



## 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 of our Company dated July 18, 2005.

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 81.

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

### PROMOTER OF OUR COMPANY: EDELWEISS FINANCIAL SERVICES LIMITED

**Public Issue by ECL Finance Limited, ("Company" or "Issuer") of Secured Redeemable Non-Convertible Debentures of the face value of ₹1,000 each, ("NCDs"), aggregating upto ₹2,500 million, hereinafter referred to as the "Base Issue" with an option to retain over-subscription upto ₹2,500 million aggregating to a total of upto ₹5,000 million, hereinafter referred to as the "Overall Issue size" or as the "Issue".**

### 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 XXVIII. 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.

### ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this 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 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 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 ₹5,000 million *vide* its letter dated December 13, 2013 and 'BWR AA (Outlook: Stable)' by Brickwork for an amount of up to ₹5,000 million *vide* its letter dated December 16, 2013. CARE and Brickwork have *vide* letter dated January 2, 2014 revalidated their ratings issued *vide* letter dated December 13, 2013 and December 16, 2013 respectively. 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 235 for the rationale for the above ratings.

### LISTING

The NCDs offered through this Prospectus are proposed to be listed on BSE Limited ("BSE") which shall also be the Designated Stock Exchange. Our Company has obtained 'in-principle' approval for the Issue from BSE *vide* their letter dated January 2, 2014.

### PUBLIC COMMENTS

The Draft Prospectus dated December 26, 2013 was filed with BSE pursuant to the Regulation 6(2) of the SEBI Debt Regulations and was open for public comments for a period of 7 (seven) Working Days i.e. until 5. p.m. on January 2, 2014.

LEAD MANAGERS TO THE ISSUE		REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE	
 <b>ICICI Securities Limited</b> ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai 400 020, Maharashtra, India <b>Tel:</b> +91 22 2288 2460 <b>Fax:</b> +91 22 2282 6580 <b>Email:</b> project.udaan@icicisecurities.com <b>Website:</b> www.icicisecurities.com <b>Investor Grievance email:</b> customercare@icicisecurities.com <b>Contact Person:</b> Ayush Jain/ Vishal Kanjani <b>Compliance officer:</b> Subir Saha <b>SEBI Regn No:</b> INM000011179	 <b>Axis Capital Limited</b> Axis House, Level 1 C-2 Wadia International Centre, P.B. Marg, Worli, Mumbai 400 025, Maharashtra, India <b>Tel.:</b> +91 22 4325 2525 <b>Fax:</b> +91 22 4325 3000 <b>Email:</b> ecl@axiscap.in <b>Website:</b> www.axiscap.in <b>Investor Grievance email:</b> complaints@axiscap.in <b>Contact Person:</b> Simran Gadh <b>Compliance Officer:</b> M Natarajan <b>SEBI Regn. No.:</b> INM000012029	 <b>Edelweiss Financial Services Limited*</b> 14 <sup>th</sup> floor, Edelweiss House, Off CST Road, Kalina, Mumbai 400 098, Maharashtra, India <b>Tel:</b> +91 22 4086 3535 <b>Fax:</b> +91 22 4086 3610 <b>Email ID:</b> ecl.ncd@edelweissfin.com <b>Website:</b> www.edelweissfin.com <b>Investor Grievance email:</b> customerservice.mb@edelweissfin.com <b>Contact Person:</b> Sujaya Moghepadhye <b>Compliance Officer:</b> B Renganathan <b>SEBI Regn. No.:</b> INM0000010650	 <b>Link Intime India Private Limited</b> C- 13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078, Maharashtra, India <b>Tel:</b> +91 22 2596 7878; <b>Fax:</b> +91 22 2596 0329 <b>Email:</b> ecl.ncd@linkintime.co.in <b>Investor Grievance email:</b> ecl.ncd@linkintime.co.in <b>Website:</b> www.linkintime.co.in <b>Contact Person:</b> Sachin Achar <b>SEBI Regn. Number:</b> INR000004058	 <b>Axis Trustee Services Limited***</b> 2 <sup>nd</sup> floor, Axis house, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Mumbai 400 078, Maharashtra, India <b>Tel:</b> +91 22 2425 5206; <b>Fax:</b> +91 22 2425 4200 <b>Email:</b> debenturetrustee@axistrustee.com <b>Investor Grievance email:</b> complaints@axistrustee.com <b>Website:</b> www.axistrustee.com <b>Contact Person:</b> Neelesh Baheti <b>SEBI Regn. Number:</b> IND000000494
ISSUE SCHEDULE**				
Issue Opens on January 16, 2014		Issue closes on January 27, 2014		

\* 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 has by its letter dated November 27, 2013 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the 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.

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 56 and section 60 of the Companies Act, 1956 and other relevant provisions of the Companies Act 2013 applicable as on date of this Prospectus, 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 248

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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 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 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 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, 2009; March 31, 2010; March 31, 2011, March 31, 2012, and March 31, 2013 derived from the audited financial statements of the respective years and (ii) Financial results for the six month ended September 30, 2013, which were subjected to a review specified by Clause 29 of the Debt Listing Agreement of the respective stock exchanges and as described in Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India.
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

<b>Term</b>	<b>Description</b>
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted in accordance with the Basis of Allotment.
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 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 162
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 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 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 and SIDBI
Bankers to the Issue / Escrow Collection Banks	HDFC Bank Limited, IndusInd Bank Limited, Yes Bank Limited and Axis Bank Limited
Base Issue	Public Issue of NCDs by our Company aggregating upto ₹2,500 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 185.
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 133.
CRISIL	CRISIL Limited
NCDs/ Bonds	Secured Redeemable Non-Convertible Debentures of the face value of ₹1,000 each
Debt Application Circular	Circular No. CIR/IMD/DF-1/20/2012 issued by SEBI on July 27, 2012.
Debenture Trusteeship Agreement	Agreement dated December 24, 2013 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 for creation of security over NCDs issued 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 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

<b>Term</b>	<b>Description</b>
	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 <a href="http://www.sebi.gov.in">www.sebi.gov.in</a>
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	The draft prospectus dated December 26, 2013 filed with the Designated Stock Exchange for receiving public comments in accordance the Regulation 6(2) of the SEBI Debt Regulations
Escrow Agreement	Agreement dated January 1, 2014 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 ₹2,500 million with an option to retain over-subscription upto ₹2,500 million aggregating to a total of upto ₹5,000 million
Lead Manager MoU	MoU dated December 26, 2013 entered into between our Company and the Lead Managers.
Issue Opening Date	January 16, 2014
Issue Closing Date	January 27, 2014, 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 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 Prospectus.

<b>Term</b>	<b>Description</b>
Lead Managers	ICICI Securities Limited, Axis Capital Limited and Edelweiss Financial Services Limited
Lead Brokers	Axis Capital Limited, Edelweiss Broking Limited, HDFC Securities Limited, ICICI Securities Limited, India Infoline Limited, Integrated Enterprises (India) Limited, JM Financial Services Limited, Just Trade Securities Ltd (Formerly 'Bajaj Capital Investor Services Ltd), Karvy Stock Broking Limited, RR Equity Brokers Private Limited, SHCIL Services Limited, SMC Global Securities Limited, SPA Securities Limited, Trust Financial Consultancy Services Private Limited and Kotak Securities Limited.
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 and Option IV
Prospectus / Offer Document	The Prospectus dated January 3, 2014 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	HDFC Bank Limited
Registrar to the Issue/Registrar	Link Intime India Private Limited
Registrar Agreement	The agreement dated December 18, 2013 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 <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> 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 <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other web-link as

Term	Description
Stock Exchange	may be prescribed by SEBI from time to time BSE Limited
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 <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> 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 Directions	Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time
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
Prudential Norms	Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time
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

Term	Description
	of the previous accounting year
Tier II Capital	<p>Tier II capital includes the following:</p> <ul style="list-style-type: none"> <li>(a) preference shares other than those which are compulsorily convertible into equity;</li> <li>(b) revaluation reserves at discounted rate of fifty five percent;</li> <li>(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;</li> <li>(d) hybrid debt capital instruments;</li> <li>(e) subordinated debt; and</li> <li>(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.</li> </ul> <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
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
PAN	Permanent Account Number



Term	Description
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 214, defined terms have the meaning given to such terms in that section.
2. In the chapter titled “*Financial Statements*” beginning on page 100, defined terms have the meaning given to such terms in that chapter.
3. In the paragraph titled “*Disclaimer Clause of BSE*” beginning on page 200 in the chapter “*Other Regulatory and Statutory Disclosures*” beginning on page 200 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 32, defined terms have the meaning given to such terms in that chapter.
5. In the chapter titled “*Key Regulations and Policies*” beginning on page 205, defined terms have the meaning given to such terms in that chapter.
6. In the chapter titled “*Our Business*” beginning on page 64, defined terms have the meaning given to such terms in that chapter.

## **PRESENTATION OF FINANCIAL, INDUSTRY AND OTHER INFORMATION**

### **Certain Conventions**

In this 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 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 100.

In this 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 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 Prospectus should accordingly be limited.

### **Currency and units of Presentation**

In this 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 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 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 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 Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

## FORWARD LOOKING STATEMENTS

This 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 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 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, 39 and 64 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 Prospectus. The forward-looking statements contained in this 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 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 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 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 and reported certain observations which interalia included several operational deficiencies observed in the trading, investments and credit policies, inadequate frequency of meetings of committees of Board, significant increase in Gross NPAs, inadequate coverage in MIS on certain areas of operation etc. 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.

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. Currently RBI is conducting an inspection on our Company for the financial year ended March 31, 2013.

**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 91%, 91%, and 90% of our total income for the six months ended September 30, 2013, in Financial Year 2013 and Financial Year 2012, respectively. For the six months ended September 30, 2013 and as of March 31,

2013, our loan book was ₹48,394 million and ₹47,990 million respectively. 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 ₹48,394 million for the six months ended September 30, 2013, ₹42,458 million representing 88 % of the aggregate gross value of our loan book is secured by collaterals and ₹5,936 million representing 12% 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 ₹17,547 million, as on March 31, 2013, an amount of ₹ 4,897 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 15% and 13% of our Loan Book as on March 31, 2013 and for the six months ended September 30, 2013, 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 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 a criminal proceeding, which is pending before the ACMM Rohini Courts, Delhi. For further details in relation to legal proceedings, see the section titled "Outstanding Litigations" on page 189 of the Prospectus.

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 ₹425 million and ₹251 million for the six months ended September 30, 2013 and as at March 31, 2013 from ₹164 million and ₹159 million for the six months ended September 30, 2012 and as at March 31, 2012 respectively and our Net NPAs have increased to ₹129 million and ₹75 million for the six months ended September 30, 2013 and as at March 31, 2013 from ₹27 million and ₹35 million for the six months ended September 30, 2012 and as at March 31, 2012 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, 2013 and for the six months ended September 30, 2013 our total provisioning for NPAs is ₹176 million and ₹297 million respectively. 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 September 30 2013, Loan against Property comprises of 15.64% 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 September 30, 2013 and as at March 31, 2013, our total loan book size was ₹ 48,394 million and ₹47,990 million respectively. Our loan against property comprised of 15.64% and 15.50% of our total loan book for the six months ended September 30, 2013 and as at March 31, 2013 respectively. 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.

For the six months ended September 30, 2013 and as of March 31, 2013, our corporate finance loan book was ₹23,075 million and ₹23,199 million respectively constituting 47.68% and 48.34% of our total loan book respectively. 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 20.76 % and 18.40% for the six months ended September 30, 2013 and as at March 31, 2013, with Tier I capital comprising 20.53 % and 18.17 % for the six months ended September 30, 2013 and as at March 31, 2013 respectively. 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, 2013, we had certain contingent liabilities not provided for, amounting to ₹1.05 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 100.

**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.***

For the six months ended September 30, 2013 and as of March 31, 2013, we had outstanding secured loans of ₹35,058 million and ₹29,572 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 ₹8,703 million and ₹18,157 million (includes long term borrowings, short term borrowings and debentures and interest accrued and due on unsecured loans included in other current liabilities) respectively 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 102.

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 November 30, 2013, we employed 329 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 November 30, 2013, 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
- Affluent Dealcom 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.

- 40. *This Prospectus includes certain unaudited standalone financial information, which has been subjected to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited.***

This Prospectus includes certain unaudited standalone financial information in relation to our Company, for the 6 months ended September 30, 2013, in respect of which the Statutory Auditors of our Company have issued their Limited Review Report dated October 29, 2013. As this financial information has been subject only to limited review as required by Clause 29 of the Debt Listing Agreement of the respective stock exchanges and as described in Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India, and not to an audit, any reliance by prospective investors on such unaudited standalone financial information for the 6 months ended September 30, 2013 should, accordingly, be limited. Moreover, our financial results for any given fiscal quarter or period, including the 6 months ended September 30, 2013, may not be directly comparable with our financial results for any full fiscal or for any other fiscal quarter or period. Accordingly, prospective investors in the Issue are advised to read such unaudited standalone financial information for the 6 months ended September 30, 2013 in conjunction with the audited financial information provided elsewhere in this Prospectus in “*Financial Statements*”.

#### **Risks pertaining to this Issue**

- 41. *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.***

On February 11, 2013, the MCA vide circular number 04/2013, reduced the DRR requirement for NBFCs to 25%. Accordingly our Company is required to create a DRR of 25.00% of the value of debentures



issued through the public issue. As further clarified by the DRR Circular, the amount to be credited as DRR will be carved out of the profits of the company only and there is no obligation on the part of the company to create DRR if there is no profit for a particular year. 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. As per the latest MCA circular number 04/2013, every company required to create or maintain DRR shall before the 30<sup>th</sup> day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15.00% of the amount of its debentures maturing during the year ending on the 31<sup>st</sup> day of March, following any one or more of the following methods, namely:(a) in deposits with any scheduled bank, free from charge or lien (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilized for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15.00% of the amount of debentures maturing during the 31<sup>st</sup> 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.

**42. *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.

**43. *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.

**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 Exchange. There could be a failure or delay in listing the NCDs on the Stock Exchange for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchange, 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 Prospectus.

There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchange 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 ₹5,000 million *vide* its letter dated December 13, 2013 and 'BWR AA (Outlook: Stable)' by Brickwork for an amount of up to ₹5,000 million *vide* its letter dated December 16, 2013. CARE and Brickwork have *vide* letter dated January 2, 2014 revalidated their ratings issued *vide* letter dated December 13, 2013 and December 16, 2013 respectively. 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 251 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 Indian taxes arising on the sale of the NCDs.***

Sales of NCDs by any holder may give rise to tax liability in India, as discussed in section entitled "*Statement of Tax Benefits*" on page 32.

**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. *We may not be able to create the security in connection with the NCDs in a timely manner or at all if the Income Tax authorities cancel the permission given to our Company to create a charge over the identified immovable property and our receivables proposed to be charged as security in this regard.***

Section 281 of the IT Act requires an assessee to obtain permission of the assessing officer ("AO") before creating a charge on or transfer of certain assets. The Income Tax department has issued a circular dated July 19, 2010 ("*Circular*") setting out the procedure for obtaining such permission. The Circular provides that the assessee should approach the AO for obtaining the permission in a prescribed form at least 30 days prior to the date of the proposed transaction. Our Company has received the permission from the relevant Income Tax authorities for creation of charge over the identified immovable property and the standard business receivables proposed to be charged as security for the NCDs. We may not be able to create the security in connection with the NCDs in a timely manner or at all if the Income Tax authorities cancel the permission given to our Company to create a charge over the identified immovable property and our receivables proposed to be charged as security in this regard.

**50. *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 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.

**51. *Payments to be made on the NCDs will be subordinated to certain tax and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.***

The Secured NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the Secured NCDs only after all of those liabilities that rank senior to these Secured NCDs have been paid as per section 530 of the Companies Act, 1956. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the Secured NCDs.

#### **External Risk Factors**

**52. *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.

**53. *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.

**54. *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.

**55. *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.

**56. *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.

**57. *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.

**58. *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.

**59. *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 ₹2,500 million with an option to retain over-subscription upto ₹2,500 million for issuance of additional NCDs, aggregating to a total of ₹5,000 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 84 and 24, 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 100.
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 185.
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.
9. As of March 31, 2013, 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 ₹0.51 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 189.

## 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](http://www.edelweissfin.com)

#### **Registration**

Registration Number: U 65990 MH 2005 PLC 154854

Corporate Identity Number: U65990MH2005PLC154854

#### **Company Secretary and Compliance Officer:**

##### ***Ms. Preeti Chhabria***

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

**E-mail:** [Eclfdetipo@edelweissfin.com](mailto:Eclfdetipo@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 Exchange or through Trading Members may be addressed directly to the Stock Exchange.

**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
<b>Mr. Rashesh Shah</b> <b>Designation:</b> Managing Director <b>DIN:</b> 00008322	50	B- 233, 10 <sup>th</sup> Floor, Kalpataru Horizon –B, S.K. Ahire Marg, Worli, Mumbai – 400 018
<b>Mr. Raviprakash R. Bubna</b> <b>Designation:</b> Managing Director & CEO <b>DIN:</b> 00090160	46	1203, ‘C’ Wing, Lakshachandi Heights, Krishna Vatika Marg, Gokuldharm, Goregaon (East), Mumbai - 400 063
<b>Mr. Himanshu Kaji</b> <b>Designation:</b> Executive Director <b>DIN:</b> 00009438	48	C/7, Ishwar Niwas, Sicka Nagar, V.P. Road Mumbai – 400 004
<b>Mr. Rujan Panjwani</b> <b>Designation:</b> Non-Executive Director <b>DIN:</b> 00237366	50	26 <sup>th</sup> Hem Prabha, 7 <sup>th</sup> Floor, Marine Drive, Mumbai - 400 020
<b>Mr. P N Venkatachalam</b> <b>Designation:</b> Independent Director <b>DIN:</b> 00499442	69	Flat No. 3C, Settlor Manor No.2, Sivaswamy Street, (Behind UTI Bank), Off Dr. Radhakrishnan Salai, Mylapore, Chennai, Tamil Nadu – 600 004

For further details of Directors of our Company, please refer to chapter titled “*Our Management*” beginning on page 84.

**Lead Managers to the Issue**

<b>ICICI Securities Limited</b>	<b>Axis Capital Limited</b>	<b>Edelweiss Financial Services Limited*</b>
ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai 400 020, Maharashtra, India  <b>Tel:</b> +91 22 2288 2460 <b>Fax:</b> +91 22 2282 6580 <b>Email:</b> project.udaan@icicisecurities.com <b>Investor Grievance ID:</b> customercare@icicisecurities.com <b>Website:</b> www.icicisecurities.com <b>Contact Person:</b> Ayush Jain / Vishal Kanjani <b>Compliance Officer:</b> Subir Saha <b>SEBI Regn. No.:</b> INM000011179	Axis House, Level 1 C-2 Wadia International Centre, P.B. Marg, Worli, Mumbai 400 025, Maharashtra, India  <b>Tel.:</b> +91 22 4325 2525 <b>Fax:</b> +91 22 4325 3000 <b>Email:</b> ecl@axiscap.in <b>Investor grievance email:</b> complaints@axiscap.in <b>Website:</b> www.axiscap.in <b>Contact Person:</b> Simran Gadh <b>Compliance Officer:</b> M. Natarajan <b>SEBI Regn. No.:</b> INM000012029	Edelweiss House, Off CST Road, Kalina, Mumbai 400 098, Maharashtra, India  <b>Tel.:</b> +91 22 40863535 <b>Fax:</b> +91 22 40863610 <b>Email:</b> ecl.ncd@edelweissfin.com <b>Investor grievance email:</b> customerservice.mb@edelweissfin.com <b>Website:</b> www.edelweissfin.com <b>Contact Person:</b> Sujaya Moghepadhye <b>Compliance Officer:</b> B Renganathan <b>SEBI Regn. No.:</b> 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**

2<sup>nd</sup> floor, Axis house,  
Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg,  
Mumbai 400 018, Maharashtra,  
India

**Tel:** +91 22 2425 5206;

**Fax:** +91 22 2425 4200

**Email:** debenturetrustee@axistrustee.com

**Investor Grievance email:** [complaints@axistrustee.com](mailto:complaints@axistrustee.com)

**Website:** www.axistrustee.com

**Contact Person:** Neelesh Baheti

**SEBI Regn. Number:** IND000000494

Axis Trustee Services Limited has vide its letter dated November 27, 2013 given their consent for their appointment as Debenture Trustee to the Issue and for their name to be included in this 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:** ecl.ncd@linkintime.co.in

**Investor Grievance mail:** ecl.ncd@linkintime.co.in

**Website:** www.linkintime.co.in

**Contact Person:** Sachin Achar

**Registration Number:** INR000004058

### **Credit Rating Agencies:**

#### **Brickwork Ratings India Pvt Limited**

III floor, Raj Alkaa Park,  
Kalena Agrahara,  
Bannerghatta Road, Bangalore- 560076  
Karnataka, India

**Tel:** +91 80 40409940

**Fax:** +91 80 40409941

**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,  
13<sup>th</sup> 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**

<p><b>HDFC Bank Limited</b> FIG – OPS Department,- Lodha, I Think Techno Campus, O-3, Level, Next to Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai - 400042 <b>Tel:</b>+91-022- 30752928 <b>Fax:</b> +91-022- 25799801 <b>Email:</b> uday.dixit@hdfcbank.com <b>Contact Person:</b> Uday Dixit <b>Website:</b> www.hdfcbank.com <b>SEBI Registration Number:</b> INBI00000063</p>	<p><b>IndusInd Bank Limited</b> Cash management services, Solitaire Corporate Park, No.1001, Building No.10, Ground Floor, Guru Hargovindji Marg, Andheri (East), Mumbai - 400093 <b>Tel:</b>+91-022- 67723901 <b>Fax:</b> +91-022- 67723998 <b>Email:</b> Suresh.esaki@indusind.com <b>Contact Person:</b> Suresh Esaki <b>Website:</b> www.indusind.com <b>SEBI Registration Number:</b> INBI00000002</p>
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<p><b>Yes Bank Limited</b></p> <p>IFC, Tower 2, 8<sup>th</sup> floor, Senapati Bapat Marg, Elphinstone (W), Mumbai - 400013</p> <p><b>Tel:</b>+91-022- 33477251 <b>Fax:</b> +91-022- 24214504 <b>Email:</b> dlbtiservices@yesbank.in <b>Contact Person:</b> Shankar Vichare/ Avinash Pawar <b>Website:</b> www.yesbank.in <b>SEBI Registration Number:</b> INBI00000935</p>	<p><b>Axis Bank Limited</b></p> <p>Jeevan Prakash Building, Sir PM Road, Fort, Mumbai - 400001</p> <p><b>Tel:</b>+91-022- 40867371 <b>Fax:</b> +91-022-40867327 <b>Email:</b>viraj.vaidya@axisbank.com, nachiket.kalwit@axisbank.com, Sandeep.sarangule@axisbank.com <b>Contact Person:</b> Viraj Vaidya/ Nachiket Kalwit/ Sandeep Sarangule <b>Website:</b> www.axisbank.com <b>SEBI Registration Number:</b> INBI00000017</p>
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### Refund Bank

#### HDFC Bank Limited

FIG – OPS Department,  
Lodha, I Think Techno Campus,  
O-3, Level, Next to Kanjurmarg Railway Station,  
Kanjurmarg (East),  
Mumbai - 400042

**Tel:**+91-022- 30752928  
**Fax:** +91-022- 25799801  
**Email:** uday.dixit@hdfcbank.com  
**Contact Person:** Uday Dixit  
**Website:** www.hdfcbank.com  
**SEBI Registration Number:** INBI00000063

### Lead Brokers

<p><b>Axis Capital Limited</b></p> <p>Axis House, Level 1, C-2 Wadia International Centre, P.B. Marg, Worli, Mumbai - 400 025, India</p> <p><b>Tel:</b> +91- 022- 43252525 <b>Fax:</b> +91-022- 43253000 <b>Email:</b> ajay.sheth@axiscap.in; vinayak.ketkar@axiscap.in <b>Contact Person:</b> Ajay Sheth/ Vinayak Ketkar <b>Website:</b> www.axiscapital.co.in <b>SEBI Registration Number:</b> INM000012029</p>	<p><b>Edelweiss Broking Limited</b></p> <p>Edelweiss House, Off CST Road, Kalina, Mumbai - 400 098</p> <p><b>Tel:</b> +91-022- 67471341/ 42, 9930362969/9320331070 <b>Fax:</b> +91- 67471347 <b>Email:</b> amit.dalvi@edelweissfin.com; prakash.boricha@edelweissfin.com <b>Contact Person:</b> Amit Dalvi/ Prakash Boricha <b>Website:</b> www.edeweissfin.com <b>SEBI Registration Number:</b> INB/INF /INE 231311631 (NSE) &amp; INB011311637 (BSE)</p>
<p><b>HDFC Securities Limited</b></p> <p>I Think Techno Campus Building –B, “Alpha”, Office Floor 8, Opp. Crompton Greaves, Near Kanjurmarg Station, Kanjurmarg (East), Mumbai - 400 042</p> <p><b>Tel:</b>+91-022- 30753400 <b>Fax:</b> +91-022- 30753435</p>	<p><b>ICICI Securities Limited</b></p> <p>ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400 020</p> <p><b>Tel:</b>+91-022- 22882460 <b>Fax:</b> +91-022- 22826580 <b>Email:</b> project.udaan@icicisecurities.com <b>Contact Person:</b> Mitesh Shah</p>

<p><b>Email:</b> sunil.raula@hdfcsec.com/ sharmila.kambli@hdfcsec.com <b>Contact Person:</b> Sunil Raula/ Sharmila Kambli <b>Website:</b> www.hdfcsec.com <b>SEBI Registration Number:</b> INE231109431</p>	<p><b>Website:</b> www.icicisecurities.com <b>SEBI Registration Number:</b> INB011286854</p>
<p><b>India Infoline Limited</b></p> <p>IIFL House, Plot No. B-23, Road No. 16, Thane Wagle Estate, Thane (West)</p> <p><b>Tel:</b> +91-022- 41035274/ 73/ 41030211 <b>Fax:</b> +91-022- 25806654 <b>Email:</b> ncd@indiainfoline.com <b>Contact Person:</b> Mr. Anwar Ahmed <b>Website:</b> www.indiainfoline.com <b>SEBI Registration Number:</b> INB231097537</p>	<p><b>Integrated Enterprises (India) Limited</b></p> <p>15, First Floor, Modern House, Dr. V.B. Gandhi Marg, Fort, Mumbai- 400 023</p> <p><b>Tel:</b> +91-022- 40661800 <b>Fax:</b> +91-022- 22874676 <b>Email:</b> krishnan@integratedindia.com <b>Contact Person:</b> Mr. Krishnan V. <b>Website:</b> www.integratedindia.in <b>SEBI Registration Number:</b> INB231271835</p>
<p><b>JM Financial Services Limited</b></p> <p>2,3 &amp; 4, Kamanwala Chambers, Sir P M Road, Fort, Mumbai – 400 001</p> <p><b>Tel:</b> +91-022- 30213500 <b>Fax:</b> +91-022- 22665902 <b>Email:</b> rohit.singh@jmfl.com; <b>Contact Person:</b> Mr. Rohit Singh, Mr. Deepak Vaidya <b>Website:</b> www.jmfinancialservices.in <b>SEBI Registration number:</b> INB231054835; INB011054831</p>	<p><b>Just Trade Securities Ltd (Formerly 'Bajaj Capital Investor Services Ltd)</b></p> <p>5th Floor, 97, Bajaj House, Nehru Place, New Delhi - 110019</p> <p><b>Tel:</b> +91- 011-41693000 <b>Fax:</b> +91- 011-26476638 <b>Email:</b> sumitd@bajajcapital.com <b>Contact person:</b> Sumit Dudani <b>Website:</b> www.justtrade.in <b>Sebi Registration Number:</b> INB231269334 (NSE), INB011269330 (BSE)</p>
<p><b>Karvy Stock Broking Limited</b></p> <p>“Karvy House”, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad – 500 034</p> <p><b>Tel:</b> +91-040- 23312454 <b>Fax:</b> +91 – 040- 66621474 <b>Email:</b> ramapriyanpb@karvy.com <b>Contact Person:</b> Mr. P.B. Ramapriyan <b>Website:</b> www.karvy.com <b>SEBI Registration Number:</b> INB230770138 (NSE) &amp; INB010770130 (BSE)</p>	<p><b>RR Equity Brokers Private Limited</b></p> <p>47, M.M. Road, Rani Jhansi Marg, Jhandewalan, New Delhi, 100 005</p> <p><b>Tel:</b> +91-011- 23508473 <b>Fax:</b> +91- 011- 23636666 <b>Email:</b> manishagarwal@rrfcl.com <b>Contact Person:</b> Mr. Manish Agarwal <b>Website:</b> www.rrfcl.com / www.rrfinance.com <b>SEBI Registration Number:</b> INB231219636 (NSE), INB011219632 (BSE)</p>
<p><b>SHCIL Services Limited</b></p> <p>SHCIL House, P-51, T.T.C. Industrial Area, MIDC, Mahape, Navi Mumbai – 400 710</p> <p><b>Tel:</b> +91-022- 61778606 (D)/ 022- 61778600(B) <b>Fax:</b> +91- 022- 61778609 <b>Email:</b> raviranjana@stockholding.com <b>Contact Person:</b> Mr. Ravi Ranjan <b>Website:</b> www.shcilservices.com <b>SEBI Registration Number:</b> INB/INF 231253833 (NSE), INB011253839</p>	<p><b>SMC Global Securities Limited</b></p> <p>17, Netaji Subhash Marg, Opp. Golcha Cinema, Daryaganj, New Delhi – 02</p> <p><b>Tel:</b> +91-011-66623300, 9818620470, 9810059041 <b>Fax:</b> +91-011- 23263297 <b>Email:</b> mkg@smcindiaonline.com / neerajkhanna@smcindiaonline.com <b>Contact Person:</b> Mr. Mahesh Gupta/ Mr. Neeraj Khanna <b>Website:</b> www.smctradeonline.com <b>SEBI Registration Number:</b> INB230771431</p>
<p><b>SPA Securities Limited</b></p>	<p><b>Trust Financial Consultancy Services Private</b></p>

<p>25, C- Block, Community Centre, Janak Puri, New Delhi, - 100 058</p> <p><b>Tel:</b> +91-011- 45675500 <b>Fax:</b> +91-011- 25532644 <b>Email:</b> sunil@spacapital.com <b>Contact Person:</b> Mr. Sunil Maheshwari <b>SEBI Registration Number:</b> INB011178234 (BSE), INB231178238 (NSE)</p>	<p><b>Limited</b></p> <p>109/110, First Floor, Balrama, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051</p> <p><b>Tel:</b> +91-022- 40845060 <b>Fax:</b> +91-022- 40845066 <b>Email:</b> info@trustgroup.co.in <b>Contact Person:</b> Mr. Pranav Inamdar <b>SEBI Registration Number:</b> INB231198731 (NSE), INB011198737 (BSE)</p>
<p><b>Kotak Securities Limited</b></p> <p>32, Raja Bahadur Compound, Ground Floor, Opp Bank of Maharashtra, Fort, Mumbai-400 023</p> <p><b>Tel:</b> +91 022-66154060 <b>Fax:</b> +91 022-22655084/85 <b>Email:</b> sanjeeb.das@kotak.com <b>Contact Person:</b> Mr. Sanjeeb Kumar Das <b>SEBI Registration Number:</b> INB230808130/INB010808153</p>	

#### Bankers to our Company

<p><b>Andhra Bank</b></p> <p>Specialized Corporate Finance Branch, 16th Floor, Earnest House, NCPA Marg, Nariman Point, Mumbai- 400021</p> <p><b>Tel:</b>+91-022- 22884876 <b>Email:</b>bmmum1128@andhrabank.co.in <b>Contact Person:</b> Mr. Chandrakant <b>Website:</b>http://www.andhrabank.in</p>	<p><b>Union Bank of India</b></p> <p>Industrial Finance Branch, Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai-400021</p> <p><b>Tel:</b>+91-22- 22892011 <b>Email:</b>cdsifbmbumai@unionbankofindia.com <b>Contact Person:</b> Mr. B.S Nagendranath <b>Website:</b>http://www.unionbankofindia.co.in</p>	<p><b>Vijaya Bank</b></p> <p>Corporate Banking Branch, 31-C. D.D.R, Shopping Centre, III Floor, Opp Moolchand Hospital, Defence Colony, New Delhi- 110024</p> <p><b>Tel:</b>+91-11- 24332133 <b>Email:</b> delcorpbankingdgm@vijayabank.co.in <b>Contact Person:</b> Mr. Inder Mohan <b>Website:</b>http://www.vijayabank.com</p>
<p><b>Bank of Baroda</b></p> <p>CFS Br., 4th Floor, 10/12, M S Marg, Fort, Mumbai - 400 001</p> <p><b>Tel:</b>+91- 022-22021460 <b>Email:</b> cfsfrt@bankofbaroda.com; <b>Contact Person:</b> Mr. Manoj Tiwari <b>Website:</b>http://www.bankofbaroda.com</p>	<p><b>Abu Dhabi Commercial Bank</b></p> <p>75, Rehemat Manzil, Veer Nariman Road, Nariman Point Mumbai - 400020</p> <p><b>Tel:</b>+91-22-39534100 <b>Email:</b> venkatesh@adcbindia.com <b>Contact Person:</b> Mr. Venkatesh <b>Website:</b>http://www.adcbindia.com/</p>	<p><b>SIDBI</b></p> <p>MBKCBO, First Floor, SME Development Centre C-11, G-Block, Bandra-Kurla Complex, Bandra(E), Mumbai - 400051, Maharashtra</p> <p><b>Tel:</b> 022-67531149 <b>Email:</b> anoopp@sidbi.in <b>Contact Person:</b> Mr. Anoop Pant <b>Website:</b>http://www.sidbi.in</p>
<p><b>Bank of India</b></p> <p>Mumbai Large Corporate Branch, Oriental Building, Ground Floor, 364, D.N Road, Fort, Mumbai- 400001</p> <p><b>Tel:</b>+91 – 022- 61870442 <b>Email:</b>mumbai.lcbb@bankofindia.com</p>	<p><b>ING Vysya Bank Ltd.</b></p> <p>ING Vysya House No. 22, M. G Road Bangalore – 560001</p> <p><b>Tel:</b>+91-080-22532135 <b>Email:-</b></p>	<p><b>Allahabad Bank.</b></p> <p>Allahabad Bank Building,Ground Floor, 37 Mumbai Samachar Marg, Fort, Mumbai – 400023</p> <p><b>Tel:</b>+91-22-22661119 <b>Email:</b> br.mumfort@allahabadbank.in</p>

<b>Contact Person:</b> Mr. Subramanyam Ramani <b>Website:</b> <a href="http://www.bankofindia.co.in">http://www.bankofindia.co.in</a>	<b>Contact Person:</b> Mr. Akshay Hegde <b>Email:</b> Akshay.hegde@ingvasyabank.com <b>Website:</b> <a href="http://www.ingvysyabank.com">http://www.ingvysyabank.com</a>	<b>Contact Person:</b> Mr. T.K Vasudevan <b>Website:</b> <a href="http://www.allahabadbank.in">http://www.allahabadbank.in</a>
<b>Oriental Bank of Commerce</b>  Large Corporate Br., 181-A, Maker Tower "E" 18th Floor, Cuffe Parade, Mumbai- 400 005  <b>Tel:</b> +91- 22-22165903 <b>Email:</b> bm0902@obc.co.in <b>Contact Person:</b> Mr. Ashok Gupta <b>Website:</b> <a href="http://www.obcindia.co.in">http://www.obcindia.co.in</a>	<b>IndusInd Bank Limited</b>  First Floor, Indusind House, 425 Dadasaheb Bhadkamkar Marg, Mumbai- 400004  <b>Tel:</b> +91-22- 43457437 <b>Email:</b> Nikhil.mathur@indusind.com <b>Contact Person:</b> Mr. Nikhil Mathur <b>Website:</b> <a href="http://www.indusind.com">http://www.indusind.com</a>	<b>Karur Vysya Bank Limited</b>  108/1 GN Chetty Road, Near Ragheendra Mutth, T Nagar, Chennai – 600017  <b>Tel:</b> +91– 44-28158731 <b>Email:</b> tngar@kvbmail.com <b>Contact Person:</b> Mr. Anburaj <b>Website:</b> <a href="http://www.kvb.co.in">http://www.kvb.co.in</a>
<b>State Bank of Hyderabad</b>  1204, Ashok Mahal, Tulloch Road, Colaba, Mumbai - 400 039  <b>Tel:</b> +91-022- 22820177 <b>Email:</b> overseas_mum@sbhyd.co.in <b>Contact Person:</b> Mr. S. Manikandan <b>Website:</b> <a href="http://www.sbhyd.com">http://www.sbhyd.com</a>	<b>Federal Bank Limited</b>  Corporate Banking Branch, Ground Floor, Express Tower, Nariman Point, Mumbai- 21  <b>Tel:</b> +91-22- 61990207 <b>Email:</b> bbyh@federalbank.co.in <b>Contact Person:</b> Mr C D Simon <b>Website:</b> <a href="http://www.federalbank.co.in">http://www.federalbank.co.in</a>	<b>Punjab National Bank</b>  PNB House, Sir P. M. Road, Fort, Mumbai- 400001  <b>Tel:</b> +91-22-22627555 <b>Email:</b> bo0062@pnb.co.in <b>Contact Person:</b> Mr. Sanjay Varshneya <b>Website:</b> <a href="http://pnbindia.in">http://pnbindia.in</a>
<b>Karnataka Bank Ltd</b>  839, First Floor, Heeral Market, Mount Road, Chennai - 600 002  <b>Tel:</b> +91-22-23453243 <b>Email:</b> mad.mount.rd@ktkbank.com <b>Contact Person:</b> Mr. Kulanthyan <b>Website:</b> <a href="http://www.karnatakabank.com">http://www.karnatakabank.com</a>	<b>Lakshmi Vilas Bank Limited</b>  Fort Branch, Bharat House, 104 BS Marg, Fort, Mumbai-400001  <b>Tel:</b> +91-022-22672247 <b>Email:</b> mumbaifort_bm@lvbank.in <b>Contact Person:</b> Mr. Manjunath <b>Website:</b> <a href="http://www.lvbank.com">http://www.lvbank.com</a>	<b>Yes Bank Ltd</b>  8 <sup>th</sup> Floor, IFC Tower-2 Senapati Bapat Marg, Elphistone (West), Mumbai - 400013  <b>Tel:</b> +91 - 33477251 <b>Email:</b> dlbtiservices@yesbank.in <b>Contact Person:</b> Mr. Shankar Vichare <b>Website:</b> <a href="http://www.yesbank.in">http://www.yesbank.in</a>
<b>Central Bank of India</b>  Corporate Finance Branch, Mumbai Main Office, M G Road, Fort, Mumbai- 400 023  <b>Tel:</b> +91-22-40785817 <b>Email:</b> agmcfb3007@centralbank.co.in <b>Contact Person:</b> Mr. Vaibhav Banga <b>Website:</b> <a href="http://www.centralbankofindia.co.in">http://www.centralbankofindia.co.in</a>	<b>Dena Bank</b>  Deepavali, SV Road, Andheri West, Mumbai- 400 058  <b>Tel:</b> +91-22-26283736 <b>Email:</b> andheri@denabank.co.in <b>Contact Person:</b> Mr. Ashutosh C Gharia <b>Website:</b> <a href="http://www.denabank.com">http://www.denabank.com</a>	

### 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. ₹1,875 million, prior to the Issue Closing date, the entire subscription shall be refunded to the Applicants within 12 working days from the date of closure of the Issue. If there is delay in the refund of subscription by more than 8 days after our Company becomes liable to refund the subscription amount, our Company will pay interest for the delayed period, at rates prescribed under applicable law.

### **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 ₹5,000 million *vide* its letter dated December 16, 2013. 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’ by CARE for an amount of upto ₹5,000 million *vide* its letter dated December 13, 2013. 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.

#CARE and Brickwork have *vide* letter dated January 2, 2014 revalidated their ratings issued *vide* letter dated December 13, 2013 and December 16, 2013 respectively.

### **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, will be filed along with a copy of the Prospectus with the ROC as required under Sections 56 and 60 of the Companies Act, 1956 and such consents have not been withdrawn up to the time of delivery with the Stock Exchange.

### **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 Act;
- 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.

- the Issue proceed shall be kept in the escrow account(s) opened in terms of the Prospectus and shall be available to the Company only upon execution of the documents for creation of security as stated in this Prospectus and on 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** **January 16, 2014**  
**ISSUE CLOSES ON** **January 27, 2014\***

*\* 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 Exchange, 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 Exchange, 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 Exchange, 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 Exchange.

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 Exchange 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 Prospectus.*

*The following information should be read together with the more detailed financial and other information included in this Prospectus, including the information contained in the chapter titled “Risk Factors” and “Industry” beginning on page XI and 39 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 48.34% and 47.68 % of our Loan Book as on March 31, 2013 and for the six months ended September 30, 2013 respectively.
- **Loan against Property**, which includes offering loans against collateral of residential / commercial property, comprises 15.50% and 15.64 % of our Loan Book as on March 31, 2013 and for the six months ended September 30, 2013 respectively.
- **Loan against Securities**, which includes offering loans against collateral of securities, comprises 15.10% and 13.23% of our Loan Book as on March 31, 2013 and for the six months ended September 30, 2013 respectively.
- **Real Estate finance**, which includes offering loans to real estate developers for development of real estate projects comprises 7.05% and 9.99% of our Loan Book as on March 31, 2013 and for the six months ended September 30, 2013 respectively.
- **Structured Finance**, which includes offering various structured financing solutions, comprises 4.61% and 4.72% of our Loan Book as on March 31, 2013 and for the six months ended September 30, 2013 respectively.
- **SME Finance**, which includes loans to Small and Medium Enterprises for meeting their business requirements, comprises 3.93% and 5.86% of our Loan Book as on March 31, 2013 and for the six months ended September 30, 2013 respectively
- **Other financial products** which includes Public Issue Financing, ESOP Financing, Funding against Hedged Commodities, Loans against MF / Bonds, together comprises 5.47% and 2.89% of our Loan Book as on March 31, 2013 and for the six months ended September 30, 2013 respectively.

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 November 30, 2013, 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 November 30, 2013 we have a total of 10 branches.

Our income from operations and profit after tax (PAT) of the Company for the year ending March 31, 2013 and for the six months ended September 30, 2013 stood at ₹6506.40 million and ₹1211.69 million and ₹4270.69 million and ₹1,023.22 million respectively. The Company's income from operations and PAT witnessed a CAGR of 48.68% and 15.68% respectively over the last three Financial Years from FY2011 to FY2013. The loan book of the Company has witnessed a CAGR of 49.01% over the last three fiscal years.

Our Loan Book was ₹48,394 million and ₹47,990 million as of September 30, 2013 and March 31, 2013, respectively. Our capital adequacy ratio as of March 31, 2013 and for the six months ended September 30, 2013 computed on the basis of applicable RBI requirements was 18.40% and 20.76% respectively, compared to the RBI stipulated minimum requirement of 15%. Our Tier I capital as of September 30, 2013 and March 31, 2013 was ₹11,447 million and ₹10,511 million, respectively. Our gross NPAs as a percentage of total loan assets were 0.88% and 0.52% as of September 30, 2013 and March 31, 2013, respectively. Our net NPAs as a percentage of net loan assets were 0.27% and 0.16% as of September 30, 2013 and March 31, 2013.

### **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, 2013	Financial Year ended March 31, 2012	Financial Year ended March 31, 2011
Net worth (Note 1)	14,122.40	12,913.40	12,121.70
Total Debt of which			
- Non Current Maturities of Long Term Borrowing	12,650.50	6,790.70	4,194.50
- Short Term Borrowing	30,181.70	17,624.70	12,673.00
- Current Maturities of Long Term Borrowing	4,896.80	2,617.30	1,267.90
Net Fixed Assets	271.10	279.30	9.00
Non Current Assets(Note 2)	4,969.40	4,909.40	1,065.10
Cash and Cash Equivalents	3,654.10	309.70	197.40
Current Investments	0.90	20.70	28.70
Current Assets(Note 3)	7,841.70	4,128.30	5,196.60
Non Current Liabilities(Note 4)	257.40	166.00	108.30
Current Liabilities(Note 5)	2,618.80	1,408.20	617.10
Loan Book (Note 6)	47,990.40	31,872.90	24,485.70
Off Balance Sheet Assets	-	-	-
Interest Income	6,667.30	4,282.30	3,951.70
Interest Expense	3,354.90	1,849.40	1,771.20
Provisioning & Write-offs	51.80	61.10	50.20
PAT	1,211.70	809.50	1,018.20
Gross NPA (%) (Note 7)	0.52%	0.50%	0.32%
Net NPA (%) (Note 8)	0.16%	0.11%	0.06%
Tier I Capital Adequacy Ratio (%)	18.17%	24.39%	35.04%
Tier II Capital Adequacy Ratio (%)	0.23%	0.21%	0.22%

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

Note 3 : Current assets = Stock in trade + Trade receivables + Deposits placed with exchange + 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

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 460,000 clients from retail and wholesale segments across its various businesses. Edelweiss has 207 offices in 113 cities in India including 5 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 ₹6,506.40 million and ₹1,211.69 million respectively in the Financial Year 2013 as compared to ₹4014.03 million and ₹809.50 million for the Financial Year 2012 respectively. Our annual income and PAT have grown to ₹4270.69 million and ₹1,023.22 million respectively for the six months ended September 30, 2013 as compared to ₹2751.23 million and ₹528.89 million for the six months ended September 30, 2012 respectively. Net worth of the company has grown to ₹14,122.37 million and ₹15,094.85 million as on March 31, 2013 and for the six months ended September 30, 2013 from ₹12,913.39 million and ₹13,480.98 million as on March 31, 2012 and for the six months ended September 30, 2012. Our TOL/TNW ratio as on March 31, 2013 was 3.59 as compared to 2.22 as on March 31, 2012.

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, 2013, March 31, 2012, March 31, 2011 and for the six months ended September 30, 2013 approximately 92%, 88%, 86% and 88% 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, 2013 and for the six months ended September 30, 2013 our gross NPAs constituted 0.52% and 0.88% of our loan book, as compared to 0.50% and 0.41% of our loan book on March 31, 2012 and for the six months ended September 30, 2012 respectively. We maintain provisions on our loan book as on a conservative basis. Our provision coverage ratio is 70 % of our gross NPAs as on March 31, 2013. As on March 31, 2013 and for the six months ended September 30, 2013 our net NPAs constituted 0.16 % and 0.27% of our loan book, as compared to 0.11 % and 0.07% of our loan book on March 31, 2012 and for the six months ended September 30, 2012 respectively.

#### ***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, 2013 and for the six months ended September 30, 2013, our capital adequacy ratio compared on the basis of applicable RBI requirement was 18.40 % and 20.76% respectively 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 Year and for the six months ended September 30, 2013.

<b>Particulars as on</b>	<b>March 31, 2009</b>	<b>March 31, 2010</b>	<b>March 31, 2011</b>	<b>March 31, 2012</b>	<b>March 31, 2013</b>	<b>Six months ended September 30, 2013</b>
C A R prescribed by RBI	12	12	12	12	15	15
Total Capital Adequacy Ratio	<b>145.00%</b>	<b>49.46%</b>	<b>35.26%</b>	<b>24.60%</b>	<b>18.40%</b>	<b>20.76%</b>
Out of which:						
Tier I	132.00%	49.09%	35.04%	24.39%	18.17%	20.53%
Tier II	13.00%	0.37%	0.22%	0.21%	0.23%	0.23%

#### ***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 5 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 92%, 88%, 86% and 88% of our loan book as on March 31, 2013, March 31, 2012, March 31, 2011 and for the six months ended September 30, 2013. 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 September 30, 2013, please see section titled “Our Business – Credit Rating”, on page 76.

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 158 of this Prospectus.

### Principal Terms and Conditions of the Issue

#### Terms and Conditions in Connection with the NCDs

<b>Issuer</b>	ECL Finance Limited
<b>Lead Managers</b>	ICICI Securities Limited and Axis Capital Limited, and Edelweiss Financial Services Limited
<b>Debenture Trustee</b>	Axis Trustee Services Limited
<b>Registrar to the Issue</b>	Link Intime India Private Limited
<b>Type and nature of Instrument</b>	Secured Redeemable Non-Convertible Debentures
<b>Face Value of NCDs (₹ / NCD)</b>	₹1,000
<b>Issue Price (₹ / NCD)</b>	₹1,000
<b>Minimum Application</b>	₹10,000 (10 NCDs) (for all options of NCDs, namely Options I, II, III and IV either taken individually or collectively)
<b>In Multiples of</b>	One NCD after the minimum Application
<b>Seniority</b>	Senior (the claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements).  Security for the purpose of this Issue will be identified immovable property and standard business receivables and will be created in accordance with the terms of the Debenture Trust Deed. Our Company has received NoCs from the existing chargeholders and security trustees to cede pari passu charge in favour of the Debenture Trustee for the purpose of this Issue.
<b>Mode of Issue</b>	Public Issue
<b>Issue</b>	Public Issue by our Company of Secured Redeemable NCDs aggregating up to ₹2,500 million with an option to retain over-subscription up to ₹2,500 million aggregating to a total of up to ₹5,000 million.
<b>Stock Exchange proposed for listing of the NCDs</b>	BSE Limited (“BSE”)
<b>Listing and timeline for Listing</b>	The NCDs shall be listed within 12 Working Days of Issue Closing Date.
<b>Mode of Allotment</b>	Both in physical and dematerialised form.
<b>Mode of Trading</b>	NCDs will be traded only in dematerialised form
<b>Trading Lot</b>	One NCD
<b>Depositories</b>	NSDL and CDSL
<b>Security</b>	Security for the purpose of this Issue will be identified immovable property and standard business receivables and will be created in accordance with the terms of the Debenture Trust Deed. Our Company has received NoCs from the existing chargeholders and security trustees to cede pari passu charge in favour of the Debenture Trustee for the purpose of this Issue.
<b>Who can apply</b>	<b>Category I</b> <ul style="list-style-type: none"> <li>▪ Resident Public Financial Institutions, Statutory Corporations including State Industrial Development Corporations, Commercial Banks,</li> <li>▪ Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs;</li> <li>▪ Provident Funds and Resident Pension Funds with minimum corpus of ₹250 million, Superannuation Funds and Gratuity Fund, which are authorised to invest</li> </ul>

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) 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), 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 Agency	Instrument	Rating symbol	Date of credit rating Letter	Amount rated (₹ million)	Rating definition
<b>CARE</b>	Long-term retail bond issue	‘CARE AA’ [Double A]	December 13, 2013 and revalidated as on January 2, 2014	5,000	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.
<b>BRICKWORK</b>	Long-term NCD issue (Public	‘BWR AA (Outlook:	December 16, 2013 and	5,000	The rating of NCDs by Brickwork



	issue)	Stable)	revalidated as on January 2, 2014	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.
<b>Issue Size</b>	Public Issue by our Company of Secured Redeemable NCDs aggregating up to ₹2,500 million with an option to retain over-subscription up to ₹2,500 million aggregating to a total of up to ₹5,000 million. Base Issue is for ₹2,500 million.			
<b>Pay-in date</b>	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.			
<b>Application money</b>	The entire Application Amount is payable on submitting the application.			
<b>Record Date</b>	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.			
<b>Issue Schedule*</b>	The Issue shall be open from January 16, 2014 to January 27, 2014 with an option to close earlier and/or extend up to a period as may be determined by a Board.			
<b>Objects of the Issue</b>	Please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 31.			
<b>Details of the utilisation of the proceeds of the Issue</b>	Please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 31.			
<b>Coupon rate and redemption premium</b>	Please refer to the chapter titled “ <i>Issue Structure – Terms and Conditions in connection with the NCDs</i> ” on page 133.			
<b>Working Days convention/Day count convention / Effect of holidays on payment</b>	<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 India 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>			

	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.
<b>Issue Opening Date</b>	January 16, 2014
<b>Issue Closing Date</b>	January 27, 2014
<b>Default interest date</b>	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
<b>Interest on Application Money</b>	Please refer to the chapter titled “ <i>Issue Structure- Interest on Application Money</i> ” on page 137.
<b>Deemed Date of Allotment</b>	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.
<b>Transaction documents</b>	Lead Managers MoU dated December 26, 2013 between our Company and the Lead Managers, the Registrar Agreement dated December 18, 2013 between our Company and the Registrar to the Issue, Debenture Trustee Agreement dated December 24, 2013 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.
<b>Conditions precedent and subsequent to the Issue</b>	The conditions precedent and subsequent to disbursement will be finalised upon execution of the Debenture Trust Deed.
<b>Events of default</b>	Please refer to the chapter titled “ <i>Issue Structure- Events of Default</i> ” on page 154.
<b>Cross Default</b>	Please refer to the chapter titled “ <i>Issue Structure- Events of Default</i> ” on page 154.
<b>Roles and responsibilities of the Debenture Trustee</b>	Please refer to the chapter titled “ <i>Issue Structure- Debenture Trustees for the NCD holders</i> ” on page 154.
<b>Settlement Mode</b>	Please refer to the chapter titled “ <i>Issue Structure- Payment on Redemption</i> ” on page 151.
<b>Governing law and jurisdiction</b>	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
<b>Tenure</b>	36 months		60Months	
<b>Frequency of Interest Payment</b>	Monthly	Cumulative	Monthly	Cumulative
<b>Who can apply</b>	<b>Category I</b> <ul style="list-style-type: none"> <li>▪ Resident Public Financial Institutions, Statutory Corporations including State Industrial Development Corporations, Commercial Banks,</li> <li>▪ Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs;</li> <li>▪ Provident Funds and Resident Pension Funds with minimum corpus of ₹250 million, , Superannuation Funds and Gratuity Fund, which</li> </ul>			

Options	I	II	III	IV
	<p>are authorised to invest in the NCDs;</p> <ul style="list-style-type: none"> <li>▪ Venture Capital funds and / or Alternative Investment Funds registered with SEBI;</li> <li>▪ Insurance Companies registered with the IRDA;</li> <li>▪ 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);</li> <li>▪ 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</li> <li>▪ Mutual Funds, registered with SEBI;</li> </ul> <p><b>Category II</b></p> <ul style="list-style-type: none"> <li>▪ Companies; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;</li> <li>▪ 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;</li> <li>▪ Public/private charitable/religious trusts which are authorised to invest in the NCDs;</li> <li>▪ Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;</li> <li>▪ Partnership firms in the name of the partners; and</li> <li>▪ Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);</li> </ul> <p><b>Category III*</b></p> <ul style="list-style-type: none"> <li>▪ Resident Indian individuals and</li> <li>▪ Hindu undivided families through the Karta;</li> </ul> <p><i>*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) 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), 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.</i></p>			
<b>Type and nature of Instrument</b>	Secured Redeemable Non-Convertible Debentures			
<b>Minimum Application</b>	₹10,000 (10 NCDs) (for all options of NCDs, namely Options I, II, III and IV either taken individually or collectively)			
<b>In Multiples of</b>	1 NCD after the minimum Application			
<b>Face Value of NCDs (₹ / NCD)</b>	₹1,000			
<b>Issue Price (₹ / NCD)</b>	₹1,000			
<b>Mode of Interest Payment/Redemption</b>	Through Various options available.			
<b>Coupon (%) for NCD Holders in Category I and Category II</b>	11.60%	Not Applicable	11.85%	Not Applicable
<b>Coupon (%) for Category III (Unreserved Individual Portion)</b>	11.60%	Not Applicable	11.85%	Not Applicable
<b>Coupon (%) for Category III</b>	11.60%	Not Applicable	11.85%	Not Applicable

Options	I	II	III	IV
<b>(Reserved Individual Portion)</b>				
<b>Additional Coupon (%) for permanent resident employees of Edelweiss Group and resident Indian individual shareholders of Promoter Company</b>	0.25%	Not Applicable	0.25%	Not Applicable
<b>Coupon Type</b>	Fixed			
<b>Redemption Value for NCD Holders in Category I, Category II and Category III</b>	₹1,000	₹1,413.87	₹1,000	₹1,803.26
<b>Redemption Value for permanent resident employees of Edelweiss Group and resident Indian individual shareholders of Promoter Company</b>	₹1,000	₹1,424.41	₹1,000	₹1,825.71
<b>Effective Yield of NCD Holders in Category I, Category II and Category III (per annum)</b>	12.24%	12.24%	12.52%	12.52%
<b>Effective Yield for permanent resident employees of Edelweiss Group and resident Indian individual shareholders of Promoter Company</b>	12.52%	12.52%	12.79%	12.79%
<b>Redemption Date</b>	36 months from the Deemed Date of Allotment		60 months from the Deemed Date of Allotment	
<b>Redemption Amount (₹/NCD)</b>	Face Value of the NCDs plus any interest at the applicable Coupon that may have accrued at the Redemption Date			
<b>Put and Call Option</b>	NA		NA	
<b>Deemed Date of Allotment</b>	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.			
<b>Nature of Indebtedness</b>	PariPassu with other secured creditors.			

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 163 and 185, respectively.

## CAPITAL STRUCTURE

### Details of share capital

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

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

### Changes in the Authorised Share Capital of our Company as on the date of this 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 <sup>1</sup>	100,000	1,000,000	Nil
August 12,	1,950,000	10	10	Cash	Allotment <sup>2</sup>	2,050,000	20,500,000	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 ₹)
2005								
March 30, 2007	200,000	10	500	Cash	Allotment <sup>3</sup>	2,250,000	22,500,000	98,000,000
April 20, 2007	22,500,000	1	-	-	Subdivision <sup>4</sup>	22,500,000	22,500,000	98,000,000
May 14, 2007	22,500,000	1	-	Bonus	Bonus issue <sup>5</sup>	45,000,000	45,000,000	98,000,000
May 18, 2007	278,446,363	1	6.47	Cash	Preferential allotment <sup>6</sup>	323,446,363	323,446,363	1,621,895,390.00
May 18, 2007	113,643,317	1	5.99	Cash	Preferential allotment <sup>7</sup>	437,089,680	437,089,680	2,188,852,073.00
January 15, 2008	33,333,333	1	30	Cash	Preferential allotment <sup>8</sup>	470,423,013	470,423,013	3,155,518,730.00
January 15, 2008	33,333,333	1	30	Cash	Preferential allotment <sup>9</sup>	503,756,346	503,756,346	4,122,185,387.00
January 15, 2008	13,328,300	1	30	Cash	Preferential allotment <sup>10</sup>	517,084,646	517,084,646	4,508,706,087.00
January 15, 2008	13,090,500	1	29.99	Cash	Preferential allotment <sup>11</sup>	530,175,146	530,175,146	4,888,329,560.25
January 18, 2008	40,000,000	1	30	Cash	Preferential allotment <sup>12</sup>	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 <sup>13</sup>	620,175,146	620,175,146	6,298,329,560.25
January 02, 2009	1,271,673,316	1	1.80	Cash	Rights Issue <sup>14</sup>	1,891,848,462	1,891,848,462	7,315,668,213.05
<b>Total</b>						<b>1,891,848,462</b>	<b>1,891,848,462</b>	<b>7,315,668,213.05</b>

<sup>1</sup> 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.

<sup>2</sup> Allotment of 1,950,000 equity shares to Edelweiss Financial Services Limited.

<sup>3</sup> Allotment of 200,000 equity shares to Edelweiss Financial Services Limited.

<sup>4</sup> 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

<sup>5</sup> Allotment of 22,500,000 Equity Shares to the existing Equity Shareholders of our Company in the ratio of one new Equity Shares for every one existing Equity Shares 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.

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

<sup>7</sup> Preferential allotment of 113,643,317 Equity Shares to Lehman Brothers Netherlands Horizons Limiteds Horizons BV.

<sup>8</sup> Preferential allotment of 33,333,333 Equity Shares to Edelweiss Financial Services Limited.

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

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

<sup>11</sup> Preferential allotment of 13,090,500 Equity Shares to Shuaa Capital PSC.

<sup>12</sup> Preferential allotment of 40,000,000 Equity Shares to Waverly Pte Limited.

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

<sup>14</sup> 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 <sup>1</sup>	22,500,000	22,500,000	-

<sup>1</sup>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 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
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
	<b>Total</b>	<b>1,891,848,462</b>	<b>244,393,333</b>	<b>100</b>	<b>Nil</b>

**List of top ten holders of Equity Shares of our Company as on the date of this Prospectus is:**

Name of Shareholders	Address	Number of Equity Shares held
Edelweiss Financial Services Limited	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400098	1,499,959,123
Edelweiss Securities Limited	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400098	97,416,683
Edelweiss Commodities Services Limited	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400098	146,976,650
Waverly Pte Limited	168, Robinson Rd, 37 – 01, Capital Tower, Singapore 068912	147,496,000
Mr. Rashesh Shah as a nominee of Edelweiss Financial Services Limited	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400098	1
Mr. Venkatachalam Ramaswamy as a nominee of Edelweiss Financial Services Limited	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400098	1
Mr. Deepak Mittal as a nominee of Edelweiss Financial Services Limited	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400098	1
Mr. Himanshu Kaji as a nominee of Edelweiss Financial Services Limited	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400098	1
Mr. Vikas Khemani as a nominee of Edelweiss Financial Services Limited	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400098	1
Mr. Rujan Panjwani as a nominee of Edelweiss Financial Services Limited	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400098	1
Total		1,891,848,462

**Unlisted/Listed Privately Placed Secured Non- Convertible Debentures:**

List of top ten debenture holders of our Company as on December 31, 2013

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 Road Kalina Mumbai Maharashtra 400098	5353	100000	1685300000
			115	10000000	
2.	Templeton India Short-Term Income Plan	Citibank N.A. Custody Services Fifc-11th Flr, G Block Plot C-54 And C-55, Bkc Bandra-East, Mumbai 400051	950	1000000	950000000
3.	Larsen And Toubro Limited	L And T House Ballard Estate Mumbai 400001	70	10000000	700000000
4.	Emerging India Focus Funds	Standard Chartered Bank, Crescenzo Securities Services, 3rd Floor C-38/39 G-Block, Bkc Bandra (East) Mumbai India 400051	6485	100000	648500000



Sr. No.	Name of holders	Address	Number of instruments held	Face value per Debenture	Amount
5.	Em Resurgent Fund	Standard Chartered Bank, Crescenzo Securities Services, 3rd Floor C-38/39 G-Block, Bkc Bandra (East) Mumbai India 400051	5389	100000	538900000
6.	Templeton India Income Opportunities Fund (Tiiof)	Citibank N.A. Custody Services Fifc-11th Flr, G Block Plot C-54 And C-55, Bkc Bandra-East, Mumbai 400051	500	1000000	500000000
7.	Azim Hasham Premji	Citibank N.A. Custody Services Fifc-11th Flr, G Block Plot C-54 And C-55, Bkc Bandra-East, Mumbai 400051	5000	100000	500000000
8.	Smart Bullion Opportunities Limited	602, Hallmark Business Plaza Sant Dnyaneshwar Marg Opp Guru Nanak Hospital, Bandra (E) Mumbai 400051	2800	100000	280000000
9.	Bank Of India	Treasury Branch, Head Office, Star House, 7th Floor C-5,'G'block, Bandra Kurla Complex Bandra (East), Mumbai- 400051	150	1000000	150000000
10.	Sociedade De Fomento Industrial Pvt Ltd	Vila flores da silva erasmo carvalho street margao goa 403601	100000	1500	150000000

**Unsecured, Redeemable, Non-convertible Debentures:**

List of top 10 Unsecured, Redeemable, Non-convertible Debenture holders of ECL Finance Limited as on December 31, 2013 to be listed on BSE Limited-

Sr. No.	Name of the Holder	Address	Qty.	Face value of Debentures (in Rs.)	Amount (in Rs.)
1.	Syndicate Bank	Syndicate Bank, F.I.M. Department, Maker Tower "E", II Floor, Cuffe parade, Colaba, Mumbai - 400005	100	1000000	100000000
2.	Lakshmi Vilas Bank Limited	25-31, 4 <sup>th</sup> Floor, Aban House, Sai Baba Marg, Kala Ghoda, Fort, Mumbai - 400001	100	1000000	100000000

**Debt - equity ratio:**

The debt-equity ratio of our Company, prior to this Issue is based on a total outstanding debt of ₹43,760.83 million and shareholder funds amounting to ₹15,237.61 million as on September 30, 2013.

Particulars	As at September 30, 2013	
	Pre issue	Post issue
<b>Debt</b>		

Particulars	As at September 30, 2013	
	Pre issue	Post issue
Long Term Loans (₹ in million)	13,620.38	18,620.38
Short Term Loans (₹ in million)	30,140.45	30,140.45
<b>Total Debt (₹ in million)</b>	<b>43,760.83</b>	<b>48,760.83</b>
<b>Shareholders' funds</b>		
Equity Share Capital (₹ in million)	1,891.85	1,891.85
<b>Reserves and Surplus</b>		
Securities Premium Account (₹ in million)	7,313.94	7,313.94
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934 (₹ in million)	1,001.73	1,001.73
Surplus in statement of profit and loss (₹ in million)	5,030.09	5,030.09
<b>Total Shareholders' funds (₹ in million)</b>	<b>15,237.61</b>	<b>15,237.61</b>
<b>Long Term Debt to Equity Ratio (Number of times)</b>	<b>0.89</b>	<b>1.22</b>
<b>Debt to Equity Ratio (Number of times)</b>	<b>2.87</b>	<b>3.20</b>

Notes:

- 1) Short term debts represent debts which are due within twelve months from 30 September 2013.
- 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 debt-equity ratio post the Issue is indicative and is on account of assumed inflow of ₹5,000 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 102.

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 November 30, 2013, 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
October 19, 2011	J3J101	365	100000	1600	584000
December 30, 2011	K4L101	385	100000	1500	577500
January 12, 2012	L3L101	660	100000	1600	1056000
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 4, 2013	L5C201	330	100000	1500	495000
February 4, 2013	A6C301	207	100000	2000	414000
February 4, 2013	C4A301	212	100000	1000	212000
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 2, 2013	C6H301	225	100000	1000	225000
April 2, 2013	C5E301	790	100000	2300	1817000
April 3, 2013	C5E302	250	100000	750	187500

Date of Issue	Product Code	No. of Debentures	Face Value (INR)	Discount Per Debenture (INR)	Aggregate Discount (INR)
April 3, 2013	I4C301	150	100000	1000	150000
April 3, 2013	C5C302	100	100000	1250	125000
April 11, 2013	C4D301	100	100000	1500	150000
May 6, 2013	H5D301	425	100000	2250	956250
May 6, 2013	D6I301	187	100000	2000	374000
May 7, 2013	D4D301	152	100000	1500	228000
May 24, 2013	H6E301	171	100000	500	85500
May 30, 2013	H6E303	50	100000	500	25000
June 5, 2013	E6J301	178	100000	2500	445000
June 5, 2013	I5E301	124	100000	2000	248000
June 6, 2013	E5G302	495	100000	650	321750
June 20, 2013	F6F301	339	100000	2500	847500
June 24, 2013	F6I301	195	100000	800	156000
July 3, 2013	I5F301	260	100000	2000	520000
July 17, 2013	J5G301	150	100000	2100	315000
August 5, 2013	B6G301	182	100000	2000	364000
August 5, 2013	K5G301	78	100000	2100	163800
August 5, 2013	G6G303	126	100000	2000	252000
October 4, 2013	I4I312	144	100000	1000	144000
October 4, 2013	I4I319	52	100000	1000	52000
October 4, 2013	K4I301	1292	100000	1500	1938000
November 6, 2013	D6J301	304	100000	2500	760000

As on September 30, 2013, 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)	Premium per Debenture (INR)	Aggregate Premium (INR)
November 27, 2012	E5K201	499	100000	4000	1996000

#### 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 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, in accordance with the policies formulated by it from time to time, will have 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 as may be approved by the Board. 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. The Board shall monitor the utilization of the proceeds of the Issue. 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.

### **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.

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 interested<sup>1</sup>, 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 01.04.2013 -

- 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
- in the case of every individual being a resident in India, who is of the age of 80 years or more

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<sup>1</sup> Refer Section 2(18)(b)(B) of the I.T. Act.

at any time during the Financial year (Super Senior Citizen) is Rs 5,00,000 for Financial Year 2013-14.

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.

## **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
  - (c) 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.
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, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate 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.

### **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 notified<sup>2</sup> 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 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 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 Income Tax Act, General Anti Avoidance Rule may be invoked notwithstanding anything contained in the 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 interalia denial of tax benefit, applicable w.e.f 1-04-2016

### **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

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<sup>2</sup> 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.



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 XVII B ('deductee') to furnish his PAN to the deductor, failing which tax shall be deducted at the highest of the following rates:

- (i) at the rate specified in the relevant provision of the I.T. Act; or

- (ii) at the rate or rates in force; or

- (iii) 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:

- (i) 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;
- (ii) 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 notified<sup>3</sup> 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].
- 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.

at the rate or rates in force

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

**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 are as per the current direct tax laws relevant for the assessment year 2014-15. Several of these benefits are dependent on the Debenture Holder fulfilling the conditions prescribed under the relevant provisions.
4. 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.
5. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
6. 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.
7. 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.
8. 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.
9. 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.*

*In connection with the reports by CRISIL Research, CRISIL Limited has used due care and caution in preparing the aforementioned report. Information has been obtained by CRISIL from sources it considers reliable. However, CRISIL does not 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. No part of the aforementioned report may be published / reproduced in any form without CRISIL's prior written approval. CRISIL is not liable for any investment decisions which may be based on the views expressed in the aforementioned report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Rating Division, which may, in its regular operations, obtain information of a confidential nature that is not available to CRISIL Research.*

*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

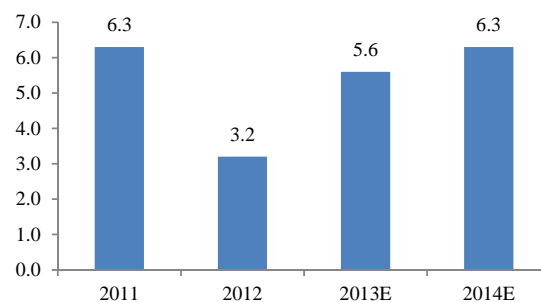
India is the largest democracy with a population of 1.2bn (Census 2011 estimate) and is also one of the fastest growing economies in the world. According to CIA World Factbook, India had an estimated GDP (purchasing power parity) of approximately US\$ 4.76 trillion (2012 estimate), which makes it the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

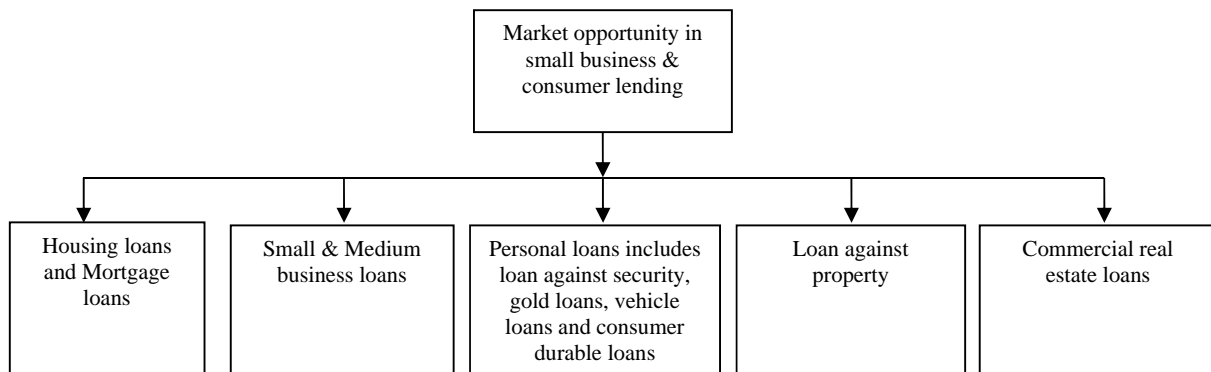
1. NBFCs cannot accept demand deposits;
2. NBFCs are not a part of the payment and settlement system and as such cannot allow their customers to operate accounts through the issuance of cheques; and
3. Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available for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

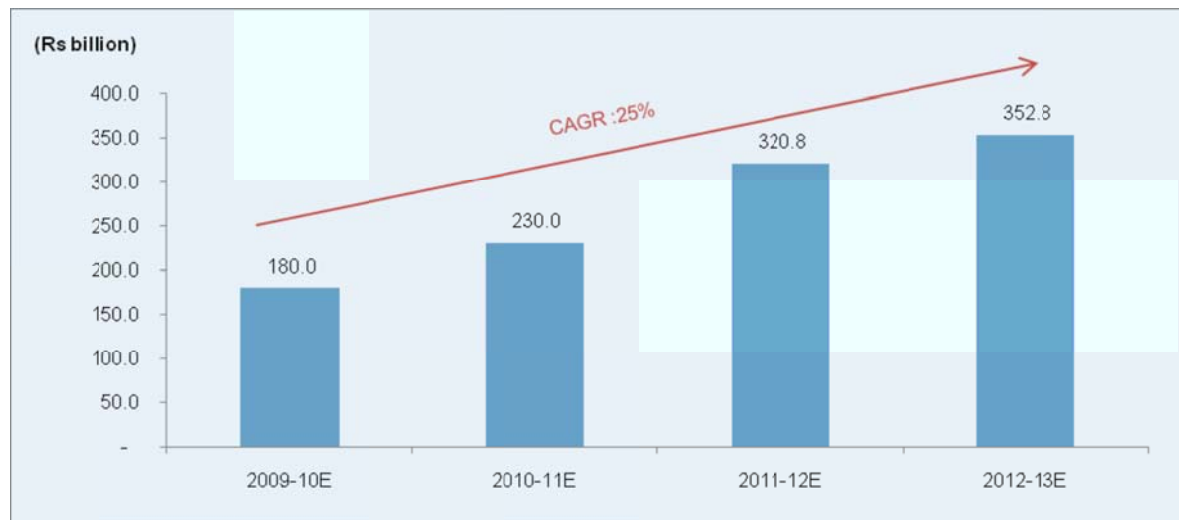
Given their deep understanding of customer needs, NBFCs focus on product innovation and customized product solutions. This helps the NBFCs maintain niche positioning and gives them an edge over the banks.

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

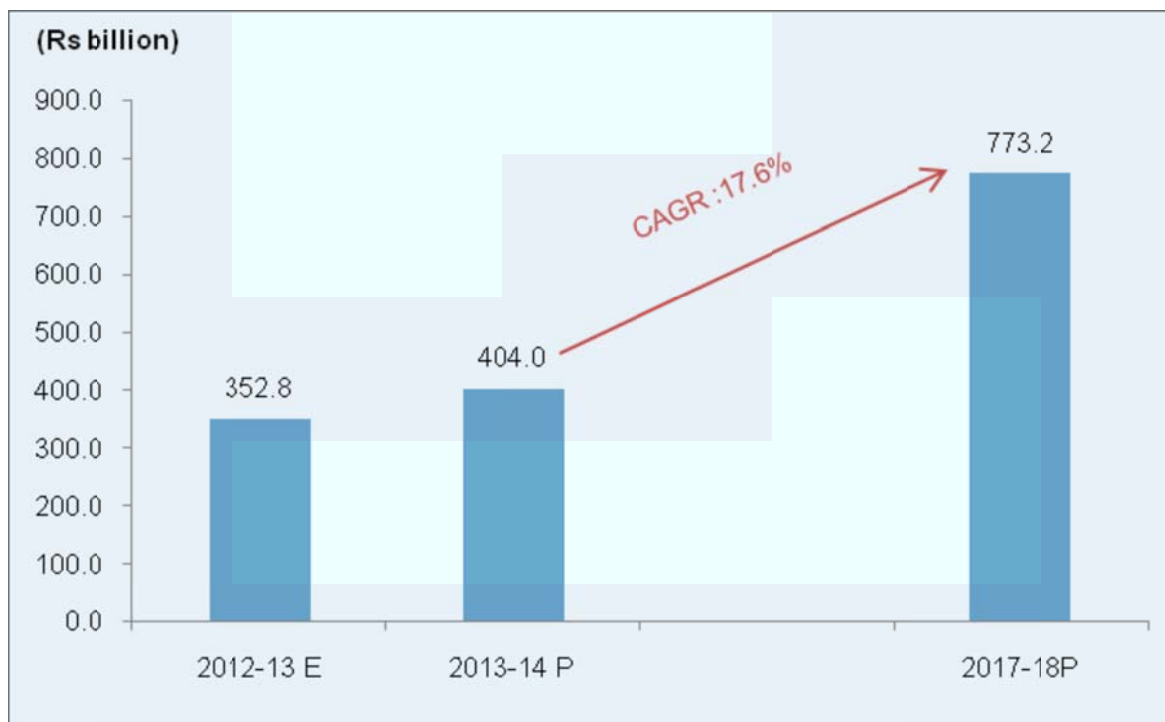


**Source: CRISIL Research**

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

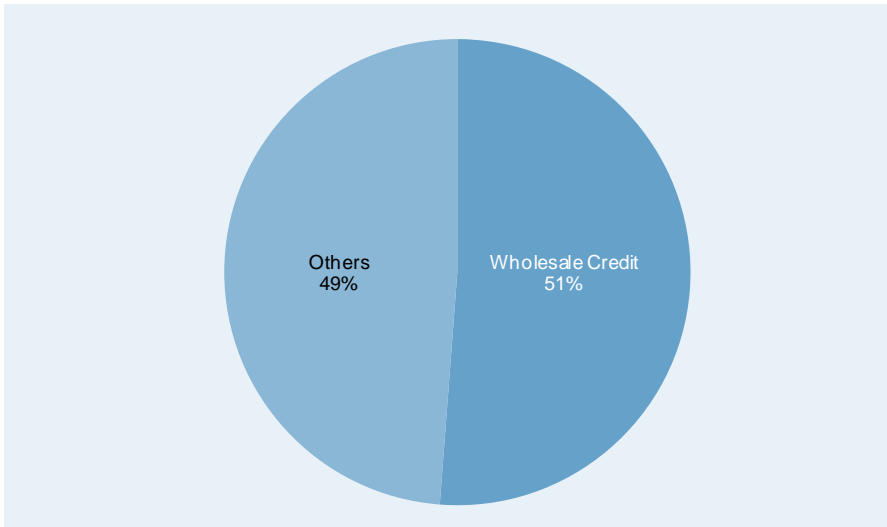
diverse customer profile including large corporate and SME clients and they cater to diverse manufacturing and service sectors like power, roads, ports, other infrastructure, basic metals, etc. On the other hand NBFCs give preference to customers with strong promoter background but they also cater to 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.

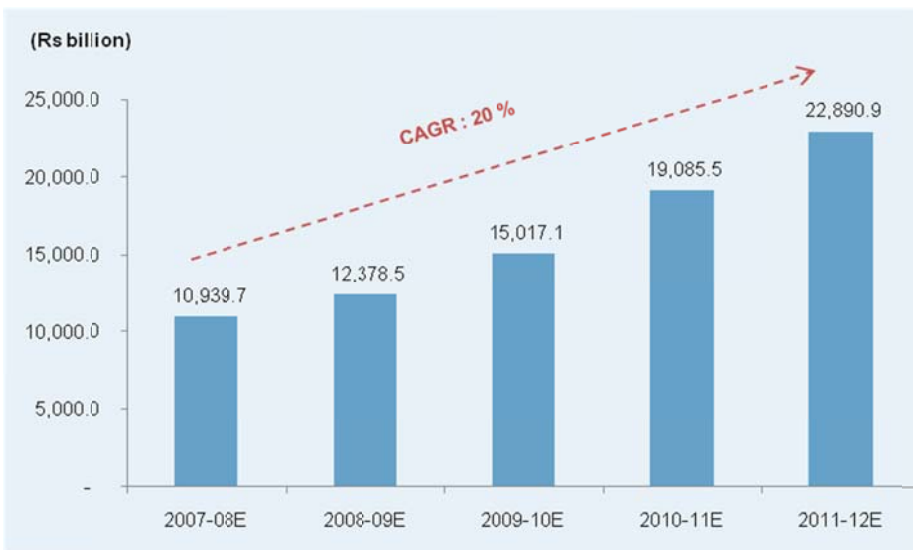
Wholesale lending as percentage of bank credit



**Note: The above includes only Banks**

Source: RBI, CRISIL Research

Wholesale lending credit over past 5 years



**Note: The above includes Banks and NBFCs**

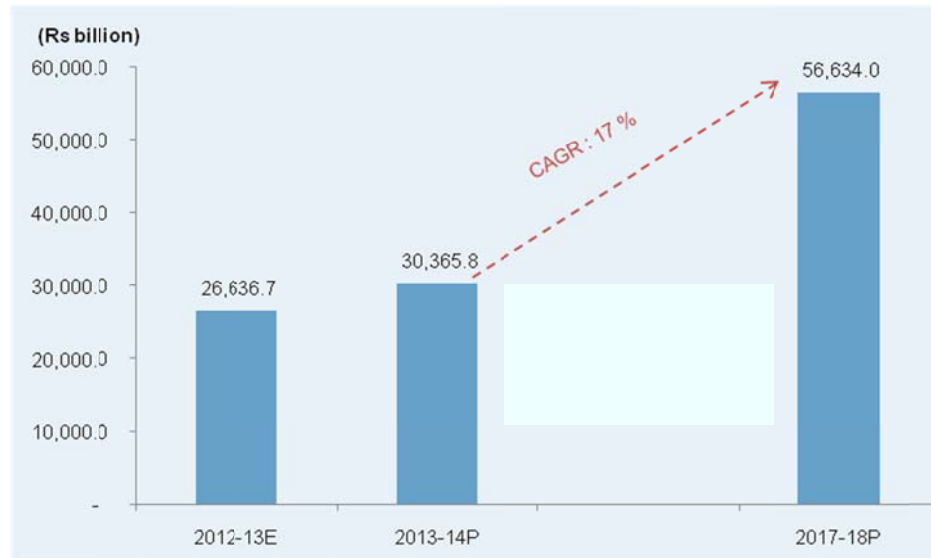
Source: RBI, CRISIL Research, Industry

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	<b>Long term</b> : 10%-13% <b>Short Term</b> : 10%-12.5%	<b>Long Term</b> :13%-16%
Tenure	<b>Short Term</b> : Less than 1 yaer <b>Medium Term</b> :3-7 years <b>Long Term</b> : Greater than 7 years	<b>Short Term</b> :3-5 years <b>Long Term</b> :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.

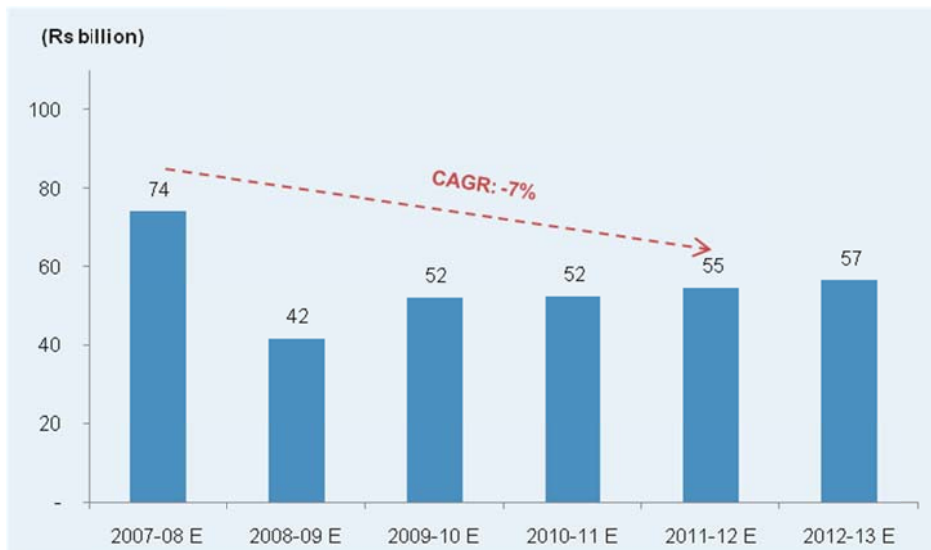
Share of LAS in bank credit (Rs 49 trillion)- 2012-13

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**



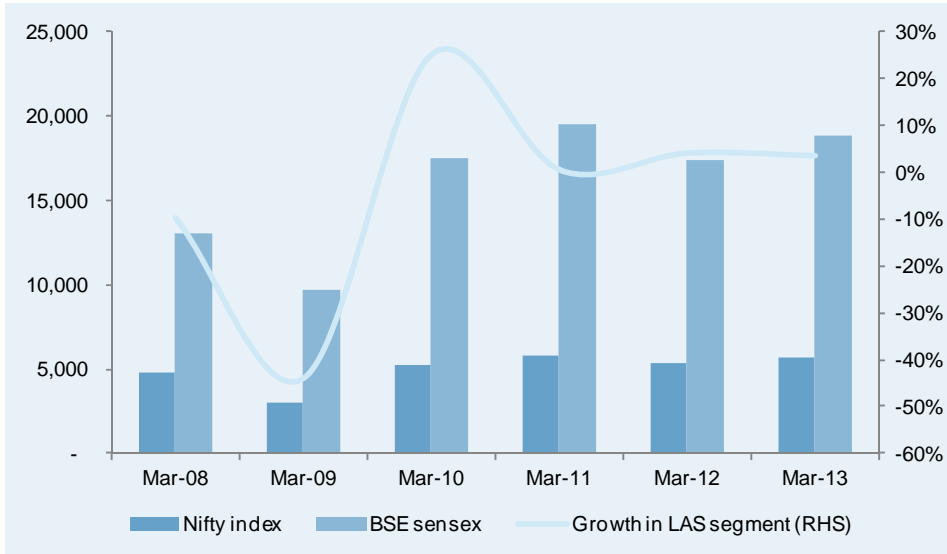
**Note: The above market size is as per outstanding at the end of the year and not disbursements during the year**

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**

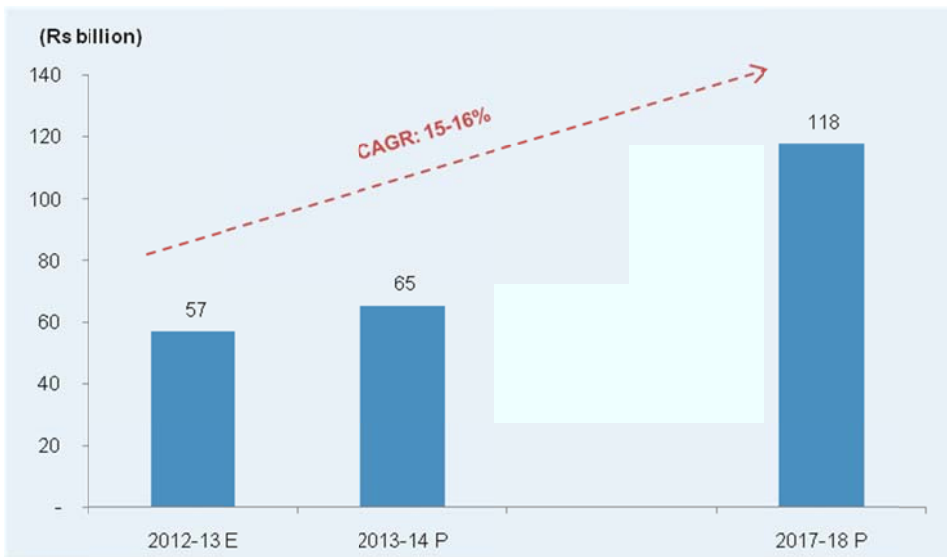


Source: BSE, NSE, Crisil Research

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**

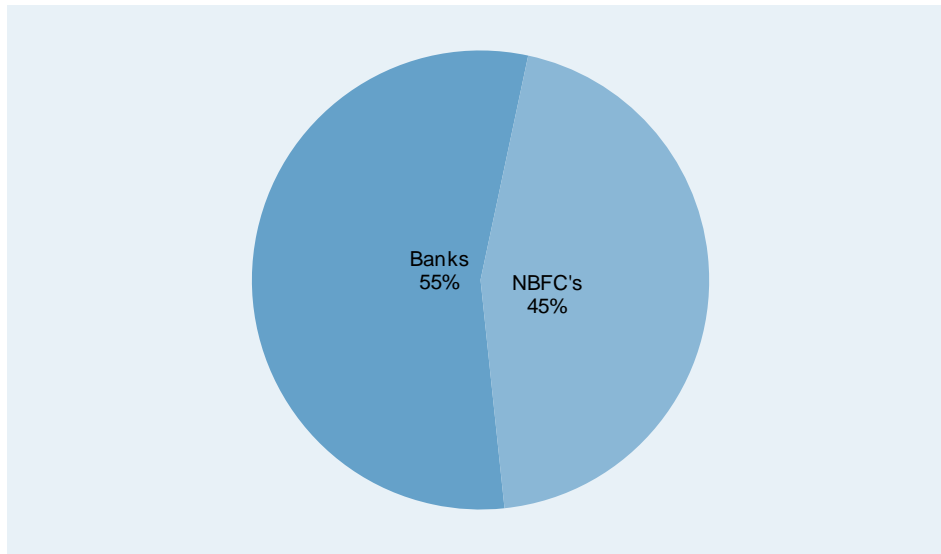
The collateral in this segment is highly liquid in nature and it is usually based on banks/NBFCs approved list of shares. Also, the minimum margin stipulation of 50 per cent and NPAs below 1 per cent makes it more attractive for the banks and NBFCs to lend to this segment.

### ***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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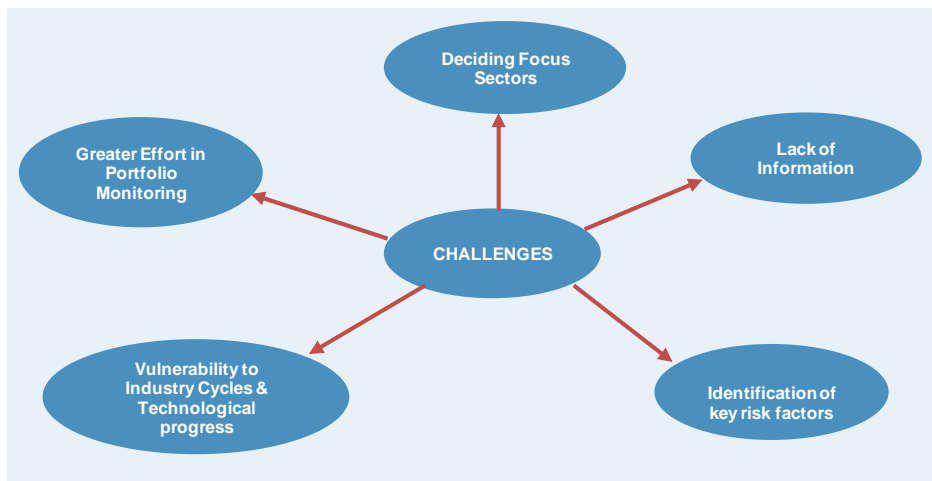
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The National Manufacturing Policy, unveiled in November 2011, aims to boost the share of manufacturing in GDP to 25.0 per cent over the next decade, from 15.4 per cent in 2011-12. To achieve this target, it would be necessary to substantially boost 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.



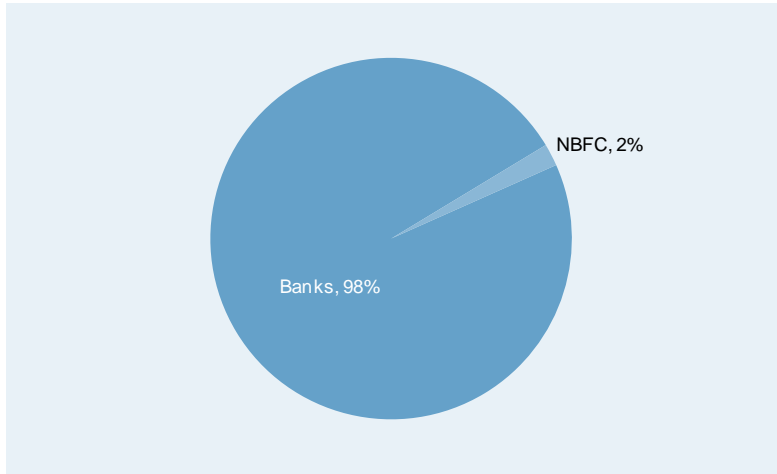
Under such circumstances, a major challenge before financiers is the lack of relevant and timely information on the relative performance and prospects of different SME-oriented industries. Lack of information limits the lending potential of financiers and/or increases the probability of defaults. Thus, 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



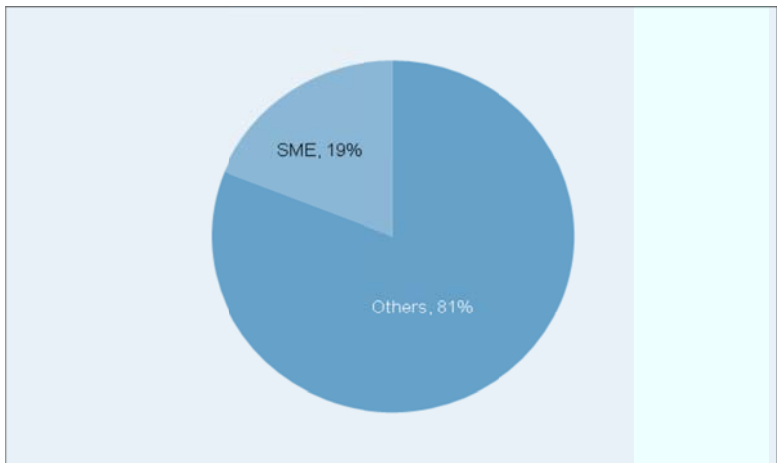
Source: Crisil Research

***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***

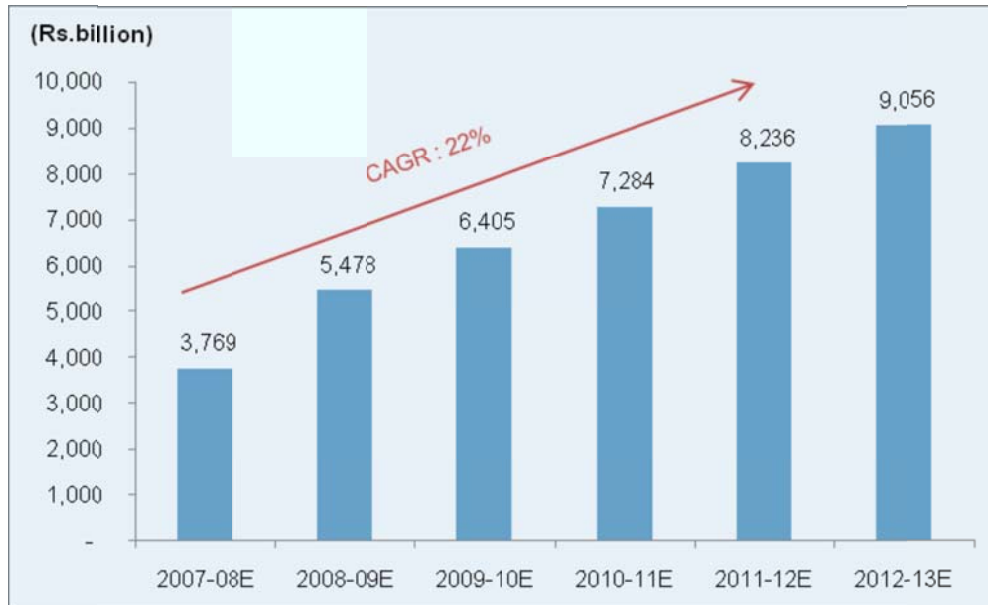


Source: RBI, Crisil Research



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**



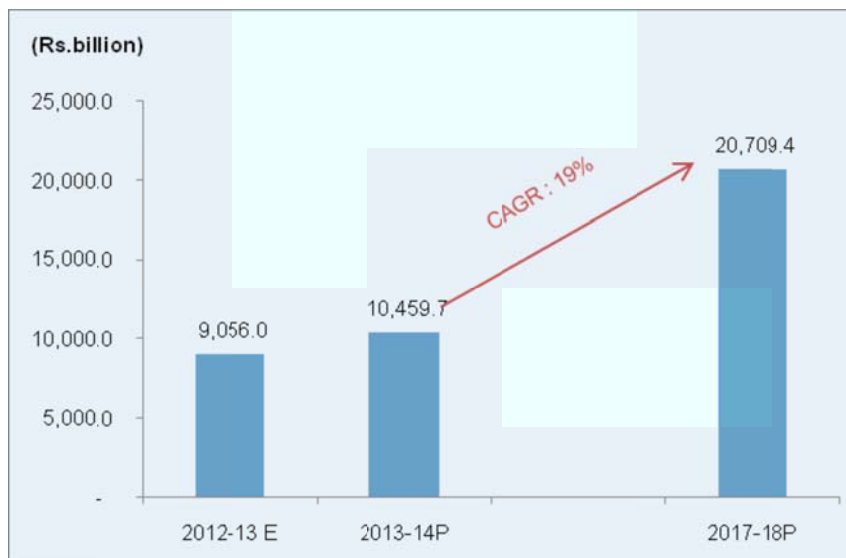
Source: Crisil Research

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 Prospectus.*

*The following information should be read together with the more detailed financial and other information included in this Prospectus, including the information contained in the chapter titled “Risk Factors” and “Industry” beginning on page XI and 39 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 48.34% and 47.68 % of our Loan Book as on March 31, 2013 and for the six months ended September 30, 2013 respectively.
- **Loan against Property**, which includes offering loans against collateral of residential / commercial property, comprises 15.50% and 15.64 % of our Loan Book as on March 31, 2013 and for the six months ended September 30, 2013 respectively.
- **Loan against Securities**, which includes offering loans against collateral of securities, comprises 15.10% and 13.23% of our Loan Book as on March 31, 2013 and for the six months ended September 30, 2013 respectively.
- **Real Estate finance**, which includes offering loans to real estate developers for development of real estate projects comprises 7.05% and 9.99% of our Loan Book as on March 31, 2013 and for the six months ended September 30, 2013 respectively.
- **Structured Finance**, which includes offering various structured financing solutions, comprises 4.61% and 4.72% of our Loan Book as on March 31, 2013 and for the six months ended September 30, 2013 respectively.
- **SME Finance**, which includes loans to Small and Medium Enterprises for meeting their business requirements, comprises 3.93% and 5.86% of our Loan Book as on March 31, 2013 and for the six months ended September 30, 2013 respectively
- **Other financial products** which includes Public Issue Financing, ESOP Financing, Funding against Hedged Commodities, Loans against MF / Bonds, together comprises 5.47% and 2.89% of our Loan Book as on March 31, 2013 and for the six months ended September 30, 2013 respectively.

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

November 30, 2013, 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 November 30, 2013 we have a total of 10 branches.

Our income from operations and profit after tax (PAT) of the Company for the year ending March 31, 2013 and for the six months ended September 30, 2013 stood at ₹6506.40 million and ₹1211.69 million and ₹4270.69 million and ₹1,023.22 million respectively. The company's income from operations and PAT witnessed a CAGR of 48.68% and 15.68% respectively over the last three Financial Years from FY2011 to FY2013. The loan book of the company has witnessed a CAGR of 49.01% over the last three fiscal years.

Our Loan Book was ₹48,394 million and ₹47,990 million as of September 30, 2013 and March 31, 2013, respectively. Our capital adequacy ratio as of March 31, 2013 and for the six months ended September 30, 2013 computed on the basis of applicable RBI requirements was 18.40% and 20.76% respectively, compared to the RBI stipulated minimum requirement of 15%. Our Tier I capital as of September 30, 2013 and March 31, 2013 was ₹11,447 million and ₹10,511 million, respectively. Our gross NPAs as a percentage of total loan assets were 0.88% and 0.52% as of September 30, 2013 and March 31, 2013, respectively. Our net NPAs as a percentage of net loan assets were 0.27% and 0.16 % as of September 30, 2013 and March 31, 2013.

### **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, 2013	Financial Year ended March 31, 2012	Financial Year ended March 31, 2011
Net worth (Note 1)	14,122.40	12,913.40	12,121.70
Total Debt of which			
- Non Current Maturities of Long Term Borrowing	12,650.50	6,790.70	4,194.50
- Short Term Borrowing	30,181.70	17,624.70	12,673.00
- Current Maturities of Long Term Borrowing	4,896.80	2,617.30	1,267.90
Net Fixed Assets	271.10	279.30	9.00
Non Current Assets(Note 2)	4,969.40	4,909.40	1,065.10
Cash and Cash Equivalents	3,654.10	309.70	197.40
Current Investments	0.90	20.70	28.70
Current Assets(Note 3)	7,841.70	4,128.30	5,196.60
Non Current Liabilities(Note 4)	257.40	166.00	108.30
Current Liabilities(Note 5)	2,618.80	1,408.20	617.10
Loan Book (Note 6)	47,990.40	31,872.90	24,485.70
Off Balance Sheet Assets	-	-	-
Interest Income	6,667.30	4,282.30	3,951.70
Interest Expense	3,354.90	1,849.40	1,771.20
Provisioning & Write-offs	51.80	61.10	50.20
PAT	1,211.70	809.50	1,018.20
Gross NPA (%) (Note 7)	0.52%	0.50%	0.32%
Net NPA (%) (Note 8)	0.16%	0.11%	0.06%
Tier I Capital Adequacy Ratio (%)	18.17%	24.39%	35.04%
Tier II Capital Adequacy Ratio (%)	0.23%	0.21%	0.22%

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

Note 3 : Current assets = Stock in trade + Trade receivables + Deposits placed with exchange + 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

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 460,000 clients from retail and wholesale segments across its various businesses. Edelweiss has 207 offices in 113 cities in India including 5 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 ₹6506.40 million and ₹1,211.69 million respectively in the Financial Year 2013 as compared to ₹4014.03 million and ₹809.50 million for the Financial Year 2012 respectively. Our annual income and PAT have grown to ₹4270.69 million and ₹1,023.22 million respectively for the six months ended September 30, 2013 as compared to ₹2751.23 million and ₹528.89 million for the six months ended September 30, 2012 respectively. Net worth of the company has grown to ₹14,122.37 million and ₹15,094.85 million as on March 31, 2013 and for the six months ended September 30, 2013 from ₹12,913.39 million and ₹13,480.98 million as on March 31, 2012 and for the six months ended September 30, 2012. Our TOL/TNW ratio as on March 31, 2013 was 3.59 as compared to 2.22 as on March 2012.

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, 2013, March 31, 2012, March 31, 2011 and for the six months ended September 30, 2013 approximately 92%, 88%, 86% and 88% 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, 2013 and for the six months ended September 30, 2013 our gross NPAs constituted 0.52% and 0.88% of our loan book, as compared to 0.50% and 0.41% of our loan book on March 31, 2012 and for the six months ended September 30, 2012 respectively. We maintain provisions on our loan book as on a conservative basis. Our provision coverage ratio is 70 % of our gross NPAs as on March 31, 2013. As on March 31, 2013 and for the six months ended September 30, 2013 our net NPAs constituted 0.16 % and 0.27% of our loan book, as compared to 0.11 % and 0.07% of our loan book on March 31, 2012 and for the six months ended September 30, 2012 respectively.

#### ***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 ordinarily maintain capital adequacy higher than statutorily prescribed CAR. As on March 31, 2013 and for the six months ended September 30, 2013, our capital adequacy ratio compared on the basis of applicable RBI requirement was 18.40 % and 20.76% respectively 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 and for the six months ended September 30, 2013.



<b>Particulars as on</b>	<b>March 31, 2009</b>	<b>March 31, 2010</b>	<b>March 31, 2011</b>	<b>March 31, 2012</b>	<b>March 31, 2013</b>	<b>Six months ended September 30, 2013</b>
C A R prescribed by RBI	12	12	12	12	15	15
Total Capital Adequacy Ratio	<b>145.00%</b>	<b>49.46%</b>	<b>35.26%</b>	<b>24.60%</b>	<b>18.40%</b>	<b>20.76%</b>
Out of which:						
Tier I	132.00%	49.09%	35.04%	24.39%	18.17%	20.53%
Tier II	13.00%	0.37%	0.22%	0.21%	0.23%	0.23%

#### ***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 5 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 92%, 88%, 86% and 88% of our loan book as on March 31, 2013, March 31, 2012, March 31, 2011 and for the six months ended September 30, 2013. 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 September 30, 2013, please see section titled “Our Business – Credit Rating”, on page 76.

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.

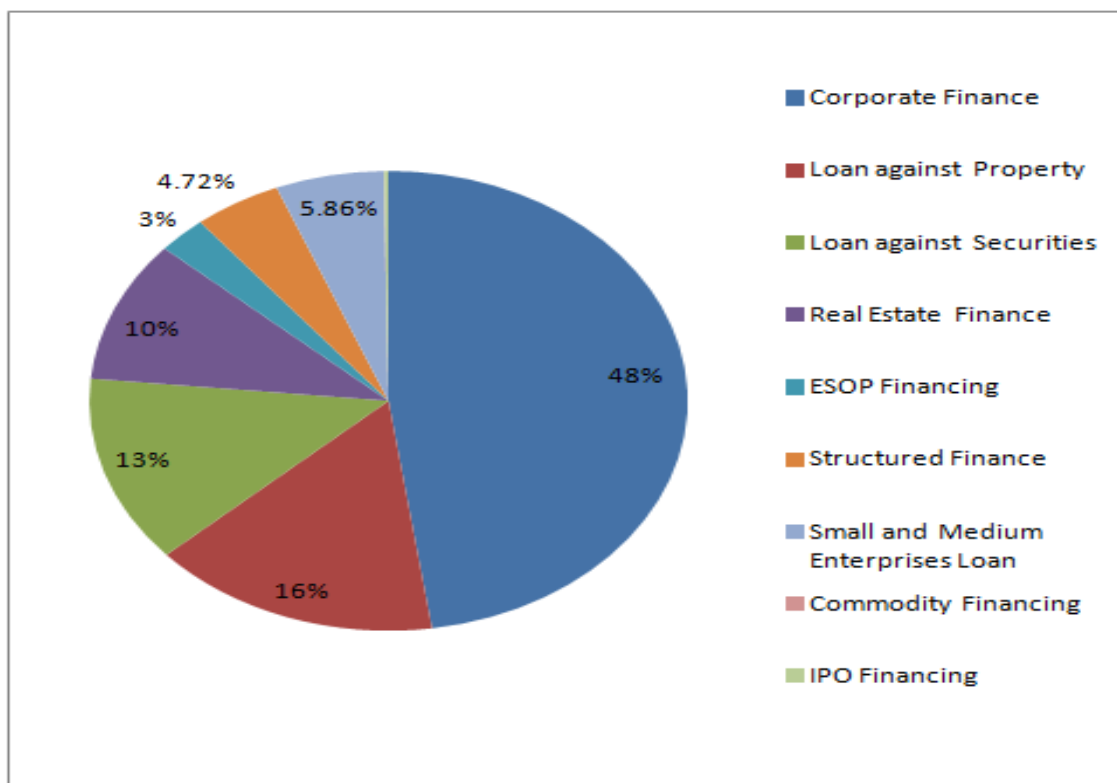
### ***Achieve operations excellence by further strengthening our operating processes and risk management systems***

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 ₹47,990 million and ₹48,394 million as on March 31, 2013 and September 30, 2013 respectively as compared to ₹31,873 million and ₹40,260 million as on March 31, 2012 and September 30, 2012 respectively. The following chart illustrates the Loan Book attributable to each product line, as on September 30, 2013:



### A. Corporate Finance

As on March 31, 2013 and for the six months ended September 30, 2013 our Corporate Finance loans accounted for 48.34% and 47.68 % of the Loan Book respectively. 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, 2013 and for the six months ended September 30, 2013 our Loan against Property accounted for 15.50% and 15.64 % of the Loan Book respectively. 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, 2013 and for the six months ended September 30, 2013 our Loan against Securities accounted for 15.10% and 13.23 % of the Loan Book respectively 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, 2013 and for the six months ended September 30, 2013 our Real Estate Finance accounted for 7.05% and 9.99% 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, 2013 and for the six months ended September 30, 2013 our Structured Finance loans accounted for 4.61% and 4.72% of the Loan Book respectively. These solutions are customized to match the specific requirements of the clients with a totally client-centric approach

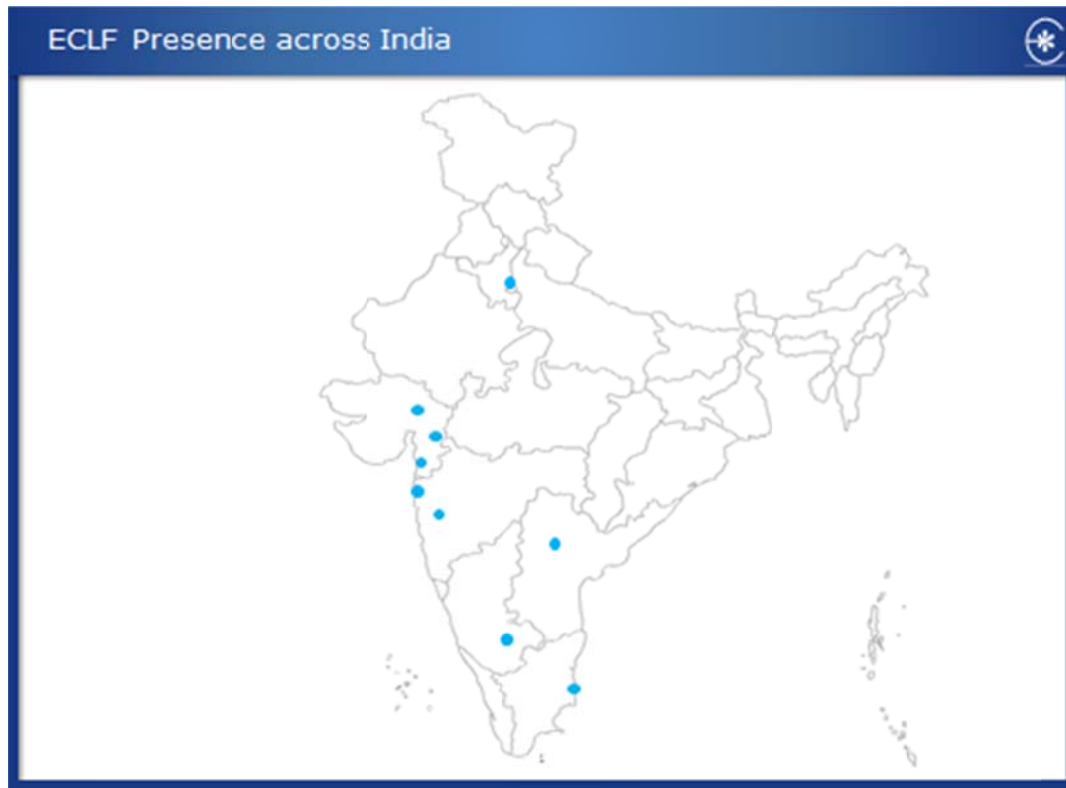
**F. Small and Medium Enterprises Finance (“SME Finance”)**

As on March 31, 2013 and for the six months ended September 30, 2013 our SME Finance loans accounted for 3.93% and 5.86% 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 5.47% and 2.89% of our Loan Book as on March 31, 2013 and for the six months ended September 30, 2013 respectively.

- (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

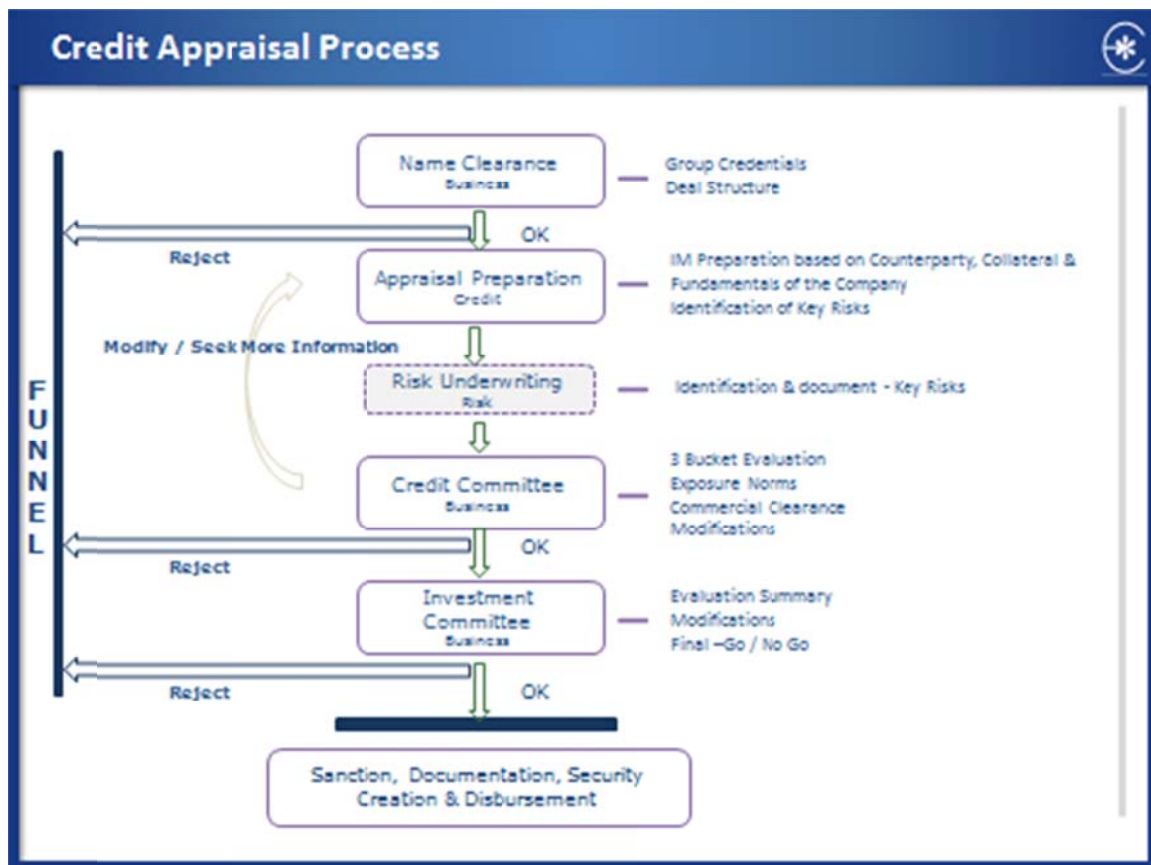
valuation, trade credit reference checks and other legal and technical verification procedures. After having completed our internal verification procedures all documents submitted by the prospective customer are checked and verified as required and any discrepancies and/or gaps in such documentation 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 ₹251 million and ₹425 million, equal to 0.52% and 0.88% of total loans as on March 31, 2013 and for the six months ended September 30, 2013, compared to ₹159 million and ₹164 million representing 0.50% and 0.41% of total loans as on March 31, 2012 and for the six months ended September 30, 2012 respectively. The net NPA ratio is 0.16% and 0.27 % as on March 31, 2013 and September 30, 2013 compared to 0.11% and 0.07% as on March 31, 2012 and for the period ended September 30, 2012 respectively indicating a healthy Provision Coverage Ratio of 70% and 70% respectively.

The NPA details are as under:

Particulars	(₹ In million)						
	At the end of period	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013	Six months ended September 30, 2013
Total Loans		5,602	14,504	24,486	31,873	47,990	48,394
Gross NPLs		45	131	79	159	251	425
Gross NPLs %		0.81%	0.90%	0.32%	0.50%	0.52%	0.88%
Provision Held for Non-Performing Loans		5	13	63	124	176	297
Net NPLs		41	118	16	35	75	129
Net NPLs %		0.73%	0.81%	0.07%	0.11%	0.16%	0.27%
NPL Provision Cover		10.00%	10.00%	79.85%	78.21%	70.27%	69.74%
Standard Asset Provision Held		32	71	62	84	131	128

## 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 100 and 102.

## CREDIT RATING

Rating details of our Company as on November 30, 2013

Sr.No	Rating Agency	Amount	Purpose	Rating	(₹ in million)
					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

Sr.No	Rating Agency	Amount	Purpose	Rating	Date of Issue/revalidation of rating
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-	March 28, 2013
6.	Crisil	20,950	Long term - Banking	CRISIL AA- /Stable	December 11, 2013
7.	Crisil	250	Long term - structured product	CRISIL PP MLD AA -r/stable	December 11, 2013
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	November 25, 2013
16.	Crisil	1,000	Short Term	CRISIL PP- MLD A1+R	November 25, 2013
17.	Crisil	500	Short Term	CRISIL PP- MLD A1+R	November 25, 2013
18.	Crisil	500	Short Term	CRISIL PP- MLD A1+R	November 25, 2013
19.	Crisil	2,000	Long term - structured product	CRISIL PP MLD AA -r/stable	December 11, 2013
20.	Crisil	1,500	Long term - NCD	CRISIL AA- /Stable	December 11, 2013
21.	Crisil	1,000	Long term - NCD	CRISIL AA- /Stable	December 11, 2013
22.	Crisil	31,000	CPs- ST	CRISIL A1+	November 25, 2013
23.	Crisil	3,000	Long term - structured product	CRISIL PP MLD AA -r/stable	December 11, 2013
24.	Crisil	750	Short Term	CRISIL PP- MLD A1+R	November 25, 2013
25.	Crisil	500	Short Term	CRISIL PP- MLD A1+R	November 25, 2013
26.	CARE	250	Long term - NCD	CARE AA	September 4, 2013
27.	CARE	1,500	Long term - NCD	CARE AA	August 21, 2013
28.	Crisil	3,000	Long term - structured product	CRISIL PP MLD AA -r/stable	December 11, 2013
29.	CARE	500	Long Term PP-MLD	CARE PP MLD- AA	September 16, 2013
30.	CARE	1,000	Long term – subordinate debt	CARE AA	July 23, 2013
31.	BWR	1,000	Long term - subordinate debt	BWR AA	July 23, 2013

Sr.No	Rating Agency	Amount	Purpose	Rating	Date of Issue/revalidation of rating
32.	CARE	1,000	Bank Lines	CARE AA	December 2, 2013
33.	Crisil	1,000	Long term - NCD	CRISIL AA- /Stable	December 11, 2013
34.	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, 2009	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013	Six months ended September 30, 2013
C A R prescribed by RBI	12	12	12	12	15	15
Total Capital Adequacy Ratio	145.00%	49.46%	35.26%	24.60%	18.40%	20.76%
Out of which:						
Tier I	132.00%	49.09%	35.04%	24.39%	18.17%	20.53%
Tier II	13.00%	0.37%	0.22%	0.21%	0.23%	0.23%

## 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:

<b>As on</b>	<b>No of employees</b>
March 31, 2011	55
March 31, 2012	106
March 31, 2013	280
November 30, 2013	329

## 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.

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 14<sup>th</sup> 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"><li>• Commenced SME &amp; LAP business during Financial Year 2012</li><li>• The Loan Book of our Company was ₹31,873 millions as on March 31, 2012</li></ul>
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 ₹48,394 millions as on September 30, 2013

### 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. Ltd. (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. Ltd. 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. Ltd. or its affiliates after the lock in period i.e., May 31, 2009; (2) Waverly Pte. Ltd. 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. Ltd. does not intend to exercise the tag along rights, then our Promoter has the right of Drag Along.
- Waverly Pte. Ltd. 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 Prospectus, we have 3 (three) Executive Directors, 1 (one) 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 5 (five) Directors on the Board of Directors.

### **Details relating to Directors**

Name, Designation, DIN, Nationality, Occupation and Address	Age (years)	Date of Appointment	Other Directorships
<p><b>Mr. Rashesh Shah</b></p> <p><b>Designation:</b> Managing Director</p> <p><b>DIN:</b> 00008322</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Service</p> <p><b>Address:</b> B- 233, 10<sup>th</sup> Floor, Kalpataru Horizon –B, S.K. Ahire Marg, Worli, Mumbai – 400 018</p>	50	August 01, 2013	<ol style="list-style-type: none"> <li>1. Edelweiss Financial Services Limited</li> <li>2. Ivy Financial Services Private Limited</li> <li>3. Edelweiss Tokio Life Insurance Company Limited</li> <li>4. Rediff.com India Limited</li> <li>5. Edelweiss Asset Reconstruction Company Limited</li> <li>6. SBI Hong Kong Co. Ltd</li> </ol>
<p><b>Mr. Raviprakash R. Bubna</b></p> <p><b>Designation:</b> Managing Director &amp; CEO</p> <p><b>DIN:</b> 00090160</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Service</p> <p><b>Address:</b> 1203, 'C' Wing, Lakshachandi Heights, Krishna Vatika Marg, Gokuldham, Goregaon (East), Mumbai - 400 063</p>	46	December 01, 2009	<ol style="list-style-type: none"> <li>1. Edelweiss Finance &amp; Investments Limited</li> </ol>
<p><b>Mr. Himanshu Kaji</b></p> <p><b>Designation:</b> Executive Director</p> <p><b>DIN:</b> 00009438</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Service</p> <p><b>Address:</b> C/7, Ishwar Niwas, Sicka Nagar, VP Road, Mumbai – 400 004</p>	48	August 01, 2013	<ol style="list-style-type: none"> <li>1. Kaji and Maulik Securities Private Limited</li> <li>2. HNK Consulting Private Limited</li> <li>3. Edelweiss Financial Services Limited</li> <li>4. Edelweiss Trusteeship Company Limited</li> </ol>
<p><b>Mr. Rujan Panjwani</b></p> <p><b>Designation:</b> Non Executive Director</p> <p><b>DIN:</b> 00237366</p>	50	May 15, 2008	<ol style="list-style-type: none"> <li>1. Edelweiss Financial Services Limited</li> <li>2. Edelweiss Tokio Life Insurance Company Limited</li> </ol>

Name, Designation, DIN, Nationality, Occupation and Address	Age (years)	Date of Appointment	Other Directorships
<p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Service</p> <p><b>Address:</b> 26<sup>th</sup> Hem Prabha, 7<sup>th</sup> Floor, Marine Drive, Mumbai 400 020</p>			<p>3. Edelweiss Asset Management Limited</p> <p>4. Edel Land Limited</p> <p>5. Edelweiss Custodial Services Limited</p> <p>6. EC Global Limited</p> <p>7. Edelweiss Commodities Services Limited</p>
<p><b>Mr. P N Venkatachalam</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>DIN:</b> 00499442</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Professional</p> <p><b>Address:</b> Flat No. 3C, Settlor Manor No.2, Sivaswamy Street, (Behind UTI Bank), Off Dr. Radhakrishnan Salai, Mylapore, Chennai, Tamil Nadu – 600 004</p>	69	December 20, 2007	<p>1. Khazana Jewellery Private Limited</p> <p>2. Edelweiss Financial Services Limited</p> <p>3. Edelweiss Finance &amp; Investments Limited</p> <p>4. Edelweiss Commodities Services Limited</p> <p>5. Sundaram Finance Limited</p> <p>6. UTI Asset Management Company Limited</p> <p>7. UTI Retirement Solutions Limited</p>

#### 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 46 years, is the Managing Director & CEO of our Company. 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 of our Company. 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, human resources, 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 50 years, is a Non – executive director of our Company. 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 69 years, is an Independent Director of our Company. 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.

#### **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.

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 to Mr. Raviprakash R. Bubna for the financial year ended March 31, 2013 is ₹16,628,052.

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

<b>S. No.</b>	<b>Category</b>	<b>Remuneration</b>
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

#### **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.

### **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.

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 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 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.

### **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 Prospectus are as follows:

<b>Name of Director</b>	<b>Date of Change</b>	<b>Reason</b>
Mr. Rajeev Mehrotra	December 12, 2011	Resignation
Mr. Rashesh Shah	August 01, 2013	Appointment
Mr. Himanshu Kaji	August 01, 2013	Appointment

### **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:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Number of Equity Shares held</b>	<b>Percentage of the total paid-up capital (%)</b>
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 holds Equity Share of our Company as a nominee of our Promoter.

### **Details of various committees of the Board**

Our Company has 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 Act, 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 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 internal auditors and the CFO shall attend and participate at meetings of the Audit Committee but shall not have the right to vote.
2. The Audit Committee should have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the half yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
3. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in this section or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the company and external professional advice, if necessary.
4. The recommendations of the Audit Committee or any matter relating to financial management, including the audit report, shall be binding on the Board.
5. If the Board does not accept the recommendations of the Audit Committee, it shall record the reasons therefore and communicate such reasons to the shareholders.
6. The chairman of the Audit Committee shall attend the Annual General Meetings of the company to provide any clarifications on matters relating to audit.

## **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 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 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 Committee**

The Nomination Committee of our Company was constituted on July 25, 2007. The Nomination Committee was last reconstituted on January 23, 2012.

The members of the Nomination Committee as on date of this 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. The Nomination Committee shall act in accordance with the terms of reference as may be specified by the Board from time to time including the ensuring of 'fit and proper' status and credentials of proposed/existing directors.

### **Debenture IPO Committee**

The Debenture IPO Committee of our Company was constituted on November 19, 2013.

The members of the Debenture IPO Committee as on date of this Prospectus are:

1. Mr. Raviprakash R. Bubna;
2. Mr. Himanshu Kaji; and
3. Mr. Rujan Panjwani;

The terms of reference of the Debenture IPO Committee, *inter alia*, include:

- i) to decide on the timing, size, pricing and the terms and conditions of the Public Issue;
- ii) to appoint Book Running Lead Managers (BRLMs), Underwriters, Brokers, Credit Rating Agencies, Debenture Trustees, Registrar and Transfer Agent, Legal Advisors and any other agencies or persons or intermediaries and to negotiate and finalise the terms of their appointment, to change and/or substitute any one or more of the aforesaid persons, execute the Mandate Letter, the Memorandum of Understanding, Agreements and other documents with aforesaid agencies/intermediaries, etc.;
- iii) to approve the draft Prospectus, Prospectus, make changes as may be required and to approve all other matters relating to the issue, to approve notices, advertisement, corrigendum (if required) and do all such acts, deeds, matters, and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitations, the utilization of the issue proceeds;
- iv) to finalise and settle and to execute and deliver or arrange the delivery of the Draft Prospectus and the Prospectus (the Offer Documents) with the Stock Exchange(s), Securities Exchange Board of India ("the SEBI"), Registrar of Companies and any other appropriate authorities, to finalise the Syndicate Agreement, Underwriting Agreement, Escrow Agreement, Other Agreements, if any, and all other documents, deeds, agreements and instruments as may be required or desirable in relation to the Public Issue;
- v) to authorise persons to do all the such acts, deeds as may be necessary including the power to sign, execute documents and appear before appropriate authorities;
- vi) to approve the Re-formatted Financial Statements of the Company for the purpose of incorporating in the Offer Documents;
- vii) to open and operate the Bank Accounts to be opened in connection with the Public Issue and to authorise persons to operate such Accounts;
- viii) to authorise and approve the payment of fees to Intermediaries, Agencies, and other related expenditure in connection with the Public Issue;
- ix) to do all such acts, deeds and things as may be required to dematerialise the Debentures of the Company and to sign agreements and/or such other documents as may be required with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and such other agencies, authorities or bodies as may be required in this connection;
- x) to decide on the Stock Exchanges where the Debentures will be listed, to decide the Designated Stock Exchange, to execute and to file draft Prospectus, Prospectus, other related documents with Stock Exchange, SEBI or any other appropriate Authority and to accept changes as may be suggested by such authorities;
- xi) to create a charge or any other security interest over such assets of the Company as considered expedient, in connection with the NCDs to be offered, issued and allotted pursuant to the Public Issue;
- xii) to authorise severally or jointly any Director of the Company or the Company Secretary, Executives of the Company or any other person to sign and execute the Debenture Trust Deed, agreements, deeds, documents and other necessary papers to be executed with aforesaid agencies, parties, etc for and on

behalf of the Company and with authority to vary, amend or modify the same as such authorised person may consider necessary, desirable or expedient in the interest of the Company and for the aforesaid purpose, to give such declarations, affidavits, certificates, etc as such authorised person deem fit and to do all acts, deeds, matters and things, as may be necessary;

- xiii) to issue Debenture Certificate(s), credit the Debentures to the beneficiary accounts;
- xiv) to do all such acts, deeds, matters and things and execute all such other documents, etc as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, finalising the basis of allocation, allotment of the Debentures to the successful allottees;
- xv) to settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit;
- xvi) to affix the Common Seal of the Company, if required on any agreement, undertaking, deed or other document, be affixed in the presence of anyone or more of the directors of the Company or more of the officers of the Company as may be authorised by the Board in this regard, accordance with the Articles of Association of the Company.”



## 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. Our Promoter has applied to the Reserve Bank of India for a banking license on June 28, 2013.

As of date, our Promoter has 47 subsidiaries including our Company:

S. No.	Name of the Companies
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 Private Limited
11	Edel Commodities Limited
12	EFSL Comtrade Ltd.
13	Edelweiss Commodities Pte Limited
14	Edel Commodities Trading Limited
15	EFSL Commodities Limited
16	Edelweiss Broking Limited
17	Edelweiss Web Services Limited
18	Edelweiss Financial Advisors Ltd.
19	Edel Finance Company Ltd.
20	Ecap Equities Limited
21	Edelcap Securities Limited
22	Affluent Dealcom Limited
23	ECL Finance Limited
24	Edelweiss Global Wealth Management Limited
25	Edelweiss Insurance Brokers Limited
26	EC Commodity Limited
27	Edelweiss Custodial Services Limited
28	Edelweiss Investment Adviser Limited
29	Edelweiss Tokio Life Insurance Company Limited
30	Edelweiss Trustee Services Limited
31	Edelweiss Alternative Asset Advisors Limited
32	Edel Investments Limited
33	Edel Land Limited
34	Edelgive Foundation
35	Edelweiss Asset Management Limited
36	Edelweiss Trusteeship Company Limited
37	Edelweiss Capital (Singapore) Pte. Limited
38	Edelweiss Alternative Asset Advisors Pte. Limited
39	Edelweiss International (Singapore) Pte. Limited
40	Edelweiss Investment Advisors Private Limited

S. No.	Name of the Companies
41	EC International Limited
42	Aster Commodities DMCC
43	ECap International Limited
44	EAAA LLC
45	EW Special Opportunities Advisors LLC
46	EW India Special Assets Advisors LLC
47	EW SBI Crossover Advisors LLC

### Interest of our Promoter in our Company

Except as stated under the chapter titled “*Financial Statements*’ beginning on page 100 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 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, 2013 and September 30, 2013, our Company, has outstanding bank facility of ₹14,740.26 million and ₹17,712.06 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 exchange in India or abroad.

Promoter share holding in our Company as on date of the 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
	<b>Total</b>	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:

**Shareholding Pattern of our Promoter as on September 30, 2013**

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
<b>(A) Shareholding of Promoter and Promoter Group</b>							
<b>(1) Indian</b>							
Individuals / Hindu Undivided Family	13	242765690	242765690	31.60	31.60	14900000	6.14
Bodies Corporate	1	41950000	41950000	5.46	5.46	0	0.00
<b>Sub Total (A1)</b>	<b>14</b>	<b>284715690</b>	<b>284715690</b>	<b>37.07</b>	<b>37.07</b>	<b>14900000</b>	<b>5.23</b>
<b>(2) Foreign</b>							
Individuals (Non-Residents / Foreign Individuals)	1	1000000	1000000	0.13	0.13	0	0.00
<b>Sub Total (A2)</b>	<b>1</b>	<b>1000000</b>	<b>1000000</b>	<b>0.13</b>	<b>0.13</b>	<b>0</b>	<b>0.00</b>
<b>Total shareholding of Promoter and Promoter Group (A) [(A1) + (A2)]</b>	<b>15</b>	<b>285715690</b>	<b>285715690</b>	<b>37.20</b>	<b>37.20</b>	<b>14900000</b>	<b>5.21</b>
<b>(B) Public Shareholding</b>							
<b>(1) Institutions</b>							
Mutual Funds / UTI	1	9864	9864	0.00	0.00	0	0.00
Financial Institutions / Banks	7	177513	177513	0.02	0.02	0	0.00
Foreign Institutional Investors	44	170802270	170802270	22.24	22.24	0	0.00
<b>Sub Total (B1)</b>	<b>52</b>	<b>170989647</b>	<b>170989647</b>	<b>22.26</b>	<b>22.26</b>	<b>0</b>	<b>0.00</b>
<b>(2) Non-Institutions</b>							
Bodies Corporate	687	6013179	6013179	0.78	0.78	0	0.00
<b>Individuals</b>							
Individual shareholders holding nominal share capital up to ₹1 lakh	127708	25886440	25770230	3.37	3.37	0	0.00
Individual shareholders holding nominal share capital in excess of ₹1 lakh	53	81751477	80951477	10.64	10.64	0	0.00

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
<b>Any Others (Specify)</b>							
Clearing Members	157	532077	532077	0.07	0.07	0	0.00
Non Resident Indians	619	17683446	17128446	2.30	2.30	0	0.00
Foreign Corporate Bodies	9	126649594	126493594	16.49	16.49	0	0.00
Independent Directors	3	8022180	8022180	1.04	1.04	0	0.00
Trusts	8	44898600	44898600	5.85	5.85	0	0.00
<b>Sub Total (B2)</b>	<b>129244</b>	<b>311436993</b>	<b>309809783</b>	<b>40.54</b>	<b>40.54</b>	<b>0</b>	<b>0.00</b>
<b>Total Public shareholding (B) [(B1) + (B2)]</b>	<b>129296</b>	<b>482426640</b>	<b>480799430</b>	<b>62.80</b>	<b>62.80</b>	<b>0</b>	<b>0.00</b>
<b>Total (A)+(B)</b>	<b>129311</b>	<b>768142330</b>	<b>766515120</b>	<b>100.00</b>	<b>100.00</b>	<b>14900000</b>	<b>1.94</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>(1) Promoter and Promoter Group</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>(2) Public</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>Sub Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>Total (A)+(B)+(C)</b>	<b>129311</b>	<b>768142330</b>	<b>766515120</b>	<b>0.00</b>	<b>100.00</b>	<b>14900000</b>	<b>1.94</b>
<b>Notes:</b>							
1. For determining public shareholding for the purpose of Clause 40A							
2. For definitions of Promoter and Promoter Group, refer to Clause 40A.							
3. Public shareholding							

#### Board of directors of our Promoter as on the date of filing of this 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.

**The changes in the board of directors of our Promoter during the last three years are as follows:**

Name of Director	Date of Change	Reason
Mr. Sanjiv Misra	May 16, 2011	Appointment
Mr. Himanshu Kaji	November 1, 2011	Appointment
Mr. Sunil Mitra	December 7, 2011	Appointment
Mr. Navtej S. Nandra	May 15, 2013	Appointment
Mr. Rujan Panjwani	June 24, 2013	Appointment
Mr. Kunnasagaran Chinniah	September 30, 2013	Resignation
Mr. Kunnasagaran Chinniah	October 1, 2013	Appointment

### 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, 2013	As at March 31, 2012	As at March 31, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	763.84	756.80	752.03
(b) Reserves and Surplus	26,830.90	25,591.38	23,646.83
<b>Sub total</b>	<b>27,594.74</b>	<b>26,348.18</b>	<b>24,398.86</b>
<b>(2) Share application money pending allotment</b>	<b>22.50</b>	<b>11.78</b>	<b>0.78</b>
<b>(3) Minority Interest</b>	<b>2,333.10</b>	<b>2,387.79</b>	<b>1,154.95</b>
<b>(4) Non Current Liabilities</b>			
(a) Long-term borrowings	19,800.83	10,774.62	4,616.92
(b) Deferred tax liabilities (Net)	-	-	-
(c) Other Long-term liabilities	135.45	115.76	81.68
(d) Long-term provisions	722.18	344.17	290.11
<b>Sub total</b>	<b>20,658.46</b>	<b>11,234.55</b>	<b>4,988.71</b>
<b>(5) Current liabilities</b>			
(a) Short-term borrowings	89,737.45	90,472.06	72,234.47
(b) Trade payables	10,230.31	7,833.32	40,781.29
(c) Other current liabilities	14,186.25	6,334.43	6,848.84
(d) Short-term provisions	570.21	828.16	851.63
<b>Sub total</b>	<b>114,724.22</b>	<b>105,467.97</b>	<b>120,716.23</b>
<b>TOTAL</b>	<b>165,333.02</b>	<b>145,450.27</b>	<b>151,259.53</b>
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	4,808.76	4,070.47	830.49
(ii) Intangible assets	151.80	134.31	48.26
(iii) Capital work-in-progress	17.16	1,003.14	3,891.95
(iii) Intangible assets under development	4.35	15.79	9.80
<b>Sub total</b>	<b>4,982.07</b>	<b>5,223.71</b>	<b>4,780.50</b>
(b) Goodwill on consolidation	1,404.03	1,394.67	1,394.67
(c) Non-current investments	8,086.57	7,316.12	2,353.77
(d) Deferred tax assets (Net)	359.64	259.83	527.53
(e) Long-term loans & advances	27,163.50	19,269.32	9,891.66
(f) Other non-current assets	3,051.82	1,348.91	12,739.88
<b>Sub total</b>	<b>45,047.63</b>	<b>34,812.56</b>	<b>31,688.01</b>
<b>(2) Current assets</b>			
(a) Current investments	4,026.00	6,694.63	1,533.44
(b) Stock-in-trade	31,520.81	33,830.34	14,171.72
(c) Trade receivables	1,583.23	1,888.64	36,933.07
(d) Cash and Bank Balances	37,089.79	32,747.56	24,109.64
(e) Short-term loans & advances	41,203.57	27,969.90	40,081.07
(f) Other current assets	4,861.99	7,506.64	2,742.58

Particulars	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
<b>Sub total</b>	<b>120,285.39</b>	<b>110,637.71</b>	<b>119,571.52</b>
<b>TOTAL</b>	<b>165,333.02</b>	<b>145,450.27</b>	<b>151,259.53</b>

#### Summary statement of profit and loss

(₹ in million)

Particulars	2012-2013	2011-2012	2010-2011
<b>INCOME</b>			
<b>Revenue from operations</b>			
a. Fee and commission income	3,193.71	3,213.08	4,140.48
b. Income from treasury	2,456.36	2,534.01	2,412.85
c. Interest income	15,354.56	10,660.95	7,552.69
d. Premium from life insurance business	524.77	107.20	-
e. Other operating revenue	243.35	109.76	147.23
<b>Other Income</b>	67.49	81.87	36.87
<b>Total Revenue</b>	<b>21,840.24</b>	<b>16,706.87</b>	<b>14,290.12</b>
<b>EXPENSES</b>			
a. Employee benefits expense	3,639.13	2,712.07	2,354.24
b. Finance cost	11,133.29	8,296.50	5,328.50
c. Depreciation and amortization expense	514.26	421.94	204.04
d. Change in life insurance policy liability	314.87	57.59	-
e. Other Expense	3,645.44	3,231.80	2,903.22
<b>Total expenses</b>	<b>19,246.99</b>	<b>14,719.90</b>	<b>10,790.00</b>
<b>Profit before exceptional items</b>	<b>2,593.25</b>	<b>1,986.97</b>	<b>3,500.12</b>
Exceptional items	-	-	-
<b>Profit before tax</b>	<b>2,593.25</b>	<b>1,986.97</b>	<b>3,500.12</b>
<b>Tax expenses</b>			
Current tax	1,094.95	390.03	1,007.51
Minimum alternate tax (MAT)	(117.82)	23.13	(83.22)
Deferred tax	(95.62)	267.70	106.68
<b>Total Tax expenses</b>	<b>881.51</b>	<b>680.86</b>	<b>1,030.97</b>
<b>Profit for the year</b>	<b>1,711.74</b>	<b>1,306.11</b>	<b>2,469.15</b>
Share of minority interest in profit for the year	(72.87)	28.68	138.99
<b>Profit for the year after minority interest</b>	<b>1,784.61</b>	<b>1,277.43</b>	<b>2,330.16</b>
Earnings per equity share (Face Value ₹1)			
Basic	2.35	1.69	3.10
Diluted	2.31	1.66	3.00

#### 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, 2013	As at March 31, 2012	As at March 31, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	763.84	756.80	752.03
(b) Reserves and Surplus	12781.18	12749.45	12477.29
<b>Sub total</b>	<b>13545.02</b>	<b>13506.25</b>	<b>13229.32</b>
<b>(2) Share application money pending allotment</b>	<b>22.50</b>	<b>11.78</b>	<b>0.78</b>

Particulars	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
<b>(3) Non Current Liabilities</b>			
(a) Long-term borrowings	2304.06	2525.47	538.33
(b) Deferred tax liabilities (Net)	-	-	-
(c) Other Long-term liabilities	-	-	-
(d) Long-term provisions	13.53	-	-
<b>Sub total</b>	<b>2317.59</b>	<b>2525.47</b>	<b>538.33</b>
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	6728.54	21300.62	34966.04
(b) Trade payables	65.79	94.10	164.13
(c) Other current liabilities	398.55	789.04	1062.63
(d) Short-term provisions	150.16	311.50	372.28
<b>Sub total</b>	<b>7343.04</b>	<b>22495.26</b>	<b>36565.08</b>
<b>TOTAL</b>	<b>23228.15</b>	<b>38538.76</b>	<b>50333.51</b>
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	45.90	42.41	35.62
(ii) Intangible assets	18.86	14.47	1.89
(iii) Capital work-in-progress	-	-	-
<b>Sub total</b>	<b>64.76</b>	<b>56.88</b>	<b>37.51</b>
(b) Non-current investments	14297.98	14406.89	11966.66
(c) Deferred tax assets (Net)	27.55	19.98	42.29
(d) Long-term loans & advances	536.73	2100.58	2682.52
(e) Other non-current assets	-	-	3.05
<b>Sub total</b>	<b>14862.26</b>	<b>16527.45</b>	<b>14694.52</b>
<b>(2) Current assets</b>			
(a) Current investments	-	237.90	28.57
(b) Inventories	-	-	-
(c) Trade receivables	122.88	204.82	171.25
(d) Cash and Bank Balances	193.93	14.82	109.69
(e) Short-term loans & advances	7700.01	20846.00	35097.85
(f) Other current assets	284.31	650.89	194.12
<b>Sub total</b>	<b>8301.13</b>	<b>21954.43</b>	<b>35601.48</b>
<b>TOTAL</b>	<b>23228.15</b>	<b>38538.76</b>	<b>50333.51</b>

#### Summary statement of profit and loss

(₹ in million)

Particulars	2012-2013	2011-2012	2010-2011
<b>INCOME</b>			
Revenue from operations	1568.08	2069.51	4395.52
Other Income	0.61	3.40	0.03
<b>Total Revenue</b>	<b>1568.69</b>	<b>2072.91</b>	<b>4395.55</b>
<b>EXPENDITURE</b>			
a. Employee benefits expense	388.94	373.53	378.52
b. Finance cost	390.35	633.39	3001.60
c. Depreciation and amortisation expense	19.49	17.07	14.19
d. Other Expense	298.81	289.14	377.53
e. Provision & write off	-	-	-
<b>Total expenditure</b>	<b>1097.59</b>	<b>1313.13</b>	<b>3771.84</b>
<b>Profit before exceptional items</b>	<b>471.10</b>	<b>759.78</b>	<b>623.71</b>
Exceptional items	-	-	-
<b>Profit before tax</b>	<b>471.10</b>	<b>759.78</b>	<b>623.71</b>
<b>Tax expenses</b>			
Current tax expense for current year	10.76	45.00	21.99
Deferred tax / Minimum alternate tax	-7.57	28.44	14.47

<b>Particulars</b>	<b>2012-2013</b>	<b>2011-2012</b>	<b>2010-2011</b>
Current tax expense for previous year	-	-	-
<b>Total Tax expenses</b>	<b>3.19</b>	<b>73.44</b>	<b>36.46</b>
<b>Profit (loss) for the year</b>	<b>467.91</b>	<b>686.34</b>	<b>587.25</b>
Earnings per equity share (Face Value ₹1)			
Basic	0.62	0.91	0.78
Diluted	0.60	0.89	0.76



**SECTION V - FINANCIAL INFORMATION**

**FINANCIAL STATEMENTS**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No.</b>
1.	Auditors report on the Reformatted Standalone Financial Statements of our Company as at and for the financial years ended March 31, 2009, 2010, 2011, 2012 and 2013 as issued by the Statutory Auditor.	F-1
2.	Financial Information of our Company as at and for the financial years ended March 31, 2009, 2010, 2011, 2012 and 2013.	F-4
3.	Limited review report on the statement of unaudited financial results of our Company for the six months ended September 30, 2013	F-103
4.	Limited review unaudited financial results for the half year ended on September 30, 2013	F-105

**B S R & Associates LLP**

The Board of Directors  
ECL Finance Limited  
Edelweiss House  
Off CST Road  
Kalina  
MUMBAI 400 098

24 December 2013

Dear Sirs

We have examined the Reformatted Standalone Statement of Assets and Liabilities and Schedules forming part thereof, the Reformatted Standalone Statement of Profits 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 2013, 31 March 2012, 31 March 2011, 31 March 2010 and 31 March 2009 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 Secured Redeemable Non Convertible Debentures ('NCDs') of ₹ 1,000 each (face value) aggregating to Rs ₹ 2,500 million with an option to retain over-subscription upto ₹ 2,500 million aggregating to a total of upto ₹ 5,000 million (Proposed Public Issue), approved by the Board of Directors of the Company by taking into consideration the requirements of :-

- a. paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act') 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 2013, 31 March 2012, 31 March 2011, 31 March 2010 and 31 March 2009 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 14 May 2013; 15 May 2012; 16 May 2011; 20 May 2010 and 21 May 2009 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 Paragraph B(1) of Part II of Schedule II of the Act, the Regulations and the terms of our engagement agreed with you, we further report that:

## **B S R & Associates LLP**

The Reformatted Standalone Financial Statements of the Company as at and for the years ended 31 March 2013, 31 March 2012, 31 March 2011, 31 March 2010 and 31 March 2009 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 2013. 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 2013.

### **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 2013, 31 March 2012, 31 March 2011, 31 March 2010 and 31 March 2009:
  - 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

**B S R & Associates LLP**

- 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 Paragraph B(1) of Part II of Schedule II of the Act 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

**Minaar Malse**  
*Partner*  
Membership No: 117804  
Mumbai

## Reformatted Standalone Statement of Assets and Liabilities

(Currency : ₹ in millions)

	Note	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 March 2009
<b>EQUITY AND LIABILITIES</b>						
<b>Shareholders' funds</b>						
Share capital	2	1,891.85	1,891.85	1,891.85	1,891.85	1,891.85
Reserves and surplus	3	12,322.54	11,090.08	10,280.58	9,262.40	8,479.55
		14,214.39	12,981.93	12,172.43	11,154.25	10,371.40
<b>Non-current liabilities</b>						
Long-term borrowings	4	12,650.49	6,790.74	4,194.51	2,526.15	1,022.71
Other long term liabilities	5	50.90	14.71	33.50	-	-
Long-term provisions	6	206.54	151.16	74.75	46.92	44.98
<b>Current liabilities</b>						
Short-term borrowings	7	30,181.71	17,624.73	12,672.98	8,622.30	144.89
Trade payables	8	198.21	210.79	255.15	215.85	25.45
Other current liabilities	9	7,201.22	3,595.63	1,508.96	124.49	86.94
Short-term provisions	10	116.18	219.12	120.93	270.66	75.37
<b>TOTAL</b>		<b>64,819.64</b>	<b>41,588.81</b>	<b>31,033.21</b>	<b>22,960.62</b>	<b>11,771.74</b>
<b>ASSETS</b>						
<b>Non-current assets</b>						
Fixed assets	11					
Tangible assets		270.39	279.32	9.03	5.69	3.02
Intangible assets		0.70	-	-	-	-
Non-current investments	12	4,847.50	4,650.00	1,000.01	1.76	-
Deferred tax assets (Net)	13	92.01	68.54	50.68	45.52	29.43
Long-term loans and advances	14	20,973.26	11,703.69	6,297.94	3,248.96	1,064.69
		26,183.86	16,701.55	7,357.66	3,301.93	1,097.14
<b>Current assets</b>						
Current investments	15	0.93	20.72	28.74	26.55	124.60
Stock in trade	16	7,028.17	3,342.66	4,371.96	7,907.85	2,386.10
Trade receivables	17	31.84	279.02	38.28	-	-
Cash and bank balances	18	3,654.06	309.65	197.37	66.59	3,492.48
Short-term loans and advances	19	27,298.29	20,526.21	18,611.40	11,520.15	4,651.99
Other current assets	20	622.49	409.00	427.80	137.55	19.43
		38,635.78	24,887.26	23,675.55	19,658.69	10,674.60
<b>TOTAL</b>		<b>64,819.64</b>	<b>41,588.81</b>	<b>31,033.21</b>	<b>22,960.62</b>	<b>11,771.74</b>

Note : The accompanying statement of significant accounting policies (Note 1) and notes to statements (note 2 to 46) 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

**Minaar Malse**  
Partner  
Membership No: 117804

**Ravi R. Bubna**  
Managing Director & CEO

**Himanshu Kaji**  
Executive Director

Place: Mumbai  
Date: 24 December 2013

Mumbai  
24 December 2013

**Preeti Chhabria**  
Company Secretary

## Reformatted Standalone Statement of Profit and Loss

(Currency : ₹ in millions)

	Note	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	For the year ended 31 March 2009
<b>Revenue from operations</b>						
Fee and commission income	21	342.79	190.52	182.46	124.92	51.62
Income from treasury	22	(512.35)	(460.67)	123.42	244.31	(71.73)
Interest income	23	6,667.25	4,282.27	3,951.66	1,594.20	1,481.67
Other operating revenue	24	-	0.24	2.67	-	-
<b>Other income</b>	25	8.71	1.67	1.57	6.40	10.87
<b>Total revenue</b>		<u>6,506.40</u>	<u>4,014.03</u>	<u>4,261.78</u>	<u>1,969.83</u>	<u>1,472.43</u>
<b>Expenses</b>						
Employee benefits expenses	26	498.77	235.57	181.25	94.18	89.21
Finance costs	27	3,354.87	1,849.40	1,771.22	338.90	278.79
Depreciation	11	19.24	10.58	1.82	1.50	1.58
Other expenses	28	802.01	733.40	766.20	366.99	108.40
<b>Total expenses</b>		<u>4,674.89</u>	<u>2,828.95</u>	<u>2,720.49</u>	<u>801.57</u>	<u>477.98</u>
<b>Profit before tax</b>		1,831.51	1,185.08	1,541.29	1,168.26	994.45
Tax expense:						
(1) Current tax (includes short/excess provisions of earlier years)		643.30	393.44	528.25	401.50	343.10
(2) Deferred tax benefit		(23.48)	(17.86)	(5.15)	(16.09)	(15.16)
(3) Fringe benefit tax		-	-	-	-	0.46
<b>Profit for the year</b>		<u>1,211.69</u>	<u>809.50</u>	<u>1,018.19</u>	<u>782.85</u>	<u>666.05</u>

**Basic and diluted earnings per equity share (Face value Re. 1 each)**

31	0.64	0.43	0.54	0.41	0.74
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Note : The accompanying statement of significant accounting policies (note 1) and notes to statements (note 2 to 46) 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

**Minaar Malse**  
Partner  
Membership No: 117804

**Ravi R. Bubna**  
Managing Director & CEO

**Himanshu Kaji**  
Executive Director

**Preeti Chhabria**  
Company Secretary

Place: Mumbai  
Date: 24 December 2013

Mumbai  
24 December 2013

## Reformatted Standalone Statement of Cash Flows

(Currency : ₹ in millions)

	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	For the year ended 31 March 2009
<b>A Cash flow from operating activities</b>					
Profit before tax	1,831.51	1,185.08	1,541.29	1,168.25	994.45
<b>Adjustments for</b>					
Depreciation	19.25	10.58	1.82	1.50	1.59
Provision for gratuity	-	-	-	0.48	-
Provision for compensated absences	2.76	0.52	0.96	-	-
Provision for standard assets	47.76	21.82	(9.25)	38.86	(8.36)
Provision for non performing assets	51.82	61.14	50.20	8.54	4.53
Bad- debts and advances written off	16.94	-	-	-	-
Profit on sale of current investments	(1.92)	(0.78)	(2.26)	(9.98)	(32.16)
Dividend on current investment	-	(0.87)	(1.43)	(47.05)	(62.25)
Share of (profit)/ loss from partnership firm	1.30	(15.26)	13.54	(1.75)	-
(Profit)/ loss on sale of fixed assets	(0.31)	-	-	-	(0.01)
Interest income on fixed deposits	(10.87)	(16.75)	(4.77)	(89.26)	(2.21)
Interest income on inter-corporate deposits	-	-	-	-	(191.45)
Amortised loan processing fees	(19.70)	(1.93)	-	-	-
Amortised loan origination cost	24.12	2.20	-	-	-
Write-off of fixed assets	-	0.01	-	-	-
<b>Operating cash flow before working capital changes</b>	<b>1,962.66</b>	<b>1,245.76</b>	<b>1,590.10</b>	<b>1,069.59</b>	<b>704.13</b>
<i>Add / (Less): Adjustments for working capital changes</i>					
Decrease/ (increase) in trade receivables	247.18	(240.74)	(20.91)	-	-
(Increase)/ decrease in stock in trade	(3,685.52)	1,029.31	3,535.90	(5,521.77)	(785.45)
(Increase)/decrease in receivables from financing business (net) (Refer note a)	(16,134.45)	(7,387.23)	(9,981.21)	(8,902.86)	2,561.49
(Increase)/ decrease in loans and advances	(51.16)	273.33	(27.69)	(12.13)	(12.73)
Inter-corporate deposit placed	-	-	(300.00)	-	-
(Increase) in other assets and bank balances	(2,112.53)	(31.00)	(384.18)	(119.78)	(6.11)
Increase/(decrease) in liabilities and provisions	3,641.31	2,116.57	181.12	224.42	(93.64)
(Decrease)/ increase in loan from holding company	(227.57)	498.12	(369.27)	395.29	(1,284.20)
Increase/ (decrease) in commercial paper	8,102.80	(2,146.53)	5,614.18	6,166.62	-
(Decrease)/increase in inter-corporate deposit issued	(75.31)	(165.86)	-	219.00	(41.00)
Increase in bank overdraft	1,036.17	6,446.01	501.27	-	-
Increase in working capital demand loan	2,510.89	-	-	-	-
Proceeds from Collateralised borrowing and lending obligations	710.00	320.00	-	-	-
(Decrease) in optionally fully convertible debentures	-	-	-	(1,020.90)	-
Increase/(decrease) in non convertible debentures	500.00	-	(1,680.00)	4,219.10	-
<b>Cash generated/ (used in) from operations</b>	<b>(3,575.53)</b>	<b>1,957.74</b>	<b>(1,340.69)</b>	<b>(3,283.42)</b>	<b>1,042.49</b>
Income taxes paid	(682.72)	(602.30)	(537.69)	(386.73)	(310.65)
<b>Net cash generated/ (used in) from operating activities - A</b>	<b>(4,258.25)</b>	<b>1,355.44</b>	<b>(1,878.38)</b>	<b>(3,670.15)</b>	<b>731.84</b>
<b>B Cash flow from investing activities</b>					
Purchase of fixed assets	(12.77)	(280.88)	(5.16)	(4.18)	(0.04)
Sale of fixed assets	2.07	-	-	-	0.05
Purchase of investments	(197.50)	(3,670.33)	(1,029.97)	(227,357.93)	(300,956.95)
Sale of investments	21.71	29.13	31.79	227,465.95	300,864.51
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	0.52
Interest received on inter-corporate deposit placed	-	-	-	-	191.45
Dividend on current investments	-	0.87	1.43	47.05	62.25
<b>Net cash used in investing activities - B</b>	<b>(177.94)</b>	<b>(3,889.20)</b>	<b>(1,010.68)</b>	<b>241.84</b>	<b>161.79</b>

## Reformatted Standalone Statement of Cash Flows

(Currency : ₹ in millions)

	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	For the year ended 31 March 2009
<b>C Cash flow from financing activities</b>					
Proceeds from issue of share capital	-	-	-	-	2,589.01
Proceeds from other secured loans (net) (Refer note a)	5,880.52	2,596.23	2,919.85	2.41	(0.26)
<b>Net cash generated from financing activities - C</b>	<b>5,880.52</b>	<b>2,596.23</b>	<b>2,919.85</b>	<b>2.41</b>	<b>2,588.76</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,444.33</b>	<b>62.47</b>	<b>30.79</b>	<b>(3,425.90)</b>	<b>3,482.39</b>
Cash and cash equivalent as at the beginning of the year	159.84	97.37	66.58	3,492.48	10.09
Cash and cash equivalent as at the end of the year (Refer note 18)	1,604.17	159.84	97.37	66.58	3,492.48

## 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

**Minaar Malse**  
Partner  
Membership No: 117804

**Ravi R. Bubna**  
Managing Director & CEO

**Himanshu Kaji**  
Executive Director

**Preeti Chhabria**  
Company Secretary

Place: Mumbai  
Date: 24 December 2013

Mumbai  
24 December 2013



# 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 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" in the proportion of current loans to long term loans. In the event of a loan being foreclosed or written off, the unamortised portion of its processing fees is recognised as income at the time of such foreclosure or written 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. 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

# ECL Finance Limited

Notes forming part of Reformatted Standalone Financial Statements

## **1.3 Revenue recognition (Continued)**

**Annexure IV**

the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.

- iii) In respect of interest rate derivatives, realised profit/loss on maturity/termination of contract is recognised as 'Profit 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.
- e. Dividend income is recognised when the right to receive payment is established.
- f. 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.
- g. 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.

## **1.4 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.

## **1.5 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.

Gain on securitization of assets is recognized as the difference between the book value of the securitized asset and consideration received on the assets derecognized from the books. The same is amortised over the life of the security receipts/pass through certificates issued by the Special Purpose Vehicle ('SPV') in accordance with the applicable guidelines issued by the RBI. Losses, if any, are recognized immediately.

# ECL Finance Limited

Notes forming part of Reformatted Standalone Financial Statements

## Annexure IV

### 1.6 *Provisioning on receivables from financing business*

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

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

### 1.7 *Fixed assets and depreciation*

#### **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:

<b>Class of asset</b>	<b>Rate of depreciation</b>
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.

### 1.8 *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.

# ECL Finance Limited

Notes forming part of Reformatted Standalone Financial Statements

## Annexure IV

### 1.9 *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.
- 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.

### 1.10 *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.

### 1.11 *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" in proportion of long term loans to current loans. 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.

### 1.12 *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.

# ECL Finance Limited

Notes forming part of Reformatted Standalone Financial Statements

## **1.12 Employee benefits (Continued)**

## **Annexure IV**

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

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

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

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

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

### *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.

## **1.13 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.

## **1.14 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

## Annexure IV

### **1.15 Earnings per share**

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.

### **1.16 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 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 March 2009
<b>2 Share capital</b>					
<b>Authorised :</b>					
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
	<u>6,740.00</u>	<u>6,740.00</u>	<u>6,740.00</u>	<u>6,740.00</u>	<u>6,740.00</u>

**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
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(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).

	<u>1,891.85</u>	<u>1,891.85</u>	<u>1,891.85</u>	<u>1,891.85</u>	<u>1,891.85</u>
--	-----------------	-----------------	-----------------	-----------------	-----------------

**a. Movement in share capital :**

	31 March 2013 Amount	31 March 2012 Amount	31 March 2011 Amount	31 March 2010 Amount	31 March 2009 Amount
Outstanding at the beginning of the year	1,891.85	1,891.85	1,891.85	1,891.85	570.18
Shares issued during the year:					
Conversion of option	-	-	-	-	50.00
Rights Issue on equity shares	-	-	-	-	1,271.67
Outstanding at the end of the year	<u>1,891.85</u>	<u>1,891.85</u>	<u>1,891.85</u>	<u>1,891.85</u>	<u>1,891.85</u>

**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 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 March 2009	
	No of shares	No of shares	No of shares	No of shares	No of shares	%
<b>Holding company</b>						
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%
<b>Fellow subsidiaries</b>						
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%
	<u>1,744,352,462</u>	<u>1,744,352,462</u>	<u>1,744,352,462</u>	<u>1,744,352,462</u>	<u>1,744,352,462</u>	<u>92.20%</u>

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

	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 March 2009	
	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%
	<u>1,891,848,462</u>	<u>1,891,848,462</u>	<u>1,891,848,462</u>	<u>1,891,848,462</u>	<u>1,891,848,462</u>	<u>100.00%</u>

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 March 2009
<b>3 Reserves and surplus</b>					
Securities Premium Account	7,293.17	7,293.17	7,293.17	7,293.17	6,025.83
Add : Additions during the year					
On conversion of option	-	-	-	-	250.00
On issue of nifty linked debentures	45.75	-	-	-	-
On right issue of equity shares	-	-	-	-	1,017.34
Less: Provision for premium payable on redemption of debentures	(24.99)	-	-	-	-
	<u>7,313.93</u>	<u>7,293.17</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 *	759.40	597.50	393.86	237.29	104.08
Add : Additions during the year	242.34	161.90	203.64	156.57	133.21
	<u>1,001.74</u>	<u>759.40</u>	<u>597.50</u>	<u>393.86</u>	<u>237.29</u>
Surplus in statement of profit and loss					
Opening Balance	3,037.52	2,389.91	1,575.36	949.09	416.25
Add: Profit for the year	1,211.69	809.50	1,018.19	782.85	666.05
<b>Amount available for appropriation</b>	<u>4,249.21</u>	<u>3,199.41</u>	<u>2,593.55</u>	<u>1,731.94</u>	<u>1,082.30</u>
Appropriations:					
Transfer to Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934	242.34	161.90	203.64	156.57	133.21
	<u>4,006.87</u>	<u>3,037.51</u>	<u>2,389.91</u>	<u>1,575.37</u>	<u>949.09</u>
	<u>12,322.54</u>	<u>11,090.08</u>	<u>10,280.58</u>	<u>9,262.40</u>	<u>8,479.55</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 millions)

	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 March 2009
<b>4 Long-term borrowings</b>					
<b><u>Secured</u></b>					
Non-convertible redeemable debentures					
a. Secured by charge on immovable property and floating charge on stock-in-trade	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 (Refer note 40)	7,329.96	4,739.97	2,943.00	2,500.00	-
	8,854.94	6,789.97	4,193.00	2,523.60	-
Term loans from bank	3,795.25	-	-	-	-
(Secured by charge on receivables from financing business and corporate guarantee from holding company) (Refer note 41)					
Vehicle loans (Secured by hypothecation of vehicles.)	0.30	0.77	1.51	2.55	0.81
<b><u>Unsecured</u></b>					
Optionally fully convertible debentures	-	-	-	-	1,020.90
Inter-corporate deposit	-	-	-	-	1.00
	12,650.49	6,790.74	4,194.51	2,526.15	1,022.71
<b>5 Other long term liabilities</b>					
Unamortised processing fees	50.90	14.71	-	-	-
Debenture application monies received pending allotment	-	-	33.50	-	-
	50.90	14.71	33.50	-	-
<b>6 Long-term provisions</b>					
Provision for employee benefits					
Gratuity	6.42	-	-	1.60	1.12
Compensated leave absences	2.53	-	-	-	-
Deferred bonus	-	-	-	27.31	37.71
Provision for non performing assets	145.85	122.93	59.32	3.10	-
Provision for standard assets	51.74	28.23	15.43	14.91	6.15
	206.54	151.16	74.75	46.92	44.98

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 March 2009
<b>7 Short-term borrowings</b>					
<b><u>Secured</u></b>					
Bank overdraft [Secured by charge on receivables from financing business ]	7,983.46	6,947.29	501.27	-	-
Collateralised borrowing and lending obligation [Secured by pledge of Government securities]	1,030.00	320.00	-	-	-
Working capital demand loan [Secured by charge on receivables from financing business ]	2,510.89	-	-	-	-
Non-convertible debenture [Secured by charge on immovable property and floating charge on loans and advances ] (Refer note 40)	500.00	-	-	15.50	-
	<u>12,024.35</u>	<u>7,267.29</u>	<u>501.27</u>	<u>15.50</u>	<u>-</u>
<b><u>Unsecured</u></b>					
Loan from Edelweiss Financial Services Limited the holding company [repayable on demand, at variable rate of interest]	411.46	639.03	140.91	510.18	114.89
Non-convertible debentures	-	-	-	1,680.00	-
Inter-corporate deposit	8.83	84.14	250.00	250.00	30.00
Commercial paper	18,080.00	9,880.00	11,990.00	6,300.00	-
Less: Unamortised discount	<u>342.93</u>	<u>245.73</u>	<u>209.20</u>	<u>133.38</u>	<u>-</u>
	<u>17,737.07</u>	<u>9,634.27</u>	<u>11,780.80</u>	<u>6,166.62</u>	<u>-</u>
	<u>18,157.36</u>	<u>10,357.44</u>	<u>12,171.71</u>	<u>8,606.80</u>	<u>144.89</u>
	<u>30,181.71</u>	<u>17,624.73</u>	<u>12,672.98</u>	<u>8,622.30</u>	<u>144.89</u>

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 March 2009
<b>8 Trade payables</b>					
Trade payables (includes sundry creditors, provision for expenses and customer payables)	198.21	210.79	255.15	215.85	25.45
	<u>198.21</u>	<u>210.79</u>	<u>255.15</u>	<u>215.85</u>	<u>25.45</u>
<b>9 Other current liabilities</b>					
Current maturities of secured long term debt :					
Term loan from bank	450.00	-	-	-	-
Non-convertible redeemable debentures (Refer note 40)	4,446.45	2,616.50	1,266.90	-	-
Vehicle loans	0.37	0.83	1.04	0.95	0.29
Interest accrued but not due on borrowings	891.80	361.38	151.60	16.49	8.63
Interest accrued and due on borrowings	0.56	187.81	-	-	-
Income received in advance	47.41	-	0.35	19.85	4.44
Debenture application monies received pending allotment	617.10	-	-	-	-
Other Payables :					
Accrued salaries and benefits	164.53	60.18	37.79	35.65	36.01
Withholding taxes, service tax and other taxes payable	57.81	34.54	39.99	21.14	37.57
Book overdraft	334.13	212.75	-	30.41	-
Unamortised processing fees	34.11	17.08	-	-	-
Premium received on outstanding exchange traded options	151.17	103.75	11.23	-	-
Others	5.78	0.81	0.06	-	-
	<u>7,201.22</u>	<u>3,595.63</u>	<u>1,508.96</u>	<u>124.49</u>	<u>86.94</u>
<b>10 Short-term provisions</b>					
Provision for employee benefits					
Compensated absences	1.70	1.48	0.96	-	-
Deferred bonus	3.81	17.81	27.31	7.55	-
Others :					
Provision for non performing assets	30.31	1.41	3.96	9.97	4.53
Provision for standard assets	79.69	55.43	46.33	56.10	26.00
Provision for tax (Net of advance tax 2013 ₹ 33.99 Million; 2012 ₹ 71.12 Million; 2011 ₹ 490.76 Million; 2010 ₹ 415.18 Million; 2009 ₹ 292.02 Million)	0.67	142.99	42.37	197.04	44.84
	<u>116.18</u>	<u>219.12</u>	<u>120.93</u>	<u>270.66</u>	<u>75.37</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			
<b>Gross Block</b>									
As at 31 March 2008	-	2.10	0.01	2.01	0.80	0.58	5.50	-	5.50
Addition	-	-	0.04	-	-	-	0.04	-	0.04
Disposals	-	-	-	-	-	(0.10)	(0.10)	-	(0.10)
<b>As at 31 March 2009</b>	-	2.10	0.05	2.01	0.80	0.48	5.44	-	5.44
Addition	-	-	-	3.51	0.67	-	4.18	-	4.18
Disposals	-	(2.10)	-	-	-	-	(2.10)	-	(2.10)
<b>As at 31 March 2010</b>	-	-	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	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2011</b>	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)
<b>As at 31 March 2012</b>	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)
<b>As at 31 March 2013</b>	269.26	0.31	0.05	24.34	2.86	5.91	302.73	0.71	303.44

Particulars	Tangible assets						Total Tangible Asset	Intangible Assets Computer Software	Total Fixed Assets
	Building	Leasehold improvements	Furniture and Fixtures	Vehicles	Office equipment	Computers			
<b>Accumulated Depreciation</b>									
As at 31 March 2008	-	0.49	0.01	0.25	0.04	0.12	0.91	-	0.91
Charge for the year	-	0.83	0.01	0.46	0.10	0.18	1.58	-	1.58
Disposals	-	-	-	-	-	(0.07)	(0.07)	-	(0.07)
<b>As at 31 March 2009</b>	-	1.32	0.02	0.71	0.14	0.23	2.42	-	2.42
Charge for the year	-	0.78	0.00	0.46	0.16	0.10	1.50	-	1.50
Disposals	-	(2.10)	-	-	-	-	(2.10)	-	(2.10)
<b>As at 31 March 2010</b>	-	-	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	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2011</b>	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)
<b>As at 31 March 2012</b>	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)	-	(1.02)	-	(1.02)
<b>As at 31 March 2013</b>	19.99	0.03	0.02	9.79	0.88	1.64	32.34	0.01	32.35

Particulars	Tangible assets						Total Tangible Asset	Intangible Assets Computer Software	Total Fixed Assets
	Building	Leasehold improvements	Furniture and Fixtures	Vehicles	Office equipment	Computers			
<b>Net Block</b>									
As at 31 March 2009	-	0.78	0.03	1.30	0.66	0.25	3.02	-	3.02
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

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 March 2009
<b>12 Non-current investments</b>					
Others (unquoted)					
<i>Investments in equity shares of companies (fully paid up)</i>					
Aeon Credit Services India Pvt Limited	102.50	-	-	-	-
	<u>102.50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Investments in preference shares of companies (fully paid up)</i>					
7% Edelweiss Commodities Services Limited (formerly Comfort Projects Limited)	1,000.00	1,000.00	1,000.00	-	-
7% Ecap Equities Limited	1,800.00	1,800.00	-	-	-
7% StyraX Commodities Limited	1,800.00	1,800.00	-	-	-
	<u>4,600.00</u>	<u>4,600.00</u>	<u>1,000.00</u>	<u>-</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	70.00	-	-	-	-
- EARC Trust - SC 6	50.00	50.00	-	-	-
Investments in units of fund :					
Application money - Edelweiss Stressed and Troubled Assets Revival Fund	25.00	-	-	-	-
	<u>145.00</u>	<u>50.00</u>	<u>0.01</u>	<u>1.76</u>	<u>-</u>
	<u>4,847.50</u>	<u>4,650.00</u>	<u>1,000.01</u>	<u>1.76</u>	<u>-</u>
Aggregate of unquoted investment					
- At carrying value	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 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 March 2009
<b>13 Deferred tax assets (Net)</b>					
<b>Deferred tax assets</b>					
Provision for standard assets	42.64	27.14	20.04	23.59	-
Difference between book and tax depreciation	-	-	0.22	0.73	0.40
Provision for non-performing assets	57.15	40.34	20.53	4.34	12.47
Amortised processing fees	27.58	10.32	-	-	-
Amortisation of income on sale of receivable	-	-	0.08	-	1.50
Disallowances under section 43B of the Income Tax Act, 1961	2.61	6.28	9.81	16.86	15.06
	<u>129.98</u>	<u>84.08</u>	<u>50.68</u>	<u>45.52</u>	<u>29.43</u>
<b>Deferred tax liabilities</b>					
Amortised loan origination costs	28.35	9.33	-	-	-
Difference between book and tax depreciation	9.62	6.21	-	-	-
	<u>37.97</u>	<u>15.54</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>92.01</u>	<u>68.54</u>	<u>50.68</u>	<u>45.52</u>	<u>29.43</u>

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 March 2009
<b>14 Long-term loans and advances</b> (Considered good, unless stated otherwise)					
<b><u>Secured</u></b>					
Receivables from financing business					
- considered good	18,052.00	7,952.72	5,438.74	2,978.71	1,059.22
- considered non performing assets	21.38	87.42	0.22	30.97	-
	<b>18,073.38</b>	<b>8,040.14</b>	<b>5,438.96</b>	<b>3,009.68</b>	<b>1,059.22</b>
<b><u>Unsecured</u></b>					
(Considered good, unless stated otherwise)					
Receivables from financing business					
- considered good	1,202.19	1,910.00	-	-	3.57
- considered non performing assets	135.77	66.85	59.31	-	-
	<b>1,337.96</b>	<b>1,976.85</b>	<b>59.31</b>	<b>-</b>	<b>3.57</b>
Loans and advances to related parties	1,440.00	1,427.30	734.60	39.10	-
Other loans and advances :					
Unamortised loan origination costs	60.16	18.54	3.54	-	-
Security Deposits	2.62	2.74	2.74	2.74	1.90
Advance income taxes	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)					
	<b>2,899.88</b>	<b>3,663.55</b>	<b>858.98</b>	<b>239.28</b>	<b>5.47</b>
	<b>20,973.26</b>	<b>11,703.69</b>	<b>6,297.94</b>	<b>3,248.96</b>	<b>1,064.69</b>

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 March 2009
<b>15 Current investments</b>					
Others (unquoted)					
Investments in mutual funds:					
Birla Sweep Fund	-	-	-	-	124.60
Edelweiss Gilt Fund- Growth	0.50	0.50	0.50	0.50	-
Edelweiss Short Term Income Fund- Institutional Growth	0.43	0.46	-	-	-
Edelweiss EDGE Top 100 Fund - Plan B - Dividend	-	19.76	28.24	26.05	-
	<u>0.93</u>	<u>20.72</u>	<u>28.74</u>	<u>26.55</u>	<u>124.60</u>
Aggregate of current unquoted investment					
- At carrying value	0.93	21.29	30.47	26.55	124.60
- At net asset value	1.14	20.72	28.74	26.56	124.60



## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 March 2009
<b>16 Stock in trade</b>					
<b>Equity shares (quoted)</b>					
Network 18 Media and Investments Limited	-	-	-	0.01	0.01
(A)	-	-	-	0.01	0.01
<b>Equity shares (Unquoted)</b>					
Pradip Overseas Limited	-	-	-	5.97	-
Persistant System Limited	-	-	-	2.44	-
(B)	-	-	-	8.41	-
<b>Warrants (Quoted)</b>					
Network 18 Media and Investments Limited	-	-	-	-	0.01
(C)	-	-	-	-	0.01
<b>Mutual funds (unquoted)</b>					
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	-
Pramerica Liquid Fund	250.00	-	-	-	-
(D)	250.00	-	72.02	179.29	-
<b>Debentures and bonds (quoted)</b>					
11.25% Tata Cap 2014 NCD	-	-	-	-	660.76
11.30% IDBI 2018 Bond	-	-	-	-	58.71
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	-	-	-	-	13.46
6.85% IIFCL 2014 Tax Free Series II	-	-	-	-	648.87
6.05% GOI 2019 Bonds	-	-	-	-	46.51
6.30% GOI 2023 Bonds	-	-	-	0.25	-
8.20% GOI 2022 Bonds	-	-	-	50.23	-
7.60% HUDCO 2013	-	-	-	-	3.53
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	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	-	-	-	-
5.95% NTPC 2011 Bonds	-	-	-	3.87	-
9.50% NABARD 2012 Bonds	-	-	-	9.21	-
10.75% Tata Bluescope Steel Ltd 27.09.2019 NCD	280.13	-	1,580.80	-	-
8.00% Indian Railway Finance Corporation Ltd 23.02.2022 Bond	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	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	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	-	-	-	-
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	2.68	-	-	-	-
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	-	-	-

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 March 2009
<b>16 Stock in trade</b>					
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	-	465.80
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	-	-
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	515.48	-	-	-	-
8.15% Govt. Stock 2022 Bond	299.67	-	-	-	-
(E)	1,949.17	1,592.66	3,579.94	6,075.53	1,897.64
<b>Commercial papers/ certificate of deposit</b>					
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	-
(F)	-	-	-	1,644.61	-
<b>Debentures and bonds (unquoted)</b>					
18.00% Jaycee Homes Ltd 29.09.2014 NCD	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	450.00	-	-	-	-
20.00% Mighty Construction Pvt Ltd 2013 NCD	-	-	470.00	-	-
20.00% Classic Infrastolution Private Ltd 05.09.2014 NCD	900.00	-	-	-	-
19.00% Lily Realty Private Ltd 30.06.2016 NCD	980.50	-	-	-	-
19.00% SHREE SUKHAKARTA DEVELOPERS PVT LTD 30.09.2016 NCD	-	-	-	-	-
14.00% Orbit Corporation Ltd 29.09.2015 NCD	1,400.00	-	-	-	-
(G)	4,829.00	1,750.00	720.00	-	-
<b>Certificate Of Deposits</b>					
State Bank of Bikaner & Jaipur CD 28.09.09	-	-	-	-	6.71
IDBI Bank Ltd. CD - 29.09.2009	-	-	-	-	481.73
(H)	-	-	-	-	488.44
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>7,028.17</b>	<b>3,342.66</b>	<b>4,371.96</b>	<b>7,907.85</b>	<b>2,386.10</b>
Aggregate of stock-in-trade in units of unquoted mutual fund					
- At carrying value	250.00	-	72.03	179.29	-
- At net asset value	250.60	-	73.06	180.41	-
Aggregate of stock-in-trade in quoted debentures and bonds					
- At carrying value	1,949.18	1,592.66	3,579.94	929.24	1,897.64
- At market value	1,967.72	1,598.87	3,581.30	938.09	1,902.70
Aggregate of stock-in-trade in unquoted debentures and bonds					
- At carrying value	4,829.00	1,750.00	720.00	5,146.29	-
- At market value					
Aggregate of stock-in-trade in quoted equity shares and warrants					
- At book value	-	-	-	0.01	0.01
- At market value	-	-	-	0.01	0.01
Aggregate of stock-in-trade in unquoted equity shares					
- At book value	-	-	-	8.42	0.01
Aggregate of stock-in-trade in commercial papers and CDs					
- At carrying value	-	-	-	1,644.60	488.44

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 March 2009
<b>17 Trade receivables</b>					
Unsecured, considered good	31.84	279.02	38.28	-	-
	<u>31.84</u>	<u>279.02</u>	<u>38.28</u>	<u>-</u>	<u>-</u>
<b>18 Cash and bank balances</b>					
<b>Cash and cash equivalents</b>					
Cash in hand	0.01	0.04	0.03	0.01	0.02
Balances with banks					
- in current accounts	1,604.15	159.81	97.34	66.58	2,492.46
	<u>1,604.16</u>	<u>159.85</u>	<u>97.37</u>	<u>66.59</u>	<u>2,492.48</u>
<b>Other bank balances</b>					
- Short term deposits with banks	2,049.90	149.80	100.00	-	1,000.00
	<u>3,654.06</u>	<u>309.65</u>	<u>197.37</u>	<u>66.59</u>	<u>3,492.48</u>

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency : ₹ in millions)

	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 March 2009
<b>19 Short-term loans and advances</b>					
<b><u>Secured</u></b>					
<i>(Considered good, unless stated otherwise)</i>					
Receivables from financing business					
- considered good	26,163.01	20,028.78	15,631.68	10,070.43	1,157.86
- considered non performing assets	71.37	4.70	19.71	99.74	45.28
	<u>26,234.38</u>	<u>20,033.48</u>	<u>15,651.39</u>	<u>10,170.17</u>	<u>1,203.14</u>
<b><u>Unsecured</u></b>					
<i>(Considered good, unless stated otherwise)</i>					
Receivables from financing business					
- considered good	202.04	137.76	1,000.61	1,000.22	802.28
- considered non performing assets	22.19	-	-	-	-
Loans and advances to related parties	680.50	257.40	1,600.84	285.32	2,533.41
Other loans and advances					
Deposits placed with/ exchange/ depositories	0.60	0.60	-	-	-
Security deposits	-	-	-	-	11.10
Prepaid expenses	-	-	-	1.27	0.07
Unamortised loan origination costs	27.21	10.22	11.02	-	-
Loans and advances to employees	7.17	3.13	3.35	-	-
Intercompany deposits placed	-	-	300.00	-	-
Input tax credit	13.73	29.82	41.71	22.42	16.50
Advance income taxes	105.60	29.53	-	6.57	66.57
(Net of provision for taxes 2013: ₹ 400.95 Million; 2012: ₹ 523.64 Million; 2011: ₹ Nil; 2010: ₹ 331.46 Million; 2009: ₹ 271.89 Million)					
Advances recoverable in cash or in kind or for value to be received	4.87	24.27	2.48	34.18	18.92
	<u>1,063.91</u>	<u>492.73</u>	<u>2,960.01</u>	<u>1,349.98</u>	<u>3,448.85</u>
	<u>27,298.29</u>	<u>20,526.21</u>	<u>18,611.40</u>	<u>11,520.15</u>	<u>4,651.99</u>
<b>20 Other current assets</b>					
Accrued interest on fixed deposits	2.04	1.01	1.97	-	1.69
Accrued interest on debt instruments	97.65	61.57	100.26	126.03	13.14
Accrued interest on loans given	121.24	85.74	55.28	0.59	0.10
Mark to market on interest rate derivatives	-	0.79	-	-	-
Premium paid on outstanding exchange traded options	215.98	176.04	0.09	-	-
Contribution to gratuity fund (net)	-	0.45	0.21	-	-
Margin placed with broker	185.58	83.40	269.99	10.93	4.50
	<u>622.49</u>	<u>409.00</u>	<u>427.80</u>	<u>137.55</u>	<u>19.43</u>

## Notes forming part of Reformatted Standalone Statement of Profit and Loss

(Currency : ₹ in millions)

	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	For the year ended 31 March 2009
<b>Revenue from operations</b>					
<b>21 Fee and commission income</b>					
Loan processing and other fees	342.79	190.52	182.46	124.92	51.62
	<u>342.79</u>	<u>190.52</u>	<u>182.46</u>	<u>124.92</u>	<u>51.62</u>
<b>22 Income from treasury</b>					
Profit / (loss) on trading of securities (net)	188.87	(200.00)	192.31	221.49	(174.66)
Profit / (loss) on equity derivative instruments (net)	5.11	(218.18)	80.59	(35.97)	8.47
Profit / (loss) on commodity derivative instruments (net)	(44.53)	76.00	(1.63)	-	-
Profit on interest rate derivative instruments (net)	20.77	17.89	-	-	-
Profit on sale of current investments (net)	1.92	0.78	2.26	9.98	32.16
Dividend on stock in trade	-	0.10	-	0.01	0.05
Dividend on current investments	-	0.87	1.43	47.05	62.25
Interest on interest rate swap	2.16	-	-	-	-
(Loss) on benchmark linked debenture	(685.35)	(153.39)	(138.00)	-	-
Share of profit / (loss) in partnership firm	(1.30)	15.26	(13.54)	1.75	-
	<u>(512.35)</u>	<u>(460.67)</u>	<u>123.42</u>	<u>244.31</u>	<u>(71.73)</u>
<b>23 Interest Income</b>					
On loans	5,905.61	3,621.32	3,283.88	1,078.79	1,232.90
On intercorporate deposits	-	0.92	0.08	-	191.45
On fixed deposits	10.87	16.75	4.77	89.26	2.21
On debt instruments	738.70	614.03	657.95	422.45	54.50
On margin with brokers	11.46	28.96	4.66	3.12	-
On others	0.61	0.29	0.32	0.58	0.61
	<u>6,667.25</u>	<u>4,282.27</u>	<u>3,951.66</u>	<u>1,594.20</u>	<u>1,481.67</u>
<b>24 Other operating revenue</b>					
Profit on securitisation of receivables	-	0.24	2.67	-	-
	<u>-</u>	<u>0.24</u>	<u>2.67</u>	<u>-</u>	<u>-</u>
<b>25 Other income</b>					
Provision on standard assets written back	-	-	-	-	8.36
Miscellaneous income	8.71	1.67	1.57	6.40	2.51
	<u>8.71</u>	<u>1.67</u>	<u>1.57</u>	<u>6.40</u>	<u>10.87</u>

## Notes forming part of Reformatted Standalone Statement of Profit and Loss (Continued)

(Currency : ₹ in millions)

	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	For the year ended 31 March 2009
<b>26 Employee benefit expenses</b>					
Salaries and wages (Refer note 39)	484.60	232.33	179.42	93.47	88.01
Contribution to provident and other funds	12.75	2.89	1.64	0.60	0.70
Staff welfare expenses	1.42	0.35	0.19	0.11	0.50
	<u>498.77</u>	<u>235.57</u>	<u>181.25</u>	<u>94.18</u>	<u>89.21</u>
<b>27 Finance costs</b>					
Interest cost:					
Interest on debentures	362.02	227.19	661.65	272.12	151.31
Interest on Inter-corporate deposits	2.05	5.76	23.19	0.83	10.92
Interest on term loan	77.38	-	-	-	-
Interest on bank overdraft	174.30	22.87	-	-	-
Interest on loan from group companies	699.08	294.29	136.30	18.08	116.35
Interest - others	7.17	0.21	1.40	0.13	0.16
Interest on shortfall in payment of Advance Income Tax	0.89	-	-	-	-
Interest on Collateralised borrowing and lending operations	53.58	-	-	-	-
Interest on working capital demand loan	162.42	-	-	-	-
Other borrowing cost:					
Discount on commercial paper and debentures	1,682.83	1,288.22	947.61	47.16	-
Financial and bank charges	133.15	10.86	1.07	0.58	0.05
	<u>3,354.87</u>	<u>1,849.40</u>	<u>1,771.22</u>	<u>338.90</u>	<u>278.79</u>

## Notes forming part of Reformatted Standalone Statement of Profit and Loss (Continued)

(Currency : ₹ in millions)

	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	For the year ended 31 March 2009
<b>28 Other expenses</b>					
Advertisement and business promotion	1.73	2.46	76.79	5.86	6.97
Auditors' remuneration	1.08	1.12	1.37	1.03	0.93
Bad- debts and advances written off	16.94	-	-	-	-
Commission and brokerage	1.82	0.41	111.74	108.34	0.00
Communication	5.39	2.97	4.68	1.87	1.40
Computer expenses	1.04	0.89	0.64	0.64	0.92
Clearing & custodian charges	0.12	0.12	0.10	0.80	0.30
Dematerialisation charges	0.60	0.47	1.02	0.11	0.13
Directors' sitting fees	0.12	0.14	0.12	0.14	0.10
Donation	31.80	22.80	-	0.50	-
Electricity charges (Refer note 39)	3.81	2.12	1.89	1.68	7.80
Foreign exchange loss (net)	0.03	-	-	-	-
Insurance	0.53	0.06	0.10	0.06	0.22
Legal and professional fees	203.58	104.26	68.42	7.07	18.94
Write-off of fixed assets	-	0.01	-	-	-
Loan origination costs amortised	24.12	2.20	-	-	-
Membership and subscription	1.68	0.76	0.77	0.17	0.30
Office expenses	1.24	0.47	3.70	1.58	4.00
Postage and courier	0.08	0.08	0.09	(0.39)	0.06
Printing and stationery	1.08	1.03	1.51	0.42	1.54
Provision for standard assets	47.76	21.82	(9.25)	38.86	-
Provision for non performing assets	51.82	61.14	50.20	8.54	4.53
Rates and taxes	2.17	0.69	0.53	0.76	16.42
Rating support fees	315.30	464.05	413.51	163.77	-
Rent (Refer note 39)	22.27	1.74	11.50	15.64	32.80
Repairs and maintenance - others	0.47	0.01	0.17	0.11	0.15
Securities transaction tax	12.02	5.84	2.73	1.41	1.34
Seminar & Conference	0.02	-	-	-	-
Service tax expenses	28.09	5.28	-	-	-
Stamp duty	8.77	18.07	20.11	3.97	5.33
Stock exchange expenses	-	-	-	-	0.05
Travelling and conveyance	16.20	7.47	3.44	3.95	3.55
Miscellaneous expenses	0.33	4.91	0.32	0.10	0.63
	<b>802.01</b>	<b>733.39</b>	<b>766.20</b>	<b>366.99</b>	<b>108.41</b>
<b>Auditors' remuneration:</b>					
As auditor	0.95	0.90	0.90	0.83	0.92
For other services	0.13	0.20	0.47	0.20	-
Out of pocket expenses	-	0.02	-	-	0.01
	<b>1.08</b>	<b>1.12</b>	<b>1.37</b>	<b>1.03</b>	<b>0.93</b>

**Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)**

(Currency: ₹ in Millions)

Annexure IV

## 29 Segment reporting

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

<b>Segment</b>	<b>Activities covered</b>
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, 2013, 2012, 2011, 2010 and 2009 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

## 29 Segment reporting (Continued)

Particulars	Capital Based Business					Financing Business					Unallocated					Total				
	2012-13	2011-12	2010-11	2009-10	2008-09	2012-13	2011-12	2010-11	2009-10	2008-09	2012-13	2011-12	2010-11	2009-10	2008-09	2012-13	2011-12	2010-11	2009-10	2008-09
Segment revenue																				
Income from external customers	248.68	199.07	790.79	684.64	176.42	6,257.11	3,814.67	3,470.32	1,294.97	1,296.01	0.61	0.29	0.66	0.20	-	6,506.40	4,014.03	4,261.77	1,979.82	1,472.43
<b>Total</b>	248.68	199.07	790.79	684.64	176.42	6,257.11	3,814.67	3,470.32	1,294.97	1,296.01	0.61	0.29	0.66	0.20	-	6,506.40	4,014.03	4,261.77	1,979.82	1,472.43
Segment result	(584.87)	(265.70)	257.50	435.90	141.20	2,449.65	1,534.16	1,336.59	749.00	868.21	(33.27)	(83.39)	(52.80)	(16.65)	(14.97)	1,831.51	1,185.08	1,541.29	1,168.25	994.45
Income tax- current and deferred																				
Current tax	-	-	-	-	-	-	-	-	-	-	643.30	393.44	528.25	401.50	343.10	643.30	393.44	528.25	401.50	343.10
Deferred tax charge/(credit)	-	-	-	-	-	-	-	-	-	-	(23.48)	(17.86)	(5.15)	(16.09)	(15.16)	(23.48)	(17.86)	(5.15)	(16.09)	(15.16)
Fringe benefit tax																				
Net Profit/(loss)	(584.87)	(265.70)	257.50	435.90	141.20	2,449.65	1,534.16	1,336.59	749.00	868.21	(653.09)	(458.96)	(575.90)	(402.06)	(343.36)	1,211.69	809.50	1,018.19	782.84	666.05
<b>Segment assets and liabilities</b>																				
Carrying amount of segment assets	14,493.63	9,154.03	5,869.00	8,128.20	2,519.35	49,968.11	31,743.70	24,854.47	14,500.29	5,639.03	357.87	691.07	309.73	122.01	3,563.99	64,819.61	41,588.81	31,033.20	22,750.50	11,722.37
Carrying amount of segment liabilities	11,631.38	10,421.74	6,271.56	4,309.04	21.76	38,972.59	17,608.05	12,238.61	7,027.51	1,323.98	1.26	577.09	350.60	259.71	5.24	50,605.22	28,606.88	18,860.78	11,596.27	1,350.98
Capital expenditure	1.53	25.28	1.34	1.50	0.01	11.23	249.99	3.71	2.59	0.03	-	5.62	0.10	0.08	0.00	12.77	280.88	5.16	4.18	0.04
Depreciation	2.31	0.95	0.47	0.54	0.23	16.94	9.42	1.31	0.93	1.25	-	0.21	0.04	0.03	0.11	19.25	10.58	1.82	1.50	1.59
Non cash expenditure other than depreciation	-	-	-	-	-	98.63	82.01	40.95	47.41	4.53	-	-	-	-	-	98.63	82.01	40.95	47.41	4.53

**Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)**

(Currency: ₹ in Millions)

Annexure IV

**30 Related parties****A. Related Parties by whom control is exercised**

Sr No	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	For the year ended March 31,2009
1	Edelweiss Financial Services Limited	Edelweiss Financial Services Limited(Formerly Edelweiss Capital Limited)	Edelweiss Capital Limited	Edelweiss Capital Limited	Edelweiss Capital Limited

**B. Enterprise exercising significant influence over the Company**

Sr No	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	For the year ended March 31,2009
1	-	-	-	-	Lehman Brothers Netherlands Horizon B.V.

**C. Associates(With whom Transactions have taken place during the year)**

Sr No	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	For the year ended March 31,2009
1	Aeon Credit Services India Pvt Ltd	-	-	-	-

**D. Fellow Subsidiaries(With whom Transactions have taken place during the year)**

Sr No	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	For the year ended March 31,2009
1	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)	Crossborder Investments Private Limited
2	-	Edelweiss Trading & Holdings Ltd (Refer Note 1)	Edelweiss Trading & Holdings Ltd (formerly Edelweiss Commodities Limited)	Edelweiss Commodities Limited	Edelweiss Commodities Limited (formerly ECAL Advisors Limited)
3	Edelcap Securities Limited	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

# 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 31,2013	For the year ended March 31,2012	For the year ended March 31,2011	For the year ended March 31,2010	For the year ended March 31,2009
5	ECAP Equities Limited	ECAP Equities Limited	ECAP Equities Limited	ECAP Equities Limited	ECAP Equities Limited
6	EC Commodities Limited	EC Commodities Limited	EC Commodities Limited	EC Commodities Limited	-
7	Edel Commodities Limited	-	Edel Commodities Limited	Edel Commodities Limited	-
8	Edelweiss Broking Limited	Edelweiss Broking Limited	Edelweiss Broking Limited	Edelweiss Broking Limited	-
9	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 (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 (formerly Dropadi Finance Ltd)*	-	-
12	-	-	Edelweiss Asset Management Limited	Edelweiss Asset Management Limited	-
13	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	-	-	-

# 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 31,2013	For the year ended March 31,2012	For the year ended March 31,2011	For the year ended March 31,2010	For the year ended March 31,2009
15	Edelweiss Financial Advisors Limited	Edelweiss Financial Advisors Limited	-	-	-
16	Edelweiss Housing Finance Limited	-	-	-	-
17	Edelweiss Stock Broking Limited	-	-	-	-
18	EdelGive Foundation	-	-	-	-

\*With effect from 16<sup>th</sup> June, 2010

**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.

## 30 Related parties (Continued)

## Related Party Transactions for FY 2012-2013

Particulars	Holding Company	Fellow Subsidiaries	Associate	Key management personnel
Capital account transactions				
<b>Investment in Equity Shares</b>				
Aeon Credit Services India Pvt Ltd			102.50	
			-	
<b>Investment in Preference Shares</b>				
Ecap Equities Limited		(1,800.00)		
<b>Current account transactions</b>				
<b>Loans taken</b>				
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)		
<b>Loan repaid</b>				
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)		
<b>Loans given</b>				
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 (-)		

## 30 Related parties (Continued)

## Related Party Transactions for FY 2012-2013

Particulars	Holding Company	Fellow Subsidiaries	Associate	Key management personnel
<b>Loans received</b>				
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 -
<b>Redemption of Nifty Linked Debentures</b>				
ECap Equities Limited		792.83 -		
<b>Inter-corporate deposits placed</b>				
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		- (350.00)		
<b>Inter-corporate deposits redeemed</b>				
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		- (350.00)		
<b>Secondary market transactions</b>				
<b>Purchases of securities (Stock in trade) from</b>				
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 -		
<b>Sale of securities (Stock in trade) to</b>				
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)		

## 30 Related parties (Continued)

## Related Party Transactions for FY 2012-2013

Particulars	Holding Company	Fellow Subsidiaries	Associate	Key management personnel
<b>Amount paid / debits with broker</b>				
Edelweiss Securities Limited		11,385.51 (10,098.67)		
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		430.97 (4,547.94)		
<b>Amounts received / credits with broker</b>				
Edelweiss Securities Limited		11,283.36 (10,283.01)		
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		574.65 (4,401.85)		
<b>Debt instruments issued</b>				
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		27,770.76 (11,870.94)		
<b>Debt instruments redemption</b>				
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		13,900.00 -		
<b>Loss on Structured Products</b>				
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		- (29.87)		
<b>Interest paid on loan</b>				
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)		
<b>Interest expense on NCD</b>				
ECap Equities Limited		123.67 -		
<b>Interest received On margin</b>				
Edelweiss Securities Limited		8.08 (18.86)		
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		3.38 (10.10)		
<b>Interest received on loan</b>				
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 -		

## 30 Related parties (Continued)

## Related Party Transactions for FY 2012-2013

Particulars	Holding Company	Fellow Subsidiaries	Associate	Key management personnel
<b>Cost reimbursement paid</b>				
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)		
<b>Cost Reimbursement Received</b>				
Edelweiss Finance & Investments Limited		0.03 -		
<b>Reimbursement paid</b>				
Edelweiss Securities Limited		5.68 (9.77)		
Edelweiss Financial Services Limited	218.16 (214.97)			
Others		1.57 -		
<b>Reimbursement received</b>				
<b>Employee cost recovered</b>				
Edelweiss Finance & Investments Limited		- (8.29)		
<b>Bonus cost Recovered</b>				
Edelweiss Housing Finance Limited		13.72 -		
<b>Sale of Scrap</b>				
Edelweiss Broking Limited		0.00 -		
Edelweiss Financial Services Limited	0.00 -			
<b>Rating support fees</b>				
Edelweiss Financial Services Limited	315.30 (464.05)			
<b>Clearing charges</b>				
Edelweiss Securities Limited		0.12 (0.12)		
<b>Commission and brokerage paid</b>				
Edelweiss Securities Limited		0.47 (0.41)		
<b>Donation paid</b>				
EdelGive Foundation		31.40 (22.80)		



## 30 Related parties (Continued)

## Related Party Transactions for FY 2012-2013

Particulars	Holding Company	Fellow Subsidiaries	Associate	Key management personnel
<b>Advisory Fees paid</b>				
Edelweiss Housing Finance Limited		80.33		
		-		
Edelweiss Financial Services Limited	42.34			
	-			
<b>Remuneration</b>				
Ravi Bubna				26.78
				(11.42)
<b>Assignment of loans</b>				
Edelweiss Finance & Investments Limited		48.68		
		(1,158.84)		
<b>Received on behalf of clients</b>				
Edelweiss Broking Limited		-		
		(14.84)		
Edelweiss Financial Advisors Limited		-		
		(10.31)		
<b>Balances with related parties</b>				
<b>Short term borrowings</b>				
<b>Unsecured loan</b>				
Edelweiss Financial Services Limited	411.46			
	(639.03)			
<b>Trade Payables</b>				
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		
		-		
<b>Other current liabilities</b>				
<b>Interest accrued and due on borrowings</b>				
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		-		
		(93.91)		
EC Commodity Limited		-		
		(93.91)		
<b>Interest accrued but not due on borrowings</b>				
Edelweiss Financial Services Limited	0.56			
	-			
<b>Bonus payable</b>				
Ravi Bubna				20.00
				(4.50)
<b>Corporate Guarantee taken</b>	26,938.40			
	(8,500.00)			
<b>Investments in equity shares</b>				
Aeon Credit Services India Pvt Ltd			102.50	
			-	
<b>Investments in Preference shares</b>				
Edelweiss Commodities Services Limited (Formerly Comfort Projects Limited)		1,000.00		
		(1,000.00)		
Ecap Equities Limited		1,800.00		
		(1,800.00)		

## 30 Related parties (Continued)

## Related Party Transactions for FY 2012-2013

Particulars	Holding Company	Fellow Subsidiaries	Associate	Key management personnel
<b>Trade receivables</b>				
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)		
<b>Loans and advances</b>				
<b>Unsecured</b>				
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)
<b>Other current assets</b>				
<b>Accrued interest on loans given</b>				
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 -		
<b>Margin money</b>				
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

**30 Related parties (Continued)**

**Related Party Transactions for FY 2011-12**

Particulars	Holding company	Fellow subsidiary	Key management personnel
<b>Current account transactions</b>			
<b>Loans taken</b>			
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)	
<b>Loan repaid</b>			
Edelweiss Financial Services Limited	93,776.81 (286,445.87)		
Comfort Projects Limited		2,000.00 -	
EC Commodity Limited		2,000.00 -	
<b>Loans given</b>			
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 -		
<b>Loans received</b>			
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)	

## 30 Related parties (Continued)

## Related Party Transactions for FY 2011-12

Particulars	Holding company	Fellow subsidiary	Key management personnel
<b>Inter-corporate deposits placed</b>			
Comfort Projects Limited		350.00	
		-	
<b>Inter-corporate deposits redeemed</b>			
Comfort Projects Limited		350.00	
		-	
<b>Investments</b>			
Preference Shares			
Edelweiss Trading & Holding Limited		-	
		(1,000.00)	
Ecap Equities Limited		1,800.00	
		-	
<b>Reimbursement paid</b>			
Edelweiss Financial Services Limited	214.97		
	(361.73)		
Edelweiss Securities Limited		1.95	
		(9.17)	
<b>Secondary market transactions</b>			
<b>Purchases of securities (Stock in trade) from</b>			
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	
		-	
<b>Sale of securities (Stock in trade) to</b>			
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)	

## 30 Related parties (Continued)

## Related Party Transactions for FY 2011-12

Particulars	Holding company	Fellow subsidiary	Key management personnel
<b>Amount paid / debits with broker</b>			
Edelweiss Securities Limited		10,098.67 (16,524.69)	
Comfort Projects Limited		4,547.94 -	
Edelweiss Trading & Holdings Limited		- (15.98)	
<b>Amounts received / credits with broker</b>			
Edelweiss Securities Limited		10,283.01 (16,136.11)	
Comfort Projects Limited		4,401.85 -	
Edelweiss Trading & Holdings Limited		- (39.34)	
<b>Purchase/ Subscription of debt instruments</b>			
Edelweiss Capital Limited	- (5,651.76)		
<b>Sale/ Redemption of debt instruments</b>			
Edelweiss Capital Limited	- (5,650.74)		
<b>Debt instruments issued</b>			
Edelweiss Trading & Holdings Limited		- (38,479.54)	
<b>Debt instruments redemption</b>			
Edelweiss Trading & Holdings Limited		- (38,485.42)	
<b>Loss on Structured Products</b>			
Comfort Projects Limited		29.87 -	
<b>Interest paid on loan</b>			
Edelweiss Financial Services Limited	85.61 (136.30)		
EC Commodity Limited		104.34 -	
Comfort Projects Limited		104.34 -	
Edelweiss Trading & Holdings Limited		- (9.00)	
<b>Interest received on Securities</b>			
Edelweiss Financial Services Limited	- (12.84)		

## 30 Related parties (Continued)

## Related Party Transactions for FY 2011-12

Particulars	Holding company	Fellow subsidiary	Key management personnel
<b>Interest paid on Securities</b>			
Edelweiss Trading & Holdings Limited		- (33.76)	
<b>Interest received On margin</b>			
Edelweiss Securities Limited		18.86 (4.60)	
Comfort Projects Limited		10.10 -	
Edelweiss Trading & Holdings Limited		- (0.06)	
<b>Interest received on inter corporate deposits</b>			
ECap Equities Limited		- -	
<b>Interest received on loan</b>			
Edelweiss Financial Services Limited	5.84 -		
Edelweiss Trading & Holding Limited		- (38.26)	
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)	
<b>Reimbursement paid</b>			
Edelweiss Securities Limited		-	
<b>Cost reimbursement paid</b>			
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 -	

## 30 Related parties (Continued)

## Related Party Transactions for FY 2011-12

Particulars	Holding company	Fellow subsidiary	Key management personnel
Edelweiss Financial Advisors Limited		- (0.83)	
<b>Rating support fees</b>			
Edelweiss Financial Services Limited	464.05 (413.51)		
<b>Clearing charges</b>			
Edelweiss Securities Limited		0.12 (0.10)	
<b>Commission and brokerage paid</b>			
Edelweiss Financial Services Limited	- (86.71)		
Edelweiss Broking Limited		- (23.84)	
Edelweiss Securities Limited		0.41 (0.09)	
<b>Donation paid</b>			
EdelGive Foundation		22.80 -	
<b>Management fees on NLD paid</b>			
Edelweiss Securities Limited		7.82 -	
<b>Remuneration</b>			
Ravi Bubna			11.42 (10.00)
<b>Reimbursement received</b>			
<b>Employee cost recovered</b>			
Edelweiss Finance & Investments Limited		8.29 (15.00)	
<b>Assignment of loans</b>			
Edelweiss Finance & Investments Limited		1,158.84 -	
<b>Received on behalf of clients</b>			
Edelweiss Broking Limited		14.84 -	
Edelweiss Financial Advisors Limited		10.31 -	
<b>Balances with related parties</b>			
<b>Short term borrowings</b>			
<b>Unsecured loan</b>			
Edelweiss Financial Services Limited	639.03 (140.91)		
<b>Trade Payables</b>			
Edelweiss Financial Services Limited	83.16 (53.81)		

**ECL Finance Limited**

**Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)**

(Currency: ₹ in Millions)

Annexure IV

**30 Related parties (Continued)**

**Related Party Transactions for FY 2011-12**

Particulars	Holding company	Fellow subsidiary	Key management personnel
Edelweiss Securities Limited		14.20 (72.76)	
Edelweiss Housing Finance Limited		30.14 -	
Edelweiss Broking Limited		0.00 -	
Edelweiss Financial Advisors Limited		- (0.82)	
<b>Other current liabilities</b>			
<b>Interest accrued and due on borrowings</b>			
Comfort Projects Limited		93.91 -	
EC Commodity Limited		93.91 -	
<b>Bonus payable</b>			
Ravi Bubna			4.50 (3.50)
<b>Corporate Guarantee taken</b>	8,500.00 -		
<b>Investments in Preference shares</b>			
Confort Projects Limited		1,000.00 -	
Edelweiss Trading & Holdings Limited		- 1,000.00	
Ecap Equities Limited		1,800.00 -	
<b>Trade receivables</b>			
Edelweiss Securities Limited		76.20 (0.04)	
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 -	



**ECL Finance Limited**

**Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)**

(Currency: ₹ in Millions)

Annexure IV

**30 Related parties (Continued)**

**Related Party Transactions for FY 2011-12**

Particulars	Holding company	Fellow subsidiary	Key management personnel
<b>Loans and advances</b>			
<b>Unsecured</b>			
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)	
<b>Other current assets</b>			
<b>Accrued interest on loans given</b>			
Edelweiss Financial Services Limited	5.25	-	
Comfort 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)
<b>Margin money</b>			
Edelweiss Securities Limited		83.41 (270.01)	

(#) Inclusive of brokerage paid

Amounts in brackets represent previous year numbers

## 30 Related parties (Continued)

## Related Party Transactions for FY 2010-11

Particulars	Holding company	Fellow subsidiary	Key management personnel
<b>Loans taken</b>			
<b>Optionally fully convertible debentures redeemed</b>			
Edelweiss Capital Limited	- (1,020.90)		
<b>Current account transactions</b>			
<b>Loans taken</b>			
Edelweiss Capital Limited	286,076.61 (33,165.81)		
Others		5,002.10 -	
<b>Loan repaid</b>			
Edelweiss Capital Limited	286,445.87 (33,561.10)		
<b>Loans given</b>			
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 -	
<b>Loans repaid</b>			
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 -	
<b>Investments</b>			
<b>Preference Shares</b>			
Edelweiss Trading & Holding Ltd (formerly Edelweiss Commodities Ltd)		1,000.00 -	
<b>Reimbursement paid</b>			
Edelweiss Capital Limited	361.73 (310.73)		
Others		- (0.89)	

ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

30 Related parties (Continued)

Related Party Transactions for FY 2010-11

Particulars	Holding company	Fellow subsidiary	Key management personnel
<b>Purchases of securities (Stock in trade) from</b>			
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)	
<b>Sale of securities (Stock in trade) to</b>			
Edelweiss Finance & Investments Limited		174.64 (264.37)	
ECap Equities Limited		247.00 (570.40)	
Edelweiss Securities Limited		2,730.32 -	
Others		126.67 -	
<b>Secondary market transactions</b>			
<b>Amount paid / debits with broker</b>			
Edelweiss Securities Limited		16,524.69 (3,514.12)	
Others		15.98 -	
<b>Amount received / credits with broker</b>			
Edelweiss Securities Limited		16,136.11 (3,519.54)	
Others		39.34 -	
<b>Purchase/ Subscription of debt instruments</b>			
Edelweiss Capital Limited	5,651.76 -		
<b>Sale/ Redemption of debt instruments</b>			
Edelweiss Capital Limited	5,650.74 -		
<b>Debt instruments issued</b>			
Edelweiss Trading & Holdings Ltd (formerly Edelweiss Commodities Ltd)		38,479.54 -	
<b>Debt instruments redemption</b>			
Edelweiss Trading & Holdings Ltd (formerly Edelweiss Commodities Ltd)		38,485.42 -	

**ECL Finance Limited**

**Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)**

(Currency: ₹ in Millions)

Annexure IV

**30 Related parties (Continued)**

**Related Party Transactions for FY 2010-11**

<b>Particulars</b>	<b>Holding company</b>	<b>Fellow subsidiary</b>	<b>Key management personnel</b>
<b>Interest paid on optionally fully convertible debentures</b>			
Edelweiss Capital Limited	- (20.00)		
<b>Interest paid on inter corporate deposits</b>			
Edelweiss Asset Management Limited			
<b>Interest paid on loan</b>			
Edelweiss Capital Limited	136.30 (18.08)		
Others	9.00 -		
<b>Interest received on Securities</b>			
Edelweiss Capital Limited	12.84 -		
<b>Interest paid on Securities</b>			
Edelweiss Trading & Holdings Ltd (formerly Edelweiss Commodities Ltd)		33.76 -	
<b>Interest received On margin</b>			
Edelweiss Securities Limited		4.60 (3.12)	
Others		0.06 -	
<b>Interest received on loan</b>			
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 -	
<b>Reimbursement paid</b>			
Edelweiss Securities Limited		9.17 (6.75)	
<b>Cost reimbursement paid</b>			
Edelweiss Securities Limited		63.32 (30.38)	
Edelweiss Capital Limited	521.81 (194.92)		
Others		0.83 -	

**ECL Finance Limited**

**Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)**

(Currency: ₹ in Millions)

Annexure IV

**30 Related parties (Continued)**

**Related Party Transactions for FY 2010-11**

Particulars	Holding company	Fellow subsidiary	Key management personnel
<b>Clearing charges</b>			
Edelweiss Securities Limited		0.10 (0.80)	
<b>Commission and brokerage</b>			
Edelweiss Capital Limited	86.71 (12.00)		
Edelweiss Broking Limited		23.84 -	
Others		0.09 (0.15)	
<b>Remuneration</b>			
Ravi Bubna			10.00 (18.49)
<b>Reimbursement received</b>			
<b>Employee cost recovered</b>			
Edelweiss Finance & Investments Limited		15.00 (16.50)	
<b>Balances with related parties</b>			
<b>Unsecured loan</b>			
<b>Loans taken</b>			
Edelweiss Capital Limited	140.91 (510.18)		
<b>Sundry creditors</b>			
Edelweiss Capital Limited	53.81 (122.84)		
Edelweiss Securities Limited		72.76 (34.36)	
Others		0.82 -	
<b>Bonus payable</b>			
Ravi Bubna			3.50 (13.00)
<b>Loans and advances</b>			
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 -	
<b>Advances recoverable in cash or kind</b>			
Edelweiss Finance & Investments Limited		14.89 (26.99)	

**ECL Finance Limited****Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)**

(Currency: ₹ in Millions)

Annexure IV

**30 Related parties (Continued)****Related Party Transactions for FY 2010-11**

<b>Particulars</b>	<b>Holding company</b>	<b>Fellow subsidiary</b>	<b>Key management personnel</b>
Edelcap Securities Ltd		55.03 -	
Others		0.00 -	
Ravi Bubna			3.25 (3.22)
<b>Margin money</b>			
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

## 30 Related parties (Continued)

## Related Party Transactions for FY 2009-10

Particulars	Holding company	Fellow subsidiary	Key management personnel
<b>Capital account</b>			
<b>Equity share capital issued</b>			
Edelweiss Capital Limited	- (1,143.18)		
<b>Share premium</b>			
Edelweiss Capital Limited	- (1,124.54)		
<b>Loans taken</b>			
<b>Optionally fully convertible debentures redeemed</b>			
Edelweiss Capital Limited	1,020.90 -		
<b>Inter - corporate deposits issued</b>			
Edelweiss Asset Management Limited		- (170.00)	
<b>Inter - corporate deposits redeemed</b>			
Edelweiss Asset Management Limited		- (170.00)	
<b>Current account transactions</b>			
<b>Loans taken</b>			
Edelweiss Capital Limited	33,165.81 (15,775.18)		
<b>Loan repaid</b>			
Edelweiss Capital Limited	33,561.10 (17,059.38)		
<b>Loans given</b>			
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)	
<b>Loans repaid</b>			
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)	
<b>Sales of loan</b>			
Edelweiss Finance & Investments Limited		- (4,045.70)	
<b>Loan given</b>			
<b>Inter corporate deposit subscribed</b>			
ECap Equities Limited		- (500.00)	
<b>Inter corporate deposit redeemed</b>			
ECap Equities Limited		- (500.00)	
<b>Reimbursement paid</b>			
Edelweiss Capital Limited	310.73 (101.92)		
Edelweiss Securities Limited		0.89 -	
<b>Purchases of securities</b>			
Edelweiss Finance & Investments Limited		212.78 (2,330.16)	

## 30 Related parties (Continued)

## Related Party Transactions for FY 2009-10

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 -	
<b>Sale of securities</b>			
Edelweiss Finance & Investments Limited		264.37 -	
ECap Equities Limited		570.40 -	
<b>Secondary market transactions</b>			
<b>Purchases(#)</b>			
Edelweiss Securities Limited		1,303.06 (5,494.30)	
<b>Sales(#)</b>			
Edelweiss Securities Limited		1,373.35 (7,046.29)	
<b>Interest paid on optionally fully convertible debentures</b>			
Edelweiss Capital Limited	20.00 (130.37)		
<b>Interest paid on inter corporate deposits</b>			
Edelweiss Asset Management Limited		- (5.98)	
<b>Interest paid on loan</b>			
Edelweiss Capital Limited	18.08 (116.35)		
<b>Interest received on commercial paper</b>			
Edelweiss Securities Limited		- (6.38)	
<b>Interest received On margin</b>			
Edelweiss Securities Limited		3.12 -	
<b>Interest received on inter corporate deposits</b>			
ECap Equities Limited		- (191.45)	
<b>Interest received on loan</b>			
Edelweiss Commodities Limited		16.62 (12.03)	
ECap Equities Limited		84.55 (25.78)	
Edelcap Securities Limited		60.78 (31.26)	



## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

## 30 Related parties (Continued)

## Related Party Transactions for FY 2009-10

Particulars	Holding company	Fellow subsidiary	Key management personnel
<b>Reimbursement paid</b>			
<b>Rent paid</b>			
Edelweiss Capital Limited	- (17.40)		
Edelweiss Securities Limited		6.75 (0.36)	
<b>Utilities</b>			
Edelweiss Capital Limited	- (6.00)		
Edelweiss Securities Limited		- (0.18)	
<b>Printing and stationery</b>			
Edelweiss Capital Limited	- (1.20)		
Edelweiss Securities Limited		- 0.35	
<b>Employee cost</b>			
Edelweiss Capital Limited	23.73 (20.00)		
Edelweiss Securities Limited		- 27.00 (1.20)	
<b>Rating support fees</b>			
Edelweiss Capital Limited	163.77 -		
<b>Office expenses</b>			
Edelweiss Securities Limited		1.11 (2.50)	
<b>Repairs and maintenance</b>			
Edelweiss Securities Limited		0.11 -	
<b>Clearing charges</b>			
Edelweiss Securities Limited		0.80 -	
<b>Conveyance</b>			
Edelweiss Securities Limited		0.12 -	
<b>Software charges</b>			
Edelweiss Capital Limited	- (0.59)		
<b>Advertisement expenses</b>			
Edelweiss Capital Limited	7.42 (5.00)		
<b>Commission and brokerage</b>			
Edelweiss Capital Limited	12.00 -		
Edelweiss Broking Limited		65.00 -	
Edelweiss Securities Limited		0.15 -	
<b>Electricity expenses</b>			
Edelweiss Securities Limited		0.78 -	
<b>Telephone expenses</b>			
Edelweiss Securities Limited		0.89 -	

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

## 30 Related parties (Continued)

## Related Party Transactions for FY 2009-10

Particulars	Holding company	Fellow subsidiary	Key management personnel
<b>Stamp duty charges</b>			
Edelweiss Securities Limited		- (0.02)	
<b>Remuneration</b>			
Ravi Bubna			18.49 -
<b>Reimbursement received</b>			
<b>Employee cost</b>			
Edelweiss Finance & Investments Limited		16.50 (4.80)	
Edelweiss Commodities Limited		- (10.00)	
<b>Balances with related parties</b>			
<b>Unsecured loan</b>			
<b>Optionally fully convertible debentures</b>			
Edelweiss Capital Limited	- (1,020.90)		
<b>Loans</b>			
Edelweiss Capital Limited	510.18 (114.89)		
<b>Sundry creditors</b>			
Edelweiss Capital Limited	122.84 -		
Edelweiss Securities Limited		34.36 (0.51)	
<b>Bonus payable</b>			
Ravi Bubna			13.00 -
<b>Loans and advances</b>			
Edelweiss Commodities Limited		13.96 (309.30)	
ECap Equities Limited		222.53 (1,264.34)	
Edelcap Securities Limited		87.93 (959.77)	
<b>Advances recoverable in cash or kind</b>			
Edelweiss Finance & Investments Limited		26.99 -	
Ravi Bubna			3.22 (3.16)
<b>Sundry debtors</b>			
Edelweiss Capital Limited	- (0.19)		
Edelweiss Commodities Limited		- (9.78)	
<b>Margin money</b>			
Edelweiss Securities Limited		12.60 (3.77)	
Edelweiss Broking Limited		- 137.80	

(#) Inclusive of brokerage paid

Amounts in brackets represent previous year numbers

## 30 Related parties (Continued)

## Related Party Transactions for FY 2009-10

Particulars	Holding company	Fellow subsidiary	Key management personnel
<b>Office expenses</b>			
Edelweiss Securities Limited		1.11 (2.50)	
<b>Repairs and maintenance</b>			
Edelweiss Securities Limited		0.11 -	
<b>Clearing charges</b>			
Edelweiss Securities Limited		0.80 -	
<b>Conveyance</b>			
Edelweiss Securities Limited		0.12 -	
<b>Software charges</b>			
Edelweiss Capital Limited	- (0.59)		
<b>Advertisement expenses</b>			
Edelweiss Capital Limited	7.42 (5.00)		
<b>Commission and brokerage</b>			
Edelweiss Capital Limited	12.00 -		
Edelweiss Broking Limited		65.00 -	
Edelweiss Securities Limited		0.15 -	
<b>Electricity expenses</b>			
Edelweiss Securities Limited		0.78 -	
<b>Telephone expenses</b>			
Edelweiss Securities Limited		0.89 -	
<b>Stamp duty charges</b>			
Edelweiss Securities Limited		- (0.02)	
<b>Remuneration</b>			
Ravi Bubna			18.49 -
<b>Reimbursement received</b>			
<b>Employee cost</b>			
Edelweiss Finance & Investments Limited		16.50 (4.80)	
Edelweiss Commodities Limited		- (10.00)	

## 30 Related parties (Continued)

## Related Party Transactions for FY 2009-10

Particulars	Holding company	Fellow subsidiary	Key management personnel
<b>Balances with related parties</b>			
<b>Unsecured loan</b>			
<b>Optionally fully convertible debentures</b>			
Edelweiss Capital Limited	-		
	(1,020.90)		
<b>Loans</b>			
Edelweiss Capital Limited	510.18		
	(114.89)		
<b>Sundry creditors</b>			
Edelweiss Capital Limited	122.84		
	-		
Edelweiss Securities Limited		34.36	
		(0.51)	
<b>Bonus payable</b>			
Ravi Bubna			13.00
			-
<b>Loans and advances</b>			
Edelweiss Commodities Limited		13.96	
		(309.30)	
		-	
ECap Equities Limited		222.53	
		(1,264.34)	
		-	
Edelcap Securities Limited		87.93	
		(959.77)	
<b>Advances recoverable in cash or kind</b>			
Edelweiss Finance & Investments Limited		26.99	
		-	
Ravi Bubna			3.22
			(3.16)
<b>Sundry debtors</b>			
Edelweiss Capital Limited	-		
	(0.19)		
Edelweiss Commodities Limited		-	
		(9.78)	
<b>Margin money</b>			
Edelweiss Securities Limited		12.60	
		(3.77)	
		-	
Edelweiss Broking Limited		137.80	
		-	

(#) Inclusive of brokerage paid

Amounts in brackets represent previous year numbers

## 30 Related parties (Continued)

## Related Party Transactions for FY 2008-09

Particulars	Holding Company	Fellow Subsidiary	Enterprise exercising significant influence over Company
<b>Capital account</b>			
<b>Equity share capital issued</b>			
Edelweiss Capital Limited	1,143.18 (311.78)		
Lehman Brothers Netherlands Horizon B.V.			- (146.98)
<b>Share premium</b>			
Edelweiss Capital Ltd	1,124.54 (2,490.56)		
Lehman Brothers Netherlands Horizon B.V.			- (1,533.62)
<b>Loans taken</b>			
<b>Optionally fully convertible debentures issued</b>			
Edelweiss Capital Limited	- (1,020.90)		
<b>Inter - corporate deposits issued</b>			
Edelcap Securities & Transaction Services Private Limited		- (1,900.00)	
Edelweiss Asset management Limited		170.00 (-)	
<b>Inter - corporate deposits redeemed</b>			
Edelcap Securities & Transaction Services Private Limited		- (1,900.00)	
Edelweiss Asset management Limited		170.00 (-)	
<b>Current account transactions</b>			
<b>Amounts received</b>			
Edelweiss Capital Limited	15,775.18 (58,338.43)		
Edelweiss Commodities Limited		700.00 (-)	
Ecap Equities Limited		2,337.00 (-)	
Edelcap Securities Limited		3,517.30 (-)	
<b>Amount given</b>			
Edelweiss Capital Limited	17,059.38 (57,100.79)		
Edelweiss Commodities Limited		1,009.30 (-)	
Ecap Equities Limited		3,601.34 (-)	
Edelcap Securities Limited		4,477.07 (-)	
<b>Sales of loan</b>			
Crossborder Investment Private Limited		4,045.70 (-)	
<b>Loan given</b>			
<b>Inter corporate deposit subscribed</b>			
Crossborder Investment Private Limited		- (1,180.00)	
Edelweiss Commodities Limited		- (320.00)	
Ecap Equities Limited		500.00 (-)	

## 30 Related parties (Continued)

## Related Party Transactions for FY 2008-09

Particulars	Holding Company	Fellow Subsidiary	Enterprise exercising significant influence over Company
<b>Inter corporate deposit redeemed</b>			
Crossborder Investment Private Limited		-	(1,180.00)
Edelweiss Commodities Limited		-	(320.00)
Ecap Equities Limited		500.00	(-)
<b>Initial Public Offering loans given</b>			
Crossborder Investment Private Limited		-	(330.00)
Edelweiss Commodities Limited		-	(723.00)
<b>Initial Public Offering loans repaid</b>			
Crossborder Investment Private Limited		-	(330.00)
Edelweiss Commodities Limited		-	(723.00)
<b>Purchases of securities</b>			
Crossborder Investment Private Limited		2,330.16	(-)
Ecap Equities Limited		212.01	(-)
Edelcap Securities Limited		29.61	(-)
Edelweiss Commodities Limited		29.61	(-)
Edelweiss Finpro Ltd.		570.54	(-)
<b>Current investments</b>			
<b>Redemption</b>			
Edelweiss Capital Limited	-	(252.23)	
<b>Secondary market transactions</b>			
<b>Purchases(#)</b>			
Edelweiss Securities Limited		5,494.30	(136,225.85)
Edelweiss Commodities Limited		-	(1,032.58)
<b>Sales(#)</b>			
Edelweiss Securities Limited		7,046.29	(139,701.06)
Edelweiss Commodities Limited		-	(1,035.60)
<b>Primary market transactions</b>			
<b>Interest paid on optionally fully convertible debentures</b>			
Edelweiss Capital Limited	130.37	(107.15)	
<b>Interest paid on inter corporate deposits</b>			
Edelcap Securities & Transaction Services Pvt Ltd		-	(4.68)
Edelweiss Asset management Limited		5.98	(-)
<b>Interest paid on loan</b>			
Edelweiss Capital Limited	F-61	116.35	(92.95)

## 30 Related parties (Continued)

## Related Party Transactions for FY 2008-09

Particulars	Holding Company	Fellow Subsidiary	Enterprise exercising significant influence over Company
<b>Reimbursement paid</b>			
<b>Rent paid</b>			
Edelweiss Capital Limited	17.40 (2.40)		
Edelweiss Securities Limited		0.36 (-)	
<b>Utilities</b>			
Edelweiss Capital Limited	6.00 (6.00)		
Edelweiss Securities Limited		0.18 (-)	
<b>Printing and Stationery</b>			
Edelweiss Capital Limited	1.20 (0.60)		
<b>Employee cost</b>			
Edelweiss Capital Limited	20.00 (5.00)		
Edelweiss Securities Limited		1.20 (-)	
<b>Office expenses</b>			
Edelweiss Securities Limited		2.50 (-)	
<b>Software Charges</b>			
Edelweiss Capital Limited	0.59 (-)		
<b>Advertisement expenses</b>			
Edelweiss Capital Limited	5.00 (8.50)		
<b>Referral fees</b>			
Edelweiss Securities Limited		- (100.06)	
<b>Stamp duty charges</b>			
Edelweiss Securities Limited		0.02 (-)	
<b>Reimbursement paid</b>			
Edelweiss Capital Limited	101.92 (-)		
<b>Reimbursement received</b>			
<b>Employee cost</b>			
Crossborder Investment Private Limited		4.80 (-)	
Edelweiss Commodities Limited		10.00 (-)	
<b>Interest Received on commercial paper</b>			
Edelweiss Securities Limited		6.38 (-)	
<b>Interest Received on IPO loan</b>			
Crossborder Investment Private Limited		- (2.04)	
Edelweiss Commodities Limited		- (4.04)	
<b>Interest Received On margin</b>			
Edelweiss Securities Limited		- (34.46)	
<b>Interest received on inter corporate deposits</b>			
Crossborder Investment Private Limited		- (17.30)	

## 30 Related parties (Continued)

## Related Party Transactions for FY 2008-09

Particulars	Holding Company	Fellow Subsidiary	Enterprise exercising significant influence over Company
Edelweiss Commodities Limited		-	(6.46)
Ecap Equities Limited		191.45	(-)
<b>Interest received on loan</b>			
Edelweiss Commodities Limited		12.03	(-)
Ecap Equities Limited		25.78	(-)
Edelcap Securities Limited		31.26	(-)
<b>Balances with Related Parties</b>			
<b>Unsecured loan</b>			
<b>Optionally fully convertible debentures</b>			
Edelweiss Capital Limited	1,020.90 (1,020.90)		
<b>Loans</b>			
Edelweiss Capital Limited	114.89 (1,399.09)		
<b>Sundry Creditors</b>			
Edelweiss Capital Limited	- (30.21)		
Edelweiss Securities Limited		0.51 (97.35)	
Edelcap Securities & Transaction Services Private Limited		- (3.62)	
<b>Loans</b>			
Edelweiss Commodities Limited		309.30 (-)	
Ecap Equities Limited		1,264.34 (-)	
Edelcap Securities Limited		959.77 (-)	
<b>Sundry Debtors</b>			
Edelweiss Securities Limited		- (26.65)	
Edelweiss Capital Limited		0.19 (-)	
Edelweiss Commodities Limited		9.78 (-)	
<b>Margin money</b>			
Edelweiss Securities Limited		3.77 (8.21)	

(#) 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

**31 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	2013	2012	2011	2010	2009
<b>a) Shareholders earnings</b> (as per statement of profit and loss)	1,212	810	1,018	783	666
<b>b) Calculation of weighted average number of Equity Shares of ₹ 1 each :</b>					
- Number of equity shares outstanding at the beginning of the year	1,892	1,892	1,892	1,892	570
- Number of equity shares issued during the year	-	-	-	-	1,322
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	896
Basic and diluted earnings per share (in ₹) (a/b)	0.64	0.43	0.54	0.41	0.74

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 2013,2012,2011,2010 and 2009.

The Company has Nil warrants outstanding as at 31 March 2013, Nil as at 31 March 2012, Nil as at 31 March 11, 39.24 Million as at 31 March 2010 and 45.25 Million as at 31 March 2009 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

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

#### 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)

	<b>2013</b>	<b>2012</b>
Current service cost	3.18	1.45
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)
<b>Total included in 'Employee Benefit Expenses'</b>	<b>6.93</b>	<b>0.94</b>

#### Balance Sheet

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

	<b>2013</b>	<b>2012</b>
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)
<b>Liability at the end of the year</b>	<b>11.54</b>	<b>3.88</b>

# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

### 32 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
<b>Amount recognized in Balance Sheet - Assets/(Liability)</b>	<b>(6.42)</b>	<b>0.45</b>	<b>0.21</b>

##### 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
<b>Estimated Contribution for next year</b>	<b>(6.50)</b>	<b>Nil</b>	<b>Nil</b>

##### 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

### 32 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)

	<b>2012</b>	<b>2011</b>
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)
<b>Total included in 'Employee Benefit Expenses'</b>	<b>0.94</b>	<b>1.37</b>

#### **C) Defined benefit plan (Gratuity):**

Balance Sheet

Details of provision for gratuity

	<b>2012</b>	<b>2011</b>
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
<b>Amount in Balance Sheet</b>	<b>0.45</b>	<b>0.21</b>

# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

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

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

	<b>2012</b>	<b>2011</b>
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
<b>Liability at the end of the year</b>	<b>3.88</b>	<b>2.99</b>

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

	<b>2012</b>	<b>2011</b>
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	<b>4.33</b>	<b>3.20</b>

#### Principle actuarial assumptions at the balance sheet date:

	<b>2012</b>	<b>2011</b>
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

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

Profit and loss account

Net employee benefit expenses (recognized in employee cost)

	<b>2011</b>	<b>2010</b>
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)
<b>Total included in 'Employee Benefit Expense'</b>	<b>1.37</b>	<b>0.48</b>

Balance Sheet

Details of provision for gratuity

	<b>2011</b>	<b>2010</b>
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
<b>Amount in Balance Sheet</b>	<b>0.21</b>	<b>1.60</b>

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

	<b>2011</b>	<b>2010</b>
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	(0.21)	Nil
Actuarial (gain)/loss on obligations	(0.21)	Nil
<b>Liability at the end of the year</b>	<b>2.99</b>	<b>1.60</b>

### C) Defined benefit plan (Gratuity) (Continued):

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

	<b>2011</b>	<b>2010</b>
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
<b>Fair value of plan assets at the end of the year</b>	<b>3.20</b>	<b>Nil</b>

# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

### 32 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)
<b>Total included in 'Employee Benefit Expense'</b>	<b>0.48</b>	<b>0.59</b>

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
<b>Amount in Balance Sheet</b>	<b>1.60</b>	<b>1.13</b>

# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

### 32 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
<b>Liability at the end of the year</b>	<b>1.60</b>	<b>1.13</b>

#### 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%

#### FY 2008-09

#### A) Defined contribution plan (Provident fund):

Amount of ₹ 0.112 (previous year: ₹ 0.009) 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.

#### Retirement benefit – gratuity

Profit and loss account

Net employee benefit expenses (recognized in employee cost)

	2009	2008
Current service cost	0.78	Nil
Interest on defined benefit obligation	0.11	0.00
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	(0.30)	0.51
<b>Total included in 'Employee Benefit Expense'</b>	<b>0.59</b>	<b>0.51</b>



# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

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

Balance Sheet

Details of provision for gratuity

	<b>2009</b>	<b>2008</b>
Liability at the end of the year	1.13	0.54
Fair value of plan assets at the end of the year	Nil	Nil
Difference	(1.13)	(0.54)
Unrecognized past service cost	Nil	Nil
Unrecognized transition liability	Nil	Nil
<b>Amount in Balance Sheet</b>	<b>(1.13)</b>	<b>(0.54)</b>

#### Retirement benefit – gratuity (Continued)

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

	<b>2009</b>	<b>2008</b>
Liability at the beginning of the year	0.54	0.03
Interest cost	Nil	0.00
Current service cost	0.59	Nil
Past service cost (non vested benefit)	Nil	Nil
Past service cost (vested benefit)	Nil	Nil
Benefit paid		
Actuarial (gain)/loss on obligations	Nil	0.51
<b>Liability at the end of the year</b>	<b>1.13</b>	<b>0.54</b>

### 32 Retirement benefit

Principle actuarial assumptions at the balance sheet date:

	<b>2009</b>	<b>2008</b>
Discount rate current	7%	8%
Salary escalation current	8%	8%
Employees attrition rate (based on categories)	2-15%	2%

# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (*Continued*)

(Currency: ₹ in Millions)

Annexure-IV

### 33. Open interest in equity index/ stock futures:

#### 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

#### 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

### 34. 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

# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

### 34 Open interest in commodity futures: (Continued)

#### 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

#### 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

### 35 Option contracts outstanding:

#### 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

# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

### 35 Option contracts outstanding (Continued):

#### 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

#### 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

### 36 Open interest in interest rate derivatives:

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

### 37 *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:

<b>Particulars</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Rental Expense	22.27	1.74	11.50	15.64	32.80

Details of future minimum lease payments for the non-cancellable operating lease are as follows:

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Minimum lease payments for non cancellable lease</b>					
- not later than one year	0.38	-	-	-	4.29
- later than one year and not later than five years	-	-	-	-	-
- later than five years	-	-	-	-	-
<b>Total</b>	<b>0.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.29</b>

# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

### 38 Contingent liabilities and capital commitments

#### Contingent liabilities

##### A ) Taxation Matters

Year	Particulars
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>
FY 2008-09	Nil

# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

### 38 Contingent liabilities and capital commitments (Continued)

#### B) Litigation amounts pending against the company for last 5 years is as follows:

Year	Amount
FY 2012-13	0.51
FY 2011-12	2.81
FY 2010-11	1.58
FY 2009-10	Nil
FY 2008-09	Nil

#### Capital Commitments as at Balance Sheet Date

Year	Particulars
FY 2012-13	Uncalled liabilities on non current investment of ₹ 225 Millions
FY 2011-12	Nil
FY 2010-11	Nil
FY 2009-10	Nil
FY 2008-09	Nil

### 39 Cost sharing (FY 2008-09 to FY 2012-13)

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. 26 and 28 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

### 40 Details of secured debentures issued

Series of issue	Allotment date	Date of redemption	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	Amount outstanding as at 31 March 2009
<b>Long Term</b>							
8% Debenture**	26-Sep-12	12-Jun-13	1,524.98	-	-	-	-
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	05-Mar-10	05-Sep-11	-	-	-	625.00	-
7.635% Debenture	05-Mar-10	05-Mar-12	-	-	-	625.00	-
7.635% Debenture	05-Mar-10	05-Sep-12	-	-	625.00	625.00	-
7.635% Debenture	05-Mar-10	05-Mar-13	-	-	625.00	625.00	-
<b>Total (A)</b>			<b>1,524.98</b>	<b>2,050.00</b>	<b>1,250.00</b>	<b>2,500.00</b>	<b>-</b>
G5C201	28-Mar-12	31-Aug-15	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	-	-	-	6.30	-
B5C202	06-Mar-12	06-Aug-15	3.00	3.00	-	-	-
F5C201	06-Mar-12	06-Aug-15	1.00	1.00	-	-	-
F5C203*	27-Mar-12	27-Jul-15	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	-	-	-
F5C204*	20-Mar-12	16-Jul-15	25.00	25.00	-	-	-
B5C201	05-Mar-12	06-Jul-15	20.30	20.30	-	-	-
E5B201	28-Feb-12	29-Jun-15	19.20	19.20	-	-	-
A5B201	23-Feb-12	23-Jun-15	28.50	28.50	-	-	-
E5C201*	06-Mar-12	22-Jun-15	11.80	11.80	-	-	-
A5A101	31-Jan-12	01-Jun-15	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	-	-	-
D5A102*	31-Jan-12	18-May-15	88.60	88.60	-	-	-
D5B201*	31-Jan-12	18-May-15	17.40	17.40	-	-	-
L4A105	16-Jan-12	18-May-15	-	11.20	-	-	-
L4A102	13-Jan-12	13-May-15	12.60	12.60	-	-	-
K4L101*	30-Dec-11	30-Apr-15	38.14	37.28	-	-	-
L4L103	29-Dec-11	29-Apr-15	32.90	32.90	-	-	-
L4L107	23-Dec-11	23-Apr-15	7.00	7.00	-	-	-
L4A103*	03-Jan-12	03-Apr-15	36.60	36.60	-	-	-
K4L103	05-Dec-11	02-Apr-15	18.00	18.00	-	-	-
L4L102*	30-Dec-11	30-Mar-15	58.40	58.40	-	-	-
K4L104*	07-Dec-11	09-Mar-15	50.00	50.00	-	-	-
K4L106*	08-Dec-11	09-Mar-15	11.70	11.70	-	-	-
K4L105*	05-Dec-11	05-Mar-15	77.00	77.00	-	-	-
K4K102*	30-Nov-11	02-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*	04-Oct-11	04-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	-	-	-
H4I101	05-Sep-11	05-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	04-Aug-11	02-May-13	-	66.00	-	-	-
G4G102	04-Aug-11	02-May-13	-	49.90	-	-	-



# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

### 40 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	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	Amount outstanding as at 31 March 2009
H4H109*	26-Aug-11	31-May-13	-	12.00	-	-	-
I4J103	10-Oct-11	10-Nov-14	33.50	33.50	-	-	-
F4I101	04-Jul-11	04-Nov-14	2.00	2.00	-	-	-
I4I101	04-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	08-Apr-11	08-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	04-Feb-11	04-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	08-Mar-11	08-Jul-14	52.00	52.00	52.00	-	-
B4I101	07-Mar-11	07-Jul-14	19.50	19.50	19.50	-	-
B4C102	04-Mar-11	04-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	06-May-11	06-Jun-14	12.50	12.50	-	-	-
A4A002*	08-Dec-10	06-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	-	-

# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

### 40 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	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	Amount outstanding as at 31 March 2009
K3L002*	08-Dec-10	07-Mar-14	-	30.00	30.00	-	-
K3L001*	07-Dec-10	07-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	-	-
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	01-Oct-10	03-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	09-Sep-10	09-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*	09-Aug-10	09-Dec-13	-	16.00	16.00	-	-
H3J001*	06-Sep-10	03-Dec-13	-	112.80	112.80	-	-
H3I101	02-Sep-11	02-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	09-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*	06-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	09-Aug-11	09-Sep-13	-	5.00	-	-	-
E3E001	28-May-10	28-Aug-13	-	4.90	4.90	-	-
D3E001	07-May-10	07-Aug-13	-	16.00	16.00	-	-
E3E222*	06-May-10	06-Aug-13	-	30.00	-	-	-
E3E111*	05-May-10	05-Aug-13	-	15.00	-	-	-
D3D002	05-May-10	05-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	06-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	03-Mar-11	03-Jun-13	-	22.40	22.40	-	-
D3B201*	10-Feb-12	31-May-13	-	14.00	-	-	-
D3L103*	07-Dec-11	28-May-13	-	2.00	-	-	-
D3L102*	05-Dec-11	27-May-13	-	19.00	-	-	-
B3B001	24-Feb-10	24-May-13	-	13.70	13.70	-	-
D3L101*	01-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	01-May-13	-	185.98	-	-	-

# ECL Finance Limited

Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

## 40 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	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	Amount outstanding as at 31 March 2009
K3A101	28-Jan-11	29-Apr-13	-	7.00	7.00	-	-
C3L101	29-Dec-11	29-Apr-13	-	29.60	-	-	-
B3L102	09-Dec-11	09-Apr-13	-	5.00	-	-	-
G5D201*	17-Apr-12	20-Aug-15	21.20	-	-	-	-
C5C201	24-Apr-12	24-Aug-15	18.50	-	-	-	-
D5G201	08-May-12	08-Sep-15	20.00	-	-	-	-
E5E205	29-May-12	29-Sep-15	50.80	-	-	-	-
E5E201	30-May-12	30-Sep-15	5.00	-	-	-	-
E5E210	31-May-12	01-Oct-15	60.93	-	-	-	-
E5F201	05-Jun-12	05-Oct-15	2.00	-	-	-	-
E5E202	07-Jun-12	07-Oct-15	48.00	-	-	-	-
E5F206	08-Jun-12	08-Oct-15	9.70	-	-	-	-
E5F202	15-Jun-12	15-Oct-15	20.00	-	-	-	-
F4F201	19-Jun-12	19-Jun-14	7.00	-	-	-	-
F5F201	22-Jun-12	22-Oct-15	11.50	-	-	-	-
H5F201*	29-Jun-12	29-Oct-15	133.70	-	-	-	-
F5F203	29-Jun-12	29-Oct-15	1.00	-	-	-	-
F5H201*	29-Jun-12	29-Oct-15	2.50	-	-	-	-
F4F202	29-Jun-12	30-Jun-14	3.50	-	-	-	-
I5G202*	06-Jul-12	06-Nov-15	10.70	-	-	-	-
F5G202	06-Jul-12	23-Nov-15	23.90	-	-	-	-
F5G201	06-Jul-12	06-Nov-15	38.60	-	-	-	-
F4F203	06-Jul-12	07-Jul-14	2.00	-	-	-	-
F5G204	10-Jul-12	10-Nov-15	10.00	-	-	-	-
I5G201	17-Jul-12	04-Dec-15	10.00	-	-	-	-
G5G201	18-Jul-12	18-Nov-15	1.50	-	-	-	-
J5G201*	27-Jul-12	27-Nov-15	81.90	-	-	-	-
J5G203	31-Jul-12	01-Dec-15	29.00	-	-	-	-
G5G204	03-Aug-12	03-Dec-15	4.00	-	-	-	-
G5H202*	03-Aug-12	03-Dec-15	10.00	-	-	-	-
G4H201	06-Aug-12	06-Nov-14	44.00	-	-	-	-
J5H201	07-Aug-12	24-Dec-15	20.50	-	-	-	-
J5H202	07-Aug-12	07-Dec-15	14.00	-	-	-	-
J5H205	10-Aug-12	10-Dec-15	2.00	-	-	-	-
J5G202	24-Aug-12	24-Dec-15	10.00	-	-	-	-
K5H205*	28-Aug-12	28-Dec-15	4.85	-	-	-	-
K5H201*	31-Aug-12	31-Dec-15	23.00	-	-	-	-
K5J201*	31-Aug-12	31-Dec-15	23.50	-	-	-	-
H4H202	31-Aug-12	01-Dec-14	24.40	-	-	-	-
G5G205	05-Sep-12	05-Jan-16	5.00	-	-	-	-
H4H201	06-Sep-12	08-Dec-14	29.00	-	-	-	-
K5I201*	07-Sep-12	28-Jan-16	24.40	-	-	-	-
K5I202*	07-Sep-12	07-Jan-16	17.00	-	-	-	-
H4H203	10-Sep-12	10-Dec-14	4.50	-	-	-	-
K2I201*	11-Sep-12	01-Feb-16	15.00	-	-	-	-
H4I201	12-Sep-12	12-Dec-14	1.00	-	-	-	-
H5I202*	14-Sep-12	07-Oct-15	7.00	-	-	-	-
L5K201	17-Sep-12	18-Jan-16	39.00	-	-	-	-
I5K202	17-Sep-12	17-Dec-15	39.00	-	-	-	-
L5I204*	21-Sep-12	11-Feb-16	7.00	-	-	-	-
L5I203*	28-Sep-12	28-Jan-16	24.20	-	-	-	-
I5K201	28-Sep-12	28-Dec-15	8.30	-	-	-	-
I4I201	28-Sep-12	29-Dec-14	21.50	-	-	-	-
H4J201	03-Oct-12	03-Oct-14	21.00	-	-	-	-
I5J201*	05-Oct-12	05-Feb-16	5.00	-	-	-	-
I5L201*	08-Oct-12	08-Feb-16	4.50	-	-	-	-
I5L204*	08-Oct-12	08-Feb-16	3.00	-	-	-	-
I5L202	08-Oct-12	08-Feb-16	9.50	-	-	-	-
L5I202	16-Oct-12	16-Feb-16	285.80	-	-	-	-
J5L204	29-Oct-12	29-Jan-16	20.00	-	-	-	-
J5L201	31-Oct-12	01-Feb-16	8.00	-	-	-	-

# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

### 40 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	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	Amount outstanding as at 31 March 2009
J5J201	31-Oct-12	02-Mar-16	72.30	-	-	-	-
J5J202	31-Oct-12	02-Mar-16	45.20	-	-	-	-
J5C201	31-Oct-12	04-Mar-16	10.00	-	-	-	-
J5L202	31-Oct-12	04-Mar-16	4.50	-	-	-	-
A6J201	31-Oct-12	02-Mar-16	36.00	-	-	-	-
A6J202	31-Oct-12	02-Mar-16	27.50	-	-	-	-
A6J204	31-Oct-12	02-Mar-16	25.50	-	-	-	-
A6J205	31-Oct-12	02-Mar-16	44.00	-	-	-	-
A6J206	31-Oct-12	02-Mar-16	5.00	-	-	-	-
D4K201	01-Nov-12	02-Jun-14	7.50	-	-	-	-
C6K201	07-Nov-12	09-Mar-16	6.50	-	-	-	-
I4K201	07-Nov-12	08-Dec-14	57.00	-	-	-	-
J5L203	07-Nov-12	07-Mar-16	6.00	-	-	-	-
J5K202	12-Nov-12	12-Feb-16	27.30	-	-	-	-
B6K202	19-Nov-12	21-Mar-16	166.30	-	-	-	-
J5A201	21-Nov-12	21-Mar-16	5.00	-	-	-	-
J5K201	26-Nov-12	26-Feb-16	25.33	-	-	-	-
K5A201	27-Nov-12	28-Mar-16	16.20	-	-	-	-
K5K201	27-Nov-12	28-Mar-16	77.00	-	-	-	-
E5K201	27-Nov-12	01-Oct-15	49.90	-	-	-	-
B6K201*	30-Nov-12	02-May-16	74.70	-	-	-	-
K5K202	30-Nov-12	31-Mar-16	49.55	-	-	-	-
K5K203	30-Nov-12	04-Apr-16	10.00	-	-	-	-
K5L201	04-Dec-12	04-Apr-16	20.00	-	-	-	-
K5L202	06-Dec-12	06-Apr-16	58.70	-	-	-	-
B6L201*	07-Dec-12	11-May-16	15.80	-	-	-	-
B6L202	10-Dec-12	11-Apr-16	12.50	-	-	-	-
K5E201	10-Dec-12	10-May-16	16.70	-	-	-	-
L5B201	19-Dec-12	22-Apr-16	15.00	-	-	-	-
C6L201	21-Dec-12	24-Jun-16	17.50	-	-	-	-
C6L202	28-Dec-12	01-Jul-16	31.00	-	-	-	-
C5A201	03-Jan-13	07-May-15	12.50	-	-	-	-
C6A201*	04-Jan-13	08-Jun-16	5.00	-	-	-	-
C4L201	04-Jan-13	07-Jul-14	4.10	-	-	-	-
L3A201	07-Jan-13	11-Apr-14	28.00	-	-	-	-
L5F301	08-Jan-13	12-May-16	148.00	-	-	-	-
C6A302	11-Jan-13	15-Jul-16	53.90	-	-	-	-
L3A202	15-Jan-13	18-Apr-14	15.00	-	-	-	-
C6A303	15-Jan-13	19-Jul-16	17.00	-	-	-	-
D6A301	24-Jan-13	29-Jul-16	95.50	-	-	-	-
D6A302	24-Jan-13	29-Jul-16	48.50	-	-	-	-
A6C302	28-Jan-13	01-Jun-16	21.00	-	-	-	-
D6C301	29-Jan-13	03-Aug-16	50.00	-	-	-	-
L3C201	31-Jan-13	06-May-14	19.20	-	-	-	-
A4C301	31-Jan-13	06-May-14	14.50	-	-	-	-
D6A304	31-Jan-13	05-Aug-16	16.20	-	-	-	-
D6A305	31-Jan-13	05-Aug-16	250.10	-	-	-	-
D6A303	31-Jan-13	05-Aug-16	5.50	-	-	-	-
L5C201	31-Jan-13	06-Jun-16	32.53	-	-	-	-
A6C301	31-Jan-13	06-Jun-16	20.31	-	-	-	-
C4A301	31-Jan-13	05-May-14	21.01	-	-	-	-
B4L202	01-Feb-13	09-May-14	7.30	-	-	-	-
A4C303	01-Feb-13	06-May-14	10.00	-	-	-	-
D6B301	01-Feb-13	08-Aug-16	10.00	-	-	-	-
A6G301	04-Feb-13	08-Jun-16	261.90	-	-	-	-
E6B301*	07-Feb-13	11-Aug-16	67.50	-	-	-	-
D6B302	07-Feb-13	12-Aug-16	28.00	-	-	-	-
D6B304	07-Feb-13	12-Aug-16	38.10	-	-	-	-
C6A301	07-Feb-13	11-Aug-16	2.50	-	-	-	-
D6B305	11-Feb-13	16-Aug-16	30.00	-	-	-	-
D6B306*	11-Feb-13	31-Aug-16	30.00	-	-	-	-

# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

### 40 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	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	Amount outstanding as at 31 March 2009
D6B307	12-Feb-13	17-Aug-16	10.00	-	-	-	-
D6B303	14-Feb-13	19-Aug-16	214.50	-	-	-	-
D6B308	15-Feb-13	22-Aug-16	10.40	-	-	-	-
D6B309	15-Feb-13	22-Aug-16	54.00	-	-	-	-
E6B303	22-Feb-13	26-Aug-16	24.00	-	-	-	-
B4D301	28-Feb-13	03-Jun-14	28.50	-	-	-	-
B4D302	28-Feb-13	03-Jun-14	6.00	-	-	-	-
F4C301	06-Mar-13	06-Jun-14	10.00	-	-	-	-
B6E301	07-Mar-13	11-Jul-16	32.20	-	-	-	-
B5E301	08-Mar-13	10-Jun-15	64.32	-	-	-	-
D4C301	08-Mar-13	11-Jun-14	4.46	-	-	-	-
B6E302	08-Mar-13	11-Jul-16	13.23	-	-	-	-
F3C301*	08-Mar-13	12-Sep-16	23.30	-	-	-	-
B5C301	12-Mar-13	15-Jun-15	30.00	-	-	-	-
B4C301	12-Mar-13	14-Jul-16	30.00	-	-	-	-
G5C301	13-Mar-13	17-Dec-15	25.00	-	-	-	-
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	05-May-10	05-Aug-13	-	-	15.00	-	-
E3E222	06-May-10	06-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	06-Sep-10	03-Dec-12	-	-	19.30	-	-
H2I003 *	03-Sep-10	03-Dec-12	-	-	45.00	-	-
I2I004	30-Sep-10	31-Dec-12	-	-	10.30	-	-
I2I005	21-Sep-10	21-Dec-12	-	-	18.00	-	-
I2I002	08-Oct-10	08-Jan-13	-	-	28.00	-	-
I2I003	08-Oct-10	08-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	01-Dec-10	01-Mar-13	-	-	20.00	-	-
K2L002	06-Dec-10	06-Mar-13	-	-	68.60	-	-
K2L003	09-Dec-10	08-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	-	-
<b>Total (B)</b>			<b>7,329.96</b>	<b>4,739.97</b>	<b>2,943.00</b>	<b>23.60</b>	<b>-</b>
<b>Short Term</b>							
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	-	-	-	-
<b>Total (C)</b>			<b>500.00</b>	<b>-</b>	<b>-</b>	<b>15.50</b>	<b>-</b>

# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

### 40 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	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	Amount outstanding as at 31 March 2009
<b>Current maturity of long term debt</b>							
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	05-Mar-10	05-Sep-12	-	625.00	625.00	-	-
7.635% Debenture	05-Mar-10	05-Mar-13	-	625.00	625.00	-	-
<b>Total (D)</b>			<b>2,050.00</b>	<b>1,250.00</b>	<b>1,250.00</b>	-	-
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*	06-May-10	06-Aug-13	30.00	-	-	-	-
D3E001	07-May-10	07-Aug-13	16.00	-	-	-	-
E3E111*	05-May-10	05-Aug-13	15.00	-	-	-	-
D3D002	05-May-10	05-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	09-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*	09-Aug-10	09-Dec-13	16.00	-	-	-	-
H3H001	31-Aug-10	30-Dec-13	12.40	-	-	-	-
H3H003*	31-Aug-10	31-Dec-13	5.00	-	-	-	-
H3J001*	06-Sep-10	03-Dec-13	112.80	-	-	-	-
H3H002	09-Sep-10	09-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	01-Oct-10	03-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*	07-Dec-10	07-Mar-14	15.00	-	-	-	-
K3L002*	08-Dec-10	07-Mar-14	30.00	-	-	-	-
K3A101	28-Jan-11	29-Apr-13	7.00	-	-	-	-
B3C101	03-Mar-11	03-Jun-13	22.40	-	-	-	-
D3D101	29-Apr-11	29-Jul-13	20.60	-	-	-	-
F3F101	30-Jun-11	30-Sep-13	32.50	-	-	-	-
G4G101	04-Aug-11	02-May-13	66.00	-	-	-	-
G4G102	04-Aug-11	02-May-13	49.90	-	-	-	-
G3H102	09-Aug-11	09-Sep-13	5.00	-	-	-	-
H4H109*	26-Aug-11	31-May-13	12.00	-	-	-	-
I4I101	04-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*	01-Dec-11	22-May-13	20.50	-	-	-	-
D3L102*	05-Dec-11	27-May-13	19.00	-	-	-	-
D3L103*	07-Dec-11	28-May-13	2.00	-	-	-	-
B3L102	09-Dec-11	09-Apr-13	5.00	-	-	-	-
C3L101	29-Dec-11	29-Apr-13	29.60	-	-	-	-

# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

### 40 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	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	Amount outstanding as at 31 March 2009
D3A201	12-Jan-12	13-May-13	3.00	-	-	-	-
D3A203*	31-Jan-12	22-May-13	21.80	-	-	-	-
L2A101	31-Jan-12	01-May-13	187.11	-	-	-	-
D3B201*	10-Feb-12	31-May-13	14.00	-	-	-	-
H3B201*	17-Feb-12	12-Sep-13	10.00	-	-	-	-
F3B201	06-Mar-12	29-Jul-13	32.50	-	-	-	-
H3C201*	06-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	02-Aug-13	50.00	-	-	-	-
D3D203	19-Apr-12	02-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	-	-	-	-
D3E201	18-May-12	02-Sep-13	6.00	-	-	-	-
E3E202	18-May-12	02-Sep-13	28.70	-	-	-	-
I2E202	22-May-12	23-Sep-13	20.00	-	-	-	-
E3E201	29-May-12	30-Sep-13	15.30	-	-	-	-
G3F201	06-Jun-12	06-Sep-13	2.00	-	-	-	-
I2F201	06-Jun-12	07-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	06-Jul-12	06-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	02-Dec-13	30.20	-	-	-	-
G3H201	31-Aug-12	02-Dec-13	35.00	-	-	-	-
G3H202	31-Aug-12	02-Dec-13	34.50	-	-	-	-
H3H201	31-Aug-12	02-Dec-13	25.00	-	-	-	-
K3H201	04-Sep-12	04-Dec-13	8.00	-	-	-	-
A4I201	07-Sep-12	07-Mar-14	47.40	-	-	-	-
J3J204	30-Oct-12	30-Jan-14	2.00	-	-	-	-
J3J205	31-Oct-12	31-Jan-14	2.00	-	-	-	-
J3K201	06-Nov-12	06-Feb-14	2.00	-	-	-	-
J3K202	07-Nov-12	07-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	09-Dec-10	08-Mar-13	-	26.20	-	-	-
K2L002	06-Dec-10	06-Mar-13	-	68.60	-	-	-
K2L001	01-Dec-10	01-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	05-Aug-11	12-Feb-13	-	4.00	-	-	-
A3G101	29-Jul-11	08-Feb-13	-	32.90	-	-	-
J2J001	29-Oct-10	29-Jan-13	-	2.80	-	-	-
L2J101	05-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	-	-	-

# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure IV

### 40 Details of secured debentures issued(Continued)

Series of issue	Allotment date	Date of redemption	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	Amount outstanding as at 31 March 2009
L2G101	04-Jul-11	11-Jan-13	-	111.20	-	-	-
I2I002	08-Oct-10	08-Jan-13	-	28.00	-	-	-
I2I003	08-Oct-10	08-Jan-13	-	16.10	-	-	-
L2H101	30-Aug-11	07-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	03-Sep-10	03-Dec-12	-	45.00	-	-	-
H2H001	06-Sep-10	03-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	-	-	-
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	07-Apr-11	06-Jul-12	-	13.00	-	-	-
C2D102	07-Apr-11	06-Jul-12	-	22.00	-	-	-
C2D101	01-Apr-11	02-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	-	-	-
<b>Total (E)</b>			<b>2,396.45</b>	<b>1,366.50</b>	<b>16.90</b>	<b>-</b>	<b>-</b>
<b>Total (A+B+C+D+E)</b>			<b>13,801.39</b>	<b>9,406.47</b>	<b>5,459.90</b>	<b>2,539.10</b>	<b>-</b>

\* 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

### 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).

### For FY 2010-11:

- a) 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.

- b) 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.
- c) 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

- a) 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.
- b) 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.

#### 41 Long term bank borrowing secured by charge on loan receivable

##### FY 2012-13

*Following is the repayment terms of term loans:*

<b>Term Loans from Banks – Secured</b>				
<b>Maturities</b>	<b>0-2years</b>	<b>2-3years</b>	<b>&gt;3years</b>	<b>TOTAL</b>
<b>Rate of interest</b>				
<b>11.25%</b>	400.00	950.50	400.00	1,750.50
<b>11.50%</b>	500.00	988.20	-	1488.20
<b>12.50%</b>	-	1,000.00	-	1,000.00

Note: There is no term loan from bank from FY 2008-09 to FY 2011-12.

# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

42 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 2013, 2012, 2011, 2010, 2009 )

	2013		2012		2011		2010		2009	
	Outstanding	Overdue	Outstanding	Overdue	Outstanding	Overdue	Outstanding	Overdue	Outstanding	Overdue
<b><u>Liabilities side :</u></b>										
(1) Loans and Advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid:										
(a) Debentures : Secured	14,693.75	-	9,767.84	-	5,611.50	-	2,539.10	-	-	-
: Unsecured	-	-	-	-	-	-	1,696.49	-	1,020.90	-
(other than falling within the meaning of public deposits*)										
(b) Deferred Credits	-	-	-	-	-	-	-	-	-	-
(c) Term Loans	4,245.91	-	1.60	-	2.55	-	3.50	-	1.10	-
(d) Inter-Corporate Loans and Borrowing	8.83	-	84.14	-	250.00	-	250.00	-	38.64	-
(e) Commercial Paper	17,737.07	-	9,634.27	-	11,780.80	-	6,166.62	-	-	-
(f) Other Loans:										
Loan from related parties	411.46	-	826.85	-	140.91	-	510.18	-	114.89	-
Collateralised Lending and Borrowing	1,030.00	-	320.00	-	-	-	-	-	-	-
Bank Overdraft	7,983.46	-	6,947.29	-	501.28	-	-	-	-	-
Working Capital Demand Loan	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

**42** 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 2013, 2012, 2011, 2010, and 2009) (Continued)

<u>Assets side :</u>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	<b>Outstanding</b>	<b>Outstanding</b>	<b>Outstanding</b>	<b>Outstanding</b>	<b>Outstanding</b>
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:					
(a) Secured	44,307.77	28,073.63	21,086.38	13,166.78	2,262.36
(b) Unsecured	3,682.67	3,799.31	3,636.05	1,382.50	3,409.48
(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

- 42 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 2013,2012,2011,2010,2009)(Continued)

	2013	2012	2011	2010	2009
	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	0.925	20.721	28.739	26.555	-
(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	-	-	-	-	-
(iii) Units of Mutual Funds	-	-	-	-	-
(iv) Government Securities	-	-	-	-	-
(v) Others	-	-	-	-	-
2. <u>Unquoted</u> :					
(i) Shares : (a) Equity	102.50	-	-	-	-
(b) Preference	4,600.00	4,600.00	1,000.00	-	-
(ii) Debentures and Bonds	-	-	-	-	-
(iii) Units of Mutual Funds	-	-	-	-	124.60
(iv) Government Securities	-	-	-	-	-
(v) Others					
(i) Investments in security receipts of trusts	120.00	50.00	-	-	-
(ii) Investment in units of E-STAR Fund	25.00	-	-	-	-
(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

- 42 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 2013) (Continued)

(5) Borrower group-wise classification of all assets financed as in (2) and (3) above:  
(Please see Note 2 below)

Category	2013			2012			2011			2010			2009		
	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	-	2,120.50	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	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	-	-	-
<b>Total</b>	<b>44,282.50</b>	<b>3,531.79</b>	<b>47,814.29</b>	<b>28,016.14</b>	<b>3,732.46</b>	<b>31,748.59</b>	<b>21,086.38</b>	<b>3,636.05</b>	<b>24,722.43</b>	<b>13,166.78</b>	<b>1,382.50</b>	<b>14,549.29</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (Continued)

(Currency: ₹ in Millions)

Annexure-IV

- 42 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 2013) (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	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	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	1,946.14	1,945.93	1,870.72	1,870.72	28.78	28.74	28.32	28.31	124.60	124.60
<b>Total</b>	<b>4,848.64</b>	<b>4,848.43</b>	<b>4,670.72</b>	<b>4,670.72</b>	<b>1,028.78</b>	<b>1,028.74</b>	<b>28.32</b>	<b>28.31</b>	<b>124.60</b>	<b>124.60</b>

\*\* 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

- 42 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 2013) (Continued)

(7) Other information	2013	2012	2011	2010	2009
<b>Particulars</b>					
(i) Gross Non-Performing Assets					
(a) Related Party	-	-	-	-	-
(b) Other than Related Parties	250.71	158.98	79.24	130.71	45.28
(ii) Net Non-Performing Assets					
(a) Related Party	-	-	-	-	-
(b) Other than Related Parties	74.55	34.64	15.96	117.64	40.76
(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

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

Sr.No.	Items	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
i.	CRAR (%)	18.40%	24.60%	35.26%	49.46%	145.00%
ii.	CRAR - Tier I capital (%)	18.17%	24.39%	35.04%	49.09%	132.00%
iii.	CRAR - Tier II Capital (%)	0.23%	0.21%	0.22%	0.37%	13.00%

### 44 Exposure to real estate sector, both direct and indirect; and

Category	2013	2012	2011	2010	2009	
<b>A Direct exposure</b>						
<b>i. Residential Mortgages</b>		3,758.00	902.00	Nil	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)		3,758.00	902.00	Nil	Nil	Nil
<b>ii. Commercial Real Estate</b>		16,069.00	7,886.00	626.00	Nil	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;		16,069.00	7,886.00	626.00	Nil	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>B Indirect Exposure</b>						
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		Nil	Nil	Nil	Nil	Nil

# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (*Continued*)

(Currency: ₹ in Millions)

Annexure-IV

### 45 *Asset Liability Management*

#### 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
<b>Liabilities</b>									
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
<b>Assets</b>									
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

#### 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
<b>Liabilities</b>									
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
<b>Assets</b>									
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
<b>Liabilities</b>									
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
<b>Assets</b>									
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

### 45 *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
<b>Liabilities</b>									
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
<b>Assets</b>									
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

#### Maturity pattern of certain items of assets and liabilities as at March 31, 2009

	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
<b>Liabilities</b>									
Borrowings from banks	0.02	0.02	0.02	0.07	0.14	0.55	0.27	-	1.09
Market borrowings	-	-	1.00	30.00	-	-	-	-	31.00
<b>Assets</b>									
Advances	3,711.95	-	176.47	425.14	220.00	1,063.54	-	-	5,597.10
Investments	124.60	-	-	-	-	-	-	-	124.60

# ECL Finance Limited

## Notes forming part of Reformatted Standalone Statement of Assets and Liabilities (*Continued*)

(Currency: ₹ in Millions)

Annexure-IV

### **46** *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**

**Minaar Malse**  
*Partner*  
Membership No: 117804

**Ravi R.Bubna**  
*Managing Director*  
& *CEO*

**Himanshu Kaji**  
*Executive*  
*Director*

**Preeti Chhabria**  
*Company*  
*Secretary*

Mumbai  
24 December 2013

Mumbai  
24 December 2013

# ECL Finance Limited

Annexure V

## STATEMENT OF SECURED AND UNSECURED LOANS

### A. Secured Loan

(₹ in millions)

Particulars	As on	As on	As on	As on	As on
	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
<b>Loan from banks:</b>					
- Term loans from bank	4,245.25	-	-	-	-
- Bank overdraft	7,983.46	6,947.29	501.27	-	-
- Working capital demand loan	2,510.89	-	-	-	-
- Vehicle loan	0.67	1.60	2.55	3.50	1.10
<b>Debentures:</b>					
- Redeemable Non-convertible debentures	13,801.39	9,406.47	5,459.90	2,539.10	-
Collateralised borrowing and lending obligation (CBLO Borrowings)	1,030.00	320.00	-	-	-
<b>Total</b>	<b>29,571.66</b>	<b>16,675.36</b>	<b>5,963.72</b>	<b>2,542.60</b>	<b>1.10</b>

#### Notes:

- 1.) Term Loan of ₹ 4,245.25 million availed from banks is Secured by charge on receivables from financing business and corporate guarantee from holding company.
- 2.) Bank Overdraft of ₹ 7,983.46 million availed from banks is Secured by charge on receivables from financing business and corporate guarantee from holding company.
- 3.) Working Capital Demand Loan of ₹ 2,510.89 million availed from banks is Secured by charge on receivables from financing business and corporate guarantee from holding company.
- 4.) Vehicle Loan of ₹ 0.67 million availed from banks is Secured by hypothecation of vehicles. These are variable interest rate loans (9.15% to 11.31%), payable in Equated monthly installments over the tenure of loans, ending in December 2014.
- 5.) Secured Non Convertible debentures of ₹ 1,867.70 million is secured by charge on immovable property and floating charge on movable properties in the form of stock-in-trade.
- 6.) Secured Non Convertible debentures of ₹ 7,424.20 million is secured by charge on immovable property and floating charge on movable properties in the form of stock-in-trade and receivables.
- 7.) Secured Non Convertible debentures of ₹ 4,509.50 million is secured by charge on immovable property and floating charge on movable properties in the form of Receivables.
- 8.) CBLO Borrowings of ₹ 1,030 million is secured by pledge of Government securities.
- 9.) The details of security for loans above have been disclosed only in respect of those loans which were outstanding as at March 31, 2013.

### B. Unsecured Loan

(₹ in millions)

Particulars	As on	As on	As on	As on	As on
	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
<b>From Financial Institutions:</b>					
- Commercial Paper	17,737.07	9,634.27	11,780.80	6,166.62	-
<b>From Others:</b>					
- Inter Corporate Loans	420.29	723.18	390.91	760.18	145.89
- Redeemable Non-convertible debentures	-	-	-	1,680.00	-
- Optionally fully convertible debentures	-	-	-	-	1,020.90
<b>Total</b>	<b>18,157.36</b>	<b>10,357.45</b>	<b>12,171.71</b>	<b>8,606.80</b>	<b>1,166.79</b>

# ECL Finance Limited

Annexure VI

## STATEMENT OF ACCOUNTING RATIOS

Particulars	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	For the year ended March 31, 2009
Earnings per Share - Basic and Diluted (₹) (Refer note 1)	0.64	0.43	0.54	0.41	0.74
Return on Net Worth (%) (annualised) (Refer note 2)	8.52%	6.24%	8.36%	7.02%	6.42%
Net Asset Value per Equity Share (₹) (Refer note 3)	7.51	6.86	6.43	5.90	5.48
Debt-Equity ratio (Refer note 4)	3.36	2.08	1.49	1.00	0.11

### Notes:

The ratios have been computed as below:

- Earnings per Share = Profit after tax as per statement of Profit and Loss / Weighted average number of equity shares outstanding during the year  
Earnings per share calculations are in accordance with Accounting Standard 20 "Earnings Per share".  
The basic and diluted earnings per share are same as there are no dilutive/ potential equity shares issued or outstanding as at the year end.
- Return on Net Worth (%) = Net Profit/ (Loss) after tax / Net Worth  
Net Worth = Equity Share Capital (+) Reserves and Surplus
- Net Asset Value per Equity Share (₹) = Net Worth/ Number of equity shares outstanding at the end of the year.
- Debt-Equity ratio = Total Debt/ Total Equity  
Total Debt = Short term borrowings (+) Long term borrowings (+) Current maturity of long term borrowings  
Total Equity = Equity Share Capital (+) Reserves and Surplus

Annexure VII

## STATEMENT OF NIL DIVIDEND

The company has not paid any dividend on equity or Preference shares in the past five financial years ending on 31<sup>st</sup> March 13, 31<sup>st</sup> March 12, 31<sup>st</sup> March 11, 31<sup>st</sup> March 2010 and 31<sup>st</sup> March 2009.

# ECL Finance Limited

Annexure VIII

## STATEMENT OF TAX SHELTERS

(₹ in millions)

Particulars	For the year ended 2013	For the year ended 2012	For the year ended 2011	For the year ended 2010	For the year ended 2009
<b>Profit before Taxes</b>	<b>1,831.51</b>	<b>1,185.08</b>	<b>1,541.29</b>	<b>1,168.25</b>	<b>994.45</b>
Statutory Tax Rate	32.45%	32.45%	33.22%	33.99%	33.99%
Tax at Statutory Rate (A)	<b>594.23</b>	<b>384.50</b>	<b>511.98</b>	<b>397.09</b>	<b>338.01</b>
<b>Adjustment for Permanent Differences</b>					
Disallowance u/s 14A	0.49	0.47	0.46	1.77	4.28
Donation net of Amount allowed as deduction U/s 80G	15.90	22.80	-	0.25	-
Others	0.89	-	1.00	0.07	24.10
Dividend income exempt	-	(0.97)	(1.43)	(47.06)	(62.30)
Short term capital gains charged at lower rate	-	-	-	(6.22)	-
Share of (Profit)/Loss in Partnership Firm	-	(15.26)	13.54	(1.75)	-
Loss under Section 43(5) disallowed	55.65	-	3.23	-	-
<b>Total due to permanent differences (B)</b>	<b>72.93</b>	<b>7.04</b>	<b>16.80</b>	<b>(52.94)</b>	<b>(33.92)</b>
<b>Adjustment for Temporary Differences</b>					
Provision for Non Performing Assets	51.82	61.14	50.20	8.54	4.53
Provision on Standard Assets	47.76	21.82	(9.25)	38.86	(8.36)
Difference in depreciation	(10.87)	(19.82)	0.31	0.80	1.20
Disallowances under section 43B of the Income Tax Act, 1961	(10.74)	(9.72)	(19.62)	(12.43)	5.98
Others	2.76	(30.94)	(1.42)	(1.53)	-
<b>Total due to Temporary differences (C)</b>	<b>80.73</b>	<b>22.48</b>	<b>20.22</b>	<b>34.24</b>	<b>3.35</b>
<b>Total Differences (B+C)</b>	<b>153.67</b>	<b>29.52</b>	<b>37.02</b>	<b>(18.70)</b>	<b>(30.57)</b>
Tax impact on Total differences (D)	49.86	9.58	12.30	(6.36)	(10.39)
Add: Short term Capital Gains Tax at lower rate	-	-	-	1.06	-
Add: Interest on late payment of Advance tax (E)	0.89	-	3.29	7.12	3.17
Add: Shortfall in tax provision for earlier years	-	-	0.51	2.07	12.10
<b>Total Taxation (A+D+E)</b>	<b>644.98</b>	<b>394.08</b>	<b>528.08</b>	<b>400.98</b>	<b>342.89</b>
Current Tax Provision for the year	<b>643.30</b>	<b>393.44</b>	<b>528.25</b>	<b>401.50</b>	<b>343.10</b>

## **Review report**

# To the Board of Directors of ECL Finance Limited

We have reviewed the accompanying statement of unaudited financial results of ECL Finance Limited ('the Company') for the six month period ended 30 September 2013 ('the Statement'). This statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company in their meeting held on 29 October 2013. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as mentioned above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable accounting standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 29 of the Listing Agreement for debt securities, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

**For B S R & Associates LLP**  
*Chartered Accountants*  
Firm's Registration No: 101248W

Mumbai  
29 October 2013

**N Sampath Ganesh**  
*Partner*  
Membership No: 042554



**Unaudited Financial Results for the half year ended on September 30, 2013**  
(pursuant to Clause 29 of the Listing Agreement for debt securities)

(Rs. in Millions)

Particulars	For Six months ended September 30, 2013	For Six months ended September 30, 2012	For Year ended March 31, 2013
	Unaudited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	4,587.55	2,911.74	6,667.25
(a) Interest on loans	3,904.59	2,615.79	5,905.61
(b) Income on investments (including fixed deposits)	650.33	288.69	749.57
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	-	-	-
(d) Others	32.63	7.26	12.07
2. Other Income (including fund based operations)	(316.86)	(160.51)	(160.85)
3. Total Income (1+2)	4,270.69	2,751.23	6,506.40
4. Interest Expended	1,962.30	1,327.33	3,221.73
5. Operating Expenses (i)+(ii)	667.72	602.20	1,353.59
(i) Employees cost	285.78	204.59	498.76
(ii) Other operating expenses	381.94	397.61	854.83
6. Total Expenditure (4+5) excluding provisions and contingencies	2,630.02	1,929.53	4,575.32
7. Operating Profit before Provisions and Contingencies (3-6)	1,640.67	821.70	1,931.08
8. Provisions (other than tax) and Contingencies	117.43	36.76	99.58
9. Exceptional Items	-	-	-
10. Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)	1,523.24	784.94	1,831.50
11. Tax expenses	500.01	256.05	619.82
12. Net Profit (+)/ Loss (-) from Ordinary Activities after tax (10-11)	1,023.23	528.89	1,211.68
13. Extraordinary items (net of tax expense)	-	-	-
14. Net Profit (+)/ Loss (-) for the period (12-13)	1,023.23	528.89	1,211.68
15. Paid-up equity share capital (Face Value of Re. 1 each)	1,891.85	1,891.85	1,891.85

16. Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	-	-	12,322.54
17. Analytical Ratios			
(i) Capital Adequacy Ratio	20.76%	20.34%	18.40%
(ii) Earnings Per Share (In Rupees) (Basic and Diluted) (See note 3)	0.54	0.28	0.64
18. NPA Ratios			
(a) % of Gross NPA to Total credit exposure (See note 4)	0.88%	0.41%	0.52%
(b) % of Net NPA to Total credit exposure (See note 4)	0.27%	0.07%	0.16%
19. Return on Assets (See note 5)	1.61%	1.12%	2.28%

**Notes:-**

1) The above unaudited financial results of ECL Finance Limited ("ECLF" or "the Company") for the half year ended September 30, 2013 have been subjected to a 'Limited Review' by the Statutory Auditors of the Company and have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on October 29, 2013.

2) CARE has assigned the rating of "CARE AA" (pronounced 'CARE Double A') to the Sub-Debt programme of Rs. 1,000 Million, the rating of "CARE AA" (pronounced 'CARE Double A') to the Long Term NCD programme of Rs. 1,750 Million and the rating of "CARE PP MLD AA" (pronounced 'CARE PP MLD Double A') to the Short Term NCD programme of Rs. 500 Million. Brickworks Rating also has assigned the rating of "BWR AA" (pronounced 'BWR Double A') to the Sub-Debt programme of Rs. 1,000 Million. CRISIL has assigned the rating of 'CRISIL A1+' (pronounced 'CRISIL A one plus') to the short term debt programme of Rs. 31,000 Million, the rating of "CRISIL PP-MLD AA-r/Stable" (Pronounced 'CRISIL Double P - MLD double A minus r rating with stable outlook') to the long term debt programme of Rs. 12,250 Million of the Company, the rating of "CRISIL PP-MLD A1+ r" (Pronounced 'CRISIL Double P - MLD A one Plus r') to the short term debt programmes of Rs. 3,500 Million of the Company, the rating of "CRISIL AA-/ Stable" (Pronounced 'CRISIL double A minus rating with stable outlook') to the long term debt programmes of Rs. 9,300 Million of the Company & the rating of "CRISIL AA-/ Stable" (Pronounced 'CRISIL double A minus rating with stable outlook') to the Bank Facilities of Rs. 20,950 Million of the Company. ICRA has assigned the rating of "PP-MLD[ICRA]AA-" (pronounced 'double PP - MLD - [ICRA] Double A minus with stable outlook reaffirmed') to the long term debt programme of Rs. 1,000 Million of the Company. The ratings mentioned for these programmes continues to remain in force.

3) Earnings per share for the half year ended September 30, 2013 and September 30, 2012 have been calculated for six months and not annualised.

4) NPA ratios have been computed on total credit exposure.

5) Return on Assets has been computed as a percentage of profit after tax to average total assets and not annualised for half year ended results.

6) In accordance with the Debenture Trust Deeds entered into between the Company and the Debenture Trustees, the Company has maintained adequate Asset Cover in respect of the Secured Redeemable Non-convertible Debentures issued by the Company.

7) The previous financial year/period figures have been regrouped /reclassified wherever necessary to conform to current period presentation.

By order of the Board

Date: October 29, 2013

Place: Mumbai

Sd/-  
Ravi R. Bubna  
Managing Director & CEO

## MATERIAL DEVELOPMENTS

Except as stated below, there have been no material developments since March 31, 2013 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 September 30, 2013	As at March 31, 2013
Capital Adequacy Ratio*	20.76%	18.40%
Tier I Capital	20.53%	18.17%
Tier II Capital	0.23%	0.23%

*\*of our Company standalone*

- **Unsecured Non-Convertible Debentures**

An issue of 2,000 (including green shoe option of 1,000) Unsecured, Redeemable, Non-convertible Subordinate Debt (Tier II) in the nature of Debentures of the face value of ₹1 million each aggregating ₹2,000 million (including green shoe option of ₹1,000 million) (“Subordinate NCDs”) offered on private placement basis, to be issued at par in one or more tranches, and was open for subscription until December 30, 2013 (“Subordinate NCD Issue”). Our Company has allotted 200 Subordinate NCDs on December 30, 2013 and the same are in the process of being listed on BSE Limited.

## FINANCIAL INDEBTEDNESS

As on November 30, 2013, our Company has outstanding secured borrowings of ₹ 26,577.43 million and unsecured borrowings of ₹ 23,381.29 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

Name of the Lender, facility and details of documentation	Amount Sanctioned (in ₹ million)	Rate of Interest	Amount Outstanding as on November 30, 2013 (in ₹ million)	Security	Repayment Date/ Schedule
<p><b>Abu Dhabi Commercial Bank</b></p> <p><i>Term loan</i></p> <p>Sanction letter dated June 26, 2013</p> <p>Term loan agreement dated June 28, 2013</p> <p>Hypothecation agreement dated June 28, 2013</p>	Term loan- 250	Base rate 10% + 1.25% p.a.	252.41	<p>First <i>pari passu</i> charge along with consortium members on the standard assets portfolio of book debts and receivables – by way of hypothecation subject to minimum cover of 1.33 times at any point of time at any point of time</p> <p>Corporate guarantee of Edelweiss Financial Services Limited</p>	In bullet at maturity at the end of 36 months from the date of first draw down
<p><b>Allahabad Bank</b></p> <p><i>Working Capital Loan</i></p> <p>Sanction Letter dated December 21, 2012</p> <p>Hypothecation Agreement dated January 21, 2013</p>	Cash credit - 500	Base Rate + 2.5% p.a. w.m.r. (floating)	99.64	<p>First <i>pari passu</i> hypothecation charge on current assets of our Company including receivables (both present and future) to the extent 1.33 times the facility amount.</p> <p>Corporate guarantee of Edelweiss Financial Services Limited</p>	On demand

Name of the Lender, facility and details of documentation	Amount Sanctioned (in ₹ million)	Rate of Interest	Amount Outstanding as on November 30, 2013 (in ₹ million)	Security	Repayment Date/ Schedule
<p><b>Andhra Bank</b></p> <p><i>Working capital loan</i></p> <p>Revised sanction letter dated March 07, 2013</p> <p>New sanction letter dated December 17, 2012</p> <p>Sanction letter dated October 10, 2011</p> <p>Composite agreement dated December 15, 2011</p>	Open cash credit facility- 1,000 (WC DL-1,000 as a sublimit of open cash credit facility)	Base rate + 0.75% p.a. (floating)	-	<p>First <i>pari passu</i> charge on current and future receivables of our Company to the minimum extent of 1.33 times the facility amount</p> <p>Corporate guarantee of Edelweiss Financial Services Limited</p>	All outstanding due and payable at the end of 1(one) year
<p><b>Bank of Baroda</b></p> <p><i>Term loan &amp; working capital loan</i></p> <p>Sanction letter dated March 13, 2013</p> <p>Sanction Letter dated February 6, 2013</p> <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>Cash credit – 1,000</p> <p>Term loan – 1,000</p>	<p>Cash credit – Base rate + 2.25% p.a. (floating)</p> <p>Term loan – Base rate + 1.00% p.a. (floating)</p>	<p>399.76</p> <p>1,000</p>	<p><i>Working capital loan</i> – First <i>pari passu</i> charge on the entire receivables of our Company, both present and future to the extent of 1.33 times of the facility amount (excluding capital market receivables)</p> <p><i>Term loan</i> – First <i>pari passu</i> charge on the entire receivables of our Company, both present and future to the extent of 1.33 times of the facility amount (excluding capital market receivables)</p>	<p><i>Working capital loan</i> – On demand</p> <p><i>Term loan</i> – On bullet payment after a period of 36 months from the date of first disbursement</p>

Name of the Lender, facility and details of documentation	Amount Sanctioned (in ₹ million)	Rate of Interest	Amount Outstanding as on November 30, 2013 (in ₹ million)	Security	Repayment Date/ Schedule
<p><i>Term Loan</i></p> <p>Instrument of hypothecation of book debts dated March 16, 2013</p>				Corporate guarantee of Edelweiss Financial Services Limited by Agreement dated March 16, 2013 for term loan and revised working capital loan	
<p><b>Bank of India</b></p> <p><i>Term loan &amp; 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,</p>	<p>Working capital loan (cash credit) – 1,850 (working capital demand loan- 1,000 as a sublimit of cash credit)</p> <p>Term loan- 800</p>	<p>Working capital loan (cash credit)– Base rate + 2% p.a.</p> <p>Term loan – Base rate + 1% p.a.</p>	<p>200.10</p> <p>800</p>	<p><i>Working capital loan –</i> First <i>pari passu</i> charge on current and future receivables of our Company with minimum asset cover ratio of 1.33 times</p> <p><i>Term loan –</i> First <i>pari passu</i> charge by way of hypothecation /assignment of assets financed, including current and future receivables and assignment of entire rentals and installments receivables against such assets with minimum asset cover of 1.33 times.</p> <p>Corporate guarantee Of Edelweiss Financial Services Limited</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>

Name of the Lender, facility and details of documentation	Amount Sanctioned (in ₹ million)	Rate of Interest	Amount Outstanding as on November 30, 2013 (in ₹ million)	Security	Repayment Date/ Schedule
2013					
<b>Oriental Bank of Commerce</b>  <i>Term loan</i>  Amendment dated June 28, 2013 to sanction letter dated March 30, 2013  Sanction letter dated March 30, 2013  Term loan agreement dated March 30, 2013  <i>Working capital loan</i>  Sanction letter dated September 07, 2012  Modified sanction letter dated January 23, 2012  Sanction letter dated November 30, 2011  Common agreement dated February 10, 2012  Hypothecation agreement dated February 10, 2012	<i>Term loan</i> – 750  <i>Working capital loan (cash credit)</i> – 1,000 (Working capital demand loan-500 as a sublimit of cash credit)	<i>Term loan</i> – Base Rate + 1.00% p.a.  <i>Working capital loan (cash credit)</i> – Base Rate + 0.85% p.a.	750  156.15	<i>Term loan</i> – First <i>pari passu</i> charge by way of hypothecation/ assignment of entire receivables, present as well as future, of our Company of more than 12 months maturity period. The security coverage will be maintained 1.33 times during the currency of loan.  <i>Working capital loan</i> – First <i>pari passu</i> charge on the current and future receivables of our Company not less than 1.33 times of the facility amount  <i>Corporate guarantee</i> of Edelweiss Financial Services Limited	<i>Term loan</i> – Single bullet installment of sanction amount after a moratorium of 36 months from the date of the first disbursement.  <i>Working capital loan</i> – On demand
<b>Punjab National Bank</b>  <i>Working capital loan</i>	Cash credit- 1,000	Base rate + 2.25 % p.a	199.32	First <i>pari passu</i> charge on entire current assets including book debts,	Facility subject to renewal annually.

Name of the Lender, facility and details of documentation	Amount Sanctioned (in ₹ million)	Rate of Interest	Amount Outstanding as on November 30, 2013 (in ₹ million)	Security	Repayment Date/ Schedule
<p>Renewed sanction letter dated June 3, 2013</p> <p>Sanction letter dated January 19, 2011</p> <p>Deed of hypothecation of book debts and receivables dated March 5, 2012</p>				<p>receivables of our Company, both present and future</p> <p>Corporate guarantee of Edelweiss Financial Services Limited</p>	
<p><b>Vijaya Bank</b></p> <p><i>Term loan and working capital loan</i></p> <p>Sanction letter dated April 15, 2013</p> <p><i>Term Loan</i></p> <p>Modified sanction letter dated June 18, 2013</p> <p>Articles of agreement dated June 24, 2013</p> <p>Agreement for hypothecation of supply bills and book debts dated June 24, 2013</p> <p><i>Working Capital Loan</i></p> <p>Sanction letter dated December 17, 2011</p> <p>Supplementary agreement</p>	<p><i>Term loan- 600</i></p> <p><i>Cash credit- 1,500</i></p>	<p>Term loan- Base rate + 1.05% p.a</p> <p>Cash credit- Base rate + 1.80% p.a</p>	<p>600</p> <p>179.90</p>	<p><i>Term loan- Pari passu charge on Company's pool of assets/ receivables to the extent of 1.33 times of the facility amount</i></p> <p><i>Working capital loan- First pari passu charge on the current assets including receivables of our Company arising out of onward lending activity to the other entities for their commercial and business purposes both present and future to the extent of 1.33 times of the facility amount</i></p> <p>Corporate guarantee of Edelweiss Financial Services Limited</p>	<p><i>Term loan- Repayable in single bullet payment after 3 years from the date of first disbursement</i></p> <p><i>Working capital loan- Facility for 12 months subject to annual renewal</i></p>



Name of the Lender, facility and details of documentation	Amount Sanctioned (in ₹ million)	Rate of Interest	Amount Outstanding as on November 30, 2013 (in ₹ million)	Security	Repayment Date/ Schedule
<p>dated June 24, 2013</p> <p>Agreement for demand cash credit against hypothecation of stocks and book debts dated February 10, 2012</p>					
<p><b>Yes Bank Limited</b></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>	1,000	Base rate + 500 bps	-	<p>First pari-passu charge by way of hypothecation on our Company's receivables both present and future.</p> <p>Corporate guarantee of Edelweiss Financial Services Limited</p>	On demand
<p><b>Central Bank of India</b></p> <p><i>Overdraft loan facility</i></p> <p>Modification of overdraft facility Letter dated</p>	Overdraft -250	Base rate + 3%	-	<p>First <i>pari passu</i> charge by way of hypothecation on our Company's present and future current assets including all and singular receivables of</p>	On demand

Name of the Lender, facility and details of documentation	Amount Sanctioned (in ₹ million)	Rate of Interest	Amount Outstanding as on November 30, 2013 (in ₹ million)	Security	Repayment Date/ Schedule
September 5, 2012  Overdraft facility letter dated April 9, 2012  Overdraft agreement dated September 14, 2012  Deed of hypothecation dated September 14, 2012				1.25 times of the amount of outstanding term loan.  Corporate guarantee of Edelweiss Financial Services Limited	
<b>Dena Bank</b>  <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	500	Bank rate + 2.50%	99.59	First <i>pari passu</i> charge on the current assets including receivables both present and future up to 12 months to the extent of 1.33 times of the facility amount considering a margin of 25%  Corporate guarantee of Edelweiss Financial Services Limited	Renewal at the end of one year
<b>Federal Bank Limited</b>  <i>Working capital demand loan</i>  Modified sanction letter dated July 31, 2013  Modified sanction letter dated March 15, 2013	Cash credit-500 (Working capital demand loan – 250 as a sublimit of cash credit limit)	Base rate + 1.05%	252.38	First <i>pari passu</i> charge by way of hypothecation on all the present and future current assets of our Company including receivables of our Company both present and future with 25% margin	Lumpsum

Name of the Lender, facility and details of documentation	Amount Sanctioned (in ₹ million)	Rate of Interest	Amount Outstanding as on November 30, 2013 (in ₹ million)	Security	Repayment Date/ Schedule
Sanction letter dated September 22, 2012  Agreement of cash credit dated September 26, 2012				Corporate guarantee of Edelweiss Financial Services Limited	
<b>Indusind Bank Limited</b>  <i>Cash credit/ Working capital demand loan</i>  Additional sanction letter dated December 19, 2012  Sanction letter dated December 19, 2012  Multi facility loan agreement dated December 27, 2012  Master general terms agreement dated December 27, 2012  Deed of hypothecation dated December 27, 2012	1,000 (Cash credit- 200.00; Working capital demand loan- 800.00)	Cash credit- Base rate + 1% p.a  Working capital demand loan- Base rate + 0.25%	-  800	Floating first <i>pari passu charge</i> by way of hypothecation of our Company's loan receivables/book debts with asset cover ratio of at least 1.25 times  Corporate guarantee of Edelweiss Financial Services Limited	On demand for cash credit and Bullet repayment on maturity of each working capital demand loan
<b>ING Vysya Bank Limited</b>  Sanction letter dated December 20,	<i>Cash credit/ Overdraft</i> - 2,500 (Working capital demand loan- 2,500 as a sublimit of cash credit/overdraft)	<i>Cash credit/ Overdraft</i> - Bank base rate +2.1% p.a.	250.38	<i>Cash Credit/ Overdraft and Working Capital Demand Loan</i> – First <i>pari passu charge</i> by way of hypothecation	<i>Cash Credit/ Overdraft</i> – On demand;  <i>Working Capital Demand Loan</i> – maximum up to 12 months;

Name of the Lender, facility and details of documentation	Amount Sanctioned (in ₹ million)	Rate of Interest	Amount Outstanding as on November 30, 2013 (in ₹ million)	Security	Repayment Date/ Schedule
<p>2012</p> <p><i>Cash credit/ Overdraft and Working capital demand loan &amp; Term loan</i></p> <p>Deed of general hypothecation dated December 24, 2012</p> <p>Facility agreement dated December 24, 2012</p> <p><i>Term Loan</i></p> <p>Deed of general hypothecation dated December 24, 2012</p> <p>Facility agreement dated December 24, 2012</p>	<p>Term loan – 7,500</p>	<p>Term loan – Bank base rate + 1.05%</p>	<p>567.73</p>	<p>over standard receivables of our Company both present and future which are eligible for bank finance with cover of 1.33 times.</p> <p><i>Term Loan – First pari passu charge by way of hypothecation over standard receivables of our Company both present and future which are eligible for bank finance with a cover of 1.33 times</i></p> <p><i>Corporate guarantee of Edelweiss Financial Services Limited</i></p>	<p><i>Term Loan – Repayable in 12 equal quarterly instalments with first instalment due on March 31, 2013</i></p>
<p><b>Karnataka Bank</b></p> <p><i>Working capital loan</i></p> <p>Modified sanction letter dated September 24, 2012</p> <p>Sanction letter dated September 20, 2012</p> <p>Hypothecation agreement</p>	<p>Overdraft - 500</p>	<p>Base rate + 2.25%</p>	<p>-</p>	<p>First <i>pari passu</i> charge on the entire receivables of our Company (both present and future) to the extent of 1.33 times of the facility amount</p> <p>Corporate guarantee of Edelweiss Financial Services Limited</p>	<p>On demand</p>

Name of the Lender, facility and details of documentation	Amount Sanctioned (in ₹ million)	Rate of Interest	Amount Outstanding as on November 30, 2013 (in ₹ million)	Security	Repayment Date/ Schedule
dated September 26, 2012					
<p><b>Karur Vysya Bank Limited</b></p> <p><i>Working capital loan</i></p> <p>Sanction letter dated August 31, 2012</p> <p>Agreement for working capital demand loan dated February 25, 2013</p> <p>Supplemental agreement to be taken whenever sub-limits are granted within the overall limits dated February 25, 2013</p> <p>Hypothecation agreement dated September 21, 2012</p>	Cash credit- 300 (working capital demand loan- 300 as a sublimit of cash credit)	Base rate + 1.75% p.a.	-	<p>First <i>pari passu</i> charge on receivables with a minimum coverage ratios of 1.33 times by considering the margin of 25%.</p> <p>Corporate guarantee of Edelweiss Financial Services Limited</p>	Repayable on or before June 30, 2013@
<p><b>Lakshmi Vilas Bank Limited</b></p> <p><i>Open cash credit facility</i></p> <p>Sanction letter dated August 21, 2012</p> <p>Hypothecation agreement dated September 14, 2012</p>	Open cash credit- 500	Base rate + 2.50% p.a.	-	<p>First charge by way of hypothecation of all the current assets of our Company including current and future receivables of our Company on <i>pari passu</i> basis with other lenders with minimum assets coverage of 1.33 times of the facility.</p> <p>Corporate</p>	By August 8, 2013*

Name of the Lender, facility and details of documentation	Amount Sanctioned (in ₹ million)	Rate of Interest	Amount Outstanding as on November 30, 2013 (in ₹ million)	Security	Repayment Date/ Schedule
				guarantee of Edelweiss Financial Services Limited	
<b>Small Industries Development Bank of India</b>  <i>Term Loan</i>  Sanction Letter dated December 4, 2012  Loan Agreement dated December 19, 2012  Charge and hypothecation of book debts, current assets and receivables dated December 19, 2012	1,000	11.25% p.a.	800	Exclusive charge by way of hypothecation of book debts and current assets of the Company in respect of MSME assistance, with a minimum asset cover of 1.33 times	Repayable in 10 equal quarterly instalments of ₹100 million each, commencing after a moratorium period of 6 months from the date of first disbursement. The due dates of payment of instalments shall be first day of each quarter.
<b>State Bank of Hyderabad</b>  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	Cash credit - 500	Base rate + 3.25 % p.a.	403.62	Secured by first <i>pari passu</i> charge on loan receivables (standard assets only) current assets with asset cover ratio of 1.33 times  Corporate guarantee of Edelweiss Financial Services Limited	On demand
<b>Union Bank of India</b>	<i>Secured overdraft-</i> 1,850	<i>Secured overdraft-</i> Base rate +	392.54	<i>Secured overdraft-</i> First <i>pari passu</i>	<i>Secured Overdraft-</i> On demand

Name of the Lender, facility and details of documentation	Amount Sanctioned (in ₹ million)	Rate of Interest	Amount Outstanding as on November 30, 2013 (in ₹ million)	Security	Repayment Date/ Schedule
<p><i>Secured overdraft &amp; term loan</i></p> <p>Sanction letter dated December 24, 2012</p> <p>Composite hypothecation deed dated December 26, 2012</p> <p><i>Secured overdraft</i></p> <p>Sanction letter dated March 9, 2012</p> <p>Supplementary agreement to hypothecation of book debts agreement dated December 26, 2012</p> <p>Hypothecation of book debts agreement dated December 26, 2012</p> <p><i>Term Loan</i></p> <p>General term loan agreement dated December 26, 2012</p>	<p><i>Term loan-800</i></p>	<p>2.25%</p> <p><i>Term loan-Base rate + 1% p.a.</i></p>	815.14	<p>charge on current assets including receivables, both present and future with a minimum assets coverage ratio of 1.33 times considering a margin of 25%</p> <p><i>Term loan-Exclusive charge on receivables of our Company both present and future to the extent of 1.33 times of the facility amount.</i></p> <p>Corporate guarantee of Edelweiss Financial Services Limited</p>	<p><i>Term Loan-Bullet</i> repayment after 3 years from the date of the first disbursement</p>
<p><i>Total outstanding Bank Borrowings for our Company is ₹9,018.66 million.</i></p>					

*\*Our Company is still availing the open cash credit facility and is awaiting official communication from the Lakshmi Vilas Bank for the extension of repayment date.*

*@ Our Company is still availing the cash credit facility and is awaiting official communication from the Karur Vysa Bank Limited.*

- **Secured Non-Convertible Debentures**

Our Company has issued on private placement basis, secured redeemable non- convertible debentures under various series of which ₹16,561.70 million is cumulatively outstanding as on November 30, 2013, the details of which are set forth below.

Debenture Series	Tenor	Coupon (in %)	Amounts# outstanding as on November 30, 2013 (in millions)	Security	Dates of Allotment	Redemption Date/Schedule
Disclosure Doc dated 16.12.2011	730 days	11.50% p.a.	2,000	**	December 19,2011	December 18,2013
Disclosure Doc dated 25.12.2012	1826 days (5 years)	8% p.a.	1,500	**	September 26,2012	September 26, 2017
F5I301	823 days	Market Linked	60	**	July 16,2013	October 12, 2015
F4G302	459 days	Market Linked	61	**	July 16,2013	October 13, 2014
Disclosure Doc dated 22.10.2013	690 days	12.25% p.a.	150	**	November 15,2013	October 15, 2015
A4A001	42 Months	Non Principal Protected - Market Linked	86	**	November 23,2010	May 23, 2014
A4A002	42 Months	Non Principal Protected - Market Linked	49	**	December 08,2010	June 06, 2014
A4A003	42 Months	Non Principal Protected - Market Linked	46	**	December 15,2010	June 16, 2014
A4C001	40 Months	Non Principal Protected - Market Linked	130	**	January 21,2011	May 21, 2014
A4C101	40 Months	Non Principal Protected - Market Linked	118	**	January 31,2011	May 30, 2014
A4C301	455 to 463 days	Market Linked	15	**	February 05,2013	May 06, 2014
A4C303	455 to 463 days	Market Linked	10	**	February 05,2013	May 06, 2014
A4E101	40 Months	Market Linked	120	**	March 29,2011	July 29, 2014
A4F101	40 Months	Market Linked	21	**	January 21,2011	May 21, 2014
A4G201	549 days	17%	8	**	July 06,2012	January 06, 2014
A4G203	550 days	17.22%	10	**	July 16,2012	January 17, 2014
A4I201	546 days	Market Linked	47	**	September 07,2012	March 07, 2014
A4J101	40 Months	Market Linked	3	**	January 28,2011	May 28, 2014
A5A101	1217 days	Market Linked	4	**	January 31,2012	June 01, 2015
A5B201	1216 days	Market Linked	29	**	February 23,2012	June 23, 2015
A5K301	455 days	Market Linked	10	**	November 21,2013	February 19,2015
A6C301	1218 days	Market Linked	21	**	February 04,2013	June 06, 2016
A6C302	1218 days	Market Linked	21	**	January	June 01,



Debenture Series	Tenor	Coupon (in %)	Amounts# outstanding as on November 30, 2013 (in millions)	Security	Dates of Allotment	Redemption Date/Schedule
					30,2013	2016
A6G301	1218 days	Market Linked	262	**	February 06,2013	June 08, 2016
A6J201	1214 to 1222 days from First Initial Fixing Date	Market Linked	36	**	November 07,2012	March 02, 2016
A6J202	1214 to 1222 days from First Initial Fixing Date	Market Linked	28	**	November 07,2012	March 02, 2016
A6J204	1214 to 1222 days from First Initial Fixing Date	Market Linked	26	**	November 07,2012	March 02, 2016
A6J205	1214 to 1222 days from First Initial Fixing Date	Market Linked	44	**	November 07,2012	March 02, 2016
A6J206	1214 to 1222 days from First Initial Fixing Date	Market Linked	5	**	November 07,2012	March 02, 2016
A7K301	1215 days	Non Principal Protected - Market Linked	57	**	November 11,2013	March 10, 2017
B4A001	42 Months	Non Principal Protected - Market Linked	47	**	December 23,2010	June 23, 2014
B4B101	42 Months	Non Principal Protected - Market Linked	39	**	January 13,2011	July 14, 2014
B4B301	453 to 461 days	Market Linked	50	**	April 03,2013	June 30, 2014
B4C102	40 Months	Market Linked	23	**	March 04,2011	July 04, 2014
B4C301	1217 days	Market Linked	30	**	March 15,2013	July 14, 2016
B4C302	446 to 464 days	Market Linked	17	**	April 03,2013	June 30, 2014
B4D102	40 Months	Non Principal Protected - Market Linked	18	**	February 21,2011	June 20, 2014
B4D301	455 to 463 days	Market Linked	29	**	March 04,2013	June 03, 2014
B4D302	456 to 464 days	Market Linked	6	**	March 04,2013	June 03, 2014
B4E102	40 Months	Market Linked	52	**	March	July 08,

Debenture Series	Tenor	Coupon (in %)	Amounts# outstanding as on November 30, 2013 (in millions)	Security	Dates of Allotment	Redemption Date/Schedule
					08,2011	2014
B4I101	40 Months	Market Linked	20	**	March 07,2011	July 07, 2014
B4L202	454 to 462 days	Market Linked	7	**	February 05,2013	May 09, 2014
B5B203	1125 days	Market Linked	14	**	February 29,2012	March 30, 2015
B5C201	1218 days	Market Linked	20	**	March 05,2012	July 06, 2015
B5C202	1248 days	Market Linked	3	**	March 06,2012	August 06, 2015
B5C301	822 days	Market Linked	30	**	March 15,2013	June 15, 2015
B5E301	820 days	Market Linked	66	**	March 12,2013	June 10, 2015
B5K301	454 days	13.35%	5	**	November 26,2013	February 23, 2015
B5K302	453 days	13.10%	15	**	November 27,2013	February 23,2015
B6E301	1218 days	Market Linked	32	**	March 11,2013	July 11, 2016
B6E302	1216 days	Market Linked	14	**	March 13,2013	July 11, 2016
B6G301	910 days	25.45%	18	**	August 05,2013	February 01,2016
B6K201	1249 days	Non Principal Protected - Market Linked	75	**	December 11,2012	May 02, 2016
B6K202	1218 days	Market Linked	166	**	November 19,2012	March 21, 2016
B6L201	1247 to 1255 days	Non Principal Protected - Market Linked	16	**	December 18,2012	May 11, 2016
B6L202	1218 days	Market Linked	13	**	December 10,2012	April 11, 2016
B7K301	1217 days	Non Principal Protected - Market Linked	15	**	November 21,2013	March 22, 2017
C4A301	455 days	Market Linked	21	**	February 04,2013	May 05, 2014
C4C101	39 months	Non Principal Protected - Market Linked	3	**	March 30,2011	June 30, 2014
C4C301	450 to 458 days	Market Linked	15	**	March 26,2013	June 23, 2014
C4D101	42 Months	Non Principal Protected - Market Linked	44	**	February 18,2011	August 18, 2014
C4D102	39 Months	Non Principal Protected - Market Linked	50	**	April 15,2011	July 15, 2014
C4D301	456 days	Market Linked	10	**	April 16,2013	July 16, 2014

Debenture Series	Tenor	Coupon (in %)	Amounts# outstanding as on November 30, 2013 (in millions)	Security	Dates of Allotment	Redemption Date/Schedule
C4D302	424 days	Market Linked	500	**	April 18,2013	June 16, 2014
C4D303	454 days	Market Linked	5	**	May 03,2013	July 31, 2014
C4E102	40 Months	Market Linked	10	**	March 29,2011	July 29, 2014
C4F101	42 Months	Market Linked	34	**	February 04,2011	August 04, 2014
C4I101	42 Months	Market Linked	51	**	April 08,2011	October 08, 2014
C4L201	545 days	Market Linked	4	**	January 08,2013	July 07, 2014
C5A201	850 days	Market Linked	13	**	January 07,2013	May 07, 2015
C5C201	1217days	Market Linked	19	**	April 24,2012	August 24, 2015
C5C302	818 days	Market Linked	10	**	April 03,2013	June 30, 2015
C5C303	723 days	22.65%	13	**	April 02,2013	March 26, 2015
C5D301	760 days	Market Linked	10	**	April 18,2013	May 18, 2015
C5E301	819 days	Market Linked	79	**	April 02,2013	June 30, 2015
C5E302	726 days	Market Linked	25	**	April 03,2013	March 30, 2015
C6A201	1247 days	Non Principal Protected - Market Linked	5	**	January 08,2013	June 08, 2016
C6A301	1276 to 1284 days	Market Linked	3	**	February 11,2013	August 11, 2016
C6A302	1277 days	Market Linked	54	**	January 15,2013	July 15, 2016
C6A303	1277 to 1285 days	Market Linked	17	**	January 17,2013	July 19, 2016
C6E301	1213 days	Market Linked	33	**	April 02,2013	July 28, 2016
C6G301	1216 to 1224 days	Non Principal Protected - Market Linked	50	**	April 12,2013	August 11, 2016
C6H301	1280 days	Market Linked	23	**	April 02,2013	October 03, 2016
C6H302	1274 days	Market Linked	10	**	April 02,2013	September 27,2016
C6I301	1277 days	Market Linked	10	**	April 09,2013	October 07, 2016
C6K201	1214 to 1222 days from Trade Date	39.50%	7	**	November 09,2012	March 09, 2016
C6K301	913 days	Market Linked	5	**	November 08,2013	May 09, 2016
C6L201	1276 days	Market Linked	18	**	December	June 24,

Debenture Series	Tenor	Coupon (in %)	Amounts# outstanding as on November 30, 2013 (in millions)	Security	Dates of Allotment	Redemption Date/Schedule
					26,2012	2016
C6L202	1277 days	Market Linked	31	**	January 01,2013	July 01, 2016
C7K301	1217 days	42.75%	10	**	November 22,2013	March 23, 2017
D4C301	456 days	Market Linked	5	**	March 12,2013	June 11, 2014
D4D102	37 Months	Market Linked	17	**	April 29,2011	May 29, 2014
D4D106	39 Months	Non Principal Protected - Market Linked	19	**	April 29,2011	July 29, 2014
D4D107	40 Months	Market Linked	18	**	April 29,2011	August 29, 2014
D4D301	454 days	Market Linked	15	**	May 07,2013	August 04, 2014
D4D302	454 days	Market Linked	4	**	May 03,2013	July 31, 2014
D4D304	396 days	Market Linked	10	**	April 26,2013	May 27, 2014
D4D306	1275 days	Market Linked	100	**	May 06,2013	November 01,2016
D4D307	822 days	Market Linked	27	**	May 03,2013	August 03, 2015
D4D308	454 days	Market Linked	5	**	May 07,2013	August 04, 2014
D4E102	37 Months	Market Linked	13	**	May 06,2011	June 06, 2014
D4K201	578 days	Market Linked	8	**	November 07,2012	June 02, 2014
D5A102	1203 days	Non Principal Protected - Market Linked	89	**	January 31,2012	May 18, 2015
D5B201	1203 days	Non Principal Protected - Market Linked	17	**	January 31,2012	May 18, 2015
D5B202	1200 days	Non Principal Protected - Market Linked	30	**	February 10,2012	May 25, 2015
D5C301	751 days	24.30%	102	**	April 03,2013	April 24, 2015
D5G201	1218 days	Market Linked	20	**	May 08,2012	September 08,2015
D5H301	815 to 823 days	Market Linked	9	**	June 20,2013	September 21,2015
D6A301	1278 days	Market Linked	96	**	January 28,2013	July 29, 2016
D6A302	1278 days	Market Linked	49	**	January 28,2013	July 29, 2016
D6A303	1278 days	Market Linked	6	**	February 04,2013	August 05, 2016
D6A304	1278 days	Market Linked	16	**	February 04,2013	August 05, 2016

Debenture Series	Tenor	Coupon (in %)	Amounts# outstanding as on November 30, 2013 (in millions)	Security	Dates of Allotment	Redemption Date/Schedule
D6A305	1278 days	Market Linked	250	**	February 04,2013	August 05, 2016
D6B301	1280 days	Market Linked	10	**	February 05,2013	August 08, 2016
D6B302	1278 days	Market Linked	28	**	February 11,2013	August 12, 2016
D6B303	1278 days	Market Linked	215	**	February 18,2013	August 19, 2016
D6B304	1278 days	Market Linked	38	**	February 11,2013	August 12, 2016
D6B305	1280 days	Market Linked	30	**	February 13,2013	August 16, 2016
D6B306	1295 days	Non Principal Protected - Market Linked	30	**	February 13,2013	August 31, 2016
D6B307	1279 days	Market Linked	10	**	February 15,2013	August 17, 2016
D6B308	1279 days	Market Linked	10	**	February 20,2013	August 22, 2016
D6B309	1279 days	Market Linked	54	**	February 20,2013	August 22, 2016
D6C301	1280 days	Market Linked	50	**	January 31,2013	August 03, 2016
D6I301	1275 days	Market Linked	19	**	May 06,2013	November 01,2016
D6J301	909 days	Market Linked	30	**	November 06,2013	May 03, 2016
E4E101	37 Months	Market Linked	16	**	May 20,2011	June 20, 2014
E4E102	37 Months	Market Linked	25	**	May 31,2011	June 30, 2014
E4E104	37 Months	Market Linked	21	**	May 23,2011	June 23, 2014
E4E105	37 Months	Market Linked	13	**	May 19,2011	June 19, 2014
E4E106	37 Months	Market Linked	24	**	May 20,2011	June 20, 2014
E4E107	37 Months	Market Linked	3	**	May 27,2011	June 27, 2014
E4E109	39 Months	Non Principal Protected - Market Linked	26	**	May 30,2011	August 29, 2014
E4E301	392 days	Market Linked	5	**	June 12,2013	July 09, 2014
E4F301	453 days	Market Linked	10	**	June 19,2013	September 15, 2014
E4H102	1218 days	Non Principal Protected - Market Linked	30	**	June 13,2011	October 13, 2014
E5B201	1217 days	Market Linked	19	**	February 28,2012	June 29, 2015
E5C201	1203 days	Non Principal Protected -	12	**	March 06,2012	June 22, 2015

Debenture Series	Tenor	Coupon (in %)	Amounts# outstanding as on November 30, 2013 (in millions)	Security	Dates of Allotment	Redemption Date/Schedule
		Market Linked				
E5E201	1218 days	Market Linked	5	**	May 30,2012	September 30,2015
E5E202	1217 days	Market Linked	48	**	June 07,2012	October 07, 2015
E5E205	1218 days	Market Linked	51	**	May 29,2012	September 29,2015
E5E210	1218 days	Market Linked	64	**	May 31,2012	October 01, 2015
E5F201	1217 days	Market Linked	2	**	June 05,2012	October 05, 2015
E5F202	1217 days	Market Linked	20	**	June 15,2012	October 15, 2015
E5F206	1217 days	Market Linked	10	**	June 08,2012	October 08, 2015
E5G301	821 days	Market Linked	17	**	June 12,2013	September 11,2015
E5G302	823 days	Market Linked	50	**	June 06,2013	September 07,2015
E5K201	1038 days	Market Linked	50	**	November 27,2012	October 01, 2015
E6B301	1277 days	Non Principal Protected - Market Linked	68	**	February 11,2013	August 11, 2016
E6B303	1276 days	Market Linked	24	**	February 27,2013	August 26, 2016
E6C301	1276 days	Market Linked	10	**	April 03,2013	September 30,2016
E6J301	1276 days	Market Linked	18	**	June 05,2013	December 02,2016
E7K301	1276 days	Market Linked	22	**	November 13,2013	May 12,2017
F3C301	1280 days	Non Principal Protected - Market Linked	23	**	March 12,2013	September 12,2016
F4C301	452 days	13.93%	10	**	March 11,2013	June 06, 2014
F4F102	1126 days	Market Linked	7	**	June 30,2011	July 30, 2014
F4F201	730 days	23.20%	7	**	June 19,2012	June 19, 2014
F4F202	731 days	23.20%	4	**	June 29,2012	June 30, 2014
F4F203	731 days	21.75%	2	**	July 06,2012	July 07, 2014
F4F301	453 days	Market Linked	4	**	June 26,2013	September 22,2014
F4F302	453 days	Market Linked	24	**	June 26,2013	September 22,2014
F4G102	1127 days	Market Linked	7	**	July 13,2011	August 13, 2014
F4G301	449 to 457 days	Market Linked	13	**	July 16,2013	October 13, 2014

Debenture Series	Tenor	Coupon (in %)	Amounts# outstanding as on November 30, 2013 (in millions)	Security	Dates of Allotment	Redemption Date/Schedule
F4H101	1188 days	Market Linked	3	**	June 30,2011	September 30,2014
F4H102	1218 days	Market Linked	40	**	June 30,2011	October 30, 2014
F4H103	1218 days	Non Principal Protected - Market Linked	5	**	June 30,2011	October 30, 2014
F4I101	1219 days	Market Linked	2	**	July 04,2011	November 04,2014
F5C201	1248 days	Market Linked	1	**	March 06,2012	August 06, 2015
F5C202	1209 days	Non Principal Protected - Market Linked	21	**	March 28,2012	July 20, 2015
F5C203	1217 days	Non Principal Protected - Market Linked	15	**	March 27,2012	July 27, 2015
F5C204	1213 days	Non Principal Protected - Market Linked	25	**	March 20,2012	July 16, 2015
F5E301	913 days	Market Linked	23	**	May 10,2013	November 09,2015
F5E302	727 days	Market Linked	10	**	June 05,2013	June 02, 2015
F5F201	1217 days	Market Linked	12	**	June 22,2012	October 22, 2015
F5F203	1217 days	Market Linked	1	**	June 29,2012	October 29, 2015
F5F302	820 days	Market Linked	10	**	July 02,2013	September 30,2015
F5G201	1218 days	Market Linked	39	**	July 06,2012	November 06,2015
F5G202	1235 days	Market Linked	24	**	July 06,2012	November 23,2015
F5G204	1218 days	Market Linked	10	**	July 06,2012	November 10,2015
F5H201	1217 days	Non Principal Protected - Market Linked	3	**	June 29,2012	October 29, 2015
F6C301	1277 days	Market Linked	31	**	April 02,2013	September 30,2016
F6C302	1274 days	Market Linked	42	**	April 02,2013	September 27,2016
F6C303	1277 days	Non Principal Protected - Market Linked	12	**	April 02,2013	September 30,2016
F6E301	1275 days	Market Linked	126	**	April 03,2013	September 29,2016
F6F301	1096 days	33.00%	34	**	June 20,2013	June 20, 2016
F6H301	1246 days	Market Linked	27	**	August 12,2013	January 09, 2017
F6I301	1213 to	Market Linked	20	**	June 24,2013	October 21,

Debenture Series	Tenor	Coupon (in %)	Amounts# outstanding as on November 30, 2013 (in millions)	Security	Dates of Allotment	Redemption Date/Schedule
	1221 days					2016
G3G002	40 Months	Market Linked	8	**	July 30,2010	November 30,2013
G3G201	453 to 461 days	Market Linked	30	**	August 31,2012	December 02,2013
G3H001	40 Months	Non Principal Protected - Market Linked	16	**	August 09,2010	December 09,2013
G3H201	453 to 461 days	Market Linked	35	**	August 31,2012	December 02,2013
G3H202	453 to 461 days	Market Linked	35	**	September 12,2012	December 02,2013
G4D301	454 days	12.85%	10	**	April 30,2013	July 28, 2014
G4D302	454 days	13.00%	10	**	May 03,2013	July 31, 2014
G4G104	1127 days	Market Linked	16	**	July 22,2011	August 22, 2014
G4G105	1158 days	Market Linked	22	**	July 26,2011	September 26,2014
G4G108	1159 days	Market Linked	15	**	July 28,2011	September 29,2014
G4G109	1127 days	Market Linked	43	**	July 29,2011	August 29, 2014
G4H201	818 to 826 days	Market Linked	44	**	August 06,2012	November 06,2014
G4H301	449 to 457 days	Market Linked	13	**	August 21,2013	November 17,2014
G4H302	357 days	Market Linked	100	**	August 12,2013	August 04, 2014
G4H303	453 days	Market Linked	17	**	September 04,2013	December 01,2014
G4I101	1188 days	Market Linked	12	**	July 29,2011	October 29, 2014
G5C201	1251 days	Market Linked	6	**	March 28,2012	August 31, 2015
G5C301	1004 days	Market Linked	25	**	March 18,2013	December 17,2015
G5D201	1220 days	Non Principal Protected - Market Linked	21	**	April 17,2012	August 20, 2015
G5D301	909 days	Market Linked	76	**	May 02,2013	October 28, 2015
G5G201	1218 days	Market Linked	2	**	July 18,2012	November 18,2015
G5G204	1214 to 1222 days	Market Linked	4	**	August 03,2012	December 03,2015
G5G205	1214 to 1222 days	Market Linked	5	**	September 05,2012	January 05, 2016
G5H202	1213 to 1221 days	Non Principal Protected - Market Linked	10	**	August 03,2012	December 03,2015
G6G303	1184 days	Market Linked	13	**	August	November



Debenture Series	Tenor	Coupon (in %)	Amounts# outstanding as on November 30, 2013 (in millions)	Security	Dates of Allotment	Redemption Date/Schedule
					05,2013	01,2016
G6I302	1272 to 1280 days	Market Linked	9	**	August 06,2013	February 02,2017
H3H001	40 Months	Market Linked	12	**	August 31,2010	December 30,2013
H3H002	40 Months	Market Linked	6	**	September 09,2010	January 09, 2014
H3H201	455 to 463 days	Market Linked	25	**	August 31,2012	December 02,2013
H3J001	39 Months	Non Principal Protected - Market Linked	113	**	September 06,2010	December 03,2013
H3K001	39 Months from 27-Sep-10	Non Principal Protected - Market Linked	26	**	October 01,2010	December 27,2013
H4E301	454 days	13.00%	3	**	May 07,2013	August 04, 2014
H4F301	544 days	Market Linked	5	**	June 19,2013	December 15,2014
H4H105	1218 days	Market Linked	23	**	August 24,2011	December 24,2014
H4H201	818 to 826 days	Market Linked	29	**	September 06,2012	December 08,2014
H4H202	822 days	Market Linked	24	**	August 31,2012	December 01,2014
H4H203	819 to 827 days	Market Linked	5	**	September 10,2012	December 10,2014
H4H301	449 to 457 days	Market Linked	16	**	August 21,2013	November 17,2014
H4H303	449 to 457 days	Market Linked	19	**	September 04,2013	December 01,2014
H4H304	359 days	Market Linked	100	**	September 04,2013	August 29, 2014
H4H305	359 days	Market Linked	150	**	September 04,2013	August 29, 2014
H4I201	817 to 825 days	Market Linked	1	**	September 12,2012	December 12,2014
H4I301	449 to 457 days	Market Linked	10	**	September 18,2013	December 15,2014
H4J101	1218 days	Non Principal Protected - Market Linked	10	**	August 23,2011	December 23,2014
H4J102	1217 days	Non Principal Protected - Market Linked	5	**	August 25,2011	December 24,2014
H4J201	726 to 734 days	Market Linked	21	**	October 10,2012	October 03, 2014
H5C301	1002 days	Market Linked	12	**	April 02,2013	December 30,2015
H5C302	1002 days	Market Linked	11	**	April 03,2013	December 31,2015
H5D301	819 days	23.00%	43	**	May 06,2013	August 03, 2015

Debenture Series	Tenor	Coupon (in %)	Amounts# outstanding as on November 30, 2013 (in millions)	Security	Dates of Allotment	Redemption Date/Schedule
H5F201	1217 days	Non Principal Protected - Market Linked	134	**	June 29,2012	October 29, 2015
H5I202	1118 days	Non Principal Protected - Market Linked	7	**	September 14,2012	October 07, 2015
H5I301	819 days	Market Linked	7	**	September 18,2013	December 16,2015
H6A301	1276 days	Market Linked	10	**	August 27,2013	February 23,2017
H6E301	1187 days	39.75%	17	**	May 24,2013	August 23, 2016
H6E302	1187 days	39.75%	10	**	May 30,2013	August 29, 2016
H6E303	1187 days	39.75%	5	**	May 30,2013	August 29, 2016
H6J301	1272 to 1280 days	Market Linked	15	**	September 04,2013	March 03, 2017
H6K301	1273 to 1281 days	Market Linked	55	**	August 14,2013	February 09,2017
I3I001	40 Months	Market Linked	29	**	September 29,2010	January 29, 2014
I3I002	40 Months	Market Linked	100	**	September 30,2010	January 30, 2014
I3J001	40 Months	Market Linked	1	**	October 04,2010	February 03,2014
I3K001	39 Months	Non Principal Protected - Market Linked	54	**	September 21,2010	December 20,2013
I4C301	635 days	Market Linked	15	**	April 03,2013	December 29,2014
I4I102	1218 days	Market Linked	12	**	September 30,2011	January 30, 2015
I4I201	822 days	Market Linked	22	**	September 28,2012	December 29,2014
I4I301	450 to 458 days	Market Linked	70	**	October 04,2013	January 01, 2015
I4I302	451 days	Market Linked	20	**	October 04,2013	December 29,2014
I4I303	359 days	Market Linked	100	**	September 18,2013	September 12,2014
I4I304	359 days	Market Linked	100	**	September 18,2013	September 12,2014
I4I305	449 to 457 days	Market Linked	68	**	October 04,2013	December 31,2014
I4I306	359 days	Market Linked	100	**	September 18,2013	September 12,2014
I4I307	359 days	Market Linked	100	**	September 18,2013	September 12,2014
I4I308	359 days	Market Linked	100	**	September 18,2013	September 12,2014
I4I309	361 days	Market Linked	100	**	September 19,2013	September 15,2014

Debenture Series	Tenor	Coupon (in %)	Amounts# outstanding as on November 30, 2013 (in millions)	Security	Dates of Allotment	Redemption Date/Schedule
I4I310	361 days	Market Linked	100	**	September 20,2013	September 16,2014
I4I311	361 days	Market Linked	100	**	September 20,2013	September 16,2014
I4I312	453 days	Market Linked	14	**	October 04,2013	December 31,2014
I4I313	359 days	Market Linked	100	**	September 25,2013	September 19,2014
I4I314	359 days	Market Linked	100	**	September 25,2013	September 19,2014
I4I315	359 days	Market Linked	150	**	September 25,2013	September 19,2014
I4I316	359 days	Market Linked	100	**	September 25,2013	September 19,2014
I4I317	453 days	Market Linked	22	**	November 06,2013	February 02,2015
I4I318	453 days	Market Linked	5	**	October 04,2013	December 31,2014
I4I319	453 days	Market Linked	5	**	October 04,2013	December 31,2014
I4J101	1251 days	Non Principal Protected - Market Linked	45	**	September 14,2011	February 16,2015
I4J301	455 days	Market Linked	8	**	October 18,2013	January 16, 2015
I4J302	453 days	Market Linked	23	**	November 06,2013	February 02,2015
I4J303	452 days	Market Linked	8	**	October 21,2013	January 16, 2015
I4K101	1219 days	Market Linked	20	**	October 11,2011	February 11,2015
I4K102	1219 days	Non Principal Protected - Market Linked	48	**	October 04,2011	February 04,2015
I4K103	1218 days	Non Principal Protected - Market Linked	10	**	September 29,2011	January 29, 2015
I4K201	761 days	Market Linked	57	**	November 07,2012	December 08,2014
I4L101	1219 days	Non Principal Protected - Market Linked	49	**	October 10,2011	February 10,2015
I5E301	819 days	23.00%	12	**	June 05,2013	September 02,2015
I5F301	819 days	23.00%	26	**	July 03,2013	September 30,2015
I5F302	819 days	25.25%	4	**	June 14,2013	September 11,2015
I5G201	1235 days	Market Linked	10	**	July 17,2012	December 04,2015
I5G202	1218 days	Non Principal Protected - Market Linked	11	**	July 06,2012	November 06,2015

Debenture Series	Tenor	Coupon (in %)	Amounts# outstanding as on November 30, 2013 (in millions)	Security	Dates of Allotment	Redemption Date/Schedule
I5I301	834 days	Market Linked	8	**	September 17,2013	December 30,2015
I5I302	822 days	Market Linked	18	**	October 04,2013	January 04, 2016
I5J201	1218 days	Non Principal Protected - Market Linked	5	**	October 05,2012	February 05,2016
I5K201	1186 days	Market Linked	8	**	September 28,2012	December 28,2015
I5K202	1186 days	Market Linked	39	**	September 17,2012	December 17,2015
I5L201	1218 days	Non Principal Protected - Market Linked	5	**	October 08,2012	February 08,2016
I5L202	1218 days	Market Linked	10	**	October 08,2012	February 08,2016
I5L204	1218 days	Non Principal Protected - Market Linked	3	**	October 08,2012	February 08,2016
I5L301	819 days	Market Linked	8	**	October 08,2013	January 05, 2016
I6H301	1272 to 1280 days	Market Linked	37	**	July 03,2013	December 30,2016
I6H302	1272 to 1280 days	Market Linked	34	**	July 03,2013	December 30,2016
I6H303	1272 to 1280 days	Market Linked	7	**	July 03,2013	December 30,2016
I6J301	1212 to 1220 days	Market Linked	18	**	October 10,2013	February 08,2017
J3J001	40 Months	Market Linked	3	**	October 28,2010	February 28,2014
J3J002	40 Months	Market Linked	10	**	October 15,2010	February 14,2014
J3J003	40 Months	Market Linked	60	**	October 22,2010	February 21,2014
J3J004	40 Months	Market Linked	25	**	October 29,2010	February 28,2014
J3J101	824 days	Market Linked	37	**	October 19,2011	January 20, 2014
J3J102	825 days	Market Linked	5	**	October 18,2011	January 20, 2014
J3J204	453 to 461 days	Market Linked	2	**	October 30,2012	January 30, 2014
J3J205	453 to 461 days	Market Linked	2	**	November 07,2012	January 31, 2014
J3K201	453 to 461 days	Market Linked	2	**	November 09,2012	February 06,2014
J3K202	453 to 461 days	Market Linked	2	**	November 09,2012	February 07,2014
J4J102	1190 days	Market Linked	41	**	October 17,2011	January 19, 2015
J4J104	1188 days	Market Linked	17	**	October 19,2011	January 19, 2015

Debenture Series	Tenor	Coupon (in %)	Amounts# outstanding as on November 30, 2013 (in millions)	Security	Dates of Allotment	Redemption Date/Schedule
J4J301	361 days	Market Linked	250	**	October 10,2013	October 06, 2014
J5A201	1212 to 1220 days	Market Linked	5	**	November 22,2012	March 21, 2016
J5C201	1220 days	Market Linked	10	**	October 31,2012	March 04, 2016
J5G201	1218 days	Non Principal Protected - Market Linked	82	**	July 27,2012	November 27,2015
J5G202	1214 to 1222 days	Market Linked	10	**	August 24,2012	December 24,2015
J5G203	1218 days	Market Linked	29	**	July 31,2012	December 01,2015
J5G301	819 days	22.35%	15	**	July 17,2013	October 14, 2015
J5H201	1234 days	Market Linked	21	**	August 07,2012	December 24,2015
J5H202	1213 to 1221 days	Market Linked	14	**	August 07,2012	December 07,2015
J5H205	1217 days	Market Linked	2	**	August 10,2012	December 10,2015
J5J201	1218 days	Market Linked	72	**	October 31,2012	March 02, 2016
J5J202	1218 days	Market Linked	45	**	October 31,2012	March 02, 2016
J5J301	818 days	Market Linked	44	**	November 06,2013	February 02,2016
J5J302	727 days	23.25%	64	**	October 30,2013	October 27, 2015
J5K201	1187 days	Market Linked	26	**	November 26,2012	February 26,2016
J5K202	1187 days	Market Linked	28	**	November 19,2012	February 12,2016
J5L201	1188 days	Market Linked	8	**	October 31,2012	February 01,2016
J5L202	1220 days	Market Linked	5	**	October 31,2012	March 04, 2016
J5L203	1214 to 1222 days	Market Linked	6	**	November 09,2012	March 07, 2016
J5L204	1187 days	Market Linked	20	**	November 07,2012	January 29, 2016
J6C301	1216 days	Market Linked	12	**	November 06,2013	March 06, 2017
J6I301	1272 to 1280 days	Market Linked	5	**	July 17,2013	January 13, 2017
J6J302	1275 days	Market Linked	39	**	November 06,2013	May 04, 2017
J6J303	1275 days	Market Linked	8	**	November 06,2013	May 04, 2017
K2I201	1238 days	Non Principal Protected - Market Linked	15	**	September 11,2012	February 01,2016
K3A001	40 Months	Market Linked	32	**	December	April 21,

Debenture Series	Tenor	Coupon (in %)	Amounts# outstanding as on November 30, 2013 (in millions)	Security	Dates of Allotment	Redemption Date/Schedule
					21,2010	2014
K3A002	40 Months	Market Linked	29	**	December 22,2010	April 22, 2014
K3H201	453 to 461 days	13%	8	**	September 12,2012	December 04,2013
K3K002	39 Months	Non Principal Protected - Market Linked	30	**	November 24,2010	February 24,2014
K3K003	39 Months	Non Principal Protected - Market Linked	16	**	November 30,2010	February 28,2014
K3K005	39 Months	Non Principal Protected - Market Linked	49	**	November 22,2010	February 19,2014
K3K006	39 Months	Non Principal Protected - Market Linked	9	**	November 24,2010	February 24,2014
K3K007	40 Months	Market Linked	10	**	November 30,2010	March 31, 2014
K3L001	39 Months	Non Principal Protected - Market Linked	15	**	December 07,2010	March 07, 2014
K3L002	39 Months	Non Principal Protected - Market Linked	30	**	December 08,2010	March 07, 2014
K4I301	395 days	12.00%	129	**	October 04,2013	November 03,2014
K4K102	1188 days	Non Principal Protected - Market Linked	24	**	November 30,2011	March 02, 2015
K4L101	1217 days	Non Principal Protected - Market Linked	39	**	December 30,2011	April 30, 2015
K4L103	1214 days	Market Linked	18	**	December 05,2011	April 02, 2015
K4L105	1186 days	Non Principal Protected - Market Linked	77	**	December 05,2011	March 05, 2015
K4L106	1187 days	Non Principal Protected - Market Linked	12	**	December 08,2011	March 09, 2015
K5A201	1217 days	Market Linked	17	**	November 27,2012	March 28, 2016
K5E201	1247 days	Market Linked	17	**	December 10,2012	May 10, 2016
K5G301	819 days	22.35%	8	**	August 05,2013	November 02,2015
K5H201	1217 days	Non Principal Protected - Market Linked	23	**	August 31,2012	December 31,2015
K5H205	1217 days	Non Principal Protected - Market Linked	6	**	August 28,2012	December 28,2015

Debenture Series	Tenor	Coupon (in %)	Amounts# outstanding as on November 30, 2013 (in millions)	Security	Dates of Allotment	Redemption Date/Schedule
K5H301	819 days	27.50%	12	**	August 26,2013	November 23,2015
K5I201	1238 days	Non Principal Protected - Market Linked	24	**	September 07,2012	January 28, 2016
K5I202	1217 days	Non Principal Protected - Market Linked	17	**	September 07,2012	January 07, 2016
K5J201	1217 days	Non Principal Protected - Market Linked	24	**	August 31,2012	December 31,2015
K5K201	1127 days	Market Linked	77	**	November 27,2012	March 28, 2016
K5K202	1217 days	Market Linked	50	**	November 30,2012	March 31, 2016
K5K203	1221 days	Market Linked	10	**	November 30,2012	April 04, 2016
K5L201	1217 days	Market Linked	20	**	December 04,2012	April 04, 2016
K5L202	1217 days	Market Linked	59	**	December 06,2012	April 06, 2016
L3A001	39 Months	Non Principal Protected - Market Linked	132	**	January 25,2011	April 25, 2014
L3A201	457 days	Market Linked	28	**	January 09,2013	April 11, 2014
L3A202	454 to 462 days	Market Linked	15	**	January 17,2013	April 18, 2014
L3C201	455 to 463 days	Market Linked	19	**	February 05,2013	May 06, 2014
L3F201	549 days	17%	20	**	June 22,2012	December 23,2013
L3F203	549 days	17%	14	**	June 29,2012	December 30,2013
L3J102	825 days	Market Linked	12	**	October 18,2011	January 20, 2014
L3J103	824 days	Market Linked	1	**	October 19,2011	January 20, 2014
L3K201	453 to 461 days from First Initial Fixing Date	Market Linked	15	**	November 22,2012	February 12,2014
L3L001	40 Months	Market Linked	6	**	December 24,2010	April 24, 2014
L3L101	823 days	Market Linked	66	**	January 12,2012	April 14, 2014
L3L201	455 days	Market Linked	10	**	December 27,2012	March 27, 2014
L4A102	1216 days	Market Linked	13	**	January 13,2012	May 13, 2015
L4A103	1186 days	Non Principal Protected - Market Linked	37	**	January 03,2012	April 03, 2015

Debenture Series	Tenor	Coupon (in %)	Amounts# outstanding as on November 30, 2013 (in millions)	Security	Dates of Allotment	Redemption Date/Schedule
L4I301	453 days	17.00%	8	**	September 11,2013	December 08,2014
L4I302	454 days	15.25%	10	**	September 26,2013	December 24,2014
L4J301	390 days	12.25%	10	**	November 07,2013	December 02,2014
L4K302	452 days	Market Linked	10	**	November 18,2013	February 13,2015
L4K303	452 days	Market Linked	10	**	November 18,2013	February 13,2015
L4L102	1186 days	Non Principal Protected - Market Linked	58	**	December 30,2011	March 30, 2015
L4L103	1217 days	Market Linked	33	**	December 29,2011	April 29, 2015
L4L106	1127 days	Non Principal Protected - Market Linked	16	**	December 23,2011	January 23, 2015
L4L107	1217 days	Market Linked	7	**	December 23,2011	April 23, 2015
L5B201	1218 days	Market Linked	15	**	December 21,2012	April 22, 2016
L5C201	1218 days	Market Linked	33	**	February 04,2013	June 06, 2016
L5F301	1218 days	Market Linked	148	**	January 10,2013	May 12, 2016
L5I202	1218 days	Market Linked	286	**	October 16,2012	February 16,2016
L5I203	1217 days	Non Principal Protected - Market Linked	24	**	September 28,2012	January 28, 2016
L5I204	1238 days	Non Principal Protected - Market Linked	7	**	September 21,2012	February 11,2016
L5I301	1276 days	Market Linked	23	**	July 15,2013	January 11, 2017
L5K201	1218 days	Market Linked	39	**	September 17,2012	January 18, 2016
L6J302	1217 days	Non Principal Protected - Market Linked	47	**	October 11,2013	February 09,2017
<b>Total</b>			<b>16,562</b>			

# represents face value of the instrument.

**\*\* Debenture Trust Deedwise details of security provided:**

DTD date	Value	Total Cover	Particulars
May 20, 2010	250 Cr	1.25 times	Property <sup>#</sup> + Stock in Trade + Corp Guarantee
June 6, 2011	250 Cr	1.26 times	Property <sup>#</sup> + Receivables & Stock in Trade + Corp Guarantee
March 2, 2012	200 Cr	1.21 times	Property <sup>#</sup> + Receivables + Corp Guarantee
March 2, 2012	250 Cr	1.25 times	Property <sup>#</sup> + Receivables + Corp Guarantee
November 17, 2012	250 Cr	1.26 times	Property <sup>#</sup> + Receivables & Stock in Trade + Corp Guarantee
December 17, 2012	150 Cr	1.21 times	Property <sup>#</sup> + Receivables & Stock in Trade
April 5, 2013	500 Cr	1.25 times	Property <sup>#</sup> + Receivables & Stock in Trade + Corp Guarantee



DTD date	Value	Total Cover	Particulars
August 7, 2013	400 Cr	1.25 times	Property <sup>#</sup> + Receivables & Stock in Trade + Corp Guarantee
# - First pari passu mortgage and charge over the Mortgaged Premises at Flat No. B/301, Real Home, in the Building No. 11, in the layout of 'Madhuban Township' on the land			

### ***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 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;
- to alter its capital structure, or buy-back, cancel, purchase, or otherwise acquire any share capital;
- to effect a change of ownership or control, or management of our Company;
- to enter into long term contractual obligations directly affecting the financial position of our Company;
- to borrow or obtain credit facilities from any bank or financial institution;
- to undertake any guarantee obligations on behalf of any other company;
- to enter into any transaction with its affiliates or transfer any funds to any group or associate concern;
- to make any major investments by way of deposits, loans, share capital, etc. in any manner;
- Repayment of dues of promoter/group companies;
- Implement any scheme of expansion or diversification of capital expenditure except normal replacements indicated in funds flow statement submitted to and approved by the Bank;
- Company undertakes not to carry out new project/ further expansion;
- For investment exceeding 50% in subsidiaries of our Company;and
- To create in any manner any mortgage, charge, pledge, hypothecation, lien or other encumbrance on the security given.

### **Unsecured facilities**

#### **Unsecured Non-Convertible Debentures**

An issue of 2,000 (including green shoe option of 1,000) Unsecured, Redeemable, Non-convertible Subordinate Debt (Tier II) in the nature of Debentures of the face value of ₹1 million each aggregating ₹2,000 million (including green shoe option of ₹1,000 million) ("Subordinate NCDs") offered on private placement basis, to be issued at par in one or more tranches, and was open for subscription until December 30, 2013 ("Subordinate NCD Issue"). Our Company has allotted 200 Subordinate NCDs on December 30, 2013 and the same are in the process of being listed on BSE Limited.

- **Commercial Papers**

Our Company has issued the following commercial papers:

(as on November 30, 2013)

No	Party	Issue / Value Date	Maturity Date	Amount# (₹ in million)
1.	Deutsche Mutual Fund	June 11, 2013	December 11, 2013 *	150.00
2.	Deutsche Mutual Fund	June 11, 2013	December 11, 2013 *	750.00
3.	JP Morgan India Mutual Fund	December 21, 2012	December 20, 2013 *	250.00
4.	Canara Robeco Mutual Fund	March 08, 2013	March 07, 2014	250.00
5.	Canara Robeco Mutual Fund	March 08, 2013	March 07, 2014	30.00
6.	Canara Robeco Mutual Fund	March 08, 2013	March 07, 2014	220.00
7.	Credit Suisse India Debt Opportunities Fund I	May 20, 2013	May 09, 2014	120.00
8.	Credit Suisse India Debt Opportunities Fund II	May 20, 2013	May 09, 2014	80.00
9.	IDBI Mutual Fund	June 20, 2013	December 23, 2013	500.00
10.	Deutsche Mutual Fund	June 26, 2013	December 27, 2013	1,250.00
11.	Axis Mutual Fund	September 13, 2013	December 13, 2013	500.00
12.	Birla Sunlife Mutual Fund	October 10, 2013	December 09, 2013	1,500.00
13.	Canara Robeco Mutual Fund	October 15, 2013	December 13, 2013	500.00
14.	Religare Invesco Mutual Fund	October 21, 2013	December 20, 2013	500.00
15.	Religare Invesco Mutual Fund	October 23, 2013	December 23, 2013	500.00
16.	Principal Mutual Fund	October 23, 2013	December 19, 2013	992.50
17.	Principal Mutual Fund	October 23, 2013	December 19, 2013	7.50
18.	Baroda Pioneer Mutual Fund	October 23, 2013	December 23, 2013	1,000.00
19.	Deutsche Mutual Fund	November 01, 2013	December 30, 2013	500.00
20.	Religare Invesco Mutual Fund	October 29, 2013	December 27, 2013	150.00
21.	Religare Invesco Mutual Fund	October 29, 2013	December 27, 2013	600.00
22.	Sundaram Mutual Fund	October 29, 2013	December 20, 2013	750.00
23.	Religare Invesco Mutual Fund	November 11, 2013	December 27, 2013	250.00
24.	Deutsche Mutual Fund	November 11, 2013	December 27, 2013	750.00
25.	Baroda Pioneer Mutual Fund	November 11, 2013	December 27, 2013	1,000.00
26.	Kotak Mahindra Mutual Fund	November 14, 2013	December 30, 2013	1,650.00
27.	Axis Mutual Fund	November 20, 2013	March 04, 2014	250.00
28.	Axis Mutual Fund	November 22, 2013	January 24, 2014	750.00
29.	Pru ICICI Mutual Fund	November 25, 2013	December 26, 2013	2,000.00
30.	Pru ICICI Mutual Fund	November 28, 2013	December 27, 2013	1,500.00
31.	Pru ICICI Mutual Fund	November 28, 2013	December 27, 2013	500.00
32.	Syndicate Bank	November 26, 2013	December 26, 2013	300.00
33.	Edelweiss Commodities Services Limited	November 28, 2013	December 31, 2013	3000.00
<b>Total</b>				<b>23,050.00</b>

\* As on date, we have repaid the committed dues and the commercial papers are extinguished.

# Represents face value of the instrument.

- **Loan from Directors and Relatives of Directors**

Our Company has borrowed an aggregate ₹26.50 million from directors and relatives of directors as on November 30, 2013.

- **Inter Corporate Loans**

As on November 30, 2013, our Company has borrowed an amount of ₹488,730,016 in the nature of demand loans from Companies under same management.

**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 ₹2,500 million with an option to retain over-subscription up to ₹2,500 million, aggregating to a total of up to ₹5,000 million.*

The key common terms and conditions of the NCDs are as follows:

Particulars	Terms and Conditions
<b>Minimum Application Size</b>	₹10,000 (10 NCDs)
<b>Mode of Allotment</b>	Both in physical and dematerialised form
<b>Mode of Trading</b>	NCDs will be traded only in dematerialised form
<b>Terms of Payment</b>	Full amount on Application
<b>Trading Lot</b>	1 (one) NCD
<b>Who can Apply</b>	<p><b>Category I</b></p> <ul style="list-style-type: none"> <li>▪ Resident Public Financial Institutions, Statutory Corporations including State Industrial Development Corporations, Commercial Banks,</li> <li>▪ Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs;</li> <li>▪ 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;</li> <li>▪ Venture Capital funds and / or Alternative Investment Funds registered with SEBI;</li> <li>▪ Insurance Companies registered with the IRDA;</li> <li>▪ 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);</li> <li>▪ 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</li> <li>▪ Mutual Funds, registered with SEBI.</li> </ul> <p><b>Category II</b></p> <ul style="list-style-type: none"> <li>▪ Companies; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;</li> <li>▪ 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;</li> <li>▪ Public/private charitable/religious trusts which are authorised to invest in the NCDs;</li> <li>▪ Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;</li> <li>▪ Partnership firms in the name of the partners; and</li> <li>▪ Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).</li> </ul> <p><b>Category III*</b></p> <ul style="list-style-type: none"> <li>▪ Resident Indian individuals and</li> <li>▪ Hindu undivided families through the Karta.</li> </ul>

*\*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) 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), 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 162.

### **Principal Terms and Conditions of the Issue**

**TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs**

<b>Issuer</b>	ECL Finance Limited
<b>Lead Managers</b>	ICICI Securities Limited and Axis Capital Limited and Edelweiss Financial Services Limited
<b>Debenture Trustee</b>	Axis Trustee Services Limited
<b>Registrar to the Issue</b>	Link Intime India Private Limited
<b>Type and nature of Instrument</b>	Secured Redeemable Non-Convertible Debentures
<b>Face Value of NCDs (₹ / NCD)</b>	₹1,000
<b>Issue Price (₹ / NCD)</b>	₹1,000
<b>Minimum Application</b>	₹ 10,000 (10 NCDs) (for all options of NCDs, namely Options I, II, III and IV either taken individually or collectively)
<b>In Multiples of</b>	One NCD after the minimum Application
<b>Seniority</b>	<p>Senior (the claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements).</p> <p>Security for the purpose of this Issue will be identified immovable property and standard business receivables and will be created in accordance with the terms of the Debenture Trust Deed. Our Company has received NoCs from the existing chargeholders and security trustees to cede pari passu charge in favour of the Debenture Trustee for the purpose of this Issue.</p>
<b>Mode of Issue</b>	Public Issue
<b>Issue</b>	Public Issue by our Company of Secured Redeemable NCDs aggregating up to ₹2,500 million with an option to retain over-subscription up to ₹2,500 million aggregating to a total of up to ₹5,000 million.
<b>Stock Exchange proposed for listing of the NCDs</b>	BSE Limited (“BSE”)
<b>Listing and timeline for Listing</b>	The NCDs shall be listed within 12 Working Days of Issue Closing Date
<b>Mode of Allotment</b>	Both in physical and dematerialised form.
<b>Mode of Trading</b>	NCDs will be traded only in dematerialised form
<b>Trading Lot</b>	One NCD
<b>Depositories</b>	NSDL and CDSL
<b>Security</b>	Security for the purpose of this Issue will be identified immovable property and standard business receivables and will be created in accordance with the terms of the Debenture Trust Deed. Our Company has received NoCs from the existing chargeholders and security trustees to cede pari passu charge in favour of the Debenture Trustee for the purpose of this Issue.
<b>Who can apply</b>	<p><b>Category I</b></p> <ul style="list-style-type: none"> <li>▪ Resident Public Financial Institutions, Statutory Corporations including State Industrial Development Corporations, Commercial Banks,</li> <li>▪ Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs;</li> <li>▪ 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;</li> <li>▪ Venture Capital funds and / or Alternative Investment Funds registered with SEBI;</li> <li>▪ Insurance Companies registered with the IRDA;</li> <li>▪ 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);</li> <li>▪ 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</li> </ul>

- 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) 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), shall be separately grouped together, (“Unreserved Individual Portion”).*

Rating	Rating Agency	Instrument	Rating symbol	Date of credit rating Letter	Amount rated (₹ million)	Rating definition
	CARE#	Long-term retail bond issue	‘CARE AA’ [Double A]	December 13, 2013 and revalidated as on January 2, 2014	5,000	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#	Long-term NCD issue (Public issue)	‘BWR AA (Outlook: Stable)’	December 16, 2013 and revalidated as on January 2, 2014	5,000	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.
<b>Issue Size</b>	Public Issue by our Company of Secured Redeemable NCDs aggregating up to ₹2,500 million with an option to retain over-subscription up to ₹2,500 million aggregating to a total of up to ₹5,000 million. Base Issue is for ₹2,500 million.					
<b>Pay-in date</b>	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.					
<b>Application money</b>	The entire Application Amount is payable on submitting the application.					
<b>Record Date</b>	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.					
<b>Issue Schedule*</b>	The Issue shall be open from January 16, 2014 to January 27, 2014 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.					
<b>Objects of the Issue</b>	Please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 31.					
<b>Details of the utilisation of the proceeds of the Issue</b>	Please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 31.					
<b>Coupon rate and redemption premium</b>	Please refer to the chapter titled “ <i>Issue Structure – Terms and Conditions in connection with the NCDs</i> ” on page 133.					
<b>Working Days convention/Day count convention / Effect of holidays on payment</b>	<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 India 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>					
<b>Issue Opening Date</b>	January 16, 2014					
<b>Issue Closing Date</b>	January 27, 2014					
<b>Default interest date</b>	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					
<b>Interest on Application</b>	Please refer to the chapter titled “ <i>Issue Structure- Interest on Application Money</i> ” on page 137.					

<b>Money</b>	
<b>Deemed Date of Allotment</b>	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.
<b>Transaction documents</b>	Lead Managers MoU dated December 26, 2013 between our Company, the Lead Managers, the Registrar Agreement dated December 18, 2013 between our Company and the Registrar to the Issue, Debenture Trustee Agreement dated December 24, 2013 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.
<b>Conditions precedent and subsequent to the Issue</b>	The conditions precedent and subsequent to disbursement will be finalised upon execution of the Debenture Trust Deed.
<b>Events of default</b>	Please refer to the chapter titled “ <i>Issue Structure- Events of Default</i> ” on page 154.
<b>Cross Default</b>	Please refer to the chapter titled “ <i>Issue Structure- Events of Default</i> ” on page 154.
<b>Roles and responsibilities of the Debenture Trustee</b>	Please refer to the chapter titled “ <i>Issue Structure- Debenture Trustees for the NCD holders</i> ” on page 154.
<b>Settlement Mode</b>	Please refer to the chapter titled “ <i>Issue Structure- Payment on Redemption</i> ” on page 151.
<b>Governing law and jurisdiction</b>	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
<b>Tenure</b>	36 months		60Months	
<b>Frequency of Interest Payment</b>	Monthly	Cumulative	Monthly	Cumulative
<b>Who can apply</b>	<p><b>Category I</b></p> <ul style="list-style-type: none"> <li>▪ Resident Public Financial Institutions, Statutory Corporations including State Industrial Development Corporations, Commercial Banks,</li> <li>▪ Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs;</li> <li>▪ 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;</li> <li>▪ Venture Capital funds and / or Alternative Investment Funds registered with SEBI;</li> <li>▪ Insurance Companies registered with the IRDA;</li> <li>▪ 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);</li> <li>▪ 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</li> <li>▪ Mutual Funds, registered with SEBI;</li> </ul> <p><b>Category II</b></p>			



Options	I	II	III	IV
	<ul style="list-style-type: none"> <li>▪ Companies; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;</li> <li>▪ 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;</li> <li>▪ Public/private charitable/religious trusts which are authorised to invest in the NCDs;</li> <li>▪ Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;</li> <li>▪ Partnership firms in the name of the partners; and</li> <li>▪ Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);</li> </ul> <p><b>Category III*</b></p> <ul style="list-style-type: none"> <li>▪ Resident Indian individuals and</li> <li>▪ Hindu undivided families through the Karta;</li> </ul> <p><i>*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) 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), 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.</i></p>			
<b>Type and nature of Instrument</b>	Secured Redeemable Non-Convertible Debentures			
<b>Minimum Application</b>	₹10,000 (10 NCDs) (for all options of NCDs, namely Options I, II, III and IV either taken individually or collectively)			
<b>In Multiples of</b>	1 NCD after the minimum Application			
<b>Face Value of NCDs (₹ / NCD)</b>	₹1,000			
<b>Issue Price (₹ / NCD)</b>	₹1,000			
<b>Mode of Interest Payment/Redemption</b>	Through Various options available			
<b>Coupon (%) for NCD Holders in Category I and Category II</b>	11.60%	Not Applicable	11.85%	Not Applicable
<b>Coupon (%) for NCD Holders in Category III (Unreserved Individual Portion)</b>	11.60%	Not Applicable	11.85%	Not Applicable
<b>Coupon (%) for NCD Holders in Category III (Reserved Individual Portion)</b>	11.60%	Not Applicable	11.85%	Not Applicable
<b>Additional Coupon (%) for permanent resident employees of Edelweiss Group and resident Indian individual shareholders of Promoter Company</b>	0.25%	Not Applicable	0.25%	Not Applicable
<b>Coupon Type</b>	Fixed			
<b>Redemption Value for NCD</b>	₹1,000	₹1,413.87	₹1,000	₹1,803.26

Options	I	II	III	IV
<b>Holders in Category I, Category II and Category III</b>				
<b>Redemption Value for permanent resident employees of Edelweiss Group and resident Indian individual shareholders of Promoter Company</b>	₹1,000	₹1,424.41	₹1,000	₹1,825.71
<b>Effective Yield of NCD Holders in Category I, Category II and Category III (per annum)</b>	12.24%	12.24%	12.52%	12.52%
<b>Effective Yield for permanent resident employees of Edelweiss Group and resident Indian individual shareholders of Promoter Company</b>	12.52%	12.52%	12.79%	12.79%
<b>Redemption Date</b>	36 months from the Deemed Date of Allotment		60 months from the Deemed Date of Allotment	
<b>Redemption Amount (₹/NCD)</b>	Face Value of the NCDs plus any interest at the applicable Coupon that may have accrued at the Redemption Date			
<b>Put and Call Option</b>	NA		NA	
<b>Deemed Date of Allotment</b>	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.			
<b>Nature of Indebtedness</b>	PariPassu with other secured creditors.			

### Credit Rating

Agency	Rating
<b>CARE</b>	'CARE AA' [Double A]
<b>BRICKWORK</b>	'BWR AA (Outlook: Stable)'

### Interest and Payment of Interest

- I. In case of NCDs under Option I and III, interest will be paid on a monthly basis while under NCDs under Option II and IV, 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	36 Months	60 Months
	Option I	Option III
Category I and Category II	11.60%	11.85%
Category III (Unreserved)	11.60%	11.85%

Individual Portion)		
Category III (Reserved Individual Portion)	11.60%	11.85%

II. The Resident Indian individual shareholders holding the Equity Shares of our Promoter- Edelweiss Financial Services Limited and the permanent resident employees of Edelweiss Group, **on the Deemed Date of Allotment and also on the relevant Record Dates**, will be eligible to receive an additional interest of 0.25% p.a. over and above the coupon rate offered in the Issue, on the NCDs allotted in the Issue, provided the NCDs are held by such shareholders and the employees, on the relevant Record Date applicable for payment of respective coupon rates and redemption of NCDs.

Eg: A (Resident Indian individual shareholder of EFSL or a permanent resident employee of the Edelweiss Group) has been allotted 1000 NCDs in the Issue. He will be eligible for the additional interest of 0.25% p.a. over and above the coupon rate, provided the following conditions are satisfied:

- A is a EFSL shareholder or a permanent employee, both on the Deemed date of allotment and also on the relevant Record Dates applicable for payment of coupon and redemption of NCDs respectively.
- the additional interest of 0.25% p.a. over and above the coupon rate will be only on the 1000 NCDs (in this example) allotted in the Issue and not on any additional NCDs that A might have acquired after the Deemed date of allotment.
- if the NCDs held by A on the relevant Record Date is lesser than the NCDs allotted in the Issue, A will be eligible to receive the additional interest of 0.25% p.a. over and above the coupon rate only on the NCDs actually held on the Record Date.

Options	I	II	III	IV
<b>Coupon (%) for NCD Holders in Category I and Category II</b>	11.60%	Not Applicable	11.85%	Not Applicable
<b>Coupon (%) for NCD Holders in Category III (Unreserved Individual Portion)</b>	11.60%	Not Applicable	11.85%	11.60%
<b>Coupon (%) for NCD Holders in Category III (Reserved Individual Portion)</b>	11.60%	Not Applicable	11.85%	11.60%
<b>Additional Coupon (%) for permanent resident employees of Edelweiss Group and resident Indian individual shareholders of Promoter Company</b>	0.25%	Not Applicable	0.25%	Not Applicable
<b>Redemption Value for NCD Holders in Category I, Category II and Category III</b>	₹1,000	₹1,413.87	₹1,000	₹1,803.26
<b>Redemption Value for permanent resident employees of Edelweiss Group and resident Indian individual shareholders of Promoter Company</b>	₹1,000	₹1,424.41	₹1,000	₹1,825.71
<b>Effective Yield for NCD Holders in Category I, Category II and Category III (per annum)</b>	12.24%	12.24%	12.52%	12.52%
<b>Effective Yield for permanent resident employees of Edelweiss Group and resident Indian individual shareholders of Promoter Company</b>	12.52%	12.52%	12.79%	12.79%

#### Day count convention

Interest on the NCDs shall be computed on an actual/ actual basis for the broken period, if any. Consequently, interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis, on the principal outstanding on the NCDs.

Illustration of cash-flows: To demonstrate the day count convention, please see the following table below, which describes the cash-flow in terms of interest payment and payment of Redemption Amount per NCD for all Categories of NCD Holders.

#### Option I

Company	ECL Finance Limited	
Face Value	₹1,000	
Issue opening Date/ Date of Allotment* (tentative)	January 16, 2014 / February 7, 2014*	
Redemption	February 7, 2017	
Coupon Rate for Category I, II and III investors	11.60%	
Coupon Rate #	11.85%	
Frequency of the Interest Payment with specified dates	Monthly starting from date of allotment	
Day Count Convention	Actual / Actual	

\* based on the current issue closing date and post issue timelines; subject to change

#Resident Indian individual shareholders holding the Equity Shares of our Promoter, Edelweiss Financial Services Limited and the permanent resident employees of Edelweiss Group

Cash Flows	Due Date	Date of a payment	No. of days in Coupon Period	Amount (in ₹) for Category I, II and III	Amount (in ₹) for#
1 <sup>st</sup> coupon	Tuesday April 01, 2014	Tuesday April 01, 2014	53	17.00	17.00
2 <sup>nd</sup> coupon	Thursday May 01, 2014	Friday May 02, 2014	31	10.00	10.00
3 <sup>rd</sup> coupon	Sunday June 01, 2014	Monday June 02, 2014	31	10.00	10.00
4 <sup>th</sup> coupon	Tuesday July 01, 2014	Tuesday July 01, 2014	29	9.00	9.00
5 <sup>th</sup> coupon	Friday August 01, 2014	Friday August 01, 2014	31	10.00	10.00
6 <sup>th</sup> coupon	Monday September 01, 2014	Monday September 01, 2014	31	10.00	10.00
7 <sup>th</sup> coupon	Wednesday October 01, 2014	Wednesday October 01, 2014	30	10.00	10.00
8 <sup>th</sup> coupon	Saturday November 01, 2014	Saturday November 01, 2014	31	10.00	10.00
9 <sup>th</sup> coupon	Monday December 01, 2014	Monday December 01, 2014	30	10.00	10.00
10 <sup>th</sup> coupon	Thursday January 01, 2015	Thursday January 01, 2015	31	10.00	10.00
11 <sup>th</sup> coupon	Sunday February 01, 2015	Monday February 02, 2015	32	10.00	10.00
12 <sup>th</sup> coupon	Sunday March 01, 2015	Monday March 02, 2015	28	9.00	9.00
13 <sup>th</sup> coupon	Wednesday April 01, 2015	Wednesday April 01, 2015	30	10.00	10.00
14 <sup>th</sup> coupon	Friday May 01, 2015	Saturday May 02, 2015	31	10.00	10.00
15 <sup>th</sup> coupon	Monday June 01, 2015	Monday June 01, 2015	30	10.00	10.00
16 <sup>th</sup> coupon	Wednesday July 01, 2015	Wednesday July 01, 2015	30	10.00	10.00
17 <sup>th</sup> coupon	Saturday August 01, 2015	Saturday August 01, 2015	31	10.00	10.00

<b>18<sup>th</sup> coupon</b>	Tuesday September 01, 2015	Tuesday September 01, 2015	31	10.00	10.00
<b>19<sup>th</sup> coupon</b>	Thursday October 01, 2015	Thursday October 01, 2015	30	10.00	10.00
<b>20<sup>th</sup> coupon</b>	Sunday November 01, 2015	Monday November 02, 2015	32	10.00	10.00
<b>21<sup>st</sup> coupon</b>	Tuesday December 01, 2015	Tuesday December 01, 2015	29	9.00	9.00
<b>22<sup>nd</sup> coupon</b>	Friday January 01, 2016	Friday January 01, 2016	31	10.00	10.00
<b>23<sup>rd</sup> coupon</b>	Monday February 01, 2016	Monday February 01, 2016	31	10.00	10.00
<b>24<sup>th</sup> coupon</b>	Tuesday March 01, 2016	Tuesday March 01, 2016	29	9.00	9.00
<b>25<sup>th</sup> coupon</b>	Friday April 01, 2016	Friday April 01, 2016	31	10.00	10.00
<b>26<sup>th</sup> coupon</b>	Sunday May 01, 2016	Monday May 02, 2016	31	10.00	10.00
<b>27<sup>th</sup> coupon</b>	Wednesday June 01, 2016	Wednesday June 01, 2016	30	10.00	10.00
<b>28<sup>th</sup> coupon</b>	Friday July 01, 2016	Friday July 01, 2016	30	10.00	10.00
<b>29<sup>th</sup> coupon</b>	Monday August 01, 2016	Monday August 01, 2016	31	10.00	10.00
<b>30<sup>th</sup> coupon</b>	Thursday September 01, 2016	Thursday September 01, 2016	31	10.00	10.00
<b>31<sup>st</sup> coupon</b>	Saturday October 01, 2016	Saturday October 01, 2016	30	10.00	10.00
<b>32<sup>nd</sup> coupon</b>	Tuesday November 01, 2016	Tuesday November 01, 2016	31	10.00	10.00
<b>33<sup>rd</sup> coupon</b>	Thursday December 01, 2016	Thursday December 01, 2016	30	10.00	10.00
<b>34<sup>th</sup> coupon</b>	Sunday January 01, 2017	Monday January 02, 2017	32	10.00	10.00
<b>35<sup>th</sup> coupon</b>	Wednesday February 01, 2017	Wednesday February 01, 2017	30	10.00	10.00
<b>36<sup>th</sup> coupon</b>	Tuesday February 07, 2017	Tuesday February 07, 2017	6	2.00	2.00
<b>Principal/ Maturity value</b>	Tuesday February 07, 2017	Tuesday February 07, 2017		1,000.00	1,000.00
<b>Total</b>				<b>1,355.00</b>	<b>1,355.00</b>

#Resident Indian individual shareholders holding the Equity Shares of our Promoter, Edelweiss Financial Services Limited and the permanent resident employees of Edelweiss Group

## Option II

Company	ECL Finance Limited
Face Value	₹1,000
Issue opening Date/ Date of Allotment* (tentative)	January 16, 2014 / February 7, 2014*
Redemption	February 7, 2017
Coupon Rate	Not Applicable
Frequency of the Interest Payment with specified dates	Cumulative starting from date of allotment
Day Count Convention	Actual / Actual

\* based on the current issue closing date and post issue timelines; subject to change

Cash Flows	Due Date	Date of a payment	No. of days in Coupon Period	Amount (in ₹) for Category I, II and III	Amount (in ₹) for#
<b>Principal Maturity value</b>	February 7, 2017	February 7, 2017	1096	1,414	1,424
<b>Total</b>			<b>NA</b>	1,414	1,424

#Resident Indian individual shareholders holding the Equity Shares of our Promoter, Edelweiss Financial Services Limited and the permanent resident employees of Edelweiss Group.

### Option III

Company	ECL Finance Limited
Face Value	₹1,000
Issue opening Date/ Date of Allotment* (tentative)	January 16, 2014 / February 7, 2014*
Redemption	February 7, 2019
Coupon Rate for Category I, II and III investors	11.85%
Coupon Rate for #	12.10%
Frequency of the Interest Payment with specified dates	Annual
Day Count Convention	Actual / Actual

\* based on the current issue closing date and post issue timelines; subject to change

#Resident Indian individual shareholders holding the Equity Shares of our Promoter, Edelweiss Financial Services Limited and the permanent resident employees of Edelweiss Group

Cash Flows	Due Date	Date of a payment	No. of days in Coupon Period	Amount (in ₹) for Category I, II and III	Amount (in ₹) for#
<b>1<sup>st</sup> coupon</b>	Tuesday April 01, 2014	Tuesday April 01, 2014	53	17.00	18.00
<b>2<sup>nd</sup> coupon</b>	Thursday May 01, 2014	Friday May 02, 2014	31	10.00	10.00
<b>3<sup>rd</sup> coupon</b>	Sunday June 01, 2014	Monday June 02, 2014	31	10.00	10.00
<b>4<sup>th</sup> coupon</b>	Tuesday July 01, 2014	Tuesday July 01, 2014	29	9.00	10.00
<b>5<sup>th</sup> coupon</b>	Friday August 01, 2014	Friday August 01, 2014	31	10.00	10.00
<b>6<sup>th</sup> coupon</b>	Monday September 01, 2014	Monday September 01, 2014	31	10.00	10.00
<b>7<sup>th</sup> coupon</b>	Wednesday October 01, 2014	Wednesday October 01, 2014	30	10.00	10.00

<b>8<sup>th</sup> coupon</b>	Saturday November 01, 2014	Saturday November 01, 2014	31	10.00	10.00
<b>9<sup>th</sup> coupon</b>	Monday December 01, 2014	Monday December 01, 2014	30	10.00	10.00
<b>10<sup>th</sup> coupon</b>	Thursday January 01, 2015	Thursday January 01, 2015	31	10.00	10.00
<b>11<sup>th</sup> coupon</b>	Sunday February 01, 2015	Monday February 02, 2015	32	10.00	11.00
<b>12<sup>th</sup> coupon</b>	Sunday March 01, 2015	Monday March 02, 2015	28	9.00	9.00
<b>13<sup>th</sup> coupon</b>	Wednesday April 01, 2015	Wednesday April 01, 2015	30	10.00	10.00
<b>14<sup>th</sup> coupon</b>	Friday May 01, 2015	Saturday May 02, 2015	31	10.00	10.00
<b>15<sup>th</sup> coupon</b>	Monday June 01, 2015	Monday June 01, 2015	30	10.00	10.00
<b>16<sup>th</sup> coupon</b>	Wednesday July 01, 2015	Wednesday July 01, 2015	30	10.00	10.00
<b>17<sup>th</sup> coupon</b>	Saturday August 01, 2015	Saturday August 01, 2015	31	10.00	10.00
<b>18<sup>th</sup> coupon</b>	Tuesday September 01, 2015	Tuesday September 01, 2015	31	10.00	10.00
<b>19<sup>th</sup> coupon</b>	Thursday October 01, 2015	Thursday October 01, 2015	30	10.00	10.00
<b>20<sup>th</sup> coupon</b>	Sunday November 01, 2015	Monday November 02, 2015	32	10.00	11.00
<b>21<sup>st</sup> coupon</b>	Tuesday December 01, 2015	Tuesday December 01, 2015	29	9.00	10.00
<b>22<sup>nd</sup> coupon</b>	Friday January 01, 2016	Friday January 01, 2016	31	10.00	10.00
<b>23<sup>rd</sup> coupon</b>	Monday February 01, 2016	Monday February 01, 2016	31	10.00	10.00
<b>24<sup>th</sup> coupon</b>	Tuesday March 01, 2016	Tuesday March 01, 2016	29	9.00	10.00
<b>25<sup>th</sup> coupon</b>	Friday April 01, 2016	Friday April 01, 2016	31	10.00	10.00
<b>26<sup>th</sup> coupon</b>	Sunday May 01, 2016	Monday May 02, 2016	31	10.00	10.00
<b>27<sup>th</sup> coupon</b>	Wednesday June 01, 2016	Wednesday June 01, 2016	30	10.00	10.00
<b>28<sup>th</sup> coupon</b>	Friday July 01, 2016	Friday July 01, 2016	30	10.00	10.00
<b>29<sup>th</sup> coupon</b>	Monday August 01, 2016	Monday August 01, 2016	31	10.00	10.00
<b>30<sup>th</sup> coupon</b>	Thursday September 01, 2016	Thursday September 01, 2016	31	10.00	10.00

<b>31<sup>st</sup> coupon</b>	Saturday October 01, 2016	Saturday October 01, 2016	30	10.00	10.00
<b>32<sup>nd</sup> coupon</b>	Tuesday November 01, 2016	Tuesday November 01, 2016	31	10.00	10.00
<b>33<sup>rd</sup> coupon</b>	Thursday December 01, 2016	Thursday December 01, 2016	30	10.00	10.00
<b>34<sup>th</sup> coupon</b>	Sunday January 01, 2017	Monday January 02, 2017	32	10.00	11.00
<b>35<sup>th</sup> coupon</b>	Wednesday February 01, 2017	Wednesday February 01, 2017	30	10.00	10.00
<b>36<sup>th</sup> coupon</b>	Wednesday March 01, 2017	Wednesday March 01, 2017	28	9.00	9.00
<b>37<sup>th</sup> coupon</b>	Saturday April 01, 2017	Saturday April 01, 2017	31	10.00	10.00
<b>38<sup>th</sup> coupon</b>	Monday May 01, 2017	Tuesday May 02, 2017	31	10.00	10.00
<b>39<sup>th</sup> coupon</b>	Thursday June 01, 2017	Thursday June 01, 2017	30	10.00	10.00
<b>40<sup>th</sup> coupon</b>	Saturday July 01, 2017	Saturday July 01, 2017	30	10.00	10.00
<b>41<sup>st</sup> coupon</b>	Tuesday August 01, 2017	Tuesday August 01, 2017	31	10.00	10.00
<b>42<sup>nd</sup> coupon</b>	Friday September 01, 2017	Friday September 01, 2017	31	10.00	10.00
<b>43<sup>rd</sup> coupon</b>	Sunday October 01, 2017	Tuesday October 03, 2017	32	10.00	11.00
<b>44<sup>th</sup> coupon</b>	Wednesday November 01, 2017	Wednesday November 01, 2017	29	9.00	10.00
<b>45<sup>th</sup> coupon</b>	Friday December 01, 2017	Friday December 01, 2017	30	10.00	10.00
<b>46<sup>th</sup> coupon</b>	Monday January 01, 2018	Monday January 01, 2018	31	10.00	10.00
<b>47<sup>th</sup> coupon</b>	Thursday February 01, 2018	Thursday February 01, 2018	31	10.00	10.00
<b>48<sup>th</sup> coupon</b>	Thursday March 01, 2018	Thursday March 01, 2018	28	9.00	9.00
<b>49<sup>th</sup> coupon</b>	Sunday April 01, 2018	Monday April 02, 2018	32	10.00	11.00
<b>50<sup>th</sup> coupon</b>	Tuesday May 01, 2018	Wednesday May 02, 2018	30	10.00	10.00
<b>51<sup>st</sup> coupon</b>	Friday June 01, 2018	Friday June 01, 2018	30	10.00	10.00
<b>52<sup>nd</sup> coupon</b>	Sunday July 01, 2018	Monday July 02, 2018	31	10.00	10.00
<b>53<sup>rd</sup> coupon</b>	Wednesday August 01, 2018	Wednesday August 01, 2018	30	10.00	10.00



<b>54<sup>th</sup> coupon</b>	Saturday September 01, 2018	Saturday September 01, 2018	31	10.00	10.00
<b>55<sup>th</sup> coupon</b>	Monday October 01, 2018	Monday October 01, 2018	30	10.00	10.00
<b>56<sup>th</sup> coupon</b>	Thursday November 01, 2018	Thursday November 01, 2018	31	10.00	10.00
<b>57<sup>th</sup> coupon</b>	Saturday December 01, 2018	Saturday December 01, 2018	30	10.00	10.00
<b>58<sup>th</sup> coupon</b>	Tuesday January 01, 2019	Tuesday January 01, 2019	31	10.00	10.00
<b>59<sup>th</sup> coupon</b>	Friday February 01, 2019	Friday February 01, 2019	31	10.00	10.00
<b>60<sup>th</sup> coupon</b>	Thursday February 07, 2019	Thursday February 07, 2019	6	2.00	2.00
<b>Principal/ Maturity value</b>	Thursday February 07, 2019	Thursday February 07, 2019	0	1,000.00	1,000.00
<b>Total</b>				<b>1,592.00</b>	<b>1,602.00</b>

#Resident Indian individual shareholders holding the Equity Shares of our Promoter, Edelweiss Financial Services Limited and the permanent resident employees of Edelweiss Group.

#### Option IV

Company	ECL Finance Limited
Face Value	₹1,000
Issue opening Date/ Date of Allotment* (tentative)	January 16, 2014 / February 7, 2014*
Redemption	February 7, 2019
Coupon Rate	Not Applicable
Frequency of the Interest Payment with specified dates	Cumulative starting from date of allotment
Day Count Convention	Actual / Actual

\* based on the current issue closing date and post issue timelines; subject to change

Cash Flows	Due Date	Date of a payment	No. of days in Coupon Period	Amount (in ₹) for Category I, II and III	Amount (in ₹) for#
<b>Principal / Maturity value</b>	February 7, 2019	February 7, 2019	1826	1,803	1,826
<b>Total</b>			<b>NA</b>	1,803	1,826

#Resident Indian individual shareholders holding the Equity Shares of our Promoter, Edelweiss Financial Services Limited and the permanent resident employees of Edelweiss Group.

Note: The amounts in the above illustration of cash flows are rounded to nearest rupee for coupon and redemption payout for a single NCD. At the time of actual coupon payment / redemption, if the total coupon / redemption amount to be paid is a fraction and not an integer, such amount will be rounded off to the nearest integer.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this 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.

As per clause (ix) of Section 193 of the IT Act, no tax is required to be deducted at source on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form.

However in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor (in case of resident individual NCD holders), if such interest does not exceed ₹5,000 in any financial year. If interest exceeds the prescribed limit of ₹5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD holders are claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD holders should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all Applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all Applicants (including companies and firms) by making an application in the prescribed form i.e. Form No. 13.

The aforesaid documents, as may be applicable, should be submitted to our Company quoting the name of the sole/ first NCD holder, NCD folio number and the distinctive number(s) of the NCD held, prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original from Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

#### **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 149.

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**

<b>Options</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>
<b>Redemption Date</b>	36 months from the Deemed Date of Allotment		60 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 Prospectus. For further details please refer to the paragraph on “*Interest on Application Money*” beginning on page 137.

### **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:

- 1. 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.

- 2. 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.

### **3. 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.

### **4. 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.

### **5. Registered Post/Speed Post**

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 annually and the interest payment / refund / redemption orders shall be dispatched through Speed Post/ Registered Post.

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, the Company is not permitted to extend loans against the security of its 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**

<b>Options</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>
<b>Redemption Date</b>	36 months from the Deemed Date of Allotment		60 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 by us may be used for the same.

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**

Security for the purpose of this Issue will be identified immovable property and standard business receivables and will be created in accordance with the terms of the Debenture Trust Deed. Our Company will create the security for the NCDs in favour of the Debenture Trustee for the NCD Holders on the assets to ensure 100.00% security cover of the amount outstanding in respect of NCDs at any time. Our Company has received NoCs from the existing chargeholders and security trustees to cede pari passu charge in favour of the Debenture Trustee for the purpose of this Issue.

Our Company intends to enter into an agreement with the Debenture Trustee, ('Debenture Trust Deed'), the terms of which will govern the appointment of the Debenture Trustee and the issue of the NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed before finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange and utilize the funds only after the stipulated security has been created.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in this Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value.

**Our Company confirms that the issue proceeds shall be kept in an escrow account until the documents for creation of security i.e. the Trust Deed is executed.**

### **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 and the Security created hereunder shall become enforceable.

- (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 certify 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) Default by the Company in maintaining the Security Cover for a continuous period of 30 (Thirty) Business Days;
- (v) 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 ;
- (vi) 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;
- (vii) If, the Mortgaged Premises have not been kept insured or depreciate in value to such an extent that in the opinion of the Debenture Trustee further security should be given and on advising the Company to that effect such security has not been given to the Debenture Trustee to their satisfaction within a period of 3 months;



- (viii) If, without the prior written approval of the Debenture Trustee, the Mortgaged Premises or any part thereof is sold, disposed of, charged, encumbered or alienated or any of the buildings, structures, plant and machinery is removed, pulled down or demolished by the Company;
- (ix) 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.
- (x) The Company is unable to or has admitted in writing its inability to pay its debts as they mature;
- (xi) The Company has taken or suffered any action to be taken for its liquidation or dissolution.
- (xii) A receiver or a liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Company;
- (xiii) If, an attachment or distraint has been levied on the Mortgaged Premises or any part thereof or certificate proceedings have been taken or commenced for recovery of any dues, and such order for attachment or distraint has not been vacated or stayed or such Mortgaged Premises have not been substituted within a period of 90 (ninety) days from the date such order is served on the Company;
- (xiv) 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;
- (xv) The Company ceases or threatens to cease to carry on its business or gives notice of its intention to do so;
- (xvi) If, the Company is unable to pay its debts within the meaning of Section 434 of the Companies Act 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;
- (xvii) If in the opinion of the Debenture Trustee the Security of the Non-Convertible Debenture Holders is in jeopardy; and
- (xviii) 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.
- (xix) If the following documents are not executed/perfected as the case maybe within the timeframe specified for each of such documents:
  - (A) This 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:

<b>Options</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>
<b>Coupon (%) for NCD Holders in Category I and Category II</b>	11.60%	11.60%	11.85%	11.85%
<b>Coupon (%) for NCD Holders in Category III (Unreserved Individual Portion)</b>	11.60%	11.60%	11.85%	11.85%
<b>Coupon (%) for NCD Holders in Category III (Reserved Individual Portion)</b>	11.60%	11.60%	11.85%	11.85%

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, 1956, 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 5% 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.

In the event our Company does not receive a minimum subscription of 75% of the Base Issue, i.e. ₹1,875 million on the date of closure of the Issue, the entire subscription shall be refunded to the Applicants within Twelve (12) Working Days from the date of closure of the Issue. If there is delay in the refund of subscription by more than Eight (8) days after our Company becomes liable to pay the subscription amount, our Company will pay interest for the delayed period, at rates prescribed.

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 181.

## 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 Act, 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).

### Authority for the Issue

At the meeting of the Board of Directors of our Company, held on November 19, 2013 the Directors approved the issue of NCDs to the public upto an amount not exceeding ₹7,500 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 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 secured obligations of ours and shall rank pari passu inter se, and subject to any obligations under applicable statutory and/or regulatory requirements. Security for the purpose of this Issue will be created in accordance with the terms of the Debenture Trust Deed. Our Company has received NoCs from the existing chargeholders and security trustees to cede pari passu charge in favour of the Debenture Trustee for the purpose of this Issue.

### Debenture Redemption Reserve

Section 117C of the Companies Act, 1956 states that any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. As per the Ministry of Company Affairs General Circular No. 4/2013 No. 11/02/2012-CL-V(A) dated February 11, 2013, our Company is required to create a DRR of 25% of the value of debentures issued through the public issue. As further clarified by the Circular, the amount to be credited as DRR will be created out of the profits of our Company. The requirement to create DRR is applicable only if there is profit for a particular year and there is no obligation on the part of our Company to create DRR if there is no profit for a particular year.

The Ministry of Company Affairs General Circular No. 4/2013 No. 11/02/2012-CL-V(A) dated February 11, 2013 further provides that companies are required to create/maintain DRR shall before the 30th day of April of each year, deposit or invest, as the case may be; a sum which shall not be less than fifteen per cent of the amount of its debentures maturing during the year ending on the 31st day of March next following in anyone or more of the following methods, namely

1. in deposits with any scheduled bank, free from charge, or lien;
2. in unencumbered securities of the Central Government or of any State Government;
3. in unencumbered securities mentioned in clauses (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under clause (I) of section 20 of the Indian Trusts Act, 1882;

The amount deposited or invested, as the case may be, shall not be utilized for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15 per cent of the amount of debentures maturing during the 31<sup>st</sup> day of March of that year.

#### **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 Act, 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. In terms of Section 219(2) of the Act, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to us.
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 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 152 of the Act 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 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. ₹1,875 million, prior to closure of the Issue, the entire subscription shall be refunded to the Applicants within twelve (12) working days from the date of closure of the Issue. If there is delay in the refund of subscription by more than eight (8) days after our Company becomes liable to refund the subscription amount, our Company will pay interest for the delayed period, at rate prescribed under the applicable laws.

### **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 162.

### **Nomination facility to NCD holder**

In accordance with Section 109A of the Companies Act, 1956, 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 109B of the Companies Act, 1956, any person who becomes a nominee by virtue of the provisions of Section 109A of the Act, 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 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 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.

Issue Opens on	January 16, 2014
Issue Closing Date*	January 27, 2014

*\* 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 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 214.

## 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 BSE 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 Prospectus and/or by way of a public announcement or advertisement.*

**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 GREIVANCES 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 India 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 India 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 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 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) 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), 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:**

- (a) ASBA Applications through the Members of Syndicate and Trading Members of the Stock Exchange(s), ("**Syndicate ASBA**");
- (b) ASBA Applications through SCSBs ("**ASBA**") and
- (c) Non ASBA Applications through the Members of Syndicate and Trading Members of the Stock Exchange(s).
- (d) 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 this Prospectus together with

Application Forms and the copies of this 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 this Prospectus, Abridged Prospectus and the Application Form will be available for download on the website of BSE at [www.bseindia.com](http://www.bseindia.com) and the websites of the Lead Managers at [www.icicisecurities.com](http://www.icicisecurities.com), [www.axiscap.in](http://www.axiscap.in), and [www.edelweissfin.com](http://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, 2013 (“**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 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) 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), 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 ₹2,500 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 this Prospectus is filed with the Registrar of Companies, Mumbai, Maharashtra, in terms of Section 56 and Section 60 of the Act.

### 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 this 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*

##### *i. 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.

##### *ii. 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 though 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.
- b. Self-attested copy of the PAN card (incase of a minor, the guardian shall also submit the self attested copy of his/ her PAN card);
- c. 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.
- d. 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.icicisecurities.com](http://www.icicisecurities.com), [www.axiscapital.co.in](http://www.axiscapital.co.in), and [www.edelweissfin.com](http://www.edelweissfin.com). A link to the said web pages shall also be available on the website of BSE at [www.bseindia.com](http://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.icicisecurities.com](http://www.icicisecurities.com), [www.axiscap.in](http://www.axiscap.in), and [www.edelweissfin.com](http://www.edelweissfin.com). A link to the said web pages shall also be available on the website of BSE at [www.bseindia.com](http://www.bseindia.com). A link shall also be provided to the above mentioned websites in the Application Form as well.

Upon creation of Security 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 this Prospectus.

The Escrow Collection Banks will act in terms of this 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.

<b>Mode of Application</b>	<b>To whom the Application Form has to be submitted</b>
ASBA Applications	<ul style="list-style-type: none"> <li>i. to the Members of the Syndicate only at the Syndicate ASBA Application Locations; or</li> <li>ii. to the Designated Branches of the SCSBs where the ASBA Account is maintained; or</li> <li>iii. to Trading Members only at the Syndicate ASBA Application Locations.</li> </ul>
Non- ASBA Applications	<ul style="list-style-type: none"> <li>i. to the Members of the Syndicate; or</li> <li>ii. to Trading Members.</li> </ul>

## **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 AMCs 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) Board Resolution authorising investments; (ii) Letter of Authorisation; and (iii) 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 Invest Fund 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 8<sup>th</sup> 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	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	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 this 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 Prospectus and as per the instructions in this 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 unutilised portion of the application money will be refunded to the Applicant on the Designated Date and not later than twelve (12) working days from the Issue Closing Date in the manner as provided below:

- (i) In case of Applications made by Non-ASBA Applicants on the Stock Exchange through the Members of the Syndicate/ Trading Members of the Stock Exchanges by making payment through cheques, the unutilised portion of the application money (includes refund amounts payable to unsuccessful

Applicants and also the excess amount paid on Application) will be credited to the Bank Account of the Applicant as per the banking account details (i) available with the depositories for Applicants having Demat accounts and (ii) as provided in the Application Form for others by way of any of the following modes:

- i. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.
  - ii. NECS – Payment of refund would be done through NECS for Investors having an account at any of the 91 centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as available from the Depositories. The payment of refunds through this mode will be done for Applicants having a bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).
  - iii. NEFT – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted 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. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
  - iv. RTGS – If the refund amount exceeds ₹200,000, the Investors have the option to receive refund through RTGS. Charges, if any, levied by the Refund Bank for the same would be borne by us. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
  - v. For all other Investors (non-ASBA) the refund orders will be despatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/ first Investor and payable at par.
  - vi. Credit of refunds to Investors in any other electronic manner permissible under the banking laws, which are in force and are permitted by the SEBI from time to time.
- (ii) In case of ASBA Applications, the unutilised portion of the application money 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 SCSBs.

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 there is delay in the refund of subscription by more than eight days after our Company becomes liable to refund the subscription amount, our Company will pay interest for the delayed period, at rates prescribed under applicable law.

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 ₹2,500 million with an option to retain oversubscription of NCDs up to ₹2,500 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) 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), 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 ₹2,500 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 Prospectus.



Our Company would have the discretion to allot Option IV 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. We shall utilize the Issue proceeds only upon execution of the documents for creation of security as stated in this 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 Prospectus are proposed to be listed on the BSE. Our Company has obtained an 'in-principle' approval for the Issue from BSE *vide* their letter dated January 2, 2014, the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at 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 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 Prospectus.*

*Save as disclosed hereinbelow, there are no pending proceedings pertaining to:*

- *matters likely to affect operation and finances of our Company including disputed tax liabilities of any nature;*
- *criminal prosecution launched against our Company and the Directors for alleged offences under the enactments specified in Paragraph 1 of Part I of Schedule XIII to the Act; and*
- *material regulatory proceedings pending against the Promoter of our Company.*

*Except as described below, there are no defaults, non-payment of statutory dues including, institutional / bank dues and dues payable to holders of any debentures, bonds, fixed deposits and arrears on cumulative preference shares etc in respect of companies promoted by the same private promoter (same private promoter as the Company), and listed on any stock exchange/s*

*Further from time to time, we have been and continue to be involved in legal proceedings filed by and 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 no complaint no. 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. 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, (“**Tribunal**”), 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 Tribunal 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.

#### ***Litigations by our Company***

1. Our Company has filed complaint dated February 10, 2011 (“**Complaint**”), before the Court of Metropolitan Magistrate, 23<sup>rd</sup> Court, Esplanade, Mumbai (“**Court**”), in criminal case bearing CC No 2300673/SS/2011 (“**Case**”) for charge against Kalpesh Vasudev bhai 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, 23<sup>rd</sup> 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, 23<sup>rd</sup> 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.

4. Our Company has filed criminal complaint bearing CC No 2300675/SS/2011 dated February 11, 2011 (“**Complaint**”), before the Court of Metropolitan Magistrate, 23<sup>rd</sup> 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, 33<sup>rd</sup> 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, Payment and Settlement System’s Act, 2007, read with section 138, 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, 33<sup>rd</sup> 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, Payment and Settlement System’s Act, 2007, read with section 138, 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, 33<sup>rd</sup> 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, Payment and Settlement System’s Act, 2007, read with section 138, 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, 33<sup>rd</sup> 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, 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, Payment and Settlement System’s Act, 2007, read with section 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 Tech Private Limited and others (“**Accused**”) under section 138 read with section 141, 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 two separate complaints dated November 1, 2013 (“**Complaints**”), before the Court of Additional Chief Metropolitan Magistrate, Patiala House Courts, New Delhi (“**Court**”), in criminal cases bearing criminal complaint Nos 231/1/13 and 232/1/13, respectively (“**Respective Cases**”) for charge against M/s Global Administration Services Private Limited and others (“**Accused**”) under

section 25, Payment and Settlement System's Act, 2007, read with section 138 and 141, Negotiable Instruments Act, 1881.

The Accused authorized our Company's banker, Citi Bank Limited ("**Bank**"), to debit its account in HSBC Bank Limited, with ₹0.09 million ("**Amount Due**") in each month of July and August, 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 August 22, 2013 for clearing house reference numbers 2039206767 and 2041040319 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 September 20, 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.

14. Our Company has filed two separate complaints dated December 03, 2013 and December 10, 2013 ("**Complaints**"), before the Court of Additional Chief Metropolitan Magistrate, Patiala House Courts, New Delhi ("**Court**"), in criminal cases bearing criminal complaint Nos C.C. No. 284/1/2013 and C.C. No. 296/1/2013, respectively ("**Respective Cases**") for charge against M/s Global Administration Services Private Limited and others ("**Accused**") under section 25, Payment and Settlement System's Act, 2007, read with section 138 and 141, Negotiable Instruments Act, 1881.

The Accused authorized our Company's banker, Citi Bank Limited ("**Bank**"), to debit its account in Standard Chartered Bank, with ₹0.698 million and ₹0.09 million ("**Amount Due**") for the month of September, 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 September 26, 2013 and September 25, 2013 from the Bank, that the transactions had been dishonoured on account of insufficient balance in the Respective Cases. Accordingly, our Company sent separate legal notices dated October 15, 2013 and October 24, 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, our Company prays that the Court be pleased to inter-alia to take cognizance of the Complaint, to summon the Accused persons, to direct Accused persons to pay double amount of ECS instruction mandate along with interest etc. The matters are currently pending.

15. Our Company has filed a complaint dated November 11, 2013 ("**Complaint**"), before the Court of Additional Chief Metropolitan Magistrate, 33<sup>rd</sup> Court, Ballard Pier, Mumbai ("**Court**"), in criminal case ("**Case**") for charge against Shri Sidhi Industries and others ("**Accused**") under section 138 read with section 141, 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.

16. 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, Payment and Settlement System's Act, 2007, read with section 138 and 141, 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, June and July, 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.

17. 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, Payment and Settlement System’s Act, 2007, read with section 138 and 141, 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, 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

18. 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.

19. 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.

20. 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 section 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.

21. 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, 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.

22. Our Company has filed an appeal 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, (“**Tribunal**”), 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 Tribunal erred in disallowing the claim of deduction of professional fees paid, eventhough the expense incurred was wholly and exclusively for the purposes of appellants business. The matter is currently pending.
23. Our Company has filed an appeal dated April 23, 2013 (“**Appeal**”), for the assessment year 2010-2011, before the CIT(A)-7, 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 ₹12.53 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 penalties levied against it by the Officer on disallowances of market to market provision on account of non-convertible debentures and on diminution in value of investment. The matter is currently pending.
24. 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 (“**Case**”) for charge against Shri Sidhi Industries and others (“**Accused**”) under section 138 read with section 141, 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.

25. Our Company has filed a complaint dated January 01, 2014 (“**Complaint**”), 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, Payment and Settlement Systems Act, 2007, read with section 138, 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 and October 2013 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 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 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 a Complaint against the dishonor of EMIs for both the months collectively. By way of the Complaint, the Company seeks to initiate appropriate proceedings against the Accused. 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 a notice dated March 28, 2012 and June 04, 2013 (“**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.

### ***Regulatory litigations against our Promoter***

#### ***Litigations against our Promoters***

1. The DCIT – 3(1) (“**Appellant**”) has filed an appeal bearing number 7797/Mum-2011 dated July 07, 2011 (“**Appeal**”), for the assessment year 2007-2008, before the ITAT, Mumbai, against an order dated July 7, 2011 (“**Order**”) passed by the CIT(A)-7 Mumbai, (“**Tribunal**”), under section 250, Income Tax Act, 1961 partly in favour of Edelweiss Capital Limited (“**Edelweiss**”).

By way of the Appeal, the Appellant has sought setting aside of the Order, claiming that the Tribunal has erred in deleting addition of ₹6.50 million (“**Disputed Amount**”), 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 Disputed 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 28, 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 Capital Limited (“**Edelweiss**”).

By way of the Appeal, the Appellant seeks setting aside of the Order on grounds that the Tribunal erred in deleting *inter-alia* the disallowance made by the assessing officer of loss may 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 seeks setting aside of the deletion of disallowance made of 20% of their deduction claimed by Edelweiss towards replacement of tiles and installation of granite. 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.

#### ***Litigations by our Promoters***

1. Edelweiss Financial Services Limited (“**EFSL**”) 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. EFSL has filed the Appeal on the ground that the Assessing Officer erred inter-alia in, disallowing proportionate interest of ₹ 120.25 million paid to Lehman Brothers, 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 matter is currently pending.

2. 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, (“**Tribunal**”), 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 Tribunal had erred in confirming the disallowance 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 in 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 Commissioner of Income Tax (Appeals)-6, Mumbai.

By way of the Appeal, Edelweiss seeks setting aside of the Order which disallowed amount ₹52.47 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. The matter is currently pending.

#### **Tax Litigations against Edelweiss Finance & Investments Limited**

1. Additional Commissioner of Income Tax 3(1) (“**Authority**”) filed an appeal bearing number 7796/Mum-2011 dated July 07, 2011 (“**Appeal**”) before the Income Tax Appellate Tribunal, Mumbai (“**ITAT**”) against the order dated July 07, 2011 (“**Order**”) passed by the Commissioner of Income Tax (Appeals) (“**CIT (A)**”) for the assessment year 2007-2008. The Authority has filed the Appeal on the grounds that the CIT (A) erred in deleting the addition of ₹ 23.02 million made by disallowing the mark to market loss claimed on account of trading in derivative transactions etc. The Appellant has prayed that the Order be set aside and that of the assessing officer be restored. The matter is currently pending.
2. Additional Commissioner of Income Tax 3(1) (“**Authority**”) filed an appeal bearing number 7658/Mum-2011 dated July 07, 2011 (“**Appeal**”) before the Income Tax Appellate Tribunal, Mumbai (“**ITAT**”) against the order dated July 07, 2011 (“**Order**”) passed by the Commissioner of Income Tax (Appeals) (“**CIT (A)**”) for the assessment year 2008-2009. The Authority has filed the Appeal on the grounds that the CIT (A) erred in inter-alia deleting the addition of ₹ 211.96 million made under section 14 A read with Rule 8D (2) (ii), deleting the addition of ₹ 78.906 million made by disallowing the mark to market loss claimed on account of trading in derivative transactions etc. The Appellant has prayed that the Order be set aside and that of the assessing officer be restored. The matter is currently pending.

#### **Tax Litigations by Edelweiss Finance and Investments Limited**

1. Edelweiss Finance & Investments Limited (“**EFIL**”) filed an appeal dated April 05, 2013 (“**Appeal**”) before the Commissioner of Income Tax (Appeals) (“**CIT (A)**”) against the order dated March 04, 2013 (“**Order**”) passed by the Assessing Officer for the assessment year 2010-2011. EFIL has filed the Appeal on the grounds that the Assessing Officer erred in inter-alia disallowing provision for loss on derivative transactions amounting to ₹ 34.91 million, disallowance under section 14 A read with Rule 8D (2)(ii), giving short TDS credit of ₹ 6.80 million and in initiating penalty proceedings under section 271(1)(c) of the Income Tax Act, 1961. The matter is currently pending.

2. Edelweiss Finance & Investments Limited (“**EFIL**”) filed an appeal bearing number 6610/Mum-2011 dated July 07, 2011 (“Appeal”) before the Income Tax Appellate Tribunal, Mumbai (“**ITAT**”) against the order dated July 07, 2011 (“Order”) passed by the Commissioner of Income Tax (Appeals)-7, Mumbai (“**CIT (A)**”) for the assessment year 2008-2009. EFIL has filed the Appeal on the grounds that the CIT (A) erred in confirming the disallowance under section 14 A read with Rule 8D (2)(ii) of the Income Tax Act, 1961. 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 November 19, 2013 the Directors approved the Issue of NCDs to the public upto an amount not exceeding ₹7,500 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

**BSE LIMITED (“THE EXCHANGE”) HAS GIVEN *VIDE* ITS LETTER DATED JANUARY 2, 2014 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE’S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY’S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER: -**

- (i) **WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS DRAFT OFFER DOCUMENT; OR**
- (ii) **WARRANT THAT THIS COMPANY’S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**
- (iii) **TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;**

**AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.**

#### *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

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### **Listing**

An application will be made to BSE, the Designated Stock Exchange, for permission to deal in our NCDs.

If permissions to deal in and for an official quotation of our NCDs are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE 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, Co-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 58 and 60 of the Act and such consents have not been withdrawn up to the time of delivery of this 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 Prospectus, have been obtained and the same will be filed along with a copy of this 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 December 24, 2013 and (ii) Statement of Tax Benefits issued by B S R & Associates LLP, Chartered Accountants dated December 24, 2013, 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. ₹1,875 million, the entire subscription shall be refunded to the Applicants within twelve (12) Working Days from the date of closure of the Issue. If there is delay in the refund of subscription by more than 8 days after our Company becomes liable to refund the subscription amount, our Company will pay interest for the delayed period, at rates prescribed under applicable law.

### **Filing of the Draft Prospectus**

The Draft Prospectus was 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")**

Section 117C of the Act states that any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of our Company until the redemption of the debentures.

Ministry of Company Affairs General Circular No. 4/2013 No. 11/02/2012-CL-V (A) dated February 11, 2013 specifies that NBFCs like our Company, (NBFCs which are registered with the RBI under Section 45-IA of the RBI Act) shall create DRR to the extent of 25 per cent of the value of the debentures issued through public issue. Accordingly our Company is required to create a DRR of 25% of the value of debentures issued through the public issue. As further clarified by the Circular, the amount to be credited as DRR will be created out of the profits of our Company only if there is profit for the particular year. There is no obligation on the part of our Company to create DRR if there is no profit for the particular year. Our Company shall credit adequate amounts to DRR, from its profits every year until such NCDs are redeemed.

The Ministry of Company Affairs General Circular No. 4/2013 No. 11/02/2012-CL-V(A) dated February 11, 2013 further provides that every company required to create/maintain DRR shall before the 30th day of April of each year, deposit or invest, as the case may be; a sum which shall not be less than fifteen per cent of the amount of its debentures maturing during the year ending on the 31st day of March next following in anyone or more of the following methods, namely

1. in deposits with any scheduled bank, free from charge, or lien;
2. in unencumbered securities of the Central Government or of any State Government;
3. in unencumbered securities mentioned in clauses (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under clause (F) of section 20 of the Indian Trusts Act, 1882.

The amount deposited or invested, as the case may be, shall not be utilized for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15 per cent of the amount of debentures maturing during the 31<sup>st</sup> day of March of that year.

#### **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 ₹5,000 Million (assuming the full subscription including the retention of over subscription of upto ₹2,500 Million) are as follows:

<b>Activity</b>	<b>(₹ in million) Amount</b>
Lead Management Fee (Lead Managers)	15
Advertising and Marketing Expenses and Brokerage and SCSB's processing fees	128
Printing, Stationery and Distribution	7.5
Others (Debenture Trustee Fees, Registrar Fee, Credit Rating Fee, Legal Fees, Stamp Duty & Registration expense etc.)	16.50
<b>Total</b>	<b>167.00</b>

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.

#### **Details regarding the public issue during the last three years by our Company and other listed companies under the same management within the meaning of section 370(1B):**

There are no public or rights or composite issue of capital by listed companies under the same management within the meaning of Section 370(1) (B) of the Act during the last three years.

Our Company has not made any public issue of Equity Shares in the last five years.



Our Company has made the following Public Issue of debentures or rights issuances in the last five years:

Date of Allotment	Type of Issue	No. of Equity Shares/Debentures	Face Value (in ₹)	Issue Price per Equity Share/ Debentures (in ₹)	Nature of consideration
January 02, 2009	Rights Issue of Equity Shares	1,271,673,316	1	1.82	Cash

#### **Previous Issue**

Our Company has not made any public issue of Equity Shares or debentures in the past.

Other than as specifically disclosed in this Prospectus, our Company has not issued any securities for consideration other than cash.

#### **Stock Market Data**

Our Non-Convertible Debentures issued on private placement basis are listed on BSE and the stock market data has been given in Annexure II.

#### **Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding**

Our Company has issued on private placement basis, secured redeemable non- convertible debentures under various series of which ₹16,561.70 million is cumulatively outstanding as on November 30, 2013. Apart from the above, there are no outstanding debenture bonds, redeemable preference shares or other instruments issued by our Company that are outstanding. For details please refer to “Financial Indebtedness” on page 102.

#### **Dividend**

Our Company has no stated dividend policy. The declaration and payment of dividends on our shares will be recommended by the Board of Directors and declared by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. 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 December 18, 2013 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:** ecl.ncd@linkintime.co.in

**Investor Grievance mail:** ecl.ncd@linkintime.co.in

**Website:** www.linkintime.co.in

**Contact Person:** Sachin Achar

**SEBI Regn. Number:** INR000004058

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:** Eclfdetipo@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 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 cyclical 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 227 of the Companies Act, 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 29, 2013 (the “Notification”). Under the Notification, Section 1 of the 2013 Act has come into effect and the remaining provisions of the 2013 Act have come and shall come into force on such date/s as the Central Government may notify. Section 1 of the 2013 Act deals with the commencement and application of the 2013 Act, and amongst others, sets out the types of companies to which the 2013 Act applies. 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. The Government of India has reserved for itself the power to notify different provisions of the Act at different points of time. The substantial operative part of the legislation will be in the rules, which are yet to be notified. The 2013 Act seeks to repeal the Companies Act 1956 so as to make it more adaptable to the changing circumstances and make it comprehensive.

Further, the sections of the 2013 Act that has been notified under the September 12 Notification amongst others includes the provisions in relation to private and public companies, prospectuses, refunds of share application money, civil and criminal liability for misstatements in a prospectus, allotment of securities, buyback of securities, capital redemption reserve account, calling of extra ordinary general meeting, appointment of directors, prohibition of insider trading, foreign companies and offences under the 2013 Act.

The other sections of the 2013 Act which are yet to be notified 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.

Under 2013 Act every company having net worth of ₹ 500 crore or more, or turnover of ₹ 1000 crore or more or a net profit of ₹ 5 crore or more during any financial year shall formulate a corporate social responsibility policy. Further, the board of every such company shall ensure that the company spends, in every financial year, at least two % of the average net profits of the company made during the three immediately preceding financial years in pursuance of its corporate social responsibility policy.

### **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 embody 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 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 transferees 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 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 1/10<sup>th</sup> 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 1/10<sup>th</sup> 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 if 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. Chadrashekher 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 and 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 be 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 it 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 1 & 11 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, divided among the contributories in specific or kind any part of the assets of the company in trustees 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 14<sup>th</sup> 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 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 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 Prospectus with Stock Exchanges until the Issue Closing Date.

#### *Material Contracts to the Issue*

1. Lead Managers MoU dated December 26, 2013 between the Company and the Lead Managers.
2. Agreement dated December 18, 2013 between the Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated December 24, 2013 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 January 1, 2014 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 December 13, 2013 and December 16, 2013 from CARE and Brickwork respectively, granting credit ratings to the NCDs and revalidation letter from CARE and Brickwork both dated January 2, 2014
6. Copy of the Board Resolution dated November 19, 2013 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.
8. Consents of the Directors, Lead Managers, Debenture Trustee, Lead Brokers, Credit Rating Agencies for the Issue, Company Secretary and Compliance 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 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 December 24, 2013 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 2008 – 09 to 2012 – 13 and limited review report on the statement of unaudited financial results of our Company for the six months ended September 30, 2013.
12. A statement of tax benefits dated December 24, 2013 received from B S R & Associates LLP, Chartered Accountants regarding tax benefits available to us and our debenture holders;
13. Due Diligence certificate dated January 3, 2014 filed by the Lead Managers.
14. In-principle Approval letter dated January 2, 2014 issued by BSE, for the Issue.
15. Assignment agreement dated November 30, 2011 between Edelweiss Finance & Investments Limited and our Company
16. 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 LTD and our Company.
17. 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 LTD and our Company.

Any of the contracts or documents mentioned in this 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 and other relevant statutes

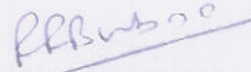
## DECLARATION

We, the undersigned, Directors of the Company, hereby certify and declare that all provisions of the Companies Act 1956, the relevant provisions of the Companies Act, 2013 applicable as on the date of this Prospectus, and the guidelines issued by the Government of India and/or the regulations/ guidelines/ circulars issued by 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 Prospectus is contrary to the provisions of the Companies Act, 1956, relevant provisions of the Companies Act, 2013, applicable as on the date of this Prospectus, 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 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 Prospectus does not contain any mis-statements.

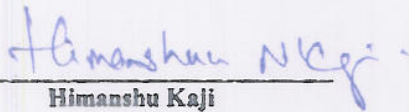
Signed by the Directors of our Company



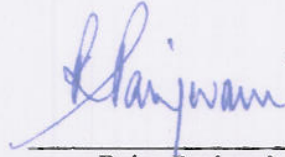
**Rashesh Chandrakant Shah**



**Raviprakash R. Bubna**



**Himanshu Kaji**



**Rujan Panjwani**



**P N Venkatachalam**

03 JAN 2014



**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

December 18, 2013

**Confidential**


Dear Sir,

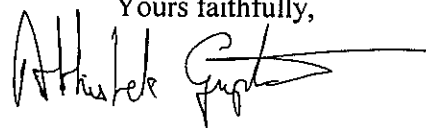
**Credit Rating for proposed Retail Bond issue of Rs.500 crore**

Please refer to our letter dated December 13, 2013 on the above subject.

2. The rationale for the rating(s) is attached as an **Annexure - I**. Kindly note that the rationale would be published in the forthcoming issue of our monthly journal, 'CAREVIEW'.
3. A write-up on the above rating is proposed to be issued to the press shortly. A draft of the brief rationale is enclosed for your perusal as **Annexure - II**.
4. 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 December 20, 2013, we will proceed on the basis that you have no comments to offer.
5. If you have any further clarifications, you are welcome to approach us.

Thanking you,

  
[Ashutosh Pradhan]  
Deputy Manager

Yours faithfully,  
  
[Abhishek Gupta]  
Manager

Encl: as above

**Annexure I**  
**Rating Rationale**  
**ECL Finance Ltd**

**Rating**

Instrument	Amount (Rs. Crore)	Ratings <sup>1</sup>	Remarks
Retail Bonds	500	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.*

**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, sponsor funding,

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications



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collateralized loans against liquid securities, ESOP financing, Margin funding, IPO 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.

#### **Credit Risk Assessment**

##### ***Diversified business profile***

EFSL has emerged as a diversified financial services company, having a presence in various business segments related to capital markets including equity and commodities broking (both institutional and retail), investment banking, lending to corporates, promoters, retail clients, etc. During the last few years, EFSL has also increased its presence in the non-capital market related businesses like mortgage finance (housing loans, loans against property and SME financing), life insurance, commodities, asset management, etc, and these businesses now contribute a higher percentage of revenue compared with the capital market business. For FY13 (refers to the period April 01 to March 31), fund-based income accounted for almost 82% of the total income, 15% was fee-based income and the remaining was life insurance premium and other income.

EFSL has reduced the volatility in its performance due to lower dependence on capital market led businesses. This is indicated by the fact that while approximately 50% of its total revenue



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in FY11 was contributed by the capital markets led fee and commission income, the same has fallen to 35% in FY13. EFSL's business plan indicates a higher growth going forward in the retail finance, commodities and life insurance businesses. With this, further diversification is expected in its business profile.

***Strong loan portfolio growth with good asset quality***

EFSL, on a group basis focuses on the credit business across wholesale and retail products. The wholesale loan portfolio accounted for around 68% of loan portfolio. Its loan portfolio (including credit substitutes in the form of NCD included under investments) has increased by 37% Y-o-Y to Rs.6,572 crore as on March 31, 2013, compared with Rs.4,785 crore as on March 31, 2012 (63% Y-o-Y growth over FY11). Mortgage loans (housing loans, LAP and SME finance) accounted for 25% of total loan portfolio followed by the capital-market-related loans, which contributed 8% of total loan portfolio. Its loan portfolio continued to perform well despite the stressed macro-economic operating conditions. Its asset quality has been strong with GNPA and NNPA ratios at 0.43%, and 0.11%, respectively, as on March 31, 2013, compared with 0.47% and 0.14%, respectively, as on March 31, 2012. Due to the high ticket size loans, EFSL is exposed to the concentration risk in its wholesale credit book, though it has improved over a period. The top 10 borrowers of wholesale loan portfolio accounted 44% of its tangible net-worth (excluding minority interest) as on March 31, 2013, as against 58% of its tangible net worth as on March 31, 2012. The average collateral cover was 2.4 times as on March 31, 2013, for wholesale credit book.

***Strong capitalisation***

EFSL is the parent company for the Edelweiss Group and its strong capitalisation is reflected in its consolidated tangible net-worth of Rs.2,570 crore (excluding minority interest) with gearing level of 4.5 times as on March 31, 2013. On a standalone basis, EFSL has an investment of Rs.1,389 crore in subsidiaries and associate companies. EFSL has two major subsidiaries in lending business, viz, ECL Finance Ltd (NBFC - 92.2% shareholding) and Edelweiss Housing Finance Ltd (HFC - 100% shareholding). ECL Finance Ltd reported CAR of



18.40% (Tier-I – 18.18%) and Edelweiss Housing Finance Ltd reported CAR of 13.60% (Tier-I – 13.19%) as on March 31, 2013.

***Comfortable liquidity profile***

EFSL had a comfortable liquidity profile with 18% of the total assets in treasury related assets which includes G-secs, FDs and others as on March 31, 2013. It also ensures a matched ALM profile and an overnight liquidity cushion. In the past, its borrowings were mainly from mutual funds. However, with the shift to longer tenor portfolio like mortgages, EFSL has diversified its resource profile with longer term borrowings by way of Non Convertible Debentures and term loan facilities from banks. As on March 31, 2011, 63% of its total borrowings were short-term borrowings (CP and CBLO), which has gone down to 47% by March 31, 2013. At the same time, as on March 31, 2011, 34% of EFSL's total borrowings were from the banks and in the form of NCD, which has gone up to 48% by March 31, 2013.

***Experienced management team***

EFSL has a strong management team with a rich experience in the financial sector. Mr Rashesh Shah, founder of EFSL, has more than 20 years of experience after graduating from IIM – Ahmadabad. Mr Venkat Ramaswamy, co-founder of EFSL, heads the Investment Banking and Alternative Asset Management businesses and has an MBA degree from the University of Pittsburgh, USA. They are also supported by a strong second line of management, who have rich experience in their respective fields. The senior management team of Edelweiss has been quite stable over the last few years and most of the senior management have been with Edelweiss for a long period.

***Established institutional equity broking business and good retail distribution network***

EFSL on group basis has established institutional equity business comprising institutional equity sales and research. It provides services to a large and diversified base of Foreign Institutional Investors (FIIs) and domestic institutional investors. Its clients include large pension funds, long only funds, Exchange Traded Funds (ETFs) and hedge funds. It had a



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market share of 3.4% in the overall equity broking segment in FY13 and is one of the largest institutional broking houses in India with over 400 foreign and domestic institutional investors. The institutional equity business is supported by a strong equity sales team and relevant and timely research. Currently, its research team covers 187 stocks across 20 sectors. The Edelweiss group has acquired Anagram Capital Ltd. (now renamed Edelweiss Financial Advisors Ltd) in FY11 to add offline retail broking model in its business activities. The offline broking model is also well-supplemented by its organically built online broking model through the portal [www.edelweiss.in](http://www.edelweiss.in). EFSL now caters to the total retail client base of 403,900 from 211 offices in 106 cities with a strong network of over 4,000 authorised persons and sub-brokers as on March 31, 2013.

***High dependency on capital markets which has inherent volatility***

A large proportion of ESFL's revenues is related to the capital markets led activities, which include broking, investment banking, capital market related loan portfolio, asset management and some treasury operations. In recent times, the capital markets have witnessed volatility, subdued volumes and lower margins owing to heightened competition. However, following the strategy of diversification of businesses, the group has already reduced its dependence on the capital markets related income. In FY11, its capital market related and non-capital market related revenue was 50:50. In FY13, the capital market related revenue accounted for 35% of the total income. With the planned scale up of mortgage finance business, commodities business and life insurance, the dependence on capital markets is expected to reduce further.

***Risk associated with the new business segments***

The Edelweiss group has recently forayed into new businesses, including expanding retail broking, life insurance and mortgage finance (housing loans and loans against property). However, the housing loan has started recently from Q3FY11 and life insurance from Q2FY12. As on March 31, 2012, it had mortgage finance portfolio of a Rs.776 core, which grew to Rs.1,439 crore as on March 31, 2013. These businesses have high competition and the group's ability to successfully establish a position in these segments is yet to be seen.



### ***Profitability***

During FY13, the profitability of EFSL has improved significantly after a sharp fall in FY12. During FY13, the total income registered a growth of 31% with the help of strong growth in interest income from the loan portfolio. In FY13, the revenues from the agency business, which includes broking, investment banking, asset management and life insurance have grown by 12%, while capital revenue, which includes revenue from credit, treasury operations and commodities (net of interest expenditure) have grown by 37%. The declining share of revenues from agency businesses and increasing share from the capital businesses is leading to a diversification of the income profile. The PAT grew by 31% Y-o-Y in FY13, in-line with the total income growth. The interest income from loans increased by 63% in FY13. The ROTA improved marginally from 0.9% in FY12 to 1.1% as on March 31, 2013.

### **Prospects**

EFSL has a presence in various business segments. It has continued to scale up its new businesses and established businesses of credit, commodities and wholesale financial markets. Its retail financial markets and retail finance businesses have achieved break-even in FY13. Going forward with expanding new businesses, EFSL is expected to witness more diversification in its income profile, characterized by higher stability. Thus, going forward, the ability to improve the diversification in businesses, maintaining competitive position in capital market businesses, maintaining asset quality and capital adequacy are the key rating sensitivities for EFSL.





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**Financials: ECLF**

(Rs. Cr)

Particulars	FY11	FY12	FY13
P&L A/c	(A)	(A)	(A)
Total Income	426	401	651
Employee Costs	18	24	50
Operating expenses	91	89	118
Depreciation & amortization	0	1	2
Interest Expense & Financial Charges	177	185	335
Provisions / Write-offs	4	8	12
PBT	154	119	183
Tax	52	38	62
PAT	102	81	121
<b>Balance Sheet</b>			
Net Worth	1,212	1,291	1,412
Total Borrowings	1,814	2,703	4,773
Investments	100	465	485
Stock-in-trade	444	364	706
Cash & Bank Balance	20	31	365
Loans & Advances	2,449	3,187	4,799
Total Assets	3,098	4,152	6,473
CAR (%)	35.26	24.60	18.40
Tier-I CAR (%)	35.04	24.39	18.17
Overall Gearing (times)	1.50	2.09	3.38
Interest coverage (times)	1.87	1.64	1.55
Operating Expenses/Average Total Assets (%)	3.38	2.44	2.23
ROTA (%)	3.79	2.23	2.28
ROE (%)	8.77	6.47	8.96
Interest Income/ Avg. Interest earning assets (A)	20.06	15.10	16.69
Interest / Avg. Borrowed Funds (B)	12.10	8.19	8.97
Interest spread (A-B)	7.96	6.92	7.71
Net Interest Margin	8.12	6.71	6.23



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**Financials: EFSL (Consolidated)**

(Rs. Cr)

Particulars P&L A/c	FY11 (A)	FY12 (A)	FY13 (A)
Total Income	1,429	1,671	2,184
Employee Cost	235	271	364
Operating and Other Expenditure	290	329	396
PBIDTA	903	1,071	1,424
Depreciation	20	42	51
Interest Expenditure	533	830	1,113
PBT	350	199	259
Tax	103	68	88
PAT	247	131	171
Minority Interest	14	3	(7)
PAT After Minority Interest	233	128	178
<b>Balance Sheet</b>			
Tangible Net-worth	2,242	2,456	2,570
Total Borrowings	8,024	10,487	11,659
Fixed Assets	472	507	483
Investments	389	1,401	1,211
Loan Portfolio (Credit)	2,653	3,956	5,793
Stock in Trade	1,417	3,383	3,152
Cash and Bank Balance	3,685	3,410	4,014
Total Current Assets	14,067	12,456	14,647
Current Liabilities	4,547	1,183	1,879
Total Assets	14,928	14,365	16,341
Overall Gearing (times)	3.58	4.27	4.54
Interest Coverage (times)	1.66	1.24	1.23
Total Income / Average Total Assets (%)	13.76	11.41	14.23
Operating Expenses/Average Total Assets (%)	2.80	2.25	2.58
ROTA (%)	2.38	0.89	1.11
ROE (%)	11.13	5.56	6.81
Gross NPA Ratio (%)	0.44	0.47	0.43
Net NPA Ratio (%)	0.08	0.14	0.11
Provision Coverage (%)	82.51	69.85	73.82
Net NPA to Net worth (%)	0.09	0.28	0.29



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**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 II**  
**Brief Rationale**

**CARE assigns 'CARE AA' rating to proposed Retail Bond issue of ECL Finance Ltd**

**Rating**

<b>Instrument</b>	<b>Amount (Rs. Crore)</b>	<b>Ratings<sup>1</sup></b>	<b>Remarks</b>
Retail Bonds	500	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.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://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, sponsor funding, collateralized loans against liquid securities, ESOP financing, Margin funding, IPO 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 H1FY14, consolidated PAT for EFSL stood at Rs.101.75 crore (after minority interest) on a total income of Rs.1,211 crore.

### **Analyst Contact**

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Tel:# 022-67543430

Mobile :#9892052454

Email: [vishal.sanghavi@careratings.com](mailto:vishal.sanghavi@careratings.com)

*CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto: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 Rationale

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### **Brickwork Ratings assigns 'BWR AA' for the Proposed Long Term NCD Issue (Public Issue) of ₹ 500 Cr and reaffirms rating for the Proposed Unsecured Subordinated NCD Issue (Tier II Issue) of ₹ 100 Cr of ECL Finance Limited**

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Brickwork Ratings (BWR) has assigned the following **Rating<sup>1</sup>** of BWR AA (BWR Double A) (**Outlook: Stable**) for the proposed long term NCD Issue (Public Issue) of ₹ 500 Cr for ECL Finance Ltd (ECLF).

Brickwork Ratings (BWR) has also reaffirmed the rating of BWR AA (BWR Double A) (Outlook Stable) for the proposed unsecured subordinated NCD issue (Tier II issue) of ₹ 100 Cr of ECL Finance Ltd (ECLF) initially rated in July 2013.

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 & promoter 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, Sponsor Funding, collateralized loans against liquid securities, ESOP financing, Margin funding, IPO financing and loans against property etc.

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<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

Edelweiss Group holds 92.2%% in ECLF and rest is held by Waverly Pte Ltd, an affiliate of GIC Singapore. Mr. Rashesh Shah is the Chairman & CEO of Edelweiss Group & 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 Rs 3996.2 Cr in FY12 to Rs 6002.2 Cr in FY13. Company's net worth increased by 9.5% to Rs 1421.45 Cr in FY13, in same period overall borrowings increased by 75% to Rs 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 Rs 4799 Cr. The highest increase was in products of Corporate Loans, Promoter Funding and Loan against Property segment. Of this, the advances to group companies were approximately Rs 212 Cr. Approximately 42% of company's loan book is corporate loans or promoter funding. 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 Rs 45 Cr. Total investments in this period also increased by 48.5% to Rs 1187.5 Cr. Of these close to Rs 280 Cr are investments in group companies. Thus, the total exposure to group companies in form of Investments and loans and advances together is close to 492 Cr. 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 NPA's. 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 Rs 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 R 1380 Cr (28.9% of total borrowings) are via long term bonds and almost Rs 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 to be paid on such debentures is linked to index like NIFTY. At maturity / redemption, investor gets coupon 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 Rs 401.40 Cr in FY12 to Rs 650.64 Cr in FY13. Its Profit after Tax for FY13 was Rs 121.17 Cr compared to Rs 80.95 crores 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 NCD's (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

#### **H1FY14 Financial Performance:**

As on 30<sup>th</sup> Sept 2013, ECLF continued to exhibit good performance with total income at ₹ 427.06 Cr as against FY13 full year total income of ₹ 650.6 Cr. Similarly PAT for H1FY14 was at ₹102.32 Cr as against FY13 full year PAT of 121.16 Cr. Net worth of the company stood at ₹1523.7 Cr as of H1FY14 vs ₹1421.45 Cr as of FY13. Total borrowings for H1FY14 stood at ₹4376.06 Cr as against total borrowings of Rs 4772.9 Cr for FY13.

**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, promoter funding and Real Estate funding which is secured by way of pledge of securities and immovable property. 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, remain adequately capitalized, and maintain its profitability margins are key rating sensitivities.

<b>Analyst Contact</b>	<b>Relationship Contact</b>
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**ANNEXURE II  
STOCK MARKET DATA#**

ISIN	Year	Date of High	High (₹)	Volume on date of High	Date of Low	Low (₹)	Volume on Date of low	Average* (₹)
INE532F07028	2011	24-May-11	1,234,530	30	24-May-11	1,234,530	30	1,234,530
INE532F07028	2012							
INE532F07028	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07028	December 13							
INE532F07028	November 13							
INE532F07028	October 13							
INE532F07028	September 13							
INE532F07028	August 13							
INE532F07028	July 13							
INE532F07028	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07044	2011	2-Jun-11	1,376,628	19	2-Jun-11	1,376,628	19	1,376,628
INE532F07044	2012							
INE532F07044	2013							
ISIN	December 13	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07044	December 13							
INE532F07044	November 13							
INE532F07044	October 13							
INE532F07044	September 13							
INE532F07044	August 13							
INE532F07044	July 13							
INE532F07044	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')

							low	
INE532F07093	2011	2-Jun-11	1,319,563	13	17-Mar-11	1,246,268	1	1,314,893
INE532F07093	2012							
INE532F07093	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07093	December 13							
INE532F07093	November 13							
INE532F07093	October 13							
INE532F07093	September 13							
INE532F07093	August 13							
INE532F07093	July 13							
INE532F07093	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07168	2011	27-May-11	1,174,134	20	27-May-11	1,174,134	20	1,174,134
INE532F07168	2012							
INE532F07168	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07168	December 13							
INE532F07168	November 13							
INE532F07168	October 13							
INE532F07168	September 13							
INE532F07168	August 13							
INE532F07168	July 13							
INE532F07168	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07176	2011	24-Aug-11	1,403,261	2	1-Jul-11	1,378,846	1	1,399,789

INE532F07176	2012							
INE532F07176	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07176	December 13							
INE532F07176	November 13							
INE532F07176	October 13							
INE532F07176	September 13							
INE532F07176	August 13							
INE532F07176	July 13							
INE532F07176	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07200	2011	20-Sep-11	1,928,388	5	11-Jan-11	1,700,700	3	1,856,880
INE532F07200	2012							
INE532F07200	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07200	December 13							
INE532F07200	November 13							
INE532F07200	October 13							
INE532F07200	September 13							
INE532F07200	August 13							
INE532F07200	July 13							
INE532F07200	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07234	2011	26-Sep-11	1,770,617	13	28-Apr-11	1,695,300	2	1,760,575
INE532F07234	2012							
INE532F07234	2013							

ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07234	December 13							
INE532F07234	November 13							
INE532F07234	October 13							
INE532F07234	September 13							
INE532F07234	August 13							
INE532F07234	July 13							
INE532F07234	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07267	2011	28-Sep-11	1,808,167	16	17-Mar-11	1,644,677	1	1,797,329
INE532F07267	2012							
INE532F07267	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07267	December 13							
INE532F07267	November 13							
INE532F07267	October 13							
INE532F07267	September 13							
INE532F07267	August 13							
INE532F07267	July 13							
INE532F07267	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07283	2011	5-Oct-11	1,543,404	9	4-Oct-11	1,542,898	3	1,543,278
INE532F07283	2012							
INE532F07283	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07283	December 13							

INE532F07283	November 13							
INE532F07283	October 13							
INE532F07283	September 13							
INE532F07283	August 13							
INE532F07283	July 13							
INE532F07283	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE532F07309	2011	21-Oct-11	1,411,805	14	9-Aug-11	1,378,230	10	1,400,952
INE532F07309	2012							
INE532F07309	2013							
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE532F07309	December 13							
INE532F07309	November 13							
INE532F07309	October 13							
INE532F07309	September 13							
INE532F07309	August 13							
INE532F07309	July 13							
INE532F07309	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE532F07325	2011	20-Oct-11	1,540,179	5	26-Sep-11	1,527,949	30	1,529,696
INE532F07325	2012							
INE532F07325	2013							
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE532F07325	December 13							
INE532F07325	November 13							
INE532F07325	October 13							
INE532F07325	September 13							
INE532F07325	August 13							
INE532F07325	July 13							

INE532F07325	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07333	2011	11-Nov-11	1,463,991	4	11-Nov-11	1,463,991	4	1,463,991
INE532F07333	2012							
INE532F07333	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07333	December 13							
INE532F07333	November 13							
INE532F07333	October 13							
INE532F07333	September 13							
INE532F07333	August 13							
INE532F07333	July 13							
INE532F07333	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07358	2011	15-Dec-11	1,646,192	4	15-Dec-11	1,646,192	4	1,646,192
INE532F07358	2012							
INE532F07358	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07358	December 13							
INE532F07358	November 13							
INE532F07358	October 13							
INE532F07358	September 13							
INE532F07358	August 13							
INE532F07358	July 13							
INE532F07358	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of	Average* (')



							low	
INE532F07408	2011							
INE532F07408	2012	14-Feb-12	155,644	5	14-Feb-12	155,644	5	155,644
INE532F07408	2013							
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE532F07408	December 13							
INE532F07408	November 13							
INE532F07408	October 13							
INE532F07408	September 13							
INE532F07408	August 13							
INE532F07408	July 13							
INE532F07408	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE532F07424	2011							
INE532F07424	2012	15-Mar-12	150,531	5	15-Mar-12	150,531	5	150,531
INE532F07424	2013							
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE532F07424	December 13							
INE532F07424	November 13							
INE532F07424	October 13							
INE532F07424	September 13							
INE532F07424	August 13							
INE532F07424	July 13							
INE532F07424	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE532F07499	2011							
INE532F07499	2012	16-Apr-12		33	24-Feb-12		10	

			143,532			141,211		142,826
INE532F07499	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07499	December 13							
INE532F07499	November 13							
INE532F07499	October 13							
INE532F07499	September 13							
INE532F07499	August 13							
INE532F07499	July 13							
INE532F07499	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07523	2011	26-Apr-11	130,930	5	26-Apr-11	130,930	5	130,930
INE532F07523	2012							
INE532F07523	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07523	December 13							
INE532F07523	November 13							
INE532F07523	October 13							
INE532F07523	September 13							
INE532F07523	August 13							
INE532F07523	July 13							
INE532F07523	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07549	2011							
INE532F07549	2012	15-May-12	143,585	30	15-May-12	143,585	30	143,585
INE532F07549	2013							

ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07549	December 13							
INE532F07549	November 13							
INE532F07549	October 13							
INE532F07549	September 13							
INE532F07549	August 13							
INE532F07549	July 13							
INE532F07549	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07713	2011	11-Oct-11	126,634	40	11-Oct-11	126,634	40	126,634
INE532F07713	2012	12-Oct-12	140,954	35	5-Oct-12	140,578	40	140,763
INE532F07713	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07713	December 13							
INE532F07713	November 13							
INE532F07713	October 13							
INE532F07713	September 13							
INE532F07713	August 13							
INE532F07713	July 13							
INE532F07713	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07739	2011							
INE532F07739	2012	12-Mar-12	135,413	200	12-Mar-12	135,413	200	135,413
INE532F07739	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07739	December 13							

INE532F07739	November 13							
INE532F07739	October 13							
INE532F07739	September 13							
INE532F07739	August 13							
INE532F07739	July 13							
INE532F07739	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07747	2011							
INE532F07747	2012	23-Oct-12	142,184	20	19-Oct-12	141,967	20	142,076
INE532F07747	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07747	December 13							
INE532F07747	November 13							
INE532F07747	October 13							
INE532F07747	September 13							
INE532F07747	August 13							
INE532F07747	July 13							
INE532F07747	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07820	2011							
INE532F07820	2012	12-Mar-12	117,855	100	6-Jan-12	110,903	50	115,538
INE532F07820	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07820	December 13							
INE532F07820	November 13							
INE532F07820	October 13							
INE532F07820	September 13							
INE532F07820	August 13							
INE532F07820	July 13							

INE532F07820	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE532F07838	2011							
INE532F07838	2012	19-Nov-12	129,479	5	19-Nov-12	129,479	5	129,479
INE532F07838	2013							
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE532F07838	December 13							
INE532F07838	November 13							
INE532F07838	October 13							
INE532F07838	September 13							
INE532F07838	August 13							
INE532F07838	July 13							
INE532F07838	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE532F07879	2011							
INE532F07879	2012	29-Oct-12	143,350	5	29-Oct-12	143,350	5	143,350
INE532F07879	2013							
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE532F07879	December 13							
INE532F07879	November 13							
INE532F07879	October 13							
INE532F07879	September 13							
INE532F07879	August 13							
INE532F07879	July 13							
INE532F07879	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>

							low	
INE532F07903	2011							
INE532F07903	2012	14-Dec-12	102,611	20	14-Dec-12	102,611	20	102,611
INE532F07903	2013							
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE532F07903	December 13							
INE532F07903	November 13							
INE532F07903	October 13							
INE532F07903	September 13							
INE532F07903	August 13							
INE532F07903	July 13							
INE532F07903	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE532F07952	2011	17-Jan-11	113,240	8	17-Jan-11	113,240	8	113,240
INE532F07952	2012							
INE532F07952	2013							
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE532F07952	December 13							
INE532F07952	November 13							
INE532F07952	October 13							
INE532F07952	September 13							
INE532F07952	August 13							
INE532F07952	July 13							
INE532F07952	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE532F07960	2011	20-Jan-11	115,799	25	18-Jan-11	115,748	174	115,754

INE532F07960	2012							
INE532F07960	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07960	December 13							
INE532F07960	November 13							
INE532F07960	October 13							
INE532F07960	September 13							
INE532F07960	August 13							
INE532F07960	July 13							
INE532F07960	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07978	2011	17-Mar-11	120,794	70	10-Feb-11	117,173	120	119,695
INE532F07978	2012							
INE532F07978	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07978	December 13							
INE532F07978	November 13							
INE532F07978	October 13							
INE532F07978	September 13							
INE532F07978	August 13							
INE532F07978	July 13							
INE532F07978	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07986	2011	18-Jan-11	110,894	150	18-Jan-11	110,894	150	110,894
INE532F07986	2012							
INE532F07986	2013							

ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07986	December 13							
INE532F07986	November 13							
INE532F07986	October 13							
INE532F07986	September 13							
INE532F07986	August 13							
INE532F07986	July 13							
INE532F07986	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07994	2011	29-Jun-11	108,777	5	29-Jun-11	108,777	5	108,777
INE532F07994	2012							
INE532F07994	2013	5-Feb-13	135,270	10	10-Jan-13	133,941	1	134,871
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07994	December 13							
INE532F07994	November 13							
INE532F07994	October 13							
INE532F07994	September 13							
INE532F07994	August 13							
INE532F07994	July 13							
INE532F07994	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07AE2	2011	16-Feb-11	111,273	674	16-Feb-11	111,273	674	111,273
INE532F07AE2	2012							
INE532F07AE2	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07AE2	December 13							



INE532F07AE2	November 13							
INE532F07AE2	October 13							
INE532F07AE2	September 13							
INE532F07AE2	August 13							
INE532F07AE2	July 13							
INE532F07AE2	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07AF9	2011							
INE532F07AF9	2012							
INE532F07AF9	2013	15-Feb-13	134,186	2	8-Feb-13	133,828	3	133,971
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07AF9	December 13							
INE532F07AF9	November 13							
INE532F07AF9	October 13							
INE532F07AF9	September 13							
INE532F07AF9	August 13							
INE532F07AF9	July 13							
INE532F07AF9	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07AG7	2011	26-Jul-11	121,349	1000	26-Jul-11	121,349	1000	121,349
INE532F07AG7	2012							
INE532F07AG7	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE532F07AG7	December 13							
INE532F07AG7	November 13							
INE532F07AG7	October 13							
INE532F07AG7	September 13							
INE532F07AG7	August 13							
INE532F07AG7	July 13							

INE532F07AG7	June 13							
ISIN	Year	Date of High	High (´)	Volume on date of High	Date of Low	Low (´)	Volume on Date of low	Average* (´)
INE532F07AH5	2011	17-Mar-11	120,433	150	10-Feb-11	116,135	50	119,471
INE532F07AH5	2012							
INE532F07AH5	2013							
ISIN	Month	Date of High	High (´)	Volume on date of High	Date of Low	Low (´)	Volume on Date of low	Average* (´)
INE532F07AH5	December 13							
INE532F07AH5	November 13							
INE532F07AH5	October 13							
INE532F07AH5	September 13							
INE532F07AH5	August 13							
INE532F07AH5	July 13							
INE532F07AH5	June 13							
ISIN	Year	Date of High	High (´)	Volume on date of High	Date of Low	Low (´)	Volume on Date of low	Average* (´)
INE532F07AI3	2011	17-Mar-11	120,704	130	10-Feb-11	117,139	50	120,058
INE532F07AI3	2012							
INE532F07AI3	2013							
ISIN	Month	Date of High	High (´)	Volume on date of High	Date of Low	Low (´)	Volume on Date of low	Average* (´)
INE532F07AI3	December 13							
INE532F07AI3	November 13							
INE532F07AI3	October 13							
INE532F07AI3	September 13							
INE532F07AI3	August 13							
INE532F07AI3	July 13							
INE532F07AI3	June 13							
ISIN	Year	Date of High	High (´)	Volume on date of High	Date of Low	Low (´)	Volume on Date of	Average* (´)

							low	
INE804I07025	2011							
INE804I07025	2012							
INE804I07025	2013	13-May-13	119,194	3	3-May-13	118,741	5	118,997
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07025	December 13							
INE804I07025	November 13							
INE804I07025	October 13							
INE804I07025	September 13							
INE804I07025	August 13							
INE804I07025	July 13							
INE804I07025	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07033	2011							
INE804I07033	2012	11-May-12	114,143	2	11-May-12	114,143	2	114,143
INE804I07033	2013							
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07033	December 13							
INE804I07033	November 13							
INE804I07033	October 13							
INE804I07033	September 13							
INE804I07033	August 13							
INE804I07033	July 13							
INE804I07033	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07074	2011	2-Jun-11	108,891	4	2-Jun-11	108,891	4	108,891

INE804I07074	2012							
INE804I07074	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07074	December 13							
INE804I07074	November 13							
INE804I07074	October 13							
INE804I07074	September 13							
INE804I07074	August 13							
INE804I07074	July 13							
INE804I07074	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07082	2011							
INE804I07082	2012							
INE804I07082	2013	11-Jun-13	110,225	2	5-Jun-13	109,974	1	110,106
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07082	December 13							
INE804I07082	November 13							
INE804I07082	October 13							
INE804I07082	September 13							
INE804I07082	August 13							
INE804I07082	July 13							
INE804I07082	June 13	11-Jun-13	110225	2	5-Jun-13	109974	1	110105.5882
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07090	2011	15-Jul-11	109,026	58	15-Jul-11	109,026	58	109,026
INE804I07090	2012							
INE804I07090	2013							

ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07090	December 13							
INE804I07090	November 13							
INE804I07090	October 13							
INE804I07090	September 13							
INE804I07090	August 13							
INE804I07090	July 13							
INE804I07090	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07108	2011							
INE804I07108	2012							
INE804I07108	2013	17-Jul-13	113,608	3	1-Jul-13	112,918	6	113,380
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07108	December 13							
INE804I07108	November 13							
INE804I07108	October 13							
INE804I07108	September 13							
INE804I07108	August 13							
INE804I07108	July 13	17-Jul-13	113608	3	1-Jul-13	112918	6	113379.5778
INE804I07108	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07116	2011							
INE804I07116	2012	18-Jul-12	118,116	20	21-May-12	115,265	30	117,627
INE804I07116	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07116	December 13							

INE804I07116	November 13							
INE804I07116	October 13							
INE804I07116	September 13							
INE804I07116	August 13							
INE804I07116	July 13							
INE804I07116	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07124	2011							
INE804I07124	2012	18-May-12	126,198	10	3-May-12	125,479	20	125,843
INE804I07124	2013							
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07124	December 13							
INE804I07124	November 13							
INE804I07124	October 13							
INE804I07124	September 13							
INE804I07124	August 13							
INE804I07124	July 13							
INE804I07124	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07140	2011							
INE804I07140	2012	25-Jun-12	125,318	20	1-Jun-12	124,190	20	124,962
INE804I07140	2013							
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07140	December 13							
INE804I07140	November 13							
INE804I07140	October 13							
INE804I07140	September 13							
INE804I07140	August 13							
INE804I07140	July 13							

INE804I07140	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07215	2011	10-Oct-11	116,673	100	10-Oct-11	116,673	100	116,673
INE804I07215	2012							
INE804I07215	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07215	December 13							
INE804I07215	November 13							
INE804I07215	October 13							
INE804I07215	September 13							
INE804I07215	August 13							
INE804I07215	July 13							
INE804I07215	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07272	2011							
INE804I07272	2012	21-Aug-12	113,619	607	21-Aug-12	113,619	607	113,619
INE804I07272	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07272	December 13							
INE804I07272	November 13							
INE804I07272	October 13							
INE804I07272	September 13							
INE804I07272	August 13							
INE804I07272	July 13							
INE804I07272	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of	Average* (')

							low	
INE804I07298	2011							
INE804I07298	2012							
INE804I07298	2013	7-Aug-13	116,493	8	5-Aug-13	116,404	3	116,457
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07298	December 13							
INE804I07298	November 13							
INE804I07298	October 13							
INE804I07298	September 13							
INE804I07298	August 13	7-Aug-13	116493	8	5-Aug-13	116404	3	116456.7692
INE804I07298	July 13							
INE804I07298	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07306	2011							
INE804I07306	2012							
INE804I07306	2013	6-Sep-13	110,287	5	2-Sep-13	110,119	1	110,256
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07306	December 13							
INE804I07306	November 13							
INE804I07306	October 13							
INE804I07306	September 13	6-Sep-13	110287	5	2-Sep-13	110119	1	110259
INE804I07306	August 13							
INE804I07306	July 13							
INE804I07306	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07363	2011							
INE804I07363	2012							



INE804I07363	2013	11-Nov-13	109,203	17	14-Oct-13	108,051	1	109,139
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07363	December 13							
INE804I07363	November 13	11-Nov-13	109203	17	11-Nov-13	109203	17	109203
INE804I07363	October 13	14-Oct-13	108051	1	14-Oct-13	108051	1	108051
INE804I07363	September 13							
INE804I07363	August 13							
INE804I07363	July 13							
INE804I07363	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07413	2011							
INE804I07413	2012	3-Oct-12	101,908	1	3-Oct-12	101,908	1	101,908
INE804I07413	2013	11-Dec-13	107,348	5	25-Jun-13	101,740	3	106,924
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07413	December 13	11-Dec-13	107348	5	2-Dec-13	106955	2	107295
INE804I07413	November 13	20-Nov-13	106436	1	20-Nov-13	106436	1	106436
INE804I07413	October 13							
INE804I07413	September 13							
INE804I07413	August 13	2-Aug-13	104280	1	2-Aug-13	104280	1	104280
INE804I07413	July 13							
INE804I07413	June 13	25-Jun-13	101740	3	25-Jun-13	101740	3	101740
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07421	2011							
INE804I07421	2012	21-Nov-12	150,767	25	20-Nov-12	150,709	10	150,750
INE804I07421	2013							

ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07421	December 13							
INE804I07421	November 13							
INE804I07421	October 13							
INE804I07421	September 13							
INE804I07421	August 13							
INE804I07421	July 13							
INE804I07421	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07470	2011							
INE804I07470	2012	11-Dec-12	150,980	20	25-May-12	133,821	10	145,260
INE804I07470	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07470	December 13							
INE804I07470	November 13							
INE804I07470	October 13							
INE804I07470	September 13							
INE804I07470	August 13							
INE804I07470	July 13							
INE804I07470	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07504	2011							
INE804I07504	2012	17-Dec-12	150,524	35	14-Dec-12	150,352	51	150,422
INE804I07504	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07504	December 13							

INE804I07504	November 13							
INE804I07504	October 13							
INE804I07504	September 13							
INE804I07504	August 13							
INE804I07504	July 13							
INE804I07504	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07520	2011							
INE804I07520	2012	26-Dec-12	113,932	280	26-Dec-12	113,932	280	113,932
INE804I07520	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07520	December 13							
INE804I07520	November 13							
INE804I07520	October 13							
INE804I07520	September 13							
INE804I07520	August 13							
INE804I07520	July 13							
INE804I07520	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07546	2011	7-Oct-11	100,740	1	7-Oct-11	100,740	1	100,740
INE804I07546	2012	20-Dec-12	114,517	3	25-Oct-12	112,119	1	114,322
INE804I07546	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07546	December 13							
INE804I07546	November 13							
INE804I07546	October 13							
INE804I07546	September 13							
INE804I07546	August 13							

INE804I07546	July 13							
INE804I07546	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07579	2011							
INE804I07579	2012							
INE804I07579	2013	5-Jul-13	124,967	20	5-Jul-13	124,967	20	124,967
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07579	December 13							
INE804I07579	November 13							
INE804I07579	October 13							
INE804I07579	September 13							
INE804I07579	August 13							
INE804I07579	July 13	5-Jul-13	124967	20	5-Jul-13	124967	20	124967
INE804I07579	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07587	2011							
INE804I07587	2012	17-Dec-12	113,735	90	17-Dec-12	113,735	90	113,735
INE804I07587	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07587	December 13							
INE804I07587	November 13							
INE804I07587	October 13							
INE804I07587	September 13							
INE804I07587	August 13							
INE804I07587	July 13							
INE804I07587	June 13							

ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07702	2011							
INE804I07702	2012							
INE804I07702	2013	20-Feb-13	99,580	10	20-Feb-13	99,580	10	99,580
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07702	December 13							
INE804I07702	November 13							
INE804I07702	October 13							
INE804I07702	September 13							
INE804I07702	August 13							
INE804I07702	July 13							
INE804I07702	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07793	2011	28-Jun-11	105,025	20	28-Jun-11	105,025	20	105,025
INE804I07793	2012	9-Oct-12	117,070	10	19-Jun-12	109,164	30	111,141
INE804I07793	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07793	December 13							
INE804I07793	November 13							
INE804I07793	October 13							
INE804I07793	September 13							
INE804I07793	August 13							
INE804I07793	July 13							
INE804I07793	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07801	2011							

INE804I07801	2012	24-Apr-12	116,269	10	16-Mar-12	113,263	10	114,916
INE804I07801	2013	15-Feb-13	124,762	10	23-Sep-13	117,875	5	122,466
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07801	December 13							
INE804I07801	November 13							
INE804I07801	October 13							
INE804I07801	September 13	23-Sep-13	117875	5	23-Sep-13	117875	5	117875
INE804I07801	August 13							
INE804I07801	July 13							
INE804I07801	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07868	2011							
INE804I07868	2012							
INE804I07868	2013	25-Oct-13	102,970	100	25-Oct-13	102,970	100	102,970
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07868	December 13							
INE804I07868	November 13							
INE804I07868	October 13	25-Oct-13	102970	100	25-Oct-13	102970	100	102970
INE804I07868	September 13							
INE804I07868	August 13							
INE804I07868	July 13							
INE804I07868	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07884	2011							
INE804I07884	2012							
INE804I07884	2013	15-Apr-13	121,918	70	15-Apr-13	121,918	70	121,918

ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07884	December 13							
INE804I07884	November 13							
INE804I07884	October 13							
INE804I07884	September 13							
INE804I07884	August 13							
INE804I07884	July 13							
INE804I07884	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07926	2011							
INE804I07926	2012	26-Apr-12	98,000	100	26-Apr-12	98,000	100	98,000
INE804I07926	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07926	December 13							
INE804I07926	November 13							
INE804I07926	October 13							
INE804I07926	September 13							
INE804I07926	August 13							
INE804I07926	July 13							
INE804I07926	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07959	2011							
INE804I07959	2012	14-May-12	106,369	20	14-May-12	106,369	20	106,369
INE804I07959	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07959	December 13							

INE804I07959	November 13							
INE804I07959	October 13							
INE804I07959	September 13							
INE804I07959	August 13							
INE804I07959	July 13							
INE804I07959	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07967	2011							
INE804I07967	2012	19-Mar-12	97,476	100	19-Mar-12	97,476	100	97,476
INE804I07967	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07967	December 13							
INE804I07967	November 13							
INE804I07967	October 13							
INE804I07967	September 13							
INE804I07967	August 13							
INE804I07967	July 13							
INE804I07967	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07AB5	2011							
INE804I07AB5	2012	11-Sep-12	95,530	10	11-Sep-12	95,530	10	95,530
INE804I07AB5	2013	17-Oct-13	92,625	10	17-Oct-13	92,625	10	92,625
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07AB5	December 13							
INE804I07AB5	November 13							
INE804I07AB5	October 13	17-Oct-13	92625	10	17-Oct-13	92625	10	92625
INE804I07AB5	September 13							
INE804I07AB5	August 13							



INE804I07AB5	July 13							
INE804I07AB5	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07AC3	2011							
INE804I07AC3	2012	16-Mar-12	107,831	500	16-Mar-12	107,831	500	107,831
INE804I07AC3	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07AC3	December 13							
INE804I07AC3	November 13							
INE804I07AC3	October 13							
INE804I07AC3	September 13							
INE804I07AC3	August 13							
INE804I07AC3	July 13							
INE804I07AC3	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07AF6	2011							
INE804I07AF6	2012	13-Jun-12	108,998	10	13-Jun-12	108,998	10	108,998
INE804I07AF6	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07AF6	December 13							
INE804I07AF6	November 13							
INE804I07AF6	October 13							
INE804I07AF6	September 13							
INE804I07AF6	August 13							
INE804I07AF6	July 13							
INE804I07AF6	June 13							

ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07AG4	2011							
INE804I07AG4	2012	15-Jun-12	109,031	203	15-Jun-12	109,031	203	109,031
INE804I07AG4	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07AG4	December 13							
INE804I07AG4	November 13							
INE804I07AG4	October 13							
INE804I07AG4	September 13							
INE804I07AG4	August 13							
INE804I07AG4	July 13							
INE804I07AG4	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07AK6	2011							
INE804I07AK6	2012	20-Jun-12	114,971	100	18-Jun-12	114,883	79	114,932
INE804I07AK6	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07AK6	December 13							
INE804I07AK6	November 13							
INE804I07AK6	October 13							
INE804I07AK6	September 13							
INE804I07AK6	August 13							
INE804I07AK6	July 13							
INE804I07AK6	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07AL4	2011							

INE804I07AL4	2012	27-Jun-12	106,632	10	21-May-12	104,882	35	105,271
INE804I07AL4	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07AL4	December 13							
INE804I07AL4	November 13							
INE804I07AL4	October 13							
INE804I07AL4	September 13							
INE804I07AL4	August 13							
INE804I07AL4	July 13							
INE804I07AL4	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07AT7	2011							
INE804I07AT7	2012							
INE804I07AT7	2013	18-Jun-13	104,995	25	20-Sep-13	104,715	10	104,915
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07AT7	December 13							
INE804I07AT7	November 13							
INE804I07AT7	October 13							
INE804I07AT7	September 13	20-Sep-13	104715	10	20-Sep-13	104715	10	104715
INE804I07AT7	August 13							
INE804I07AT7	July 13							
INE804I07AT7	June 13	18-Jun-13	104995	25	18-Jun-13	104995	25	104995
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07AV3	2011							
INE804I07AV3	2012	24-May-12	92,123	20	24-May-12	92,123	20	92,123
INE804I07AV3	2013	23-Jul-13	122,000	11	23-Jul-13	122,000	11	122,000

ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07AV3	December 13							
INE804I07AV3	November 13							
INE804I07AV3	October 13							
INE804I07AV3	September 13							
INE804I07AV3	August 13							
INE804I07AV3	July 13	23-Jul-13	122000	11	23-Jul-13	122000	11	122000
INE804I07AV3	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07AZ4	2011							
INE804I07AZ4	2012	10-Jan-12	88,680	3	10-Jan-12	88,680	3	88,680
INE804I07AZ4	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07AZ4	December 13							
INE804I07AZ4	November 13							
INE804I07AZ4	October 13							
INE804I07AZ4	September 13							
INE804I07AZ4	August 13							
INE804I07AZ4	July 13							
INE804I07AZ4	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07BB3	2011							
INE804I07BB3	2012							
INE804I07BB3	2013	13-Sep-13	104,156	100	13-Sep-13	104,156	100	104,156
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07BB3	December 13							

INE804I07BB3	November 13							
INE804I07BB3	October 13							
INE804I07BB3	September 13	13-Sep-13	104156	100	13-Sep-13	104156	100	104156
INE804I07BB3	August 13							
INE804I07BB3	July 13							
INE804I07BB3	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07BC1	2011							
INE804I07BC1	2012	21-Aug-12	114,561	70	21-Aug-12	114,561	70	114,561
INE804I07BC1	2013							
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07BC1	December 13							
INE804I07BC1	November 13							
INE804I07BC1	October 13							
INE804I07BC1	September 13							
INE804I07BC1	August 13							
INE804I07BC1	July 13							
INE804I07BC1	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07BG2	2011							
INE804I07BG2	2012	13-Sep-12	110,534	160	13-Sep-12	110,534	160	110,534
INE804I07BG2	2013							
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07BG2	December 13							
INE804I07BG2	November 13							
INE804I07BG2	October 13							
INE804I07BG2	September 13							
INE804I07BG2	August 13							
INE804I07BG2	July 13							

INE804I07BG2	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07BN8	2011							
INE804I07BN8	2012	31-Dec-12	121,487	80	28-Dec-12	121,348	120	121,404
INE804I07BN8	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07BN8	December 13							
INE804I07BN8	November 13							
INE804I07BN8	October 13							
INE804I07BN8	September 13							
INE804I07BN8	August 13							
INE804I07BN8	July 13							
INE804I07BN8	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07BO6	2011							
INE804I07BO6	2012	15-Jun-12	90,150	20	15-Jun-12	90,150	20	90,150
INE804I07BO6	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07BO6	December 13							
INE804I07BO6	November 13							
INE804I07BO6	October 13							
INE804I07BO6	September 13							
INE804I07BO6	August 13							
INE804I07BO6	July 13							
INE804I07BO6	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of	Average* (')

							low	
INE804I07BP3	2011							
INE804I07BP3	2012	5-Nov-12	115,377	14	5-Nov-12	115,377	14	115,377
INE804I07BP3	2013							
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07BP3	December 13							
INE804I07BP3	November 13							
INE804I07BP3	October 13							
INE804I07BP3	September 13							
INE804I07BP3	August 13							
INE804I07BP3	July 13							
INE804I07BP3	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07BR9	2011							
INE804I07BR9	2012	21-Aug-12	102,351	15	21-Aug-12	102,351	15	102,351
INE804I07BR9	2013							
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07BR9	December 13							
INE804I07BR9	November 13							
INE804I07BR9	October 13							
INE804I07BR9	September 13							
INE804I07BR9	August 13							
INE804I07BR9	July 13							
INE804I07BR9	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07BU3	2011							
INE804I07BU3	2012							

INE804I07BU3	2013	1-Feb-13	121,673	120	1-Feb-13	121,673	120	121,673
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07BU3	December 13							
INE804I07BU3	November 13							
INE804I07BU3	October 13							
INE804I07BU3	September 13							
INE804I07BU3	August 13							
INE804I07BU3	July 13							
INE804I07BU3	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07BY5	2011							
INE804I07BY5	2012							
INE804I07BY5	2013	20-Aug-13	128,018	50	20-Aug-13	128,018	50	128,018
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07BY5	December 13							
INE804I07BY5	November 13							
INE804I07BY5	October 13							
INE804I07BY5	September 13							
INE804I07BY5	August 13	20-Aug-13	128018	50	20-Aug-13	128018	50	128018
INE804I07BY5	July 13							
INE804I07BY5	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07BZ2	2011							
INE804I07BZ2	2012	3-Oct-12	104,350	10	3-Oct-12	104,350	10	104,350
INE804I07BZ2	2013	17-Apr-13	118,466	10	1-Feb-13	115,172	10	117,617



ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07BZ2	December 13							
INE804I07BZ2	November 13							
INE804I07BZ2	October 13							
INE804I07BZ2	September 13							
INE804I07BZ2	August 13							
INE804I07BZ2	July 13							
INE804I07BZ2	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07CA3	2011							
INE804I07CA3	2012							
INE804I07CA3	2013	10-Apr-13	120,227	10	8-Jan-13	111,231	30	116,570
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07CA3	December 13							
INE804I07CA3	November 13							
INE804I07CA3	October 13							
INE804I07CA3	September 13							
INE804I07CA3	August 13							
INE804I07CA3	July 13							
INE804I07CA3	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07CB1	2011							
INE804I07CB1	2012							
INE804I07CB1	2013	4-Feb-13	121,627	10	1-Feb-13	121,487	20	121,534
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07CB1	December 13							

INE804I07CB1	November 13							
INE804I07CB1	October 13							
INE804I07CB1	September 13							
INE804I07CB1	August 13							
INE804I07CB1	July 13							
INE804I07CB1	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07CD7	2011							
INE804I07CD7	2012							
INE804I07CD7	2013	11-Jun-13	129,375	10	11-Jun-13	129,375	10	129,375
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07CD7	December 13							
INE804I07CD7	November 13							
INE804I07CD7	October 13							
INE804I07CD7	September 13							
INE804I07CD7	August 13							
INE804I07CD7	July 13							
INE804I07CD7	June 13	11-Jun-13	129375	10	11-Jun-13	129375	10	129375
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07CI6	2011							
INE804I07CI6	2012							
INE804I07CI6	2013	7-Jan-13	125,508	20	7-Jan-13	125,508	20	125,508
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07CI6	December 13							
INE804I07CI6	November 13							
INE804I07CI6	October 13							
INE804I07CI6	September 13							
INE804I07CI6	August 13							
INE804I07CI6	July 13							

INE804I07CI6	June 13								
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>	
INE804I07CJ4	2011								
INE804I07CJ4	2012								
INE804I07CJ4	2013	11-Feb-13	117,370	15	30-Jan-13	116,835	20	117,117	
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>	
INE804I07CJ4	December 13								
INE804I07CJ4	November 13								
INE804I07CJ4	October 13								
INE804I07CJ4	September 13								
INE804I07CJ4	August 13								
INE804I07CJ4	July 13								
INE804I07CJ4	June 13								
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>	
INE804I07CO4	2011								
INE804I07CO4	2012								
INE804I07CO4	2013	15-Feb-13	136,988	10	14-Feb-13	136,936	5	136,971	
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>	
INE804I07CO4	December 13								
INE804I07CO4	November 13								
INE804I07CO4	October 13								
INE804I07CO4	September 13								
INE804I07CO4	August 13								
INE804I07CO4	July 13								
INE804I07CO4	June 13								
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>	

							low	
INE804I07CP1	2011							
INE804I07CP1	2012							
INE804I07CP1	2013	17-Jun-13	128,198	50	13-Jun-13	128,002	10	128,149
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07CP1	December 13							
INE804I07CP1	November 13							
INE804I07CP1	October 13							
INE804I07CP1	September 13							
INE804I07CP1	August 13							
INE804I07CP1	July 13							
INE804I07CP1	June 13	17-Jun-13	128198	50	13-Jun-13	128002	10	128149
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07CV9	2011							
INE804I07CV9	2012							
INE804I07CV9	2013	9-May-13	121,065	200	9-May-13	121,065	200	121,065
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07CV9	December 13							
INE804I07CV9	November 13							
INE804I07CV9	October 13							
INE804I07CV9	September 13							
INE804I07CV9	August 13							
INE804I07CV9	July 13							
INE804I07CV9	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07CX5	2011							
INE804I07CX5	2012	30-Nov-12		10	30-Nov-12		10	

			118,517			118,517		118,517
INE804I07CX5	2013	14-Mar-13	129,590	59	14-Mar-13	129,590	59	129,590
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07CX5	December 13							
INE804I07CX5	November 13							
INE804I07CX5	October 13							
INE804I07CX5	September 13							
INE804I07CX5	August 13							
INE804I07CX5	July 13							
INE804I07CX5	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07DC7	2011							
INE804I07DC7	2012							
INE804I07DC7	2013	7-Jan-13	119,359	10	7-Jan-13	119,359	10	119,359
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07DC7	December 13							
INE804I07DC7	November 13							
INE804I07DC7	October 13							
INE804I07DC7	September 13							
INE804I07DC7	August 13							
INE804I07DC7	July 13							
INE804I07DC7	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07DY1	2011							
INE804I07DY1	2012	11-Dec-12	114,000	10	11-Dec-12	114,000	10	114,000
INE804I07DY1	2013	15-Jan-13	115,109	10	15-Jan-13	115,109	10	115,109

ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07DY1	December 13							
INE804I07DY1	November 13							
INE804I07DY1	October 13							
INE804I07DY1	September 13							
INE804I07DY1	August 13							
INE804I07DY1	July 13							
INE804I07DY1	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07EH4	2011							
INE804I07EH4	2012	22-Aug-12	101,005	12	22-Aug-12	101,005	12	101,005
INE804I07EH4	2013	23-Apr-13	117,934	10	23-Apr-13	117,934	10	117,934
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07EH4	December 13							
INE804I07EH4	November 13							
INE804I07EH4	October 13							
INE804I07EH4	September 13							
INE804I07EH4	August 13							
INE804I07EH4	July 13							
INE804I07EH4	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07EJ0	2011							
INE804I07EJ0	2012							
INE804I07EJ0	2013	25-Jan-13	111,488	10	25-Jan-13	111,488	10	111,488
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07EJ0	December 13							

INE804I07EJ0	November 13							
INE804I07EJ0	October 13							
INE804I07EJ0	September 13							
INE804I07EJ0	August 13							
INE804I07EJ0	July 13							
INE804I07EJ0	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07EZ6	2011							
INE804I07EZ6	2012							
INE804I07EZ6	2013	20-May-13	103,138	10	20-May-13	103,138	10	103,138
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07EZ6	December 13							
INE804I07EZ6	November 13							
INE804I07EZ6	October 13							
INE804I07EZ6	September 13							
INE804I07EZ6	August 13							
INE804I07EZ6	July 13							
INE804I07EZ6	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07FC2	2011							
INE804I07FC2	2012	17-Sep-12	100,015	75	17-Sep-12	100,015	75	100,015
INE804I07FC2	2013							
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07FC2	December 13							
INE804I07FC2	November 13							
INE804I07FC2	October 13							
INE804I07FC2	September 13							
INE804I07FC2	August 13							
INE804I07FC2	July 13							

INE804I07FC2	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07FF5	2011							
INE804I07FF5	2012							
INE804I07FF5	2013	3-Jan-13	101,623	10	3-Jan-13	101,623	10	101,623
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07FF5	December 13							
INE804I07FF5	November 13							
INE804I07FF5	October 13							
INE804I07FF5	September 13							
INE804I07FF5	August 13							
INE804I07FF5	July 13							
INE804I07FF5	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07FL3	2011							
INE804I07FL3	2012							
INE804I07FL3	2013	2-Jul-13	113,683	200	2-Jul-13	113,683	200	113,683
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07FL3	December 13							
INE804I07FL3	November 13							
INE804I07FL3	October 13							
INE804I07FL3	September 13							
INE804I07FL3	August 13							
INE804I07FL3	July 13	2-Jul-13	113683	200	2-Jul-13	113683	200	113683
INE804I07FL3	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>



							low	
INE804I07FN9	2011							
INE804I07FN9	2012							
INE804I07FN9	2013	15-Jul-13	115,268	300	15-Jul-13	115,268	300	115,268
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07FN9	December 13							
INE804I07FN9	November 13							
INE804I07FN9	October 13							
INE804I07FN9	September 13							
INE804I07FN9	August 13							
INE804I07FN9	July 13	15-Jul-13	115268	300	15-Jul-13	115268	300	115268
INE804I07FN9	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07FP4	2011							
INE804I07FP4	2012	31-Aug-12	100,000	30	31-Aug-12	100,000	30	100,000
INE804I07FP4	2013	11-Jul-13	115,161	10	11-Jul-13	115,161	10	115,161
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07FP4	December 13							
INE804I07FP4	November 13							
INE804I07FP4	October 13							
INE804I07FP4	September 13							
INE804I07FP4	August 13							
INE804I07FP4	July 13	11-Jul-13	115161	10	11-Jul-13	115161	10	115161
INE804I07FP4	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07FRO	2011							

INE804I07FRO	2012							
INE804I07FRO	2013	27-Aug-13	114,178	110	27-Aug-13	114,178	110	114,178
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07FRO	December 13							
INE804I07FRO	November 13							
INE804I07FRO	October 13							
INE804I07FRO	September 13							
INE804I07FRO	August 13	27-Aug-13	114178	110	27-Aug-13	114178	110	114178
INE804I07FRO	July 13							
INE804I07FRO	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07FS8	2011							
INE804I07FS8	2012	11-Sep-12	98,012	60	11-Sep-12	98,012	60	98,012
INE804I07FS8	2013							
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07FS8	December 13							
INE804I07FS8	November 13							
INE804I07FS8	October 13							
INE804I07FS8	September 13							
INE804I07FS8	August 13							
INE804I07FS8	July 13							
INE804I07FS8	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07FU4	2011							
INE804I07FU4	2012							
INE804I07FU4	2013	3-Sep-13	114,239	200	3-Sep-13	114,239	200	114,239

ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07FU4	December 13							
INE804I07FU4	November 13							
INE804I07FU4	October 13							
INE804I07FU4	September 13	3-Sep-13	114239	200	3-Sep-13	114239	200	114239
INE804I07FU4	August 13							
INE804I07FU4	July 13							
INE804I07FU4	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07FY6	2011							
INE804I07FY6	2012							
INE804I07FY6	2013	10-Sep-13	114,215	118	6-Sep-13	114,069	15	114,199
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07FY6	December 13							
INE804I07FY6	November 13							
INE804I07FY6	October 13							
INE804I07FY6	September 13	10-Sep-13	114215	118	6-Sep-13	114069	15	114198.5338
INE804I07FY6	August 13							
INE804I07FY6	July 13							
INE804I07FY6	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07GB2	2011							
INE804I07GB2	2012							
INE804I07GB2	2013	19-Sep-13	114,288	100	18-Sep-13	114,251	25	114,281
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07GB2	December 13							

INE804I07GB2	November 13							
INE804I07GB2	October 13							
INE804I07GB2	September 13	19-Sep-13	114288	100	18-Sep-13	114251	25	114280.6
INE804I07GB2	August 13							
INE804I07GB2	July 13							
INE804I07GB2	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07GF3	2011							
INE804I07GF3	2012							
INE804I07GF3	2013	10-Oct-13	114,767	100	10-Oct-13	114,767	100	114,767
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07GF3	December 13							
INE804I07GF3	November 13							
INE804I07GF3	October 13	10-Oct-13	114767	100	10-Oct-13	114767	100	114767
INE804I07GF3	September 13							
INE804I07GF3	August 13							
INE804I07GF3	July 13							
INE804I07GF3	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07GH9	2011							
INE804I07GH9	2012	26-Sep-12	101,034	20	24-Sep-12	100,796	14	100,936
INE804I07GH9	2013	3-Dec-13	116,252	130	28-Nov-13	115,833	20	116,196
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07GH9	December 13	3-Dec-13	116252	130	3-Dec-13	116252	130	116252
INE804I07GH9	November 13	28-Nov-13	115833	20	28-Nov-13	115833	20	115833
INE804I07GH9	October 13							
INE804I07GH9	September 13							
INE804I07GH9	August 13							

INE804I07GH9	July 13							
INE804I07GH9	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07GL1	2011							
INE804I07GL1	2012							
INE804I07GL1	2013	10-Dec-13	116,109	137	10-Dec-13	116,109	137	116,109
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07GL1	December 13	10-Dec-13	116109	137	10-Dec-13	116109	137	116109
INE804I07GL1	November 13							
INE804I07GL1	October 13							
INE804I07GL1	September 13							
INE804I07GL1	August 13							
INE804I07GL1	July 13							
INE804I07GL1	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07GR8	2011							
INE804I07GR8	2012							
INE804I07GR8	2013	17-Dec-13	116,252	80	17-Dec-13	116,252	80	116,252
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07GR8	December 13	17-Dec-13	116,252	80	17-Dec-13	116,252	80	116,252
INE804I07GR8	November 13							
INE804I07GR8	October 13							
INE804I07GR8	September 13							
INE804I07GR8	August 13							
INE804I07GR8	July 13							
INE804I07GR8	June 13							

ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07GS6	2011							
INE804I07GS6	2012							
INE804I07GS6	2013	13-Sep-13	107,321	10	8-Jan-13	96,268	20	102,505
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07GS6	December 13							
INE804I07GS6	November 13							
INE804I07GS6	October 13							
INE804I07GS6	September 13	13-Sep-13	107321	10	27-Sep-13	107011	17	107125.8148
INE804I07GS6	August 13							
INE804I07GS6	July 13							
INE804I07GS6	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07GT4	2011							
INE804I07GT4	2012							
INE804I07GT4	2013	16-May-13	110,000	25	16-May-13	110,000	25	110,000
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07GT4	December 13							
INE804I07GT4	November 13							
INE804I07GT4	October 13							
INE804I07GT4	September 13							
INE804I07GT4	August 13							
INE804I07GT4	July 13							
INE804I07GT4	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07HB0	2011							

INE804I07HB0	2012							
INE804I07HB0	2013	16-Sep-13	106,173	10	16-Sep-13	106,173	10	106,173
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07HB0	December 13							
INE804I07HB0	November 13							
INE804I07HB0	October 13							
INE804I07HB0	September 13	16-Sep-13	106173	10	16-Sep-13	106173	10	106173
INE804I07HB0	August 13							
INE804I07HB0	July 13							
INE804I07HB0	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07HK1	2011							
INE804I07HK1	2012							
INE804I07HK1	2013	8-Nov-13	112,938	500	8-Nov-13	112,938	500	112,938
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07HK1	December 13							
INE804I07HK1	November 13	8-Nov-13	112938	500	8-Nov-13	112938	500	112938
INE804I07HK1	October 13							
INE804I07HK1	September 13							
INE804I07HK1	August 13							
INE804I07HK1	July 13							
INE804I07HK1	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07IA0	2011							
INE804I07IA0	2012							
INE804I07IA0	2013	14-Nov-13	112,194	10	12-Nov-13	112,113	50	112,127

ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07IA0	December 13							
INE804I07IA0	November 13	14-Nov-13	112194	10	12-Nov-13	112113	50	112126.5
INE804I07IA0	October 13							
INE804I07IA0	September 13							
INE804I07IA0	August 13							
INE804I07IA0	July 13							
INE804I07IA0	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07IN3	2011							
INE804I07IN3	2012							
INE804I07IN3	2013	8-Jan-13	96,662	25	13-Sep-13	84,807	25	90,735
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07IN3	December 13							
INE804I07IN3	November 13							
INE804I07IN3	October 13							
INE804I07IN3	September 13	13-Sep-13	84807	25	13-Sep-13	84807	25	84807
INE804I07IN3	August 13							
INE804I07IN3	July 13							
INE804I07IN3	June 13							
ISIN	Year	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07IP8	2011							
INE804I07IP8	2012							
INE804I07IP8	2013	29-Nov-13	108,172	24	29-Nov-13	108,172	24	108,172
ISIN	Month	Date of High	High (')	Volume on date of High	Date of Low	Low (')	Volume on Date of low	Average* (')
INE804I07IP8	December 13							



INE804I07IP8	November 13							
INE804I07IP8	October 13							
INE804I07IP8	September 13							
INE804I07IP8	August 13							
INE804I07IP8	July 13							
INE804I07IP8	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07JI1	2011							
INE804I07JI1	2012							
INE804I07JI1	2013	29-Nov-13	107,356	52	29-Nov-13	107,356	52	107,356
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07JI1	December 13							
INE804I07JI1	November 13							
INE804I07JI1	October 13							
INE804I07JI1	September 13							
INE804I07JI1	August 13							
INE804I07JI1	July 13							
INE804I07JI1	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07KDO	2011							
INE804I07KDO	2012							
INE804I07KDO	2013	29-May-13	100,429	10	29-May-13	100,429	10	100,429
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07KDO	December 13							
INE804I07KDO	November 13							
INE804I07KDO	October 13							
INE804I07KDO	September 13							
INE804I07KDO	August 13							
INE804I07KDO	July 13							

INE804I07KDO	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07KH1	2011							
INE804I07KH1	2012							
INE804I07KH1	2013	13-Sep-13	96,214	30	13-Sep-13	96,214	30	96,214
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07KH1	December 13							
INE804I07KH1	November 13							
INE804I07KH1	October 13							
INE804I07KH1	September 13	13-Sep-13	96214	30	13-Sep-13	96214	30	96214
INE804I07KH1	August 13							
INE804I07KH1	July 13							
INE804I07KH1	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07GW8	2011							
INE804I07GW8	2012							
INE804I07GW8	2013	30-Dec-13	116,547	100	30-Dec-13	116,547	100	116,547
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07GW8	December 13	30-Dec-13	116547	100	30-Dec-13	116547	100	116547
INE804I07GW8	November 13							
INE804I07GW8	October 13							
INE804I07GW8	September 13							
INE804I07GW8	August 13							
INE804I07GW8	July 13							
INE804I07GW8	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>

							low	
INE804I07DH6	2011							
INE804I07DH6	2012							
INE804I07DH6	2013	31-Dec-13	141,415	40	23-Dec-13	140,986	10	141,329
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07DH6	December 13	31-Dec-13	141415	40	23-Dec-13	140986	10	141329
INE804I07DH6	November 13							
INE804I07DH6	October 13							
INE804I07DH6	September 13							
INE804I07DH6	August 13							
INE804I07DH6	July 13							
INE804I07DH6	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07DJ2	2011							
INE804I07DJ2	2012							
INE804I07DJ2	2013	31-Dec-13	135,957	110	27-Dec-13	135,750	10	135,940
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07DJ2	December 13	31-Dec-13	135957	110	27-Dec-13	135750	10	135940
INE804I07DJ2	November 13							
INE804I07DJ2	October 13							
INE804I07DJ2	September 13							
INE804I07DJ2	August 13							
INE804I07DJ2	July 13							
INE804I07DJ2	June 13							
<b>ISIN</b>	<b>Year</b>	<b>Date of High</b>	<b>High (')</b>	<b>Volume on date of High</b>	<b>Date of Low</b>	<b>Low (')</b>	<b>Volume on Date of low</b>	<b>Average* (')</b>
INE804I07DL8	2011							
INE804I07DL8	2012							

INE804I07DL8	2013	31-Dec-13	135,957	5	31-Dec-13	135,957	5	135,957
				<b>Volume on date of High</b>	<b>Date of Low</b>		<b>Volume on Date of low</b>	
<b>ISIN</b>	<b>Month</b>	<b>Date of High</b>	<b>High (')</b>			<b>Low (')</b>		<b>Average* (')</b>
INE804I07DL8	December 13	31-Dec-13	135957	5	31-Dec-13	135957	5	135957
INE804I07DL8	November 13							
INE804I07DL8	October 13							
INE804I07DL8	September 13							
INE804I07DL8	August 13							
INE804I07DL8	July 13							
INE804I07DL8	June 13							

\*(Source:www.bseindia.com)

#All blanks in the tables imply no trades for the relevant period.