Annexure - I

Chetan T. Shah & Co.
Chartered Accountants
Office No. 3, Wing-A, Ground floor,
Satyam Shopping Centre,
Ghatkopar-(East),
Mumbai – 400 077

V. C. Shah & Co.
Chartered Accountants
205-206, Regent Chamber, 2nd Floor
Jamnalal Bajaj Road,
208, Nariman Point,
Mumbai – 400 021

To
The Board of Directors,
ECL Finance Limited
5th Floor, Tower 3, Wing B,
Kohinoor City Mall, Kohinoor City,
Kirol Road, Kurla (W), Mumbai,
Maharashtra - 400070

Independent auditor's certificate on the proposed accounting treatment included in the draft Scheme of Amalgamation pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('the Act') and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the Transferee Company's capability of payment of interest/ repayment of principal with SEBI Listing Regulations, Circulars and the applicable accounting standards.

1. We, Chetan T. Shah & Co. and V. C. Shah & Co, the joint statutory auditors of the Company have been requested by the Management of the Company, to examine the accounting treatment given in clause 10 (10.1 to 10.7) of the draft scheme of Amalgamation ("the Scheme") , in accordance with the Act, Securities and Exchange Board of India ('SEBI') Regulations, in particular as required under SEBI/HO/DDHS/PoD1/P/CIR/2023/108 dated 29 July 2022 and updated as on 30 June 2023 ("Operational Circular"), as to whether:

   1.1 the proposed accounting treatment specified in the Scheme of Amalgamation between Edelweiss Retail Finance Limited ("ERFL" or "the Transferor Company") and ECL Finance Limited ("ECLF" or "the Transferee Company") and their respective shareholders in terms of provisions under Sections 230 to 232 of the Act, is in accordance with the provisions of the Scheme and in compliance with the Indian accounting standards notified under Section 133 of the Act, read with relevant rules issued thereunder ('the applicable accounting standards') and other generally accepted accounting principles in India.

2. The certified draft of the Scheme has been furnished to us by the management of the Company for the purpose of this certificate. A certified true copy of the proposed accounting treatment included in the clause 10 (10.1 to 10.7) of the said Scheme, as attached in Appendix I to this certificate, has been stamped & initialed by us for identification purpose only.

Management's Responsibility

3. The responsibility for the preparation of the Scheme, and its compliance with the relevant laws and regulations, including the applicable accounting standards and other generally accepted accounting principles in India, is that of the management/ Board of Directors of the Companies involved in the Scheme. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Management of the Company is also responsible for ensuring that the Company complies with the requirements of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, and the applicable accounting standards, in relation to the Scheme and for providing all relevant information to the National Company Law Tribunal, the BSE Limited ('the BSE'), the National Stock Exchange of India Limited ('the NSE').

Auditor's Responsibility

5. Pursuant to the requirements of the Act, our responsibility is to examine and provide a reasonable assurance whether the proposed accounting treatment contained in Appendix 1 to this certificate, complies with the applicable accounting standards and other generally accepted accounting principles and also to review the books of account and other relevant records of the Company so as to comment on the Company's capability to pay interest/instalments of principal. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.

6. Further, our examination did not extend to any aspects of legal or propriety nature of the Scheme and other compliances thereof. Nothing contained in this report, nor anything said or done in the course of, or in connection with the services that are subject to this report, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

7. Accordingly, the following verification procedures have been performed by us:

    a. Obtained and read the Scheme and proposed accounting treatment as contained in the Appendix 1 to this certificate in terms of requirements of proviso to Section 230(7) and Section 232(3) of the Act.

    b. Obtained the draft unaudited financial information, as certified by the management of the Company, containing the effect to the entries prescribed in the Scheme so as to broadly review the combined financial information of the entities involved in the Scheme.

    c. Examined whether the proposed accounting treatment as per clause 10 (10.1 to 10.7) of the Scheme is in compliance with the Applicable Accounting standards.

    d. Reviewing the audit report of the Transferor Company for the year ended 31 March 2023 and year ended 31 March 2024 for any qualification/adverse comment pertaining to the 'going concern' status of the Transferor Company;

    e. Broadly reviewing the Asset Liability Management ('ALM') report as at 31 March 2024 of the companies for testing liquidity mismatch, if any, pertaining to asset/liabilities of the Transferor Company;

    f. Making suitable inquires and obtained relevant representations from the management of the Company pertaining to the subject matters of this certificate.

8. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.

Opinion

10. Based on our verification procedures conducted as narrated in para 7 above and according to the information and explanations given to us, along with the representations provided by the Management of the Company, we report that:

    a) Pursuant to the requirements of proviso to sub-section (7) of Section 230 and sub-section (3) of Section 232 of the 2013 Act, wherever applicable read with SEBI Circular SEBI/HO/DDHS/PoD1/P/CIR/2023/108 dated 29 July 2022 and updated as on 30 June 2023 , in our opinion, the proposed accounting treatment as contained in the Appendix I hereto is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, and all the applicable accounting standards and other generally accepted accounting principles in India and is in accordance with the provisions of the Scheme.

    b) Having regard to the combined financial information of the Companies involved in the Scheme, considering that the auditor of the Transferor Company have not reported on existence of any material uncertainty pertaining to going concern or solvency matters in its audit report for the year ended 31 March 2023 and 31 March 2024, in our opinion, the resultant entity is capable of payment of interest/ repayment of principal in relation to the listed Non-Convertible Debentures. We, however, state that this is not an assurance as to the future viability of the Transferee Company. We further state that our reporting is based on the facts up to the date of this certificate and we neither give any guarantee nor any assurance that all liabilities will get discharged by the Transferee Company as and when they fall due.

Restriction on distribution or use

11. Our work was performed solely to assist the Company in meeting its responsibilities in relation to compliance with the requirements of the provisions pertaining to accounting treatment in SEBI (Listing Obligations and Disclosure Requirements), 2015, Sections 230 to 232 of the Act and the Rules for onward submission to BSE, NSE, SEBI and National Company Law Tribunal along with the Scheme. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by, any other role we may have as auditors of the Company or otherwise.

12. This certificate is issued at the request of the Company for the aforesaid purpose and may not be suitable for any other purpose. Hence, the same should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For Chetan T. Shah & Co.
Chartered Accountants
ICAI Firm Registration Number: 116652W

Chetan Tarachand Shah
Digitally signed by Chetan Tarachand Shah
Date: 2024.05.30 18:27:50 +05'30'

Chetan T. Shah
Partner
Membership No.:101828
Place: Mumbai
Date: May 30, 2024
UDIN: 24101828BKFOUU7274

For V. C. Shah & Co.
Chartered Accountants
ICAI Firm Registration Number: 109818W

VIRAL JITENDRA SHAH
Digitally signed by VIRAL JITENDRA SHAH
Date: 2024.05.30 18:51:12 +05'30'

Viral J. Shah
Partner
Membership No.:110120
Place: Mumbai
Date: May 30, 2024
UDIN: 24110120BKFQQF5696

Appendix I

Relevant Extract of Proposed Accounting Treatment included in the Scheme of Amalgamation pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder

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Below is the extract of para 10 which is part of the scheme:

10.1 All assets and liabilities recorded in the books of the Transferor Company will be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their carrying amount;

10.2 No adjustments will be made to reflect fair values or recognise any new assets or liabilities. The only adjustments that will be made will be to harmonise accounting policies;

10.3 The financial information in the financial statements of Transferee Company in respect of prior periods will be restated as if the business combination had occurred from the beginning of the preceding period;

10.4 The balance of the retained earnings appearing in the financial statements of the Transferor Company will be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company;

10.5 The identity of the reserves will be preserved and will appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company;

10.6 The difference, if any, between the amount recorded as share capital issued by the Transferee Company and the amount of share capital of the Transferor Company will be transferred to Capital Reserve; and

10.7 The inter-corporate investments / deposits / loans and advances and other receivables / payables between the Transferee Company and the Transferor Company will stand cancelled and there will be no further obligation in that behalf.

ECL Finance Limited

Authorized Signatory