

EFL/2023-2024/28

Date: February 13, 2024

To,
The Manager (Listing),
The BSE Limited,
P.J. Towers, Dalal Street,
Mumbai - 400 001.

Ref No: Scrip Code: 975061	Scrip ID: EFL5923	ISIN: INE612U07092
Scrip Code: 975117	Scrip ID: 1045EFL26	ISIN: INE612U07118
Scrip Code: 975280	Scrip ID: 13EFL29	ISIN: INE612U08041

Sub: - Disclosure under Regulation 54 and 56(1)(d) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Dear Sir/Madam,

Pursuant to the requirements of the Regulation 54 and 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Security Cover Certificates including compliance with all covenants in respect to the Listed Non-Convertible Debentures of the Company outstanding as on December 31, 2023, issued by M/s Mukund M. Chitale & Co., Statutory Auditors of the Company.

We request you to take the above information on your record.

For Electronica Finance Limited

Vallabh Ghate
Company Secretary and Compliance Officer
Membership No: ACS: 41587

Copy to following for information: -

Catalyst Trusteeship Limited, GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Kothrud, Pune – 411 038.

Electronica Finance Limited

Audumbar, 101/1, Erandwane, Dr. Ketkar Road,
Pune 411004, Maharashtra (India)

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Ref.No.K-050/2024/05-075

The Board of Directors
Electronica Finance Limited
101/1, Erandawane, Dr Ketkar Road,
Pune 411004,

Dear Sirs

Auditor's report on Statement of Information in respect of security cover maintained, value of receivables / book debts and compliance of covenants for listed non-convertible debentures as at December 31, 2023.

1. This report is issued in accordance with the terms of our engagement letter with the Electronica Finance Limited ('the Company').
2. The management has requested us to certify the particulars contained in the accompanying Statement of Information for listed Non-Convertible Debentures ('NCDs') consisting of Annexure I and Annexure II attached herewith (the 'Statement') for Electronica Finance Limited (the 'Company') as at December 31, 2023. This Statement has been prepared by the Company to comply with Regulation 54 read with Regulation 56 (d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended, SEBI circular SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated July 06, 2023 and Regulation 15 (1) (t) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended (together referred to as the 'Regulations') for the purpose of its onward submission to CATALYST Trusteeship Services Limited (referred as the Company's 'Debenture Trustee'). The accompanying 'Statement' has been certified by management of the Company and it has been initialed by us for identification purpose only.

Management's responsibility

3. The preparation and presentation of the Statement is the exclusive responsibility of the Company's management including the preparation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for ensuring that the Company complies with the requirements of the Regulations and the Debenture Trust Deeds ('DTD') for all listed NCDs issued/outstanding during the nine months ended December 31, 2023 and for providing all relevant information to the Company's Debenture Trustee. The Company's management is responsible for preparation and maintenance of the covenants list and compliance with such covenants on a continuous basis as per the DTD.
5. Further, the Company's management is responsible for completeness and accuracy of the covenants listed in the Statement extracted from the list of covenants under the 'Covenants' section of the respective DTDs

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Auditor's responsibility

6. Pursuant to the request from management and as required by the Company's Debenture Trustee, we are required to provide a limited assurance on whether the Company has maintained security cover, provided details of value of receivables / book debt-and complied with the covenants, as set out in the Statement for all outstanding listed NCDs.
7. For the purpose of this report, we have planned and performed the following procedures to determine whether anything has come to our attention that causes us to believe that, in all material respects, that the Company has not maintained asset cover, or not provided details of the value of receivables/ book debts and has not complied with the covenants (as set out in Annexure I and II of the Statement) as per the requirements of the DTDs in relation to all outstanding listed NCDs:

Annexure I: Security Cover

- a. Obtained the list of listed NCDs and verified, for sample cases, the details such as ISIN, facility, sanctioned amount as at December 31, 2023, security details, for each series of the listed NCDs from the DTD and related documents;
- b. Verified whether the computation of security cover as at December 31, 2023, prepared by management, is as per the format given under SEBI Circular SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated July 06, 2023;
- c. Traced the book values forming part of Annexure I of the statement from the books of account for the nine months ended December 31, 2023.
- d. Verified the arithmetical accuracy of the Statement and also recomputed the asset coverage ratio as set out in the Statement.

Annexure II: Compliance with covenants

- a. Obtained from management, a list of applicable covenants (as set out in the Statement), extracted from the 'Covenants' section of the respective DTDs. Management has confirmed that the covenants listed in the Statement are extracted from all DTDs for all listed NCDs issued during the quarter ended December 31, 2023/ outstanding as at December 31, 2023.

Against each of the applicable covenants (as set out in the Statement), obtained the status of compliance with such covenants as at December 31, 2023 from management;

- b. On a sample basis, we traced the covenants in the Statement to the respective DTDs to test their accuracy; and
 - c. On a sample basis, verified the compliance with the covenants as set out in the Statement.
 - d. Traced the amounts forming part of the Annexure II of Statement from the books of account and other records maintained by the Company.
8. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

9. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the Guidance Note)' issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
10. 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.

Conclusion

11. Based on the procedures performed as mentioned in paragraph 7 above, information and explanation given to us and representations provided by the Company, nothing has come to our attention that causes us to believe that, in all material respects:
 - a. the book values furnished in the Annexure I of the Statement have not been accurately extracted from the books of account during the quarter ended December 31, 2023;
 - b. The particulars furnished in the annexure II of the statement have not been accurately extracted from the books of accounts and other records maintained by the Company during the quarter ended December 31, 2023;
 - c. the Company has not complied with the covenants as set out in the Annexure II of the Statement.
 - d. the Statement is not arithmetically accurate.

Restriction of use

12. This report has been issued for the sole use of the Board of Directors, to whom it is addressed, for onward submission to the Company's Debenture Trustee pursuant to the requirements of the abovementioned Regulations. Accordingly, our report should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. We neither accept nor assume any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For **Mukund M Chitale & Co.**
Chartered Accountants
Firm's Registration No.: 106655W

Chitale

(S. M. Chitale)
Partner
M. No.: 111383
UDIN: 24111383BKBGLC7122
Place: Mumbai
Date: February 13, 2024

Annexure I - Security Cover Certificate
 Security Cover Certificate as per Regulation 54 of Securities Exchange Board of India (Listing Obligation and Disclosure Requirement), Regulations 2015 as on December 31, 2023 for Catalyst Trusteeship Limited.

Column A Particulars	Column B Description of assets for which this certificate relates	Column C Debt for which this certificate being issued	Column D Other Secured Debts	Column E Debt for which this certificate being issued	Column F Assets issued by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Column G Other assets on which there is pari-passu charge (excluding items covered in column F)	Column H Assets not offered as Security	Column I Elimination (amount in negative)	Column J (Total C to H)	Column K Market Value for Assets charged on Exclusive basis	Column L Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Column M Market Value for Pari passu charge Assets	Column N Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSFA market value is not applicable)	Column O Total Value (=K+L+M+N)
Related to only those items covered by this certificate														
Relating to Column F														
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
ASSETS														
Property, Plant and Equipment	Immovable Property (Note 1)		3,490.14				7,581.67		11,571.81	5,381.04	56.59			5,417.63
Capital Work-in-Progress							99.05		99.05					
Right of Use Assets							-		-					
Goodwill							-		-					
Intangible Assets							245.06		245.06					
Intangible Assets under Development							-		-					
Investments							415.27		415.27					
Loans	Loan Receivables (Note 2)	5,919.01	2,29,585.08				51,721.82		2,87,225.91		2,55,504.09			2,55,504.09
Inventories							-		-					
Trade Receivables							227.96		227.96					
Cash and Cash Equivalents							9,822.60		9,822.60					
Bank Balances other than Cash and Cash Equivalents			1,287.55				16,709.76		17,997.30					1,287.55
Others							3,936.73		3,936.73		1,287.55			
Total		5,919.01	2,34,362.77	-	-	-	91,869.91	-	3,31,341.69	5,381.04	2,36,828.23	-	-	2,42,209.27
LIABILITIES														
Debt securities to which this certificate pertains		4,900.00		Yes				-64.93	4,835.07					
Other debt having exclusive charge with above debt (Note 3)			19,710.90					-158.59	19,551.41					
Other Debt							6,205.20	-35.83	6,159.37					
Subordinated debt							6,300.00	-316.58	6,183.42					
Borrowings	not to be filled	1,55,207.91					717.65	65.85	1,59,991.41					
Bank							-		-					
Debt Securities							-		-					
Others							-		-					
Trade payables							649.90		649.90					
Lease liabilities							-		-					
Provisions							2,131.83		2,131.83					
Others							32,536.79		30,536.79					
Total		4,900.00	1,76,917.91	-	-	-	46,743.37	-510.08	2,30,851.20	-	-	-	-	
Cover on Book Value		1.21	1.51											
Cover on Market Value														

For **Electronica Finance Ltd.**

SS Pophale
Shilpa Pophale
 Managing Director



Notes:

1. The market value of Rs. 5,381 Lakhs of the immovable property is on the basis of valuation done for September 30, 2023.
2. Receivables under financing activities consist of loans which are carried at amortised cost. The business model for managing these loans is "hold to collect" cash flows that are solely principal and interest. Accordingly, these loans are not fair valued and the book value of loans (before adjustment of cash collateral) are considered as the value of security for the purposes of this certificate.
3. This represents secured unlisted debt securities.

For Electronica Finance Limited

SS Pophale
Shilpa Pophale
Managing Director and Chief Executive Officer
(DIN: 00182457)



Electronica Finance Limited
Audumbar, 101/1, Erandwane, Dr. Ketkar Road,
Pune 411004, Maharashtra (India)

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Part A of Annexure II - Covenant Compliance Certificate for quarter ended 31 December 2023

The covenant compliance certificate for the quarter ended **Dec-23** against the ISIN **INE612U07118** and **INE612U08041** is as follows:

Financial Covenant	Dec-23	Covenant Compliance status
<p>Total Debt/Tangible Networth ratio to be within 5.5x.</p> <p><i>Definition-</i> "Total Debt" shall include the following: - All Long-Term Borrowings, including ineligible portion of subordinated debt in form of Tier II Capital including current maturities - All Short Term Borrowing - Financial Guarantees Provided if any - Letter of Comfort/ Shortfall undertaking provided by the Issuer, if any Equity/Net Worth Shall Include the following: - Equity Share issued by the Issuer - CCPS issued by the Issuer - Reserve and Surplus of the Issuer</p>	Total Debt/Tangible Networth ratio is 4.93x as on 31 Dec 23	Complied
<p>Capital Adequacy Ratio (CAR) of atleast 18% (Eighteen Percent) or as per applicable RBI regulation, whichever is higher. Of the above CAR</p> <p><i>Definition-</i> "Capital Adequacy Ratio" means the capital adequacy ratio for non-banking financial institutions as defined by the Reserve Bank of India from time to time; For the purpose of calculation of minimum capital ratio: (i) first loss credit enhancements provided by the Issuer on securitization and co-lending portfolio shall be reduced from Tier I Capital and Tier II Capital without any ceiling. (ii) Credit enhancements provided by the Issuer on loans originated on behalf of other institutions shall be reduced from Tier I Capital and Tier II Capital without any ceiling. The deduction shall be made at 50 per cent from Tier I Capital and 50 per cent from Tier II Capital. (iii) It is also clarified that in computing the amount of subordinated debt eligible for inclusion in Tier II Capital, the aforementioned subordinated debt shall be subject to discounting as prescribed by RBI.</p>	CAR as on 31 Dec 2023 is 18.39%	Complied
<p>Gross NPA not to exceed 3.5% of Gross Loan Portfolio</p> <p><i>Definition</i> "Gross NPA" shall be arrived at in accordance with applicable RBI regulations governing asset classification and provisions for NBFCs. "Gross Loan Portfolio" shall include on balance sheet portfolio</p>	Gross NPA is 2.21% of gross loan portfolio as on 31 Dec 2023	Complied
<p>Net NPA not to exceed 2% of Gross Loan Portfolio</p> <p><i>Definition</i> "Net NPA" shall be arrived at in accordance with applicable RBI regulations governing asset classification and provisions for NBFCs. "Gross Loan Portfolio" shall include on balance sheet portfolio</p>	Net NPA is 1.14% of gross loan portfolio as on 31 Dec 2023	Complied
<p>Net NPA to Tangible Net Worth shall not exceed 7.5% (Seven Decimal Five Percent)</p> <p><i>Definition</i> "Net NPA" shall be arrived at in accordance with applicable RBI regulations governing asset classification and provisions for NBFCs. "Tangible Net-worth" shall mean the equity share capital plus all reserves and surplus, as reduced by the, intangible assets, deferred tax assets, revaluation reserve, miscellaneous expenses, and any credit enhancement provided by the</p>	Net NPA to Tangible Net worth is 6.55% as on 31 Dec 23	Complied

For Electronica Finance Ltd.

Shilpa Pophale
 Managing Director

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Electronica Finance Limited

Audumhar, 101/1, Erandwane, Dr. Ketkar Road,
 Pune 411004, Maharashtra (India)



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Issuer on managed asset book.		
Earnings: After-tax Net Income (excluding extraordinary income) to remain positive. The said covenant to be tested on an quarterly and on Annual basis. <i>Definition</i> "PAT" shall be profit after tax and shall include one-time time / exceptional items (profit or loss) in its computation	PAT for the period ended on 31 Dec 2023 is Rs.46.82 Cr	Complied
The share of off balance sheet portfolio shall not exceed 25% (Twenty Percent) of the Gross Loan Portfolio. <i>Definition</i> "Gross Loan Portfolio" shall include on balance sheet portfolio "Off Balance Sheet Portfolio" shall include Direct Assignment (DA) / Co-lending / any other portfolio under management.	Off-Balance Sheet Portfolio (i.e. Securitisation book of DA/co-lending and SIDBI books) is 20% as on 31 Dec 23	Complied
There shall not be any negative mismatches on cumulative basis in any of the buckets till the next one year of ALM statement after incorporating all the liabilities of the Issuer incorporating Put Options/ Reset Options etc. (in any form). The asset will include all the unencumbered Cash and Cash equivalent maturing across all the buckets of the ALM as part of the opening asset balance. Unutilized bank lines, undisbursed committed sanctions of the company and cash credit limits shall not be taken into account while testing the same	Cumulative mismatch is positive across all the buckets till the next 1 year	Complied
Issuer shall not prepay any loans or redeem NCDs; voluntarily or mandatorily before its stated maturity such that it leads to a negative mismatch on cumulative basis in any of the buckets of ALM statement up to the residual tenor of the Debenture after incorporating all the liabilities of the Issuer including Put Options/interest reset on liabilities. Unutilized bank lines shall not be taken into account while testing the same.	No prepayment of any loan or NCD is done	Complied
Any other additional covenant as may be mutually agreed and shall form a part of the transaction documents.	NA	NA

Accordingly, the financial covenants as mentioned above, as defined in the Debenture Trust Deed dated 25 September 2023, 20 December 2023 and 17 January 2024 have been complied with. Kindly take the same on record on behalf of debenture holders.

For Electronica Finance Limited

Shilpa Pophale
Shilpa Pophale
Managing Director and Chief Executive Officer
DIN: 00182457



Electronica Finance Limited

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Part B of Annexure II - Covenant Compliance Certificate for quarter ended 31 December 2023

The covenant compliance certificate for the quarter ended **Dec-23** against the ISIN **INE612U07092** is as follows:

Financial Covenant	Dec-23	Covenant Compliance status
<p>Capital Adequacy Ratio (CAR) of atleast 18% (Eighteen Percent) or as per applicable RBI regulation, whichever is higher. Of the above CAR</p> <p><i>Definition-</i> "Capital Adequacy Ratio" means the capital adequacy ratio for non-banking financial institutions as defined by the Reserve Bank of India from time to time; For the purpose of calculation of minimum capital ratio: (i) first loss credit enhancements provided by the Issuer on securitization and co-lending portfolio shall be reduced from Tier I Capital and Tier II Capital without any ceiling. (ii) Credit enhancements provided by the Issuer on loans originated on behalf of other institutions shall be reduced from Tier I Capital and Tier II Capital without any ceiling. The deduction shall be made at 50 per cent from Tier I Capital and 50 per cent from Tier II Capital. (iii) It is also clarified that in computing the amount of subordinated debt eligible for inclusion in Tier II Capital, the aforementioned subordinated debt shall be subject to discounting as prescribed by RBI.</p>	CAR as on 31 Dec 2023 is 18.39%	Complied
<p>Net NPA not to exceed 3% of Gross Loan Portfolio</p> <p><i>Definition</i> "Net NPA" shall be arrived at in accordance with applicable RBI regulations governing asset classification and provisions for NBFCs. "Gross Loan Portfolio" shall include on balance sheet portfolio</p>	Net NPA is 1.14% of gross loan portfolio as on 31 Dec 2023	Complied
<p>Cumulative Asset Liability mismatch should always be positive in all the buckets upto 6 months to the extent of at least 10% and from 6 months to 12 months to the extent of at least 5%. If the said covenant is breached, then the company will have a curing period of 2 months to set right the same.</p> <p>Not more than 50% of the CC / OD / Working capital borrowings that are captured in the less than 1 year bucket will be assumed to be renewed for the purpose of this cumulative ALM mismatch.</p>	Cumulative mismatch is positive across all the buckets till the next 1 year and well above the threshold as agreed	Complied

Accordingly, the financial covenants as mentioned above, as defined in the Debenture Trust Deed dated 30 August 2023 have been complied with. Kindly take the same on record on behalf of debenture holders.

For Electronica Finance Limited

SP Pophale
Shilpa Pophale
 Managing Director and Chief Executive Officer
 DIN: 00182457



Electronica Finance Limited

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