000	**	December 11, 2013	June 09 2017
C6B301	910days	Market Linked	10,400,000	**	December 04, 2013	June 01 2016
B6C402	819days	Market Linked	10,500,000	**	March 12, 2014	June 08 2016
C5C402	451days	Market Linked	10,000,000	**	March 25, 2014	June 19 2015
F6F401	914days	Market Linked	13,000,000	**	April 03, 2014	October 03 2016
F5C401	546days	Market Linked	12,600,000	**	April 03, 2014	October 01 2015
K5C301	758days	Market Linked	98,500,000	**	February 12, 2014	March 11 2016
D7E402	1278days	Non Principal Protected-Market Linked	9,000,000	**	March 06, 2014	September 04 2017
G6E401	914 Days	Market Linked	15,500,000	**	May 16, 2014	November 15 2016
C7E403	1250 Days	Non Principal Protected Market Linked	20,000,000	**	May 16, 2014	October 17 2017
D7E404	1236 Days	Non Principal Protected Market Linked	20,000,000	**	May 16, 2014	October 03 2017
Total			15,479,500,000			

represents face value of the instrument.

** Debenture Trust Deedwise details of security provided:

(₹ in million)

DTD date	Value	Total Cover	Particulars
May 20, 2010	2,500	1.25 times	Property [#] + Stock in Trade + Corporate Guarantee of Promoter
June 06, 2011	2,500	1.26 times	Property [#] + Receivables & Stock in Trade + Corporate Guarantee of Promoter
March 02, 2012	2,500	1.25 times	Property [#] + Receivables + Corporate Guarantee of Promoter
November 07, 2012	2,500	1.26 times	Property [#] + Receivables & Stock in Trade + Corporate Guarantee
December 17, 2012	1,500	1.21 times	Property [#] + Receivables & Stock in Trade
April 05, 2013	5,000	1.25 times	Property [#] + Receivables & Stock in Trade + Corporate Guarantee

DTD date	Value	Total Cover	Particulars
August 07, 2013	4,000	1.25 times	Property [#] + Receivables & Stock in Trade + Corporate Guarantee
January 21, 2014	7,500	1 time	Property [#] + Receivables & Stock in Trade

- First pari passu mortgage and charge over the mortgaged premises situated at Flat No. B/301, Real Home, Gokhiware Village, Vasai Taluka, Thane

For details relating to eligible investors please see “Our Business” on page 65.

Our Company has received application money amounting to ₹ 470.00 million in relation to an issue of ₹ 1,250 million (including green shoe option of ₹ 750 million) Secured, Redeemable, Non-convertible Debentures on private placement basis. The allotment in respect of the above debentures was not made as on May 16, 2014.

As on May 16, 2014, we have outstanding borrowing of ₹ 1,200 million from Collateralized Borrowing and Lending Operation (“CBLO”)

Restrictive Covenants

Many of our financing agreements include various restrictive conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the lenders before carrying out such activities. For instance, our Company, inter-alia, is required to obtain the prior written consent in the following instances:

- to alter its capital structure, or issue any voting capital or effect any buyback of its securities;
- to enter into borrowing arrangements either on secured basis with any other bank, financial institution, company or otherwise;
- to create any charge, lien or encumbrance over its undertaking or any part thereof in favor of any financial institution, bank, company, firm or persons;
- to sell, assign, mortgage, alienate or otherwise dispose of any of the assets of the borrower charged to the consortium members;
- to enter into any contractual obligation of a long term nature affecting the borrower financially to a significant extent;
- to undertake any activity other than those indicated in the object clause of the Memorandum of Association of the borrower;
- to permit any transfer of the controlling interest or make any drastic change in the management setup of the borrower;
- to divert/utilize the loans to other sister/associate/group concerns or for purposes other than those for which the credit facilities have been sanctioned.
- to register, or allow the registration of, any transfer of any of its share capital;
- to formulate any scheme of amalgamation or reconstruction;
- to implement any scheme of expansion / diversification / modernization other than incurring routine capital expenditure; and/or
- to undertake guarantee obligations on behalf of any third party or any other company.

Unsecured facilities

- **Unsecured Non-Convertible Debentures**

Our Company has issued on private placement basis, unsecured, redeemable, non-convertible subordinate debt (Tier II) of which ₹ 200 million is outstanding as on May 16, 2014, the details of which are set forth below -

(₹ in Million)						
Tenor	Coupon (in %)	Amount outstanding as on May 16, 2014	Date of Allotment	Redemption Date/Schedule	Ratings	
7 years	12%	200	December 30, 2013	December 30, 2020	AA	

- **Commercial Papers**

Our Company has issued the following commercial papers:
(as on May 16, 2014)

(₹ in Million)

Sr. No	Party	Issue/Value Date	Maturity Date	Amount (Face Value)
1	ICICI Prudential Liquid Plan	March 21, 2014	May 20, 2014	1,500
2	JP Morgan India Liquid Fund	March 27, 2014	May 22, 2014	2,000
3	JP Morgan India Liquid Fund	March 27, 2014	May 26, 2014	2,000
4	Sundaram Ultra Short Term Fund	March 03, 2014	May 27, 2014	500
5	Edelweiss Commodities Services Ltd	April 30, 2014	May 28, 2014	6,000
6	IDBI MF Liquid Fund	April 25, 2014	May 29, 2014	500
7	SBI Mutual Fund	April 25, 2014	May 29, 2014	2,000
8	SBI Mutual Fund-SBI Premiur Liquid Fund	April 25, 2014	May 29, 2014	1,000
9	Sundaram Ultra Short Term Fund	March 03, 2014	May 30, 2014	1,000
10	JM Financial Mutual Fund-JM Money Manager Fund- Super Plus Plan	March 07, 2014	May 30, 2014	1,000
11	JP Morgan India Treasury Fund	December 04, 2013	June 03, 2014	500
12	JP Morgan India Short Term Income Fund	December 09, 2013	June 03, 2014	500
13	ICICI Prudential Liquid Plan	April 04, 2014	June 03, 2014	1,500
14	Sundaram Money Fund	March 28, 2014	June 05, 2014	850
15	Sundaram Mutual Fund	March 28, 2014	June 05, 2014	150
16	ICICI Prudential Liquid plan	March 24, 2014	June 23, 2014	1,750
17	JM Financial Mutual Fund-JM Money Manager Fund- Super Plus Plan	March 07, 2014	September 03, 2014	500
18	JM Financial Mutual Fund-JM Money manager Fund Super Plan	March 07, 2014	September 03, 2014	500
19	Kotak Mahindra Old Mutual Life Insurance Company Limited	March 10, 2014	December 05, 2014	200
20	Deutsche Trustee Services (I) Private Limited A/C-DWS Ultra Short Term Fund	March 21, 2014	March 19, 2015	900
21	Deutsche Trustee Services (I) Private Limited A/C-DWS Short Maturity Fund	March 21, 2014	March 19, 2015	850
Total				25,700

- **Loan from Directors and Relatives of Directors**

Our Company has not raised any loan from directors and relatives of directors as on May 16, 2014.

- **Inter Corporate Loans**

As on May 16, 2014, our Company has borrowed an amount of ₹ 103.37 million in the nature of demand loans from Companies under same management.

- **Inter Corporate Deposit**

Our Company has taken inter corporate deposit of ₹ 2.93 million which is payable on call.

Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or securities

Our Company has not defaulted upon or delayed in payment of any interest and/or principal for the existing term loan and the non-convertible debentures. Our Company has not issued any corporate guarantee.

SECTION VI – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

Public Issue of NCDs aggregating up to ₹2,000 million with an option to retain over-subscription up to ₹2,000 million, aggregating to a total of up to ₹4,000 million.

The key common terms and conditions of the NCDs are as follows:

Particulars	Terms and Conditions
Minimum Application Size	₹10,000 (10 NCDs)
Mode of Allotment	Both in physical and dematerialised form
Mode of Trading	NCDs will be traded only in dematerialised form
Terms of Payment	Full amount on Application
Trading Lot	1 (one) NCD
Who can Apply	Category I

- Resident Public Financial Institutions, Statutory Corporations including State Industrial Development Corporations, Commercial Banks,
- Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs;
- Provident Funds and Resident Pension Funds with minimum corpus of ₹250 million, , Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs;
- Venture Capital funds and / or Alternative Investment Funds registered with SEBI;
- Insurance Companies registered with the IRDA;
- National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India);
- Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India
- Mutual Funds, registered with SEBI.

Category II

- Companies; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorized to invest in the NCDs;
- Public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).

Category III*

- Resident Indian individuals and
- Hindu undivided families through the Karta.

**With respect to applications received from Category III applicants, applications by applicants who apply for NCDs aggregating to a value not more than ₹10,00,000, across all series of NCDs, (Option I and/or Option II and/or Option III and/or Option IV and/or Option V and Option VI) shall be grouped together, (“Reserved Individual Portion”) while applications by applicants who apply for NCDs aggregating to a value exceeding ₹10,00,000, across all series of NCDs,*

(Option I and/or Option II and/or Option III and/or Option IV and/or Option V and Option VI), shall be separately grouped together, (“Unreserved Individual Portion”). Further all applications received from Category III Applicants will be grouped together on the basis of PAN, for calculating the total application size and determining whether the Applicant falls under Reserved Individual Portion or Unreserved Individual Portion.

Participation by any of the above-mentioned investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

In case of Application Form being submitted in joint names, the Applicants should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

For further details, please refer to “*Issue Procedure*” on page 159.

Principal Terms and Conditions of the Issue

TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs

Issuer	ECL Finance Limited
Lead Managers	Axis Capital Limited and Edelweiss Financial Services Limited
Debenture Trustee	Axis Trustee Services Limited
Registrar to the Issue	Link Intime India Private Limited
Type and nature of Instrument	Un-Secured Subordinated Redeemable Non-Convertible Debentures
Face Value of NCDs (₹ / NCD)	₹1,000
Issue Price (₹ / NCD)	₹1,000
Minimum Application	₹ 10,000 (10 NCDs) (for all options of NCDs, namely Options I, II, III, IV, V and VI either taken individually or collectively)
In Multiples of	One NCD after the minimum Application
Seniority	Subordinated to the claims of other creditors
Mode of Issue	Public Issue
Issue	Public Issue by our Company of Un-Secured Subordinate Redeemable NCDs aggregating up to ₹2,000 million with an option to retain over-subscription up to ₹2,000 million aggregating to a total of up to ₹4,000 million.
Stock Exchanges proposed for listing of the NCDs	BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”)
Listing and timeline for Listing	The NCDs shall be listed within 12 Working Days of Issue Closing Date
Mode of Allotment	Both in physical and dematerialised form.
Mode of Trading	NCDs will be traded only in dematerialised form
Trading Lot	One NCD
Depositories	NSDL and CDSL
Security	The NCDs offered in this Issue shall be unsecured and is subordinated to the claims of secured creditors.
Who can apply	<p>Category I</p> <ul style="list-style-type: none"> ▪ Resident Public Financial Institutions, Statutory Corporations including State Industrial Development Corporations, Commercial Banks, ▪ Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs; ▪ Provident Funds and Resident Pension Funds with minimum corpus of ₹250 million, , Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs;

- Venture Capital funds and / or Alternative Investment Funds registered with SEBI;
- Insurance Companies registered with the IRDA;
- National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India);
- Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India
- Mutual Funds, registered with SEBI;

Category II

- Companies; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorized to invest in the NCDs;
- Public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);

Category III*

- Resident Indian individuals and
- Hindu undivided families through the Karta;

**With respect to applications received from Category III applicants, applications by applicants who apply for NCDs aggregating to a value not more than ₹10,00,000, across all series of NCDs, (Option I and/or Option II and/or Option III and/or Option IV and/or Option V and Option VI) shall be grouped together, (“Reserved Individual Portion”) while applications by applicants who apply for NCDs aggregating to a value exceeding ₹10,00,000, across all series of NCDs, (Option I and/or Option II and/or Option III and/or Option IV and/or Option V and Option VI), shall be separately grouped together, (“Unreserved Individual Portion”).*

Rating	Rating					
	Rating Agency	Instrument	Rating symbol	Date of credit rating Letter	Amount rated (₹ million)	Rating definition
	CARE	Long-term subordinate debt issue	‘CARE AA’ [Double A]	May 16, 2014	4,000	The rating of NCDs by CARE indicates instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
	BRICKWORK	Subordinate debt issue (Public issue)	‘BWR AA (Outlook: Stable)’	May 19, 2014	4,000	The rating of NCDs by Brickwork indicates instruments with this rating are considered to

	have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
Issue Size	Public Issue by our Company of Un-Secured Subordinated Redeemable NCDs aggregating up to ₹2,000 million with an option to retain over-subscription up to ₹2,000 million aggregating to a total of up to ₹4,000 million. Base Issue is for ₹2,000 million.
Pay-in date	3 (three) Business Days from the date of upload of application in the book building system of the Exchanges or the date of realisation of the cheques/demand drafts, whichever is later.
Application money	The entire Application Amount is payable on submitting the application.
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be. In case Record Date falls on a day when Stock Exchanges are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Issue Schedule*	The Issue shall be open from [•] to [•] with an option to close earlier and/or extend up to a period as may be determined by a duly authorised committee of the Board.
Objects of the Issue	Please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 32.
Details of the utilisation of the proceeds of the Issue	Please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 32.
Coupon rate	Please refer to the chapter titled “ <i>Issue Structure – Terms and Conditions in connection with the NCDs</i> ” on page 138.
Working Days convention/Day count convention / Effect of holidays on payment	<p>All days excluding, Sundays and a public holiday in Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period where working days shall mean all days, excluding Saturdays, Sundays and public holidays in Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.</p> <p>Interest shall be computed on a 365 days a year basis on the principal outstanding on the NCDs. However, if period from the Deemed Date Of Allotment / anniversary date of Allotment till one day prior to the next anniversary / redemption date includes February 29, interest shall be computed on 366 days a-year basis, on the principal outstanding on the NCDs.</p> <p>If the date of payment of coupon does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest. In case of principal repayment on the date of redemption, if the date falls on a holiday, principal and interest due will be paid on the previous Working day (the “Effective Date”). Coupon will be paid on the Effective Date. Interest payment will need to be made on an actual / actual basis, which means that payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date falls on a holiday, the payment will be made on the previous Working Day, without any interest for the subsequent period outstanding.</p> <p>Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force.</p>
Issue Opening Date	[•]

Issue Closing Date	[•]
Default interest date	In the event of any default in fulfillment of obligations by our Company under the Debenture Trust Deed, the Default Interest Rate payable to the Applicant shall be as prescribed under the Debenture Trust Deed
Interest on Application Money	Please refer to the chapter titled “ <i>Issue Structure- Interest on Application Money</i> ” on page 142.
Deemed Date of Allotment	The date on which the Board or a duly authorized committee approves the Allotment of NCDs. All benefits relating to the NCDs including interest on NCDs shall be available to Investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.
Transaction documents	Lead Managers MoU dated June 02, 2014 between our Company, the Lead Managers, the Registrar Agreement dated May 20, 2014 between our Company and the Registrar to the Issue, Debenture Trustee Agreement dated June 02, 2014 executed between our Company and the Debenture Trustee and the agreed form of the Debenture Trust Deed to be executed between our Company and the Debenture Trustee.
Conditions precedent and subsequent to the disbursement	The conditions precedent and subsequent to disbursement will be finalised upon execution of the Debenture Trust Deed.
Events of default	Please refer to the chapter titled “ <i>Issue Structure- Events of Default</i> ” on page 150.
Cross Default	Please refer to the chapter titled “ <i>Issue Structure- Events of Default</i> ” on page 150.
Roles and responsibilities of the Debenture Trustee	Please refer to the chapter titled “ <i>Issue Structure- Debenture Trustees for the NCD holders</i> ” on page 150.
Settlement Mode	Please refer to the chapter titled “ <i>Issue Structure- Payment on Redemption</i> ” on page 148.
Governing law and jurisdiction	The Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Mumbai.

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

Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges.

Terms of the NCDs

Options	I	II	III	IV	V	VI
Tenure		[•] months			[•] Months	
Frequency of Interest Payment	Monthly	Annual	Cumulative	Monthly	Annual	Cumulative
Who can apply	Category I					
	<ul style="list-style-type: none"> ▪ Resident Public Financial Institutions, Statutory Corporations including State Industrial Development Corporations, Commercial Banks, ▪ Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs; ▪ Provident Funds and Resident Pension Funds with minimum corpus of ₹250 million, , Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs; ▪ Venture Capital funds and / or Alternative Investment Funds registered with SEBI; ▪ Insurance Companies registered with the IRDA; ▪ National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and 					

Options	I	II	III	IV	V	VI
Effective Yield of NCD Holders in Category I, Category II and Category III (per annum)	[•]	[•]	[•]	[•]	[•]	[•]
Redemption Date	[•] months from the Deemed Date of Allotment			[•] months from the Deemed Date of Allotment		
Redemption Amount (₹/NCD)	Face Value of the NCDs plus any interest at the applicable Coupon that may have accrued at the Redemption Date					
Put and Call Option	NA			NA		
Deemed Date of Allotment	The date on which the Board approves the Allotment of NCDs. All benefits relating to the NCDs including interest on NCDs shall be available to Investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.					

Credit Rating

Agency	Rating
CARE	'CARE AA' [Double A]
BRICKWORK	'BWR AA (Outlook: Stable)'

Interest and Payment of Interest

- I. In case of NCDs under Option I and IV, interest will be paid on a monthly basis while under NCDs under Option II and IV, interest would be paid annually and NCDs under Option III and VI interest would be paid cumulatively at the following rates of interest in connection with the relevant categories of NCD holders, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Option II and Option IV NCD:

In Options I and III, where interest is to be paid on a monthly basis, relevant interest will be calculated from the first day till the last date of every month during the tenor of such NCDs, and paid on the first day of every subsequent month. For the first interest payment for NCDs under the monthly options, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month.

Rate of Interest per annum (%)

Category of NCD Holder	[•] Months		84 Months	
	Option I	Option II	Option IV	Option V
Category I and Category II	[•]	[•]	[•]	[•]
Category III (Unreserved Individual Portion)	[•]	[•]	[•]	[•]
Category III (Reserved Individual Portion)	[•]	[•]	[•]	[•]

Options	I	II	III	IV	V	Vi
Coupon (%) for NCD Holders in Category I and Category II	[•]	[•]	[•]	[•]	[•]	[•]
Coupon (%) for NCD Holders in Category III (Unreserved Individual Portion)	[•]	[•]	[•]	[•]	[•]	[•]
Coupon (%) for NCD Holders in Category III (Reserved Individual Portion)	[•]	[•]	[•]	[•]	[•]	[•]
Redemption Value for NCD Holders in Category I, Category II and Category III	[•]	[•]	[•]	[•]	[•]	[•]

Options	I	II	III	IV	V	Vi
Effective Yield for NCD Holders in Category I, Category II and Category III (per annum)	[•]	[•]	[•]	[•]	[•]	[•]

Day count convention

Please refer to Annexure [•] for details pertaining to the cash flows of the Company in accordance with the SEBI circular bearing number CIR/IMD/DF/18/2013 dated October 29, 2013.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the transferee of deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs subject to such Transferee holding the NCDs on the Record Date.

Payment of Interest to NCD Holders

Payment of Interest will be made to those NCD holders whose names appear in the register of Debenture Holders (or to first holder in case of joint-holders) as on Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NECS, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Refer to the paragraph on “*Manner of Payment of Interest/Refund/Redemption*” on page 181.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar at least 7(seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company’s books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Maturity and Redemption

Options	I	II	III	IV
Redemption Date	[•] months from the Deemed Date of Allotment	[•] months from the Deemed Date of Allotment	[•] months from the Deemed Date of Allotment	[•] months from the Deemed Date of Allotment

Deemed Date of Allotment

The date on which the Board or a duly authorized committee approves the Allotment of NCDs. All benefits relating to the NCDs including interest on the NCDs shall be available to the investors from the Deemed Date of Allotment. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment.

Application Size

Each application should be for a minimum of 10 NCDs and multiples of 1 NCD thereafter. The minimum application size for each application for NCDs would be ₹10,000 and in multiples of ₹1,000 thereafter.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The face value of ₹1,000 per NCD is payable on the application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall refund/ unblock the excess amount paid on application to the Applicant in accordance with the terms of this Draft Prospectus. For further details please refer to the paragraph on “*Interest on Application Money*” beginning on page 142.

Record Date

The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be.

In case Record Date falls on a day when Stock Exchanges are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.

Manner of Refund (except ASBA Application)/Payment of Interest / Redemption

The manner of payment of interest / refund/ redemption in connection with the NCDs is set out below:

- ***For NCDs applied / held in Demat form:***

The bank details will be obtained from the Depositories for payment of Interest / refund (except ASBA Applications)/ redemption as the case may be. Applicants who have applied for or are holding the NCDs in Demat form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so may result in delays in credit of refunds to the Applicant at the Applicant's sole risk, and the Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

- ***For NCDs held in physical form:***

The bank details will be obtained from the Registrar to the Issue for payment of interest / redemption as the case may be.

The mode of interest/ redemption payments shall be undertaken in the following order of preference:

- (a) **Direct Credit**

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

- (b) **NECS**

Payment of interest/ refund/ redemption shall be undertaken through NECS for NCD Holders/Applicants having an account at the centers mentioned in NECS MICR list.

This mode of payment of refunds would be subject to availability of complete bank account details including the Magnetic Ink Character Recognition (MICR) code, Indian Financial System Code (IFSC) code, bank account number, bank name and branch name as appearing on a cheque leaf, from the Depositories. One of the methods for payment of interest / refund / redemption is through NECS for NCD Holders/ Applicants having a bank account at any of the abovementioned centers.

(c) **RTGS**

NCD Holders/ Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amount exceeds ₹0.2 million, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible NCD Holders/ Applicants who indicate their preference to receive interest payment / refund / redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrars to the Issue at least 15 days before the Record Date. Charges, if any, levied by the NCD Holders/ Applicants' bank receiving the credit would be borne by the NCD Holders/ Applicant. In the event the same is not provided, interest payment / refund / redemption shall be made through NECS subject to availability of complete bank account details for the same as stated above.

(d) **NEFT**

Payment of interest / refund / redemption shall be undertaken through NEFT wherever the NCD Holders/ Applicants' bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a Magnetic Ink Character Recognition ("**MICR**"), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the NCD Holders/ Applicants have registered their nine digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/refund/redemption will be made to the NCD Holders/ Applicants through this method.

(e) **Registered Post/Speed Post/Courier Service**

For all other NCD Holders/ Applicants, including those who have not updated their bank particulars with the MICR code and if the interest payment through NECS to such Applicants is unsuccessful to such Applicants interest will be paid and the interest payment / refund / redemption orders shall be dispatched through Speed Post/ Registered Post/Courier Service.

Please note that NCD Holders/ Applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCD, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the NCD Holders/ Applicants' bank account are mandatorily required to be given for printing on the refund orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form either on account of rematerialisation or transfer, the investors are advised to submit their bank account details with our Company/ Registrar at least 15 days prior to the record date failing which the warrants will be dispatched to the postal address of the holder of the NCD as available in the records of our Company.

Bank account particulars will be printed on the refund orders/ warrants which can then be deposited only in the account specified.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Loan against Secured NCDs

As per the RBI circular dated June 27, 2013, NBFCs are not permitted to extend loans against the security of its own debentures issued by way of private placement or public issues.

Procedure for Redemption by NCD holders

NCDs held in physical form:

Debenture Holders, at any time after the listing of the NCDs on the Stock Exchanges, can apply for converting NCDs into physical form.

No action would ordinarily be required on the part of the NCD holder at the time of redemption and the redemption proceeds would be paid to those NCD holders whose names stand in the register of NCD holders maintained by us on the record date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificate(s)) be surrendered for redemption on maturity and should be sent by the NCD holder(s) by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD holder(s) may be requested to surrender the NCD certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD holders whose names stand in the register of NCD holders maintained by us on the record date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also please refer to the paragraph on “*Payment on Redemption*” given below.

NCDs held in Demat form:

No action is required on the part of NCD holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in physical form:

Debenture Holders, at any time after the listing of the NCDs on the Stock Exchanges, can apply for converting NCDs into physical form.

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the NCD certificate(s)). Despatch of cheques/pay order, etc. in respect of such payment will be made on the Redemption Date or (if so requested by our Company in this regard) within a period of 11 Working Days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the Redemption Date to those NCD holders whose names stand in the register of NCD holders maintained by us on the record date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgement of the transfer documents with us at least 15 days prior to the record date. In case the transfer documents are not lodged with us at least 15 days prior to the record date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrars.

Our liability to the NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

NCDs held in Demat form:

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories’ records on the record date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD holders.

Our liability to NCD holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Redemption Date

Options	I	II	III	IV	V	VI
Redemption Date	[●] months from the Deemed Date of Allotment			[●] months from the Deemed Date of Allotment		

Right to Reissue NCD(s)

Subject to the provisions of the Act, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place, in accordance with the applicable rules and regulations. The aforementioned right includes the right to reissue original NCDs.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Act. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the Act shall apply, mutatis mutandis (to the extent applicable to debentures) to the NCD(s) as well.

Debenture Holders, at any time after the listing of the NCDs on the Stock Exchanges, can apply for converting NCDs into physical form. In respect of the NCDs held in physical form, a suitable instrument of transfer as may be prescribed under the Companies Act 2013.

The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DP of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the record date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories/ Company, as the case may be. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with us or Registrar.

For NCDs held in Demat form:

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in Demat form. The seller should give delivery instructions containing details of the buyer’s DP account to his depository participant.

In case the transferee does not have a DP account, the seller can re-materialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter the NCDs can be transferred in the manner as stated above.

In case the buyer of the NCDs in physical form wants to hold the NCDs in dematerialised form, he can choose to dematerialise the securities through his DP.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Sharing of Information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD holders available with us, with our subsidiaries, affiliates and banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our subsidiaries or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD holder(s) required to be given by us or the Debenture Trustee will be sent by post/courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Issue of Duplicate NCD Certificate(s)

If any NCD certificate(s) is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Security

The NCDs offered in this Issue shall be unsecured and is subordinated to the claims of secured creditors. Accordingly, our Company will not be required to create a security in favour of the Debenture Trustee for the NCD holders on any assets.

Debenture Trustees for the NCD holders

We have appointed Axis Trustee Services Limited to act as the Debenture Trustees for the NCD holders. We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD holder(s) shall discharge us *pro tanto* to the NCD holder(s).

The Debenture Trustee will protect the interest of the NCD holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default

If one or more of the events specified herein happen(s), the Debenture Trustee may, in their discretion, and shall, upon request in writing of the holders of the Non-Convertible Debentures of an amount representing not

less than the majority interest or by a special resolution duly passed at the meeting of the Non-Convertible Debenture Holders, by a notice in writing to the Company declare the Redemption Amount and all interest on the Non-Convertible Debentures to be due and payable forthwith.

- (i) Default is committed in payment of the redemption amount of the Non-Convertible Debentures on the Redemption Date and if outstanding for more than a period of 90 days from the due date of payment;
- (ii) Default is committed in payment of any Interest Amount on the Non-Convertible Debentures on the Interest Payment Date and if outstanding for more than a period of 90 days from the due date of payment;
- (iii) Default is committed in the performance or observance of any covenant, condition or provision contained in these presents and/or the Financial Covenants and Conditions and the Offer Document (other than the obligation to pay Redemption Amount and Interest) and, except where the Debenture Trustee certifies that such default is in their opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 days after written notice has been given thereof by the Debenture Trustee to the Company requiring the same to be remedied;
- (iv) Any indebtedness of the Company for borrowed monies i.e. indebtedness for and in respect of monies borrowed or raised (whether or not for cash consideration) by whatever means (including acceptances, credits, deposits and leasing) becomes due prior to its stated maturity by reason of default of the terms thereof or any such indebtedness is not paid at its stated maturity or there is a default in making payments due under any guarantee or indemnity given by the Company in respect of the indebtedness of borrowed monies of any person and such default has not been cured or waived ;
- (v) If there is reasonable apprehension that the Company is unable to pay its debts or proceedings for taking it into liquidation, either voluntarily or compulsorily, may be or have been admitted by the court;
- (vi) The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law and such proceeding is admitted by the court or the Company is voluntarily or involuntarily dissolved; and a court having jurisdiction shall enter a decree or order for relief in respect of the Company and such decree or order shall remain unstayed and in effect for a period of 30 (thirty) consecutive days or the Company has consented to the entry of an order for relief in an involuntary case under any such laws, or shall consent to the appointment of or taking possession by a receiver, liquidator, trustee, custodian, sequestrator or similar official of the Company or for any substantial part of its property or has made any general assignment for the benefit of the creditors, or has failed generally to pay its debts as they become due or shall take any corporate action in furtherance of any of the above.
- (vii) The Company is unable to or has admitted in writing its inability to pay its debts as they mature;
- (viii) The Company has taken or suffered any action to be taken for its liquidation or dissolution.
- (ix) A receiver or a liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Company;
- (x) If, any extra-ordinary circumstances have occurred which make it improbable for the Company to fulfill its obligation under these presents and/or the Non-Convertible Debentures;
- (xi) The Company ceases or threatens to cease to carry on its business or gives notice of its intention to do so;
- (xii) If, the Company is unable to pay its debts within the meaning of the Companies Act, 1956 or Companies Act 2013 or if the Company is carrying on business at a loss and it appears to the Debenture Trustee that continuation of its business will endanger the security hereby created;
- (xiii) If any litigation, arbitration, investigative or administrative proceedings is current, pending or threatened and is not discharged or resolved within a period as may be mutually agreed between the Company and the Trustee at the relevant point in time:

- (i) to restrain the company's entry into or exercise of any of the company's rights under or compliance by the company of any of its obligations under this deed and
 - (ii) which the majority debenture holders otherwise determine has or if, adversely determined , could reasonably be expected to have a material adverse effect.
- (xiv) If the Debenture Trust Deed is not executed/perfected before transfer of funds from the Escrow account as specified in the Draft Prospectus/ Prospectus.

Lien

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. The Company shall have the right of set off and lien, present as well as future on the moneys due and payable to the NCD holders or deposits held in the account of the NCD holders, whether in single name or joint name, to the extent of all outstanding dues by the NCD holders to the Company, subject to applicable law.

Lien on pledge of NCDs

The Company may, at its discretion note a lien on pledge of NCDs if such pledge of NCD is accepted by any third party bank/institution or any other person for any loan provided to the NCD holder against pledge of such NCDs as part of the funding, subject to applicable law.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/ other securities in any manner having such ranking in priority, *pari passu* or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/ regulatory/ contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the NCD holders or the Debenture Trustee in this connection.

Interest on Application Money

Interest on application monies received which are used towards allotment of NCDs

Our Company shall pay interest on application money received on the NCDs allotted, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to any Applicant to whom NCDs are allotted pursuant to the Issue from the date of realization of the cheque(s)/demand draft(s) or after 3 (three) days from the date of receipt of the application (being the date of upload of each Application on the electronic Application platform of the Stock Exchanges) whichever is later up to one day prior to the Deemed Date of Allotment, as per the rates provided below:

Options	I	II	III	IV
Coupon (%) for NCD Holders in Category I and Category II	[•]	[•]	[•]	[•]
Coupon (%) for NCD Holders in Category III (Unreserved Individual Portion)	[•]	[•]	[•]	[•]
Coupon (%) for NCD Holders in Category III (Reserved Individual Portion)	[•]	[•]	[•]	[•]

However no interest is to be paid on Application Amount to the ASBA Applicants.

Our Company has a right to withdraw the Issue at anytime 2 (two) days prior to Issue Closing Date for receiving subscription in the Issue.

Our Company may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Applicants. Alternatively, the interest warrant will be dispatched along with the Letter(s) of Allotment at the sole risk of the Applicant, to the sole/first Applicant.

Interest on application monies received which are liable to be refunded

Our Company shall pay interest on application money which is liable to be refunded to the Applicants in accordance with the provisions of the SEBI Debt Regulations and/or the Companies Act, 2013, or other applicable statutory and/or regulatory requirements, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, from the date of realization of the cheque(s)/demand draft(s) or after 3 (three) days from the date of receipt of the application (being the date of upload of each Application on the electronic Application platform of the Stock Exchanges) whichever is later upto one day prior to the Deemed Date of Allotment, at the rate of [●]% per annum. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched / credited (in case of electronic payment) along with the Letter(s) of Refund at the sole risk of the Applicant, to the sole/first Applicant. However no interest is to be paid on application monies to the ASBA Applicants.

If our Company does not receive the minimum subscription of 75 % of the Base Issue, i.e. ₹1,500 million, prior to the Issue Closing date, the entire subscription shall be refunded to the Applicants within 15 working days from the date of closure of the Issue, failing which, our Directors who are officers in default shall be jointly and severally liable to pay that money with interest for the delayed period, at the rate of 15 percent per annum to the same bank account from which the Application Amount was received by our Company.

Provided that, notwithstanding anything contained hereinabove, our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, and/or (b) applications which are withdrawn by the Applicant. Please refer to “***Rejection of Application***” at page 179.

TERMS OF THE ISSUE

Pursuant to resolution passed by the shareholders of our Company at their AGM held on July 22, 2011 and in accordance with provisions of Section 293 (1)(d) of the Companies Act, 1956, the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purposes) by a sum not exceeding ₹100,000 million (Rupees Hundred thousand million). Further the Board of Directors of our Company has at their meeting held on May 16, 2014, in accordance with the provisions of Section 180(1)(a) and Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013, subject to the approval of the shareholders of our Company, granted consent to our Company for borrowing moneys, from time to time, in any manner and, if thought fit, to mortgage/ charge the Company's undertaking and any property or any part thereof to secure such borrowings up to a limit of ₹120,000 million (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business).

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on May 16, 2014 the Directors approved the issue of NCDs to the public upto an amount not exceeding ₹4,000 million.

Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the Debt Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of this Draft Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India and BSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs would constitute direct obligations of our Company and shall rank subordinate to the claims of other creditors of the Company. The claims of the NCD holders shall be subordinate to the claims of any secured creditors, subject to applicable statutory and/or regulatory requirements.

Debenture Redemption Reserve

Regulation 16 of the SEBI Debt Regulations and Section 71 of the Companies Act 2013 states that any company that intends to issue debentures must create a Debenture Redemption Reserve out of the profits of the company available for payment of dividend until the redemption of the debentures.

The Companies (Share Capital and Debentures) Rules, 2014 inter alia provides as follows:

- (a) the Debenture Redemption Reserve shall be created out of the profits of the company available for payment of dividend;
- (b) the Company shall create Debenture Redemption Reserve (DRR) in accordance with the following condition:
 - (i) For NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997, 'the adequacy' of DRR will be 25% of the value of debentures issued through public issue as per present SEBI Debt regulations, and no DRR is required in the case of private placement debentures;
- (c) every company required to create Debenture Redemption Reserve shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than fifteen percent, of the amount of its debentures maturing during the year ending on the 31st day of March of the next year, in any one or more of the following methods, namely:-

- (i) in deposits with any scheduled bank, free from any charge or lien;
- (ii) in unencumbered securities of the Central Government or of any State Government;
- (iii) in unencumbered securities mentioned in sub-clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882;
- (iv) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of Section 20 of the Indian Trusts Act, 1882;
- (v) the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above:

Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below fifteen percent of the amount of the debentures maturing during the year ending on the 31st day of March of that year;

The said Companies (Share Capital and Debentures) Rules, 2014 further provides that the amount credited to the Debenture Redemption Reserve shall not be utilised by the company except for the purpose of redemption of debentures.

Face Value

The face value of each NCD to be issued under this Issue shall be ₹1,000.

NCD holder not a Shareholder

The NCD holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company.

Rights of NCD holders

Some of the significant rights available to the NCD holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act 2013, confer upon the NCD holders thereof any rights or privileges available to our members including the right to receive notices or annual reports of, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered NCD holders for their consideration.
2. Subject to applicable statutory/regulatory requirements, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
3. The registered NCD holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
4. The NCDs are subject to the provisions of the Debt Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of this Draft Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. A register of NCD holders (“**Register of Debenture holder**”) will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest/ redemption amounts and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD holders as on the

record date. Further as the NCDs issued are also being issued in Demat form, the Depositories shall also maintain the updated register of holders of the NCDs in Demat Form.

6. Subject to compliance with RBI requirements, NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 21 days prior notice for such roll over and in accordance with the Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.
7. The aforementioned rights of the NCD holders are merely indicative. The final rights of the NCD holders will be as per the terms of the Draft Prospectus and the Debenture Trust Deed to be executed between our Company and the Debenture Trustee.

Minimum Subscription

If our Company does not receive the minimum subscription of 75 % of the Base Issue, i.e. ₹1,500 million, prior to the Issue Closing date, the entire subscription shall be refunded to the Applicants within 15 working days from the date of closure of the Issue, failing which, our Directors who are officers in default shall be jointly and severally liable to pay that money with interest for the delayed period, at the rate of 15 percent per annum to the same bank account from which the Application Amount was received by our Company.

Market Lot & Trading Lot

As per the Debt Regulations, the trading of the NCDs shall be in dematerialised form only. Since trading of the NCDs is in dematerialised form, the tradable lot is one NCD.

NCDs which are allotted in physical form shall not be eligible for being traded on the floor of Stock Exchange unless such NCDs are converted into dematerialized form, but shall be freely transferable otherwise, subject to applicable statutory and/or regulatory requirement. Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Other than as stated above, Allotment in the Issue will be in Demat form in multiples of one NCD. For details of allotment refer to chapter titled “*Issue Procedure*” beginning on page 159.

Nomination facility to NCD holder

In accordance with Section 72 of the Companies Act, 2013, the sole NCD holder or first NCD holder, along with other joint NCD holders (being individual(s)) may nominate any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the NCD. A person, being a nominee, becoming entitled to the NCD by reason of the death of the NCD holder(s), shall be entitled to the same rights to which he would be entitled if he were the registered holder of the NCD. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the NCD(s), in the event of his death, during the minority. A nomination shall stand rescinded upon sale of a NCD by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the NCD is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at our Registered/ Corporate Office or at such other addresses as may be notified by us.

NCD holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Section 72 of the Companies Act, 2013, any person who becomes a nominee by virtue of the provisions of the same section, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, the Board may thereafter withhold payment of all interests or redemption amounts or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

In respect of the NCDs held in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Succession

Where NCDs are held in joint names and one of the joint NCD Holder dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the NCDs. In the event of demise of the sole or first holder of the NCDs, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the NCDs only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. Our Directors, in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach the Company to register his name as successor of the deceased NCD holder. He shall approach the respective Depository Participant of the NCD Holder for this purpose and submit necessary documents as required by the Depository Participant.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

Application in the Issue

NCDs being issued through this Draft Prospectus can be applied for, through a valid Application Form filled in by the Applicant along with attachments, as applicable.

Period of Subscription

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

Issue Opens on	[•]
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Issue Closing Date*	[•]
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** Application and any further changes to the Applications shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, "IST") during the Issue Period as mentioned above by the Members of the Syndicate, Trading Members and designated branches of SCSBs, except that on the Issue Closing Date when the Applications and any further changes in details in Applications, if any, shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges. It is clarified that the Applications not uploaded in the Stock Exchange Platform would be rejected.*

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days, i.e. Monday to Friday (excluding any public holiday). Neither our Company, nor any Member of the Syndicate, Trading Members or designated branches of SCSBs is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as may be required under applicable laws and as provided in our Articles of Association. Please refer to the chapter titled “*Summary of Main Provisions of the Articles of Association*” beginning on page 215.

ISSUE PROCEDURE

This chapter applies to all categories of Applicants. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) in event such mechanism is put in place by Stock Exchange(s) prior to the Issue Opening Date, should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Applicants applying through the ASBA process and the Direct Online Application Mechanism should carefully read the provisions applicable to such applications before making their application in this Issue. Please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB at the time of making the Application. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA accounts.

ASBA Applicants should note that they may submit their ASBA Applications to the Members of the Syndicate or Trading Members of the Stock Exchange only at the Syndicate ASBA Application Locations, or directly to the Designated Branches of the SCSBs. Applicants other than ASBA Applicants are required to submit their Applications to the Members of the Syndicate (at the application centres of the Members of the Syndicate will be mentioned in the Application Form) or Trading Members or make online Applications using the online payment gateway of the Stock Exchanges.

Please note that this section has been prepared based on the Circular No. CIR/IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI. The following Issue procedure is subject to the functioning and operations of the necessary systems and infrastructure put in place by the Stock Exchanges for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Direct Online Applications through the online platform and online payment facility to be offered by Stock Exchanges and is also subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchange(s) and/or SEBI. In the event that the Stock Exchanges are unable to put in necessary systems, infrastructure and processes in place so as to enable the adoption of the Direct Online Application Circular prior to the Issue Opening Date, we shall not offer eligible investors desirous of applying in the Issue the option to make Applications through the Direct Online Application Mechanism. Please note that the Applicants will not have the option to apply for NCDs under the Issue, through the direct online applications mechanism of the Stock Exchanges. We will appropriately notify and/or intimate Investors in connection with the availability of Direct Online Applications Facility either through disclosures in the Draft Prospectus and/or by way of a public announcement or advertisement.

Please note that our Company has sought an exemption from SEBI for (i) issuance of NCDs in physical form and (ii) refund of application money to the same bank account from which the subscription was remitted, pursuant to the letter dated May 29, 2014 bearing reference number ACL-CF-ECLF-2014-52.

PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGE(S) WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE(S) AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE.

THE MEMBERS OF THE SYNDICATE AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITY OF SUCH TRADING MEMBERS IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES.

FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that as per SEBI Circular No. CIR/CFD/DIL/1/2013 dated January 2, 2013 and Para 4 of SEBI Circular No. CIR/CFD/DIL/12/2012 dated September 13, 2012, for making Applications by SCSBs on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB/s. Such account shall be used solely for the purpose of making Application in public issues and

clear demarcated funds should be available in such account for ASBA Applications.

Please note that for the purposes of this section, the term “Working Day” shall mean all days excluding Sundays or a public holiday in Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period and Record Date, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.

Our Company and the Lead Managers would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Investors are advised to make their independent investigations and ensure that their Application does not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Draft Prospectus.

1. Who can Apply

The following categories of persons are eligible to apply in the Issue:

Category I

- Resident Public Financial Institutions, Statutory Corporations including State Industrial Development Corporations, Commercial Banks,
- Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs;
- Provident Funds and Resident Pension Funds with minimum corpus of ₹250 million, Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs;
- Venture Capital funds and / or Alternative Investment Funds registered with SEBI;
- Insurance Companies registered with the IRDA;
- National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India);
- Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India
- Mutual Funds, registered with SEBI;

Category II

- Companies; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorized to invest in the NCDs;
- Public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);

Category III*

- Resident Indian individuals; and

- Hindu undivided families through the Karta;

**With respect to applications received from Category III applicants, applications by applicants who apply for NCDs aggregating to a value not more than ₹10,00,000, across all series of NCDs, (Option I and/or Option II and/or Option III and/or Option IV and/or Option V and/or Option VI) shall be grouped together, (“Reserved Individual Portion”) while applications by applicants who apply for NCDs aggregating to a value exceeding ₹10,00,000, across all series of NCDs, (Option I and/or Option II and/or Option III and/or Option IV and/or Option V and/or Option V), shall be separately grouped together, (“Unreserved Individual Portion”). Further all applications received from Category III Applicants will be grouped together on the basis of PAN, for calculating the total application size and determining whether the Applicant falls under Reserved Individual Portion or Unreserved Individual Portion.*

***Note:** Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/ or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.*

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

Applications cannot be made by:

- Minors without a guardian (A guardian may apply on behalf of a minor. However, the name of the guardian will need to be mentioned on the Application Form)*;
- Non-resident investors including NRIs, QFIs and FIIs who are (i) based in the USA and/or, (ii) domiciled in or resident of the USA, and/or, (iii) U.S. Persons or those who apply on account of or for the benefit of such persons, and/or, (iv) subject to any tax laws of the USA;
- Foreign Venture Capital Investor;
- Overseas Corporate Bodies;
- Foreign nationals;
- Persons resident outside India including without limitation Foreign Institutional Investors, Non-Resident Indians, Qualified Foreign Investors, Foreign Venture Capital Funds and Overseas Corporate Bodies; and
- Persons ineligible to contract under applicable statutory/ regulatory requirements.

** Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

2. How to Apply?

(i) Applicants may use any of the following facilities for making Applications:

- ASBA Applications through the Members of Syndicate and Trading Members of the Stock Exchange(s), (“**Syndicate ASBA**”);
- ASBA Applications through SCSBs (“**ASBA**”); and
- Non ASBA Applications through the Members of Syndicate and Trading Members of the Stock Exchange(s).
- Non ASBA Applications through the Members of Syndicate and Trading Members of the Stock Exchange(s) for Applicants who intend to hold the NCDs in physical form.

Please note that there is a single Application Form for ASBA as well as non-ASBA Applicants.

(ii) Availability of Prospectus and Application Forms

Copies of the Abridged Prospectus containing the salient features of the Prospectus together with Application Forms and the copies of the Prospectus may be obtained from our Registered Office, the offices of the Lead Managers, Lead Brokers, designated branches of the SCSB and Trading members. Additionally the Prospectus, Abridged Prospectus and the Application Form will be available for download on the website of NSE at www.nseindia.com, BSE at www.bseindia.com and the websites of the Lead Managers at www.axiscap.in and www.edelweissfin.com. The forms shall also be available at the designated branches of the SCSB and the Members of the Syndicate at the Syndicate ASBA Application Locations.

The prescribed colour of the Application Form for all the Applicants is white.

Electronic Application Forms will also be available on the website of Stock Exchanges. Trading members are required to download the Electronic Application Forms from Stock Exchanges platforms and submit these forms along with cheques/drafts/payment instrument to the collecting banks. A unique application number (“UAN”) will be generated for every Application Form downloaded from the websites of the Stock Exchange(s). A hyperlink to the website of the Stock Exchange for this facility will be provided on the website of the Lead Managers and the SCSBs.

Applicants are requested to note that in terms of the SEBI Circular No. CIR. /IMD/DF-1/20/2012 dated July 27, 2012 (“**Debt Application Circular**”), SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (“**Direct Online Application Mechanism**”). In this regard, SEBI has, through the Debt Application Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. In the event that the Stock Exchanges are unable to put in necessary systems, infrastructure and processes in place so as to enable the adoption of the Direct Online Application Circular prior to the Issue Opening Date, we shall not offer eligible investors desirous of applying in the Issue the option to make Applications through the Direct Online Application Mechanism.

The information below is given for the benefit of the investors. Our Company and/or the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus.

Grouping of Applications

For the purposes of the basis of allotment:

- (i) Applications received from Category I Applicants: Applications received from Category I, shall be grouped together, (“**Institutional Portion**”);
- (ii) Applications received from Category II Applicants: Applications received from Category II, shall be grouped together, (“**Non-Institutional Portion**”);
- (iii) Applications received from Category III Applicants: *With respect to applications received from Category III applicants, applications by applicants who apply for NCDs aggregating to a value not more than ₹ 10,00,000, across all series of NCDs, (Option I and/or Option II and/or Option III and/or Option IV and/or Option V and/or Option VI) shall be grouped together, (“**Reserved Individual Portion**”) while applications by applicants who apply for NCDs aggregating to a value exceeding ₹ 10,00,000, across all series of NCDs, (Option I and/or Option II and/or Option III and/or Option IV and/or Option V and/or Option VI), shall be separately grouped together, (“**Unreserved Individual Portion**”). Further all applications received from Category III Applicants will be grouped together on the basis of PAN, for calculating the total application size and determining whether the Applicant falls under Reserved Individual Portion or Unreserved Individual Portion.*

For removal of doubt, “**Institutional Portion**”, “**Non-Institutional Portion**” and “**Individual Portion**” are individually referred to as “**Portion**” and collectively referred to as “**Portions**”

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned portions, our Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue, in case our Company opts to retain any oversubscription in the Issue upto ₹2,000 million. The aggregate value of NCDs decided to be allotted over and above the Base Issue, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of NCDs upto the Base Issue Size shall be collectively termed as the “Overall Issue Size”.

3. Filing of the Prospectus with ROC

A copy of the Prospectus will be filed with the Registrar of Companies, Mumbai, Maharashtra, in terms of Section 26 of the Companies Act, 2013.

4. Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under Debt Regulations. Material updates, if any, between the date of filing of the Prospectus with ROC and the date of release of this statutory advertisement will be included in the statutory advertisement.

5. Procedure for Application

(i) Non-ASBA Applications

(a) Applications through the Members of the Syndicate/ Trading Members of the Stock Exchanges through Collecting Banks without using ASBA Facility

All Application Forms, either in physical or downloaded Application Forms, duly completed and accompanied by account payee cheques / drafts shall be submitted with the Members of the Syndicate or Trading Members of the Stock Exchanges before the closure of the Issue. The Members of the Syndicate/ Trading Members of the Stock Exchanges, upon receipt of the Non-ASBA Applications, shall upload all the details of the applications on the online platform of the Stock Exchanges. The Applications are to be submitted to the Members of the Syndicate or Trading Members on a timely manner so that the details can be uploaded on to the Stock Exchange platform i.e. from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) during the Issue Period, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and returning it to the Applicant. The Members of the Syndicate/ Trading Members of the Stock Exchanges shall thereafter submit the physical Application Form along with the cheque/ bank draft to the Escrow Collection Banks.

(b) Applications for allotment of physical NCDs by Applicants who do not have a Demat Account

All Applicants who do not have a Demat Account and intend to apply for NCDs in physical form, should submit the Application Forms duly completed in all respects, by providing all the information including PAN and Demographic Details and accompanied by account payee cheques / drafts and the Know Your Customer (“KYC”) documents with the Members of the Syndicate, Trading Members of the Stock Exchanges. The cheque/bank draft can be drawn on any bank, including a co-operative bank and is member or sub-member of the Bankers’ clearing-house and located at the place where the Application Form is submitted, i.e. where the designated collection centres of the Escrow Collection Banks are located. Outstation cheques /bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected and the Escrow Collection Banks shall not be responsible for such rejections. Payments through stockinvest would also not be allowed as the same has been discontinued by the RBI vide notification No.DBOD.NO.FSC.BC. 42/24.47.001/2003-04 dated November 5, 2003. Cash/Stockinvest/Money Orders/Postal Orders will not be accepted. In case payment is effected in contravention of conditions mentioned herein, the application is liable to be rejected and application money will be refunded and no interest will be paid thereon. A separate cheque / bank draft must accompany each Application Form. No cash payments shall be accepted.

All cheques / bank drafts accompanying the application should be crossed “A/c Payee only” and (a) all cheques / bank drafts accompanying the applications made by eligible Applicants must be made payable to “*ECL Finance – NCD Escrow Account*”.

KYC Documents to be submitted by Applicants who do not have a Demat account and are applying for NCDs in the Physical Form

(a) Self-attested copy of the proof of identification (for individuals);

Any of the following documents shall be considered as a verifiable proof of identification:

- Aadhar card;
- Passport;
- Voter’s ID;
- Driving Licence;
- Government ID Card;
- Defence ID Card;
- Photo PAN Card
- Photo Ration Card.

Self-attested copy of the PAN card (in case of a minor, the guardian shall also submit the self attested copy of his/ her PAN card);

Self-attested copy of the proof of residence;

Any of the following documents shall be considered as a verifiable proof of residence:

- ration card issued by the GoI;
- valid driving license issued by any transport authority of the Republic of India;
- electricity bill (not older than three months);
- landline/ mobile telephone bill (not older than three months);
- valid passport issued by the GoI;
- AADHAAR Letter issued by Unique Identification Authority of India (“UIDAI”);
- voter’s Identity Card issued by the GoI;
- passbook or latest bank statement issued by a bank operating in India;
- leave and license agreement or agreement for sale or rent agreement or flat maintenance bill;
- Registered Office address in case of Applicants under Category I or Category II; or
- life insurance policy.

Copy of a cancelled cheque of the bank account to which the amounts pertaining to payment of refunds, interest and redemption, as applicable, should be credited.

Applicants applying for allotment of NCDs in physical form, by signing the Application Form, confirm to the Company, the Lead Managers and the Registrar that they do not hold any Demat account in India.

The Members of the Syndicate/ Trading Members of the Stock Exchanges shall on receipt of the completed Application Form along with the KYC Documents and the cheque/ draft, provide an acknowledgment of the application to the Applicant. After verification of the KYC documents submitted by the Applicant along with the application, the Members of the Syndicate/ Trading Members of the Stock Exchanges shall upload all such details of the Applicant that is required for the purpose of allotment based on the Application Form on the online platform of the Stock Exchanges.

The Members of the Syndicate/ Trading Members of the Stock Exchanges shall thereafter submit the physical Application Form (duly stamped by such Members of the Syndicate/ Trading Members of the Stock Exchanges) along with the cheque/ bank draft and the KYC Documents to the Escrow Collecting Bank(s).

The Members of the Syndicate and the Trading Members of the Stock Exchange shall ensure they shall accept Application Forms only in such cities/ towns where the banking branches (escrow banks) are available. Details of such banking branches are available on the websites of the Lead Managers at

www.axiscapital.co.in and www.edelweissfin.com. A link to the said web pages shall also be available on the website of NSE at www.nseindia.com and BSE at www.bseindia.com.

Payment mechanism for non-ASBA Applicants

The cheque/bank draft can be drawn on any bank, including a co-operative bank which is situated at and is member or sub-member of the Bankers' clearing-house located at the place where the Application Form is submitted, i.e. at designated collection centres of the Escrow Collection Bank. Outstation cheques /bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Payment through stockinvest would also not be allowed as the same has been discontinued by the RBI vide notification no. DBOD.NO.FSC.BC. 42/24.47.001/2003-04 dated November 5, 2003. Cash/ Stockinvest/ Money Orders/Postal Orders will not be accepted. In case payment is effected in contravention of conditions mentioned herein, the application is liable to be rejected and application money will be refunded and no interest will be paid thereon. A separate cheque / bank draft must accompany each Application Form. No cash payments shall be accepted.

All cheques / bank drafts accompanying the application should be crossed "A/c Payee only" and (a) all cheques / bank drafts accompanying the applications made by eligible Applicants must be made payable to "**ECL Finance - NCD Escrow Account**".

Please note that neither our Company, nor the Members of the Syndicate, nor the Registrar shall be responsible for redressal of any grievances that Applicants may have in regard to the non-ASBA Applications made to the Trading Members, including, without limitation, relating to non-upload of the Applications data. All grievances against Trading Members in relation to the Issue should be made by Applicants to the relevant Stock Exchange.

Escrow Mechanism

Each Applicant (except for ASBA Applicants) shall draw a cheque or demand draft for the Application Amount as per the following terms:

- (a) All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form.
- (b) The Applicants shall, with the submission of the Application Form, draw a payment instrument for the Application Amount in favour of the Escrow Accounts and submit the same along with their Application. If the payment is not made favouring the Escrow Accounts along with the Application Form, the Application will be rejected. Application Forms accompanied by cash, stock invest, money order or postal order will not be accepted.
- (c) The payment instruments from the Applicants shall be payable into the Escrow Account drawn in favour of "**ECL Finance - NCD Escrow Account**".
- (d) Payments should be made by cheque, or a demand draft drawn on any bank (including a cooperative bank), which is situated at cities where branches of Escrow banks is situated, details of which is available on the websites of the Lead Managers. Outstation cheques/drafts shall be rejected.

Details of the branches of the Escrow Banks where the Application Form along with the cheque/ demand draft submitted by a Non ASBA Applicant shall be deposited by the Members of the Syndicate and Trading Members are available on the websites of the Lead Managers at www.axiscap.in and www.edelweissfin.com. A link to the said web pages shall also be available on the website of NSE at www.nseindia.com and BSE at www.bseindia.com. A link shall also be provided to the above mentioned websites in the Application Form as well.

As disclosed in the Trust Deed and receipt of necessary communication from the Lead Managers to the Issue and Registrar to the Issue, as per the provisions of the Escrow Agreement, the Escrow Collection Bank(s) shall transfer the monies from the escrow accounts to separate bank accounts i.e. the public issue accounts with respect to successful Applicants.

The balance amount in the Escrow Accounts, after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund and interest on Application Amount to the relevant Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Draft Prospectus.

The Escrow Collection Banks will act in terms of the Draft Prospectus and the Escrow Agreement. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein.

(ii) **ASBA Applications**

Procedure for Application through the Members of the Syndicate/ Trading Members of the Stock Exchanges using the Applications Supported by Blocked Amount (“ASBA”) facility and Applications through SCSBs using ASBA facility

This section is for the information of the Applicants proposing to subscribe to the Issue through the ASBA Process (“ASBA Investors”). Please note that application through ASBA is optional for all categories of Applicants. The Lead Managers and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, Lead Managers, Lead Brokers, our directors, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs including, Applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Applicants can submit their Applications through the ASBA process by submitting the Application Forms in physical mode to the SCSB with whom the ASBA Account is maintained or through the Members of the Syndicate or Trading Members (ASBA Applications through the Members of the Syndicate and Trading Members shall hereinafter be referred to as the “**Syndicate ASBA**”), prior to or on the Issue Closing Date. **ASBA Applications through the Members of the Syndicate and Trading Members is permitted only at the Syndicate ASBA Application Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat).** Kindly note that Application Forms submitted by ASBA Applicants to Members of the Syndicate and the Trading Members at the Syndicate ASBA Application Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Member of the Syndicate or the Trading Members to deposit the Application Form (A list of such branches is available at <http://www.sebi.gov.in>). The Members of Syndicate and Trading Members shall accept ASBA Applications only at the Syndicate ASBA Application Locations and should ensure that they verify the details about the ASBA Account and relevant SCSB prior to accepting the Application Form.

Trading Members shall, upon receipt of physical Application Forms from ASBA Applicants, upload the details of these Application Forms to the online platform of the Stock Exchanges and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained in accordance with the Debt Application Circular.

An ASBA Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be Members of the Syndicate and the Trading Members at the Syndicate ASBA Application Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by SCSBs and Trading Members,

Applications uploaded by SCSBs including, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Trading Members in relation to the Issue should be made by Applicants directly to the Stock Exchanges.

Please note that you cannot apply for the NCDs through the ASBA process if you wish to be Allotted the NCDs in physical form.

ASBA Application in electronic mode will only be available with such SCSBs who provide such facility. In case of application in such electronic form, the ASBA Applicant shall submit the Application Form with instruction to block the Application amount either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA Account held with SCSB, as would be made available by the concerned SCSB.

Applications are liable to be rejected, wherein the SCSBs are not able to block the funds for Application Forms which have been uploaded by the Member of the Syndicate or Trading Members of the Stock Exchange due to any reason.

Mode of payment

The Applicant applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account, details of which are provided in the Application Form or through which the Application is being made in case of electronic ASBA Application, the SCSB shall block an amount equivalent to the amount payable on Application mentioned in the Application Form until it receives instructions from the Registrar. After finalisation of Basis of Allotment and upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account. This amount will be transferred into the Public Issue Account maintained by us as per the provisions of section 40(3) of the Companies Act, 2013. The balance amount remaining blocked in the ASBA Accounts, if any, after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue and the Lead Managers to the respective SCSB.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account with the SCSB, details of which have been provided by the Applicant in the Application Form, does not have sufficient funds equivalent to the amount payable on application mentioned in the Application Form. Subsequent to the acceptance of the application by the SCSB, the Registrar would have a right to reject the application on any of the technical grounds.

In the event of withdrawal or rejection of Application Form or for unsuccessful Application Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant ASBA Account within twelve (12) Working Days of receipt of such instruction. There will be no interest paid on any such refunds.

Depository account and bank details for Applicants applying under the ASBA Process

IT IS MANDATORY FOR ALL THE APPLICANTS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR NCDs IN DEMATERIALIZED FORM. ALL APPLICANTS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, PAN, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM.

Applicants applying under the ASBA Process should note that on the basis of name of these Applicants, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository demographic details of these Applicants such as PAN, address for printing on

Allotment advice and occupation (“Demographic Details”). Hence, Applicants applying under the ASBA Process should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with such Applicants including mailing of the letters intimating unblocking of their respective ASBA Accounts. The Demographic Details given by the Applicants in the Application Form would not be used for any other purposes by the Registrar. Hence, Applicants are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Applicants applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking the funds would be mailed at the address of the ASBA Applicant as per the Demographic Details received from the Depositories. The Registrar to the Issue will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent NCDs are not allotted to such ASBA Applicants. ASBA Applicants may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered.

ASBA Applicants may note that any such delay shall be at the sole risk of the ASBA Applicants and none of our Company, the SCSBs, the Members of the Syndicate or Trading Member shall be liable to compensate the Applicant applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) Client ID, (b) the DP ID and (c) the PAN Number, then such applications are liable to be rejected.

Mode of Application	To whom the Application Form has to be submitted
ASBA Applications	<ul style="list-style-type: none"> i. to the Members of the Syndicate only at the Syndicate ASBA Application Locations; or ii. to the Designated Branches of the SCSBs where the ASBA Account is maintained; or iii. to Trading Members only at the Syndicate ASBA Application Locations.
Non- ASBA Applications	<ul style="list-style-type: none"> i. to the Members of the Syndicate; or ii. to Trading Members.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds, registered with SEBI

No mutual fund scheme shall invest more than 15% of its NAV in debt instruments issued by a single Company which are rated not below investment grade by a credit rating agency authorised to carry out such activity. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of Asset Management Company.

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. Applications made by the AMC or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made. The applications must be accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed (ii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Scheduled Banks, Co-operative Banks and Regional Rural Banks

Scheduled Banks, Co-operative Banks and Regional Rural Banks can apply in this public issue based upon their own investment limits and approvals. The application must be accompanied by certified true copies of (i) Articles of Association and Memorandum of Association (ii) Board Resolution authorising investments;

(iii) Letter of Authorisation; and (iv) specimen signatures of authorised persons. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application for Allotment of NCDs in physical form in whole or in part, in either case, without assigning any reason therefore.

Applications by Alternative Investments Funds

Applications made by an Alternative Investments Fund eligible to invest in accordance with the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012, must be accompanied by certified true copies of: (i) the SEBI registration certificate of such Alternative Investment Fund; (ii) a resolution authorising the investment and containing operating instructions; and (iii) specimen signatures of authorised persons. Alternative Investment Funds applying for Allotment of the NCDs shall at all-time comply with the conditions for categories as per their SEBI registration certificate and the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions, Statutory Corporations, which are authorized to invest in the NCDs

The application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications by companies, bodies corporate and societies registered under the applicable laws in India

The application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated or/and MoA and AoA; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)

The application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorizing investment and containing operating instructions (Resolution); (iv) Specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Category I Applicants, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Application Form, failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

In case of Investments made pursuant to a power of attorney by Category II and Category III Applicants, a certified copy of the power of attorney must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

In case of an ASBA Application pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. Failing this, our Company, in consultation with the Lead Managers, reserves the right to reject such Applications.

Applications by provident funds, resident pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, resident pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs in physical form must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Funds

Application made by a National Investment Funds for Allotment of the NCDs in physical form must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Form subject to such terms and conditions that our Company and the Lead Managers may deem fit.

6. Applicants' PAN, Depository Account and Bank Account Details

(i) Permanent Account Number

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act (Except for Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market). In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN will be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application will be rejected on this ground.

(ii) Applicant's Depository Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT IN DEMAT FORM SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, PAN, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM.

Applicant should note that on the basis of name of the Applicant, PAN details, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the investor such as address, PAN, bank account details for printing on refund orders or used for refunding through electronic mode, as applicable and occupation ("**Demographic Details**"). Hence, Applicants should carefully fill in their Depository Account details in the Application Form. Applicants are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the refund orders/ Allotment Advice and printing of bank particulars on the refund/interest order and the Demographic Details given by Applicant in the Application Form would not be used for these purposes by the Registrar.

Refund Orders/Allotment Advice would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicant may note that delivery of Refund Orders/Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicant's sole risk and neither our Company nor the Lead Managers or the Registrar, Syndicate Member, Trading Members or SCSBs shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

However in case of applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose

of printing particulars on the refund order and mailing of Refund Orders /Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used.

In case no corresponding record is available with the Depositories that matches all three parameters, namely, the Depository Participant's identity (DP ID), Client ID and PAN, then such applications are liable to be rejected.

(iii) Applicant's Bank Account Details

The Registrar to the Issue will obtain the Applicant's bank account details from the Depository. The Applicant should note that on the basis of the name of the Applicant, PAN details, Depository Participant's (DP) name, Depository Participant's identification number and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Applicant's DP account, the Applicant's bank account details. The investors are advised to ensure that bank account details are updated in their respective DP Accounts as these bank account details would be printed on the refund order(s) or used for refunding through electronic mode, as applicable. Please note that failure to do so could result in delays in credit of refunds to Applicants at the Applicant's sole risk and neither the Lead Managers, our Company, the Refund Banker nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

7. Instructions for completing the Application Form

A. Submission of Application Form (Non-ASBA)

General Instructions

- Applications to be made in prescribed form only;
- The forms to be completed in block letters in English;
- Ensure that the details about Depository Participant and Beneficiary Account in the Applications for seeking allotment of NCDs in dematerialized mode are correct, as allotment of NCDs to these Applicants will be in the dematerialized form only.
- Information provided by the Applicants in the Application Form will be uploaded on to the Stock Exchanges Platform system by the Members of the Syndicate, Trading Members of the Stock Exchanges as the case may be, and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible;
- Applications should be made by Karta in case of HUF. Please ensure PAN details of the HUF is mentioned and not of Karta;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form. In case of Joint Applicants, PAN of all Joint Applicants is compulsory;
- Applicants (other than those applying for Allotment of NCDs in physical form) should correctly mention their DP ID and Client ID in the Application Form. For the purpose of evaluating the validity of Applications, the Demographic Details of Applicants shall be derived from the DP ID and Client ID mentioned in the Application Form;
- Applicants applying for Allotment of NCDs in physical form should submit the KYC documents as mentioned above. The Registrar shall withhold dispatch of the Physical NCD certificates till the proper KYC documents are received;
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form;

- All Applicants are required to tick the relevant box of the “Mode of Application” in the Application Form choosing either ASBA or Non-ASBA mechanism;
- All Application Forms (except in case of Application Forms through ASBA mechanism) duly completed together with cheque/bank draft for the amount payable on application must be delivered before the closing of the Issue to any of the Members of the Syndicate and Trading Members of the Stock Exchanges, who shall upload the same on the Stock Exchange Platform before the closure of the Issue;
- All Applicants applying through Non-ASBA mechanism shall mention the Application Number, Sole/ first Applicant’s name and the phone number on the reverse side of the cheque and demand draft;
- No receipt will be issued for the application money. However, Bankers to the Issue and/or their branches receiving the applications will acknowledge the same to the Members of Syndicate;

Further Instructions for ASBA Applicants

- ASBA Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch, otherwise the concerned SCSB shall reject the Application;
- If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five applications can be made from one single ASBA Account;
- For ASBA Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the Stock Exchanges on the prescribed Application Form. SCSBs may provide the electronic mode for making application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for application and blocking funds in the ASBA Account;
- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchanges and/or SCSB. Application Forms which do not bear the stamp is liable to be rejected.

All Applicants should apply for one or more option of NCDs in a single Application Form only.

To supplement the foregoing, the mode and manner of Application and submission of Application Forms is illustrated in the following chart.

Mode of Application	To whom the Application Form has to be submitted
ASBA Applications	<ul style="list-style-type: none"> i. to the Members of the Syndicate only at the Syndicate ASBA Application Locations; or ii. to the Designated Branches of the SCSBs where the ASBA Account is maintained; or iii. to Trading Members only at the Syndicate ASBA Application Locations.
Non- ASBA Applications	<ul style="list-style-type: none"> i. to the Members of the Syndicate; or ii. to Trading Members.

B. Terms of Payment

The Application Amount for the NCDs is payable on application only. In case of allotment of lesser number of NCDs than the number applied, our Company shall refund/ unblock the excess amount paid on application to the Applicant.

8. Electronic registration of Applications

- (i) The Members of the Syndicate, SCSBs and Trading Members will register the Applications using the on-line facilities of Stock Exchanges. The Lead Managers, our Company, and the Registrar are not

responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the SCSBs and Trading Members, (ii) the Applications uploaded by the SCSBs and the Trading Members, (iii) the Applications accepted but not uploaded by the SCSBs or the Trading Members, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) with respect to ASBA Applications accepted and uploaded by Members of the Syndicate for which the Application Amounts are not blocked by the SCSBs.

- (ii) The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Members of the Syndicate, Trading Members and the SCSBs during the Issue Period. On the Issue Closing Date, the Members of the Syndicate, Trading Members and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Members of the Syndicate, Trading Members and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
- (iii) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchanges, would be made available at the Application centres as provided in the Application Form during the Issue Period.
- (iv) At the time of registering each Application, SCSBs, the Members of the Syndicate and Trading Members, as the case may be, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts, details of payment instruments (for non – ASBA Applications) and any other details that may be prescribed by the online uploading platform of the Stock Exchanges.
- (v) On request, a system generated TRS will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the TRS from the SCSBs, Members of the Syndicate or the Trading Members, as the case may be. The registration of the Applications by the SCSBs, Members of the Syndicate or Trading Members does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (vi) The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.
- (vii) In case of apparent data entry error by either the Members of the Syndicate or the Trading Members, in entering the Application Form number in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.
- (viii) Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for Allotment. The Members of the Syndicate, Trading Members and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order to ensure that your application is properly uploaded on the Stock Exchange, avoid making the application near the time of the closure.

9. General Instructions

Do's

- Check if eligible to apply;
- Read all the instructions carefully and complete the Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account in the allotment of NCDs in Dematerialised form through the Members of the Syndicate and Trading Members are correct, as allotment of NCDs to these Applicants will be in the dematerialized form only;
- Ensure you have provided all KYC documents (self attested) along with the Application Form and the date of birth is mentioned on the Application Form in case of Applications made for Allotment in physical mode;
- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
- Ensure that the Applications are submitted to the Members of the Syndicate and Trading Members on a timely manner on the Issue Closing Date so that the details can be uploaded before the closure of the Issue Period;
- Ensure that the Applicant's name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that the first named Applicant whose name appears in the Application Form has signed the Application form;
- Ensure that you mention your PAN allotted under the IT Act, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants;;
- Ensure that the Demographic Details are updated, true and correct in all respects (except in case where the application is for NCDs in physical form);
- Ensure the use of an Application Form bearing the stamp of the relevant SCSB, Trading Members of the Stock Exchanges or the Members of the Syndicate (except in case of electronic ASBA Applications) to whom the application is submitted;
- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities, as applicable to each category of investor, to apply for, subscribe to and/or seek allotment of NCDs pursuant to the Issue;
- In case you are submitting an Application Form to a trading member ensure that he is located in a town / city that has an escrow banking facility. (list of such locations are available on the websites of Stock Exchanges, the Company, Lead managers, a link for the same being available in the Application Form);
- Ensure that you receive an acknowledgement from the Designated Branch, the Trading Member of the Stock Exchanges or from the Members of the Syndicate, as the case may be, for the submission and upload of your Application Form;
- Applicants (other than the ASBA Applicants are requested to write sole / first Applicant's name, phone number and the Application number on the reverse of the Cheque/ Demand Draft through which the payment is made.

Do's for ASBA Applicants in addition to the above mentioned general instructions

- Ensure that you specify ASBA as the 'Mode of Application' and use the Application Form bearing the stamp of the relevant SCSB, Trading Members of the Stock Exchanges or the Members of the Syndicate (except in case of electronic Application Forms) to whom the application is submitted;
- Ensure that your Application Form is submitted either at a Designated Branch of an SCSB where the ASBA Account is maintained, with a Trading Member of the Stock Exchanges at the Syndicate ASBA Application Locations or with the Members of the Syndicate and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- ASBA Applicants applying through a Member of the Syndicate/ Trading Member should ensure that the Application Form is submitted to such Member of the Syndicate/ Trading Member. ASBA Applicants should also ensure that Application Forms submitted to the Members of the Syndicate/ Trading Member will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Members of the Syndicate/ Trading Member to deposit the Application Form from ASBA Applicants (A list of such designated branches is available at <http://www.sebi.gov.in>). ASBA Applicants Applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch, of a SCSB where the ASBA Account is maintained (A list of such branches is available at <http://www.sebi.gov.in>).
- Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- Ensure that you have funds equal to or more than the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch, with a Trading Member of the Stock Exchanges or to the Members of the Syndicate;
- Ensure that the Applications are submitted to the SCSBs, Members of the Syndicate and Trading Members on a timely manner on the Issue Closing Date so that the details can be uploaded before the closure of the Issue Period;
- Ensure that the first named Applicant whose name appears in the Application Form has signed the Application form.
- In case you are submitting the Application Form to a Member of the Syndicate, please ensure that the SCSBs with whom the ASBA Account specified in the Application Form is maintained, has a branch specified for collecting such Application Forms in the location where the Application Form is being submitted.
- In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, in case of an SCSB making an ASBA Application, such ASBA Application should be made through an ASBA Account utilised solely for the purpose of applying in public issues and maintained in the name of such SCSB Applicant with a different SCSB, wherein clear demarcated funds are available.
- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form and that your signature in the Application Form matches with your available bank records;
- Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the Designated Branch or the concerned Lead Manager, Lead Broker or Trading Member of the Stock Exchange, as the case may be, for the submission of the Application Form.

Don'ts:

- Do not apply for lower than the minimum application size;
- Do not pay the Application Amount in cash or by money order or by postal order or by stockinvest;
- Do not fill up the Application Form such that the NCDs applied for exceeds the issue size and/or investment limit applicable to such investor under laws or regulations applicable to such investor or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application Form will be rejected on this ground;
- Do not submit the Application Forms without the full Application Amount;
- Do not send Application Forms by post;
- Do not submit Application Forms in non-ASBA mode to any of the Collection Centres of the Bankers to the Issue/ Registrar/Company;

Don'ts for ASBA Applicants in addition to the above mentioned general instructions

- Do not make payment of Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts shall not be accepted under the ASBA;
- Do not send your physical Application Form by post. Instead submit the same to a Trading Member of the Stock Exchanges or to a Member of the Syndicate, as the case may be;
- Do not submit more than five Application Forms per ASBA Account;
- Do not submit the Application Form with a Member of the Syndicate or Trading Member of the Stock Exchanges, at a location other than where the Syndicate ASBA Application Locations; and
- Do not submit ASBA Applications to a Member of the Syndicate or the Trading Members of the Stock Exchanges unless the SCSB where the ASBA Account is maintained as specified in the Application Form, has named at-least one Designated Branch, as displayed on the SEBI website (<http://www.sebi.gov.in>) in the relevant area for the Members of the Syndicate or the Trading Members of the Stock Exchanges to deposit the Application Forms.

10. Other Instructions**A. Joint Applications**

Applications may be made in single or joint names (not exceeding three). In the case of joint applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. PAN for all Joint Applicants is compulsory.

B. Additional/ Multiple Applications

An Applicant is allowed to make one or more applications for the NCDs for the same or other series of NCDs, subject to a minimum application size of ₹10,000 and in multiples of ₹1,000 thereafter, for each application. Any application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected. However, any application made by any person in his individual capacity and an application made by such person in his capacity as a karta of a Hindu Undivided family and/or as joint Applicant, shall not be deemed to be a multiple application but for the purpose of deciding whether the Applicant will be considered under the Individual Portion, two or more applications, as above, will be clubbed together.

For the purposes of allotment of NCDs under the Issue, applications shall be grouped based on the PAN, i.e. applications under the same PAN shall be grouped together and treated as one application. For the sake of clarity, two or more applications shall be deemed to be a multiple application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

C. Depository Arrangements

The allotment of NCDs of our Company can be made in both dematerialised form (i.e. not in the form of physical certificates but be fungible and be represented by the Statement issued through electronic mode) as well as physical form.

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. Please note that tripartite agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialized form. In this context:

- (i) Tripartite Agreement both dated March 22, 2010 between us, the Registrar to the Issue and CDSL and NSDL, respectively for offering depository option to the investors,
- (ii) An Applicant who wishes to apply for NCDs in the electronic form must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the application,
- (iii) The Applicant seeking allotment of NCDs in the Electronic Form must necessarily fill in the Demographic Details in the Application Form,
- (iv) NCDs allotted to an Applicant in the Electronic Account Form will be credited directly to the Applicant's respective beneficiary account(s),
- (v) For subscription in electronic form, names in the Application Form should be identical to those appearing in the account details in the depository.
- (vi) Non-transferable Allotment Advice/refund orders will be directly sent to the Applicant by the Registrars to this Issue,
- (vii) If incomplete/incorrect details are given in the Application Form, it will be rejected.
- (viii) For allotment of NCDs in electronic form, the address, nomination details and other details of the Applicant as registered with his/her DP shall be used for all correspondence with the Applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, our Company would not be liable for losses, if any,
- (ix) It may be noted that NCDs in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. BSE has connectivity with NSDL and CDSL,
- (x) Interest/ redemption amount or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on record date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the record date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of ten (10) Working Days.
- (xi) The trading of the NCDs shall be in dematerialized form only.

D. Communications

- All future Communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its application.
- Applicants can contact the Compliance Officer of our Company/Lead Managers or the Registrar to the Issue in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non- receipt of Allotment Advice / credit of NCDs in depository's beneficiary account / refund orders, etc. Applicants may contact the Compliance Officer of our Company/Lead Manager or Registrar to the Issue.
- Applicants who have submitted Application Forms with the Trading Members may contact the Trading Member for Issue related problems.

11. Rejection of Application

The Board of Directors and/or any committee of our Company reserves its full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Applications not duly signed by the sole/joint Applicants (in the same sequence as they appear in the records of the depository), signature of sole and/ or joint Applicant(s) missing;
- Applications submitted without payment of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- In case of partnership firms (except limited liability partnership firms), NCDs may be registered in the names of the individual partners and any application in the name of the partnership firm shall be rejected;
- Date of Birth for First/ Sole Applicant for persons applying for allotment of NCDs in physical form not mentioned in the Application Form;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors (without the name of guardian) and insane persons;
- PAN of the Applicant not mentioned in the Application Form except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants;
- GIR number furnished instead of PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- Applications by any persons outside India including Applications by OCBs;
- Applications by Nonresident investors including NRIs, FIIs and QFIs including those who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- Any application for an amount below the minimum application size;
- Application for number of NCDs, which are not in multiples of one;

- Application under power of attorney or by limited companies, corporate, trust etc. where relevant documents are not submitted;
- Application Form does not have Applicant's depository account details (i.e. DP ID & Client ID) and has not opted for Allotment of NCDs in physical form;
- Applications accompanied by Stockinvest/money order/postal order;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Draft Prospectus and as per the instructions in this Draft Prospectus and the Application Form;
- In case the subscription amount is paid in cash;
- In case no corresponding record is available with the Depositories that matches three parameters namely, client ID, PAN and the DP ID in case of Application for Allotment in dematerialised form;
- Applications submitted directly to the Escrow Collection Banks, if such bank is not the SCSB;
- Application Form accompanied with more than one payment instrument;
- For applications in demat mode, DP ID/Client ID/PAN as per Electronic file does not match with depository records
- Application not uploaded in to the Electronic files of Stock Exchanges
- Applications directly uploaded to the Electronic files of Stock Exchanges and not through the Members of the Syndicate or Trading Members of the Exchanges.
- Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- ASBA Application Forms not being signed by the ASBA Account holder;
- ASBA Applications not having details of the ASBA Account to be blocked;
- With respect to ASBA Applications, inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- Applications where clear funds are not available in the Applicant's bank account as per final certificates from Escrow Collection Banks;
- Authorization to the SCSB for blocking funds in the ASBA Account not provided;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchanges, as applicable;
- In case of SCSBs applying for Allotment of NCDs, if the ASBA Account is not maintained in the name of such SCSB with a different SEBI registered SCSB;
- Applications by Applicants whose demat accounts are inoperative or have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- ASBA Applications submitted to the Members of Syndicate or Trading Members of the Stock Exchange or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Escrow Collecting Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;

Kindly note that The ASBA Applications being submitted with the Member of the Syndicate or with the Trading Members of the Stock Exchanges should be submitted at the Syndicate ASBA Application Locations. Further, ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one Designated Branch for the Members of the Syndicate or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <http://www.sebi.gov.in>).

For further instructions regarding application for the NCDs, investors are requested to read the Application Form.

12. Allotment Advice / Refund Orders

The manner of payment of interest / refund/ redemption in connection with the NCDs is set out below:

- ***For NCDs applied / held in Demat form:***

The bank details will be obtained from the Depositories for payment of Interest / refund (except ASBA Applications)/ redemption as the case may be. Applicants who have applied for or are holding the NCDs in Demat form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so may result in delays in credit of refunds to the Applicant at the Applicant's sole risk, and the Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

- ***For NCDs held in physical form:***

The bank details will be obtained from the Registrar to the Issue for payment of interest / redemption as the case may be.

The mode of interest/ redemption payments shall be undertaken in the following order of preference:

- (a) **Direct Credit**

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

- (b) **NECS**

Payment of interest/ refund/ redemption shall be undertaken through NECS for NCD Holders/Applicants having an account at the centers mentioned in NECS MICR list.

This mode of payment of refunds would be subject to availability of complete bank account details including the Magnetic Ink Character Recognition (MICR) code, Indian Financial System Code (IFSC) code, bank account number, bank name and branch name as appearing on a cheque leaf, from the Depositories. One of the methods for payment of interest / refund / redemption is through NECS for NCD Holders/ Applicants having a bank account at any of the abovementioned centers.

- (c) **RTGS**

NCD Holders/ Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amount exceeds ₹0.2 million, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible NCD Holders/ Applicants who indicate their preference to receive interest payment / refund / redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrars to the Issue at least 15 days before the Record Date. Charges, if any, levied by the NCD Holders/ Applicants' bank receiving the credit would be borne by the NCD Holders/ Applicant. In the event the same is not provided, interest payment / refund / redemption shall be made through NECS subject to availability of complete bank account details for the same as stated above.

(d) **NEFT**

Payment of interest / refund / redemption shall be undertaken through NEFT wherever the NCD Holders/ Applicants' bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a Magnetic Ink Character Recognition ("**MICR**"), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the NCD Holders/ Applicants have registered their nine digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/refund/redemption will be made to the NCD Holders/ Applicants through this method.

(e) **Registered Post/Speed Post/Courier Service**

For all other NCD Holders/ Applicants, including those who have not updated their bank particulars with the MICR code and if the interest payment through NECS to such Applicants is unsuccessful to such Applicants interest will be paid and the interest payment / refund / redemption orders shall be dispatched through Speed Post/ Registered Post/Courier Service.

Please note that NCD Holders/ Applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCD, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

Further,

- Allotment of NCDs shall be made within a time period of twelve (12) Working Days from the date of closure of the Issue;
- Credit to demat account will be given not later than twelve (12) Working Days from the date of the closure of the Issue;
- If our Company does not receive the minimum subscription of 75 % of the Base Issue, i.e. ₹1,500 million, prior to the Issue Closing date, the entire subscription shall be refunded to the Applicants within 15 working days from the date of closure of the Issue, failing which, our Directors who are officers in default shall be jointly and severally liable to pay that money with interest for the delayed period, at the rate of 15 percent per annum to the same bank account from which the Application Amount was received by our Company.

Our Company will provide adequate funds to the Registrars to the Issue, for this purpose.

13. Retention of oversubscription

Our Company is making a public Issue of NCDs aggregating up to ₹2,000 million with an option to retain oversubscription of NCDs up to ₹2,000 million.

14. Basis of Allotment

The registrar will aggregate the applications based on the applications received through an electronic book from the Stock Exchanges and determine the valid applications for the purpose of drawing the basis of allocation. Grouping of the application received will be then done in the following manner:

Grouping of Applications and Allocation Ratio: Applications received from various Applicants shall be grouped together on the following basis:

- (i) Applications received from Category I Applicants: Applications received from Category I, shall be grouped together, ("**Institutional Portion**");

- (ii) Applications received from Category II Applicants: Applications received from Category II, shall be grouped together, (“**Non-Institutional Portion**”);
- (iii) Applications received from Category III Applicants: With respect to applications received from Category III applicants, applications by applicants who apply for NCDs aggregating to a value not more than ₹ 10,00,000, across all series of NCDs, (Option I and/or Option II and/or Option III and/or Option IV and/or Option V and/or Option VI) shall be grouped together, (“**Reserved Individual Portion**”) while applications by applicants who apply for NCDs aggregating to a value exceeding ₹ 10,00,000, across all series of NCDs, (Option I and/or Option II and/or Option III and/or Option IV and/or Option V and/or Option VI), shall be separately grouped together, (“**Unreserved Individual Portion**”). Further all applications received from Category III Applicants will be grouped together on the basis of PAN, for calculating the total application size and determining whether the Applicant falls under Reserved Individual Portion or Unreserved Individual Portion.

For removal of doubt, “**Institutional Portion**”, “**Non-Institutional Portion**” and “**Individual and HUF Portion**” are individually referred to as “**Portion**” and collectively referred to as “**Portions**”

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Issue upto ₹2,000 million. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of NCDs upto the Base Issue Size shall be collectively termed as the “**Overall Issue Size**”.

Basis of Allotment for NCDs

(a) Allotments in the first instance:

- (i) Applicants belonging to the Category I, in the first instance, will be allocated NCDs upto 20% of Overall Issue Size on first come first serve basis (determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange);
- (ii) Applicants belonging to the Category II, in the first instance, will be allocated NCDs upto 20% of Overall Issue Size on first come first serve basis (determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange);
- (iii) Applicants belonging to the Unreserved Individual Portion, in the first instance, will be allocated NCDs upto 20% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each application duly acknowledged by the Members of the Syndicate/ Trading Members/ SCSB (Designated Branch or online acknowledgement));
- (iv) Applicants belonging to the Reserved Individual Portion, in the first instance, will be allocated NCDs upto 40% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each application duly acknowledged by the Members of the Syndicate/ Trading Members/ SCSB (Designated Branch or online acknowledgement));

Allotments, in consultation with the Designated Stock Exchange, shall be made on a first-come first-serve basis, based on the date of upload of each application in to the Electronic Book with Stock Exchanges, in each Portion subject to the Allocation Ratio.

(b) Under Subscription:

Under subscription, if any, in any Portion, priority in allotments will be given in the following order:

- (i) Category III (Reserved Individual Portion)
- (ii) Category III (Unreserved Individual Portion)
- (iii) Category II
- (iv) Category I

on a first come first serve basis.

For each Portion, all Applications uploaded in to the Electronic Book with Stock Exchanges would be treated at par with each other. Allotment within a day would be on proportionate basis, where NCDs applied for exceeds NCDs to be allotted for each Portion respectively.

Minimum allotments of 1 NCD and in multiples of 1 NCD thereafter would be made in case of each valid Application.

(c) Allotments in case of oversubscription:

In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of NCDs to the Applicants on a first come first basis for forms uploaded up to 5 pm of the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the Applicants on the date of oversubscription (based on the date of upload of the Application on the Stock Exchange Platform, in each Portion).

(d) Proportionate Allotments: For each Portion, on the date of oversubscription:

- i) Allotments to the Applicants shall be made in proportion to their respective application size, rounded off to the nearest integer,
- ii) If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Issue size, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose allotment size, prior to rounding off, had the highest decimal point would be given preference,
- iii) In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

(e) Applicant applying for more than one Option of NCDs:

If an Applicant has applied for more than one Option of NCDs, and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for, the Option-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each Option, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with Lead Managers and Designated Stock Exchange.

In cases of odd proportion for allotment made for applications received on the date of over subscription and proportion is equal among various options selected by the Applicant, our Company in consultation with the Lead Manager will allot the differential one NCD in the order:

- (a) first with monthly interest payment in decreasing order of tenor; and
- (b) followed by cumulative payment option in decreasing order of tenor

Hence using the above procedure the order of allotment for the differential one NCD will be: III, I, IV and II.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Issue shall be taken by our Company in consultation with the Lead Managers and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Draft Prospectus.

Our Company would have the discretion to allot Option [●] NCDs to all valid applications, wherein the Applicants have not selected any option.

15. Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their applications at any time prior to the closure of the Issue.

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription for NCDs aggregating to 75% of the Base Issue. Our Company shall allot NCDs with respect to the applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

16. Utilisation of Application Money

The sum received in respect of the Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

17. Utilisation of Issue Proceeds

- (i) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account referred to in sub-section (3) of section 40 of the Act.
- (ii) for the relevant Financial Years commencing from the Financial Year 2014, our Company will disclose on a half yearly basis, a statement indicating material deviations, if any, in the use of the proceeds of the Issue from the objects stated in the Prospectus. This information shall be furnished to the stock exchange along with the half yearly financial results furnished under clause 29 of the Debt Listing Agreement to the Stock Exchange and shall also be published in the newspapers simultaneously along with the half yearly financial results.
- (iii) the Issue proceeds shall be kept in the escrow account(s) opened in terms of the Draft Prospectus and shall be available to the Company only upon execution of the documents as stated in this Draft Prospectus and on receipt of the minimum subscription of 75% of the Base Issue; and
- (iv) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any property; however the Issue Proceeds may be used for issuing Loans against securities.

Listing

The NCDs offered through this Draft Prospectus are proposed to be listed on the NSE and BSE. Our Company has obtained an 'in-principle' approval for the Issue from NSE vide letter dated [●] and BSE *vide* their letter dated [●]. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by NSE and/or BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Draft Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at NSE and/or BSE are taken within twelve (12) working days from the date of closure of the Issue.

Undertaking by the Issuer

We undertake that:

- (i) the complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Trading Members) shall be attended to by us expeditiously and satisfactorily;
- (ii) we shall take necessary steps for the purpose of getting the NCDs listed within the specified time;
- (iii) the funds required for dispatch of refund orders/ allotment advice/ certificates by registered post shall be made available to the Registrar by our Company;
- (iv) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the NCDs are outstanding;
- (v) we shall forward the details of utilisation of the funds raised through the NCDs duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year;

- (vi) we shall disclose the complete name and address of the Debenture Trustee in our annual report;
- (vii) we shall provide a compliance certificate to the Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of NCDs as contained in this Draft Prospectus; and
- (viii) we shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

SECTION VII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS

Except as described below, there are no outstanding litigations including, suits, criminal or civil prosecutions and taxation related proceedings against our Company and its Board of Directors that may have an adverse effect on our business. Further, there are no defaults, non-payment of statutory dues including, institutional / bank dues and dues payable to holders of any debentures, bonds and fixed deposits that would have a material adverse effect on our business other than unclaimed liabilities against our Company as of the date of this Draft Prospectus.

Save as disclosed herein below, there are no:-

- *litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of our Company during the last five years immediately preceding the year of the issue of the draft prospectus and any direction issued by such Ministry or Department or statutory authority;*
- *pending litigation involving our Company, our Promoter, our Directors, Subsidiaries, Group Companies or any other person, whose outcome could have material adverse effect on the position of the issuer;*
- *pending proceedings initiated against our Company for economic offences;*
- *default and non-payment of statutory dues etc.*

Further from time to time, we have been and continue to be involved in legal proceedings filed by and/or against us, arising in the ordinary course of our business. These legal proceedings are mostly civil in nature. We believe that the number of proceedings in which we are / were involved is not unusual for a company of our size doing business in India.

Litigations against our Company

1. A notice dated January 10, 2013 has been issued by the District Consumer Disputes Redressal Forum, Chennai ("**Forum**"), against our Company and others ("**Respondents**"), pursuant to complaint bearing CC No. 10/2013 ("**Complaint**") dated November 30, 2012, filed by Harsh Dugar ("**Complainant**").

The Complainant is an employee of HDFC Bank Limited, entitled to ESOPs and had availed of loan from our Company for purchase of the same. By way of the Complaint, the Complainant *inter-alia* prays for (i) computation and acceptance of outstanding payable by him as principal with interest at the rate of 8.5% per annum from date of disbursement till payment; (ii) to refund an amount of ₹0.40 million towards sale of securities collected by our Company; (iii) for cost and compensation of ₹0.10 million for alleged losses; and (iv) ₹0.50 million towards compensation due to mental agony.

The Forum has taken the Complaint on file and had posted it for enquiry on February 6, 2013. The Forum directed the Respondents to file their version of the case under Section 13(1)(a), Consumer Protection Act, 1986. The Respondents have accordingly filed replies, denying the contentions of the Complainant. The matter is currently pending.

2. The District Consumer's Dispute Redressal Forum (Central), Delhi ("**Forum**"), has issued summons dated September, 21, 2013 ("**Summons**") to our Company in Case No. 158/13.

Mr Rishi Pahuja ("**Complainant**") had availed of loan of amount ₹3.13 million ("**Loan**") from our Company for purchasing employee stock option scheme shares in HDFC Bank Limited ("**Bank**"). The Complainant had pledged all the shares subscribed by him in the Bank as security in respect of the Loan. The Complainant has filed a Petition bearing complaint number 158/13 dated June 5, 2013 ("**Complaint**") before the Forum claiming a sum of ₹0.55 million, being the financial loss suffered by him on account of liquidation of shares held as security by our Company due to margin shortfall.

The Forum allowed the Complaint and issued the Summons directing our Company to file a reply to the Complaint and to appear before the Forum on date fixed on October 21, 2013. Subsequently our Company vide its written statement denied the allegations raised in the Complaint and *inter-alia* raised objections towards the maintainability of the Complaint ("**Written Statement**"). Further the Complainant vide his

rejoinder alleged that the contents of the Written Statement are baseless and false and inter-alia prayed that he be awarded a sum of ₹0.55 million along with compensation and litigation costs. The matter is currently pending.

3. The DCIT – 3(1) (“**Appellant**”) has filed an appeal bearing number 7661/Mum-2011 (“**Appeal**”), for the assessment year 2008-2009, before the ITAT, Mumbai, against an order dated July 7, 2011 (“**Order**”) passed by the CIT(A)-7 Mumbai, (“**CIT (A)**”), under Section 250, Income Tax Act, 1961 (“**Act**”), deciding the matter partly in favour of our Company.

By way of the Appeal, the Appellant has sought setting aside of the Order, claiming that the CIT (A) has erred in deleting addition of ₹1.18 million, made by disallowing the market-to-market loss claimed on account of trading in derivative transactions, without appreciating the fact that the loss claimed on the basis of value of derivative as on March 31 is merely a notional loss and the actual loss or the profit in respect of such derivative transactions would get crystallized only at the time of settlement of such transaction. The matter is currently pending.

4. State Bank of India and others (“**Appellants**”) has filed an O. S. A. No. 43/13 (“**Appeal**”) dated September 25 2013 before the High Court of Karnataka, Bangalore against United Breweries (Holdings) Ltd (“**UBHL**”), our Company and others, for direction to UBHL to forthwith deposit the entire sale proceeds of shares of United Spirits Limited (“**USL**”) (13,612,591 equity shares) and for release of the said amounts to the appellants and for an ad interim order restraining UBHL from paying any part of the sale proceeds to the pledge holders. The Appellants has filed the Appeal against the order dated May 24, 2013 of single judge in company application numbers 437,441,440, 439 and 438 of 2013 in company petition number 122, 121, 248, 185 and 57 of 2012 wherein the single judge has partly allowed the applications filed by UBHL and has *inter alia* permitted it to sell 13,612,591 equity shares of USL held by it to Relay BV and Diageo Plc and others and use the sale proceeds to make payment to secured creditors of UBHL. The said shares were pledged with various lenders including our Company. The Appellants also made our Company and other lenders of UBHL as party in the said Appeal and has claimed that the pledge of shares created, inter alia, in favour of our Company as invalid on the ground that the said pledges were created in breach of certain warranties contained in the guarantee agreement executed by UBHL in favour of/for the benefit of Appellants. The Appellate Court vide judgment dated December 20, 2013 set aside the order dated May 24, 2013 of the Company Court and held the sale of shares as void.
5. Maninder Bedi and others (“**Petitioners**”) filed a revision petition dated March 19, 2014 (“**Revision Petition**”) before the District and Sessions Judge, Saket Courts, New Delhi (“**Court**”) under Section 397/399 of the CRPC against the summoning order dated June 04, 2013 (“**Order**”). The Revision petition was filed *inter-alia*, to quash and set aside the Order and consequently dismiss the subject complaint initiated against Petitioners bearing criminal complaint number 541 of 2013 under Section 138 of the Negotiable Instruments Act. The matter is currently pending.

Litigations by our Company

1. Our Company has filed complaint dated February 10, 2011 (“**Complaint**”), before the Court of Metropolitan Magistrate, 23rd Court, Esplanade, Mumbai (“**Court**”), in criminal case bearing CC No. 2300673/SS/2011 (“**Case**”) for charge against Kalpesh Vasudevabhai Padhya (“**Accused**”) under Section 138, Negotiable Instruments Act, 1881.

The Accused issued, executed and delivered cheque bearing No. 296862, dated November 30, 2010 (“**Cheque**”), for ₹24.83 million (“**Amount Due**”), drawn on a branch of HDFC Bank Limited (“**Bank**”), in favour of our Company, in consideration of the loan facilities provided to the Accused. The said Cheque was dishonoured by the Bank by way of memo dated December 1, 2010 on account of insufficient funds in the account of the Accused. Our Company sent demand notice dated December 28, 2010 to the Accused for repayment of the Amount Due within 15 days of receipt of the notice. The Accused failed to pay the Amount Due, pursuant to which, our Company filed the Complaint. The Accused was summoned by the Court, but on remaining absent, a bailable warrant of arrest was issued by the Court to secure attendance of the Accused in the proceedings. By way of the Complaint, the Company seeks to call upon the Accused to appear before the Court and admit or deny the contents of its affidavit of evidence and list of documents filed with the Court. The matter is currently pending.

2. The Court of Metropolitan Magistrate, 23rd Court, Esplanade, Mumbai (“**Court**”), has issued summons dated January 18, 2012 to Gaurav Sudhirkumar Davda (“**Accused**”) in criminal case CC No. 2300577/SS/2011 to be present in Court on March 23, 2012.

The Accused issued, executed and delivered cheque bearing No 830977, dated November 30, 2010 (“**Cheque**”), for ₹17.03 million (“**Amount Due**”), drawn on Corporation Bank Limited (“**Bank**”), in favour of our Company, in consideration of the loan facilities provided to the Accused. The said Cheque was dishonoured by the Bank by way of memo dated December 3, 2010 on account of insufficient funds in the account of the Accused. Our Company sent demand notice dated December 28, 2010 (“**Notice**”) to the Accused for repayment of the Amount Due within 15 days of receipt of the notice. The Accused, through his advocate, sent a reply dated January 11, 2011 to our Company, requesting withdrawal of the Notice. Our Company, refused to comply with the request of the Accused by letter dated February 7, 2011 and informed the Accused that he will be liable for criminal prosecution.

Our Company, accordingly, filed a complaint dated February 9, 2011 in the Case under Section 138, Negotiable Instruments Act, 1881. The matter is currently pending.

3. The Court of Metropolitan Magistrate, 23rd Court, Esplanade, Mumbai (“**Court**”), has issued a warrant bearing no 768 dated December 10, 2012 (“**Warrant**”) for arrest against Vyomesh Jitendra Trivedi (“**Accused**”) in criminal case no. 2300674/SS/2011 to be produced in Court on February 4, 2013.

The Accused issued, executed and delivered cheque bearing No. 830977, dated November 30, 2010 (“**Cheque**”), for ₹26.99 million (“**Amount Due**”), drawn on HDFC Bank Limited (“**Bank**”), in favour of our Company, in consideration of the loan facilities provided to the Accused. The said Cheque was dishonoured by the Bank by way of memo dated December 2, 2010 on account of insufficient funds in the account of the Accused. Our Company sent demand notice dated December 28, 2010 (“**Notice**”) to the Accused for repayment of the Amount Due within 15 days of receipt of the notice. The Accused failed to pay the Amount Due, pursuant to which, our Company filed a criminal complaint dated February 10, 2011 in the Case under Section 138, Negotiable Instruments Act, 1881. The Court issued summons dated February 2, 2012, to the Accused to appear in person on April 20, 2012. On account of the Accused failing to appear, the said Warrant was thereby issued. The matter is currently pending.

4. Our Company has filed criminal complaint bearing CC No. 2300675/SS/2011 dated February 11, 2011 (“**Complaint**”), before the Court of Metropolitan Magistrate, 23rd Court, Esplanade, Mumbai (“**Court**”), for charge against Prakash Laljibhai Patel (“**Accused**”) under Section 138, Negotiable Instruments Act, 1881.

The Accused issued, executed and delivered cheque bearing No. 296450, dated November 30, 2010 (“**Cheque**”), for ₹24.83 million (“**Amount Due**”), drawn on a branch of HDFC Bank Limited (“**Bank**”), in favour of our Company, in consideration of the loan facilities provided to the Accused. The said Cheque was dishonoured by the Bank by way of memo dated December 2, 2010 on account of insufficient funds in the account of the Accused. Our Company sent demand notice dated December 28, 2010 to the Accused for repayment of the Amount Due within 15 days of receipt of the notice. The Accused failed to pay the Amount Due, pursuant to which, our Company filed the Complaint. By way of the Complaint, the Company seeks to initiate appropriate proceedings against the Accused. The matter is currently pending.

5. Our Company has filed two separate criminal complaints bearing case no. C/12101/2012 and C/12102/2012 both dated June 25, 2012 (“**Complaints**”) before the Court of Metropolitan Magistrate, Calcutta (“**Court**”), for charge against Saraswati Vincom Limited and others (“**Accused**”) under Section 138, Negotiable Instruments Act, 1881.

The Accused issued, executed and delivered two cheques bearing No 899167 and 899168, both dated April 23, 2012 (“**Cheques**”), for ₹0.50 million and ₹0.60 million (“**Amount Dues**”), respectively drawn on a branch of ICICI Bank Limited (“**Bank**”), in favour of our Company, in consideration of the loan facilities provided to the Accused. The said Cheques were dishonoured by the Bank by way of memo dated May 3, 2012 and May 5, 2012 respectively on account of insufficient funds in the account of the Accused. Our Company sent two separate demand notices both dated May 19, 2012 to the Accused for repayment of the Amount Due within 15 days of receipt of the notices. The Accused failed to pay the Amount Dues, pursuant to which, our Company has filed the Complaints praying that the Court be please to take

cognizance of the offense punishable under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881. The matters are currently pending.

6. Our Company has filed a criminal complaint bearing No. 21 of 2011 dated November 2, 2011 before the Court of Metropolitan Magistrate Negotiable Instrument Act, Ahmedabad for charge against Sanjay Narang (“**Accused**”) under Section 138, Negotiable Instruments Act, 1881.

The Accused issued, executed and delivered cheque bearing No 448362, dated June 25, 2011 (“**Cheque**”), for ₹0.36 million (“**Amount Due**”), drawn on a branch of HDFC Bank Limited (“**Bank**”), in favour of our Company, in consideration of the loan facilities provided to the Accused. The said Cheque was dishonoured by the Bank by way of memo dated September 2, 2011 on account of insufficient funds in the account of the Accused. Our Company sent demand notice dated September 22, 2011 to the Accused for repayment of the Amount Due within 15 days of receipt of the notice. The Accused failed to pay the Amount Due, pursuant to which, our Company filed the Complaint. By way of the Complaint, the Company seeks to initiate appropriate proceedings against the Accused. The matter is currently pending.

7. Our Company has filed five separate complaints on July 25, 2013 (“**Complaints**”), before the Court of Additional Chief Metropolitan Magistrate, 33rd Court, Ballard Pier, Mumbai (“**Court**”), in criminal cases bearing CC No 1611/2013, CC No 1610/2013, CC No 1608/2013, CC No 1612/2013 and CC No 1609/2013 respectively (“**Respective Cases**”) for charge against Flareum Solar Technologies Private Limited and others (“**Accused**”) under Section 25 of Payment and Settlement System’s Act, 2007, read with Section 138 of the Negotiable Instruments Act, 1881.

The Accused authorized our Company’s banker, Citi Bank Limited (“**Bank**”), to debit its account in Axis Bank Limited, with ₹0.06 million (“**Amount Due**”) in each month of January, February, March, April and May 2013 in the Respective Cases and credit it to our Company’s Bank account, in consideration of the loan facilities provided to the Accused. Our Company received separate intimations on May 8, 2013 for clearing house reference numbers 2206888811, 2209886191, 2213023830 and 2219627912 and May 9, 2013 for clearing house reference number 2216235881 from the Bank, that the transactions had been dishonoured on account of insufficient balance or account closed or transferred in the Respective Cases. Accordingly, our Company sent separate demand notices dated June 6, 2013 in the Respective Cases to the Accused, for repayment of the Amount Due within 15 days of receipt of the notices. The Accused failed to pay the Amount Due in each of the Respective Cases, pursuant to which, our Company filed respective Complaints. By way of the Complaints, the Company seeks to initiate appropriate proceedings against the Accused. The matters are currently pending.

8. Our Company has filed three separate complaints in June, July and August 2013 (“**Complaints**”), before the Court of Additional Chief Metropolitan Magistrate, 33rd Court, Ballard Pier, Mumbai (“**Court**”), in criminal cases bearing CC No. 1294/SS/2013, CC No 330/517/SS/13 and CC No 2030/SS/13, respectively (“**Respective Cases**”) for charge against Dahlia Traders Private Limited and others (“**Accused**”) under Section 25 of the Payment and Settlement System’s Act, 2007, read with Section 138 of the Negotiable Instruments Act, 1881.

The Accused authorized our Company’s banker, Citi Bank Limited (“**Bank**”), to debit its account in Canara Bank Securities Limited, with ₹0.19 million (“**Amount Due**”) in each month of April, May and June 2013, in the Respective Cases and credit it to our Company’s Bank account, in consideration of the loan facilities provided to the Accused. Our Company received intimations on April 25, 2013 for clearing house reference no. 2217714303, May 31, 2013 for clearing house reference no. 2221250490 and June 21, 2013 for clearing house reference no 2224768492 from the Bank, that the transactions had been dishonoured on account of insufficient balance in the Respective Cases. Accordingly, our Company sent demand notices dated May 10, 2013, June 7, 2013 and July 8, 2013 in the Respective Cases to the Accused for repayment of the Amount Due within 15 days of receipt of the notices. The Accused failed to pay the Amount Due in each of the Respective Cases, pursuant to which, our Company filed respective Complaints. By way of the Complaints, the Company seeks to initiate appropriate proceedings against the Accused. The matters are currently pending.

9. Our Company has filed three separate complaints on August 12, 2013 (“**Complaints**”), before the Court of Additional Chief Metropolitan Magistrate, 33rd Court, Ballard Pier, Mumbai (“**Court**”), in criminal cases bearing CC No. 1852/SS/2013, CC No. 1853/SS/2013 and CC No. 1854/SS/2013, respectively (“**Respective Cases**”) for charge against Millenium Technorbit Private Limited and others (“**Accused**”)

under Section 25 of Payment and Settlement System's Act, 2007, read with Section 138 of the Negotiable Instruments Act, 1881.

The Accused authorized our Company's banker, Citi Bank Limited ("**Bank**"), to debit its account in Development Credit Bank, with ₹0.18 million ("**Amount Due**") in each month of March, April and May 2013, in the Respective Cases and credit it to our Company's Bank account, in consideration of the loan facilities provided to the Accused. Our Company received separate intimations on May 29, 2013 for clearing house reference numbers 2214419910, 22117714290 and 2221250475 from the Bank, that the transactions had been dishonoured on account of insufficient balance in the Respective Cases. Accordingly, our Company sent separate demand notices dated June 27, 2013 in the Respective Cases to the Accused, for repayment of the Amount Due within 15 days of receipt of the notices. The Accused failed to pay the Amount Due in each of the Respective Cases, pursuant to which, our Company filed respective Complaints. By way of the Complaints, the Company seeks to initiate appropriate proceedings against the Accused. The matters are currently pending.

10. Edelweiss Finance & Investments Limited (subsequently assigned to our Company) has filed three separate complaints on March 14, 2013 ("**Complaints**"), before the Court of Additional Chief Metropolitan Magistrate, 33rd Court, Ballard Pier, Mumbai ("**Court**"), in criminal cases bearing CC No. 497/13, CC No 498/13 and CC No 499/13, respectively ("**Respective Cases**") for charge against Millenium Technorbit Limited and others ("**Accused**") under Section 138 of the Negotiable Instruments Act, 1881.

The Accused issued, executed and delivered cheques bearing Nos. 702560, 702564 and 702565 dated November 21, 2012, November 25, 2012, December 20, 2012, ("**Cheques**"), for ₹0.18 million each ("**Amount Due**"), drawn on a branch of State Bank of India ("**Bank**"), in favour of our Company, in consideration of the loan facilities provided to the Accused in the Respective Cases. In the Respective Cases, the said Cheques were dishonoured by the Bank by way of separate memos dated January 9, 2013 on account of insufficient funds in the account of the Accused. Our Company sent demand notices in the Respective Cases dated January 23, 2013 to the Accused for repayment of the Amount Due within 15 days of receipt of the notice. The Accused failed to pay the Amount Due in each of the Respective Cases, pursuant to which, our Company filed the respective Complaints. By way of the Complaints, the Company seeks to initiate appropriate proceedings against the Accused. The matters are currently pending.

11. Our Company has filed four separate complaints dated July 5, 2013 ("**Complaints**"), before the Court of Additional Chief Metropolitan Magistrate, Saket, New Delhi ("**Court**"), in criminal cases bearing criminal complaint Nos C.C. No. 5484/13, C.C. No. 5485/13, C.C. No. 5496/13 and C.C. No. 5497/13, respectively ("**Respective Cases**") for charge against M/s Oyster Constro Care Private Limited and others ("**Accused**") under Section 25 of the Payment and Settlement System's Act, 2007, read with Sections 138 and 141, Negotiable Instruments Act, 1881.

The Accused authorized our Company's banker, Citi Bank Limited ("**Bank**"), to debit its account in Punjab and Sind Bank, with ₹0.02 million ("**Amount Due**") in each month of November 2012, December 2012, January 2013 and February 2013, in the Respective Cases and credit it to our Company's Bank account, in consideration of the loan facilities provided to the Accused. Our Company received separate intimations on May 7, 2013 for clearing house reference numbers 2025221712, 2027023327, 2028382010 and 2030133183 from the Bank, that the transactions had been dishonoured on account of insufficient balance in the Respective Cases. Accordingly, our Company sent separate demand notices dated May 23, 2013 in the Respective Cases to the Accused, for repayment of the Amount Due within 15 days of receipt of the notices. The Accused failed to pay the Amount Due in each of the Respective Cases, pursuant to which, our Company filed respective Complaints. By way of the Complaints, the Company seeks to initiate appropriate proceedings against the Accused. The matters are currently pending.

12. Our Company has filed a complaint dated September 19, 2013 ("**Complaint**"), before the Court of Additional Chief Metropolitan Magistrate, Saket, New Delhi ("**Court**"), in criminal cases bearing No. 1583/2013 ("**Case**") for charge against M/s Creation Computer Tech Private Limited and others ("**Accused**") under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881.

The Accused issued, executed and delivered a cheque bearing number 082008 dated July 5, 2013, ("**Cheque**"), for ₹0.09 million ("**Amount Due**"), drawn on a branch of J&K Bank ("**Bank**"), in favour of our Company, in consideration of the loan facilities provided to the Accused in the Case. In the Case, the said Cheque was dishonoured by the Bank by way of memo dated July 6, 2013 on account of insufficient

funds in the account of the Accused. Our Company sent a demand notice in the Case dated August 3, 2013 to the Accused for repayment of the Amount Due within 15 days of receipt of the notice. The Accused failed to pay the Amount Due in the Case, pursuant to which, our Company filed the Complaint. By way of the Complaints, the Company seeks to initiate appropriate proceedings against the Accused. The matter is currently pending.

13. Our Company has filed a complaint dated November 11, 2013 (“**Complaint**”), before the Court of Additional Chief Metropolitan Magistrate, 33rd Court, Ballard Pier, Mumbai (“**Court**”), in criminal case No. 3524/SS/2013 (“**Case**”) for charge against Shri Sidhi Industries and others (“**Accused**”) under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881.

The Accused issued, executed and delivered a cheque bearing number 791569 dated September 5, 2013, (“**Cheque**”), for ₹0.06 million (“**Amount Due**”), drawn on a branch of Punjab National Bank (“**Bank**”), in favour of our Company, in consideration of the loan facilities provided to the Accused in the Case. In the Case, the said Cheque was dishonoured by the Bank by way of memo dated September 5, 2013 on account of insufficient funds in the account of the Accused. Our Company sent a demand notice in the Case dated September 24, 2013 to the Accused for repayment of the Amount Due within 15 days of receipt of the notice. The Accused failed to pay the Amount Due in the Case, pursuant to which, our Company filed the Complaint. By way of the Complaint, the Company seeks to initiate appropriate proceedings against the Accused. The matter is currently pending.

14. Our Company has three filed separate complaints dated October 3, 2013 (“**Complaints**”), before the Court of Additional Chief Metropolitan Magistrate, Saket Courts, New Delhi (“**Court**”), in criminal cases bearing criminal complaint Nos. 1669/1/13, 1668/1/13 and 1667/1/13, respectively (“**Respective Cases**”) for charge against M/s. Mancon India Services Private Limited and others (“**Accused**”) under Section 25 of the Payment and Settlement System’s Act, 2007, read with Sections 138 and 141 of the Negotiable Instruments Act, 1881.

The Accused authorized our Company’s banker, Citi Bank Limited (“**Bank**”), to debit its account in Punjab National Bank, with ₹0.09 million (“**Amount Due**”) in each month of May 2013, June 2013 and July 2013, in the Respective Cases and credit it to our Company’s Bank account, in consideration of the loan facilities provided to the Accused. Our Company received separate intimations on July 22, 2013 for clearing house reference numbers 2035811947, 2037490949 and 2039206726 from the Bank, that the transactions had been dishonoured on account of insufficient balance in the Respective Cases. Accordingly, our Company sent separate demand notices dated August 21, 2013 in the Respective Cases to the Accused, for repayment of the Amount Due within 15 days of receipt of the notices. The Accused failed to pay the Amount Due in each of the Respective Cases, pursuant to which, our Company filed respective Complaints. By way of the Complaints, the Company seeks to initiate appropriate proceedings against the Accused. The matters are currently pending.

15. Our Company has filed a complaint dated November 29, 2013 (“**Complaint**”), before the Court of Additional Chief Metropolitan Magistrate, Saket Courts, New Delhi (“**Court**”), in criminal case bearing criminal complaint No. 1735/2013, (“**Case**”) for charge against M/s Mancon India Services Private Limited and others (“**Accused**”) under Section 25 of the Payment and Settlement System’s Act, 2007, read with Sections 138 and 141 of the Negotiable Instruments Act, 1881.

The Accused authorized our Company’s banker, Citi Bank Limited (“**Bank**”), to debit its account in Punjab National Bank, with ₹0.09 million (“**Amount Due**”) in the month of August 2013, and credit it to our Company’s Bank account, in consideration of the loan facilities provided to the Accused. Our Company received intimation on September 26, 2013 for clearing house reference number 2041039457 from the Bank, that the transactions had been dishonoured on account of insufficient balance in the aforementioned Case. Accordingly, our Company sent demand notice dated October 15, 2013 in the Case to the Accused, for repayment of the Amount Due within 15 days of receipt of the notices. The Accused failed to pay the Amount Due in the aforementioned Case, pursuant to which, our Company filed a Complaint. By way of the Complaint, the Company seeks to initiate appropriate proceedings against the Accused. The matter is currently pending

16. The Court of Additional District Judge, Patiala House, Delhi has issued a simple money decree dated August 6, 2012 (“**Decree**”) against Mr. Amish Vijay Kumar Dantra (“**Defendant**”) in suit bearing number 05/2012 instituted by our Company on January 2, 2012 (“**Suit**”).

The Suit has been instituted by our Company for recovery of ₹0.93 million with interest thereon, from the Defendant, pursuant to dues against loan facilities provided to the Defendant under Order XXXVII, Code of Civil Procedure, 1908. The Decree has been issued in favour of our Company. The matter is currently pending.

17. Our Company has made an interlocutory application bearing no 262 of 2013 dated April 12, 2013 (“**Application**”), in original suit bearing number 562/2012, dated April 12, 2013 (“**Application**”) before the court of IX Junior Civil Judge, City Civil Court, Hyderabad (“**Court**”) under order I, Rule 10 read with Section 151, Code of Civil Procedure against Yatindar Kumar Agarwal and six others (together referred to as “**Respondents**”).

The Application has been made by our Company to enforce its right’s as a lender to property in dispute, in an interparty suit of the Respondents. Counter affidavits have been filed by some of the Respondents, seeking dismissal of the Application. The matter is currently pending in Court.

18. Our Company has filed criminal complaints dated December 4, 2010 and December 10, 2010 against Prakash Patel, Kalpesh Padhya, Vyomesh Trivedi and Gaurav Davda (together referred to as “**Accused**”) before the Joint Commissioner of Police, Economic Offences Wing, Crime Branch, Mumbai under Sections 403, 406, 420, 120 B, 34 and other applicable provisions of Indian Penal Code, 1860 read with Code of Criminal Procedure, 1973 for criminal breach of trust and cheating amounting to ₹82.9 million. During investigation, one more person, Mr. Mukesh Kanani was impleaded as an Accused. Subsequently, an FIR was registered against the Accused including Mr. Mukesh Kanani for an offence under Section 420 and Section 34 of Indian Penal Code, 1860. Investigation is pending.

19. Our Company has filed a complaint on April 3, 2013 (“**Complaint**”), before the Court of Additional Chief Metropolitan Magistrate, Saket Courts, New Delhi (“**Court**”), in criminal case bearing No. 541 of 2013 (“**Case**”) against Cedar Infonet Private Limited and others (“**Accused**”) under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881.

The Accused issued, executed and delivered a cheque bearing number 933743 dated February 28, 2013, (“**Cheque**”), for ₹0.52 million (“**Amount Due**”), drawn on Nehru Place, New Delhi branch of Indian Overseas Bank, (“**Bank**”), in favour of our Company, in consideration of the loan facilities provided to the Accused. In the Case, the said Cheque was dishonoured by the Bank by way of memo dated March 1, 2013 on account of insufficient funds in the account of the Accused. Our Company sent a demand notice in the Case dated March 5, 2013 to the Accused for repayment of the Amount Due within 15 days of receipt of the notice. The Accused failed to pay the Amount Due in the Case, pursuant to which, our Company filed the Complaint. By way of the Complaint, the Company seeks to initiate appropriate proceedings against the Accused. The matter is currently pending.

20. Our Company has filed a criminal complaint (“**Complaint**”), before the Court of Chief Metropolitan Magistrate, Saket Courts, New Delhi (“**Court**”) against Cedar Infonet Private Limited and others (“**Accused**”) under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881.

The Accused issued, executed and delivered a cheque bearing number 748908 dated November 26, 2013, (“**Cheque**”), for 5.70 million (“**Amount Due**”), the said Cheque was dishonoured by the bank on account of insufficient funds in the account of the Accused. Aggrieved the Complaint was filed seeking to initiate appropriate proceedings against the Accused. The matter is currently pending.

21. Our Company has filed a criminal complaint on March 29, 2014 (“**Complaint**”), before the Court of Chief Metropolitan Magistrate, Saket Courts, New Delhi (“**Court**”), against Cedar Infonet Private Limited and others (“**Accused**”) under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881.

The Accused issued, executed and delivered two cheques bearing numbers 748869 and 748870 (“**Cheques**”), dated December 27, 2013 and January 27, 2014 respectively, for 5.89 million each (“**Amount Due**”), the said Cheque was dishonoured by the bank on the ground that drawers signatures differ. Aggrieved the Complaint was filed seeking to initiate appropriate proceedings against the Accused. The matter is currently pending.

22. Our Company has filed a criminal complaint (“**Complaint**”), before the Court of Chief Metropolitan Magistrate, Saket Courts, New Delhi (“**Court**”), against Pinewood Information System Private Limited and others (“**Accused**”) under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881.

The Accused issued, executed and delivered a cheque bearing number 011201 (“**Cheque**”), dated November 26, 2013, for a sum of ₹ 2.98 million (“**Amount Due**”), the said Cheque was dishonoured by the bank on account of insufficient funds in the account of the Accused. Aggrieved the Complaint was filed seeking to initiate appropriate proceedings against the Accused. The matter is currently pending.

23. Our Company has filed a criminal complaint (“**Complaint**”), before the Court of Chief Metropolitan Magistrate, Saket Courts, New Delhi (“**Court**”) against Pinewood Information System Private Limited and others (“**Accused**”) under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881.

The Accused issued, executed and delivered a cheque bearing numbers 011202 and 011203 (“**Cheques**”), dated December 27, 2013 and January 27, 2014, for a sum of ₹ 2.98 million each (“**Amount Due**”), the said Cheques were dishonoured by the bank on the ground “drawers signatures differ. Aggrieved the Complaint was filed seeking to initiate appropriate proceedings against the Accused and issue necessary order under Section 357 of the Code of Criminal Procedure, 1973 read with Section 177 of the Negotiable Instruments Act, 1881. The matter is currently pending.

24. Our Company has filed an appeal 6613/Mum-2011 dated September 30, 2011 (“**Appeal**”) before the Income Tax Appellate Tribunal, Mumbai (“**ITAT**”), for the Assessment Year 2008-2009, against an order dated July 7, 2011 (“**Order**”) passed by the CIT(A)-7 Mumbai, (“**CIT (A)**”), under Section 250, Income Tax Act, 1961 (“**Act**”).

By way of the Appeal, the Appellant has sought setting aside of the Order, claiming that the CIT(A) erred in disallowing the claim of deduction of professional fees paid amounting to ₹ 1.5 million, even though the expense incurred was wholly and exclusively for the purposes of appellants business. The matter is currently pending.

25. Our Company has filed an appeal dated April 23, 2013 (“**Appeal**”), for the Assessment Year 2010-2011, before the CIT(A)-6, against order dated March 25, 2013 (“**Order**”) passed by the Additional Commissioner of Income Tax, Range 3(1), Mumbai (“**Officer**”) under Section 143(3), Income Tax Act, 1961 (“**Act**”) for the Assessment Year 2010-2011.

By way of the Appeal, our Company has sought to contend the Order on grounds that the Officer has erred in disallowing provision for loss on non-convertible debenture transactions amounting to ₹12.57 million and disallowing of amount of ₹0.09 million on account of diminution in the value of investment. Our Company has further sought to challenge the penalty proceedings under section 271 (1)(C) of the IT Act, 1961. The matter is currently pending.

26. Our Company has filed an appeal dated April 25, 2014 (“**Appeal**”), for the assessment year 2011-2012, before the CIT(A)-6, against order dated March 31, 2014 (“**Order**”) passed by the Deputy Commissioner of Income Tax, Range 3(1), Mumbai (“**Officer**”) under Section 143(3), Income Tax Act, 1961 (“**Act**”) for the Assessment Year 2011-2012.

By way of the Appeal, our Company has sought to contend the Order on grounds that the Officer has erred in assessing the total income at ₹ 1589.68 million as against the revised return income of ₹ 1575.46 million, disallowing provision for loss on Mark to Market transactions on trading of derivative instruments amounting to ₹8.14 million, disallowance of ₹ 6.54 million under Section 14A of IT Act read with Rule 8D of IT Rules and for disallowance of TDS credit of ₹ 2.76 million and charging interest under Sections 234 B and 234C of the IT Act 1961 and in initiating penalty proceedings under Section 271 (1) (C) of the IT Act 1961. The matter is currently pending.

27. Our Company has filed a complaint dated December 30, 2013 (“**Complaint**”), before the Court of Additional Chief Metropolitan Magistrate, 33rd Court, Ballard Pier, Mumbai (“**Court**”), in criminal case No. 4496/SS/2013 (“**Case**”) for charge against Shri Sidhi Industries and others (“**Accused**”) under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881.

The Accused had issued a cheque bearing number 791571 dated November 5, 2013, (“Cheque”), for ₹0.06 million (“Amount Due”) in the month of November 2013, drawn on a branch of Punjab National Bank (“Bank”), in favour of our Company, in consideration of the loan facilities provided to the Accused in the Case. In the Case, the said Cheque was dishonoured by the Bank by way of memo dated November 6, 2013 on account of insufficient funds in the account of the Accused. Our Company sent a demand notice in the Case dated November 16, 2013 to the Accused for repayment of the Amount Due within 15 days of receipt of the notice. The Accused failed to pay the Amount Due in the Case, pursuant to which, our Company filed the Complaint. By way of the Complaint, the Company seeks to initiate appropriate proceedings against the Accused. The matter is currently pending.

28. Our Company has filed 4 complaints (“Complaints”) bearing numbers CC.59/2014, CC/4129/2014, CC/9218/2014 and CC/9219/2014 respectively, before the Court of Judicial Magistrate First Class, Pune, (“Court”), in criminal case (“Case”) for charge against Mr. Yunus P.M. Tamboli (“Accused”) under Section 25 of the Payment and Settlement Systems Act, 2007, read with Section 138 of the Negotiable Instruments Act, 1881.

The Accused authorized our Company’s banker, Citi Bank Limited (“Bank”), to debit its account in Corporation Bank, Pune Branch, with ₹0.04 million (“Amount Due”) in each month of September 2013 to October 2013, December 2013, January 2014 and February 2014 and credit it to our Company’s Bank account, in consideration of the loan facilities provided to the Accused. Our Company received two separate intimations on October 24, 2013, one intimation on December 13, 2013, one intimation on February 21, 2014 and one intimation on February 22, 2014 from the Bank, that the transactions had been dishonoured on account of insufficient balance in the Case. Accordingly, our Company sent separate legal notices dated November 16, 2013 and November 18, 2013, two separate legal notices both dated March 13, 2014, and another legal notice dated March 18, 2014 in the Case to the Accused, for repayment of the respective Amount Due within 15 days of receipt of the notices. The Accused failed to pay the Amount Due in the aforementioned Case, pursuant to which, our Company filed the Complaints against the dishonor of EMIs for the aforesaid months. By way of the Complaints, the Company seeks to initiate appropriate proceedings against the Accused. The matters are currently pending.

29. Our Company has filed a criminal complaint dated May 7, 2014 (“Complaints”), before the Court of Judicial Magistrate First Class, Pune (“Court”), in criminal case bearing criminal complaint no CC/9217/2014 (“Case”) for charge against Mr. Dilip Waykole and others (“Accused”) under Section 25 of the Payment and Settlement System’s Act, 2007, read with Section 138 of the Negotiable Instruments Act, 1881.

The Accused authorized our Company’s banker, Citi Bank Limited (“Bank”), to debit its account, with ₹0.17 million (“Amount Due”) in each month of January 2014 and February 2014, in the Case and credit it to our Company’s Bank account, in consideration of the loan facilities provided to the Accused. Our Company received intimation on February 22, 2014 for clearing house reference numbers 2069526315 from the Bank, that the transactions had been dishonoured on account of insufficient balance in the Case. Accordingly, our Company sent demand notice dated March 18, 2014 in the Case to the Accused, for repayment of the Amount Due within 15 days of receipt of the notices. The Accused failed to pay the Amount Due in each of the Respective Cases, pursuant to which, our Company filed respective Complaints. By way of the Complaints, the Company seeks to initiate appropriate proceedings against the Accused. The matter is currently pending.

30. Our Company has filed a criminal complaint (“Complaints”), before the Court of Additional Chief Metropolitan Magistrate, 33rd Court at Ballard Pier, Mumbai (“Court”), in criminal case bearing criminal complaint no 384/SS/ of 2014 (“Case”) for charge against Sachinam Travels Private Limited and others (“Accused”) under Section 25 of the Payment and Settlement System’s Act, 2007, read with Section 138 read with Section 141 of the Negotiable Instruments Act, 1881.

The Accused authorized our Company’s banker, Citi Bank Limited (“Bank”), to debit its account, with ₹0.06 million (“Amount Due”) in month of November 2013, in the Case and credit it to our Company’s Bank account, in consideration of the loan facilities provided to the Accused. Our Company received intimation on November 19, 2013 for clearing house reference numbers 2239920917 from the Bank, that the transaction had been dishonoured on account of insufficient balance in the Case. Accordingly, our Company sent demand notice dated December 9, 2013 in the Case to the Accused, for repayment of the Amount Due within 15 days of receipt of the notices. The Accused failed to pay the Amount Due in each

of the Respective Cases, pursuant to which, our Company filed respective Complaints. By way of the Complaints, the Company seeks to initiate appropriate proceedings against the Accused. The matters are currently pending.

31. Our Company has filed a Company Petition bearing number 227 of 2014 (“**Company Petition**”) before the High Court of Judicature at Bombay (“**Court**”) against Tasmac Limited (“**Respondent**”), under Section 433 (e) and 433(f) of the Companies Act 1956 inter alia praying for winding up of Respondent on account of the inability of the Respondent to pay its debts due to our Company and for appointment of official liquidator.

The Respondent had availed of three loans aggregating to ₹ 50 million (“**Amount Due**”) from Edelweiss Finance & Investments Limited (“**EFIL**”). Subsequently EFIL had assigned the loans to our Company. The Respondent initially made payment of few equated monthly installments, but however subsequently defaulted in making payments to our Company. Our Company vide letter three letters, all dated, June 18, 2013 (“**Letters**”) called upon the Respondent to repay the entire loan outstanding, together with interest and other charges as the Respondent had committed breach of the terms of the three loan agreements which resulted in an event of default in terms of the loan agreements. Since our Company received no reply from the Respondent our Company vide another letter dated September 5, 2013 called upon the Respondent to repay the entire loan outstanding. In the absence of any reply from the Respondent, our Company has filed the Company Petition. The matter is currently pending.

Litigations against our Directors

1. Mr. Sharad Jagtiani (“**Complainant**”), a client of Edelweiss Securities Limited (“**ESL**”) (a subsidiary of our Promoter), had filed a complaint dated November 11, 2008 (“**Complaint**”) under Section 156 (3) of the Code of Criminal Procedure, 1973 (“**Code**”) before the ACMM Rohini Courts, Delhi (“**Court**”), against its directors, *inter-alia*, being, Mr. Rashesh Shah (a director of ESL at the relevant time) and also against Mr. P. N. Venkatachalam, a director of our Promoter (“**Director**”). The Directors hold the post of Managing Director and Independent Director, respectively in our Company.

FIR No. 27 of 2009 has been registered in Subhash Place (formerly Sarasvati Vihar), Police Station, Delhi pursuant to the Complaint filed by the Complainant, alleging loss of ₹4.67 million in stock market trade on account of cheating, breach of trust and conspiracy by ESL and its Directors.

The police proceeded to investigate the allegations, and on January 16, 2009, a closure report has been filed by the investigating officer before the Metropolitan Magistrate. The closure report was protested by the Complainant before the Court, which, *vide* order dated January 31, 2012 ordered the police to further investigate the matter. Subsequently, the investigating officer issued notices dated March 28, 2012 and June 04, 2013 and April 02, 2014 (“**IO Order**”) to ESL, under Section 91 of the Code, to produce information, documents and materials for the purpose of further investigation. *Vide* letters dated May 28, 2012 and October 14, 2013, ESL has given the detailed reply to the IO Order. The matter is currently pending.

2. Vinay Sharma filed (“**Complainant**”), a client of Edelweiss Stock Broking Limited (ought to be Edelweiss Broking Limited) (“**EBL**”) (a subsidiary of our Promoter), had filed a complaint dated September 20, 2013 (“**Complaint**”) before the Station House Officer, Yamuna Nagar Police Station, Haryana, against EBL (through Mr. Rashesh Shah), Mr. Vikrant Chandla (as Manager EBL), Mr. Gaurav Gupta (as Manager EBL) and Mr. Gautam Chopra (as Manager EBL) (“**Respondents**”) *inter-alia* alleging cheating, criminal conspiracy, criminal intimidation, forgery and mis-appropriation of the Complainant’s funds by incurring trading losses approximately amounting to ₹ 1.10 million by the Respondents by conducting fraudulent trades in the demat account of the Complainant (Complainant opened a demat account with EBL). Mr. Rashesh Shah is the Managing Director of our Company.

EBL vide its letter dated November 27, 2013 filed a reply to the Complaint *inter-alia*, stating that all the trades in the demat account of the Complainant were executed pursuant to the consent of the Complainant. The Complainant vide emails to SEBI and NSE, *inter-alia*, sought their guidance in lodging his Complaint with the stock exchange. The Complainant thereafter filed a complaint before the Court of Shri Jatin Garg, Civil Judge cum JMJC, Yamuna Nagar at Jagadhri, Haryana and Ld. Judge called for the report under Section 202 of the Cr.P.C. The investigating officer thereafter issued notices dated April 26, 2014 and May 16, 2016 (“**Notices**”) under Section 160 of the Cr.P.C. for inquiry under Section 202 of the Cr. P.C. to Mr. Rashesh Shah (as CMD of EBL), Mr. Prashant Mody (as Director of EBL), Mr. Vikrant Chandla (as

manager of EBL) and Mr. Manish Kumar (as Executive of EBL). EBL vide its two letters dated April 22, 2014 and May 3, 2014 replied to the Notice *inter-alia*, submitting copies of various correspondences between the EBL and the Complainant. The matter is currently pending.

3. S & D Financials Private Limited (“**Complainant**”) has filed a complaint and lodged an FIR bearing number 142 dated March 22, 2008 (“**FIR**”) under Sections 406/420/120B with the Hare Street Police Station, Kolkatta against Edelweiss Securities Limited, Mr. Rashesh Shah and Mr. Venkat Ramaswamy and 3 others (together referred to as the “**Accused**”). Mr. Rashesh Shah is the Managing Director of our Company. The Complainant alleged that the Accused committed criminal breach of trust and cheated the Complainant in share transactions to an amount of ₹ 8.40 million. The matter is currently pending.

Material litigations against our Promoter

Litigations against our Promoters

1. The DCIT – 3(1) (“**Appellant**”) has filed an appeal bearing number 7797/Mum-2011 (“**Appeal**”), for the assessment year 2007-2008, before the Income Tax Appellate Tribunal, Mumbai (“**ITAT**”), against an order dated July 7, 2011 (“**Order**”) passed by the CIT(A)-7 Mumbai, (“**CIT(A)**”), under section 250, Income Tax Act, 1961 partly in favour of Edelweiss Financial Services Limited (Formerly known as Edelweiss Capital Limited) (“**Edelweiss**”).

By way of the Appeal, the Appellant has sought setting aside of the Order, claiming that the CIT(A) has erred in deleting addition of ₹6.50 million, made on account of interest paid to the extent of differential rate in between certain borrowings made and the interest charged to short term lending to wholly owned subsidiary companies. The Appellant has further sought to set aside the Order on the grounds that the Tribunal has erred in deleting the addition of the disputes amount, by holding that interest paid by Edelweiss on borrowed funds cannot be disallowed if a portion thereof, if diverted to subsidiary company, without appreciating the fact that the disallowance was only in respect of difference in rate of interest between the borrowings made and interest charged on short term lending. The matter is currently pending.

2. The Commissioner of Income Tax-3, Mumbai, (“**Appellant**”) has filed an appeal bearing ITA (L) No 1880/2009 dated July 20, 2009 (“**Appeal**”), for the assessment year 2001-2002, before the High Court of Judicature at Bombay against an order dated February 24, 2009 (“**Order**”) passed by ITAT, Mumbai (“**Tribunal**”), in favour of Edelweiss Financial Services Limited (Formerly known as Edelweiss Capital Limited) (“**Edelweiss**”).

By way of the Appeal, the Appellant sought setting aside of the Order on grounds that the Tribunal erred in deleting inter-alia the disallowance made by the assessing officer of loss incurred by Edelweiss amounting to ₹6.73 million on account of purchase of mutual funds cum dividend and later selling the same units as ex-dividend, the disallowance made by assessing officer of deduction claimed by Edelweiss towards Merchant Banking license fees paid to SEBI amounting to ₹0.5 million, the disallowance made of deduction claimed by Edelweiss towards legal and professional fees amounting to ₹1.41 million. The Appellant also sought setting aside of the deletion of disallowance made of 20% of their deduction claimed by Edelweiss towards replacement of tiles and installation of granite ₹0.88 million. Aggrieved, the Appellant has filed the Appeal to restore the order of the assessing officer and stay the operation of the Order till the final disposal of the Appeal. The matter is currently pending.

3. Additional Commissioner of Income Tax (3)(1) (“**ACIT**”) has filed an appeal 7654/Mum/2011 dated November 09, 2011 (“**Appeal**”) for the assessment year 2008-2009, before the ITAT, Mumbai, against an order dated July 7, 2011 (“**Order**”) passed by the CIT(A)-7 Mumbai, (“**Authority**”), under section 250, Income Tax Act, 1961 (“**Act**”) partly in favour of the Edelweiss Financial Services Limited (Formerly known as Edelweiss Capital Limited) (“**Edelweiss**”).

By way of the Appeal, ACIT has sought setting aside the Order, claiming that the Authority had erred in deleting the addition of ₹ 203.23 million under section 14 A read with Rule 8 D (2) (ii) of the Income Tax Act, 1961. Further, the Authority erred in deleting the addition of ₹ 52.82 million made by way of disallowing the difference in rate of interest paid on borrowing and interest charged on short term lending to wholly owned subsidiary companies. The matter is currently pending.

Litigations by our Promoters

1. Edelweiss Financial Services Limited (“**Edelweiss**”) has filed an appeal dated April 08, 2013 (“**Appeal**”) before the Commissioner of Income Tax (Appeals)-6 (“**Authority**”) against the assessment order for the assessment year 2010-2011. Edelweiss has filed the Appeal on the ground that the Assessing Officer erred inter-alia in, disallowing proportionate interest of ₹ 120.25 million, disallowance under section 14 A read with rule 8D for an amount of ₹ 581.09 million, disallowing of sponsorship expenses amounting to ₹ 22.10 million, initiating penalty proceeding, charging interest and not allowing credit of TDS amounting to ₹ 12.45 million. The Authority vide order dated April 22, 2014 partly allowed the Appeal.
2. Edelweiss Financial Services Limited (Formerly known as Edelweiss Capital Limited) (“**Edelweiss**”) has filed an appeal bearing number 6608/Mum-2011 dated September 30, 2011 (“**Appeal**”), for the assessment year 2008-2009, before the ITAT, Mumbai, against an order dated July 7, 2011 (“**Order**”) passed by the CIT(A)-7 Mumbai, (“**CIT (A)**”), under section 250, Income Tax Act, 1961 (“**Act**”) partly in favour of the Additional CIT RG 3(1) (“**Officer**”).

By way of the Appeal, Edelweiss has sought setting aside the Order, claiming that the CIT(A) had erred in confirming the disallowance of ₹ 30.13 million computed under section 14 A read with Rule 8 D(2) (ii) of the Income Tax Act, 1961. Further Edelweiss inter-alia claimed that disallowance cannot be made on the shares and securities held of subsidiary companies as the same had been made in the ordinary course of business of Edelweiss, entirely on account of commercial expediency. Edelweiss has further claimed that the disallowance cannot be made qua the investments on which dividend income is not earned during the previous year.

3. Edelweiss Financial Services Limited (“**Edelweiss**”) has filed an appeal 1584/Mum-2013 on February 26, 2013 (“**Appeal**”), for the assessment year 2009-2010, before the ITAT, Mumbai, against an order dated December 27, 2012 (“**Order**”) passed by the Additional Commissioner of Income Tax Range 3(1), Mumbai.

By way of the Appeal, Edelweiss seeks setting aside of the Order which disallowed amount ₹52.57 million pursuant to under section 14A, Income Tax Act, 1961 read with rule 8D, Income Tax Rules, 1962. Edelweiss further prayed for setting aside of the Order which disallowed ₹3.37 million for club entrance fee. The matter is currently pending.

4. Edelweiss Financial Services Limited (“**Edelweiss**”) has filed a criminal complaint bearing no 3300699/SS/ of 2012 dated April 13, 2012 (“**Complaint**”) before the Additional Chief Metropolitan Magistrate, 33rd Court at Ballard Pier, Mumbai (“**Court**”), for charge against MIC Electronics Limited and others (“**Accused**”) under section 138, Negotiable Instruments Act, 1881.

The Accused issued, executed and delivered two cheques bearing number 325038 and 325039, both dated June 30, 2011 (“**Cheques**”), for ₹13.30 million and ₹5.00 million (“**Amount Due**”), respectively drawn on a branch of State Bank of India, Hyderabad (“**Bank**”), in favour of Edelweiss, in consideration of the loan facilities provided to the Accused. The said Cheques were dishonoured by the Bank on July 7, 2011. Our Company vide letter dated July 11, 2011 sought clarification on the dishonor of the Cheques. The Accused issued two new cheques bearing number 487181 for ₹13.30 million and 487182 and ₹5.00 million, in favour of Edelweiss, which were also subsequently dishonoured by the Bank. Edelweiss sent two separate demand notices both dated February 29, 2012 (“**Notice**”) to the Accused for repayment of the Amount Due within 15 days of receipt of the notices. The Accused failed to pay the Amount Dues, pursuant to which, our Company has filed the Complaints praying that the Court be please to take cognizance of the offense punishable under section 138 read with section 141 of the Negotiable Instruments Act, 1881. The Accused vide letter dated March 17 2012 inter-alia denied the allegations raised in the Notice. The Accused filed criminal revision application number 852 of 2012 praying inter-alia for setting aside the Complaint (“**Criminal Revision Application**”). The Court vide order dated October 4, 2013 (“**Order**”) partly allowed the Criminal Revision Application. Edelweiss filed a writ petition bearing number 82 of 2014 praying *inter-alia*, that the Order be set aside. The matter is currently pending.

5. Edelweiss Financial Services Limited and Edelweiss Commodities Services Limited (together referred to as the “**Complainants**”) filed a complaint bearing number 47/2014 (“**Complaint**”) before the

National Consumer Disputes Redressal Commission, New Delhi against TATA AIG General Insurance (“**Respondent**”), praying *inter-alia*, that the repudiation of the Complainants claim, by the Respondent, under the insurance policy (“Insurance Policy”) be declared as unlawful and wrongful and that the Respondent be directed to pay to Edelweiss Commodities Services Limited an amount of ₹ 152.50 million along with interest at the rate of 18% until realization.

The Respondent had issued an Insurance Policy named corporate guard- crime manage complete policy for covering of risk during the period of July 18, 2011 to July 17, 2012 covering the Complainants and other entities. Edelweiss Commodities Services Limited raised a claim dated July 1, 2012 with the Respondent, which was rejected on April 16, 2013 by the Respondent. Edelweiss Commodities Services Limited subsequently filed a detailed representation dated July 15, 2013 vide email dated July 16, 2013, which was once again rejected by the Respondent on August 6, 2013. Post various correspondences with the Respondents the Complainants filed the present Complaint. The matter is currently pending.

6. Edelweiss Financial Services Limited (“**Plaintiff**”) filed a suit bearing number 233 of 2014 (“**Suit**”) before the High Court of Judicature at Bombay (“**Court**”) against Edelweiss Research Private Limited (“**ERPL**”), Mr. Anurag Prasad (Director of ERPL), and others, (“**Defendants**”), praying *inter-alia*, that Defendants and their servants, dealers and agents be restrained by a permanent order and injunction from using the mark Edelweiss or any other deceptively similar mark, the Defendants be ordered to pay ₹ 50.00 million by way of damages.

The Plaintiff through its Promoter, Managing Director and CEO have been using the trademark “Edelweiss” since 1995. In January 2014, the Plaintiff noticed that the Defendants were using its registered trademark “Edelweiss” for collecting money, by impersonating the Plaintiff, by offering attractive returns. The Plaintiff filed the Suit, against the Defendants *inter-alia*, restraining the Defendants and their servants, dealers and agents from using the registered copy mark and trade name Edelweiss or any other deceptively similar mark. The Court vide order dated March 12, 2014 *inter-alia* ordered that pending the final disposal of the Suit the Defendants and their servants, dealers and agents are restrained, by a temporary order and injunction, from using the mark Edelweiss or any other deceptively similar mark in any manner whatsoever. The matter is currently pending.

7. Edelweiss Financial Services Limited and another (“**Petitioners**”) filed a criminal writ petition bearing number 1899 of 2012 (“**Writ Petition**”) before the High Court of Judicature at Bombay (“**Court**”) against The State of Maharashtra and others, (“**Respondents**”), praying *inter-alia*, that Respondents or the Central Bureau of Investigation or any other agency be directed to register and investigate the complaint dated December 30, 2011 made by the Petitioner. The Petitioner vide letter dated December 30, 2011 filed a complaint under Sections 417,419,420,465,468,469 and 471 read with Section 120-B of the Indian Penal Code and under certain Sections of the Information Technology Act, 2000, Trademark Act 1999 and the Copyright Act, 1957 against Mr. Vaibhav Singh, Percept Profile, Mr. Harindra Singh, Mr. Shailendra Singh, Mr. Rajeev Mehrotra and unknown persons before the Senior Inspector Police, N.M. Marg Police Station Mumbai (“**Complaint**”). The Complaint was filed in relation to press release titled “Edelweiss Asset Management Head Quits, to Start Own”, which was allegedly released by the aforesaid employees of Percept Profile on behalf of the Petitioners. The Court vide order dated July 23, 2012 directed the police to register an F.I.R. Subsequently Harindra Singh and Shailendra Singh filed a Criminal Application bearing number 956 of 2012 praying *inter-alia* for quashing the F.I.R. Further Mr. Rajeev Mehrotra filed a writ petition bearing number 3093 of 2012 *inter-alia* praying for staying further proceedings in the F.I.R. The Court, vide order dated December 3, 2012, in the writ petition bearing number 3093 of 2012 and the Criminal Application bearing number 956 of 2012 directed that in case the investigating officer desires to arrest the applicants, the investigating officer shall give 72 hours advance notice (excluding Sundays and court holidays), so that the applicants can adopt appropriate remedy. The matter is currently pending.
8. An Arbitration Petition dated September 3, 2013 was filed by Edelweiss Financial Services Limited (“**Petitioner**”) against Percept Finserve Private Limited and Others (“**Respondents**”) before the High Court of Judicature at Bombay (“**High Court**”). The Petitioner had entered into a Share Purchase Agreement dated December 8, 2007 (“**Share Purchase Agreement**”) with Percept Finserve Private Limited (“**Percept**”) wherein the Petitioner had acquired 9.23% of Percept for an amount of ₹200 million. The Petitioner alleged that Percept defaulted in the Share Purchase Agreement and called upon Percept to pay an amount of ₹220 million as consideration against the transfer of the Petitioner’s

shareholding in the Respondent. The High Court *vide* its order dated August 13, 2009 appointed Justice B.N. Srikrishna as the sole arbitrator (“**Arbitrator**”). The Arbitrator *vide* his award dated June 6, 2013 held that the Petitioner is not entitled to any reliefs sought. The present petition has been filed against the award of the Arbitrator. The matter is currently pending.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on May 16, 2014 the Directors approved the Issue of NCDs to the public upto an amount not exceeding ₹ 5,000 million.

Prohibition by SEBI

Our Company, persons in control of our Company, Directors of our Company and/or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force.

Disclaimer

Disclaimer Clause of BSE

[•]

Disclaimer Clause of NSE

[•]

Disclaimer Clause of RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED APRIL 24, 2006 BEARING REGISTRATION NO. N-13.01831 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.

Disclaimer of CRISIL Research

CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this Report based on the information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any company covered in the Report. CRISIL especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Limited (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published / reproduced in any form without CRISIL's prior written approval.

Listing

An application will be made to NSE and BSE, for permission to deal in and for an official quotation of our NCDs. BSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by NSE and/or BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Draft Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 working days from the date of closure of the Issue.

Consents

The written consents of Directors of our Company, Company Secretary and Compliance Officer, our Statutory Auditors, the legal advisor, the Lead Managers, the Registrar to the Issue, Escrow Collection Bank(s), Refund Bank, Credit Rating Agencies, the Bankers to our Company, the Debenture Trustee, and the Lead Brokers to act in their respective capacities, have been obtained and will be filed along with a copy of the Prospectus with the RoC as required under Section 26 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Prospectus with the RoC.

The consents of the Statutory Auditors of our Company, namely B S R & Associates LLP, Chartered Accountants for (a) inclusion of their name as the Statutory Auditors, (b) examination reports on Financial Statements in the form and context in which they appear in this Draft Prospectus, have been obtained and the same will be filed along with a copy of the Prospectus with the RoC.

Expert Opinion

Except the (i) Auditors report on Reformatted Standalone Financial Statements issued by B S R & Associates LLP, Chartered Accountants dated May 30, 2014 and (ii) Statement of Tax Benefits issued by B S R & Associates LLP, Chartered Accountants dated May 30, 2014, our Company has not obtained any expert opinions.

Common form for Transfer

We undertake that there shall be a common form for transfer of NCDs and the provisions of the Act and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

If our Company does not receive the minimum subscription of 75 % of the Base Issue, i.e. ₹1,500 million, prior to the Issue Closing date, the entire subscription shall be refunded to the Applicants within 15 working days from the date of closure of the Issue, failing which, our Directors who are officers in default shall be jointly and severally liable to pay that money with interest for the delayed period, at the rate of 15 percent per annum to the same bank account from which the Application Amount was received by our Company.

Filing of the Draft Prospectus

The Draft Prospectus is being filed with the designated Stock Exchange in terms of Regulation 6 of the SEBI Debt Regulations for dissemination on its website(s) prior to the opening of the Issue.

Debenture Redemption Reserve (“DRR”)

Regulation 16 of the SEBI Debt Regulations and Section 71 of the Companies Act 2013 states that any company that intends to issue debentures must create a Debenture Redemption Reserve out of the profits of the company available for payment of dividend until the redemption of the debentures.

The Companies (Share Capital and Debentures) Rules, 2014 inter alia provides as follows:

- (a) the Debenture Redemption Reserve shall be created out of the profits of the company available for payment of dividend;
- (b) the Company shall create Debenture Redemption Reserve (DRR) in accordance with the following condition:
 - (i) For NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997, ‘the adequacy’ of DRR will be 25% of the value of debentures issued through public issue as per present SEBI Debt regulations, and no DRR is required in the case of private placement debentures;

- (c) every company required to create Debenture Redemption Reserve shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than fifteen percent, of the amount of its debentures maturing during the year ending on the 31st day of March of the next year, in any one or more of the following methods, namely:-
- (i) in deposits with any scheduled bank, free from any charge or lien;
 - (ii) in unencumbered securities of the Central Government or of any State Government;
 - (iii) in unencumbered securities mentioned in sub-clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882;
 - (iv) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of Section 20 of the Indian Trusts Act, 1882;
 - (v) the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above:
- Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below fifteen percent of the amount of the debentures maturing during the year ending on the 31st day of March of that year;

The said Companies (Share Capital and Debentures) Rules, 2014 further provides that the amount credited to the Debenture Redemption Reserve shall not be utilised by the company except for the purpose of redemption of debentures.

Issue Related Expenses

The expenses of this Issue include, among others, Fees for the Lead Managers, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses to be incurred for the Issue size of upto ₹4,000 Million (assuming the full subscription including the retention of over subscription of upto ₹2,000 Million) are as follows:

Activity	(₹ in million) Amount
Lead Management Fee (Lead Managers)	[•]
Advertising and Marketing Expenses and Brokerage and SCSB's processing fees	[•]
Printing, Stationery and Distribution	[•]
Others (Debenture Trustee Fees, Registrar Fee, Credit Rating Fee, Legal Fees, Stamp Duty & Registration expense etc.)	[•]
Total	[•]

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors.

Underwriting

The Issue has not been underwritten.

Our Company has not made any public issue of Equity Shares in the last five years.

Previous Issue

Other than the Issue of Secured Redeemable Non Convertible Debentures of face value of ₹ 1,000 each aggregating to ₹ 5,000 million, in the year 2013-2014, our Company has not made any public issue of Equity Shares or debentures in the past.

Other than as specifically disclosed in this Draft Prospectus, our Company has not issued any securities for consideration other than cash.

Dividend

Our Company has not declared any dividend since incorporation.

Disclosure of Track Record of Lead Managers to Issue

The details of the track record of the respective Lead Managers to the Issue, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, has been disclosed on the respective websites of the Lead Managers to the Issue.

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

The agreement dated May 20, 2014 between the Registrar to the Issue and our Company provides for settling of investor grievances in a timely manner.

All grievances relating to the Issue may be addressed to the Registrar to the Issue or Compliance Officer giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the details of Member of Syndicate or Trading Member of the Stock Exchange where the application was submitted. The contact details of Registrar to the Issue are as follows:

Link Intime India Private Limited
C- 13 Pannalal Silk Mills Compound,
LBS Marg,
Bhandup (West),
Mumbai 400 078, Maharashtra, India

Tel: +91 22 2596 7878;

Fax: +91 22 2596 0329;

Email: ec12.ncd@linkintime.co.in

Investor Grievance mail: ec12.ncd@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Sachin Achar

SEBI Regn. Number: INR000004058****

****The SEBI registration of Link Intime India Private Limited (“Link Intime”) has expired on May 5, 2014. Link Intime has made an application dated January 30, 2014 to SEBI for renewal of its registration in accordance with the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993. The renewal of the registration from SEBI is currently awaited.

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be 7 (seven) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Ms. Preeti Chhabria has been appointed as the Compliance Officer of our Company for this Issue.

The contact details of Compliance officer of our Company are as follows:

Ms. Preeti Chhabria

Edelweiss House,
Off. C.S.T Road,
Kalina, Mumbai,
Maharashtra – 400098,
Maharashtra, India

E-mail: Ec1fsubdebtipo@edelweissfin.com

Tel.: +91 22 4009 4400

Fax: +91 22 4086 3661

Change in Auditors of our Company during the last three years

There has been no change(s) in the Statutory Auditors of our Company in the last 3 (three) financial years preceding the date of this Draft Prospectus.

KEY REGULATIONS AND POLICIES

The regulations summarized below are not exhaustive and are only intended to provide general information to Investors and is neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, Central Sales Tax Act, 1956 and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations such as the Trade and Merchandise Marks Act, 1958 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below.

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The major regulations governing our Company are detailed below:

We are a non deposit taking (which does not accept public deposits), systemically important, NBFC. As such, our business activities are regulated by RBI regulations applicable to non-public deposit accepting NBFCs (“**NBFC-ND**”).

Regulations governing NBFCs

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares / stock / bonds / debentures / securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale / purchase / construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its ‘principal business’ is to be treated as an NBFC. The term ‘principal business’ has not been defined in any statute, however, RBI has clarified through a press release (Ref. No. 1998-99/ 1269) issued in 1999, that in order to identify a company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company’s principal business. The company will be treated as an NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every Company which satisfies the aforementioned conditions are required to get itself registered with the Reserve Bank in order to be able to commence any of the aforementioned activities within the meaning of section 45-IA of the RBI Act.

Further, an NBFC may be registered as a deposit accepting NBFC (“**NBFC-D**”) or as a non-deposit accepting NBFC (“**NBFC-ND**”). NBFCs registered with RBI are further classified as:

- Asset Finance Companies;
- Investment Companies;
- Core Investment Company;
- Loan Companies ;
- Infrastructure Finance Companies.

Our Company is an NBFC-ND-SI, and classified as a Loan Company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act, the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (“**Prudential Norms – D**”), the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (“**Prudential Norms – ND**”), and the provisions of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

- an NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits. Thus, NBFCs are not permitted to issue negotiable instruments, such as cheques which are payable on demand; and
- NBFCs are not allowed to deal in foreign exchange, even if they specifically apply to the RBI for approval in this regard.

Systemically Important NBFC-NDs

All NBFC-ND with an asset size of ₹ 1000 million or more as per the last audited balance sheet will be considered as a systemically important NBFC-ND. RBI by a notification dated June 4, 2009 has clarified that once an NBFC reaches an asset size of ₹ 1000 million or above, it shall come under the regulatory requirement for systemically important ND-NBFC, despite not having such assets on the date of the last balance sheet.

All systemically important NBFCs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio of 10%. Further the CRAR requirements were increased so as it should not be less than 12% by March 31, 2010 and 15% by March 31, 2011.

Rating of NBFCs

All NBFCs with an asset size of ₹ 1,000 million are required to, as per RBI to, furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating.

Prudential Norms

The Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended, (the “**Prudential Norms – ND**”), amongst other requirements prescribe guidelines on NBFC-ND regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans.

Provisioning Requirements

A NBFC-ND, after taking into account the time lag between an account becoming non-performing, its recognition, the realization of the security and erosion overtime in the value of the security charged, shall make provisions against sub-Standard Assets, Doubtful Assets and Loss Assets in the manner provided for in the Prudential Norms Directions.

In the interests of counter cyclicity and so as to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns, RBI *vide* their circular no. DNBS.PD.CC.No.207/ 03.02.002 /2010-11 dated January 17, 2011, introduced provisioning for Standard Assets by all NBFCs. NBFCs are required to make a general provision at 0.25 per cent of the outstanding standard assets. The provisions on standard assets are not reckoned for arriving at net NPAs. The provisions towards Standard Assets are not needed to be netted from gross advances but shown separately as ‘Contingent Provisions against Standard Assets’ in the balance

sheet. NBFCs are allowed to include the 'General Provisions on Standard Assets' in Tier II capital which together with other 'general provisions/ loss reserves' will be admitted as Tier II capital only up to a maximum of 1.25 per cent of the total risk-weighted assets.

Capital Adequacy Norms

Every systemically important NBFC-ND is required to maintain, with effect from April 1,2007, a minimum capital ratio consisting of Tier I and Tier II capital of not less than 10% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. Also, the total of the Tier II capital of a NBFC-ND shall not exceed 100% of the Tier I capital.

Tier -I Capital, has been defined in the Prudential Norms – ND as, owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by a systemically important NBFC-ND in each year to the extent it does not exceed 15% of the aggregate Tier I capital of such company as on March 31 of the previous accounting year.

Owned Funds, has been defined in the Prudential Norms – ND as, paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier - II Capital has been defined in the Prudential Norms – ND, includes the following (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one-and-one-fourth per cent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier - I capital; and (f) perpetual debt instrument issued by a systemically important NBFC-ND, which is in excess of what qualifies for Tier I Capital to the extent that the aggregate Tier-II capital does not exceed 15% of the Tier -I capital.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means a fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed.

Exposure Norms

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Prudential Norms, prescribed credit exposure limits for financial institutions in respect of their lending to single/ group borrowers. Credit exposure to a single borrower shall not exceed 15% of the owned funds of the systemically important NBFC-ND, while the credit exposure to a single group of borrowers shall not exceed 25% of the owned funds of the systemically important NBFC-ND. Further, the systemically important NBFC-ND may not invest in the shares of another company exceeding 15% of its owned funds, and in the shares of a single group of companies exceeding 25% of its owned funds. However, this prescribed ceiling shall not be applicable on a NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. Any NBFC-ND-SI not accessing public funds, either directly or indirectly may make an application to the RBI for modifications in the prescribed ceilings Any systemically important NBFC-ND classified as asset finance company by RBI, may in exceptional circumstances, exceed the above ceilings by 5% of its owned fund, with the approval of its Board of Directors. The loans and investments of the systemically important NBFC-ND taken together may not exceed 25% of its owned funds to or in single party and 40% of its owned funds to or in single group of parties. A systemically important ND-NBFC may, make an application to the RBI for modification in the prescribed ceilings.

Asset Classification

The Prudential Norms require that every NBFC shall, after taking into account the degree of well defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard assets;
- Sub-standard Assets;
- Doubtful Assets; and
- Loss assets

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation.

Regulatory Requirements of an NBFC under the RBI Act

Net Owned Fund

Section 45-IA of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹Rs.20 million (Rupees twenty million only). For this purpose, the RBI Act and the circulars issued thereunder have defined “net owned fund” to mean:

the aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of losses, (ii) deferred revenue expenditure, and (iii) other intangible assets; and further reduced by the amounts representing,

- (i) investment by such companies in shares of (i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and
- (ii) the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10% of (a) above.

Reserve Fund

In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such withdrawal.

Information in regard to change of address, Directos, Auditors, etc. to be submitted

Others

An NBFC-ND is required to inform the RBI of any change in the address, telephone no.'s, etc. of its Registered Office, names and addresses of its directors / auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC would need to ensure that its registration with the RBI remains current.

All NBFCs (whether accepting public deposits or not) having an asset base of ₹ 1,000 million or more or holding public deposits of ₹ 200 million or more (irrespective of asset size) as per their last audited balance sheet are required to comply with the RBI Guidelines for an Asset-Liability Management System.

Similarly, all NBFCs are required to comply with “Know Your Customer Guidelines - Anti Money Laundering Standards” issued by the RBI, with suitable modifications depending upon the activity undertaken by the NBFC concerned.

Corporate Governance

Pursuant to a RBI Circular dated July 01, 2013, all systematically important ND NBFCs having an asset size above ₹ 1,000.00 million- are required to consider adopting best practices and transparency in their systems as specified below. An NBFC having assets of ₹ 500 million and above as per its last audited balance sheet is already required to constitute an audit committee, consisting of not less than three members of its Board of Directors. Constitution of a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending have also been prescribed in the RBI Circular.

Accounting Standards & Accounting policies

Subject to the changes in Indian Accounting Standards and regulatory environment applicable to a NBFC we may change our accounting policies in the future and it might not always be possible to determine the effect on the Statement of profit and loss of these changes in each of the accounting years preceding the change. In such cases our profit/ loss for the preceding years might not be strictly comparable with the profit/ loss for the period for which such accounting policy changes are being made.

Reporting by Statutory Auditors

The statutory auditors of the NBFC-ND is required to submit to the Board of Directors of the company along with the statutory audit report, a special report certifying that the Directors have passed the requisite resolution not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to the RBI.

KYC Guidelines

The RBI has extended the Know Your Customer (“KYC”) guidelines to NBFCs and advised all NBFCs to adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The KYC policies are required to have certain key elements, including, customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, diligence of client accounts opened by professional intermediaries, customer due diligence and diligence of accounts of politically exposed persons, adherence to KYC guidelines and the exercise of due diligence by persons authorised by the NBFC, including its brokers and agents.

Financing of NBFCs by bank

The RBI has issued the guidelines vide a circular Number DBOD No. FSD. BC.46/24.01.028/2006-07 dated December 12, 2006 relating to the financial regulation of systemically important NBFC-NDs and the relationship of banks with such institutions. In particular, the guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) further lending to individuals for the purpose of subscribing to an initial public offer.

Norms for excessive interest rates

In addition, the RBI has vide a circular Number RBI/ 2006-07/ 414 dated May 24, 2007 whereby all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 01, 2013 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Supervisory Framework

In order to ensure adherence to the regulatory framework by systemically important ND-NBFCs, the RBI has directed such NBFCs to put in place a system for submission of a statement of capital funds, and risk asset ratio, etc as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditors that it is engaged in the business of non-banking financial institution requiring to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalization of the balance sheet within 15 days from the end of a quarter. Further, in addition to the auditor's report under Section 143 of the Companies Act, 2013 the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI.

Asset Liability Management

The RBI has prescribed the Guidelines for Asset Liability Management ("ALM") System in relation to NBFCs ("ALM Guidelines") that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to All Non-Banking Financial Companies dated July 1, 2013. As per this Master Circular, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of ₹ 1,000 million, irrespective of whether they are accepting / holding public deposits or not, or holding public deposits of ₹ 20 crore or more (irrespective of the asset size) as per their audited balance sheet as of March 31, 2001, are required to put in place an ALM system. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/31 days time-bucket should not exceed the prudential limit of 15% of cash outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "DRT Act") provides for establishment of the Debts Recovery Tribunals (the "DRTs") for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

Anti Money Laundering

The RBI has issued a Master Circular dated July 01, 2013 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 ("PMLA") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 1 million; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 1 million where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 1 million. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all

necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

SARFAESI Act

The SARFAESI Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default.

The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution may sell financial assets to an asset reconstruction company provided the asset is an NPA. A bank or financial institution may sell a financial asset only if the borrower has a consortium or multiple banking arrangements and at least 75% by value of the total loans to the borrower are classified as an NPA and at least 75% by the value of the banks and financial institutions in the consortium or multiple banking arrangement agree to the sale. These assets are to be sold on a “without recourse” basis only. The SARFAESI Act provides for the acquisition of financial assets by securitization company or reconstruction company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

Companies Act, 2013

The Companies Act, 2013 (the “2013 Act”) has been notified by the Government of India on August 30, 2013 (the “Notification”). Under the Notification, Section 1 of the 2013 Act that dealt with the commencement and application of the 2013 Act, and amongst others, sets out the types of companies to which the 2013 Act applies came into effect. Further the Ministry of Corporate Affairs has by its notification dated September 12, 2013 (“September 12 Notification”) notified 98 sections of the 2013 Act to come into force from September 12, 2013. Additionally, pursuant to a notification dated March 26, 2014, 171 new sections, certain un-notified sub – sections under the sections notified in the September 12 Notification and 6 schedules were notified that came into effect from April 1, 2014. The Companies Act, 2013 has 470 sections of which 269 sections are now notified. The Government of India has reserved for itself the power to notify different provisions of the 2013 Act at different points of time. The 2013 Act seeks to overhaul the Companies Act, 1956 so as to make it more adaptable to the changing circumstances and make it comprehensive.

Additionally, section 465 (yet to be notified) of the 2013 Act provides for repeals and savings where under anything done or any action taken or purported to have been done or taken, including any rule, notification, inspection, order or notice made or issued or any appointment or declaration made or any operation undertaken or any direction given or any proceeding taken or any penalty, punishment, forfeiture or fine imposed under the repealed enactments shall, insofar as it is not inconsistent with the provisions of 2013 Act, be deemed to have been done or taken under the corresponding provisions of the 2013 Act.

Foreign Investment Regulations

Foreign direct investment (including foreign institutional investment, investments by non-resident Indians, persons of Indian origin and overseas corporate bodies) (“**FDI**”) in an Indian company is governed by the provisions of the Foreign Exchange Management Act, 1999 (“**FEMA**”) read with the Consolidated Foreign

Direct Investment Policy effective from April 05, 2013 (“**FDI Policy**”) issued by the Department of Industrial Promotion and Policy, Ministry of Commerce, Government of India (“**DIPP**”). FDI is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which FDI is sought to be made. Under the automatic route, no prior Government approval is required for the issue of securities by Indian companies/ acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. Investors are required to file the required documentation with the RBI within 30 days of such issue/ acquisition of securities. However, if the foreign investor has any previous joint venture/ tie-up or a technology transfer/ trademark agreement in the “same field” in India, prior approval from the FIPB is required even if that activity falls under the automatic route, except as otherwise provided.

Under the approval route, prior approval from the FIPB or RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members.

As per the sector specific guidelines of the Government of India, the following are the relevant norms applicable for FDI in NBFCs:

- (a) FDI investments upto 100% of the paid-up share capital of the NBFC is allowed under the automatic route in the following NBFC activities:
 - (i) Merchant banking;
 - (ii) Underwriting;
 - (iii) Portfolio Management Services;
 - (iv) Investment Advisory Services;
 - (v) Financial Consultancy;
 - (vi) Stock Broking;
 - (vii) Asset Management;
 - (viii) Venture Capital;
 - (ix) Custodial Services;
 - (x) Factoring;
 - (xi) Credit rating Agencies;
 - (xii) Leasing and Finance;
 - (xiii) Housing Finance;
 - (xiv) Forex Broking;
 - (xv) Credit card business;
 - (xvi) Money changing Business;
 - (xvii) Micro Credit; and
 - (xviii) Rural Credit.
- (b) Minimum Capitalisation Norms for fund based NBFCs:
 - (i) For FDI up to 51% - US\$ 0.5 million to be brought upfront.

- (ii) For FDI above 51% and up to 75% - US \$ 5 million to be brought upfront.
- (iii) For FDI above 75% and up to 100% - US \$ 50 million out of which US \$7.5 million to be brought upfront and the balance in 24 months
- (iv) NBFCs (i) having foreign investment more than 75% and up to 100%, and (ii) with a minimum capitalisation of US\$ 50.00 million, can set up step down subsidiaries for specific NBFC activities, without any restriction on the number of operating subsidiaries and without bringing in additional capital. The minimum capitalization condition as mandated by the FDI Policy at paragraph 3.10.4.1, therefore, shall not apply to downstream subsidiaries.

Joint venture operating NBFCs that have 75% or less than 75% foreign investment can also set up subsidiaries for undertaking other NBFC activities, subject to the subsidiaries also complying with the applicable minimum capitalisation norm mentioned in (b)(i), (ii) and (iii) above and (f) below.

Non- Fund based activities: US \$0.5 million to be brought upfront for all permitted non-fund based NBFCs irrespective of the level of foreign investment subject to the following condition. It would not be permissible for such a company to set up any subsidiary for any other activity, nor it can participate in any equity of an NBFC holding/operating company.

- (c) Where FDI is allowed on an automatic basis without FIPB approval, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issue price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The foregoing description applies only to an issuance of shares by, and not to a transfer of shares of, Indian companies. Every Indian company issuing shares or convertible debentures in accordance with the RBI regulations is required to submit a report to the RBI within 30 days of receipt of the consideration and another report within 30 days from the date of issue of the shares to the non-resident purchaser.

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter-alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

Labour Laws

India has stringent labour related legislations. We are required to comply with certain labour laws, which includes the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972 and the Payment of Wages Act, 1936, amongst others.

Intellectual Property

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

SECTION VIII - SUMMARY OF MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. In case of any inconsistency between the Articles of Association of our Company and the Companies Act, 1956 and Companies Act, 2013, the Companies Act, 1956 and the Companies Act 2013 shall prevail over the Articles of Association of our Company Pursuant to Schedule II of the Companies Act, 1956 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

PRELIMINARY

1. Constitution

The Regulations contained in Table "A" the first schedule to the Companies Act, 1956, shall not apply to the company except in so far as they are embodied in the following articles, which shall be the regulation for the management of the company.

CAPITAL

3. Share capital

- (i) The Authorised Share Capital of the company shall be as per the Clause V of the memorandum of Association of the company with rights, privileges and conditions attached thereto as are provided by the Articles of Association of the company with power to increase the capital of the company and to divide the shares in the capital for the time being in to various classes and to attach thereto respectively such preferential deferred qualified or special rights privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary modify or abrogate any such rights privileges or conditions in such manner as may be permitted by the said Articles of Association, subject to the provisions of the Companies Act, 1956.

The minimum paid up capital shall be ₹5,00,000/- divided into 50,000 equity shares of ₹10/- each

5. Issue and allotment of shares :

- (a) The Board may, at its discretion, issue any part or parts of the un-issued shares upon terms and conditions and with such rights and privileges annexed there to as the Board at its discretion and subject to the provisions of Section 81 and other applicable provisions of the Act.
- (b) The Board, at its discretion, issue the shares to the shareholders of the ECL Finance Limited, under the scheme of corporate re-structuring sanctioned under the Companies Act, by an appropriate authority.

6. Power of general meeting

In addition to and without derogating from the powers for the purpose conferred on the Board, the company in General Meeting may determine that any shares (whether forming part of the original capital or of any increased capital of the company) shall be offered to such persons (whether members or holders of debentures of the company or not) in such proportion and on such terms and conditions and either at premium or at par, or (subject to compliance with the provisions of Section 79 of the Act) at a discount, as such General Meeting shall determine and with full power to give any person (whether a member or holder of debentures of the company or not) the option to call for or be allotted shares of any class of the Company either at a premium or at par, or (subject to compliance with the provisions of Section 79 of the Act) at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.

7. Variations of rights

The rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special

resolution passed at a separate meeting of the holders of the shares of that class. The every such separate meeting the provisions of these Articles relating to General Meetings shall apply except that the necessary quorums shall be two persons at least holding or representing by proxy one third of the issued shares of that class.

8. Issue of further shares pari passu shall not affect the right of shares already issued

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided for by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

9. Issue other than for cash

- i) The directors may allot and issue shares in the capital of the company as payment or part payment for any property sold or transferred goods or machinery and appliances supplied or for services rendered to the company in or about the formation or promotion of the company or the acquisition and or conduct of its business and any shares which may be so allotted, may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid up shares.
- ii) The said power vested in the Board by this Article shall not be exercised except by the unanimous consent of all the directors or with the previous sanction of a special resolution passed at a general meeting of the company

10. Joint Holders

Where two or more persons are registered as joint holders of any share, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions.

- a) The person whose name stands first on the register in respect of such share shall alone be entitled to delivery of certificate thereof.
- b) Any one of such persons may give effectual for any dividend, bonus or return of capital payable in respect of such share and such joint holders shall be severally as well as jointly liable for payment of all instalments and calls due in respect of such share/shares.
- c) Any one of such persons may vote at any meeting either personally or by proxy in respect of such shares, as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons to present whose name stands first on the register in respect of such share, shall alone be entitled to vote thereof several executors or administrators of a deceased member in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof.
- d) In case of death of any one or more of such joint holders the survivors shall be the only persons recognized by the company as having any title to or interest in such share but the directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
- e) All notices directed to be given to the members shall be given to such person who is named first in the register and notice to given shall be sufficient notice to all the holders of such shares.

SHARE CERTIFICATES

11. Issue of share certificate

Every certificate of title to shares shall be issued under the seal of the company. Every share certificate and every document of title to the shares whether in renewal of an existing share certificate or other document of title or issued for the first time shall be issued under the authority of the Board of Directors and in accordance with the provisions of the Companies (issue of share certificates) Rules, 1960 or any

modification thereof and in accordance with the provisions of law or other rule having the force of law applicable thereto.

12. Endorsement of Transfer

In respect of any transfer of shares transfer in accordance with the provisions of these Articles, the Board may at their discretion, direct and endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any director or officer of the company to authenticate such endorsement on behalf of the company or direct the issue of a fresh certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

13. Renewal of certificate

If a certificate be worn out, defaced, destroyed or lost or if there is no further space on the back thereof for endorsement of transfer, it shall if requested, be replaced, by a new certificate free of charge provided however that such new certificate shall not be granted except upon delivery of the worn out or defaced or used up certificate for the purpose of cancellation in accordance with the Companies (Issue of Share Certificates) Rules, 1960 or upon proof of destruction or loss and on such indemnity as the Board may require in the case of the certificate having been destroyed or lost. Any duplicate shall be marked as such.

14. Company's lien on shares

The company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that this articles will have full effect. And such lien shall extend to all dividends and bonus from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the company's lien if any on such shares. The directors may at any time declare any share wholly or in part to be exempt from the provisions of this clause

CALLS ON SHARES

15. Calls

Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time make such calls as they think fit upon the members in respect of moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the date, time and place or at the dates times and places appointed by the Board of Directors.

TRANSFER AND TRANSMISSION OF SHARES

16. Procedure as to transfer of shares

- a) The instrument of transfer of any shares in the company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in report thereof. The instrument of transfer shall be in respect of only, one class of shares and should be in the form prescribed under section 108 of the Act.
- b) The Board of Directors shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the company along with the certificate relating to the shares and such other evidence as the company may require to prove the title of the transferor or his right to transfer the shares.

Provided that where it is proved to the satisfaction of the Board of Directors think fit, on an application in writing made by the transferee and bearing the stamp required on an instrument of transfer, register the transfer on such terms as to indemnity, as the Board of Directors may think fit

- c) An application for the registration of the transfer of any share or shares may be made either by the transferor or by the transferee provided that where such application is made by the transferor no registration shall in the case of partly paid shares be effected unless the company given notice of the application to the transferee and the company shall, unless objection is made by the transferee, within two weeks from the date of receipt of the notice, enter in the register the nature of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
- d) For the purpose of sub-clause (c) notice to the transferee shall be deemed to have been duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered in the ordinary course of post.
- e) Nothing in Clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.

17. Form of Transfer

The shares in the company shall be transferred by instrument in writing in the prescribed form, duly stamped and in the manner provided under the provisions of Section 108 of the Act and any modification thereof and the Rules prescribed there under.

18. Board's right to refuse to register

- a) Subject to the provisions of Section III of the Act and Section 22 (A) of Securities Contracts (Regulation) Act, 1956 the Board may at any time in their absolute discretion and without assigning any reasons decline to register any transfer of or transmission by operation of law of the right to a share, whether fully paid up or not and whether the transferee is a member of the company or not and may also decline to register any transfer of shares on which the company has a lien. Provided further that the registration of transfer shall not be refused on the ground of the transferor being alone or either jointly with any other person or person indebted to the company on any account except a lien on the shares.
- b) If the Board refuses to register any transfer or transmission of right, they shall within one month from the date on which the instrument of transfer or the intimation of such transmission was delivered to the company send notice of the refusal to the transfers and the transferor or to the person giving intimation of such transmission, as the case may be.
- c) In case of such refusal by the Board, the decision of the Board shall be subject of the right of appeal conferred by section III of the Act and Section 22 (A) of Securities Contracts (Regulation) Act, 1956.
- d) The provisions of this clause shall apply to transfers of stock also.

19. Further right of Board of Directors to refuse to register

The Board of Directors may also decline to recognize any instrument of transfer unless:

- i) The instrument of transfer is accompanied by the certificate of shares to which it relates and such other evidence as the Board of Directors may reasonably require to show the right of transferor to make the transfer; and
- ii) The instrument of transfer is in respect of only one class of shares.

20. Endorsement of transfer and issue of certificate

- a) Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Managing Director or by some other person for the time being duly authorized by the Board of Directors in this behalf. In case any transferee of a share shall apply for a new certificate in lieu of the old or existing certificate he shall be entitled to receive a new certificate in respect of which the said transfer has been applied for and upon his delivering up to cancel every old or existing certificate which is to be replaced by a new one.

- b) Notwithstanding any other provisions to the contrary in these presents, no fee shall be charged for any of the following viz.
 - i) for registration of transfer of shares and debentures or for transmission of shares and debentures;
 - ii) for sub-division and consolidation of shares and debentures, certificates and for sub-division of letter of allotment and spilt, consolidation, renewal and pucca transfer receipts into denomination corresponding to the market units of trading.
 - iii) for sub-division of re-nounceable Letters of Rights
 - iv) for issue of certificates in replacement of those which are old decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised
 - v) for registration of any power of attorney, probate, letters of administration or similar other documents.

21. Register of Members

The company shall keep a book to be called the "Register of Members" and therein shall be entered the particulars of every transfer of transmission of any shares and all other particulars of shares required by the Act to be entered in such register.

22. Closure of Register of Members

The Board of Directors may after giving not less than 7 days previous notice by advertisement in some newspapers circulating in the district in which the Registered Office of the company is situated close the Register or Member or the Register of Debenture holder for any period or periods not exceeding in the aggregate 45 days in each calendar year but not exceeding 30 days

23. Transmission of Registered Shares

- a) The executors or administrators of a deceased member (not being one of several joint holders) shall be the only person recognized by the company, as having any title to the shares registered in the name of such member and in the case of death of any one or more of the joint holders of any registered shares, the survivors shall be only persons recognized by the company as having any title to or interest in such shares.

Provided that if the member should have been a member of a Joint Hindu Family the Board on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonging to the joint family may recognize the survivors or the karta thereof as having title to the shares registered in the name of such member, provided further in any case it shall be lawful for the Board in their absolute discretion to dispense with the production of probate or letter of administration or other legal representation upon such terms as to indemnity or otherwise as to he Board may deem just.

- b) Nothing in Clause (1) shall release the estate of a deceased joint holder from any liability in respect of any shares which were jointly held by him with other persons.

24. Rights and liabilities of legal representatives

- a) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the board and subject as hereinafter provided elect either:
 - i) To be registered himself as holder of the shares; or
 - ii) To make such transfer of the shares as the deceased or insolvent member could have made.

- b) The Board shall, in either case, have the same right to decline or suspend registration as they would have had, if the deceased or insolvent member had transferred the shares before his death or insolvency.

CONVERSION OF SHARES INTO STOCK

25. Conversion of shares

The company may by ordinary resolution convert all or any of its fully paid up shares of and denomination into stock and vice versa.

26. Transfer of stock

The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit provided that the Board may from time to time fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

27. Rights to stock holders

The holders of stock shall according to the amount of stock held by them have rights, privileges and advantages if they held the shares from when the stock arose, but not such privileges or advantages except participation in the dividends and profits of the company and in the assets on winding up shall be conferred by an amount of stock which would not if existing in shares have conferred that privilege or advantage.

28. Regulations applicable to shares (paid up) apply to stock or stockholders

Such of the regulations contained in these presents (other than those relating to the share warrants) as are applicable to paid up shares shall apply to stock and the words share and shareholder in these presents shall include stock and stockholder respectively.

ALTERATION OF CAPITAL

29. Alteration and consolidation of capital

The company may from time to time but subject to the provisions of Section 94 of the Act, alter the conditions of its Memorandum as follows:

- a) Increase its share capital by such amount as it thinks expedient by issuing new shares.
- b) Consolidate and divide also any of its share capital into shares of larger amount than its existing shares.
- c) Convert all or any of its fully paid up shares into stock and reconvert that stock into fully paid up shares of any denominations.
- d) Subdivide its shares, or any of them, into shares of similar amount than its fixed by memorandum, so however, that in the sub-division the proportion between the amount, if any unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced shares are derived.
- e) Cancel any shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of shares cancelled.
- f) The resolutions whereby any share is subdivided may determine that between the holders of the shares one or more of such shares shall have some preference or special advantage as regards dividend, capital voting or otherwise over or as compared with the others.

30. Application of provision to new shares

The new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original capital.

SHARE WARRANTS

31. Issue of share warrants

- a) The company may issue share warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly, the Board may in their discretion with respect to any share registered as fully paid up on application in writing signed by the person registered as holder of the share and authenticated by such evidence, if any, as the Board may, from time to time, require as to the identity of the person signing the application and on receiving the certificate if any of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time prescribe, issue a share warrant and may provide by coupons or otherwise for the payments of the future dividends on the shares specified in the share warrant.
- b) A share warrant shall entitle the bearer to the shares included in (a) and the shares shall be transferred by the delivery of the share warrant and the provisions of the Articles of the company with respect to transfer and transmission of shares shall not apply thereto.
- c) The bearer of a share warrant shall on surrender of the warrant to the company for cancellation and on payment of such fee as the Board may from time to time prescribe, be entitled to have his name entered as a member in the Register of Members in respect of the shares included in the warrant.

32. Renewal

The Board may from time to time make rules as to the terms on which, if they shall think fit, a new warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction of the original warrant or coupon.

BUY BACK OF SHARES

- 33. (a) Pursuant to Section 77A of the Act, the Company may purchase its own shares or other specified securities from out of its free reserves or out of its securities premium account or out of the proceeds of an earlier issue other than fresh issue of shares made specifically for buy-back purposes by passing a special resolution in the general meeting of the Company.
- (b) Notwithstanding anything contained in these Articles, the Board of Directors may, when and if thought fit, buyback such of the Company's own shares or securities, subject to such limits, upon such terms and conditions and subject to such approvals, as may be permitted under Section 77A of the Companies Act, 1956 and the applicable guidelines and regulations that may be issued in this regard.

SWEAT EQUITY SHARES

34. The Company may exercise the powers of issuing sweat equity shares conferred by Section 79A of the Act of a class of shares already issued subject to the following conditions :

- (a) the issue of sweat equity shares is authorized by a special resolution passed by the Company in general meeting;
- (b) the resolution specifies the number of shares, their value and the class or classes of directors or employees to whom such equity shares are to be issued; and
- (c) not less than one year has, at the date of issue, elapsed since the date on which the Company was entitled to commence business.

EMPLOYEE STOCK OPTION SCHEME

35. Subject to the provisions of Section 79A and other applicable provisions of the Companies Act, 1956, and any other provisions in law in this regard, the Board is hereby authorized to issue shares or debentures (whether or not convertible into shares) for offer and allotment to such of the officers, employees and workers of the Company as the Board may select or the trustees of such trust as may be set up for the benefit of the officers, employees and workers in accordance with the terms and conditions of such scheme, plan or proposal as the Board may formulate, the Board may impose conditions that the shares in or debentures of the Company so allotted shall not be transferable for a specified time period.

NOMINATION

36. Every holder of shares in, or holder of debentures of, a company may, at any time, nominate, in the prescribed manner a person to whom his shares in, or debentures of, the company shall vest in the event of his death.
37. The Company can enter into Joint Venture Collaboration agreement with such persons, companies or Body Corporates from time to time.

GENERAL MEETING

38. Annual General Meeting

The company shall in addition to other meetings hold a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions specified below :-

- a) The first Annual General Meeting of the company shall be held within eighteen months of its incorporation subject to Section 210 (3) of the Act.
- b) Thereafter an Annual General Meeting of the company shall be held once in every calendar year within 6 months after the expiry of each financial year, subject, however, to the power of the Register of Companies to extend the time within which such a meeting can be held for a period not exceeding 3 months and subject thereto not more than fifteen months shall elapse from the date of one annual general meeting and that of the next.
- c) Every annual meeting shall be called for at a time during the business hours on a day that is not public holiday and shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situated.
- d) Notice calling such meetings shall specify them as the annual general meetings.
- e) All other meetings shall be referred to as extra-ordinary general meetings.

39. Extra-ordinary General Meetings

The Board of Directors may whenever think fit, convene an Extra-ordinary General Meeting at such time and at such place as they deem fit. Subject to such directors, if any given by the Board, the Managing Director or the secretary may convene an Extra-Ordinary General Meeting.

40. Extra-Ordinary General Meeting by requisition

- a) The Board of Directors shall on the requisition of such number of members of the company as is specified below proceed duly to call on extra-ordinary general meeting of the company with the provisions of the act in relation to meetings on requisition.
- b) The requisition shall set out matters for consideration of which they meeting is to be called shall be signed by the requisitioners and shall be deposited at the registered office of the company or send to the company by registered post addressed to be company at its registered office.

- c) The requisition may consist of several documents in like form, each signed by one or more requisitionists.
- d) The number of members entitled to requisition a meeting with regard to any matter shall be such number of them as held at the date of the deposit or dispatch to the registered office of the requisition, not less than 1/10th of such of the paid up capital of the company as at that date carries the right of voting in regards to the matter set out in requisition.
- e) If the Board of Directors do not, within twenty-one days from the date of deposit of requisition with regard to any matters, proceed duly to call a meeting for the consideration of those matters on a date not later than forty five days from the date of the deposit of the requisition the meeting may be called by the requisitionist as represent either majority in value of the paid up share capital held by all of them or of not less than 1/10th of such paid up capital of the company as is referred to in sub clause (d) above.

41. Length of notice of calling meeting

A general meeting of the company may be called by giving not less than 21 days notice in writing, provided that a general meeting may be called after giving shorter notice if consent thereto is accorded in the case of the annual general meeting by all the members, in any other case by members of the company holding not less than 95% of that part of the paid up share capital which gives the right to vote on the matters to be considered to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purpose of this Article in respect of the former resolution or resolutions and not in respect of the latter.

42. Accidental omission to give notice not to invalidate meeting.

The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of, or any resolution passed at such meeting.

PROCEEDING AT GENERAL MEETINGS

43. Quorum

Five members personally present shall be a quorum for a general meeting and no business shall be transacted at any general meeting unless that requisite quorum is present at the commencement at the business.

44. If quorum not present when the meeting to be dissolved and when to be adjourned.

If within half an hour from the time appointed for the meeting a quorum is not present the meeting if called upon by the requisition of the members shall be dissolved in any other case it shall stand adjourned to the same day in the next week at the same time and place or such other day and at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the members present shall be a quorum.

45. Chairman of General Meeting

The Chairman, if any of the Board of Directors shall preside as Chairman at every General Meeting of the Company.

46. When Chairman absent, choice of the another to take the chair.

If there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the directors present shall choose another director as chairman and if no director be present or in all the directors decline to take the chair, then the members present shall choose some one of their member to be Chairman.

47. Adjournment of Meeting

The Chairman may, with the consent of any meeting at which a quorum is present (and shall, if so directed by the meeting) adjourn that meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more notice of the adjourned meeting. Save as aforesaid, it shall not be necessary to give any notice of the adjournment or of the business to be transacted at an adjourned meeting.

48. Question at General Meeting how decided

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the Chairman, that a resolution, on a show of hands, been carried unanimously or by a particular majority or lost and an entry to that effect in the minus book of the proceedings of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

49. Taking of poll

If a poll is duly demanded in accordance with the provisions of Section 179 of the Act it shall be taken in such a manner as the Chairman directs in accordance with the provisions of the Act and Sections 184 & 185 of the Act and the results of the poll shall be deemed to be the decision of the meeting in the resolution on which the poll was taken.

50. Chairman to have casting vote

In the case of an equality of votes, the Chairman shall both on show of hands and on a poll have a casting vote in addition to the vote of votes to which he may be entitled as a member.

51. In what case poll taken without adjournment

A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than 48 hours from the time when demand was made as the Chairman may direct.

VOTES OF MEMBERS

52. Voting right of members

- a) Every member holding any equity shares shall have a right to vote in respect of such shares on every resolution placed before the meeting. On a show of hands every such member present in person shall have one vote. On a poll, his voting right in respect on his equity shares shall be in proportion to his share of the paid up capital in respect of the equity shares.
- b) In the event of the company issuing any performance shares the holders of such preference shares shall have the voting rights set out in that behalf in Section 87 of the Act.

53. Business may proceed notwithstanding demand for poll

A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person who made the demand.

54. (1) Passing of Resolutions by Postal Ballot

The Company may, and in the case of resolutions, relating to such business as the Central Government may by notified, declare to be conducted only by Postal Ballot, shall, get any Resolution passed by means of a Postal Ballot, instead of transacting the business in General Meeting of the Company.

Where a Company decides to pass any Resolution by resorting to Postal Ballot, it shall send a notice to all the shareholders, along with a draft resolution explaining the reasons therefore, and requesting them to send their assent or dissent in writing on a Postal Ballot within a period of 30 days or within such period as may be prescribed, from the date of posting of the letter. The notice shall be sent by registered post acknowledgement due, or by any other method as may be prescribed by the Central Government in this behalf and shall include with such notice, a postage pre-paid envelope for facilitating the communication of the Assent or Dissent of the shareholder to the resolution within the said period. If a resolution is assented to by a requisite majority of the shareholders by means of Postal Ballot it shall be deemed to have been duly passed at a General Meeting convened in that behalf.

55. Voting rights of joint holders

In the case of joint holders the vote of the first named of such joint holders who tender a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

56. Voting rights of joint holders

A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee or other legal guardian may, on a poll, vote by proxy.

57. No member entitled to vote while call due to company.

No member shall be entitled to vote in any general meeting unless all calls or other sums presently payable by him in respect of his shares in the company have been paid.

58. Proxies permitted on poll

On a poll, votes may be given either personally or by proxy.

59. Proxies

Any member entitled to attend and vote at a meeting of the company shall be entitled to appoint any person whether a member or not as his proxy to attend and vote instead of himself, but the proxy so appointed shall not unless he be a member have any right to speak at the meeting and shall not be entitled to vote except on a poll.

60. Instrument of Proxy

- a) The instrument appointing a proxy shall be in writing under the hand of the appointed or of his attorney duly authorized in writing or if the appointed is a Corporation either under the common seal or under the hand of an office of attorney so authorized. Any person may act as proxy whether he is a member or not.
- b) Corporate body (whether a company within the meaning of the Act or not) may, if it is a member or a creditor or a debenture holder of the company, by the resolution of its Board of Directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company or at any meeting of the creditors of the company held in pursuance of the provisions contained in any debenture of trust deed as the case may be. The person so authorized by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as that body could exercise if it were an individual member, creditor or holder of debentures of the company.
- c) So as an authorization under clause (b) above is in force, the power to appoint proxy shall be exercised only by the person so appointed as representative.

61. Proxy to be deposited at the office

The instrument appointing a proxy and the power of attorney if any, under which it is signed or a neutral certified copy of that power of authority, shall be deposited at the registered office of the company not less than 48 hours before the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll not less than 24 hours before the time appointed for taking of the poll, and in default the instrument of proxy shall not be treated as valid.

62. Chairman's ruling regarding voice final

Subject to the provisions of the Companies Act, 1956, the Chairman of a General Meeting shall be the sole and absolute judge of the validity of every vote tendered at such meeting or at a poll demanded at such meeting and may allow or disallow any vote tendered, according as he shall be of the opinion that the same is or is not valid.

63. Number of Directors

Unless otherwise determined by a General Meeting the number of directors shall not be less than three and not more than twelve, including all kinds of directors.

64. First directors

The persons hereinafter named shall become and be the first directors of the company.

1. **MR. ANURAG MADAN s/o Mr. Roshanlal Madan**
2. **MR. DEEPAK MITTAL s/o Mr. Chadrashekhher Mittal**
3. **MR. SRIKANTH IYENGAR s/o Mr. M S Ramanujam**

65. Share qualification not necessary

Any person whether a member of the company or not may be appointed as a director and no qualification by way of holding share shall be required of any director.

66. Director's power to fill up casual vacancy

Any casual vacancy accruing in the Board of Directors may be filled up by the directors and the person so appointed shall hold office upto the date which the director in whose place he is appointed would have held office if it had not been vacated as aforesaid.

67. Additional Directors

The Board of Directors shall have power at any time and from time to time to appoint one or more persons as additional directors provided that the number of directors and additional directors together shall not exceed the maximum number fixed. Any additional director so appointed shall hold office upto the date of the next Annual General Meeting but he shall be eligible for election by the company at that meeting.

68. Alternate Directors

The Board of Directors may appoint an alternate Director to act for a Director (hereinafter called the original director) during absence of the original director for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An alternate director so appointed shall vacate office if and when the office of original director is determined before he so returns to the State aforesaid, any provision for the automatic reappointment of retiring director in default of another appointment shall apply to the original and not to the alternate director.

69. Nomination of Directors by Financial Institutions.

If and so long as the company is indebted to any financial institutions, bank, corporation or any other statutory body, or if the company has entered into any obligation with any such institution, bank,

corporation or body in relation to any financial assistance by way of loan advanced to the company or guarantee given of any loan borrowed or liability incurred by the company or so long as any such institution, bank corporation or body shall, subject to the provisions of Section 255 of the Act and to the extent agreed by the Board, jointly or severally be entitled from time to time to appoint one or more person to be a director or directors and appoint any other person or persons to be a director or directors in his place or their places and to fill any vacancy otherwise accruing in the office of such directors. The directors so appointed shall not, subject to the provisions of Section 265 of the Act and to the extent agreed by the Board be liable to retirement by rotation. Such directors shall be entitled to attend the general meetings of the company.

70. Nomination of directors by any investments company.

If and so long as any investments company (hereinafter referred to as Promoter Company) holds or continues to hold by itself or through its associate companies or its nominees firms or individuals the equity shares of the company to the extent-being not less than 10% (Ten percent) of total equity shares capital of the company, i.e. Issue subscribed end fully paid up share capital of the company, the promoter company shall, subject to the provisions of Section 255 of the Act, and to the extent agreed to by the promoter company be absolutely entitled, from time to time, to appoint and to withdraw the appointment of persons as its nominee directors not exceeding five directors out of the total twelve directors and to fill any vacancy otherwise accruing in the office of such directors. The directors so appointed shall not subject to the provisions of Section 255 of the Act and to the extent agreed by the Board be liable to retirement by rotation. All such directors shall be entitled to attend the General Meeting of the company as ex-office.

71. Nominee Directors

At the option of the corporation, such corporation director/s shall not be required to hold any share qualification in the company. Also at the option of the corporation such director/s shall not be liable to retirement by rotation of directors. Subject as aforesaid, such directors/shall be entitled to the same rights and privileges and be subject to the same obligations as any other director of the company.

72. Remuneration of Directors

Every director shall be paid a sitting fee of not exceeding as prescribed in rules and regulations provided in Companies Act, 1956 or such circulars issued by Ministry of Company Affairs, New Delhi. Each meeting of the Board of Directors or of any committee thereof attended by him and shall be paid in addition thereto all travelling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of directors or any committee thereof or general meeting of the company or in connection with the business of the company to and from any place.

73. Remuneration for extra services

If any director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from the town in which the registered office of the company may be situated for any purposes of the company or in giving special attention to the affairs of the company the subject to Sections 198,309, 310 and 314 the Board may remunerate the director so doing either by a fixed sum or by a percentage or profits or otherwise and such remuneration to which he may be entitled.

ROTATION OF DIRECTORS

74.

- a) Not less than one-third of the total number of the directors of the company for the time being holding office shall be directors whose period of office is liable to be determined by retirement by rotation.
- b) At the first annual general meeting of the company the whole of the Board of Director or directors shall retire from office and at the annual general meeting in every subsequent year, one third of such of the directors as are liable to retire by rotation for the time being or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office.

75. Retiring directors eligible for re-election

A retiring director shall be eligible for re-election and the company at the annual general meeting at which a director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.

76. Which directors

Subject to the provisions of Section 256 of the Act, if at any meeting at which an election of directors sought to take place, the place of the vacating director is not filled up and the meeting has not expressly resolved not to fill up the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place and if at the adjourned meeting the place of retiring director is not filled up and the meeting has also not expressly resolved not to fill up the vacancy then the retiring directors or such of them as have to had their places filled up shall be deemed to have been re-appointed at the adjourned meeting.

77. Power to General Meeting

Subject to the provisions of Sections 252,255 and 259 of the Act, the company in general meeting may by ordinary resolution increase or reduce the number of its directors within the limit fixed by Article.

78. Meeting of the Board

The Board of directors shall meet at least once in every three calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year.

79. How to convene

The managing director may at any time summon a meeting of the Board and the managing director or a secretary on the requisition of a director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every director for the time being in India and at his usual address in India to every other director.

80. Quorum

The quorum of a meeting of the board shall be one-third of the total strength (any fraction contained in that one-third being rounded off as one) or two directors whichever is higher provided that where at any time the number of interested directors is equal to or exceed two-third of the total strength, the number of remaining directors, there is to say the number of directors who are not interested present at the meeting not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of directors actually holding office as directors on the date of the resolution or meeting, that is to say the total strength of the Board after deducting there from the number of directors, if any, whose place are vacant at the time.

81. Questions how decided

Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the company for the time being vested in or exercisable by the directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

82. When the votes equal

In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a director.

83. Election of Chairman of Board

- a) The Board may elect from their body of directors a Chairman of its meetings and determine the period for which he is to hold office.

- b) If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the directors present shall choose one of their members to be Chairman of the meeting.

84. Delegation of powers

- a) The Board may, subject to the provisions of the Act, delegate any of its powers to committee consisting of such member or its body, as it thinks it.
- b) Any committee so formed shall, in exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

85. Election of Chairman of Committee

- a) If the Chairman of the Board is a member of the Committee he shall preside over all meeting of the Committee. If the Chairman is not a member thereof the committee may elect a chairman of its meetings. If no such Chairman is elected of it at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be chairman of the meeting.
- b) The quorum of a committee may be fixed by the Board of Directors and until so fixed, if the committee is of a single member or two members shall be one and if more than two members, shall be two.

86. Questions how determined

- a) A committee may meet and adjourn as it thinks proper
- b) Questions arising at any meeting of a committee shall be determined by the sole member of the committee or by a majority of votes of the members present as the case may be and in case may be and in case of an equality of vote, the Chairman shall have a second or casting vote in addition to his vote as a member of the committee.

87. Validity of Acts done by Board or a Committee

All acts done by any meeting of the Board or of a committee thereof or by any person acting as a director shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid or that they or any of them were disqualified, be as valid as if, every such director or such person had been duly appointed and was qualified to be a director.

88. Resolution by circulation

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the directors, or to all the members of the committee then in India, not being less in number than the quorum fixed for the meeting of the Board or the committee, as the case may be and to all other directors or member at their usual addresses in India and approved by such of the directors as are then in India and approved by such of the directors as are then in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board of Committee duly convened.

89. General Powers of company vested in directors

The business of the company shall be managed by the Board of Directors, who may exercise all such powers of the company as are met by the Act, or any statutory modification thereof for the time being in force, or by three presents, required to be exercised by the company in general meeting, subject nevertheless to any regulation of these presents, to the provisions of the said Act and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the company

in general meeting, but no regulation made by the company in general meeting shall invalidate any rigor act of the Board which would have been valid if that regulation had not been made.

90. Specific powers of directions

Without prejudice to the generality of the foregoing, it is hereby expressly declared that the directors shall have the following powers that is to say, power:-

- a) To carry on and transact the several kinds of business specified in Clause III of the Memorandum of Association of the Company.
- b) To draw, accept, endorse, discount negotiate and discharge on behalf of the company all bills of exchange, promissory notes, cheques, hundies, drafts railway receipts, dock warrants, delivery, orders, Government promissory notes, other government instruments, bonds, debentures or debenture stock of corporation, local bodies, Port Trusts, Improvement Trusts or other Corporate Bodies and to execute transfer deeds for transferring stocks, shares or stock certificates of the Government and other local or corporate bodies in connection with any business or any subject of the company.
- c) At their discretion to pay for any property rights or privileges acquired by or services rendered to the company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the company and any such shares may be issued either fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any of the property of the company or not so charged.
- d) To engage and in their discretion to remove, suspend, dismiss and remunerate bankers, legal advisers, accountants, cashiers, agents, commission agents, dealers, brokers, foremen, servants, employees of every description and to employ such professional or technical or skilled assistants as from time to time may in their option necessary or advisable in the interest of the company and upon such terms as to duration of employment, remuneration or otherwise and may require security in such instances and to such amounts as the directors think fit.
- e) To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof, subject to the provisions of the Act in relation to reduction of capital
- f) To secure the fulfilment of any contracts or agreements entered into by the company by mortgage or charge of all or any of the property of the company or in such other manner as they may think fit.
- g) To institute, conduct, defend, compound or abandon any actions, suits and legal proceedings by or against the company or its officers or otherwise concerning the affairs of the company and also to compound or compromise or submit to arbitration the same actions, suits and legal proceedings.
- h) To make and give receipts, releases and other discharges for money payable to the company and for the claims and demands of the company.
- i) To determine who shall be entitled to sign on the company's behalf bills of exchange, promotes, dividend warrants, cheques and other negotiable instruments, releases, contracts and documents.
- j) From time to time to regulate the affairs of the company abroad in such manner as they think fit and in particular to appoint any person to be the attorneys or agents of the company either abroad or in India with such powers including power to sub-delegate and upon such terms as may be thought fit.
- k) To invest a deal with any moneys of the company not immediately required for the purposes thereof upon such securities as they think fit.
- l) To execute in the name and on behalf of the company in favour of any director or other person who may incur or be about to incur any personal liability for the benefit of the company such mortgages of the company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

- m) To give to any person employed by the company a commission on the profits of any particular business or transactions or a share in the general profits of the company and such commission or such share of profits shall be treated as part of the working expenses of the company.
- n) From time to time, to make, vary and repeal bye-laws for the regulations of the business of the company its officers and servants.
- o) To enter into all such negotiations and contracts and rescinded and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the company.
- p) To pay gratuities, bonus, rewards, presents and gifts to employees or dependents of any deceased employees to charitable institutions or purposes, to subscribe for provident funds and other associations for the benefit of the employees.

91. Secretary

The Board shall have power to appoint Secretary, a person possessing the prescribed qualifications and fit in their opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as they may determine. The Secretary shall have such powers and duties as may from time to time be delegated or entrusted to him by the Board of Directors.

BORROWING

92. Borrowing

1. The Board of Directors may from time to time but with such consent of the company in General Meeting as may be required Under Section 293 raise any moneys or sums of money for the purpose of the Company, provided that the moneys to be borrowed by the company apart from temporary loans obtained from the company's bankers in the ordinary course of business shall not without the sanction of the company at the general meeting exceed the aggregate of the paid up capital of the company and its free reserves that is to say reserves not set apart for any specific purpose and in particular, but subject to the provisions of the Section 292 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the company by the issue of debentures, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities and in security of any such money so borrowed, raised or received mortgage, pledge or charge the whole or any part of the property, assets or revenue of the company, present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.
2. The Directors may by a resolution at a meeting of the Board delegate the above powers to borrow money otherwise than or debentures to a committee of directors or the managing director if any within the limits prescribed.
3. Subject to the provision of the above sub-clause, the directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the company, at such time and in such manner and upon such terms and conditions in all respects as they think fit, and in particular by promissory notes or by opening current accounts or by receiving deposits and advances with or without security, or by the issue of bonds, perpetual or redeemable debentures or debenture-stock of the company (both present and future) including its uncalled capital for the time being, or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the company, or by such other means as to them may seem expedient.

93. Assignment of Debentures

Such debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the company and the person to whom the same may be issued.

94. Terms of debenture issues

- a) Any such debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawings allotment of shares of the company, appointment of directors or otherwise. Debentures, debenture stocks, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with the sanction of the company in general meeting.
- b) Any trust deed for the securing of any debenture-stock and or any mortgage deed and or other bond for securing payment of moneys borrowed by or due by the company and or any contract or any agreement made by the company with any person, firm, body corporate, government or authority who may render or agree to render any financial assistance to the company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the company or by subscription of the share capital of the company or provide assistance in any other manner, may provide for the appointment from time to time, by any such mortgage, lender trustees or holders of debentures or contracting partly as aforesaid, of one more persons to be a director or directors of the company. Such trust deed, mortgage deed, bond or contract may provide that the person appointing a director as aforesaid may from time to time remove any director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such director. Such power shall terminate on the discharge or repayment of the respective mortgage, loan or debt or debentures or on the termination of such contract and any person so appointed as director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if constrained in these presents.

The director or directors so appointed by or under a mortgage deed debenture trust deed or other bond or contract as aforesaid shall be called "Nominated Directors". The words "Nominated Director" shall mean the director appointed as aforesaid and for the time being holding such office. The Nominated Director shall not be liable to retire by rotation or to be removed from office by the company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provisions as may be arranged between the company and mortgage, lender, trustee or contracting party as the case may be and all such provisions shall have effect notwithstanding any of the other provisions herein contained but subject to the provisions of the Act.

95. Powers to be exercised by Board only at Meeting

- 1) The Board of Directors shall exercise the following powers on behalf of the company and the said powers shall be exercised only by resolution passed at the meeting of the Board:
 - a) Power to make calls on shareholders in respect of moneys unpaid on their shares;
 - b) Power to issue debenture;
 - c) Power to borrow moneys otherwise than on debentures;
 - d) Power to invest the funds of the company;
 - e) Power to make loans.
- 2) The Board of Director by a meeting delegate to any committee of the directors or to the managing director the powers specified in sub-clause (c) and (e) above.
- 3) Every resolution delegating the power set out in sub-clause (c) above shall specify the total amount upto which moneys may be borrowed by the said delegate.
- 4) Every resolution delegating the power referred to in sub-clause (e) above shall specify the total amount upto which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for such purposes in individual cases.

MANAGING DIRECTOR/WHOLE-TIME DIRECTORS

96. Appointment of Managing Directors/Whole-time directors

- a) The Board may from time to time with such sanction of the Central Government as may be required by law, appoint one or more persons to the office of the Managing Director or Managing Directors or Whole-time Director.
- b) The directors may from time to time resolve that there shall be either one or more Managing directors or Whole-time Directors.
- c) In the event of any vacancy arising in the office of the managing director or whole-time directors, if the directors resolve to increase the number of managing directors or whole-time directors, the vacancy shall be filled by the Board of Directors and the Managing Director or Whole-time Director so appointed shall hold the office for such period as the Board of Directors may fix and approved by the Central Government.
- d) The managing director or whole-time director shall not liable to retirement by rotation as long as he holds office as Managing Director or Whole-time Director.

97. Powers and duties of Managing Director or Whole-time Director

The Managing director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors as they may think fit and confer such powers for such time and to be exercised for such objects, purposes and upon such terms and conditions and with such restrictions as they may think expedient and they may from time to time revoke, withdraw, alter or vary all or any of such powers. The Managing Directors/Whole-time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

98. Remuneration of Managing directors/ Whole-time Directors

Subject to the provisions of the Act and subject to such sanction of the Central Government as may be required for the purpose, the Managing Directors/Whole-time directors shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the company in General Meeting may from time to time determine.

99. Reimbursement of expenses

The Managing director/Whole-time Director shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the company.

100. Business to be carried on by Managing Director/Whole-time Director

The Managing Director/Wholetime Director shall have subject to the supervision control and discretion of the Board, the Management of the whole of the business of the company and of all its affairs and transactions of the company, except such powers and such duties as are required by law or by these presents to be exercised or done by the company in General Meeting or to the Board of Directors and also subject to such conditions or restrictions, imposed by the Companies Act or by these presents.

COMMON SEAL

101. Common Seal

The Board shall provide a common seal for the Company and they shall have power from time to time to destroy the same substitute a new seal in lieu thereof, and the common seal shall be kept at the Registered Office of the company and committed to the custody of the Managing director or the secretary if there is one.

102. The Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by or under the authority of the Directors or a Committee of Directors previously given and every deed or other instrument to which the Seal of the Company is required to be affixed shall, be affixed in the presence of a Director or the Manager or the Secretary or such other person as the Board/Committee of the Board may appoint for the purpose, who shall sign every instrument to which the Seal is so affixed in his presence, provided nevertheless, that any instrument bearing the Seal of the Company, and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity of the authority to issue the same.

The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act or any amendment thereof for use in any territory, district or place outside India and shall be used by or under the authority of the Directors or a Committee of the Directors and granted, in favour of any person appointed for the purpose in that territory, district or place outside India.'

103. Right to dividend

- a) The profits of the company, subject to any special rights relating thereto created or authorized to be created by these presents and subject to the provisions of these presents, as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively on the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.
- b) Where capital is paid up on any shares in advance of calls, upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to participate in profits.

104. Declaration of dividends.

The company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

105. Interim dividends

The Board may from time to time pay to the member such interim dividends as appear to them to be justified by the profits of the company.

106. Dividends to be paid out of profits only

No dividends shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 205 of the Act.

107. Reserve Funds

- a) The Board may before recommending any dividends set aside out of the profits of the company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provisions for meeting contingencies or for equalizing dividends and pending such application may, at the like discretion either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- b) The Board may also carry forward any profits when it may think prudent not to divide without setting them aside as Reserve.

108. Payment by cheque or warrant

- a) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post direct to the registered address of the holder or in the case of joint holders to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct.

- b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- c) Every such cheque or warrant shall be posted within forty two days from the date of declaration of dividend.

109. Receipt of joint holders

Any one or two or more joint holders of a share may give effectual receipt for any dividends, bonuses or other moneys payable in respect of such shares.

110. Unclaimed Dividend

- (a) Subject to the Provisions of the Act, where, a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration, to any shareholder entitled to the payment of the Dividend, the Company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of Dividend which remains unpaid or unclaimed within the said period of thirty days, to a Special Account to be opened by the Company in that behalf in any Scheduled Bank, to be called "Unpaid Dividend Account of the Company". Any money transferred to the Unpaid Dividend Account of the Company, which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the fund established under sub-section (1) of Section 205C of the Act.
- (b) No unclaimed dividend shall be forfeited by the Board of Directors and the company shall comply with all the provisions of the Section 205A of the Act in respect of unclaimed and unpaid dividend.
- (c) The unclaimed dividend shall be transferred to the "Investor Protection & Education Fund" after expiry of seven years of its declaration as per the provisions of the section.

111. Transfer of shares not to pass prior to dividends.

Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

CAPITALISATION OF PROFITS

112. Capitalization of Profit

- (1) Any General Meeting may resolve that any amounts standing to the credit of the share premium account or the capital redemption reserve account or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and where permitted by law, from the appreciation in value of any capital assets of the Company, Standing to the credit of the General Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend) be capitalised :
 - (a) by the issue and distribution as fully paid up shares, debentures, debenture-stock, bonds or other obligations of the Company or
 - (b) by crediting shares of the Company which may have been issued and are not fully paid-up, with the whole or any part of the sum remaining unpaid thereon.

Provided that any amounts standing to the credit of the share premium account or the capital redemption reserve account shall be applied only in crediting the payment of capital on shares of the Company to be issued to Members (as herein provided) as fully paid bonus shares.

- (2) Such issue and distribution under (1)(a) above and such payment to credit of unpaid share capital under (1)(b) above shall be made up, among and in favour of the Members or any class of them or any of them entitled thereto and in accordance with their respective rights and interest and in proportion to the amount of capital paid-up on the shares held by them respectively in respect of

which such distribution under (1)(a) or payment under (1)(b) above shall be made on the footing that such members become entitled thereto as capital.

- (3) The Directors shall give effect to any such resolution and apply such portion of the profits, general reserve, or reserve fund or any other funds or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures, or debenture – stock, bonds or other obligations of the Company so distributed under (1)(a) above or for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which have been issued and are not fully paid-up under (1)(b) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such distribution and payment shall be accepted by such Members as aforesaid in full satisfaction of their interest in the said capitalised sum.
- (4) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fix and may vest any such cash, shares, debentures, debenture-stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as they may think fit.
- (5) When deemed requisite, a proper contract shall be filed in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the Members entitled as aforesaid and such appointment shall be effective.
- (6) Subject to the provisions of the Act and these Articles in cases where some of the shares of the Company are fully paid and others are partly paid, only such capitalisation may be effected by the distribution of further shares with the whole or part of the unpaid liability thereon but also that as between the holders of the full-paid shares, and the partly paid shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully-paid and partly paid shares respectively.

DEMATERIALIZATION OF SHARES

113. Notwithstanding anything contained herein, the company shall be entitled to dematerialize its Shares, Debentures and other securities pursuant to the Depositories Act, 1996 and to offer its Shares, Debentures and other Securities for subscription in a dematerialised form. The Company shall further be entitled to maintain a Register of Members with the details of Members holding shares both in material and dematerialised form in any media as permitted by law including any form of electronic media.
114. In case of transfer of shares or other marketable Securities where the Company has not issued any Certificates and where such shares or Securities are being held in an electronic and fungible form, the provisions of Depositories Act, 1996 shall apply.

ACCOUNTS

115. Books of account to be kept

- 1) The Board of directors shall cause true accounts to be kept of all sums of money received and expended by the company and the matters in respect of which such receipts and expenditure take place of all sales and purchases of goods by the company and of the assets, credits and liabilities of the company.
- 2) If the company shall have a Branch Office, whether in India or outside, proper books of account relating to the transactions effected at that office shall be kept at that office and proper summarised returns, made upto date at intervals of not more than three months, shall be send by the Branch Office

to the company at its Registered Office or to such other place in India, as the Board thinks fit, where the main books of the company are kept.

- 3) All the aforesaid books shall give a fair and true view of the affairs of the company or of its branch office as the case may be with respect to the matters aforesaid and explain its transactions.

116. Where books of accounts are to be kept

The Books of Account shall be kept at the Registered Office or at such other place in India as the Directors think fit.

117. Inspection by members

The Board of Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books and documents of the company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any account or books or documents of the company except as conferred by statute or authorized by the directors or by a resolution of the company in general meeting.

118. Statement of account to be furnished to general meeting

The Board of Directors shall lay before each Annual General Meeting a Profit and Loss Account for the financial year of the company and Balance Sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar under the Provisions of the act.

119. Form of Balance Sheet and Profit and Loss Account

- 1) Subject to the provisions of Section 211 of the Act every balance sheet and profit and loss account of the company shall be in the forms set out in parts I & II respectively of Schedule VI of the Act or as near there to as circumstances admit.
- 2) So long as the company is a holding company having a subsidiary, the company shall conform to Section 212 and other applicable provisions of the Act.

120. Authentication of Balance Sheet and Profit and Loss Account

- 1) Every Balance Sheet and every Profit and Loss Account of the Company shall be signed by the secretary, if any and by not less than two Directors of the Company one of whom shall be Managing Director where there is one.
- 2) The Balance Sheet and the Profit and Loss Account shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report.

AUDIT

121. Accounts to be audited

Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter set out.

- 1) The first auditor or the company shall be appointed by the Board of Directors within one month of the date of registration of the company and the auditor or auditors so appointed shall hold office until the conclusion of the first annual general meeting.
- 2) The company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within seven days. Provided that before that appoint or re-appointment of auditor or auditors is made by the company at any general meeting a written certificate shall be obtained by the company from the auditor or

auditors proposed to be so appointed to the effect that the appointment or appointments if made will be in accordance with the limit specified in sub-section 1-B of Section 224. Every auditor as appointed shall within 30 days of the receipt from the company of the intimation of his appointment shall inform the Registrar of Companies in writing that he has accepted or refused to accept the appointment.

- 3) The Directors may fill any casual vacancy in the office an Auditor, but while any such vacancy continues, the remaining auditor or auditors (if any) may act, where such a vacancy is caused by the resignation of an auditor, the vacancy shall only be filled by the company in general meeting.

122. Audit of Branch Office

The company shall comply with the provisions of Section 225 of the Act in relation to the audit of the account of Branch Office of the Companies.

WINDING UP

123. Application of Assets

Subject to the provisions of the Act as to preferential payment, the assets of the company shall on its winding up, be applied in satisfaction of its liabilities *pari passu* and subject to such application shall be distributed among the members according to their rights and interest in the company.

124. Division of assets of the company

If the company shall be wound up whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution, divide among the contributories in specific or kind any part of the assets of the company in trusts upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares to be divided as aforesaid involve a liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the liquidators shall, if practicable, act accordingly.

INDEMNITY AND RESPONSIBILITY

125. Directors and other right to Indemnity

- a) Subject to the provisions of Section 201 of the Act, the Managing director and every Director, Manager, Secretary and other Officer or employee of the company shall be indemnified by the company against any liability, and it shall be the duty of directors out of the funds of the company to pay, all costs and losses and expenses (including travelling expenses) which any such Director, officer or employee may incur or become liable to, by reason of any contract entered into or act or deed done by him as such managing director, director, officer or employee or in any way in the discharge of the duties.
- b) Subject to as aforesaid the managing director and every director, manager, secretary or other officer or employee of the company shall be indemnified against any liability incurred by them or him in defending any proceedings whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application Under Section 366 of the Act in which relief is given to him by the court.

126. Not responsible for acts of others

- 1) Subject to the provisions of Section 201 of the Act no director or other officer or the company shall be liable for the acts, receipts, neglects or defaults of the other director or officer, or for joining in any receipt or other act for conformity or for any loss or expense happening to the company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the company or for the insufficiency or deficiency of any security in or upon which any loss or damage arising from the bankruptcy, insolvency, or tortious acts of any person, company or

corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own wilful act or default.

- 2) Without prejudice to the generality of foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the registrar of companies in respect of any act done or required to be done any director or other officer by reason of his holding the said office, shall be paid and borne by the company.

SECURITY CLAUSE

127. Secrecy

No member shall be entitled to inspect the company's works without the permission of the director, or managing director, or to require discovery of or any information respecting any detail of the company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process which may relate to the conduct of the business of the company and which in the opinion of the directors it will be inexpedient in the interests of the company to communicate to the public.

128. Duties of officers to observe secrecy

Every director, Managing director, manager, secretary, auditor, trustee, members of a committee, officer, servant, agent, accountant or other person employed in the business of the company, shall if so required by the directors before entering upon his duties, of at any time during his term of offices sign declaration pledging himself to observe strict secrecy respecting all transactions of the company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the directors or any general meeting or by a Court of Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions of these Articles of law.

STATUS OF SPECIFIED ARTICLES

Notwithstanding anything to the contrary contained in these Articles, the provisions of Articles 129 to 143 of these Articles (the "**Specified Articles**") shall be supplemental to and in addition to Articles 2 to 128 of these Articles and shall be read along with Articles 2 to 128. Further, the Specified Articles would form an integral part of the Articles of Association of the Company and in the event of any conflict or inconsistency between the Specified Articles and Articles 2 to 128 above, the Specified Articles shall prevail.

It is clarified that the provisions contained in the Specified Articles are in addition to the rights and obligations of the parties under Agreement (as defined below), and the non-inclusion of any provision of Agreement in these Articles shall not prejudice or affect the enforceability of Agreement, as the case may be.

Article 129. Definitions

129.1 For the purpose of the Specified Articles, unless the context otherwise requires, the following expressions shall have the following meanings

"**Affiliate**" of a Party to Agreement in the case of any Party to Agreement other than a natural person means any other Person that, either directly or indirectly through one or more intermediate Persons, controls, is controlled by or is under common control with such Party to Agreement, as the case may be; (ii) in the case of any Party that is a natural person, any other Person who is a Relative of such Party. For purposes of this definition, "control" (including, with its correlative meanings, the term "under common control with"), as used with respect to any Person, means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of any entity, whether through the ownership of voting securities, by majority representation on the board of directors, by contract or otherwise.

"**Agreement**" means the share subscription and shareholders agreement dated January 16, 2008 entered into between the Company, Edelweiss, Lehman Brothers Netherlands Horizon B.V. and the Second Investor along with the Schedules and Appendices attached thereto and to include amendment agreement

dated April 7, 2008 and any subsequent amendments from time to time as may be agreed between the parties.

“Applicable Law” means any applicable national, provincial, local or other law, regulations, administrative orders, ordinance, constitution, decree, principles of common law, binding governmental policies, statute or treaty, and shall include notifications, policies, directions, directives and orders of any statutory authority, board, court, tribunal, SEBI or recognized stock exchange.

“Articles” means these articles of association of the Company in force from time to time.

“The Board” or **“The Board of Directors”** means the board of directors of the Company, from time to time.

“Business” means the business of the company being that of a “financial institution” (as defined under Section 45-I (c) of the Reserve Bank of India Act, 1934) but excluding the business of acceptance of public deposits.

“Business Day” means a day, other than Saturday and Sunday, on which banks are open for normal banking business in Mumbai, India, The Netherlands and Singapore.

“Charter Documents” means the memorandum of association and the articles of association of the Company, as amended from time to time.

“Completion Date under Agreement” shall have the meaning ascribed to such term in clause 5.1 of the Agreement.

“Edelweiss” means Edelweiss Capital Limited, company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 14th floor Express Towers, Nariman Point, Mumbai 400 021, India (which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns).

“Effective Date” shall have the meaning assigned to the term in Agreement.

“Eligible Third Party” means any Person, including a Party to Agreement or an Affiliate of any Party to Agreement, but excluding the Persons listed below:

- (a) Persons registered as Category I merchant bankers with SEBI and/or their Affiliates;
- (b) Persons licensed by the Reserve Bank of India to carry on banking activities in India and/or their Affiliates; and
- (c) Rabo India Finance Private Limited and GE Capital Services India and/or their respective Affiliates.

“Encumbrance” means (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law, (ii) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favor of any Person, and (iii) any adverse claim as to title, possession or use.

“Governmental Authority” means any governmental or statutory authority, government department, agency, commission, board, tribunal or court or other entity including the Reserve Bank of India authorized to make laws, rules or regulations or pass directions having or purporting to have jurisdiction or any state or other subdivision thereof or any municipality, district or other subdivision thereof having jurisdiction pursuant to the Applicable Laws of India.

“Investor 2” or “Second Investor” means Waverly Pte Ltd, a company incorporated under the laws of Singapore and having its registered office at 1 Kaki Bukit Road 1, #02-47, Enterprise One, Singapore 415934 (which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns).

“IPO” means a public offering (including by way of an offer for sale) of the Shares or Equity Securities of the Company (including depository receipts), either domestic or overseas, and the consequent listing of the Shares or the other securities of the Company on any stock exchanges, domestic or overseas.

“Notice” means the meaning assigned to the term in Clause 13.1 of the Agreement.

“Parties to Agreement” or “Party to Agreement” means Edelweiss, Lehman Brothers Netherlands Horizon B.V., the Second Investor and the Company collectively and individually respectively.

“Persons” means any natural person, firm, body corporate, company, Governmental Authority, joint venture, association, partnership or other entity (whether or not having separate legal personality).

“Rupees” or the term **“Rs.”** means the lawful currency of the Republic of India.

“SEBI” means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.

“Senior Management” means the chief executive officer of the Company, the chief operating officer of the Company, chief financial officer of the Company, as of the Effective Date.

“Shares” or “Equity Shares” means common equity shares of par value of Re. 1 (Rupee One) each in the Company.

“Shareholders” mean the equity shareholders of the Company.

“Share Capital” means the issued and paid up equity share capital of the Company subsequent to the issue and allotment of subscription shares.

“Subscription Price” shall have the meaning assigned to the term in Clause 2.1.1 of Agreement.

“Transfer” means to directly or indirectly, sell, gift, give, assign, transfer, transfer of any interest in trust, mortgage, alienate, hypothecate, pledge, encumber, grant a security interest in, amalgamate, merge or suffer to exist (whether by operation of law or otherwise) any Encumbrance on, any Equity Shares or any right, title or interest therein or otherwise dispose of in any manner whatsoever voluntarily or involuntarily including, without limitation, any attachment, assignment for the benefit of creditors against the Company or appointment of a custodian, liquidator or receiver of any of its properties, business or undertaking.

“Warranties” means, collectively or individually, as the case may require, the warranties made by the Company as set out in Schedule 4 and/or the warranties made by the Second Investor as set out in Schedule 7 and/or the warranties made by Edelweiss as set out in Schedule 6 of the Agreement.

129.2 In addition to the terms defined in under Article 129.1 above, certain other terms are defined elsewhere in these Specified Articles, and whenever such terms are used in these Specified Articles they shall have their respective defined meanings, unless the context expressly or by necessary implication otherwise requires.

Article 130. INTERPRETATION

130.1 In these Specified Articles where the context admits:

- (a) any reference to any statute or statutory provision shall include:
 - (i) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);

- (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before, on or after the date of the Agreement) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to any transactions entered into under these Articles as applicable, and (to the extent liability thereunder may exist or can arise) shall include any past statutory provision (as from time to time amended, modified, re-enacted or consolidated) which the provision referred to has directly or indirectly replaced;
- (b) the Schedules form part of the agreement and shall have the same force and effect as if expressly set out in the body of the agreement, and any reference to the agreement shall include any Schedules to it. Any references to clauses, sections and schedules are to Clauses, Sections of and Schedules to the agreement. Any references to parts or paragraphs are, unless otherwise stated, references to parts or paragraphs of the Schedule in which the reference appears;
- (c) any reference to the singular shall include the plural and vice-versa;
- (d) references to the agreement or any other document shall be construed as references to the agreement or that other document as amended, varied, novated supplemented or replaced from time to time;
- (e) headings to Clauses, parts and paragraphs of Schedules and Schedules are for convenience only and do not affect the interpretation of the agreement;
- (f) in determination of any period of days for the occurrence of an event or the performance of any act or thing shall be deemed to be exclusive of the day on which the event happens or the act or thing is done and if the last day of the period is not a Business Day, then the period shall include the next following Business Day;
- (g) a reference to a specific time for the performance of an obligation is a reference to that time in the country, province, state, country or other place where that obligation is to be performed;
- (h) “in writing” includes any communication made by letter or fax or e-mail;
- (i) the words “include”, “including” and “in particular” shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words;
- (j) references to the knowledge, information, belief or awareness of any Person shall be deemed to include the knowledge, information, belief or awareness such Person would have if such Person had made reasonable, due and careful enquiry.

Article 131. RIGHTS OF THE SECOND INVESTOR

Notwithstanding the provisions of any other articles of these Articles, the Company is prohibited from approving any such amendment to the Charter Documents as would adversely affect the rights conferred by Agreement and these Articles on the Second Investor, without the written consent of the Second Investor.

Article 132. EDELWEISS UNDERTAKING

The Company will be treated by Edelweiss as its preferred wholesale lending business division. The term ‘wholesale lending business’ as used in these Articles shall include capital market linked products, trade finance and real estate backed loans.

Article 133. PREEMPTIVE RIGHTS OF THE SECOND INVESTOR

If the Company intends to issue Equity Shares to any Person anytime on or before December 31, 2009, at a price which is less than the Equity Share Price, the Second Investor shall have the right, but not the obligation, to subscribe to such proportion of Equity Shares offered to such Person which is equivalent to twice the proportion of the Second Investor’s shareholding percentage in the Company at the point of

such offer. Such offer to the Second Investor shall be at the same price per Equity Share which is offered to such Person.

Article 134. BOARD OF DIRECTORS OF THE COMPANY

134.1 Nomination

- (a) The Second Investor shall be entitled to appoint 1 (one) Director each to the Board of the Company (including alternate Director in place of such nominated Director) (“**Investor Director of Second Investor**” respectively).
- (b) The Second Investor shall exercise its votes in relation to all the Shares as the case may be, held by it at any General Meeting called for the purpose of filling the positions on the Board or in any written consent of the Shareholders executed for such purpose to elect, and shall take all other actions necessary to ensure the election to the Board with the Director of Second Investor.
- (c) The Parties to Agreement shall undertake all actions as may be required including reconstitution of the Board of the Company, if necessary, to ensure that the Second Investor and/or Edelweiss are able to appoint their respective nominees on the Board of the Company, at all times, in the manner set out in these Articles.
- (d) The Parties to the Agreement agree to evolve a Board charter which would include risk management policy (including new product group and product introductions, portfolio risk analysis, breaches of limits), equity raising, increasing debt limits, material acquisitions/dispositions (excluding sell downs, portfolio acquisitions and other transactions in the ordinary course of business), annual budget and changes to the Senior Management.

Article 135. BUSINESS PLAN

The management of the Company shall prepare and update (as the case may be) a Business Plan within a period of three (3) months or such other period as may be determined by the Board, from the beginning of every Financial Year and present such Business Plan or updated Business Plan, as the case may be, to the Board for its approval. The management of the Company shall provide each of the Directors with a copy of such proposed Business Plan. The Business Plan shall contain such provisions, as may be determined by the Board, in relation to the financing and operating policies of the Company including objectives, strategy, target clientele, products, changes to business processes, solvency norms, resource management, risk management, asset liability management, and financial policy.

Article 136. INITIAL PUBLIC OFFERING

- 136.1 The Parties to Agreement hereby acknowledge and confirm that it is the intention of the Parties to Agreement to initiate an IPO of the Company before 1 January 2013. The terms and conditions of such IPO including the size of the issue, price of the Shares and related matters shall be as finalized by the Company in consultation with the Shareholders. If the IPO is by way of an offer for sale or includes an offer for sale component then, the Second Investor shall have first right to offer their Shares in such offer for sale. If any balance Shares are required to be offered to meet the then existing mandatory initial public offer norms prescribed by SEBI, stock exchange or any other Governmental Authority, then such Shares may, at the option of Edelweiss, be offered by Edelweiss or by way of a further issue of Shares or by offer for sale by other Shareholders.
- 136.2 Without prejudice to any other rights of the Second Investor under these Specified Articles, if the IPO does not take place before 1 January 2013, the Second Investor shall have the right, but not the obligation, to inform and consult with the Company and Edelweiss regarding its intention to initiate the IPO. If Edelweiss and the Second Investor, as the case may be, are unable to reach a joint agreement to initiate an IPO then the Second Investor, will, notwithstanding anything contained herein above, but subject to providing a three (3) months notice to the Company, have the right, but not the obligation, to sell some or all of its Shares by way of a secondary offering of the Shares to the public (subject to Applicable Law) in a IPO to be triggered by it, without any restrictions whatsoever, subject to compliance with Applicable Laws. The Second Investor shall also have the option, subject to Applicable Law and subject to providing a three (3) months notice to the Company, to swap for the

Equity Shares held by it with the shares of Edelweiss, based on third party valuation, which shall be binding on Edelweiss, Second Investor and the Company. Such third party valuer shall be appointed by mutual agreement of all Parties to Agreement. In such offer for sale the Second Investor, shall have a first right to offer its Shares. If any balance Shares are required to be offered to meet the then existing mandatory initial public offer norms prescribed by SEBI, stock exchange or any other regulatory authority, then such Shares may, at the option of Edelweiss, be offered by Edelweiss or by way of a further issue of Shares or by offer for sale by other Shareholders. All expenses in relation to such offer for sale and IPO shall be borne by the Second Investor.

- 136.3 If any IPO contemplated under this Article is only by way of a fresh issue of Shares by the Company, then all fees and expenses required to be paid in respect of the IPO including those for any merchant bankers, underwriters, book-runners, issue registrars or other intermediaries involved in any manner in relation to the IPO shall be borne and paid for by the Company. If such IPO includes an offer for sale component and/or is by way of an offer for sale by the existing Shareholders of the Company, all underwriting costs relating to and associated with such offer for sale shall be borne by the Shareholders who are offering their Shares in such offer for sale pro rata to the extent of the Shares offered by them in such offer for sale.
- 136.4 The Company and Edelweiss shall agree and undertake that they shall provide all assistance, including but not limited to preparing and signing the relevant offer documents, conducting road shows, entering into such documents, providing all necessary information and documents necessary for preparing the offer document, obtaining such regulatory or other approvals and doing such further reasonable acts or deeds as may be necessary or required by the Second Investor, to sell whole or part of the Shares then held by the Second Investor, including by way of an IPO, as secondary share placement, on a stock exchanges, in India or overseas. The Company and Edelweiss agree that the Second Investor, shall be entitled to make a single request for sale of all but not less than all their Shares in a public offering, and the Company and Edelweiss shall comply with the requirements of this Article 136.4 in respect of such request.
- 136.5 Notwithstanding anything to the contrary contained herein, it is expressly agreed between the Parties to Agreement that in any such IPO, the Second Investor, shall not be required to provide any representations, warranties and undertakings in relation to or in connection with the IPO except in relation to the Shares which the Second Investor, would be offering for sale in the IPO. Further, the Parties to Agreement also agree that the Company and Edelweiss agree and acknowledge that the Second Investor, shall not be named or deemed to be or held out or represented in any, documents, prospectus or otherwise as a “promoter” of the Company.
- 136.6 The Second Investor and each of the Shareholders understand and acknowledge that the IPO is an important part of the Company's financing plans. To that end, each Shareholder shall provide all reasonable cooperation, including (a) the exercise of voting rights at relevant Board and shareholder meetings and (b) causing its Directors to execute all documents as required by the Company from time to time in connection with the IPO and all matters relating to the IPO, and subject at all times to the requirements of respective Applicable Law.
- 136.7 It is clarified that the Second Investor shall be able to exercise only one of the two options available under Article 136.2.

Article 137. RESTRICTIONS ON TRANSFER OF SHARES

- 137.1 Edelweiss and the Second Investor, as the case may be, shall not Transfer any Equity Shares or any right, title or interest therein or thereto, except as expressly permitted under the agreement, unless otherwise agreed in writing by the Second Investor and Edelweiss. Any attempt to Transfer any Equity Shares in violation of the preceding sentence shall be null and void ab initio. The Company hereby agrees and confirms that it shall not record any such Transfer or agreement or arrangement to Transfer on its books and shall not recognize or register any equitable or other claim to, or any interest in, such Equity Shares which have been transferred in any manner other than as permitted under the agreement and all such Transfer shall be deemed to be breach of the agreement.
- 137.2 Notwithstanding any other provision of the agreement, no Transfer may be made pursuant to the agreement, unless (a) the Transfer complies in all respects with the other applicable provisions of the

agreement; and (b) the Transfer complies in all respects with Applicable Laws; and (c) the Transfer is to an Eligible Third Party. For avoidance of doubt, it is clarified that the Shareholders shall, subject to Applicable Law, instruct their respective nominee Directors, if any, to vote in favour of a Transfer of Equity Shares if such Transfer is otherwise in accordance with the terms of the agreement and the Board shall not disapprove of a Transfer of Equity Shares if such Transfer is otherwise in accordance with the terms of the agreement.

- 137.3 Without prejudice to any other provision of the agreement but subject to Applicable Law, a Party may at any time whether during or after the lock-in-period Transfer all or part of the Equity Shares held by it to an Affiliate subject to such Affiliate agreeing in writing to be bound by the terms and conditions of the agreement by executing a Deed of Adherence. A transferee under a Transfer described in this Clause is hereinafter referred to as a “**Permitted Transferee**”. If the Equity Shares are so transferred, either the Second Investor or its Affiliate and Edelweiss or its Affiliate, as the case may be, and not both together shall exercise the rights under the agreement. Edelweiss or the Second Investor, as the case may be, and the Permitted Transferee will be jointly and severally liable under the agreement towards the Second Investor or Edelweiss, as the case may be, in respect of such Equity Shares, irrespective that such Equity Shares have been transferred to a Permitted Transferee, and the agreement will be interpreted accordingly. If a Permitted Transferee at any time ceases to be an Affiliate of the transferring Party, that Permitted Transferee shall transfer the Equity Shares concerned back to the transferring Party or its Affiliate, notwithstanding that such transferee has executed a Deed of Adherence.
- 137.4 Edelweiss is required to continue to hold, at all times prior to an IPO, at least forty per cent. (40%) of the share capital of the Company and shall ensure control over the management, Board and policies thereof.
- 137.5 The Second Investor covenants that there shall not at any time be any change in control (direct or indirect) of the Second Investor without prior written approval of Edelweiss.
- 137.6 If and when a Party to the Agreement has a right under these Articles and Agreement to acquire Equity Shares, through a purchase, subscription or otherwise, that Party to Agreement may assign to an Affiliate its right to acquire those Equity Shares, provided that (i) the Affiliate executes a deed of adherence, (ii) the purchase, subscription or other means of acquisition is in accordance with Applicable Law; and (iii) Edelweiss or the Second Investor, as the case may be, and its respective Affiliate to whom the right has been assigned, will be jointly and severally liable under the Agreement towards the Second Investor or Edelweiss, as the case may be, in respect of such Equity Shares, irrespective that the rights to acquire such Equity Shares have been assigned to the Affiliate and the Agreement will be interpreted accordingly.

Article 138. LOCK IN PERIOD

- 138.1 Save and except as provided for in these Specified Articles (including without limitation Articles 136, 137.3 and 139.1 of these Articles), each of Edelweiss and the Second Investor hereby agree and undertake that until May 31, 2009 (“**Lock-in Period**”), none of them shall, directly or indirectly, sell, pledge or otherwise Transfer (“**Transferor**”) or grant options on any Equity Securities held by them and/or their respective Affiliates in the Company, to any third Person unless otherwise agreed in writing by the Second Investor and Edelweiss.

Article 139. TRANSFER RESTRICTIONS

- 139.1 Right Of First Offer
- (a) After the expiry of the Lock-in Period, the Second Investor (the “**Transferring Shareholder**”) shall have the right to Transfer all (and not part) of the Equity Shares (and instruments convertible into Equity Shares) held by it and/or its Affiliates in accordance with this Article 139.1. If the Transferring Shareholder proposes to so Transfer all (and not part) the Equity Shares (and instruments convertible into Equity Shares) held by it and/or its Affiliates, then Edelweiss, the non-transferring shareholder, (the “**Offeree**”) shall have a right of first offer (“**Right of First Offer**”/ROFO) with respect to such Transfer (as provided in this Article 139.1).

- (b) If the Transferring Shareholder proposes to Transfer all (and not part) of the Equity Shares (and instruments convertible into Equity Shares) held by it and its Affiliates, the Transferring Shareholder shall send a written Notice (“**Transfer Notice**”) to the Offeree which notice shall state (i) the total number of Equity Shares (and instruments convertible into Equity Shares) to be Transferred (“**Offered Shares**”).
- (c) The Offeree shall have the right, exercisable through the delivery of an ROFO Acceptance Notice as provided in Article 139.1 (d), to purchase all (and not less than all) of the Offered Shares.
- (d) Within thirty (30) days of receipt of the Transfer Notice, the Offeree shall address a written Notice to the Transferring Shareholder communicating either (i) its acceptance of the offer to purchase the Offered Shares and the price (“**ROFO Price**”) they are willing to pay to the Transferring Shareholder for the Offered Shares or (ii) its rejection of the offer to purchase the Offered Shares (“**ROFO Acceptance Notice**”). If however, the Offeree does not issue the ROFO Acceptance Notice within thirty (30) days from the date of receipt of the Transfer Notice (“**ROFO Acceptance Period**”), the offer will be deemed to have been rejected. In case an ROFO Acceptance Notice rejecting the offer to purchase the Offered Shares or in the case the Offeree does not issue the ROFO Acceptance Notice, the Transferring Shareholder shall thereafter be free to Transfer the Offered Shares within a period of six (6) months (“**Free Transfer Period**”) after the expiration of the said ROFO Acceptance Period to any Eligible Third Party.
- (e) Within forty five (45) days of receipt by the Transferring Shareholder of the ROFO Acceptance Notice, the Transferring Shareholder shall address a written Notice to the Offeree, either accepting or rejecting the ROFO Price (“**Transferring Shareholder ROFO Notice**”). If the ROFO Price is accepted by the Transferring Shareholder, the Offeree and the Transferring Shareholder shall be bound to consummate the sale and purchase of the Offered Shares within a period of thirty (30) days from the date of receipt of the Transferring Shareholder ROFO Notice.
- (f) In the event the Transferring Shareholder rejects the ROFO Price, the Transferring Shareholder shall be free to offer Offered Shares to any Eligible Third Party within a period of 15 (fifteen) days from the date of receipt by the Offeree of the Transferring Shareholder ROFO Notice (“**Third Party Period**”). Provided however, that the Transferring Shareholder shall not offer the Offered Shares to such Eligible Third Party at a price less than the ROFO Price. In the event, the Transferring Shareholder is unable to offer the Offered Shares to a Eligible Third Party within the Third Party Period, the provisions of this Article 139.1 shall apply again to any proposed Transfer of the Offered Shares by the Transferring Shareholder.
- (g) In the event the Transferring Shareholder is able to locate an Eligible Third Party within the Third Party Period, it shall provide a written Notice of the same to the Offeree, which Notice shall specify (i) the name of the Eligible Third Party; (ii) the identity of the Person ultimately exercising control over the Eligible Third Party (to the extent practicable after due verification); (iii) the price offered by the Eligible Third Party or in the event that the proposed consideration for the sale of the Offered Shares includes consideration other than cash, a calculation of the fair market value of such consideration and an explanation of the basis for such calculation (“**Third Party Price**”); and (iv) the terms and conditions of the proposed Transfer (if any).
- (h) The closing of any purchase of the Offered Shares between the Offeree and the Transferring Shareholder shall be held at the registered office of the Company. At such closing, the Transferring Shareholder shall deliver certificates representing the Offered Shares concerned, accompanied by duly executed instruments of Transfer. Such Offered Shares shall be free and clear of any Encumbrance, and the Transferring Shareholder shall give the customary representations and warranties with respect to itself and the Offered Shares. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the sale of the Offered Shares to the Offeree. Any stamp duty or transfer taxes or fees payable on the Transfer of any Offered Shares shall be borne and paid by the Offeree.

139.2 Tag-Along Right of the Second Investor

At any point of time, if Edelweiss is the transferring Shareholder and proposes to Transfer any or all of the Equity Shares held by it in the Company (“**Edelweiss Offered Shares**”) to an Eligible Third Party, then the Second Investor shall have the right but not the obligation, exercisable by addressing a written notice to Edelweiss (“**Tag Along Notice of the Second Investor**”) within fifteen (15) days from the date of receipt of the notice from Edelweiss intimating the Second Investor about such transfer, to require Edelweiss to require such Eligible Third Party to purchase from the Second Investor pro rata of the Equity Shares held by the Second Investor and its Affiliates (“**Tag Along Shares of the Second Investor**”) at the same price payable by the Eligible Third Party provided that the terms and conditions are no less favourable than those offered to Edelweiss for the Edelweiss Offered Shares (“**Tag Along Right of the Second Investor**”). For the avoidance of doubt it is clarified that if the Second Investor exercises the Tag Along Right of the Second Investor then the Eligible Third Party shall have the right to nominate its Affiliate or any other Eligible Third Party to purchase the Tag Along Shares of the Second Investor from the Second Investor at the same price and on the same terms and conditions as the Eligible Third Party, is purchasing from Edelweiss. Edelweiss shall not Transfer the Edelweiss Offered Shares to the Eligible Third Party unless the Eligible Third Party or its nominee simultaneously purchases the Tag Along Shares of the Second Investor from the Second Investor at the same price and on the same terms and conditions as it is purchasing from Edelweiss. In the event the Second Investor does not exercise its Tag Along Right of the Second Investor, then Edelweiss shall be free to Transfer the Edelweiss Offered Shares to the Eligible Third Party and to also exercise the rights available to it under Article 139.3.

139.3 Drag Along Right relating to the Second Investor

In the event the Second Investor elects not to exercise the Tag Along Right of the Second Investor, then Edelweiss shall have the right but not the obligation, exercisable by addressing a written notice to the Second Investor (“**Second Investor Drag Along Notice**”) within a period of fifteen (15) days after the expiry of the period for exercise of the Tag Along Right of the Second Investor under Article 139.2 (“**Second Investor Drag Along Period**”), to require the Second Investor to sell all of the Tag Along Shares of the Second Investor to the Eligible Third Party at the price referred to in Article 139.2, provided however that Third Party Price offers the Second Investor an IRR of 20% per annum on the Subscription Price. The sale of the Edelweiss Offered Shares and the Tag Along Shares of the Second Investor shall occur simultaneously.

139.4 For the avoidance of doubt, it is clarified that for the purpose of Article 139.2 and Article 139.3, the Eligible Third Party shall not require the Second Investor to give:

- (a) any warranties, representations, indemnities, covenants or other assurances other than those which relate to or are in respect of title to the number of shares proposed to be sold to the Eligible Third Party and that the Second Investor has capacity to enter into the relevant agreement for the sale of those shares; and / or
- (b) any restrictive covenants which in any way restrict it from carrying on any business or investments

Further, the aggregate liability of the Second Investor under any warranties, representations, indemnities, covenants or other assurances which it may give shall be limited to the consideration payable by the Eligible Third Party to the Second Investor for the number of Equity Shares to be sold to the Eligible Third Party.

Article 140. EXTENSION OF TIME-PERIODS

140.1 Where any Party to Agreement as the case may be, requires prior legal, governmental or regulatory consent and/or approval (“**Consent**”) for a Transfer of Shares in accordance with these Specified Articles, then, notwithstanding any other provision of these Articles, that Party to Agreement as the case may be, shall only be obliged to consummate the Transfer once it has obtained such Consent. Any period within which a Transfer has to be completed shall be extended by such further period as is necessary (i) to obtain valuation reports as prescribed under the Applicable Law for obtaining the Consent, (ii) to obtain the Consent, and (iii) to comply with any conditions regarding the Consent.

The Party to Agreement as the case may be, requiring the Consent shall exercise its best endeavours to obtain any such Consent in a timely manner and fulfill / satisfy any such conditions relating thereto, without undue delay.

- 140.2 The Party to Agreement making the application for Consent (“**Applying Party**”) shall keep the other party (“**Non-Applying Party**”) fully informed on the filing of the application for the Consent and the progress of the application process. If a Consent is not obtained within a period of ninety (90) days from receipt of the Agreement ROFO Acceptance Notice under Article 139.1 (d) or the Tag Along Notice of the Second Investor under Article 139.2, as the case may be by the Non-Applying Party or any extended period as may be mutually agreed between the Applying Party and the Non-Applying Party, the Non-Applying Party, shall be entitled, to exercise its right to Transfer the Equity Shares to any third party without any restrictions contained in these Articles. The Non Applying Party shall cooperate and exercise all efforts in assisting the Applying Party to obtain the Consent and shall furnish the Applying Party with such record and information as may be reasonably required by the Applying Party in connection therewith.

Article 141. Violation of Terms

The Parties agree that each Party shall be entitled to an injunction, restraining order, right for recovery, suit for specific performance or such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to restrain any other Party from committing any violation or enforce the performance of the covenants, representations, warranties and obligations contained in these Articles. These injunctive remedies are cumulative and are in addition to any other rights and remedies the Parties may have at law or in equity, including without limitation a right for damages.

Article 142. FALLING AWAY OF RIGHTS & TRANSFER OF RIGHTS

The Second Investor shall have the rights conferred under Articles 133, 134, 136, 138, 139.1, 139.2 and 143 until occurrence of the earlier of the following:

- (i) The Second Investor ceasing to hold at least 50% (fifty percent) of the Subscription Shares (as defined in Agreement) acquired as per the terms of Agreement;
- (ii) 15 (Fifteen) days prior to filing of the draft red herring prospectus with the SEBI for the IPO.

Article 143. Information Rights

The Second Investor has a right to receive the following from the Company:

- (a) Consolidated unaudited financial statements within forty-five (45) days of the end of a calendar quarter.
- (b) Annual audited financial statements, including cash flow statements, as soon as available but not later than one hundred and twenty (120) days of fiscal year end.
- (c) Details of new issue of shares or other equity or equity linked instruments by the Company.
- (d) Notice of changes to constitutional documents.
- (e) Co-head statement vis-à-vis annual budget.

SECTION IX -OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material have been entered or/ are to be entered into by our Company. These Contracts which are or may be deemed material shall be attached to the copy of this Draft Prospectus to be delivered to the Registrar of Companies, Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company from 10.00 am to 4.00 pm on Working Days from the date of the filing of the Draft Prospectus with Stock Exchanges until the Issue Closing Date.

Material Contracts to the Issue

1. Lead Managers MoU dated June 02, 2014 between the Company and the Lead Managers.
2. Agreement dated May 20, 2014 between the Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated June 02, 2014 executed between the Company and the Debenture Trustee.
4. The agreed form of the Debenture Trust Deed to be executed between the Company and the Debenture Trustee.
5. Escrow Agreement dated [●] executed by the Company, the Registrar, the Escrow Collection Bank(s) and Lead Managers.
6. Tripartite agreement dated March 22, 2010 between the Company, Registrar to the Issue and CDSL
7. Tripartite agreement dated March 22, 2010 between the Company, Registrar to the Issue and NSDL

Material Documents

1. Certificate of Incorporation of the Company dated July 18, 2005, issued by Registrar of Companies, Maharashtra, Mumbai.
2. Certificate for commencement of business dated August 04, 2005, issued by Registrar of Companies, Maharashtra, Mumbai.
3. Memorandum and Articles of Association of the Company.
4. The certificate of registration No. N- 13.01831 dated April 24, 2006 by the Reserve Bank of India under section 45 IA of the Reserve Bank of India Act, 1934.
5. Credit rating letter dated May 16, 2014 and May 19, 2014 from CARE and Brickwork respectively, granting credit ratings to the NCDs.
6. Copy of the Board Resolution dated May 16, 2014 approving the Issue.
7. Resolution passed by the shareholders of the Company at the Annual General Meeting held on July 22, 2011 approving the overall borrowing limit of Company. Board Resolution dated May 16, 2014 increasing the borrowing limit upto ₹120,000 million (the same is subject to approval by shareholders in the AGM under section 180 (1) (c) of the Companies Act, 2013)
8. Consents of the Directors, Lead Managers, Debenture Trustee, Lead Brokers, Credit Rating Agencies for the Issue, Company Secretary and Compliance Officer, Chief Financial Officer, Legal Advisor to the Issue, Bankers to the Issue, Bankers to the Company and the Registrar to the Issue, to include their names in this Draft Prospectus.
9. The consent of the Statutory Auditors of our Company, namely M/s B S R & Associates LLP, Chartered

Accountants for inclusion of their name as the Statutory Auditors.

10. Auditors report dated May 30, 2014 in relation to the Reformatted Standalone Financial Statements included herein, issued by the Statutory Auditor.
11. Annual Reports of the Company for the last five Financial Years 2009 – 10 to 2013 – 14.
12. A statement of tax benefits dated May 30, 2014 received from B S R & Associates LLP, Chartered Accountants regarding tax benefits available to us and our debenture holders;
13. Due Diligence certificate dated [●] filed by the Lead Managers.
14. In-principle Approval letter dated [●] issued by BSE, for the Issue.
15. In-principle Approval letter dated [●] issued by NSE, for the Issue
16. Assignment agreement dated November 30, 2011 between Edelweiss Finance & Investments Limited and our Company
17. Share Subscription and Shareholders Agreement dated January 16, 2008 between Edelweiss Capital Limited (now known as Edelweiss Financial Services Limited), Lehman Brothers Netherlands Horizons B.V, Waverly Pte Limited and our Company.
18. Amendment Agreement to Share Subscription and Shareholders Agreement dated April 07, 2008 between Edelweiss Capital Limited (now known as Edelweiss Financial Services Limited), Lehman Brothers Netherlands Horizons B.V, Waverly Pte Limited and our Company.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Applicants subject to compliance of the provisions contained in the Companies Act, 1956, Companies Act, 2013, and other relevant statutes

DECLARATION

We, the undersigned, Directors of the Company, hereby certify and declare that all relevant provisions of the Companies Act 1956, the Companies Act, 2013 and the guidelines issued by the Government of India and/or the regulations/ guidelines/ circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, have been complied with and no statement made in this Draft Prospectus is contrary to the applicable provisions of the Companies Act, 1956, relevant provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We further certify that all the disclosures and statements made in this Draft Prospectus are true and correct and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Prospectus does not contain any mis-statements.

Signed by the Directors of our Company

Mr. Rashesh Shah

Mr. Raviprakash R. Bubna

Mr. Himanshu Kaji

Mr. Rujan Panjwani

Mr. P N Venkatachalam

Mr. Pankaj Sood

Date: June 2, 2014

Place: Mumbai

ANNEXURE I
RATING RATIONALE

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Mr. Raviprakash Bubna,
CEO & MD,
ECL Finance Ltd.,
Edelweiss House, Off CST Road,
Kalina, Mumbai – 400 098

May 16, 2014

Confidential

Dear Sir,

Credit rating for proposed Subordinate Debt issue

Please refer to your request for rating of proposed long-term subordinate debt issue aggregating to Rs.400 crore of your company.


2. Our Rating Committee has assigned a 'CARE AA' [Double A] rating to the aforesaid subordinate debt issue. Instruments with this rating are considered to have the *high degree of safety regarding timely servicing of financial obligations*. Such instruments carry very *low credit risk*. Our rating symbols for various medium and long term instruments (including NCDs) are annexed. The rationale for the rating will be communicated to you separately.
3. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of **six months** from the date of our initial communication of rating to you (that is May 16, 2014).
4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
5. Please inform us the details of issue [date of issue, name of investor, amount issued, interest-rate, date of payment of interest, date and amount of repayment etc.] as soon as the subordinate debt issue has been placed.
6. Kindly arrange to submit to us a copy of each of the documents pertaining to the subordinate debt issue, including the offer document and the trust deed.


7. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
8. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension/withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.
9. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
10. CARE ratings are **not** recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,


[Ashutosh Pradhan]
Deputy Manager


[Vishal Sanghavi]
Senior Manager

Encl: As above

Disclaimer

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

Annexure

A. Rating Symbols and Definitions for Long /Medium Term Debt Instruments

Symbols	Rating Definition
CARE AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
CARE AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
CARE A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
CARE BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.
CARE BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
CARE B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations.
CARE C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations.
CARE D	Instruments with this rating are in default or are expected to be in default soon.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE AA to CARE C. The modifiers reflect the comparative standing within the category.

Mr. Raviprakash Bubna,
CEO & MD,
ECL Finance Ltd.,
Edelweiss House, Off CST Road,
Kalina, Mumbai – 400 098

May 16, 2014

Confidential

Dear Sir,

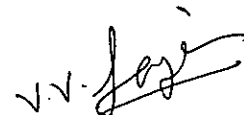
Credit Rating for proposed Subordinate Debt Issue of Rs.400 crore

Please refer to our letter dated May 16, 2014 on the above subject.

2. A write-up on the above rating is proposed to be issued to the press shortly. The rating rationale cum brief rationale for the rating(s) is attached as an **Annexure - I**.
3. We request you to peruse the Rationale and brief rationale and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by May 20, 2014, we will proceed on the basis that you have no comments to offer.
4. If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,



[Vishal Sanghavi]
Senior Manager

Encl: as above

Annexure - I

Rating Rationale & Brief Rationale

CARE assigns 'CARE AA' rating to the proposed Subordinate Debt issue of ECL Finance Ltd

Rating

Instrument	Amount (Rs. Crore)	Ratings¹	Remarks
Subordinate Debt	400	CARE AA [Double A]	Assigned

Edelweiss Financial Services Ltd (EFSL – Rated CARE AA), the parent company of the Edelweiss group, owns 100% in most of its subsidiaries and the management/line functions for these businesses is common with significant operational and financial integration among them. Accordingly, CARE has considered a consolidated view of EFSL for arriving at the rating.

Rating Rationale

The rating factors in the diversified business profile of EFSL (consolidated basis), strong loan portfolio growth with good asset quality, strong capitalisation and comfortable liquidity profile. The rating also takes into account the well-qualified and experienced management team, established institutional equity broking business and good retail distribution network. The rating is, however, constrained by the high dependency on the capital markets, which has inherent volatility, risk associated with new businesses and competitive scenario in the capital markets. The ability of EFSL to further diversify its businesses, maintain competitive position in capital market businesses, maintain asset quality and capital adequacy are the key rating sensitivities.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Background:

ECL Finance Limited (ECLF) is the NBFC arm of EFSL with 92.20% shareholding. The credit business of EFSL, which includes products like corporate loans, collateralized loans against liquid securities, ESOP financing, margin funding, public issue financing, SME financing and loans against property, etc, is housed in ECLF.

About EFSL

Previously known as Edelweiss Capital Ltd, EFSL was incorporated in 1995 by Mr Rashesh Shah and Mr Venkat Ramaswamy. EFSL is registered as a Category I Merchant Banker with SEBI and is the parent company of the Edelweiss Group. The company on a stand-alone basis is primarily engaged in investment banking services and provides development, managerial and financial support to the businesses of the Edelweiss group entities. The Edelweiss Group offers a range of products and services, spanning varied asset classes and diversified consumer segments. The businesses of Edelweiss are organized around four broad lines – credit including housing finance, capital markets including asset management, commodities and life insurance. In addition, the treasury attends to the balance sheet and liquidity management. The Edelweiss group consist of 44 subsidiaries and eight associate companies and employs over 3,900 professionals across 211 offices and branches spread across 106 major cities of India as on March 31, 2013.

During FY13 (refers to the period April 1 to March 31), EFSL reported a consolidated PAT of Rs.178 crore (after minority interest) on a total income of Rs.2,184 crore as compared with PAT of Rs.128 crore on total income of Rs.1,671 crore during FY12.

In 9MFY14, consolidated PAT for EFSL stood at Rs.159.55 crore (after minority interest) on a total income of Rs.1,860 crore.

For the detailed rationale of ECL Finance Ltd (ECLF), please refer to our website www.careratings.com (dated: January 22, 2014).

Analyst Contact

Name: Vishal Sanghavi

Tel: # 022-67543430

Mobile: #9892052454

Email: vishal.sanghavi@careratings.com

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

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

Rating Report

Brickwork Ratings assigns ‘BWR AA’ for the proposed additional long-term NCD of ₹ 50 Cr (addition to the earlier long term NCDs of ₹ 50 Cr each rated in Feb & May 2014) to be placed on private placement basis to ECL Finance Ltd., and also assigns ‘BWR AA’ for the proposed Public Issue of Subordinated Debt of ₹ 400 Cr

Brickwork Ratings (BWR) has assigned the following **Rating¹** for the proposed fresh additional long-term NCD Issue of ₹ 50 Cr **with tenor of 7 years** to be placed on private placement basis.

Brickwork Ratings also assigns Ratings for the proposed public issue of Subordinated Debt of ₹ 400 Cr **with tenor of 7 years**. Details are as under:

Instrument	Amount (₹ Cr)	Rating Assigned / Reaffirmed	Rating History	
Proposed Public Issue of Subordinated Debt	400	<i>Assigned BWR AA</i> (BWR Double A) Outlook: Stable	NA	NA
Proposed Long Term NCD	50 (additional to the 50 Cr NCD's each rated in Feb.2014 & May 2014 respectively)	<i>Assigned BWR AA</i> (BWR Double A) Outlook: Stable	NA	NA
Long Term NCD	50 (additional to the 50 Cr issue rated in Feb.2014)	<i>Reaffirmed BWR AA</i> (Stable)	BWR AA (Stable) May 2014	NA
Long Term NCD	50	<i>Reaffirmed BWR AA</i> (Stable)	BWR AA (Stable) May 2014	BWR AA (Stable) Feb 2014
NCD (Public Issue)	500	<i>Reaffirmed BWR AA</i> (Stable)	BWR AA (Stable) May 2014	BWR AA (Stable) Feb 2014
Subordinate Debt	100	<i>Reaffirmed BWR AA</i> (Stable)	BWR AA (Stable) Feb 2014	BWR AA (Stable) Dec 2013

¹ Please refer to www.brickworkratings.com for definition of the Ratings

The rating “BWR AA” indicates that the instruments are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The rating has been assigned/reaffirmed taking into account the financial performance of the company based on the audited financial results for FY13 and publicly available information and clarifications sought from the company.

The rating, inter alia, factors ECLF’s parentage of Edelweiss Group, strong capitalization, good asset quality, and well managed asset liability profile. However the rating is constrained by limited vintage of lending operations, portfolio concentration in Corporate lending segment, and own group exposures.

Background:

ECL Finance Limited (ECLF) was set up in July 2005 as a wholly owned subsidiary of Edelweiss Financial Services Limited. It is a Non-Deposit taking Systemically Important Non-Banking Financial Company (NBFC-NDSI) registered with the Reserve Bank of India. The company is headquartered in Mumbai and the Edelweiss group’s network of branches across India enables it to service clients across locations. ECLF is primarily engaged in the business of corporate and SME lending, providing finance to industrial enterprises and individuals, and participating in consortium finance with other lenders. Its products include Corporate loans, collateralized loans against liquid securities, ESOP financing, Margin funding, Public Issue financing and loans against property etc.

Edelweiss Group holds 92.2%% in ECLF and rest is held by Waverly Pte Ltd, Singapore. Mr. Rashesh Shah is the Chairman and CEO of Edelweiss Group and Mr. Ravi Bubna is the MD & CEO of ECLF. In addition, company has four directors on board. ECL Finance is strategically important to Edelweiss Group. Though 30% of group’s income is contributed by this company, it almost contributes 70% of group’s profits on a standalone basis.

In addition, the company has experienced business heads supported by skilled middle managers giving strong second line of management. Most members of the senior management team have been with the company for over five years.

Financial Performance:

Company’s AUM has grown from ₹ 3996.2 Cr in FY12 to ₹ 6002.2 Cr in FY13. Company’s net worth increased by 9.5% to ₹ 1421.45 Cr in FY13, in same period overall borrowings increased by 75% to ₹ 4772.9 Cr. Incremental borrowings were mainly from Long term bonds, CPs and CC route.

ECL Finance Ltd is well capitalized with total CRAR of 18.4% for FY13, of this only 0.23% is Tier II capital. CRAR has gone down from 24.6% to 18.4% due to growth of almost 50% in asset book.

Advances book in FY13 increased by close to 50% to ₹ 4799 Crores. The highest increase was in products of Corporate Loans and Loan against Property segment. Of this, the advances to group companies were approximately ₹ 212 Crores. Approximately 42% of company's loan book is corporate loans. This is given to mid corporates against pledge of liquid securities and immovable property. The average LTV for these loans is 40-45% and average ticket size is around ₹ 45 Crores. Total investments in this period also increased by 48.5% to ₹ 1187.5 Crores. Of these, approximately ₹280 Crores are investments in group companies. Thus, the total exposure to group companies in form of Investments, and Loans & Advances together is close to ₹ 492 Crores. This is close to 34.5% of company's own funds as of FY13 which is within RBI guidelines of 40% limit for single group exposure.

ECL Finance Ltd follows RBI norms for Asset Classification and provisioning. Company has comfortable asset quality over last few years. Company has also made adequate provisions for NPAs. The Gross NPA and Net NPA stood at 0.52% and 0.16% respectively for FY13, as against 0.5% and 0.11% for FY12.

Of the total borrowings of ₹4772.9 Cr, approximately 68% are short term in nature (combination of CC and CP). This is in line with company's lending portfolio where most loans have effective maturity of 12 months. Around ₹ 1380 Cr (28.9% of total borrowings) are via long term bonds and almost ₹ 1000 Cr of these bonds are in the nature of principal protected equity linked notes where no regular coupon is paid till maturity / redemption. The interest or return to be paid on such debentures is linked to index like NIFTY. At maturity / redemption, investor gets coupon/return along with the principal as per the NIFTY's movement from its contract price. Due to company's effective market knowledge this has helped company in reducing its overall cost of funds.

The Company's income has grown 62.09% from ₹ 401.40 Cr in FY12 to ₹ 650.64 Cr in FY13. Its Profit after Tax for FY13 was ₹ 121.17 Cr compared to ₹ 80.95 Cr in the previous year, a growth of 49.68%. The Non-Convertible Debentures issued by ECLF includes Debentures linked to performance of specified indices that have a component of embedded derivatives that are fair valued. The resultant net gain/loss on account of such fair valuation is included under income from Treasury.

The average cost of funds for FY13 is around 8.97% as against 8.19% for FY12 and 12.1% for FY11. The cost of funds is seen substantially declining during FY12 due to higher issuances of equity linked debentures where no regular coupon is paid. Average Yield on overall funds has improved in FY13 to 13.34% from 12.2% in FY12. However, the yield on company's credit book is close to 16%. Due to bigger investment portfolio where most investments are in structured NCDs (which are more IRR based rather than regular coupon based); the overall yield on year end numbers is looking lesser. The NIM for FY13 stood at 6.63% as against 6.93% for FY12. The return on average assets was at 2.28% for FY13 as against 2.23% for FY12. Company's cost to income ratio has slightly improved in FY13 as against FY12

9MFY14 Financial Performance:

As on 31st Dec 2013, ECLF continued to exhibit good performance with total income at ₹ 615.5 Cr as against FY13 full year total income of ₹ 650.6 Crores. Similarly, PAT for 9MFY14 was at ₹ 134.6 Cr as against FY13 full year PAT of ₹ 121.16 Cr. Net worth of the company stood at ₹1556.1 Cr as of 9MFY14 against ₹ 1421.45 Cr as of FY13. Total borrowings for 9MFY14 stood at ₹ 4384.2 Cr as against total borrowings of ₹ 4772.9 Cr for FY13.

Key Financial Indicators	2011	2012	2013	Dec 13
Capital Adequacy Level				
CAR	35.26%	24.60%	18.40%	19.62%
Tier I	35.04%	24.39%	18.17%	19.05%
Tier II	0.22%	0.21%	0.23%	0.57%
Asset Quality Indicators				
Gross NPA (%)	0.32%	0.50%	0.52%	0.96%
Net NPA (%)	0.06%	0.11%	0.16%	0.28%
Profitability Indicators				
Average Cost of funds (%)	12.10%	8.19%	8.97%	10.31%
Average Yield on Advances (%)	13.08%	12.20%	13.34%	15.54%
Net Interest Margin (%)	7.22%	6.93%	6.63%	8.24%
Return on Average Assets (%)	3.82%	2.23%	2.28%	3.22%

Outlook:

ECL Finance Ltd is part of Edelweiss Group which is a diversified financial group. Edelweiss group has a long track record in financial services business and highly experienced promoters and board of directors. ECL Finance Ltd is into lending operations since 2008 and caters to wholesale and SME financing business of group. Company generates almost 70% of groups profits on a standalone basis and thus strategically very important to Edelweiss group. The Company has comfortable asset quality which is better relative to most of its peers. ECLF is also adequately capitalized with high Tier I capital.

However, Company’s business is concentrated towards corporate loans and Real Estate funding which is secured by way of pledge of securities & immovable property, and about 34.5% of its net owned funds amounting to about ₹492 Crores has been lent/invested in Group companies. In unfavorable economic scenario such security may lose its value and create stress of company’s portfolio. The Company’s ability to maintain asset quality, to remain adequately capitalized, and to maintain its profitability margins are key rating sensitivities.

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ECL Finance Ltd

Annexure I: Profit and Loss Statement

Particulars (□ Cr)	2011	2012	2013
Income			
Income from Treasury	12.34	-46.05	-51.23
Fee Based Income	18.24	19.05	34.27
Interest from Current Investment	395.16	428.22	666.73
Operating Income	426.00	401.24	649.77
Other Income	0.15	0.16	0.87
Total Income	426.15	401.40	650.64
Expenditure			
Employee Benefit Expenses	18.12	23.56	49.88
Administration & Other Charges	76.61	73.35	80.21
Interest and Finance Charges	177.1	184.92	335.48
Depreciation & Amortization	0.18	1.06	1.92
Total Expenditure	272.01	282.89	467.49
Profit Before Tax	154.14	118.51	183.15
Provision for Income Tax	52.82	39.34	64.33
Provision for Deferred tax	(0.51)	(1.78)	(2.34)
Profit after Tax	101.83	80.95	121.16

ECL Finance Ltd

Annexure II: Balance Sheet

Sources of Funds	2011	2012	2013
Share Capital	189.20	189.20	189.20
Reserves & Surplus	1028.05	1,109.00	1,232.25
Shareholders fund	1,217.25	1,298.20	1,421.45
Long Term Borrowings	419.45	679.07	1,265.03
Other Long Term Liabilities	3.35	1.47	5.09
Long Term Provisions	7.47	15.11	20.64
CURRENT LIABILITES			
Short Term Borrowings	1,267.29	1,762.45	3,018.19
Current Portion of long Term Debt	126.70	261.65	489.70
Trade Payables	25.51	21.07	19.82
Other Current Liabilities	24.2	97.91	230.42
Short Term Provisions	12.09	21.95	11.62
Total Liabilities	3,103.31	4,158.88	6,481.96
Application of Funds			
Net Block	0.91	27.92	27.03
Deferred Tax Assets	5.07	6.85	9.20
Non-Current Investments	100	465.00	484.70
Long Term Loans and Advances	623.34	1,144.42	2,085.08
Other Non-Current Assets	6.45	25.95	12.16
CURRENT ASSETS			
Investments in Quoted & Unquoted bonds	437.19	334.24	702.80
Cash & Bank Balance	19.74	30.96	365.20
Short Term Loan Assets	1665.1	2,017.11	2,645.70
Other Short Term Advances	196	35.50	83.90
Short Term Loans & Advances	1,861.10	2,052.61	2,729.60
Other Current Assets	42.80	40.96	62.24
Total Current Assets	2,367.54	2,488.74	3,863.10
Total Assets	3,103.31	4,158.88	6,481.96

Rating Rationale

Brickwork Ratings assigns ‘BWR AA’ for the proposed additional long-term NCD of ₹ 50 Cr (addition to the earlier long term NCDs of ₹ 50 Cr each rated in Feb & May 2014) to be placed on private placement basis to ECL Finance Ltd., and also assigns ‘BWR AA’ for the proposed Public Issue of Subordinated Debt of ₹ 400 Cr

Brickwork Ratings (BWR) has assigned the following **Rating¹** for the proposed fresh additional long-term NCD Issue of ₹ 50 Cr **with tenor of 7 years** to be placed on private placement basis.

Brickwork Ratings also assigns Ratings for the proposed public issue of Subordinated Debt of ₹ 400 Cr **with tenor of 7 years**. Details are as under:

Instrument	Amount (₹ Cr)	Rating Assigned / Reaffirmed	Rating History	
Proposed Public Issue of Subordinated Debt	400	<i>Assigned BWR AA</i> (BWR Double A) Outlook: Stable	NA	NA
Proposed Long Term NCD	50 (additional to the 50 Cr NCD's each rated in Feb.2014 & May 2014 respectively)	<i>Assigned BWR AA</i> (BWR Double A) Outlook: Stable	NA	NA
Long Term NCD	50 (additional to the 50 Cr issue rated in Feb.2014)	<i>Reaffirmed BWR AA</i> (Stable)	BWR AA (Stable) May 2014	NA
Long Term NCD	50	<i>Reaffirmed BWR AA</i> (Stable)	BWR AA (Stable) May 2014	BWR AA (Stable) Feb 2014
NCD (Public Issue)	500	<i>Reaffirmed BWR AA</i> (Stable)	BWR AA (Stable) May 2014	BWR AA (Stable) Feb 2014
Subordinate Debt	100	<i>Reaffirmed BWR AA</i> (Stable)	BWR AA (Stable) Feb 2014	BWR AA (Stable) Dec 2013

¹ Please refer to www.brickworkratings.com for definition of the Ratings

The rating “BWR AA” indicates that the instruments are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The rating has been assigned/reaffirmed taking into account the financial performance of the company based on the audited financial results for FY13 and publicly available information and clarifications sought from the company.

The rating, inter alia, factors ECLF’s parentage of Edelweiss Group, strong capitalization, good asset quality, and well managed asset liability profile. However the rating is constrained by limited vintage of lending operations, portfolio concentration in Corporate lending segment, and own group exposures.

Background:

ECL Finance Limited (ECLF) was set up in July 2005 as a wholly owned subsidiary of Edelweiss Financial Services Limited. It is a Non-Deposit taking Systemically Important Non-Banking Financial Company (NBFC-NDSI) registered with the Reserve Bank of India. The company is headquartered in Mumbai and the Edelweiss group’s network of branches across India enables it to service clients across locations. ECLF is primarily engaged in the business of corporate and SME lending, providing finance to industrial enterprises and individuals, and participating in consortium finance with other lenders. Its products include Corporate loans, collateralized loans against liquid securities, ESOP financing, Margin funding, Public Issue financing and loans against property etc.

Edelweiss Group holds 92.2%% in ECLF and rest is held by Waverly Pte Ltd, Singapore. Mr. Rashesh Shah is the Chairman and CEO of Edelweiss Group and Mr. Ravi Bubna is the MD & CEO of ECLF. In addition, company has four directors on board. ECL Finance is strategically important to Edelweiss Group. Though 30% of group’s income is contributed by this company, it almost contributes 70% of group’s profits on a standalone basis.

In addition, the company has experienced business heads supported by skilled middle managers giving strong second line of management. Most members of the senior management team have been with the company for over five years.

Financial Performance:

Company's AUM has grown from ₹ 3996.2 Cr in FY12 to ₹ 6002.2 Cr in FY13. Company's net worth increased by 9.5% to ₹ 1421.45 Cr in FY13, in same period overall borrowings increased by 75% to ₹ 4772.9 Cr. Incremental borrowings were mainly from Long term bonds, CPs & CC route.

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