

Note: Edelweiss Securities Ltd. is a Lead Broker to the issue; accordingly, this note is prepared based on the Shelf and Tranche I Prospectus for informative purpose only.



ECL FINANCE LIMITED

Public Issue Of Secured NCDs

Issue Highlights

Issue opens:	December 13, 2018
Issue closes:	January 11, 2019
Allotment:	First Come First Serve Basis
Face Value:	Rs. 1000 per NCD
Issue Price:	Rs.1000 per NCD
Nature of Instrument:	Secured NCDs
Minimum Application:	Rs.10,000 (10 NCD)
Listing:	BSE
Rating:	“AA/Stable” by CRISIL and ICRA

Registrar: Link Intime India Private Limited

Issue Size: Rs 10,000 million

Issue Break up:

Category	Allocation	Amount in Crs.	
		Base Issue	Total Issue
QIB	20%	50	200
Corporate	20%	50	200
HNI	30%	75	300
Retail	30%	75	300
Total	100%	250	1000

* Persons resident outside India and other foreign entities are not allowed

Effective Yield (p.a.):

Series	I	II	III	IV	V	VI	VII
Frequency of Interest Payment	Annual	Cumulative	Monthly	Annual	Cumulative	Monthly	Annual
Tenor	39 months	39 months	60 months	60 months	60 months	120 months	120 months
Coupon Rate	10.20%	NA	9.95%	10.40%	NA	10.15%	10.60%
Effective Yield	10.20%	10.20%	10.42%	10.40%	10.40%	10.64%	10.60%

Issuer Overview

ECL Finance Limited is 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 customised to suit the needs of the corporates, SMEs and individuals. Our corporate and retail loan products include:

- **Structured Collateralised Credit:** Our structured collateralised credit loans constituted 21.63% of our total Loan Book as per Ind AS as at September 30, 2018. Structured collateralised credit loans are offered mostly to corporates against collateral such as liquid market securities, pledge of other securities, pledge of shares by promoters, immoveable property, etc. The loans include bridge financing or other short term loans to corporates. The funds raised are utilised for the working capital requirement of the corporates, expansion and diversification of business among other uses. The tenure of the loans is generally up to two years.
- **Wholesale Mortgages:** This includes various structured financing solutions for finance to developers for real estate projects under construction, which constituted 32.84 % of the Company's total Loan Book as per Ind AS as at September 30, 2018.
- **SMEs and others:** This includes credit facilities and short term loans to SMEs for meeting their business requirements, which constituted 4.97 % of the Company's total Loan Book as per Ind AS as at September 30, 2018.
- **Loans against securities:** This includes loans to investors against their existing portfolio of investments, which constituted 29.71 % of the Company's total Loan Book as per Ind AS as at September 30, 2018.
- **Retail Mortgages - Loans against Property:** This includes loans offered to self-employed individuals for business purposes against a mortgage of residential or commercial property, which constituted 9.01 % of the Company's total Loan Book as per Ind AS as September 30, 2018.

- **Agri Credit:** As a part of agricultural value chain services, we extend short term finance (usually for a period of three to nine months) against agri commodities inventory stored in warehouses managed by the sister concerns of the Company, which constituted 1.83 % of the Company's total Loan Book as per Ind AS as at September 30, 2018.

The Company is part of the Edelweiss Group which is one of India's prominent financial services organization having businesses organized around three broad lines – credit including retail finance; franchise & advisory businesses including wealth management, asset management, capital markets, balance sheet management and others, and insurance business. 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, Hong Kong and UK. EFSL is listed on BSE and NSE. EFSL through its subsidiaries, offers to 106 its customers a diversified financial services platform that provides various secured corporate loan products, retail loan products and services, SME financing, agri value chain services including agri credit, wealth advisory services, asset management, insurance, investment banking, institutional and retail broking.

COMMON TERMS FOR ALL SERIES OF THE NCDs

Issuer	ECL Finance Limited
Base Issue	Rs 2,500 million
Option to retain Oversubscription Amount	Rs 7,500 million
Tranche I Issue Size	Rs 10,000 million
Type of Instrument	Secured NCDs of face value of Rs. 1,000
Mode of Issue	Public Issue
Minimum Application Size	Rs. 10,000/- only
Credit Rating / Rating of the Instrument	The NCDs proposed to be issued under this Issue have been rated 'CRISIL AA/Stable' (pronounced as CRISIL double A rating with Stable outlook) for an amount of ` 20,000 million, by CRISIL Limited vide their letter dated November 6, 2018 revalidated by letter dated November 29, 2018 and '[ICRA]AA' (pronounced as ICRA double A) for an amount of Rs. 20,000 million by ICRA Limited vide their letter dated November 12, 2018. The rating of 'CRISIL AA/Stable' by CRISIL Limited and '[ICRA]AA' by ICRA Limited indicate that instruments with these ratings are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. These ratings are not recommendations to buy, sell or hold securities and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.
Put/Call Option	N.A.
Mode of Allotment and Trading	Compulsorily in dematerialised form.
Deemed Date of Allotment	The date on which the Board or Debentures Committee approves the Allotment of NCDs or such date as may be determined by the Board of Directors or Debentures Committee and notified to the Designated Stock Exchange. 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
Issue Opening Date	December 13, 2018
Issue Closing Date	January 11, 2019
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 (as specified under Tranche I Prospectus) 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 or the Debentures Committee 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

*This Tranche I Issue shall remain open for subscription on Working Days from 10.a.m. to 5 p.m. during the period above, except that the Tranche I Issue may close on such earlier date or extended date as may be decided by the Board or the Debentures Committee, constituted by resolution of the Board dated 25 October 2018. In the event of an early closure or extension of the Tranche I Issue, our Company shall ensure that notice of the same is approved to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier initial date of Issue closure. On the Issue Closing Date, Application Forms for Tranche I Issue 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 BSE and NSE.

**In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended ("Merchant Bankers Regulations"), Edelweiss Financial Services Limited ("EFSL") will be involved only in marketing of the Tranche I Issue.

The specific terms of each instrument are set out below:

Series	I	II**	III	IV	V	VI	VII
Frequency of Interest Payment	Annual	Cumulative	Monthly	Annual	Cumulative	Monthly	Annual
Minimum Application	Rs. 10,000/- (10 NCDs) across all Series						
Face Value/ Issue Price of NCDs (Rs./ NCD)	Rs.1,000/-						
In Multiples of thereafter (Rs.)	Rs. 1,000/- (1 NCD)						
Tenor	39 months	39 months	60 months	60 months	60 months	120 months	120 months
Coupon (% per annum) for NCD Holders in Category I, II, III & Category IV	10.20%	NA	9.95%	10.40%	NA	10.15%	10.60%
Effective Yield (per annum) for NCD Holders in Category I, II, III and Category IV	10.20%	10.20%	10.42%	10.40%	10.40%	10.64%	10.60%
Mode of Interest Payment	Through various mode available						
Amount (Rs./NCD) on Maturity for NCD Holders in Category I, II, III & Category IV	Rs.1,000/-	Rs.1,371.08/-	Rs.1,000/-	Rs.1,000/-	Rs.1,640.45/-	Rs.1,000/-	Rs.1,000/-
Maturity / Redemption Date	39 months	39 months	60 months	60 months	60 months	120 months	120 months
Put and Call Option	NA	NA	NA	NA	NA	NA	NA

*** The Company shall allocate and allot Series I NCDs wherein the Applicants have not indicated the choice of the relevant NCD Series.

WHO CAN APPLY				
Categories	Category I	Category II	Category III	Category IV
	QIB Portion	Corporate Portion	HNI	Retail
Allocation Ratio	[20]% of Overall Issue Size	[20]% of Overall Issue Size	[30]% of Overall Issue Size	[30]% of Overall Issue Size
	<ul style="list-style-type: none"> Public financial institutions scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs; Provident funds, pension funds with a minimum corpus of ₹2,500 lakh, superannuation funds and gratuity funds, which are authorized to invest in the NCDs; Mutual Funds registered with SEBI Venture Capital Funds/ Alternative Investment Fund registered with SEBI; subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; Insurance Companies registered with IRDA; State industrial development corporations; Insurance funds set up and managed by the army, navy, or air 	<ul style="list-style-type: none"> Companies within the meaning of section 2(20) of the Companies Act, 2013; Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; Co-operative banks and regional rural banks; 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; Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); Association of Persons; and Any other incorporated and/ or 	High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above Rs.10 lacs across all series of NCDs in Issue	Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including Rs.10 lacs across all series of NCDs in Issue

	force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net worth of more than ₹50,000 lakh as per the last audited financial statements; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India	unincorporated body of persons		
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Application forms will be available on www.edelweisspartners.com

Edelweiss – Financial Products Distribution Branch Location for submission of application Forms	
West	Mumbai – Fort, Borivali, Santacruz, Ghatkopar and Pune
Gujarat	Ahmedabad & Surat
North	Delhi (CP) & Jaipur
South	Hyderabad & Bangalore
East	Kolkata

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