



# Update on ECLF Finance Ltd

*Where we are today*

*ECLF wholesale book*

*Plan for future*



## Where we are today

*Journey since 2018*

# ECL Finance Snapshot



## Net Worth

INR 3,347 Cr

## Liquidity

INR 2,250 Cr

## DE ratio

3.6x

## Capital Adequacy Ratio

25.3%

## Strong, Well-Capitalized Balance Sheet..

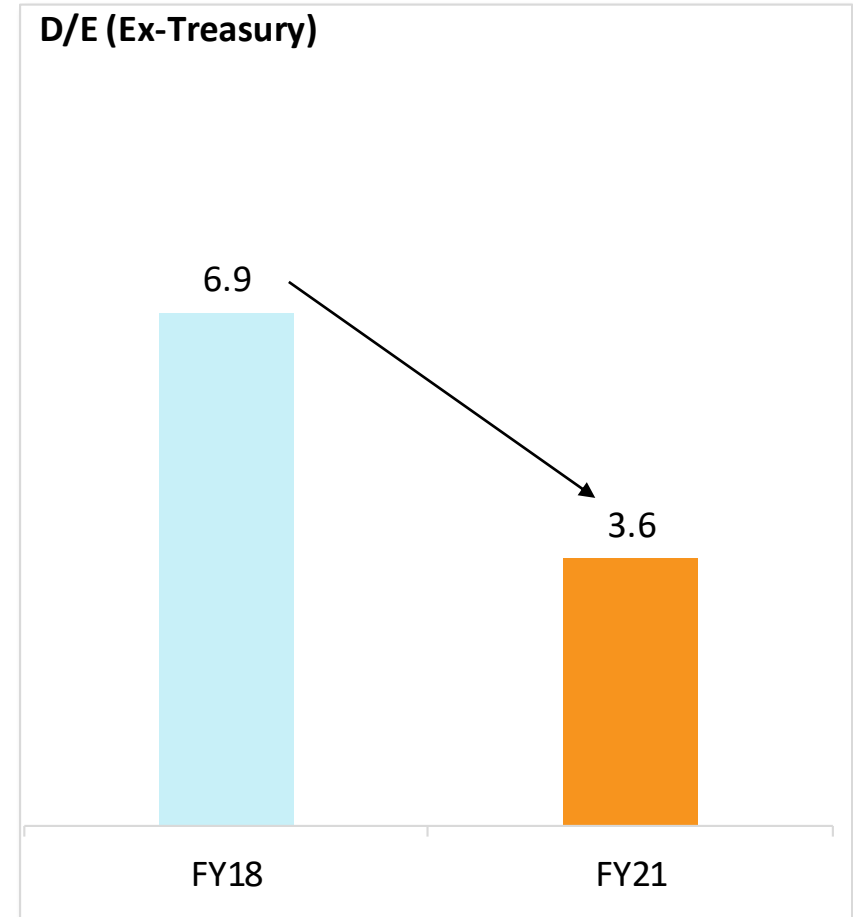
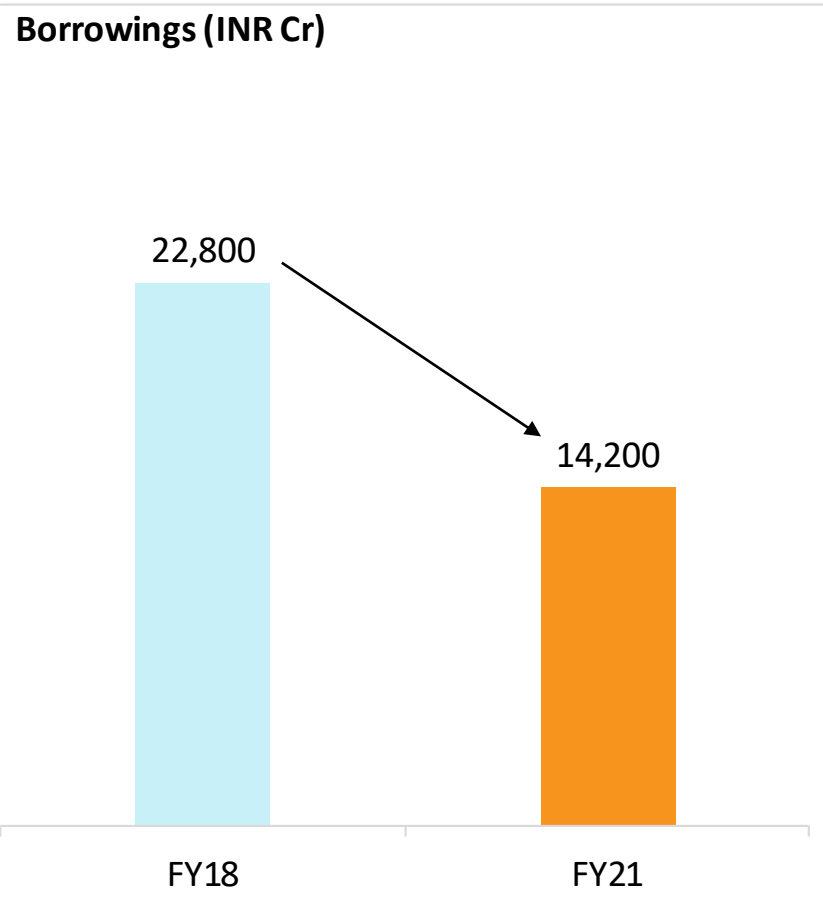


Assets	INR Cr
Wholesale Assets	11,400
Retail Assets	2,500
Cash & Treasury	2,600
Fixed & Other assets	2,200
<b>Total</b>	<b>18,700</b>

Liabilities	INR Cr
Net worth	3,350
Long-term borrowings	8,400
Borrowings due in 12 months	5,800
Other liabilities	1,150
<b>Total</b>	<b>18,700</b>

Wholesale assets supported by  
Net worth of INR 3,350 Cr and long-term borrowings of INR 8,400 Cr

# ..With 37% Reduction In Borrowings, D/E Improved To 3.6x

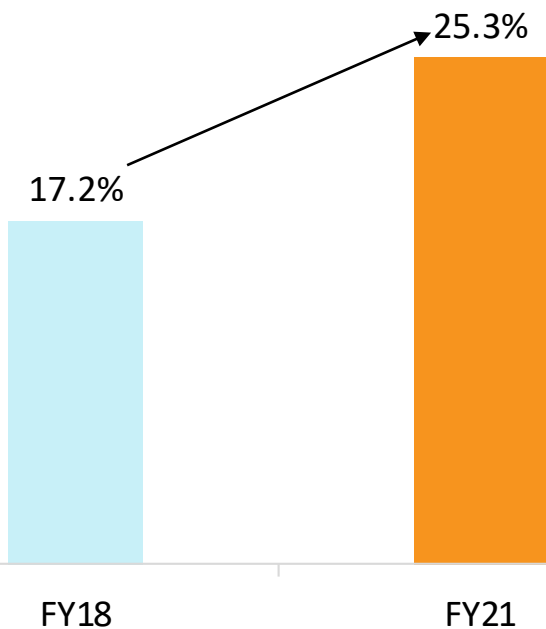


**D/E ratio will improve further with continued repayments in the wholesale book and an asset light SME model**

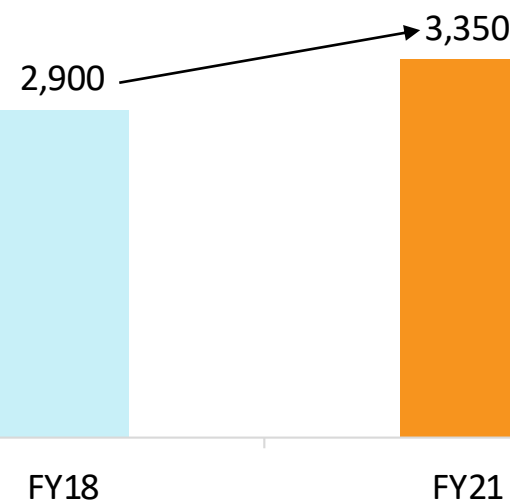
# Significantly Higher Capital Adequacy, With Higher Net Worth



Capital Adequacy Ratio



Net Worth (INR Cr)



One of the first NBFCs to raise additional equity capital  
Well-capitalized with no further equity requirement

# Maintained Adequate Liquidity..



INR Cr	Sep'20	Mar'21
Total Liquidity	2,350	2,250
Borrowings	15,150	14,200
Liquidity %	16%	16%

Bought back ECL Finance bonds of INR 450 Cr in FY21

## ..Along With Conservative Cash Flow Planning



Particulars (INR Cr)	Apr'21-Mar'22	Apr'22-Mar'23
<b>Opening Available Liquidity (A)</b>	<b>2,250</b>	<b>2,150</b>
<b>Inflows</b>		
Expected Inflows	5,500	5,000
Fresh Borrowings	2,250	1,500
<b>Total Inflows (B)</b>	<b>7,750</b>	<b>6,500</b>
<b>Outflows</b>		
Repayments	5,850	4,050
Disbursements	2,000	2,800
<b>Total Outflows (C)</b>	<b>7,850</b>	<b>6,850</b>
<b>Closing Available Liquidity (A+B-C)</b>	<b>2,150</b>	<b>1,800</b>

Fresh disbursements will be for the MSME portfolio

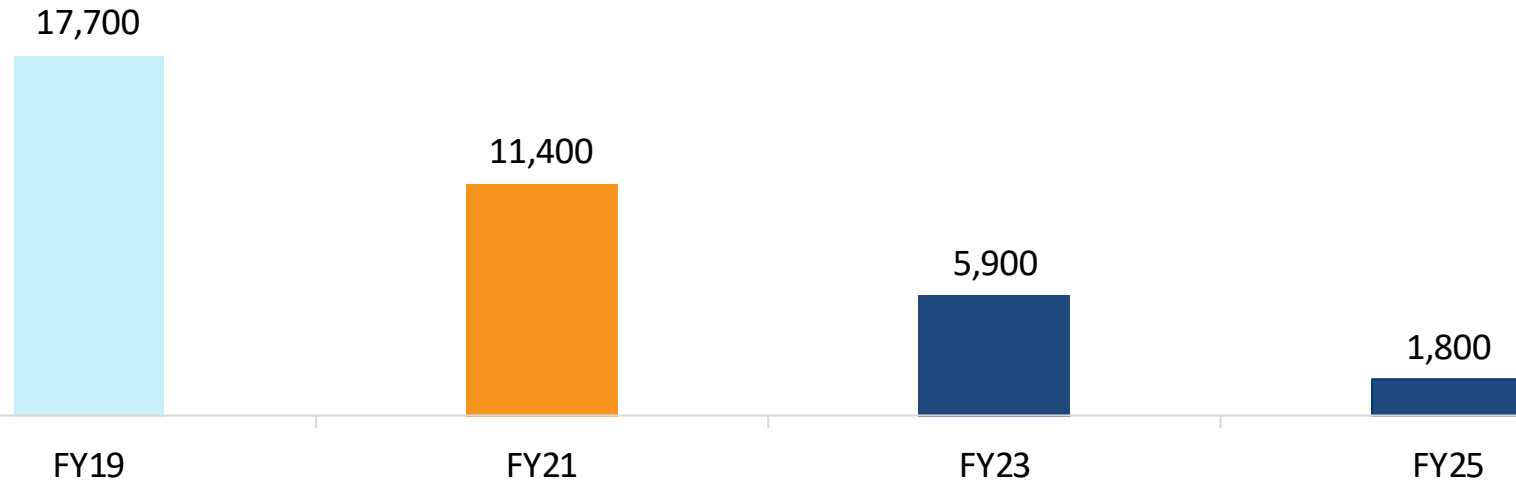




# INR 6,300 Cr Reduction In Assets In Last Two Years; Set To Continue On Back Of Strong Inflows



Wholesale Assets (INR Cr)



INR Cr	FY22	FY23	FY24	FY25
Wholesale Asset inflows	3,700	3,800	3,400	2,300

Wholesale book to reduce to ~50% by Mar-23

# Successful Workouts Of ~INR 1,500 Cr In Last 12 Months



## Change of Developer

Strengthening the Developer group through addition or replacement of Developers

## Projects Streamlining

Ensuring project progress by way of last mile financing and sales support for renewed buyer interest

## Cash flow improvement

Improved cash flows by sales of ready and under-construction inventory, and monetization of non-core collateral

**Improving traction on workouts expected in FY22 and FY23 as Covid impact subsides**

# Wholesale Mortgage Portfolio Snapshot



# of Projects

~145

Residential Real Estate

~90% projects

Units < INR 1 Cr category

~84% of total

Average Project Ticket Size

~INR 60 Cr

Collateral Cover

~ 1.6x

# Asset Quality Under Control; Impairments Taken And Workouts Underway



- Accelerated impairments have been taken
- Provisions under IndAS is ~INR 400 Cr in excess of the provision required under IRAC norms
- Recent workouts have seen success, expected to improve further as Covid impact subsides
- Overall portfolio continues to be adequately collateralized
- Real Estate sector has started seeing green shoots and some macro tailwinds which are expected to accelerate going forward

**We do not expect any significant portfolio impairments going forward**



## Plan Going Forward



## **Asset-light Retailisation**

- MSME AUM of INR 9,000 Cr by FY26; 50-50 split between on-book and off-book
- Wholesale Credit to reduce ~50% in two years

## **Profitability**

- P/L drag to go away by Mar-22; growth to be a function of pandemic recovery
- Profitability supported by MSME scale-up and significant wholesale write-backs

## **Liquidity Management**

- Will continue to be conservative on liquidity management till the complete impact of Covid is mitigated

# Journey Of Transition Will Be Completed In 12 Months



Growth in ECL Finance will be driven by an asset-light MSME credit model



Strong recoveries in wholesale book will help profitability from FY23 onwards further strengthening the capital adequacy



ALM will continue to be comfortable even in stressed scenarios





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## NOTES:

Slide 3, 4, 6: Net worth includes investment in CCD by CDPQ of INR 866 Cr

Slide 3, 7, 8: Available Liquidity is calculated as on balance sheet liquidity, liquid able assets and undrawn bank lines; Numbers are based on management estimates and rounded off to nearest 100

Slide 3: DE ratio is excluding treasury assets

Slide 4: Wholesale and Retail assets include loan book and SR investments; All the numbers are rounded off to nearest 100

Slide 5, 7: Borrowings are excluding CBLO & CCDs

Slide 10 : Wholesale assets include loan book and SR investments