

## **ECL Finance Limited**

**Corporate Identity Number: U65990MH2005PLC154854**

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**Financial Statement for the year ended March 31, 2025**

*G. K. Choksi & Co.*

*Chartered Accountants*

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ECL FINANCE LIMITED

#### Report on the Audit of the Ind AS Financial Statements

##### Opinion

We have audited the Ind AS financial statements of **ECL FINANCE LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including summary of material accounting policies and other explanatory information (hereinafter referred to as the "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its loss including other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report and describe the process how our audit addressed the matter.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibility described in the Auditors' responsibility for the audit of the Ind AS Financial Statements section of our report including in relation of this matter. Accordingly, our audit included the performance of procedures, design to respond to our assessment of the risk of material misstatement of the Ind AS Financial Statements. The result of our audit procedure including the procedures performed the matter to addressed below, provide the bases of our audit opinion on the accompanying financial statement.

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i) Impairment of financial assets (expected credit losses)		
	Key Audit Matter	How the matter was addressed in our audit
	<p>The Company has recorded an impairment loss allowance of Rs. 38.07 Crore as at March 31, 2025 and has reversed a charge of Rs. 17.54 Crore for the year ended March 31, 2025 in its statement of profit and loss.</p> <p>Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss (ECL) model. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are:</p> <p>Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.</p> <p>Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Exposures at Default ("EAD"), Probabilities of Default ("PD") and Loss Given Default ("LGD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered one of the most significant judgmental aspects of the Company's modelling approach.</p> <p>Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them.</p> <p>Qualitative adjustments – Adjustments to the model-driven ECL results as overlays are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> <li>Performed walkthroughs to identify the key systems, applications and controls used in the impairment loss allowance processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in the impairment loss allowance process on sample basis.</li> <li>Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models and identification of Significant Increase in Credit Risk ('SICR') and staging of the assets.</li> <li>Testing assumption used by the management in determining the overlay.</li> <li>Tested the arithmetic accuracy of computation of ECL provisions performed by the company in spreadsheets, on sample basis.</li> <li>Assessed the disclosures made in relation to the ECL allowance to confirm compliance with the Ind AS provisions.</li> <li>Read the report on ECL model reviewed by external consultant during the year.</li> </ul>



	The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the financial statements, we have considered this as a key audit matter.	
<b>i) IT Systems and Controls</b>		
	<b>Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
	<p>The reliability and security of IT systems play a key role in the business operations and financial accounting and reporting process of the Company. Since large volumes of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.</p> <p>Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.</p>	<p>We obtained an understanding of the Company's IT applications, databases and operating systems relevant to financial reporting and the control environment. We performed the following procedures for testing IT general controls and for assessing the reliability of electronic data processing, assisted by specialized IT Team:</p> <ul style="list-style-type: none"> <li>• We tested the design, implementation, and operating effectiveness of the Company's general IT controls over the IT systems relevant to financial reporting. This included evaluation of Company's controls over segregation of duties and access rights.</li> <li>• We also tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to Ind AS financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the Ind AS financial statements.</li> </ul>

#### **Information Other than the Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Board's Report but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS





Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

The financial statements of the Company for the year ended March 31, 2024, were jointly audited by other firms of Chartered Accountants under the Act, who, vide their report dated May 8, 2024, expressed an unmodified opinion on those financial statements.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.



- f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Ind AS financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements – Refer note no. 43 of the Ind AS Financial Statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer note no. 54.A of the Ind AS Financial Statements.
  - iii. There was no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The Company has not declared and paid any dividend during the year which requires any compliance with respect to section 123 of the Act.
  - vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.



3. In our opinion and according to the information and explanation given to us, during the current year, the managerial remuneration paid by the Company to its Directors is in accordance with the provisions of Section 197 read with Schedule V of the Act.

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants



**SANDIP A. PARIKH**

Partner

Mem. No. 40727

UDIN: 25040727BMIASZ7151

Place : Mumbai  
Date : May 5, 2025



**Annexure - A to the Independent Auditors' Report of even date on Ind AS financial statements of ECL Finance Limited**

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
  - (B) The Company has maintained proper records showing full particulars of Intangible Assets.
  - (b) The Property, Plant and Equipment are physically verified by the Management over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, Property, Plant and Equipment were physically verified during the year by the Management and no material discrepancies have been noticed on such verification.
  - (c) Based on the information provided to us the title deed of all the immovable properties disclosed in the financial statements are held in the name of the Company.
  - (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets during the year. Accordingly, the provisions of Clause 3(i)(d) of the Order are not applicable to the Company.
  - (e) According to information and explanation given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions of Clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The Company does not have any inventory and accordingly reporting under Clause 3(ii)(a) of the Order are not applicable to the Company.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. Quarterly returns & statements filed by the Company with such banks or financial institutions are materially in agreement with the books of account of the company.
- iii. (a) The Company is a registered Non-Banking Financial Institution and it's principal business is to give loans. Accordingly, the provisions of Clause 3(iii)(a) of the Order are not applicable to the Company.
- (b) In our opinion and according to information and explanations given to us, the terms and conditions of investments and loans granted during the year are not prejudicial to the interest of the Company. Further, the company has not provided guarantees or given security to any person and accordingly terms and conditions of such, whether prejudicial or not, have not been commented upon.
- (c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause) in this report, in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.





Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification / staging of loans in note 13.A(a) to the Ind AS financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

- (d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2025 and the details of the number of such cases, are disclosed in note 13.A(a) to the Ind AS financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.
  - (e) The Company's principal business is to give loans. Accordingly, the provisions of Clause 3(iii)(e) of the Order are not applicable to the Company.
  - (f) In our opinion and according to information and explanations given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, the provisions of Clause 3(iii)(f) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186(1) of the Act. The other sub-sections of Section 186 of the Act are not applicable to the Company.
- v. According to information and explanations given to us, the Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules 2014 (as amended). Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- vii. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.  
  
There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.
  - (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 on account of disputes are given below:



Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which it relates Financial Year	Amount under dispute (Rs in Crores)	Amount paid (Rs in Crores)*
Income tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2013-14	8.06	4.00
Income tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2014-15	12.31	2.92
Income tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2015-16	15.72	-
Income tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2016-17	33.34	34.89
Income tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2017-18	65.24	-
Income tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2019-20	0.82	-
Income tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2022-23	3.11	-
CGST/SGCT Act, 2017	Goods and Service Tax	Deputy Commissioner Appeal	2017-18	0.03	0.00
CGST/SGCT Act, 2017	Goods and Service Tax	Deputy Commissioner Appeal	2018-19	0.03	0.00
CGST/SGCT Act, 2017	Goods and Service Tax	Deputy Commissioner Appeal	2018-19	0.40	0.03
CGST/SGCT Act, 2017	Goods and Service Tax	Deputy Commissioner Appeal	2019-20	0.12	0.01
CGST/SGCT Act, 2017	Goods and Service Tax	Deputy Commissioner Appeal	2020-21	0.31	-

\*Amount paid also include Refund adjusted.

Amount disclosed as "0.00" represent amount less than 50,000/-.

- viii. According to information and explanations given to us, the Company has not surrendered or disclosed any unrecorded transaction as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. (a) The Company has taken loans and other borrowings from lenders. As per the information and explanation given and represented by the management, we report that there is no material default in case of any repayment of loans and borrowing.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or any other lender.
- (c) The company has not taken any new term loans during the year. However, term loan raised at the fag-end of the previous year have been applied for the purpose for which they were obtained.



- (d) On an overall examination of the Ind AS Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) Based on the information received and as represented by the management, the Company does not have any subsidiary, associates or joint venture. Accordingly, the provisions of Clause 3(ix)(e) and (f) of the Order are not applicable to the Company.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally). Accordingly, the provisions of clause 3(x)(b) of the Order are not applicable.
- xi. (a) According to information and explanation provided to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the year. Accordingly, the provisions of Clause 3(xi)(a) of the Order are not applicable to the Company.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the provisions of Clause 3(xi)(b) of the Order are not applicable to the Company.
- (c) As represented by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and accordingly, the provisions of clause 3(xii) of the Order are not applicable.
- xiii. According to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) The internal audit reports furnished by the internal auditors for the year under audit have been considered by us.
- xv. According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order are not applicable to the company.
- xvi. a) The Company is registered with the Reserve Bank of India ('RBI') and has obtained the certificate of registration under section 45 IA of the Reserve Bank of India Act, 1934(2 of 1934). Company, being a registered NBFC, categorized as NBFC-ML the provisions of Clause (xvi)(b) and (xvi)(c) of paragraph 3 of the Order are not applicable to the company.
- (b) Based on the information and explanations provided by the management of the Company, the Group has one CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses during the current financial year. However, there were cash losses amounting to Rs. 367.32 Crores in the immediately preceding financial year.



- xviii. There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause 3(xviii) of the Order are not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. Based on the verification of the details provided, the company exceeds the thresholds prescribed under Section 135 of the Companies Act, 2013. However, since the company does not have average net profits during the three immediately preceding financial years, it is not required to incur expenditure on Corporate Social Responsibility (CSR) activities for the current financial year. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order are not applicable.

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
*Chartered Accountants*

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**SANDIP A. PARIKH**  
*Partner*

Mem. No. 40727  
UDIN: 25040727BMIAZ7151

Place : Mumbai  
Date : May 5, 2025



**Annexure - B to the Independent Auditors' Report of even date on Ind AS financial statements of ECL Finance Limited**

**Report on the Internal Financial Controls under Clause (i) of sub- section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls with reference to Ind AS financial statements of **ECL FINANCE LIMITED** (the "Company") as of March 31, 2025 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such Internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**Management's Responsibility for Internal Financial Controls**

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountant of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





**Meaning of Internal financial controls with reference to Ind AS financial statements**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

**Inherent Limitations of Internal financial controls with reference to Ind AS financial statements**

Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

FOR G. K. CHOKSI & CO.  
[Firm Registration No. 101895W]  
Chartered Accountants

3

**SANDIP A. PARIKH**  
Partner

Mem. No. 40727  
UDIN: 25040727BMIAZ7151

Place : Mumbai  
Date : May 5, 2025

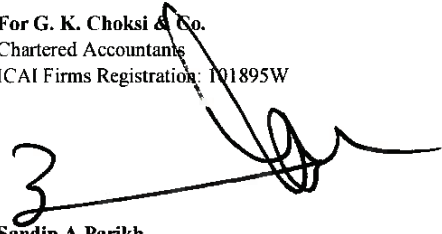


**ECL Finance Limited**  
**Balance Sheet as at March 31, 2025**  
(Currency: Indian rupees in crores)

	Note	As at March 31, 2025	As at March 31, 2024
<b>I. Assets</b>			
<b>(1) Financial assets</b>			
(a) Cash and cash equivalents	9	730.23	512.21
(b) Bank balances other than cash and cash equivalents	10	37.72	27.76
(c) Derivative financial instruments	11	0.98	71.19
(d) Receivables			
(i) Trade receivables	12	39.35	502.05
(e) Loans	13	929.18	1,266.12
(f) Investments	14	5,405.88	7,397.89
(g) Other financial assets	15	34.56	109.03
		<u>7,177.90</u>	<u>9,886.25</u>
<b>(2) Non-financial assets</b>			
(a) Current tax assets (net)	16	215.18	249.93
(b) Deferred tax assets (net)	17	574.74	552.59
(c) Investment property	18	4.40	12.55
(d) Property, plant and equipment	19	66.14	72.85
(e) Other intangible assets	19	2.74	3.37
(f) Other non- financial assets	20	37.75	50.67
		<u>900.95</u>	<u>941.96</u>
<b>Total assets</b>		<u>8,078.85</u>	<u>10,828.21</u>
<b>II. Liabilities and equity</b>			
<b>(1) Financial liabilities</b>			
(a) Derivative financial instruments	11	4.32	42.80
(b) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		0.35	0.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	21	168.67	778.76
(c) Debt securities	22	1,870.28	2,529.85
(d) Borrowings (other than debt securities)	23	3,090.94	3,391.69
(e) Subordinated liabilities	24	1,100.43	1,109.12
(f) Other financial liabilities	25	239.42	192.84
		<u>6,474.41</u>	<u>8,045.08</u>
<b>(2) Non-financial liabilities</b>			
(a) Current tax liabilities (net)	26	-	-
(b) Provisions	27	0.72	1.01
(c) Other non-financial liabilities	28	1.80	13.01
		<u>2.52</u>	<u>14.02</u>
<b>(3) Equity</b>			
(a) Equity share capital	29	270.02	213.83
(b) Other equity	30	1,331.90	2,555.28
		<u>1,601.92</u>	<u>2,769.11</u>
<b>Total liabilities and equity</b>		<u>8,078.85</u>	<u>10,828.21</u>


The accompanying notes are an integral part of the financial statements 1 to 55  
As per our report of even date attached.

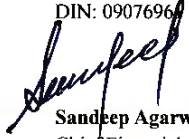
For G. K. Choksi & Co.  
Chartered Accountants  
ICAI Firms Registration: 101895W


  
**Sandip A Parikh**  
Partner  
Membership No: 40727  
Mumbai May 5, 2025




For and on behalf of the Board of Directors

  
**Ajay K Murana**  
Managing Director  
DIN: 0907696

  
**Sandeep Agarwal**  
Chief Financial Officer

  
**Kashmira Mathew**  
Executive Director  
DIN : 02341875

  
**Inara Wadhwan**  
Company Secretary  
Membership No: ACS65806

Mumbai May 5, 2025

# ECL Finance Limited

## Statement of Profit and Loss for the year ended March 31, 2025

(Currency: Indian rupees in crores)

	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>I. Revenue from operations</b>			
Interest income	31	386.60	543.26
Dividend income	32	0.89	0.14
Fee and commission income	33	68.62	73.61
Net profit/(loss) on fair value changes	34	160.04	621.07
<b>II. Other income</b>	35	29.38	35.68
<b>III. Total Income (I + II)</b>		<b>645.53</b>	<b>1,273.76</b>
<b>IV. Expenses</b>			
Finance costs	36	599.52	865.45
Net loss on derecognition of financial instruments	37	(181.22)	256.29
Impairment on financial instruments	38	(1.19)	(273.17)
Employee benefits expense	39	63.83	78.06
Depreciation, amortisation and impairment	18 & 19	11.45	10.29
Other expenses	40	96.81	152.41
<b>Total expenses</b>		<b>589.20</b>	<b>1,089.33</b>
<b>V. Profit/(Loss) before tax (III - IV)</b>		<b>56.33</b>	<b>184.43</b>
<b>VI. Tax expenses</b>			
Current tax	41	-	-
Deferred tax		10.03	49.23
<b>VII. Profit/(Loss) for the year (V - VI)</b>		<b>46.30</b>	<b>135.20</b>
<b>VIII. Other comprehensive income</b>			
(a) Items that will not be reclassified to profit or loss			
Remeasurement loss on defined benefit plans		5.76	(0.91)
Equity instruments through Other Comprehensive Income		(1,418.61)	(55.79)
Tax relating to items that will not be reclassified to profit or loss		32.18	14.27
<b>Total</b>		<b>(1,380.67)</b>	<b>(42.43)</b>
(b) Items that will be reclassified to profit or loss		-	-
<b>Total</b>		-	-
<b>Other comprehensive income (a+b)</b>		<b>(1,380.67)</b>	<b>(42.43)</b>
<b>IX. Total comprehensive income (VII + VIII)</b>		<b>(1,334.37)</b>	<b>92.77</b>
<b>Earnings per equity share</b>	42		
(Face value of ₹ 1 each):			
Basic (INR)		0.19	0.63
Diluted (INR)		0.19	0.50

The accompanying notes are an integral part of the financial statements

1 to 55

As per our report of even date attached.

For G. K. Choksi & Co.  
Chartered Accountants  
ICAI Firms Registration: 101895W

**Sandeep A Parikh**  
Partner  
Membership No: 40727  
Mumbai May 5, 2025



For and on behalf of the Board of Directors

**Ajay Khosla**  
Managing Director  
DIN: 09076961

**Sandeep Agarwal**  
Chief Financial Officer

Mumbai May 5, 2025

**K. J. Mathew**

**Kashmira Mathew**  
Executive Director  
DIN: 02341875

**Inara Wadhwan**  
Company Secretary  
Membership No: ACS65806

# ECL Finance Limited

## Statement of Cash flows for the year ended March 31, 2025

(Currency: Indian rupees in crores)

	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A. Operating activities</b>		
Profit/(Loss) before tax	56.33	184.43
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation and impairment	11.45	10.29
Impairment of financial assets (net)	(1.20)	(267.68)
Loss/(Profit) on termination of lease	(0.07)	(0.61)
Fair value of financial instruments (net)	(17.76)	(249.50)
Share based payment expense	0.83	1.11
(Profit)/Loss on sale of property, plant and equipment	0.14	(15.75)
Interest on lease liabilities	2.63	1.31
Interest on Income tax refund	(13.13)	(7.52)
(Profit)/Loss on sale of Investment property	2.52	0.67
<b>Operating cash flow before working capital changes:</b>	<b>41.74</b>	<b>(343.26)</b>
<b>Adjustment for:</b>		
(Increase) / Decrease in loans	325.52	2,510.25
(Increase) / decrease in trade receivables	464.29	(266.38)
(Increase) / decrease in investments	601.80	(616.94)
(Increase) / decrease in other financial assets	124.11	1,645.27
(Increase) / decrease in other non financial assets	12.91	6.44
(Decrease) / Increase in trade payables	(609.76)	105.61
(Decrease) / Increase in other financial liability	(105.73)	(1,145.21)
(Decrease)/ Increase in non financial liabilities and provisions	(5.74)	(6.61)
	<b>849.14</b>	<b>1,889.17</b>
Income taxes refund / (paid)	47.88	86.90
<b>Net cash generated from operating activities -A</b>	<b>897.02</b>	<b>1,976.08</b>
<b>B. Investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(0.21)	(2.91)
Proceeds from sale of Investment Property	13.21	10.69
Proceeds from sale of property, plant and equipment and intangible assets	0.06	49.84
<b>Net cash generated from/ (used) in investing activities -B</b>	<b>13.06</b>	<b>57.62</b>
<b>C. Cash flow from financing activities</b>		
(Decrease) in debt securities (Refer note 1)	(374.75)	(1,913.12)
(Decrease) in borrowings other than debt securities (Refer note 1)	(300.56)	(336.33)
(Decrease) in subordinate debt	(10.10)	(143.04)
Repayment of lease obligations	(6.65)	(4.72)
<b>Net cash (used) in financing activities - C</b>	<b>(692.06)</b>	<b>(2,397.21)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>218.02</b>	<b>(363.51)</b>



## ECL Finance Limited

### Statement of Cash flows for the year ended March 31, 2025

(Currency: Indian rupees in crores)

Cash and cash equivalent as at the beginning of the year	512.21	875.72
Cash and cash equivalent as at the end of the year (Refer note 9)	730.23	512.21
<b>Operational cash flows from interest and dividends</b>		
Interest paid	716.80	1,024.15
Interest received	388.63	1,012.65
Dividend received	0.89	0.14

#### Notes:

1. Receipts and payments for transaction in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows
2. Cash flow statement has been prepared under indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013
3. For disclosure relating to changes in liabilities arising from financing activities refer note 46A

As per our report of even date attached.

#### For G. K. Choksi & Co.

Chartered Accountants

ICAI Firms Registration: 101895W



**Sandip A Parikh**

Partner

Membership No: 40727

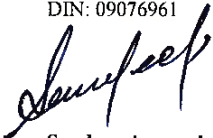
Mumbai May 5, 2025



#### For and on behalf of the Board of Directors



**Ajay Khurana**  
Managing Director  
DIN: 09076961




**Sandeep Agarwal**  
Chief Financial Officer

Mumbai May 5, 2025



**Kashmira Mathew**  
Executive Director  
DIN : 02341875



**Inara Wadhwan**  
Company Secretary  
Membership No: ACS65806



**ECL Finance Limited**

**Statement of Changes in Equity for the year ended March 31, 2025**

(Currency Indian rupees in crores)

**A. Equity share capital**

Particulars	Outstanding as on March 31, 2025	Outstanding as on March 31, 2024
Balance at the beginning of the year	213.83	213.83
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting year	-	-
Changes in equity share capital during the current year	56.19	-
Balance at the end of the year	<b>270.02</b>	<b>213.83</b>

(Equity shares of Re 1 each, fully paid-up)

**B. Other Equity**

Particular	Reserves and Surplus							Total attributable to equity holders
	Securities premium	Retained earnings	Statutory reserve	Debt redemption reserve	Deemed capital contribution - equity	Revaluation Reserve	Other Comprehensive income on Equity instrument	
<b>Balance as at 1st April 2023</b>	<b>1,188.00</b>	<b>606.72</b>	<b>540.92</b>	<b>77.48</b>	<b>14.00</b>	<b>30.65</b>	<b>-</b>	<b>2,457.77</b>
Profit for the year	-	135.18	-	-	-	-	-	135.18
Other comprehensive income	-	(0.68)	-	-	-	-	(41.75)	(42.43)
<b>Total comprehensive income</b>	-	<b>134.50</b>	-	-	-	-	<b>(41.75)</b>	<b>92.75</b>
Transfer from revaluation reserve	-	5.10	-	-	-	(5.10)	-	-
Transfer to statutory reserve	-	(27.04)	27.04	-	-	-	-	-
Transfer from debt redemption reserve	-	54.34	-	(54.34)	-	-	-	-
ESOP Charge	-	4.75	-	-	-	-	-	4.75
<b>Balance as at March 31, 2024</b>	<b>1,188.00</b>	<b>778.38</b>	<b>567.96</b>	<b>23.15</b>	<b>14.00</b>	<b>25.55</b>	<b>(41.75)</b>	<b>2,555.28</b>
Profit for the year	-	46.30	-	-	-	-	-	46.30
Other comprehensive income	-	4.31	-	-	-	-	(1,384.98)	(1,380.67)
<b>Total comprehensive income</b>	-	<b>50.61</b>	-	-	-	-	<b>(1,384.98)</b>	<b>(1,334.37)</b>
Transfer from revaluation reserve	-	2.76	-	-	-	(2.76)	-	-
Transfer to statutory reserve	-	(9.26)	9.26	-	-	-	-	-
Transfer from debt redemption reserve	-	-	-	-	-	-	-	-
Securities premium on shares issued during the year	110.15	-	-	-	-	-	-	110.15
ESOP Charge	-	0.83	-	-	-	-	-	0.83
<b>Balance as at March 31, 2025</b>	<b>1,298.15</b>	<b>823.31</b>	<b>577.22</b>	<b>23.15</b>	<b>14.00</b>	<b>22.79</b>	<b>(1,426.73)</b>	<b>1,331.90</b>

As per our report of even date attached

For G. K. Choksi & Co.  
Chartered Accountants  
ICAI Firms Registration: 101898W

For and on behalf of the Board of Directors

**Sandeep A Parikh**  
Partner  
Membership No. 40727  
Mumbai, May 5, 2025

**Ajay Khimani**  
Managing Director  
DIN: 09076961

**Sandeep Agarwal**  
Chief Financial Officer  
Mumbai, May 5, 2025

**Kashmira Mathew**  
Executive Director  
DIN: 02341875

**Inara Wadhwa**  
Company Secretary  
Membership No. ACS65806



Notes to the financial statement for the year ended March 31, 2025

**1. Corporate information:**

ECL Finance Limited ('the Company') a public limited company domiciled and incorporated under the provisions of the Companies Act applicable in India is subsidiary of Edel Finance Company Limited ("Holding Company") and ultimate subsidiary of Edelweiss Financial services Limited ("Ultimate Holding Company"). The Company was incorporated on July 18, 2005 and is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI). The company is in the middle layer under scale based regulation (SBR) for NBFC.

As an NBFC-NDSI, the Company is primarily in business of lending and carries out only such activities as are permitted under the guidelines issued by RBI for NBFC-ND-SI

**2. Basis of preparation:**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements have been prepared on a historical cost basis, except for certain financial instruments such as, financial asset measured at fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, fair value through Profit or Loss and other financial assets held for trading, certain property plant and equipment which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

**3. Presentation of financial statements:**

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in "Note 48-Maturity Analysis of assets and liabilities".

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. ISDAs) are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

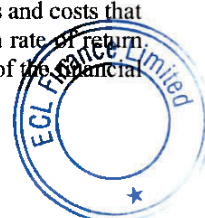
**4. Material accounting policies information**

**4.1 Recognition of revenue:**

**4.1.1 Effective interest rate (EIR):**

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVTOCI. The EIR is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate a shorter period to the gross carrying amount of financial instrument.

The EIR is calculated by considering any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial



## Notes to the financial statement for the year ended March 31, 2025

asset. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle including prepayments penalty interest and charges.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

### 4.1.2 Interest income:

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

### 4.1.3 Dividend income:

The Company recognised Dividend income when the Company's right to receive the payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

### 4.1.4 Revenue from contracts with customers:

Revenue is measured at transaction price i.e. the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The Company consider the terms of the contracts and its customary business practices to determine the transaction price. Where the consideration promised is variable, the Company excludes the estimates of variable consideration that are constrained.

The Company recognises fee income including advisory and syndication fees at a point in time in accordance with the terms and contracts entered between the Company and the counterparty.

## 4.2 Financial instruments:

### 4.2.1 Date of recognition:

Financial Assets and liabilities with exception of debt securities and borrowings are initially recognised on the trade date, i.e. the date the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Loans are recognised when funds are transferred to the customers' account. The Company recognises borrowings when funds are available for utilisation to the Company.

### 4.2.2 Initial measurement of financial instruments:

Financial assets and financial liabilities are initially measured at fair value. Trade receivables are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.



#### 4.2.3 Day 1 profit and loss:

When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

#### 4.2.4 Classification & measurement categories of financial assets and liabilities:

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

##### **Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in carrying value of financial assets is recognised in profit and loss account.

##### **Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

##### **Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting ate. The changes in fair value of financial assets is recognised in Profit and loss account.

#### 4.3 Financial assets and liabilities:

##### 4.3.1 Amortized cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.



Notes to the financial statement for the year ended March 31, 2025

**4.3.2 Financial assets held for trading:**

The Company classifies financial assets as held for trading when they have been purchased primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

**Financial asset measured at FVOCI-Loans**

Unrealised gains or losses on debt instruments measured at FVOCI are recognised in other comprehensive income, and on derecognition of such instrument accumulated gains or losses are recycled to profit and loss statement. Interest income on such instrument is recognised in profit and loss statements using EIR method.

**4.3.3 Investment in equity instruments:**

The Company subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to classify irrevocably some of its strategic equity investments to be measured at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

**4.3.4 Financial liabilities:**

All financial liabilities are measured at amortised cost except loan commitments, financial guarantees, and derivative financial liabilities.

**4.3.5 Derivative financial instruments:**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, market risk and foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss.

**4.3.6 Debt securities and other borrowed funds:**

The Company measures debt issued and other borrowed funds at Amortised cost at each reporting date. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

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 a reporting date. 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.

**4.3.7 Financial assets and financial liabilities at fair value through profit or loss:**

Financial assets and financial liabilities in this category are those that are held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis.





## Notes to the financial statement for the year ended March 31, 2025

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or
- The liabilities are part of a group of financial liabilities, which are managed, and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; Or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

### 4.3.8 Financial guarantee:

Financial guarantees are contract that requires the Company to make specified payments to reimburse to holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial guarantee issued or commitments to provide a loan at below market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently they are measured at higher of this amortised amount and the amount of loss allowance.

### 4.3.9 Loan commitments:

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer over the duration of the commitment. Undrawn loan commitments are in the scope of the ECL requirements.

### 4.3.10 Financial liabilities and equity instruments

Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

## 4.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.



## Notes to the financial statement for the year ended March 31, 2025

### 4.5 Derecognition of financial Instruments:

#### 4.5.1 Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either

- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset but assumed a contractual obligation to pay the cash flows in full without material delay to third party under pass through arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

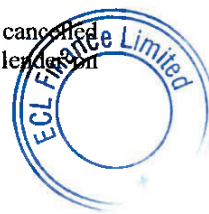
The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

The Company also derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial assets are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be POCI.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

#### 4.5.2 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on



## Notes to the financial statement for the year ended March 31, 2025

substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, is recognised statement of profit and loss.

### 4.6 Impairment of financial assets:

The Company records provisions based on expected credit loss model ("ECL") on all loans, other debt financial assets measured at amortised cost together with undrawn loan commitment, in this section all referred to as "Financial instrument". Equity instruments are not subject to impairment.

ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. Because ECL consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

#### Simplified approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However, if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

#### General approach

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default (EAD), for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Company categories its financial assets as follows:

#### Stage 1 assets:

Stage 1 assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognised.



Notes to the financial statement for the year ended March 31, 2025

**Stage 2 assets:**

Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition for these assets lifetime ECL (resulting from default events possible within 12 months from reporting date) are recognised.

**Stage 3 assets:**

Stage 3 for Assets considered credit-impaired the Company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

The ongoing assessment of whether a significant increase in credit risk has occurred for working capital facilities is similar to other lending products. The interest rate used to discount the ECLs for working capital facilities is based on the average effective interest rate that is expected to be charged over the expected period of exposure to the facilities.

Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The expected credit losses on the loan commitment have been recognised together with the loss allowance for the financial asset.

The Company's product offering includes a working capital facility with a right to company to cancel and/or reduce the facilities with one day's notice. The Company does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Company's expectations of the customer behaviour, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.

**4.7 Collateral valuation:**

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit /guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis. However, some collateral, for example, securities relating to margin requirements, is valued daily.

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers or based on housing price indices.

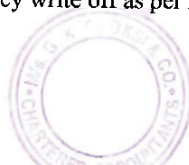
**4.8 Collateral repossessed:**

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Company's policy.

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

**4.9 Write-offs:**

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery besides technical / policy write off as per relevant policy.





Notes to the financial statement for the year ended March 31, 2025

**4.10 Forborne and modified loan:**

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset and Company continues to monitor until it is collected or written off.

**4.11 Determination of fair value:**

The Company measures financial instruments, such as, derivatives at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

**Level 1 financial instruments:**

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

**Level 2 financial instruments:**

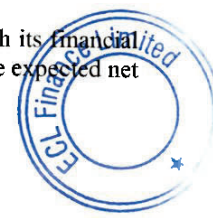
Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

**Level 3 financial instruments:**

Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net





## Notes to the financial statement for the year ended March 31, 2025

exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

### 4.12 Leases:

#### Company as a lessee:

The Company has applied Ind AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right of use assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

#### Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight-line basis over lease term.

#### Company as lessor:

The Company's accounting policy under Ind AS 116 has not changed from the comparative period. As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.



Notes to the financial statement for the year ended March 31, 2025

**4.13 Earnings per share:**

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year 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 by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

**4.14 Foreign currency transaction:**

The Standalone Financial Statements are presented in Indian Rupees which is also functional currency of the Company. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

**4.15 Retirement and other employee benefit:**

**4.15.1 Provident fund and national pension scheme:**

The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

**4.15.2 Gratuity:**

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.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurement are not reclassified to profit or loss in subsequent periods.

**4.15.3 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 on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.



## Notes to the financial statement for the year ended March 31, 2025

**4.15.4 Deferred bonus:**

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time. The measurement for the same has been based on actuarial assumptions and principles.

**4.15.5 Share-based payment arrangements:**

Equity-settled share-based payments to employees are granted by the ultimate parent Company. These are measured by reference to the fair value of the equity instruments at the grant date. These include Stock Appreciation Rights (SARs) where the right to receive the difference between the SAR price and the market price of equity shares of the ultimate parent Company on the date of exercise, either by way of cash or issuance of equity shares of the ultimate parent Company, is at the discretion of the ultimate parent Company. These are classified as equity settled share-based transaction.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'ESOP reserve'. In cases where the share options granted vest in instalments over the vesting period, the Group treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

**4.16 Property, plant and equipment:**

Property plant and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in profit or loss during the reporting period, in which they are incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. 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.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Nature of assets	Estimated useful lives
Building (other than Factory Building)	60 years
Plant and Equipment	15 years
Furniture and fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years



## Notes to the financial statement for the year ended March 31, 2025

Computers - End user devices, such as desktops, laptops, etc.	3 years
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Land and buildings are subsequently shown at fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Valuations will be carried out on a regular basis, unless the management consider it appropriate to have an earlier revaluation, such that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period. Any accumulated depreciation at the date of revaluation is eliminated from the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Subsequent measurement of land and building under revaluation model.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a revaluation reserve in shareholders' equity. An exception is a gain on revaluation that reverses a revaluation decrease (impairment) on the same asset previously recognised as an expense. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve directly in equity; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

#### 4.17 Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangibles such as software are amortised over a period of 3 - 5 years based on its estimated useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in profit or loss when the asset is derecognised.

#### 4.18 Impairment of non-financial 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 or the recoverable amount of cash generating unit which the asset belongs to 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 impairment is reversed subject to a maximum carrying value of the asset before impairment.

#### 4.19 Provisions and other contingent liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain





## Notes to the financial statement for the year ended March 31, 2025

future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

### 4.20 Income tax expenses:

#### 4.20.1 Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### 4.20.2 Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### 4.20.3 Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 4.21 Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

## 5. Significant accounting judgements, estimates and assumptions:

In the application of the Company's accounting policies, which are described in note 4, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.





## Notes to the financial statement for the year ended March 31, 2025

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### **Critical judgements in applying accounting policies:**

The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### **5.1 Business model assessment:**

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Company's of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

#### **5.2 Significant increase in credit risk:**

##### **Key sources of estimation uncertainty:**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### **5.3 Fair value of financial instruments:**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

#### **5.4 Effective Interest Rate (EIR) Method:**

The Company's EIR methodology, as explained in Note 4.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.



## Notes to the financial statement for the year ended March 31, 2025

This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument

### 5.5 Impairment of Financial assets:

The measurement of impairment losses across all categories of financial assets requires judgement the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- PD calculation includes historical data, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It is Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

### 5.6 Investment Property

Properties held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs.

Depreciation is recognised using written down value method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. At the end of each accounting year, the Company reviews the carrying amounts of its investment property to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists investment property are tested for impairment so as to determine the impairment loss, if any.

The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

## 6. Recent accounting pronouncements:

The Ministry of Corporate Affairs, vide notifications dated August 12, 2024, and September 09, 2024, notified the Companies (Indian Accounting Standards) Amendment Rules, 2024, and the Companies (Indian Accounting Standards) Second Amendment Rules, 2024. These notifications amend/enact certain Indian Accounting Standards, effective from April 01, 2024:



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025

- i) Ind AS 117 – Insurance Contracts (Newly enacted Standard)  
ii) Ind AS 116 – Amendment related to sale and leaseback transaction falling under the purview of Ind AS 116 (amendment to existing standard)

The newly enacted standards and amendments to the existing standards do not impact the amounts recognised in prior periods and are not expected to have any effect on the current period either

7. Pursuant to Securities Subscription Agreement dated March 5, 2019 amongst the Company, Edelweiss Financial Services Limited, Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited and Edel Finance Company Limited and CDPQ Private Equity Asia Pte Limited (as the "Investor"), a wholly owned subsidiary of Caisse de dépôt et placement du Québec (CDPQ), for an investment of US\$ 25 crores, amounting to approximately Rs 1,800 crores into the Company, the Investor has subscribed to 1000 Equity shares of Re. 1/- each at premium of Rs. 31/- per Equity Share and 103,949,680 Compulsorily Convertible Debentures (CCDs) at Rs. 100 per CCD and accordingly paid the Company a total sum of Rs. 1,039.5 crores on May 7, 2019, towards first tranche. During the financial year 2024-25 such CCD's were due for conversion and accordingly 56,18,90,162 equity shares with a face value of Rs. 1 each were issued on conversion to Ecap Equities Limited.
8. A Scheme of Amalgamation for the merger of the Transferor Company with ECL Finance Limited (the Transferee Company) has been initiated under Sections 230 to 232 of the Companies Act, 2013. The scheme was filed with the BSE on June 12, 2024, and with the NSE on June 13, 2024. On October 10, 2024, both exchanges issued observation letters with no adverse comments. Additionally, on June 12, 2024, the Company had applied to the Reserve Bank of India (RBI) for confirmation of its previous approval related to the merger and RBI vide its letter dated February 07, 2025 conveyed its no objection to the Scheme. Later, the Transferor Company and the Transferee Company filed a joint application before Hon'ble National Company Law Tribunal, Mumbai Bench and the matter was heard on April 25, 2025 and is reserved for order.



**ECL Finance Limited**

Notes to the financial statement for the year ended March 31, 2025

(Currency: Indian rupees in crores)

**9. Cash and cash equivalents****Balances with banks**

In current accounts

	As at March 31, 2025	As at March 31, 2024
	730.23	512.21
	<b>730.23</b>	<b>512.21</b>

**10. Bank balances other than cash and cash equivalents**

Fixed deposit with banks

0.00 7.75

Fixed deposits with banks to the extent held as margin money or security against borrowings, guarantees, securitisation etc.

(Refer Note 10.A Below)

37.72 20.01

	As at March 31, 2025	As at March 31, 2024
	0.00	7.75
	37.72	20.01
	<b>37.72</b>	<b>27.76</b>

**Notes:**

1) Fixed deposit balances with banks earns interest at fixed rate.

**10.A Encumbrances on fixed deposits held by the Company:****Fixed deposits pledged for:****Security deposit for term loan and WCDL facilities**

Union Bank of India

0.70 0.66

IDBI Bank Limited

2.86 2.72

State Bank of India

15.83 8.07

Canara Bank

0.15 -

**Bank guarantee for securitisation**

ICICI Bank Limited

- 2.05

Central Bank of India

4.34 0.82

**Security deposit for meeting margin requirement for trading in cross currency swaps and forward margin**

State Bank of India

13.84 5.70

	As at March 31, 2025	As at March 31, 2024
	0.70	0.66
	2.86	2.72
	15.83	8.07
	0.15	-
	-	2.05
	4.34	0.82
	13.84	5.70
	<b>37.72</b>	<b>20.01</b>



**ECL Finance Limited**

**Notes to the financial statement for the year ended March 31, 2025**

(Currency: Indian rupees in crores)

**11. Derivative financial instruments**

**Fair Value Assets**

On Interest rate derivatives  
On Equity and Index linked derivatives

	As at March 31, 2025	As at March 31, 2024
	0.98	9.13
	-	62.06
	0.98	71.19
	-	40.60
	4.32	2.20
	4.32	42.80

**Fair Value Liabilities**

On Equity and Index linked derivatives  
On Interest rate derivatives





# ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

## 11. Derivative financial instruments

The Company enters into derivatives for risk management purposes. These include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts/Units held

As at March 31, 2025							
Particulars	Unit	Currency	Notional	Fair value asset	Unit	Currency	Fair value liability
<b>(i) Interest rate derivatives</b>							
Interest rate swaps	Rupees	INR	525	0.98	Rupees	INR	1,175.00
Interest rate futures					G-Sec Units		3,08,26,000.00
Less: amounts offset							1.07
(Refer Note 11.A & 50)							(1.07)
<b>Subtotal(i)</b>				<b>0.98</b>			<b>4.32</b>
<b>(ii) Equity linked derivatives</b>							
Stock futures	No of Shares		59,000	0.01	No of Shares		2,500
Options	Units		-	-	Units		-
Less: amounts offset				(0.01)			-
(Refer Note 11.A & 50)							(0.00)
<b>Subtotal(ii)</b>				<b>-</b>			<b>-</b>
<b>(iii) Index linked derivatives</b>							
Index futures	Index Units		-	-	Index Units		-
Options	Index Units		-	-			-
Less: amounts offset				-			-
(Refer Note 11.A & 50)							-
<b>Subtotal(iii)</b>				<b>-</b>			<b>-</b>
<b>Total derivative financial instruments</b>			<b>Total</b>	<b>0.98</b>			<b>Total</b>
							<b>4.32</b>

As at March 31, 2024							
Particulars	Unit	Currency	Notional	Fair value asset	Unit	Currency	Fair value liability
<b>(i) Interest rate derivatives</b>							
Interest rate swaps	Rupees	INR	1,775.00	9.13	Rupees	INR	780.00
Interest rate future					G-Sec Units		25,05,800.00
Less: amounts offset							0.47
(Refer Note 11.A & 50)							(0.47)
<b>Subtotal(i)</b>				<b>9.13</b>			<b>2.20</b>
<b>(ii) Equity linked derivatives</b>							
Stock futures	No of Shares		49,05,258	6.69	No of Shares		33,38,695
Options	Units		93,26,378	32.79	Units		93,26,378
Less: amounts offset				(6.69)			1.98
(Refer Note 11.A & 50)							23.11
<b>Subtotal(ii)</b>				<b>32.79</b>			<b>23.11</b>
<b>(iii) Index linked derivatives</b>							
Index futures	Index Units		71,425	0.36	Index Units		2,25,155
Options	Index Units		2,25,155	29.28			17.49
Less: amounts offset				(0.36)			-
(Refer Note 11.A & 50)							-
<b>Subtotal(iii)</b>				<b>29.28</b>			<b>17.49</b>
<b>Total derivative financial instruments</b>				<b>71.19</b>			<b>42.80</b>

Note: The notional/units held indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

### Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and equity index risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 51.

### Derivatives designated as hedging instruments

The Company has not designated any derivatives as hedging instruments



**ECL Finance Limited**

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency Indian rupees in crores)

**11.A Offsetting**

The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet

**Financial Assets subject to offsetting, netting arrangements**

As at March 31, 2025	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Financial Liabilities	Collaterals Paid	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets	0 98	(0 01)	0 97	(4 32)	13 84	10 49	-	0 98	10 50
Margin placed with broker*	4 95	(0 35)	4 60	-	-	4 60	-	4 60	4 60

**Financial Liabilities subject to offsetting, netting arrangements**

As at March 31, 2025	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Financial Assets	Collaterals Received	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities	5 38	(1 07)	4 32	(4 32)	-	0 00	-	4 32	-
Margin payable	0 71	-	0 71	-	-	0 71	-	0 71	0 71

**Financial Assets subject to offsetting, netting arrangements**

As at March 31, 2024	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Financial Liabilities	Collaterals Paid	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets	16 18	(7 05)	9 13	(2 20)	5 70	12 63	62 07	71 19	74 70
Margin placed with broker*	78 86	4 60	83 47	-	-	83 47	-	83 47	83 47

**Financial Liabilities subject to offsetting, netting arrangements**

As at March 31, 2024	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Financial Assets	Collaterals received	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities	4 64	(2 45)	2 20	(2 20)	-	-0 00	40 60	42 80	10 60

\*As on the reporting date, margin placed with broker net off with net liability towards mark to market loss on derivatives future contracts and similarly, net mark to market gain are added to margin placed with broker. Accordingly the same are presented in the financial statement



	As at March 31, 2025	As at March 31, 2024
<b>12. Trade receivables</b>		
<b>a) Trade receivables</b>		
Unsecured, considered good (unless stated otherwise)	-	-
(i) Undisputed Trade receivables	39.36	502.07
(ii) Undisputed Trade Receivables – credit impaired	-	0.02
Receivables considered good - Unsecured (unless stated otherwise)	39.36	502.09
Allowance for expected credit losses		
Receivables considered good - Unsecured	(0.01)	(0.04)
	39.35	502.05

**b) Reconciliation of impairment allowance on trade receivables:**

	For the year ended March 31, 2025	For the year ended March 31, 2024
Impairment allowance as per simplified approach		
Impairment allowance - opening balance	0.04	0.91
Add/ (less): asset originated / acquired / recovered (net)	(0.03)	(0.87)
Impairment allowance - closing balance	0.01	0.04

**Notes:**

1) No trade receivables are due from directors or other officers of the company either severally or jointly with any other person

2) Please refer note 48. - Related party disclosure for trade or other receivables due from firms or private companies in which directors is are partner, a director or a member.

**c) Trade receivables days past due**

As at March 31, 2025	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good - Secured	-	-	-	-	-	-
(ii) Undisputed Trade receivables – considered good - Unsecured	39.36	0.00	-	-	-	39.36
(iii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iv) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(v) Disputed Trade Receivables–considered good - Secured	-	-	-	-	-	-
(vi) Disputed Trade Receivables–considered good - Unsecured	-	-	-	-	-	-
(vii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(viii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
ECL - simplified approach	(0.01)	(0.00)	-	-	-	(0.01)
Net carrying amount	39.35	0.00	-	-	-	39.35

As at March 31, 2024	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good - Secured	-	-	-	-	-	-
(ii) Undisputed Trade receivables – considered good - Unsecured	498.89	3.16	-	-	-	502.05
(iii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iv) Undisputed Trade Receivables – credit impaired	-	-	0.02	-	-	0.02
(v) Disputed Trade Receivables–considered good - Secured	-	-	-	-	-	-
(vi) Disputed Trade Receivables–considered good - Unsecured	-	-	-	-	-	-
(vii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(viii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
ECL - simplified approach	(0.01)	(0.01)	(0.02)	-	-	(0.04)
Net carrying amount	498.88	3.15	0.00	-	-	502.04

Unbilled amount due as of March 2025 is NIL. (March 2024- NIL).



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

	As at March 31, 2025	As at March 31, 2024
<b>13. Loans</b>		
<b>(I) (A) at Amortised Cost</b>		
-Term Loans;		
Corporate credit	-	53.66
Retail credit	659.78	871.84
<b>(B) at fair value through other comprehensive income</b>		
-Term Loans;		
Corporate credit	307.47	396.24
<b>Total gross (C)= (A) + (B)</b>	<b>967.25</b>	<b>1,321.74</b>
<b>Less: Impairment loss allowance (D)</b>		
-At Amortised Cost	(26.17)	(19.92)
-At fair value through other comprehensive income (Refer Note 13.A)	(11.90)	(35.69)
<b>Total net (E)= (C)-(D)</b>	<b>929.18</b>	<b>1,266.12</b>
<b>(II) (i) at Amortised Cost</b>		
Secured by tangible assets (property including land & building)	411.48	486.71
Secured by intangible assets (fixed deposits, unlisted securities, project receivables & other marketable securities)	21.63	21.69
Unsecured	226.67	417.10
<b>(ii) at fair value through other comprehensive income</b>		
Secured by tangible assets (property including land & building)	265.52	303.47
Secured by intangible assets (fixed deposits, unlisted securities, project receivables & other marketable securities)	41.95	87.02
Unsecured	-	5.75
<b>Total gross</b>	<b>967.25</b>	<b>1,321.74</b>
<b>Less: Impairment loss allowance</b>		
-At Amortised Cost	(26.17)	(19.93)
-At fair value through other comprehensive income (Refer Note 13.A)	(11.90)	(35.69)
<b>Total net</b>	<b>929.18</b>	<b>1,266.12</b>
<b>(III) (1) Loans in India</b>		
<b>(i) at Amortised Cost</b>		
Public sector	-	-
Others	659.78	925.50
<b>(ii) at fair value through other comprehensive income</b>		
<b>Loans in India</b>		
Public sector	-	-
Others	307.47	396.24
<b>Total gross</b>	<b>967.25</b>	<b>1,321.74</b>
<b>Less: Impairment loss allowance</b>		
-At Amortised Cost	(26.17)	(19.92)
-At fair value through other comprehensive income (Refer Note 13.A)	(11.90)	(35.69)
<b>(2) Loans outside India</b>		
<b>Total net</b>	<b>929.18</b>	<b>1,266.12</b>

Note: There are no loans or advances, in the nature of loans, are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act 2013), either severally or jointly with any other person.



**ECL Finance Limited**

**Notes to the financial statement for the year ended March 31, 2025 (continued)**

(Currency Indian rupees in crores)

**13.A Credit quality of assets**

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading for stage classification are explained in Note 51 D 1 and policies on ECL allowances are set out in Note 4 6

**a Credit quality of assets**

	As at March 31, 2025				As at March 31, 2024			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
<b>Performing</b>								
High grade	794.30			794.30	1,076.36			1,076.36
Standard grade		150.39		150.39		211.55		211.55
<b>Non-performing</b>								
Individually impaired*			22.56	22.56			33.83	33.83
	<b>794.30</b>	<b>150.39</b>	<b>22.56</b>	<b>967.25</b>	<b>1,076.36</b>	<b>211.55</b>	<b>33.83</b>	<b>1,321.74</b>

\*Total numbers of borrowers as on 31st March 2025 are 104 (previous year 138)

**b Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances to corporate and retail customers:**

The following disclosure provides stage wise reconciliation of the Company's gross carrying amount and ECL allowances for loans and advances to corporates and retail customers. The transfers of financial assets represents the impact of stage transfers upon the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from stage transfers represents the increase or decrease due to these transfers.

The 'New assets originated /repayments received (net)' represent the gross carrying amount and associated allowance ECL impact from transactions i.e. new lending, further disbursements, repayments and interest accrual on loans.

**Reconciliation / movement for the year ended March 31, 2025**

Particulars	Non credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III			
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL
Opening balance	1,076.36	12.20	211.55	28.05	33.83	15.37	1,321.74	55.62
Transfer of financial assets								
Stage I to Stage II	(22.67)	(1.50)	22.67	1.50	-	-	-	-
Stage I to Stage III	(31.45)	(1.87)	-	-	31.45	1.87	-	-
Stage II to Stage III	-	-	(11.37)	(1.96)	11.37	1.96	-	-
Stage II to Stage I	29.06	4.87	(29.06)	(4.87)	-	-	-	-
Stage III to Stage I	0.19	0.02	-	-	(0.19)	(0.02)	-	-
Stage III to Stage II	-	-	0.59	0.25	(0.59)	(0.25)	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	-	-	-	-	-	-	-
New assets originated /repayments received (net)	(257.19)	(0.58)	(43.99)	(7.84)	(35.37)	(9.14)	(336.55)	(17.55)
Loans sold to ARC/AIF/Others	-	-	-	-	-	-	-	-
Amounts written off (net)	-	-	-	-	(17.94)	-	(17.94)	-
Closing balance	794.30	13.14	150.39	15.14	22.56	9.80	967.25	38.07

**Reconciliation / movement for the year Ended March 31, 2024**

Particulars	Non credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III			
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL
Opening balance	1,885.41	40.02	1,903.23	283.84	75.87	31.10	3,864.51	354.96
Transfer of financial assets:								
Stage I to Stage II	(120.10)	(9.29)	120.10	9.29	-	-	-	-
Stage I to Stage III	(73.08)	(2.73)	-	-	73.08	2.73	-	-
Stage II to Stage III	-	-	(286.35)	(21.74)	286.35	21.74	-	-
Stage II to Stage I	52.17	6.69	(52.17)	(6.69)	-	-	-	-
Stage III to Stage I	2.28	0.46	-	-	(2.28)	(0.46)	-	-
Stage III to Stage II	-	-	2.48	0.49	(2.48)	(0.49)	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	(6.86)	-	(5.43)	-	(16.60)	-	(28.89)
New assets originated /repayments received (net)	886.81	198.17	(1,246.46)	(178.84)	238.12	(22.65)	(121.53)	(3.32)
Loans sold to ARC/AIF/Others	(1,557.13)	(214.26)	(229.28)	(52.86)	(602.16)	-	(2,388.57)	(267.12)
Amounts written off (net)	-	-	-	-	(32.67)	-	(32.67)	-
Closing balance	1,076.36	12.20	211.55	28.06	33.83	15.37	1,321.74	55.63

Note:

The Board of Directors in their meeting have approved the decision of the Company to exit from the Real estate ("RE") and Structured finance ("SF") business and reduce the underlying loan portfolio in the near to mid-term. Consequently, the Company's business model with respect to the Real estate and Structured finance portfolio has changed from 'hold to collect' to 'hold to collect and sell'. As per the requirements of Ind AS 109 "Financial Instruments", effective from January 01, 2024, the Company has reclassified its Real estate and Structured finance portfolio measured at amortised cost amounting to Rs 388.06 crores to fair value through other comprehensive income.





## Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

## 14. Investments

As at March 31, 2025	At amortised cost (1)	At fair value				At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through profit or loss (4)	Subtotal 5 = (2+3+4)		
Mutual Funds	-	-	-	-	-	-	-
Government Debt Securities	-	-	2,762.45	-	2,762.45	-	2,762.45
Corporate Bonds	-	-	216.83	-	216.83	-	216.83
Security receipts (refer note 4)	-	2,259.99	-	-	2,259.99	-	2,259.99
Pass through certificates	-	-	28.08	-	28.08	-	28.08
Alternative Investment Fund / Venture Capital Fund	-	-	-	-	-	-	-
Equity Shares	-	-	118.95	-	118.95	-	118.95
Compulsorily Convertible Preference Shares	-	-	19.58	-	19.58	-	19.58
<b>TOTAL - gross (A)</b>	-	2,259.99	3,145.89	-	5,405.88	-	5,405.88
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	2,259.99	3,145.89	-	5,405.88	-	5,405.88
<b>Total (B)</b>	-	2,259.99	3,145.89	-	5,405.88	-	5,405.88
Less: allowance for impairment (C)	-	-	-	-	-	-	-
<b>Total net (A-C)</b>	-	2,259.99	3,145.89	-	5,405.88	-	5,405.88

Notes:

## For Current year

- 1) Please refer note 14.A - Investment details
- 2) Please refer note 50 - Fair value measurement for valuation methodology
- 3) In order to reflect substance of the transaction, the Company has offset investment in Pass Through Certificates (PTC) against securitisation liability reported under other financial liabilities.
- 4) During the year, the RBI lifted restrictions on the Company. Further the Company received the RBI inspection report for FY 2023-24 and implemented the necessary actions. Also, in this quarter, the Company has valued its security receipts based on IRAC loan norms and reassessed ECL, resulting to a provision of Rs. 1,137.24 crores in the financial statement through other comprehensive income.

As at March 31, 2024	At amortised cost (1)	At fair value				At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through profit or loss (4)	Subtotal 5 = (2+3+4)		
Mutual Funds	-	-	149.98	-	149.98	-	149.98
Government Debt Securities	-	-	2,834.92	-	2,834.92	-	2,834.92
Corporate Bonds	-	-	264.59	-	264.59	-	264.59
Security receipts (refer note 4)	-	3,822.42	-	-	3,822.42	-	3,822.42
Pass through certificates	-	-	28.08	-	28.08	-	28.08
Alternative Investment Fund / Venture Capital Fund	-	-	-	-	-	-	-
Equity Shares	-	-	107.85	-	107.85	-	107.85
Compulsorily Convertible Preference Shares	-	-	179.41	-	179.41	-	179.41
<b>TOTAL - gross (A)</b>	-	3,822.42	3,575.48	-	7,397.88	-	7,397.88
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	3,822.42	3,575.48	-	7,397.88	-	7,397.88
<b>Total (B)</b>	-	3,822.42	3,575.48	-	7,397.88	-	7,397.88
Less: allowance for impairment (C)	-	-	-	-	-	-	-
<b>Total Net (A-C)</b>	-	3,822.42	3,575.48	-	7,397.88	-	7,397.88

Notes:

## For previous year

- 1) Please refer note 14.A - Investment details
- 2) Please refer note 50 - Fair value measurement for valuation methodology
- 3) In order to reflect substance of the transaction, the Company has offset investment in Pass Through Certificates (PTC) against securitisation liability reported under other financial liabilities.
- 4) During the year, due to the change in the existing rights attached to the financial instrument, the investment in Security Receipts ("SRs") which were previously measured at fair value through profit and loss, were derecognized and revised terms of rights in SRs representing residual interest in the trust ("SR Instrument - Equity") have been recognized and measured at Fair Value through Other Comprehensive Income (FVOCI - Equity). Further, during the quarter ended March 31, 2024, Company has taken impact of (₹41.75) crores (net of tax) on SRs in other comprehensive income pertaining to exited Real Estate & Structured Finance businesses.
- 5) During the quarter ended March 31, 2024, The company and EFSL, the ultimate holding company has agreed to discontinue risk and reward agreement in respect of security receipts (SRs). EFSL has also agreed to settle net outstanding unrealised losses on SRs amount to Rs.714.96 crores. Accordingly company received Rs.521.68 crores during the quarter ended March 31, 2024 and balance amount Rs.193.28 crores will be settled post March 31, 2024.



# ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency Indian rupees in crores)

## 14.A Investments

### Central Government Debt Securities

At fair value through profit and loss account

7 59% Government Stock 11 01 2026 Bonds	-	-	-
5 15% Government Stock 09 11 2025 Bonds	-	-	-
5 63% Government Stock 2026	100	70,00,000	71 32
7 10% Government Stock 2029	100	5,00,000	5 26
7 38% Government Stock 2027	100	70,00,000	72 81
6 69% Government Stock 2024	-	-	-
7 26% Government Stock 2032	100	10,00,000	10 46
6 89% Government Stock 2025	-	-	-
7 26% Government Stock 2033	100	75,00,000	78 83
7 06% Government Stock 2028	100	1,60,00,000	168 05
6 99% Government Stock 2026	100	55,00,000	57 05
7 18% Government Stock 2033	100	35,00,000	36 61
7 37% Government Stock 2028	100	1,35,00,000	143 32
7 33% Government Stock 2026	100	5,00,000	5 22
7 32% Government Stock 2030	100	70,00,000	74 64
8 24% Government Stock 2027	100	10,00,000	10 41
091DTB 11042024	-	-	-
091DTB 27062024	-	-	-
6 90 OIL SPL 2026	-	-	-
6 79% Government Stock 2031	100	20,00,000	20 65
6 92% Government Stock 2039	100	5,00,000	5 24
7 1% Government Stock 2034	100	1,25,00,000	133 35
6 79% Government Stock 2034	100	35,00,000	36 15
7 02% Government Stock 2031	100	25,00,000	26 15
7 04% Government Stock 2029	100	1,55,00,000	161 84
8 28% Government Stock 2027	100	5,00,000	5 22
7 59% Government Stock 2029	100	50,00,000	52 05
7 17% Government Stock 2028	100	5,00,000	5 17
6 1% Government Stock 2031	100	40,00,000	39 68
6 75% Government Stock 2029	100	3,45,00,000	355 41
6 79% Government Stock 2034	100	75,00,000	78 55
7 88% Government Stock 2030	100	5,00,000	5 29
8 26% Government Stock 2027	100	5,00,000	5 26
7 17% Government Stock 2030	100	1,00,00,000	106 17
6 79% Government Stock 2029	100	15,00,000	15 44
6 79% Government Stock 2027	100	5,00,000	5 16
091DTB 26062025	100	1,50,00,000	147 82
364DTB 11092025	100	35,00,000	34 03

As at March 31, 2025			As at March 31, 2024		
Face Value	Quantity	Amount	Face Value	Quantity	Amount
-	-	-	100	55,00,000	56 47
-	-	-	100	20,00,000	19 85
100	70,00,000	71 32	100	65,00,000	65 04
100	5,00,000	5 26	100	20,00,000	20 69
100	70,00,000	72 81	100	2,65,00,000	272 94
-	-	-	100	50,00,000	50 83
100	10,00,000	10 46	100	55,00,000	56 01
-	-	-	100	12,13,800	12 30
100	75,00,000	78 83	100	1,40,00,000	143 16
100	1,60,00,000	168 05	100	5,00,000	5 17
100	55,00,000	57 05	100	1,70,00,000	175 29
100	35,00,000	36 61	100	1,55,00,000	157 78
100	1,35,00,000	143 32	100	6,25,00,000	652 82
100	5,00,000	5 22	100	1,25,00,000	129 74
100	70,00,000	74 64	100	1,00,00,000	104 15
100	10,00,000	10 41	100	20,00,000	20 82
-	-	-	100	1,95,00,000	194 66
-	-	-	100	3,00,00,000	295 21
-	-	-	100	1,45,00,000	145 22
100	20,00,000	20 65	-	-	-
100	5,00,000	5 24	-	-	-
100	1,25,00,000	133 35	-	-	-
100	35,00,000	36 15	-	-	-
100	25,00,000	26 15	-	-	-
100	1,55,00,000	161 84	-	-	-
100	5,00,000	5 22	-	-	-
100	50,00,000	52 05	-	-	-
100	5,00,000	5 17	-	-	-
100	40,00,000	39 68	-	-	-
100	3,45,00,000	355 41	-	-	-
100	75,00,000	78 55	-	-	-
100	5,00,000	5 29	-	-	-
100	5,00,000	5 26	-	-	-
100	1,00,00,000	106 17	-	-	-
100	15,00,000	15 44	-	-	-
100	5,00,000	5 16	-	-	-
100	1,50,00,000	147 82	-	-	-
100	35,00,000	34 03	-	-	-



# ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency Indian rupees in crores)

## State Government Debt Securities

At fair value through profit and loss account

8 22% Andhra Pradesh State Development Loan 2025	-	-	-	100	10,00,000	10 31
8 24% Andhra Pradesh State Development Loan 2025 DEC	-	-	-	100	40,00,000	41 54
7 24% Gujarat State Development Loan 2026	-	-	-	100	10,00,000	10 16
8 51% Haryana State Development Loan 2026	-	-	-	100	5,00,000	5 16
8 21% Haryana UDAY 2026	-	-	-	100	33,00,000	34 89
8 30% Madhya Pradesh State Development Loan 2026	-	-	-	100	5,00,000	5 17
8 39% Madhya Pradesh State Development Loan 2026	-	-	-	100	50,00,000	51 62
8 29% Rajasthan State Development Loan 2025 JUL	-	-	-	100	20,00,000	20 50
8 48% Rajasthan State Development Loan 2026	-	-	-	100	10,00,000	10 31
8 65% Rajasthan State Development Loan 2026	-	-	-	100	30,00,000	30 95
8 55% Rajasthan State Development Loan 2026	-	-	-	100	15,00,000	15 40
7 98% Tamil Nadu State Development Loan 2026	-	-	-	100	5,00,000	5 21
8 17% West Bengal State Development Loan 2025	-	-	-	100	15,00,000	15 55
7 18% Tamil Nadu State Development Loan 2027	100	5,00,000	5 11	-	-	-
7 23% Andhra Pradesh State Development Loan 2026	100	5,00,000	5 19	-	-	-
7 08% Tamil Nadu State Development Loan 2030	100	18,91,900	19 19	-	-	-
7 13% Tamil Nadu State Development Loan 2030	100	80,00,000	81 00	-	-	-
7 18% Maharashtra State Development Loan 2029	100	25,00,000	25 74	-	-	-
8 28% Tamil Nadu State Development Loan 2028	100	5,00,000	5 25	-	-	-
6 58% Karnataka State Development Loan 2030	100	3,71,700	3 75	-	-	-
8 71% Uttar Pradesh State Development Loan 2028	100	5,00,000	5 50	-	-	-
7 23% Tamil Nadu State Development Loan 2027	100	20,00,000	20 63	-	-	-
6 98% Maharashtra State Development Loan 2028	100	20,63,700	20 90	-	-	-
7 03% Tamil Nadu State Development Loan 2029	100	10,00,000	10 12	-	-	-
7 18% Maharashtra State Development Loan 2030	100	15,00,000	15 74	-	-	-
7 39% Andhra Pradesh State Development Loan 2029	100	15,00,000	15 46	-	-	-
7 45% Rajasthan State Development Loan 2030	100	10,00,000	10 25	-	-	-
8 06% Karnataka State Development Loan 2029	100	5,00,000	5 22	-	-	-
8 08% Karnataka State Development Loan 2028	100	30,00,000	31 91	-	-	-
7 64% West Bengal State Development Loan 2027	100	35,00,000	35 59	-	-	-
8 28% Rajasthan State Development Loan 2028	100	20,00,000	20 88	-	-	-
7 29% Andhra Pradesh State Development Loan 2030	100	20,00,000	20 64	-	-	-
7 46% Madhya Pradesh State Development Loan 2027	100	1,05,00,000	106 90	-	-	-
7 69% Madhya Pradesh State Development Loan 2026	100	25,00,000	25 30	-	-	-
7 6% Andhra Pradesh State Development Loan 2029	100	15,00,000	15 97	-	-	-
7 21% West Bengal State Development Loan 2027	100	10,00,000	10 21	-	-	-
8 35% Gujarat State Development Loan 2029	100	35,00,000	37 01	-	-	-
8 05% Gujarat State Development Loan 2029	100	10,00,000	10 43	-	-	-
8 09% West Bengal State Development Loan 2028	100	10,00,000	10 47	-	-	-
6 97% Maharashtra State Development Loan 2028	100	45,00,000	45 62	-	-	-
7 12% Karnataka State Development Loan 2036	100	5,00,000	5 18	-	-	-
8 18% Haryana State Development Loan 2026	100	35,00,000	36 41	-	-	-
8 19% Rajasthan State Development Loan 2026	100	20,00,000	20 78	-	-	-
8 38% Gujarat State Development Loan 2029	100	20,00,000	21 22	-	-	-
7 06% Tamil Nadu State Development Loan 2029	100	25,00,000	25 38	-	-	-
7% Tamil Nadu State Development Loan 2029	100	50,00,000	50 57	-	-	-
7 73% Maharashtra State Development Loan 2032	100	5,00,000	5 22	-	-	-
8 39% Rajasthan State Development Loan 2026	100	5,00,000	5 10	-	-	-

## Total Government Debt Securities (A)

		2,762.45			2,834.92
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## Debt Securities

At fair value through profit and loss account

11 00% Edelweiss Finvest Private Limited 29 07 2025 Bonds	10,00,000	56	6 06	10,00,000	56	6 02
8 88% Edelweiss Retail Finance Limited 22 03 2028 Bonds	1,000	1,517	0 15	1,000	1,517	0 14
9 25% Edelweiss Retail Finance Limited 22 03 2028 Bonds	1,000	3,415	0 34	1,000	3,415	0 31
10 18% Edel Finance Company Limited 27 04 2027 Bonds	10,00,000	1,001	110 08	10,00,000	1,001	107 87
9 77% Unsecured Rated Listed Redeemable NCD 04/05/2024 (Edelweiss Rural & Corporate Services Limited)	-	-	-	-	-	150 00
9 35% Series V1 Edelweiss Financial Services Limited 20 Oct 27	1,000	1,291	0 12	1,000	1,291	0 12
9 67% Series V1 Edelweiss Financial Services Limited 20 Jan 28	1,000	1,346	0 13	1,000	1,346	0 13
8 95% Series I Edelweiss Financial Services Limited 29 Jan 26	1,000	50	-	1,000	50	-
10 00% Edel Finance Co Limited 17-Dec-2027	1,00,000	9,500	99 95	-	-	-

## Total Debt Securities (B)

		216.83			264.59
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Total (A+B)

		2,979.28			3,099.51
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# ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency Indian rupees in crores)

## Security receipts

At fair value through other comprehensive income - Equity Instrument

EARC Trust SC 9	1	71,487	-	1	71,487	-
EARC Trust SC 229	1,000	2,55,000	-	1,000	2,55,000	-
EARC Trust SC 361	14	2,40,000	-	812	2,40,000	9 30
EARC Trust SC 326	1	529	-	1	529	-
EARC Trust SC 372	1	2,54,745	-	1	2,54,745	-
EARC Trust SC 393	1,000	3,18,750	16	1,000	3,18,750	15 79
ACRE ARC Trust - 100	355	1,53,00,000	271	370	1,53,00,000	424 99
EARC Trust SC 413 Class B	579	2,36,415	7	779	2,36,415	13 82
OMKARA PS04 - 2021-22 Trust	-	-	-	1,000	58,820	-
OMKARA PS08 - 2021-22 Trust	1,000	32,861	2	1,000	53,227	2 46
CFMARC Trust 83	1,000	6,56,183	-	1,000	11,24,240	90 50
EARC Trust SC - 444 Class B	1,000	85,150	2	1,000	85,150	3 19
CFMARC Trust - 93	1,000	6,38,384	37 66	1,000	6,38,384	54 19
EARC Trust SC 462 CLASS B	1,000	10,71,000	-	1,000	10,71,000	53 55
INVENT 2223 ECL S130 Trust	1,000	3,06,000	18 05	1,000	3,06,000	25 97
EARC Trust SC 298 Class B	1,000	23,12,000	-	1,000	23,12,000	57 80
EARC SC - 453 CLASS B	1,000	1,41,70,900	708 55	1,000	1,41,70,901	1,202 83
PARAS-140 Trust	1,000	13,17,500	77 72	1,000	13,17,500	111 83
CFMARC Trust - 127	1,000	1,73,808	8 69	1,000	1,76,052	13 20
EARC Trust SC - 455 CLASS B	1,000	17,25,500	101 79	1,000	17,25,500	146 46
EARC Trust-SC 452 CLASS B	1,000	73,34,700	432 67	1,000	73,34,700	622 57
CFM 129	1,000	13,19,625	65 98	1,000	13,19,625	112 01
EARC Trust SC 470 Class B	1,000	12,75,500	63 78	1,000	12,75,500	108 26
EARC Trust SC - 384 CLASS B	828	34,22,100	141.67	828	34,22,100	213 44
EARC Trust SC 374	295	63,106	0 93	347	63,106	1 48
EARC Trust SC 378	1	22,780	-	161	22,780	0 23
EARC Trust SC 373	121	2,25,250	1 36	156	2,25,250	2 63
EARC Trust SC 385 Class B	598	1,79,783	5 37	637	1,79,783	8 58
EARC Trust SC 416 Class B	302	98,842	1 49	706	98,842	5 23
EARC Trust SC 417 Class B	627	2,37,851	7 46	870	2,37,851	15 52
Acre 135 trust Class B	1,000	56,200	2 81	1,000	56,200	4 21
Omikara PS 34 ( Retail )	1,000	25,789	1 29	1,000	42,811	3 21
PARAS ARC Trust - 136	1,000	22,95,000	135 38	1,000	22,95,000	194 80
PARAS ARC Trust - 137	1,000	2,55,000	15 04	1,000	2,55,000	21 74
ACRE ARC Trust - 136	826	88,000	3 63	1,000	88,000	6 60
CFM ARC Trust - 116	1,000	43,987	2 20	1,000	43,987	3 30
EARC Trust SC - 331 CLASS B	1,000	2,83,655	1 42	1,000	2,83,655	7 09
EARC Trust SC - 329 CLASS B	978	2,05,920	1 01	978	2,05,920	5 03
EARC Trust SC - 486 CLASS B	548	16,42,446	46 85	1,000	16,42,446	139 41
OMKARA PS04 - 2020-21 Trust CLASS B	1,000	10,39,659	13 52	1,000	9,37,052	9 37
EARC Trust SC 464 - CLASS B	1,000	13,17,500	65 88	1,000	13,17,500	111 83
<b>Total (C)</b>	<b>30,072.88</b>	<b>6,05,98,905.00</b>	<b>2,259.99</b>	<b>33,646.39</b>	<b>6,10,62,808.00</b>	<b>3,822.42</b>
<b>Alternative Investment Fund /</b>						
<b>Venture Capital Fund</b>						
At fair value through profit and loss						
Paragon Partners Growth Fund - I	100	3,32,598	7 47	100	3,32,650	5 67
Kae Capital Fund - II	1,00,000	62	37 05	1,00,000	100	36 58
Edelweiss Private Equity Tech Fund	1,00,000	1,199	16 52	1,00,000	1,199	23 20
Edelweiss Value And Growth Fund	1,00,000	2,665	46 68	1,00,000	2,665	30 45
Faering Capital India Evolving Fund II	1,000	2,807	11 23	1,000	41,068	11 95
<b>Total (D)</b>			<b>118.95</b>			<b>107.85</b>





**ECL Finance Limited**
**Notes to the financial statement for the year ended March 31, 2025 (continued)**

(Currency Indian rupees in crores)

**Equity Shares**

-(Unquoted)

-At fair value through profit and loss

Metropolitan Stock Exchange of India Ltd

1.00	3,70,20,000.00	19.58	1	3,70,20,000	5.15
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-(quoted)

-At fair value through profit and loss

Aarti Industries Ltd

Adam Enterprises Ltd

Adam Port &amp; Sez Ltd

Asian Paints Limited

Bandhan Bank Limited

Bharti Airtel Limited

Bharat Heavy Electricals Ltd

Britannia Industries Ltd

Canara Bank

Coal India Ltd

Dr. Reddy's Laboratories

Eicher Motors Ltd

Gmr Infrastructure Ltd

Hindustan Aeronautics Ltd

Hcl Technologies Ltd

Hdfe Bank Ltd

Hdfe Stand Life In Co Ltd

Hindalco Industries Ltd

Hindustan Unilever Ltd

ICICI Bank Ltd

Idfc First Bank Limited

IndusInd Bank Limited

Infosys Limited

Indian Rail Tour Corp Ltd

ITC Limited

JSW Steel Limited

Kotak Mahindra Bank Ltd

Larsen &amp; Toubro Ltd

Mahindra &amp; Mahindra Ltd

National Aluminium Co Ltd

NMDC Ltd

RBL Bank Limited

Reliance Industries Ltd

State Bank Of India

Shriram Finance Limited

Tata Motors Limited

Tata Consultancy Services Ltd

Vedanta Limited

<b>Total (E)</b>		<b>19.58</b>			<b>179.41</b>
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**Compulsorily Convertible Preference Shares**

-(Unquoted)

-At fair value through profit and loss

Bright Lifecare Pvt Ltd

			1,000.00	5,219.00	10.66
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<b>Total (F)</b>					<b>10.66</b>
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**Mutual Funds**

-(quoted)

-At fair value through profit and loss

SBI Overnight Fund - Direct Plan - Growth

Axis Overnight Fund - Direct Plan - Growth Option

HDFC Overnight Fund - Growth Option

SBIOFDPG

				34,587.86	13.47
				8,76,728.61	111.04
				71,692.31	25.47
<b>Total (G)</b>				<b>9,83,008.78</b>	<b>149.98</b>

**Pass through certificates (PTC)**

At fair value through profit and loss

RFT 6

	1.00	28,08,23,478	28.08	1.00	28,08,23,478	28.08
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<b>Total (H)</b>	1.00	28,08,23,478	28.08	1.00	28,08,23,478	28.08
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<b>Total (A+B+C+D+E+F+G+H)</b>			<b>5,405.88</b>			<b>7,397.89</b>
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Note: Please refer note 50 - Fair value measurement for valuation methodologies for investments





**ECL Finance Limited****Notes to the financial statement for the year ended March 31, 2025 (continued)**

(Currency: Indian rupees in crores)

	As at March 31, 2025	As at March 31, 2024
<b>15. Other financial assets</b>		
Security deposits	3.93	3.97
Deposits placed with exchange/depositories	15.47	19.46
Margin placed for trading in securities	4.40	64.10
Advances recoverable in cash or in kind or for value to be received	2.59	15.52
Receivables from trust	8.17	5.98
	<b>34.56</b>	<b>109.03</b>
<b>16. Current tax assets (net)</b>		
Advance income taxes including TDS receivable (net of provision for tax ₹ 1,071.53 crores, previous year ₹ 1,071.53 crores)	215.18	249.93
	<b>215.18</b>	<b>249.93</b>
<b>17. Deferred tax assets (net)</b>		
<b>Deferred tax assets</b>		
<u>Loans</u>		
Expected credit loss	7.88	9.59
Unamortised processing fees - EIR on lending	1.00	1.33
<u>Employee benefit obligations</u>		
Disallowances under section 43B of the Income tax act, 1961	-	1.48
<u>Unused tax losses</u>		
Unused tax losses - accumulated losses	462.26	691.42
<u>Investments and other financial instruments</u>		
Unrealised loss on Derivatives	0.67	0.55
Investments (FVTPL)	78.92	84.73
Investments (FVOCI) - Security Receipt	47.67	14.04
<u>Others</u>	0.52	-
	<b>598.92</b>	<b>803.14</b>
<b>Deferred tax liabilities</b>		
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation	17.65	18.66
<u>Investments and other financial instruments</u>		
Unrealised gain on financial instruments	-	222.05
<u>Borrowings</u>		
Effective interest rate on financial liabilities	5.65	9.29
<u>Employee benefit obligations</u>		
Disallowances under section 43B of the Income tax act, 1961	0.88	-
<u>Loans</u>		
Interest spread on assignment transactions	-	-
<u>Others</u>	-	0.54
	<b>24.18</b>	<b>250.55</b>
	<b>574.74</b>	<b>552.59</b>



**ECL Finance Limited**

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency/ Indian rupees in crores)

**18. Investment Property**

**As at March 31, 2025**

Particular	Gross Block			Depreciation and impairment				Net block	Net block	
	As at 01-April-2024	Additions during the year	Deductions /adjustments during the year	As at 31-March-2025	As at 01-April-2024	Impairment charge/(reversals) for the year	Charges for the year	Deductions/adj ustments during the year	As at 31-March-25	As at 31-March-24
Building	13.26	11.03	(16.38)	7.91	0.72	2.71	0.73	(0.65)	3.51	4.40
Total	13.26	11.03	(16.38)	7.91	0.72	2.71	0.73	(0.65)	3.51	4.40
										12.55

During the year, The company has sold investment property i.e Building for an amount of Rs. 13.21 crores and booked loss of Rs. 2.52 crores.

The aforementioned carrying value of investment property is equivalent to fair value. Valuation has been done by independent valuer. These valuations are determined basis open market values of similar property and its intrinsic value.

**As at March 31, 2024**

Particular	Gross Block			Depreciation and impairment				Net block	Net block
	As at 01- April-2023	Additions during the year	Deductions /adjustments during the year	As at 31-March-2024	As at 01-April-2023	Impairment charge/(reversals) for the year	Deductions/adj Charges for the year	As at 31-March-24	As at 31-March-23
Building	25.03	-	(11.77)	13.26	0.11	-	1.03	0.72	24.93
Total	25.03	-	(11.77)	13.26	0.11	-	1.03	0.72	24.93

During the year, The company has sold investment property i.e Building for an amount of Rs. 10.69 crores and booked loss of Rs. 0.67 crores.

The aforementioned carrying value of investment property is equivalent to fair value. Valuation has been done by independent valuer. These valuations are determined basis open market values of similar property and its intrinsic value.



## 19. Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment						Other Intangible Assets		Right to Use Assets	
	Building	Leasehold improvements	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total	Computer Software	Total	Total
<b>At cost or fair value*</b>										
As at April 1, 2023	98.85	0.71	3.58	0.28	2.59	4.95	110.95	9.65	30.17	30.17
Additions	-	0.09	0.05	-	0.05	0.04	0.23	2.68	10.76	13.67
Revaluation gain on building	(28.82)	(0.10)	(0.13)	(0.18)	(0.18)	(0.52)	(29.93)	-	-	-
Disposals	-	-	-	0.33	0.09	0.39	0.82	-	(1.53)	(1.53)
Other Adjustment	70.03	0.69	3.51	0.43	2.56	4.86	82.08	12.33	39.40	133.81
as at March 31, 2024	-	-	-	-	0.03	0.04	0.07	0.14	1.16	1.37
Additions	-	-	(0.14)	-	(1.18)	(2.25)	(4.03)	(10.67)	(0.48)	(15.18)
Revaluation gain / (loss) on building	-	(0.46)	-	-	0.10	0.52	0.62	2.17	-	2.79
Disposals	70.03	0.24	3.37	0.43	1.52	3.17	78.74	3.97	40.08	122.79
Other Adjustment	-	-	-	-	-	-	-	-	-	-
as at March 31, 2025	-	-	-	-	-	-	-	-	-	-
<b>Depreciation and Impairment:</b>										
As at April 1, 2023	17.15	0.65	2.62	0.20	2.26	4.46	27.34	8.50	18.70	54.54
Depreciation/Amortisation for the year	4.36	0.07	0.25	0.02	0.12	0.19	5.01	0.46	3.79	9.26
Disposals	(6.01)	(0.10)	(0.09)	(0.17)	(0.17)	(0.50)	(7.03)	-	-	(7.03)
Adjustment of revaluation gain to accumulated depreciation	-	-	-	-	-	-	-	-	-	-
Other Adjustment	15.50	0.62	2.78	0.39	2.31	4.54	26.13	8.96	22.49	57.59
as at March 31, 2024	3.07	0.02	0.18	0.01	0.07	0.07	3.42	0.77	3.82	8.01
Depreciation/Amortisation for the year	-	(0.46)	(0.11)	-	(1.10)	(2.15)	(3.82)	(10.67)	-	(14.49)
Disposals	-	-	-	-	-	-	-	-	-	-
Adjustment of revaluation gain to accumulated depreciation	-	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	0.10	0.52	0.62	2.17	-	2.79
as at March 31, 2025	18.57	0.18	2.85	0.40	1.38	2.98	26.36	1.23	26.32	53.90
Net Book Value	54.53	0.07	0.73	0.04	0.25	0.33	55.95	3.37	16.90	76.22
As at March 31, 2024	51.46	0.05	0.52	0.03	0.14	0.19	52.38	2.74	13.76	68.88
As at March 31, 2025	-	-	-	-	-	-	-	-	-	-

Note:

\* Building is measured at fair value

(Charge against secured redeemable non-convertible debentures (Refer note 22.B))



## Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

**20. Other non-financial assets**

(Unsecured considered good, unless stated otherwise)

	As at March 31, 2025	As at March 31, 2024
Balances with government authorities	24.45	32.66
Contribution to gratuity fund (net) (Refer note 39.A)	3.86	3.67
Prepaid expenses	5.57	12.22
Advances to Vendors	3.83	1.98
Advances to employees	0.04	0.13
	<b>37.75</b>	<b>50.67</b>

**21. Trade Payables**

Payable to :

(i) total outstanding dues of micro enterprises and small enterprises

0.35 0.02

(ii) total outstanding dues of creditors other than micro enterprises and small enterprises

164.80 754.96

Trade payables to related parties

3.87 23.79

(refer note 48. related party disclosure)

**169.02 778.78****21.A Details of dues to micro and small enterprises**

Trade Payables includes Rs. 0.35 crores (March 31, 2024: 0.02 crores) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. Interest amounting to Rs. 0.02 crores has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

**21.B Trade payable days past due**

As at March 31, 2025	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.35	-	-	-	0.35
(ii) Others	167.66	-	0.49	0.52	168.67
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
<b>Total</b>	<b>168.01</b>	<b>-</b>	<b>0.49</b>	<b>0.52</b>	<b>169.02</b>

As at March 31, 2024	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.02	-	-	-	0.02
(ii) Others	776.16	1.80	0.08	0.72	778.76
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
<b>Total</b>	<b>776.18</b>	<b>1.80</b>	<b>0.08</b>	<b>0.72</b>	<b>778.78</b>

# Unbilled amount due as of March 2025 is Rs. 13.55 crores (March 2024 - Rs. 21.6 crores).







# **ECL Finance Limited**

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

## **22.A Maturity profile and rate of interest of debt securities are set out below:**

**As at March 31, 2025**

### **Redeemable non-convertible debentures - secured\***

Month	Rate of Interest					Grand total
	0.00%	>8% - 9%	>9% - 10%	>10% - 11%	MLD*	
Apr 2025	-	-	10.00	-	-	10.00
Aug 2025	-	-	3.00	-	-	3.00
Sep 2025	-	-	7.00	-	-	7.00
Oct 2025	-	-	107.50	-	-	107.50
Nov 2025	-	-	-	36.00	-	36.00
Dec 2025	-	-	26.00	-	-	26.00
Jan 2026	-	-	0.80	-	-	0.80
Mar 2026	-	-	65.00	-	-	65.00
May 2026	-	-	20.00	-	-	20.00
Jun 2026	-	-	22.50	-	-	22.50
Aug 2026	-	-	-	-	1.22	1.22
Mar 2027	-	-	500.00	-	-	500.00
Sep 2027	-	125.00	-	-	-	125.00
Aug 2028	-	-	227.42	180.00	-	407.42
Jan 2029	-	-	-	235.00	-	235.00
May 2029	-	-	31.55	5.57	-	37.12
Nov 2029	-	-	32.34	11.43	-	43.77
	-	125.00	1,053.11	468.00	1.22	1,647.33

Add: interest accrued & effective interest rate amortisation 43.10

\*MLD represents market linked debentures

**1,690.43**

### **Redeemable non-convertible debentures - unsecured**

Month	Rate of Interest					Grand total
	0.00%	8% - 9%	>9% - 10%	>10% - 11%	MLD*	
Apr 2026	-	-	11.00	-	-	11.00
	-	-	11.00	-	-	11.00

Add: interest accrued & effective interest rate amortisation 0.97

**11.97**



**ECL Finance Limited**

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

**As at March 31, 2024**

**Redeemable non-convertible debentures - secured\***

Month	Rate of Interest					Grand total
	0.00%	>8% - 9%	>9% - 10%	>10% - 11%	MLD*	
May 2024	14.45	-	67.41	29.68	-	111.54
Oct 2024	-	-	75.00	-	-	75.00
Nov 2024	9.90	-	86.10	47.31	-	143.31
Dec 2024	-	-	-	20.00	-	20.00
Feb 2025	-	-	-	5.00	-	5.00
Mar 2025	-	-	-	10.00	-	10.00
Apr 2025	-	-	10.00	-	-	10.00
Aug 2025	-	-	3.00	-	-	3.00
Sep 2025	-	-	7.00	-	-	7.00
Oct 2025	-	-	107.50	-	-	107.50
Nov 2025	-	-	-	36.00	-	36.00
Dec 2025	-	-	26.00	-	-	26.00
Jan 2026	-	-	0.80	-	-	0.80
Mar 2026	-	-	65.00	-	-	65.00
May 2026	-	-	20.00	-	-	20.00
Jun 2026	-	-	22.50	-	-	22.50
Aug 2026	-	-	-	-	1.22	1.22
Mar 2027	-	-	500.00	-	-	500.00
Sep 2027	-	125.00	-	-	-	125.00
Aug 2028	-	-	227.42	180.00	-	407.42
Jan 2029	-	-	-	235.00	-	235.00
May 2029	-	-	31.55	5.57	-	37.12
Nov 2029	-	-	32.34	11.43	-	43.77
	<b>24.35</b>	<b>125.00</b>	<b>1,281.62</b>	<b>579.99</b>	<b>1.22</b>	<b>2,012.18</b>

Add: interest accrued & effective interest rate amortisation 67.67

\*MLD represents market linked debentures

**2,079.85**

**Redeemable non-convertible debentures - unsecured**

Month	Rate of Interest					Grand total
	0.00%	>8% - 9%	>9% - 10%	>10% - 11%	MLD*	
Apr 2026	-	-	11.00	-	-	11.00
	-	-	<b>11.00</b>	-	-	<b>11.00</b>

Add: interest accrued & effective interest rate amortisation 0.97

\*MLD represents market linked debentures

**11.97**



**ECL Finance Limited**

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

**Commercial papers - unsecured****As at March 31, 2025**

Month	Rate of Interest				Grand total
	7% - 8%	>8% - 9%	>9% - 10%	>10% - 11%	
April 2025	-	-	20.00	-	20.00
May 2025	-	-	55.40	-	55.40
June 2025	-	-	20.00	-	20.00
July 2025	-	-	36.50	-	36.50
Aug 2025	-	-	11.00	-	11.00
Nov 2025	-	-	-	29.20	29.20
	-	-	142.90	29.20	172.10

Add: Unamortisation discount (4.22)

**167.88****As at March 31, 2024**

Month	Rate of Interest				Grand total
	7% - 8%	>8% - 9%	>9% - 10%	>10% - 11%	
Apr 2024	-	-	30	-	30.00
Jul 2024	-	-	35	-	35.00
Dec 2024	-	-	117	-	117.00
	-	-	182.00	-	182.00

Add: Unamortised Discount (4.12)

**177.88**

## **ECL Finance Limited**

### **Notes to the financial statement for the year ended March 31, 2025 (continued)**

(Currency: Indian rupees in crores)

#### **22.B Details of debt securities:**

##### **Redeemable non-convertible debentures - secured**

###### **Privately placed:**

Privately placed debentures are secured by pari passu charge on receivables from financing business, investments and property (excluding intangible assets).

During the current year, the Company has raised Rs Nil (previous year Rs Nil ) worth of redeemable non-convertible debentures through private issue .Company has utilised the whole of the net proceeds towards the objects of the issue as stated in the respective issue prospectus.

###### **Public issue:**

Debentures are secured by pari passu charge on receivables from financing business, investments and property (excluding intangible assets)

###### **Market linked debentures:**

Market linked debentures are secured by pari passu charge on receivables from financing business, investments and property (excluding intangible assets).

In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.

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).

##### **Compulsory Convertible Debentures**

9.00%, Compulsory Convertible Debentures (CCD) of Rs. 100 each fully paid are compulsory convertible into equity shares at conversion rate to be decided based on fair value of equity shares, at any time after 24 months from the date of allotment and within 5 years from date of allotment. During the financial year 2024-25 such CCD's were due for conversion and accordingly 56,18,90,162 equity shares with a face value of Rs. 1 each were issued on conversion.



# ECL Finance Limited

## Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

	As at March 31, 2025	As at March 31, 2024
<b>23. Borrowings (other than debt securities)</b> <i>(at amortised cost)</i>		
<b><u>Secured</u></b>		
<b><u>Term loan from bank</u></b>	<b>392.23</b>	<b>716.94</b>
[Secured by charge on receivables, cash & cash equivalents and other assets from financing business] (Refer Note 23.A)		
<b><u>Term loans from financial institutions</u></b>	<b>13.50</b>	<b>64.46</b>
[Secured by charge on receivables, cash & cash equivalents and other assets from financing business] (Refer note 23.A)		
<b><u>Other borrowings</u></b>		
<b>Cash credit lines from bank</b>	<b>56.13</b>	<b>130.32</b>
[Secured by charge on receivables, cash & cash equivalents and other assets from financing business] (Repayable on demand, Interest rate payable in the range of 9.10% to 11.30%)		
<b>Working capital demand loan from bank</b>	<b>146.00</b>	<b>500.00</b>
[Secured by charge on receivables, cash & cash equivalents and other assets from financing business] 13.40%)		
<b>Tri party REPO</b>		
TREPS facilitates, borrowing and lending of funds, in Triparty repo arrangement [Secured by pledge of government securities] [Repayable on April 02, 2025 (Repayable on April 02, 2024)]	<b>2,448.02</b>	<b>1,979.97</b>
<b><u>Unsecured</u></b>		
<b><u>Loan from related parties</u></b>	<b>35.06</b>	<b>-</b>
(Repayable on or before 25th March 2026, Interest rate @ 12.35% p.a. (Quarterly reset)) (refer note 48)		
<b>Total</b>	<b>3,090.94</b>	<b>3,391.69</b>
Borrowings in India	<b>3,090.94</b>	<b>3,391.69</b>
Borrowings from outside India	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3,090.94</b>	<b>3,391.69</b>





**ECL Finance Limited**

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

23.A Maturity profile and rate of interest of borrowings from bank and financial institutions are set out below:

As at March 31, 2025

Term loan from bank & term loan from financial institutions

Month	Rate of Interest					Grand total
	>9% - 10%	>10% - 11%	>11% - 12%	>12% - 13%	>14% - 15%	
Apr 2025	-	6.80	3.70	-	-	10.50
May 2025	-	6.80	5.37	-	-	12.17
Jun 2025	-	7.05	5.37	21.99	-	34.40
Jul 2025	-	6.80	5.37	-	-	12.17
Aug 2025	-	6.80	5.37	-	-	12.17
Sep 2025	-	7.05	5.37	-	-	12.42
Oct 2025	-	6.80	3.70	-	-	10.50
Nov 2025	-	6.80	3.70	-	-	10.50
Dec 2025	-	7.05	3.70	-	-	10.75
Jan 2026	-	5.30	3.70	-	-	9.00
Feb 2026	-	5.30	3.70	-	-	9.00
Mar 2026	-	5.55	3.70	-	-	9.25
Apr 2026	-	5.30	3.70	-	-	9.00
May 2026	-	5.30	3.70	-	-	9.00
Jun 2026	-	5.55	3.70	-	-	9.25
Jul 2026	-	5.30	3.70	-	-	9.00
Aug 2026	-	5.30	3.70	-	-	9.00
Sep 2026	-	5.55	3.70	-	-	9.25
Oct 2026	-	5.30	3.70	-	-	9.00
Nov 2026	-	5.30	3.70	-	-	9.00
Dec 2026	-	5.55	3.70	-	-	9.25
Jan 2027	-	5.30	3.70	-	-	9.00
Feb 2027	-	5.30	3.70	-	-	9.00
Mar 2027	-	5.55	3.70	-	-	9.25
Apr 2027	-	5.30	3.70	-	-	9.00
May 2027	-	5.30	3.70	-	-	9.00
Jun 2027	-	5.55	3.70	-	-	9.25
Jul 2027	-	5.30	3.70	-	-	9.00
Aug 2027	-	5.30	3.70	-	-	9.00
Sep 2027	-	5.55	3.70	-	-	9.25
Oct 2027	-	5.30	3.70	-	-	9.00
Nov 2027	-	5.30	3.70	-	-	9.00
Dec 2027	-	5.65	3.70	-	-	9.35
Jan 2028	-	5.30	3.70	-	-	9.00
Feb 2028	-	5.30	3.70	-	-	9.00
Mar 2028	-	-	3.70	-	-	3.70
Apr 2028	-	5.30	3.70	-	-	9.00
May 2028	-	5.30	3.70	-	-	9.00
Jun 2028	-	-	3.70	-	-	3.70
Jul 2028	-	5.30	3.70	-	-	9.00
Aug 2028	-	4.60	3.70	-	-	8.30
Sep 2028	-	-	3.90	-	-	3.90
Oct 2028	-	4.60	-	-	-	4.60
	-	226.95	163.93	21.99	-	412.87

Add: interest accrued & effective interest rate amortisation

(7.14)

405.73



# ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

As at March 31, 2024

Term loan from bank & term loan from other parties

Month	Rate of Interest					Grand total
	>9% - 10%	>10% - 11%	>11% - 12%	>12 - 13%	>14% - 15%	
Apr 2024	-	11.46	17.50	-	-	28.96
May 2024	-	12.96	18.58	-	-	31.54
Jun 2024	15.00	28.21	3.58	-	-	46.79
Jul 2024	-	17.96	3.58	-	-	21.54
Aug 2024	-	12.96	18.53	-	-	31.49
Sep 2024	15.00	28.21	3.58	-	-	46.79
Oct 2024	-	12.96	13.46	-	-	26.41
Nov 2024	-	12.96	3.58	-	-	16.54
Dec 2024	15.00	28.21	3.58	-	-	46.79
Jan 2025	-	16.83	3.58	-	-	20.41
Feb 2025	-	11.00	3.58	-	-	14.58
Mar 2025	15.00	25.07	1.67	-	-	41.74
Apr 2025	-	10.50	1.67	-	-	12.17
May 2025	-	10.50	1.67	-	-	12.17
Jun 2025	21.99	10.75	1.67	-	-	34.41
Jul 2025	-	10.50	1.67	-	-	12.17
Aug 2025	-	10.50	1.67	-	-	12.17
Sep 2025	-	10.75	1.67	-	-	12.42
Oct 2025	-	10.50	-	-	-	10.50
Nov 2025	-	10.50	-	-	-	10.50
Dec 2025	-	10.75	-	-	-	10.75
Jan 2026	-	9.00	-	-	-	9.00
Feb 2026	-	9.00	-	-	-	9.00
Mar 2026	-	9.25	-	-	-	9.25
Apr 2026	-	9.00	-	-	-	9.00
May 2026	-	9.00	-	-	-	9.00
Jun 2026	-	9.25	-	-	-	9.25
Jul 2026	-	9.00	-	-	-	9.00
Aug 2026	-	9.00	-	-	-	9.00
Sep 2026	-	9.25	-	-	-	9.25
Oct 2026	-	9.00	-	-	-	9.00
Nov 2026	-	9.00	-	-	-	9.00
Dec 2026	-	9.25	-	-	-	9.25
Jan 2027	-	9.00	-	-	-	9.00
Feb 2027	-	9.00	-	-	-	9.00
Mar 2027	-	9.25	-	-	-	9.25
Apr 2027	-	9.00	-	-	-	9.00
May 2027	-	9.00	-	-	-	9.00
Jun 2027	-	9.25	-	-	-	9.25
Jul 2027	-	9.00	-	-	-	9.00
Aug 2027	-	9.00	-	-	-	9.00
Sep 2027	-	9.25	-	-	-	9.25
Oct 2027	-	9.00	-	-	-	9.00
Nov 2027	-	9.00	-	-	-	9.00
Dec 2027	-	9.35	-	-	-	9.35
Jan 2028	-	9.00	-	-	-	9.00
Feb 2028	-	9.00	-	-	-	9.00
Mar 2028	-	3.70	-	-	-	3.70
Apr 2028	-	9.00	-	-	-	9.00
May 2028	-	9.00	-	-	-	9.00
Jun 2028	-	3.70	-	-	-	3.70
Jul 2028	-	9.00	-	-	-	9.00
Aug 2028	-	8.30	-	-	-	8.30
Sep 2028	-	3.90	-	-	-	3.90
Oct 2028	-	4.60	-	-	-	4.60
	81.99	601.32	104.77	-	-	788.09

Add: interest accrued & effective interest rate amortisation

(6.68)

781.40



# ECL Finance Limited

## Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

	As at March 31, 2025	As at March 31, 2024
<b>24. Subordinated liabilities (unsecured)</b> (at amortised cost) (Refer Note 24.A)		
<b>Subordinated debt</b>		
Privately placed non-convertible redeemable*	773.13	781.74
<b>Perpetual debt</b>	327.30	327.38
<b>Total</b>	<b>1,100.43</b>	<b>1,109.12</b>
Subordinated liabilities in India	1,100.43	1,109.12
<b>Total</b>	<b>1,100.43</b>	<b>1,109.12</b>

\*Company had also bought back its own debt and such outstanding balance amounting to Rs.10.48 crores (P.Y. Rs.0.2 crores) is netted off from the above figure.

### 24.A Maturity profile and rate of interest of subordinated liabilities are set out below:

As at March 31, 2025

#### Subordinated debt (unsecured)

Month	Rate of Interest			Grand total
	9% - 10%	>10% - 11%	>11% - 12%	
May 2025	-	-	289.70	289.70
Jun 2025	5.00	-	-	5.00
Sep 2025	-	20.00	-	20.00
Jun 2026	-	250.00	-	250.00
Apr 2027	45.00	-	-	45.00
Jun 2027	10.00	-	-	10.00
Sep 2027	20.00	-	-	20.00
Oct 2027	100.00	-	-	100.00
	<b>180.00</b>	<b>270.00</b>	<b>289.70</b>	<b>739.70</b>

Add: interest accrued & effective interest rate amortisation 33.43

**773.13**

\*MLD represents market linked debentures

#### Perpetual debt

Month	Rate of Interest			Grand total
	9% - 10%	>10% - 11%	>11% - 12%	
May 2027	-	300.00	-	300.00
	-	<b>300.00</b>	-	<b>300.00</b>

Add: interest accrued & effective interest rate amortisation 27.30

**327.30**



**ECL Finance Limited****Notes to the financial statement for the year ended March 31, 2025 (continued)**

(Currency: Indian rupees in crores)

**As at March 31, 2024****Subordinated debt (unsecured)**

Month	Rate of Interest			Grand total
	9% - 10%	>10% - 11%	>11% - 12%	
May 2025	-	-	299.80	299.80
Jun 2025	5.00	-	-	5.00
Sep 2025	-	20.00	-	20.00
Jun 2026	-	250.00	-	250.00
Apr 2027	45.00	-	-	45.00
Jun 2027	10.00	-	-	10.00
Sep 2027	20.00	-	-	20.00
Oct 2027	100.00	-	-	100.00
	180.00	270.00	299.80	749.80

Add: interest accrued & effective interest rate amortisation 31.94

**781.74**

**Perpetual debt**

Month	Rate of Interest			Grand Total
	9% - 10%	>10% - 11%	>11% - 12%	
May 2027	-	300.00	-	300.00
	-	300.00	-	300.00

Add: interest accrued & effective interest rate amortisation 27.38

**327.38**

**24.B Details of subordinated liabilities:****Perpetual debt:**

Step up of 1% in coupon once during the life of the instrument after 10 years from the date of allotment if call option is not exercised.



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

	As at March 31, 2025	As at March 31, 2024
<b>25. Other financial liabilities</b>		
Payable on account of securitisation	191.48	110.92
Accrued salaries and benefits	18.80	24.87
Payable for Equity share sale	-	19.96
Rental Deposits	1.86	1.86
Lease liabilities (refer note 40.C)	24.19	27.61
Other payable	3.09	7.62
	<b>239.42</b>	<b>192.84</b>
<b>26. Current tax liabilities (net)</b>		
Provision for taxation (net of advance Tax ₹ Nil, previous year ₹ Nil)	-	-
	<b>-</b>	<b>-</b>
<b>27. Provisions</b>		
<b>Provision for employee benefits</b> (Refer Note 39.A)		
Compensated leave absences	0.72	1.01
	<b>0.72</b>	<b>1.01</b>
<b>28. Other non-financial liabilities</b>		
Statutory liabilities*	1.66	2.84
Advances from customers	-	5.78
Others	0.14	4.39
	<b>1.80</b>	<b>13.01</b>

\* Includes withholding taxes, Provident fund, profession tax and other statutory dues payables





Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

**29. Equity share capital**

**Authorised :**

Equity shares of Re.1 each

Preference shares of Rs 10 each

As at March 31, 2025		As at March 31, 2024	
No of shares	Amount	No of shares	Amount
6,70,00,00,000	670.00	6,70,00,00,000	670.00
40,00,000	4.00	40,00,000	4.00
<b>6,70,40,00,000</b>	<b>674.00</b>	<b>6,70,40,00,000</b>	<b>674.00</b>
<b>Issued, subscribed and paid up:</b>			
Equity shares of Re.1 each			
2,70,01,57,812	270.02	2,13,82,67,650	213.83
<b>2,70,01,57,812</b>	<b>270.02</b>	<b>2,13,82,67,650</b>	<b>213.83</b>

**A. Reconciliation of number of shares**

Outstanding at the beginning of the year

Issued on account of CCD conversion\*

Outstanding at the end of the year

As at March 31, 2025		As at March 31, 2024	
No of shares	Amount	No of shares	Amount
2,13,82,67,650	213.83	2,13,82,67,650	213.83
56,18,90,162	56.19	-	-
<b>2,70,01,57,812</b>	<b>270.02</b>	<b>2,13,82,67,650</b>	<b>213.83</b>

**B. Terms/rights attached to equity shares :**

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

**C. Shares held by holding/ultimate holding company and/or their subsidiaries/associates**

	As at March 31, 2025		As at March 31, 2024	
	No of shares	% holding	No of shares	% holding
<b>Ultimate holding company#</b>				
Edelweiss Financial Services Limited	-	-	4	0.00%
<b>Holding company##</b>				
Edel Finance Company Limited	2,13,82,16,650	79.19%	2,13,82,16,646	99.99%
<b>Fellow subsidiaries</b>				
Ecap Equities Limited	56,19,41,162	20.81%	-	-
	<b>2,70,01,57,812</b>	<b>100.00%</b>	<b>2,13,82,16,650</b>	<b>100.00%</b>



Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

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

	As at March 31, 2025		As at March 31, 2024	
	No of shares	% holding	No of shares	% holding
Edel Finance Company Limited <sup>##</sup>	2,13,82,16,650	79.19%	2,13,82,16,646	99.99%
Ecap Equities Limited	56,19,41,162	20.81%	-	-
	<b>2,70,01,57,812</b>	<b>100.00%</b>	<b>2,13,82,16,650</b>	<b>99.99%</b>

**E. Details of shares held by promoters in the Company**

	As at March 31, 2025		% Change During the Year
	No of shares	% holding	
Edel Finance Company Limited <sup>##</sup>	2,13,82,16,650	79.19%	-20.81%
Edelweiss Financial Services Limited	-	0.00%	0.00%
	<b>2,13,82,16,650</b>	<b>79.19%</b>	<b>-20.81%</b>

	As at March 31, 2024		% Change During the Year
	No of shares	% holding	
Edelweiss Financial Services Limited <sup>#</sup>	4	0.00%	0.00%
Edel Finance Company Limited	2,13,82,16,646	99.99%	74.28%
	<b>2,13,82,16,650</b>	<b>99.99%</b>	<b>74.28%</b>

# including 4 Shares held by nominees of Edelweiss Financial Services Limited

## including 5 Shares held by nominees of Edel Finance Company Limited

**F. There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.**

**G. During the period of five financial years immediately preceding the balance sheet date, the Company has not:**

- (i) allotted any fully paid-up equity shares by way of bonus shares;
- (ii) allotted any equity shares pursuant to any contract without payment being received in cash;
- (iii) brought back any equity shares

\*On May 7, 2019, the company issued 10,39,49,680 Compulsorily Convertible Debentures (CCDs) at Rs. 100 each, raising a total of Rs. 1,039.50 crores. During the financial year 2024-25 such CCD's were due for conversion and accordingly 56,18,90,162 equity shares with a face value of Rs. 1 each were issued on conversion.



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### 30. Other equity

	As at March 31, 2025	As at March 31, 2024
Securities premium reserve	1,298.15	1,188.00
Statutory reserve	577.22	567.96
Debenture redemption reserve	23.15	23.15
Retained earnings	823.31	778.37
Deemed capital contribution - equity	14.00	14.00
Revaluation Reserve	22.79	25.55
Other Comprehensive income on Equity instrument	(1,426.73)	(41.75)
	<b>1,331.90</b>	<b>2,555.28</b>

#### A. Nature and purpose of reserves

##### a. Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

##### b. Statutory reserve

Reserve created under 45-IC(1) in The Reserve Bank of India Act, 1934 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

##### c. Debenture redemption reserve

The Company being an NBFC is required to create and maintain debenture redemption reserve (DRR) equivalent to 25% of the public issue of debentures, as required by Companies Act, 2013. The amounts credited to the DRR may not be utilised except on redemption of such debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings. However, as per the recent amendment to the Companies Act 2013, NBFCs are no longer required to create and maintain DRR. Accordingly, the Company has not created incremental DRR on existing public issue of debentures, post the said amendment, though the Company continues to maintain the DRR created earlier till the maturity of these debentures.

##### d. Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

##### e. Deemed capital contribution - equity

Deemed capital contribution relates to share options granted to eligible employees of the Company by the ultimate holding company under its employee share option plan.

##### f. Revaluation Reserve

The revaluation reserve relates to the revaluation of property, plant and equipment.

##### g. Other Comprehensive income on Equity instrument

The fair value change of the equity instruments measured at fair value through Other Comprehensive Income is recognised and reflected under Equity Instruments through Other Comprehensive Income.



# ECL Finance Limited

## Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

### B. Movement in Other equity

	As at March 31, 2025	As at March 31, 2024
<b>I. Securities premium reserve</b>		
Opening balance	1,188.00	1,188.00
Add : Premium on issue of securities	110.15	-
	1,298.15	1,188.00
<b>II. Statutory reserve</b>		
Opening balance	567.96	540.92
Add : Reserve created for the year	9.26	27.04
	577.22	567.96
<b>III. Debenture redemption reserve</b>		
Opening balance	23.15	77.48
Less: transferred to retained earnings	-	(54.33)
	23.15	23.15
<b>IV. Retained earnings</b>		
Opening balance	778.37	606.72
Add: Profit/(Loss) for the year	46.30	135.18
Add: Other comprehensive income/(loss)	4.31	(0.68)
Add: transferred from debenture redemption reserve	-	54.34
Add: Reversal of ESOP liabilities to reserve	0.83	4.75
Add: Balance released from revaluation reserve	2.76	5.10
Amount available for appropriation	832.57	805.41
Appropriations:		
Transfer to statutory reserve	(9.26)	(27.04)
	(9.26)	(27.04)
	823.31	778.37
<b>V. Deemed capital contribution - equity</b>		
Opening balance	14.00	14.00
Add : ESOP charge for the year	-	(0.00)
	14.00	14.00
<b>VI. Revaluation Reserve</b>		
Opening Balance	25.55	30.65
Less : Reserve reversed during the year	-	-
Less : Transferred to retained earnings	(2.76)	(5.10)
	22.79	25.55
<b>VII. Other Comprehensive income on Equity instrument</b>		
Opening Balance	(41.75)	-
Add : Income/(Loss) during the year	(1,384.98)	(41.75)
	(1,426.73)	(41.75)
	1,331.90	2,555.28



# ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

## 31. Interest Income

### On financial assets measured at Amortised cost

Interest on loans

Interest on deposits with bank

Other interest income

### On financial assets measured at FVTPL

Interest income from investments

### On financial assets measured at FVOCI

Interest on loans

## 32. Dividend Income

Dividend income on Equity share

## 33. Fee income

Advisory and other fees

## 34. Net gain/ (loss) on fair value changes

### Net gain/ (loss) on financial instruments classified at FVTPL

#### (i) On Trading Portfolio

##### Investments

Profit / (Loss) on trading - Investment (net)

Fair value change - Investment (net)

Fair value change - P&L - equity

##### Derivatives

Profit / (Loss) on trading - Interest rate swap (net)

Profit / (Loss) on trading - Equity derivative instruments (net)

Profit / (loss) on trading - Interest rate derivative instruments (net)

Fair value change- Derivative financial instruments (net)

#### (ii) Others

Profit / (Loss) on sale/redemption - Security receipts

Fair value change - Security receipts

Profit / (Loss) on sale/redemption - AIFs

Fair value change - AIFs

Fair value change - debt instruments (CCD)

(Refer note 37A.)

### Fair value changes

Realised

Unrealised

## 35. Other income

Profit on sale of Property, Plant and Equipment (net)

Interest on income tax refund

Shared Premises Income (Refer note 40.D)

Other miscellaneous income

For the year ended  
March 31, 2025

For the year ended  
March 31, 2024

105.74

333.96

4.76

3.35

24.15

14.34

134.65

351.64

210.42

178.66

210.42

178.66

41.53

12.95

386.60

543.26

0.89

0.14

0.89

0.14

68.62

73.61

68.62

73.61

141.49

95.70

6.11

2.33

10.70

2.54

10.54

6.44

0.84

12.60

(11.07)

(10.46)

(10.63)

4.27

-

188.87

-

(124.55)

0.49

71.62

11.58

(117.45)

-

489.16

160.04

621.07

142.28

364.78

17.76

256.30

160.04

621.07

-

15.67

13.13

7.52

8.22

10.33

8.03

2.16

29.38

35.68





## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>36. Finance costs</b>		
<i>On financial liabilities measured at amortised cost</i>		
Interest on borrowings other than debt securities	272.53	309.37
Interest on debt securities	185.35	456.07
Interest on subordinated liabilities	110.57	74.20
Other finance cost and bank charges	28.44	24.50
Interest on lease liabilities	2.63	1.31
<i>(Refer note 40.C)</i>		
	<b>599.52</b>	<b>865.45</b>
<b>37. Net loss on derecognition of financial instruments</b>		
Loss on sale of credit impaired assets	(181.22)	256.29
<i>(Refer note 53.D)(Refer note 37.A)</i>		
	<b>(181.22)</b>	<b>256.29</b>

**37A.** Note:-Under the Shareholders' Agreement dated March 5, 2019, entered between Edelweiss Financial Services Limited (EFSL), CDPQ Private Equity Asia PTE. Limited (CDPQ) and the Company (together referred as Parties), EFSL had agreed, pursuant to clause 8.1 & 8.2 to make equity investment of an amount equivalent to the amount of losses on Select real state/structured finance Loans (Select Loans) into the Company within six months of the default leading to loss incurred by the Company on or before the date of the conversion of the Investor CCDs into Equity Shares. The rationale for this undertaking was to keep the total equity/net worth of the Company unimpacted on account of impairment in these loan accounts. During the year ended March 31, 2025, Parties have discussed and agreed that loss event for three of the borrowers in the Select Loans have crystalized and hence, EFSL has agreed to make good the loss amounting to Rs. 181.22 crores incurred by the Company in earlier years. Accordingly, ECLF has recorded such recovery in its profit and loss account for the year ended March 31, 2025. Similarly, in FY 24, loss amounting to Rs. 91.3 cr incurred by the company was received from EFSL and recognised as a income in its Statement of Profit and Loss.

### 38. Impairment on financial instruments

On Loans (Including undrawn commitments)		
-Measured at Amortised Cost	6.26	(303.46)
-Measured at FVOCI	(23.80)	4.13
Bad debts and advances written off (net of recovery)	17.94	32.52
On Trade Receivables	(0.03)	(6.36)
On Others	(1.56)	-
	<b>(1.19)</b>	<b>(273.17)</b>



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

	For the year ended	For the year ended
	March 31, 2025	March 31, 2024
<b>39. Employee benefit expenses</b>		
Salaries and bonus	<b>60.79</b>	73.17
Contribution to provident and other funds	<b>3.67</b>	2.32
Share based payment expense - refer note below	<b>(2.21)</b>	
Staff welfare expenses	<b>1.58</b>	1.45
	<b>63.83</b>	78.06

**Notes:**

1) Edelweiss Financial Services Limited ("EFSL") the ultimate holding Company has granted an ESOP/ESAR option to acquire equity shares of EFSL that would vest in a graded manner to Company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost.



# ECL Finance Limited

## Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

### 39.A Employee Benefits

#### a) Defined contribution plan - provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised Rs. 2.80 crores (March 31, 2024 : Rs 2.72 crores) for provident fund and other contributions in the Statement of profit and loss.

#### b) Defined benefit plan - gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a non-contributory defined benefit arrangement providing lump-sum gratuity benefits expressed in terms of final monthly salary and year of service, covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2025. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of funded obligations (A)	3.20	4.43
Fair value of plan assets (B)	7.06	8.10
<b>Present value of funded obligations (A - B)</b>	<b>(3.86)</b>	<b>(3.67)</b>
<b>Net deficit / (assets) are analysed as:</b>		
Liabilities - (refer note 27)	-	-

#### Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	Defined benefit obligation (DBO)		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
<b>Opening balance</b>	<b>4.43</b>	<b>4.16</b>	<b>8.10</b>	<b>7.56</b>	<b>(3.67)</b>	<b>(3.40)</b>
Current service cost	0.47	0.51	-	-	0.47	0.51
Interest cost (income)	0.28	0.29	0.10	1.47	0.19	(1.18)
	<b>5.18</b>	<b>4.96</b>	<b>8.19</b>	<b>9.03</b>	<b>(3.01)</b>	<b>(4.07)</b>
<b>Other comprehensive income</b>						
Remeasurement loss (gain):						
Experience	0.02	0.35	0.00	(0.00)	0.02	0.35
Financial assumptions	0.10	(0.38)	-	-	0.10	(0.38)
Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-	5.87	(0.93)	(5.87)	0.93
	<b>0.11</b>	<b>(0.03)</b>	<b>5.87</b>	<b>(0.93)</b>	<b>(5.76)</b>	<b>0.91</b>
<b>Others</b>						
Transfer in/ (out)	(0.41)	(0.07)	-	-	(0.41)	(0.07)
Contributions by employer	-	-	(5.32)	0.44	5.32	(0.44)
Benefits paid	(1.68)	(0.44)	(1.68)	(0.44)	-	-
<b>Closing balance</b>	<b>3.20</b>	<b>4.43</b>	<b>7.06</b>	<b>8.10</b>	<b>(3.86)</b>	<b>(3.66)</b>
<b>Represented by</b>						
Net defined benefit asset					3.86	3.66
Net defined benefit liability					-	-
					<b>3.86</b>	<b>3.66</b>



# ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

## Components of defined benefit plan cost:

Particulars	For year ended March 31, 2025	For year ended March 31, 2024
<b>Recognised in statement of profit or loss</b>		
Current service cost	0.47	0.51
Interest cost / (income) (net)	0.19	(1.18)
Total	0.66	(0.67)
<b>Recognised in other comprehensive income</b>		
Remeasurement of net defined benefit	(5.76)	0.91
Total	(5.76)	0.91

## Percentage break-down of total plan assets

Particulars	as at March 31, 2025	as at March 31, 2024
Investment funds with insurance company Of which unit linked	79.30	49.50
Cash and cash equivalents	20.70	50.50
	100.00	100.00

Note: None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

## Actuarial assumptions:

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.40%	7.00%
Salary growth rate	7.00%	7.00%
Withdrawal/attrition rate (based on categories)	16.00%	16.00%
Mortality rate	IALM 2012-14(Ultimate)	IALM 2012-14(Ultimate)
Expected weighted average remaining working lives of employees	4.5 Years	4.5 Years
Interest rate on net DBO/ (asset) (% p a.)	7.00%	7.10%

## Notes:

a) The discount rate is based on the benchmark yields available on Government Bonds at reporting date.

b) The estimates of future salary increases take into account the inflation, seniority, promotion and other relevant factors.

c) Assumptions regarding future mortality experience are set in accordance with the published rates under the Indian Assured Lives Mortality (2012-14) Ult table.



**ECL Finance Limited**

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

**Sensitivity analysis:**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at March 31, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%)	0.16	(0.14)	0.17	(0.17)
Discount Rate (+/- 1%)	(0.14)	0.16	(0.17)	0.02
Withdrawal Rate (+/- 1%)	(0.00)	0.00	0.00	(0.00)

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous year to the methods and assumptions underlying the sensitivity analyses.

**Description of asset liability matching (ALM) policy**

The Company has an insurance plan invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates. The liabilities' duration is not matched with the assets' duration.

**Description of funding arrangements and funding policy that affect future contributions**

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

**Maturity profile**

The weighted average duration of the obligation is 4.5 years (March 31, 2024: 4.5 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

**Asset liability comparisons**

Particulars	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
Present value of DBO	3.20	4.43	4.16	4.78	5.52
Fair value of plan assets	7.06	8.10	7.56	8.58	11.82
Net (assets)/liability	(3.86)	(3.67)	(3.40)	(3.80)	(6.30)

**C) Compensated absences :**

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation.





# ECL Finance Limited

## Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

### 40. Other expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Advertisement and business promotion	0.38	0.28
Auditors' remuneration (refer note 40.A)	1.83	1.90
Commission and brokerage	1.39	0.90
Directors' sitting fees	0.80	0.60
Insurance	0.24	0.26
Legal and professional fees	28.74	50.83
Management fees paid to Asset reconstruction companies	-	12.50
Printing and stationery	0.19	0.22
Rates and taxes	0.80	0.63
Rent (refer note 40.C & 40.D)	3.56	4.95
Repairs and maintenance (refer note 40.D)	0.48	0.60
Electricity charges (refer note 40.D)	0.80	1.02
Computer expenses	16.02	15.36
Corporate social responsibility (refer note 40.B)	-	-
Corporate guarantee commission	0.46	0.01
Clearing & custodian charges	0.45	0.47
Dematerialisation charges	0.04	0.20
Rating support fees	0.83	1.87
Loss/ (Profit) on sale of property, plant and equipment, Intangible asset and Investment Property	2.66	0.58
Membership and subscription	0.26	0.32
Office expenses (refer note 40.D)	0.67	5.02
Securities transaction tax	4.18	3.04
Goods & service tax expenses	11.32	20.18
Stamp duty	3.20	11.31
Transaction Charges	10.65	11.05
Travelling and conveyance	1.91	1.76
Housekeeping and security charges (refer note 40.D)	0.79	1.13
Commission to Non-Executive Directors	0.50	-
Miscellaneous expenses	3.66	5.42
	<b>96.81</b>	<b>152.41</b>

### 40.A Auditors' remuneration:

	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>As a Auditor</b>		
Statutory audit fees	0.87	0.95
Limited review fees	0.60	0.60
Fees for certification work	0.21	0.25
Towards reimbursement of expenses	0.15	0.10
	<b>1.83</b>	<b>1.90</b>



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### 40.B Details of CSR Expenditure:

As per the provisions of section 135 of the Companies Act, 2013, every company including its holding or subsidiary and a foreign company defined under clause (42) of section 2 of the Act having its branch office or project office in India, having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall spend, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy

Since the Company does not satisfy condition related to net average profit "average net profits of the Company made during the three immediately preceding financial years" as mentioned in the provisions of section 135 of the Company's Act 2013, the Company is not required to comply the provisions of section 135 of Companies Act 2013.

#### 40.C Ind AS 116 on Lease

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using modified retrospective method. The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use assets at an amount equal to the lease liability discounted at the incremental borrowing rate at the date of initial application.

##### Right to use of assets

	As at March 31, 2025	As at March 31, 2024
Opening balance	16.90	11.46
Addition / disposal during year	0.68	9.23
Amortisation expenses	(3.82)	(3.79)
<b>Closing balance</b>	<b>13.76</b>	<b>16.90</b>



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### Lease liability

	As at March 31, 2025	As at March 31, 2024
Opening balance	27.61	12.76
Addition/closed during year	0.60	18.27
Accretion of interest	2.63	1.31
Payments during the year	(6.65)	(4.72)
<b>Closing balance</b>	<b>24.19</b>	<b>27.61</b>

#### Amount recognised in statement of profit and loss

	For the year ended March 31, 2025	For the year ended March 31, 2024
Amortisation expenses - right of use assets	3.82	3.79
Interest expenses on lease liabilities	2.63	1.31
Expenses relating to short term leases (included in other expenses)	3.56	4.95
<b>Total amount recognised in statement of profit and loss</b>	<b>10.01</b>	<b>10.05</b>

#### 40.D Cost sharing

Edelweiss Financial Services Limited, being the ultimate holding company along with fellow subsidiaries incurs expenditure like insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 39 and 40 include reimbursements paid and are net of reimbursements received based on the management's best estimate are Rs. (0.90) crores (previous year Rs. 2.83 crores)



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### 41. Income tax

##### Component of income tax expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax	-	-
Deferred tax	10.03	49.23
Total tax expense for the year	10.03	49.23
Current tax (refer note 41.A)	-	-
Deferred tax (refer note 41.B)	10.03	49.23

41.A The income tax expenses for the year can be reconciled to the accounting profit as follows:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before taxes	56.33	184.43
Statutory income tax rate	25.17%	25.17%
Tax charge at statutory rate	14.18	46.42
Tax effect of :		
A) Adjustment in respect of current income tax of prior year	-	-
B) Income not subject to tax or chargeable to lower tax rate	-	-
C) Tax impact due to revaluation of deferred tax due to change in Income tax rate*	-	-
D) Item on which no deferred tax is created	(3.22)	(0.70)
E) Deferred tax created on item, on which deferred tax not created in previous year	-	-
F) Tax effects on various other items	(0.93)	3.52
Total tax reported in statement of profit and loss	10.03	49.24
Effective income tax rate	17.81%	26.70%



# ECL Finance Limited

## Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

### 41.B Table below shows deferred tax recorded in the balance sheet and changes recorded in Income tax expenses:

	As at April 01, 2024	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2025
<b>For the year ended March 31, 2025</b>					
<b>Deferred tax assets</b>					
Expected credit loss provision	9.59	(1.71)	-	-	7.88
Unamortised processing fees - EIR on lending	1.33	(0.33)	-	-	1.00
Employee benefit obligations	1.48	(0.91)	(1.45)	-	(0.88)
Unused Tax Loss	691.42	(229.16)	-	-	462.26
Investments and other financial instruments (FVTPL)	85.29	(5.69)	-	-	79.59
Investments (FVOCI) - Security Receipt	14.04	-	33.63	-	47.67
<b>Deferred tax liabilities</b>					
Difference between book and tax depreciation	(18.66)	1.01	-	-	(17.65)
Effective interest rate on financial liabilities	(9.29)	3.64	-	-	(5.65)
Unrealised gain on financial instruments	(222.05)	222.05	-	-	-
Interest spread on assignment transactions	-	-	-	-	-
Others	(0.54)	1.06	-	-	0.52
<b>Deferred tax asset (net)</b>	<b>552.59</b>	<b>(10.03)</b>	<b>32.18</b>	<b>-</b>	<b>574.74</b>

	As at April 01, 2023	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2024
<b>For the year ended March 31, 2024</b>					
<b>Deferred tax assets</b>					
Expected credit loss provision	89.34	(79.75)	-	-	9.59
Unamortised processing fees - EIR on lending	1.02	0.31	-	-	1.33
Employee benefit obligations	1.43	(0.18)	0.23	-	1.48
Unused Tax Loss	603.84	87.58	-	-	691.42
Investments and other financial instruments (FVTPL)	21.82	63.47	-	-	85.29
Investments (FVOCI) - Security Receipt	-	-	14.04	-	14.04
<b>Deferred tax liabilities</b>					
Difference between book and tax depreciation	(20.65)	1.99	-	-	(18.66)
Effective interest rate on financial liabilities	(9.29)	(0.00)	-	-	(9.29)
Unrealised gain on financial instruments	(97.91)	(124.17)	-	-	(222.05)
Interest spread on assignment transactions	(2.03)	2.03	-	-	-
Others	-	(0.54)	-	-	(0.54)
<b>Deferred tax asset (net)</b>	<b>587.55</b>	<b>(49.25)</b>	<b>14.27</b>	<b>-</b>	<b>552.59</b>





## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### 42. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company with the weighted average number of equity shares outstanding during the year adjusted for assumed conversion of all dilutive potential equity shares.

	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Basic Earnings per Share</b>		
Net (Loss) / Profit attributable to Equity holders of the Company - A	46.30	135.20
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	2,13,82,67,650	2,13,82,67,650
- Number of equity shares issued during the year	56,18,90,162.0	-
Total number of equity shares outstanding at the end of the year	2,70,01,57,812	2,13,82,67,650
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - B	2,44,61,52,670	2,13,82,67,650
Number of ordinary shares resulting from conversion of CCD ( Compulsory Convertible Debentures) - C	-	56,18,90,162
Weighted average number of equity shares outstanding during the period (based on the date of issue of shares) - D (B+C)	2,44,61,52,670	2,70,01,57,812
<b>Basic earnings per share (in rupees) (A/B)</b>	<b>0.19</b>	0.63
<b>Diluted earnings per share (in rupees) (A/D)</b>	<b>0.19</b>	0.50

#### 43. Contingent Liability & Commitment:

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

##### Contingent Liability

	For the year ended March 31, 2025	For the year ended March 31, 2024
Direct/Indirect tax Litigation pending against the Company	19.18	19.14

##### Commitment

	For the year ended March 31, 2025	For the year ended March 31, 2024
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	0.00	0.02
Undrawn committed credit lines	5.31	41.09
AIF Undrawn amount	89.78	96.38

To meet the financial needs of customers, the Company enters into various irrevocable commitments, which primarily consist of undrawn commitment to lend.



## ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

### 44. Segment Reporting

The company is engaged primarily in the business of financing and accordingly there is no separate reportable segment and hence no disclosure is made under Ind AS 108 - 'Operating Segment Reporting'. Further, segmentation based on geography has not been presented as the company operates only in India.



## Notes to the financial statement for the year ended March 31, 2025 (continued)

#### 45. Transfer of financial assets

**45.A Transferred financial assets that are not derecognised in their entirety**

The following tables provide a summary of financial assets that have been transferred in such a way that all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Securitisations</b>		
Carrying amount of transferred assets <i>(held as Collateral)</i>	<b>303.55</b>	201.55
Carrying amount of associated liabilities	<b>274.03</b>	171.09
Fair value of assets	<b>321.05</b>	135.96
Fair value of associated liabilities	<b>236.56</b>	103.10
Net position at FV	<b>84.49</b>	32.86

**45.B Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement:**

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

**46. A. Change in liabilities arising from financing activities**

Particulars	As at April 01, 2024	Cash Flows (net)	Changes in Fair value	Others (net)*	As at March 31, 2025
Debt securities	2,529.85	(374.75)	-	(284.82)	1,870.28
Borrowings other than debt securities	3,391.69	(300.56)	-	(0.19)	3,090.94
Subordinated liabilities	1,109.12	(10.10)	-	1.41	1,100.43
Lease Liabilities	27.61	(6.65)	-	3.23	24.19
	<b>7,058.27</b>	<b>(692.06)</b>	-	<b>(280.37)</b>	<b>6,085.84</b>

Particulars	As at April 01, 2023	Cash Flows (net)	Changes in Fair value	Others (net)*	As at March 31, 2024
Debt securities	4,997.60	(1,913.12)	(489.16)	(65.48)	2,529.85
Borrowings other than debt securities	3,737.04	(336.33)	-	(9.02)	3,391.69
Subordinated liabilities	1,333.56	(143.04)	-	(81.40)	1,109.12
Lease Liabilities	12.76	(4.72)	-	19.58	27.61
	<b>10,080.96</b>	<b>(2,397.21)</b>	<b>(489.16)</b>	<b>(136.33)</b>	<b>7,058.27</b>

\*Other column includes conversion of CCDs into equity and also the effect of accrued but not paid interest on borrowing, amortisation of processing fees, accretion of lease liabilities etc.

46. **B. Operating cash flow before working capital changes has cash profit of Rs.41.74 crores for the year ended 31st March, 2025 (Nil Cash losses computed basis Companies (Auditor's Report) Order, 2020).**



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### 47. Maturity Analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives (excluding embedded derivatives), securities held for trading have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial Assets</b>						
Cash and cash equivalents	730.23	-	730.23	512.21	-	512.21
Bank balances other than cash and cash equivalents	34.86	2.86	37.72	17.20	10.56	27.76
Derivative financial instruments	0.98	-	0.98	71.19	-	71.19
Trade receivables	39.35	-	39.35	502.03	0.02	502.05
Loans	306.33	622.84	929.18	514.45	751.67	1,266.12
Investments	3,303.23	2,102.65	5,405.88	3,559.10	3,838.79	7,397.89
Other financial assets	15.16	19.40	34.56	85.60	23.43	109.03
<b>Non-financial assets</b>						
Current tax assets (net)	-	215.18	215.18	-	249.93	249.93
Deferred tax assets (net)	-	574.74	574.74	-	552.59	552.59
Investment Property	4.40	0.00	4.40	-	12.55	12.55
Property, plant and equipment	-	66.14	66.14	-	72.85	72.85
Other intangible assets	-	2.74	2.74	-	3.37	3.37
Other non-financial assets	-	37.75	37.75	-	50.67	50.67
<b>Total Assets</b>	<b>4,434.54</b>	<b>3,644.30</b>	<b>8,078.85</b>	<b>5,261.78</b>	<b>5,566.43</b>	<b>10,828.20</b>
<b>Financial Liabilities</b>						
Derivative financial instruments	4.32	-	4.32	42.80	-	42.80
Trade payables	168.71	0.31	169.02	778.55	0.23	778.78
Debt securities	467.79	1,402.49	1,870.28	708.72	1,821.13	2,529.85
Borrowings (other than debt securities)	2,838.42	252.52	3,090.94	2,997.59	394.10	3,391.69
Subordinated liabilities	373.74	726.69	1,100.43	64.37	1,044.75	1,109.12
Other financial liabilities	96.24	143.18	239.42	105.71	87.13	192.84
<b>Non-financial liabilities</b>						
Current tax liabilities (net)	-	-	-	-	-	-
Provisions	0.72	-	0.72	1.01	-	1.01
Other non-financial liabilities	1.67	0.13	1.80	6.84	6.17	13.01
<b>Total Liabilities</b>	<b>3,951.60</b>	<b>2,525.33</b>	<b>6,476.93</b>	<b>4,705.58</b>	<b>3,353.52</b>	<b>8,059.10</b>
<b>Net</b>	<b>482.94</b>	<b>1,118.97</b>	<b>1,601.92</b>	<b>556.20</b>	<b>2,212.91</b>	<b>2,769.10</b>

#### Notes:

The Company has considered that the Cash Credit and WCDL facilities availed by it aggregating to Rs. 202.13 crore as at March 31, 2025 will be repaid on their renewal dates and accordingly reflected the same in the "within 12 months" bucket



**ECL Finance Limited**  
(Currency: Indian rupees in crores)

**Related Party Transactions**

48.

**A) List of related parties and relationship:**

<p>Name of related parties by whom control is exercised :</p> <p>Ultimate Holding company</p> <p>Holding company</p> <p>Fellow subsidiaries</p> <p>(with whom transactions have taken place)</p>	<p>Edelweiss Financial Services Limited</p> <p>Edel Finance Company Limited (w.e.f. March 28, 2024)</p> <p>Edelweiss Rural and Corporate Services Limited</p> <p>Edelweiss Retail Finance Limited</p> <p>Nido Home Finance Ltd (Formerly EHFL)</p> <p>ECap Equities Limited ( Formerly ELL)</p> <p>Edelweiss Asset Management Limited</p> <p>Edelweiss Life Insurance Company Limited (formerly known as Edelweiss Tokio Life Insurance Company Limited)</p> <p>Zuno General Insurance Company Limited ( Formerly EGICL)</p> <p>Edelweiss Asset Reconstruction Company Limited</p> <p>Edel Finance Company Limited</p> <p>Edel Investments Limited</p> <p>EAAA India Alternatives Limited (formerly known as Edelweiss Alternative Asset Advisors Limited)</p> <p>Edelweiss Global Wealth Management Limited</p> <p>Edelcap Securities Limited</p> <p>Edelweiss Comtrade Limited</p> <p>EdelGive Foundation</p> <p>Edelweiss Investments Advisors Limited</p> <p>Ecap Securities &amp; Investments Limited</p> <p>Edelweiss Private Equity Tech Fund</p> <p>Edelweiss Value and Growth Fund</p> <p>Sekura India Management Limited</p>
<p>Key management personnel</p>	<p>Rashesh Shah (Chairman) (Non Executive Director w.e.f. August 1, 2021)</p> <p>Biswamohan Mahapatra (Independent Director) Resigned wef August 09, 2024</p> <p>Ravi Rajagopal (Nominee Director w.e.f. August 10, 2023 &amp; Resigned wef May 21, 2024)</p> <p>Shiva Kumar (Independent Director)</p> <p>Sameer Kaji (Independent Director)</p> <p>Atul Pande (Independent Director)</p> <p>Aalok Gupta (Independent Director)</p> <p>Phanindranath Kakarla (Managing Director W.e.f 01 February 2023)</p> <p>Sandeep Agarwal ( CFO W.e.f 01 February 2023)</p> <p>Mehernosh Tata ( Executive Director Wef 01 Feb 2023 &amp; Resigned wef Oct 22, 2024 )</p> <p>Kashmira Mathew (Executive Director w.e.f 04 Jan 2024)</p> <p>Inara Wadhwanian (Company Secretary)</p>





# **ECL Finance Limited**

Notes to the financial statement for the year ended March 31, 2025 (continued)

48.

## **B) Transactions with related parties:**

Particulars	For the period ended March 31, 2025	For the period ended March 31, 2024
<b><u>Current account transactions</u></b>		
<b>Loans taken from (Maximum transaction during the year)</b>		
Edelweiss Retail Finance Limited	70.00	-
Nido Home Finance Ltd ( Formerly EHFL)	-	85.00
Ecap Equities Limited(Formerly ELL)	42.00	-
<b>Loans taken from (Sum of transaction during the year)</b>		
Edelweiss Retail Finance Limited	155.00	-
Nido Home Finance Ltd ( Formerly EHFL)	-	85.00
Ecap Equities Limited(Formerly ELL)	42.00	-
<b>Loan repaid to (Maximum transaction during the year)</b>		
Edelweiss Retail Finance Limited	120.00	-
Nido Home Finance Ltd ( Formerly EHFL)	-	85.00
Ecap Equities Limited(Formerly ELL)	42.00	-
<b>Loan repaid to (Sum of transaction during the year)</b>		
Edelweiss Retail Finance Limited	120.00	-
Nido Home Finance Ltd ( Formerly EHFL)	-	85.00
Ecap Equities Limited (Formally ELL)	42.00	-
<b>Loans given to (Maximum transaction during the year)</b>		
Edelweiss Rural and Corporate Services Limited	150.00	100.00
Ecap Equities Limited (Formally ELL)	50.00	250.00
Ecap Sec & Investment Ltd	-	121.00
<b>Loans given to (Sum of transaction during the year)</b>		
Edelweiss Rural and Corporate Services Limited	225.00	205.00
Ecap Equities Limited (Formally ELL)	100.00	500.00
Ecap Sec & Investment Ltd	-	171.00
<b>Loans repaid by (Maximum transaction during the year)</b>		
Edelweiss Rural and Corporate Services Limited	225.00	63.00
Ecap Equities Limited (Formally ELL)	100.00	200.00
Ecap Sec & Investment Ltd	50.00	209.00
<b>Loans repaid by (Sum of transaction during the year)</b>		
Edelweiss Rural and Corporate Services Limited	225.00	205.00
Ecap Equities Limited (Formally ELL)	100.00	760.00
Ecap Sec & Investment Ltd	50.00	359.00



Particulars	For the period ended March 31, 2025	For the period ended March 31, 2024
<b>Redemption of Non Convertible Debentures / benchmark linked debentures</b>		
Edelweiss Retail Finance Limited	0.00	2.51
Edelweiss Rural and Corporate Services Limited	150.25	-
Ecap Equities Limited(Formerly ELL)	3.56	2.90
Edelweiss Life Insurance Company Limited (formerly known as Edelweiss Tokio Life Insurance Company Limited)	14.68	14.08
<b>Purchases of securities from</b>		
Ecap Equities Limited(Formerly ELL)	-	226.58
Edelweiss Life Insurance Company Limited (formerly known as Edelweiss Tokio Life Insurance Company Limited)	-	69.45
Edel Finance Company Limited	95.00	-
Edelweiss Retail Finance Limited	-	13.95
India Credit Investment Fund V	-	139.60
India Credit Investment Fund III	-	8.63
<b>Sale/ Redemption of securities / Fund to</b>		
Nido Home Finance Ltd ( Formerly EHFL)	-	13.64
Edelweiss Life Insurance Company Limited (formerly known as Edelweiss Tokio Life Insurance Company Limited)	-	12.85
India Credit Investment Fund II	-	267.72
India Credit Investment Fund III	-	606.66
India Credit Investment Fund V	-	138.94
Edelweiss Private Equity Tech fund	-	0.67
Edelweiss Value and Growth Fund	-	5.92
Ecap Equities Ltd (Formerly ELL)	-	633.20
Edelweiss Rural and Corporate Services Limited	-	270.36
<b>Security Deposits received from</b>		
Edelweiss Asset Management Limited	-	0.74
<b>Security deposits paid</b>		
Edelweiss Rural and Corporate Services Limited	-	0.05
Edelweiss Life Insurance Company Limited (formerly known as Edelweiss Tokio Life Insurance Company Limited)	-	1.43
Nido Home Finance Ltd (Formerly EHFL)(Refunded)	-	1.46
<b>Purchase of loan and credit substitute from (Including assignment/ Securitisation)</b>		
Ecap Equities Limited(Formerly ELL)	-	16.99
Edelweiss Life Insurance Company Limited (formerly known as Edelweiss Tokio Life Insurance Company Limited)	-	37.33
India Credit Investment Fund II	-	165.00
India Credit Investment Fund I	-	105.16
Zuno General Insurance Company Ltd (Formerly EGICL)	-	2.67
India Credit Investment Fund V	-	275.00
<b>Sale of securities receipts to</b>		
Edelweiss Asset Reconstruction Company Limited	-	511.71
Edelweiss Retail Finance Limited	-	148.72
<b>Sale of Loan &amp; Credit Substitutes (Including assignment/ Securitisation)</b>		
Nido Home Finance Ltd ( Formerly EHFL)	-	42.00
Edelweiss Global Wealth Management Limited	-	259.55
Edelweiss Rural and Corporate Services Limited	-	280.42
<b>Sale of Loans &amp; Credit Substitutes to Trusts</b>		
Edelweiss Asset Reconstruction Company Limited Trust	-	1,498.10



Particulars	For the period ended March 31, 2025	For the period ended March 31, 2024
<b>Investment in Security Receipts</b>		
Edelweiss Asset Reconstruction Company Limited - SC 445 Class B	-	70.00
Edelweiss Asset Reconstruction Company Limited - SC 433	-	19.55
Edelweiss Asset Reconstruction Company Limited - SC 486 Class B	-	511.41
Edelweiss Asset Reconstruction Company Limited - SC 464 Class B	-	131.75
Edelweiss Asset Reconstruction Company Limited - SC 455 CLASS B	-	172.55
Edelweiss Asset Reconstruction Company Limited - SC 470 Class B	-	127.55
India Credit Investment Fund III - EARC - SC 251	-	119.37
India Credit Investment Fund III - EARC - SC 452 CLASS B	-	733.47
India Credit Investment Fund V - EARC- SC 394 Class B	-	18.60
India Credit Investment Fund III - EARC-SC - 453 CLASS B	-	733.00
India Credit Investment Fund III - EARC-SC - 384 CLASS B	-	288.96
India Credit Investment Fund V - ACRE ARC Trust - 100	-	22.24
Edelweiss Retail Finance Limited - EARC TRUST SC 374	-	1.97
Edelweiss Retail Finance Limited - EARC TRUST SC 378	-	0.31
Edelweiss Retail Finance Limited - EARC TRUST SC 373	-	3.04
Edelweiss Retail Finance Limited - EARC TRUST SC 385 Class B	-	7.21
Edelweiss Retail Finance Limited - EARC TRUST SC 416 Class B	-	6.02
Edelweiss Retail Finance Limited - EARC TRUST SC 417 Class B	-	15.52
Edelweiss Retail Finance Limited - Acre 135 trust Class B	-	5.62
Edelweiss Retail Finance Limited - Omkara PS 34 ( Retail )	-	4.28
Edelweiss Retail Finance Limited - OMKARA PS04 - 2020-21 TRUST CLASS B	-	1.03
Edelweiss Retail Finance Limited - ACRE ARC Trust - 136	-	7.06
<b>Income</b>		
<b>Commission and brokerage received from</b>		
EAAA India Alternatives Limited (formerly known as Edelweiss Alternative Asset Advisors Limited)	-	5.75
Zuno General Insurance Company Ltd (Formerly EGICL)	0.07	-
<b>Reimbursement of ARC management fee from</b>		
Edelweiss Financial Services Limited	-	11.20
<b>Cost reimbursement received from</b>		
Edelweiss Retail Finance Limited	0.05	0.02
Nido Home Finance Ltd ( Formerly EHFL)	0.64	1.07
<b>Interest income on receivable</b>		
Edelweiss Rural and Corporate Services Limited	2.34	-
Ecap Equities Ltd (Formally ELL)	5.20	-
Edelweiss Financial Services Limited	15.54	-
<b>Interest income on loans given to</b>		
Edelweiss Rural and Corporate Services Limited	4.18	4.33
Ecap Equities Ltd (Formally ELL)	2.52	27.97
Ecap Sec & Investment Ltd	0.32	38.63
<b>Interest received on securities</b>		
Edelweiss Financial Services Limited	0.03	-
Edel Finance Company Limited	13.51	9.94
Edelweiss Retail Finance Limited	0.08	0.05
Edelweiss Rural and Corporate Services Limited	1.37	0.56
<b>Shared premises cost received from</b>		
Edelweiss Retail Finance Limited	1.89	2.29
Nido Home Finance Ltd ( Formerly EHFL)	0.61	0.52
Edelweiss Asset Management Limited	5.60	5.30
Edelweiss Rural and Corporate Services Limited		
<b>Management Fees Income</b>		
EAAA India Alternatives Limited (formerly known as Edelweiss Alternative Asset Advisors Limited)	0.06	-
Edelweiss Life Insurance Company Limited	0.88	-
Edel Finance Company Limited	2.89	-
Ecap Sec & Investment Ltd	24.58	-
Ecap Equities Ltd (Formally ELL)	5.78	9.95
Edelweiss Rural and Corporate Services Limited	-	5.34
Edelweiss Investment Advisors Limited	33.88	22.26



Particulars	For the period ended March 31, 2025	For the period ended March 31, 2024
<b>Reimbursement of Realised Loss on Security Receipts</b>		
Edelweiss Financial Services Limited	181.22	1,169.73
<b>Expense</b>		
<b>Advisory fees paid to</b>		
Sekura India Management Limited	0.08	0.40
Nido Home Finance Ltd ( Formerly EHFL)	0.35	2.87
<b>Corporate guarantee support fee paid to</b>		
Ecap Equities Ltd (Formally ELL)	0.22	0.00
Edelweiss Rural and Corporate Services Limited	0.23	0.00
<b>Commission and brokerage paid to</b>		
Edel Investments Limited	1.46	0.98
<b>Cost reimbursement paid to</b>		
Ecap Equities Ltd (Formally ELL)	0.46	3.37
Edelweiss Rural and Corporate Services Limited	6.32	5.01
Edelweiss Financial Services Limited	0.01	-
Edel Investments Limited	0.48	0.28
<b>Enterprise Service charge paid to</b>		
Edelweiss Rural and Corporate Services Limited	0.09	0.88
<b>Interest paid on loan</b>		
Edelweiss Retail Finance Limited	1.19	-
Nido Home Finance Ltd ( Formerly EHFL)	-	0.08
Ecap Equities Ltd (Formally ELL)	0.06	-
<b>Management Fees Paid to</b>		
EAAA India Alternatives Limited (formerly known as Edelweiss Alternative Asset Advisors Limited)	-	5.24
Edelweiss Asset Reconstruction Company Limited	21.06	16.26
<b>Rent/Society Maintenance Charges Paid to</b>		
Edelweiss Life Insurance Company Limited	3.18	-
Ecap Equities Ltd (Formally ELL)	2.87	-
Edelweiss Rural and Corporate Services Limited	0.15	0.16
<b>Shared premises cost paid to</b>		
Nido Home Finance Ltd ( Formerly EHFL)	2.22	-
Edelweiss Rural and Corporate Services Limited	0.52	1.37
Edelweiss Retail Finance Limited		
Edelweiss Securities Limited		
Edelweiss Broking Limited		
<b>Interest expenses on non-convertible debentures</b>		
Edel Finance Company Limited	16.72	-
Edelweiss Retail Finance Limited	7.71	0.14
Ecap Equities Ltd (Formally ELL)	0.51	0.83
Edel Finance Co Ltd	-	24.67
Edelweiss Life Insurance Company Limited (formerly known as Edelweiss Tokio Life Insurance Company Limited)	0.99	8.16
<b>ESOP cost reimbursement</b>		
Edelweiss Financial Services Limited	-2.21	1.11





Particulars	For the period ended March 31, 2025	For the period ended March 31, 2024
<b>Other receivables</b>		
Edelweiss Global Wealth Management Limited	-	0.00
Edelweiss Rural and Corporate Services Limited	0.22	-
Edelweiss Financial Services Limited	0.15	-
Edelcap Securities Limited	-	0.03
<b>Sale of property, plant and equipment</b>		
Edelweiss Life Insurance Company Limited (formerly known as Edelweiss Tokio Life Insurance Company Limited)	-	48.00
Nido Home Finance Ltd ( Formerly EHFL)	0.01	0.03
<b>Liabilities</b>		
<b>Security deposits received from</b>		
Edelweiss Asset Management Limited	1.86	1.86
Nido Home Finance Ltd ( Formerly EHFL)	-	-
<b>Non convertible debentures held by</b>		
Edelweiss Life Insurance Company Limited (formerly known as Edelweiss Tokio Life	-	14.68
Edelweiss Retail Finance Limited	240.00	0.00
Ecap Equities Ltd (Formally ELL)	4.98	6.10
Edel Finance Co Ltd	-	240.00
<b>Interest accrued on loan taken from</b>		
Edelweiss Retail Finance Limited	0.06	-
<b>Interest Accrued on bonds/debenture</b>		
Edelweiss Retail Finance Limited	21.81	-
Edel Finance Company limited	-	21.84
Ecap Equities Ltd (Formally ELL)	0.03	0.25
<b>Interest accrued but not due on non convertible debentures held by</b>		
Edelweiss Retail Finance Limited	-	0.00
Edelweiss Life Insurance Company Limited (formerly known as Edelweiss Tokio Life	-	0.37
<b>Loan taken from</b>		
Edelweiss Retail Finance Limited	35.00	-





Particulars	For the period ended March 31, 2025	For the period ended March 31, 2024
<b>Trade payables</b>		
Edelweiss Rural and Corporate Services Limited	1.67	-
Nido Home Finance Ltd ( Formerly EHFL)	0.34	-
Zuno General Insurance Company Ltd (Formerly EGICL)	-	0.00
Sekura India Management Limited	0.09	-
Edelweiss Asset Reconstruction Company Limited	-	5.15
Sekura India Management Limited	-	0.43
Edelweiss Life Insurance Company Limited (formerly known as Edelweiss Tokio Life	0.01	-
Edelweiss Retail Finance Limited	1.22	-
EdelGive Foundation	-	0.00
Edel Investments Limited	-	0.03
EAAA India Alternatives Limited (formerly known as Edelweiss Alternative Asset	0.05	-
<b>Other Payables</b>		
EAAA India Alternatives Limited (formerly known as Edelweiss Alternative Asset Advisors Limited)	-	0.05
Nido Home Finance Ltd (Formerly EHFL)	0.05	0.03
Edelweiss Retail Finance Limited	-	0.00
Sekura India Management Limited	-	0.02
Zuno General Insurance Company Ltd (Formerly EGICL)	-	0.00
Edelweiss Life Insurance Company Limited (formerly known as Edelweiss Tokio Life Insurance Company Limited)	0.00	0.00
<b>Corporate guarantee taken from</b>		
Edelweiss Financial Services Limited	100.00	110.00
Ecap Equities Ltd (Formerly ELL)	22.01	34.44
Edelweiss Rural and Corporate Services Limited	22.74	35.59

**Notes**

1. Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment, bonus and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.
2. As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 – Related Party Disclosures, maximum amount of loans given and repaid alongwith the transaction volume are disclosed above. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.
3. The above list contain name of only those related parties with whom the Company has undertaken transactions for the year ended 31 March 2024 and 31 March 2025.



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### 49. Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements from its regulators and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

##### The pillars of its policy are as follows:

- Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
- Maintain investment grade ratings for all its liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.
- Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on earnings.
- Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment

#### Regulatory capital

*In the terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued vide Master Direction RBI DoR 2023-24 106 DoR.FIN.REC.No.45 03.10.119.2023-24 dated October 19, 2023 (Updated as on February 27, 2025).*

Particulars	As at March 31, 2025	As at March 31, 2024*
<b>Capital Funds</b>		
Net owned funds (Tier I capital)	802.45	1,302.84
Tier II capital	322.09	1,302.84
<b>Total capital funds</b>	<b>1,124.54</b>	2,605.68
<b>Total risk weighted assets/ exposures</b>	<b>3,447.26</b>	6,405.96
<b>% of capital funds to risk weighted assets/exposures:</b>		
Tier I capital	23.28%	20.34%
Tier II capital**	9.34%	20.34%
Total capital Funds	32.62%	40.68%

\* The RBI assessed net owned fund (NOF) of Rs. 325.10 crores and capital adequacy ratio (CRAR) at 11.98% during inspection for Supervisory Evaluation (ISE) for the year 2023-24. The company has implemented the necessary actions as mentioned in the inspection report in the FY2024-25 and accordingly, Capital adequacy Ratio for the year ended March 31, 2025 is computed (Refer note no. 53 AD).

\*\* Tier II Capital reduced on account of conversion of compulsory convertible debenture into equity during the year.

"No changes have been made to the objectives, policies and processes from the previous year. However, they are under constant review by the Board.



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### 50. Fair Value measurement:

##### A. Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

Refer note 4.11 for more details on fair value hierarchy

##### B. Valuation governance framework

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

##### C. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

As at March 31, 2025	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments</b>				
Interest rate derivatives	-	0.98	-	0.98
<b>Total derivative financial instruments - A</b>	-	0.98	-	0.98
<b>Investments</b>				
Government debt securities	2,762.45	-	-	2,762.45
Other debt securities	-	216.83	-	216.83
Mutual fund units	-	-	-	-
Equity instruments	-	-	19.58	19.58
Security receipts	-	-	2,259.99	2,259.99
Units of Alternative Investment Fund /				
Venture Capital Fund	-	-	118.95	118.95
Compulsary Convertible Preference Shares	-	-	-	-
Investment in Pass through Certificates (PTC)	-	-	28.08	28.08
<b>Total investments measured at fair value - B</b>	2,762.45	216.83	2,426.60	5,405.88
<b>Loans (C)</b>				
- classified under FVOCI			295.57	295.57
<b>Total (A+B+C)</b>	<b>2,762.45</b>	<b>217.81</b>	<b>2,722.17</b>	<b>5,702.42</b>
<b>Liabilities measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments</b>				
Premium paid on outstanding exchange traded options (including MTM)	-	-	-	-
OTC derivatives	-	4.32	-	4.32
Embedded derivatives in market-linked debentures	-	-	-	-
	-	4.32	-	4.32



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

As at March 31, 2024	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments</b>				
Premium paid on outstanding exchange traded options	62.06	-	-	62.06
OTC derivatives	-	9.13	-	9.13
Embedded derivatives in market-linked debentures	-	-	-	-
<b>Total derivative financial instruments - A</b>	<b>62.06</b>	<b>9.13</b>	<b>-</b>	<b>71.19</b>
<b>Investments</b>				
Government debt securities	2,834.92	-	-	2,834.92
Other debt securities	-	264.59	-	264.59
Mutual fund units	149.98	-	-	149.98
Equity instruments	174.26	-	5.15	179.41
Security receipts	-	-	3,822.42	3,822.42
Units of Alternative Investment Fund / Venture Capital Fund	-	-	107.85	107.85
Compulsary Convertible Preference Shares	-	-	10.66	10.66
Investment in Pass through Certificates (PTC)	-	-	28.08	28.08
<b>Total investments measured at fair value - B</b>	<b>3,159.15</b>	<b>264.59</b>	<b>3,974.15</b>	<b>7,397.89</b>
<b>Loans (C)</b>				
- classified under FVOCI	-	-	360.55	360.55
<b>Total (A+B+C)</b>	<b>3,221.21</b>	<b>273.72</b>	<b>4,334.70</b>	<b>7,829.63</b>
<b>Liabilities measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments</b>				
Premium paid on outstanding exchange traded options (including MTM)	-	-	-	-
OTC derivatives	-	2.20	-	2.20
Embedded derivatives in market-linked debentures	-	-	-	-
	<b>-</b>	<b>2.20</b>	<b>-</b>	<b>2.20</b>



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### D. Valuation techniques:

##### Government debt securities:

Government debt securities are financial instruments issued by sovereign governments and include both long term bonds and short-term Treasury bills with fixed or floating rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1

##### Debt securities:

Whilst most of these instruments are standard fixed rate securities, however nifty linked debentures have embedded derivative characteristics. Fair value of these instruments is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. Group has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not actively traded Company has used CRISIL Corporate Bond Valuer model for measuring fair value.

##### Security receipts

The market for these securities is not active. Investments in SRs issued by ARCs shall be valued periodically by reckoning the Net Asset Value (NAV) declared by the ARC and as per RBI guidelines. Securities receipts with significant unobservable valuation inputs are classified as Level 3.

##### Equity instruments, CCPS and units of mutual fund:

The majority of equity instruments are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are also classified as Level 1. Equity instruments and CCPS in non-listed entities are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level.

##### Alternative Investment Fund / Venture Capital Fund

Units held in Alternative Investment Fund / Venture Capital Fund are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are classified as Level 3.

##### Interest rate swaps:

Under Interest rate swap contract, the Company agrees to exchange the difference between fixed and floating rate interest amount calculated on agreed notional principal. Such contracts enable the Company to mitigate the risk of changing interest rate. The fair value of interest rate swap is determined by discounting the future cash flows using the curves at the end of reporting period and the credit risk inherent in the contract. Company classifies the Interest rate swaps as level 2 instruments.

##### Embedded derivative:

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Company uses valuation models which calculate the present value of expected future cash flows, based upon 'no arbitrage' principles. Inputs to valuation models are determined from observable market (Indices) data wherever possible, including prices available from exchanges, dealers, brokers. Company classifies these embedded derivative as level 3 instruments.

##### Exchange traded derivatives:

Exchange traded derivatives includes index stock options, index/stock futures, company uses exchange traded prices to value these derivative and classify these instrument as level 1.

##### Loans Measured at FVOCI

Fair value of loans measured at FVOCI approximates its carrying value and are classified as level 3.

#### E. There have been no transfers between levels during the year ended March 31, 2025 and March 31, 2024.



# ECL Finance Limited

## Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

F. The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy of financial assets.

Financial year ended March 31, 2025	Equity, CCPS and PTC	Security receipts- Measured at FVTOCI Equity	Investment Fund / Venture Capital Fund	Loans-Measured at FVOCI	Total
<b>Investments - at April 1, 2024</b>	<b>43.89</b>	<b>3,822.43</b>	<b>107.85</b>	<b>360.55</b>	<b>4,334.72</b>
Reclassified from Amortised Cost	-	-	-	-	-
Purchase/Accrued Interest	-	-	-	41.53	41.53
Sale/Redemption during the year	(11.15)	(167.66)	(0.48)	(130.30)	(309.60)
Profit/(loss) for the year	14.92	(1,394.79)	11.58	23.80	(1,344.50)
FV losses under R&R agreement reimbursed by ultimate holding co.	-	-	-	-	-
<b>Investments - at March 31, 2025</b>	<b>47.66</b>	<b>2,259.98</b>	<b>118.94</b>	<b>295.58</b>	<b>2,722.16</b>
Unrealised gain/(Loss) related to balances held at the end of the year	11.74	(2,374.92)	7.88	(11.90)	(2,355.30)

Financial year ended March 2024	Equity and CCPS	Security receipts	Units of Alternative Investment Fund / Venture Capital Fund	Loans-Measured at FVOCI	Total
<b>Investments - at April 1, 2023</b>	<b>16.23</b>	<b>2,806.08</b>	<b>1,648.03</b>	<b>-</b>	<b>4,470.35</b>
Reclassified from Amortised Cost	-	-	-	356.50	356.50
Purchase/Accrued Interest	28.08	3,413.38	148.24	8.18	3,597.88
Sale/Redemption during the year	-	(1,554.72)	(1,642.60)	-	(3,197.32)
Profit/(loss) for the year	(0.42)	(127.35)	(45.82)	(4.13)	(177.73)
FV losses under R&R agreement reimbursed by ultimate holding co.	-	(714.96)	-	-	-
<b>Investments - at March 31, 2024</b>	<b>43.89</b>	<b>3,822.43</b>	<b>107.85</b>	<b>360.55</b>	<b>4,334.72</b>
Unrealised gain/(Loss) related to balances held at the end of the year	(0.21)	(980.23)	(3.69)	(4.13)	(984.13)

The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy of financial liabilities.

Financial year ended March 31, 2025	Embedded Options		
	Assets	Liabilities	Net Balance
<b>As at April 1, 2024</b>	-	-	-
Issuances	-	-	-
Settlements	-	-	-
Changes in fair value recognised in profit or loss	-	-	-
<b>As at March 31, 2025</b>	-	-	-
Financial year ended March 2024	Embedded Options		
	Assets	Liabilities	Net Balance
<b>As at April 1, 2023</b>	-	<b>14.19</b>	<b>(14.19)</b>
Issuances	-	-	-
Settlements	-	(14.19)	14.19
Changes in fair value recognised in profit or loss	-	-	-
<b>As at March 31, 2024</b>	-	-	-





**ECL Finance Limited**
**Notes to the financial statement for the year ended March 31, 2025 (continued)**

(Currency Indian rupees in crores)

**50. Fair Value measurement:**
**G. Impact on fair value of level 3 financial instrument of changes to key unobservable inputs**

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 Instruments i.e. Securities receipts, Units of AIF Fund and Real Estate Fund. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

Type of Financial Instruments	Fair value of asset as on March 31, 2025	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	2,259.99	Net asset value method and as per RBI guidelines	Expected future cash flows	2,259.99	5% increase in Expected future Cash flow	113.00	5% Decrease in Expected future Cash flow	(113.00)
Pass through Certificates	28.08	Discounted Cash flow The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust	Expected future cash flows	28.08	5% increase in Expected future Cash flow	1.40	5% Decrease in Expected future Cash flow	(1.40)
Loans	296.99	Discounted Cash flow The present value of expected future economic benefits to be derived from the loans	Expected future cash flows	14.75%	0.25% increase in Risk-adjusted discount rate	(0.98)	0.25% decrease in Risk-adjusted discount rate	0.99
Units of Alternative Investment Fund / Venture Capital Fund	118.95	Net Asset approach	Fair value of underlying investments	107.85	5% Increase in Fair value of Underlying Investment	5.95	5% Increase in Fair value of Underlying Investment	(5.95)
Equity Shares	19.58	Comparable market multiple method	Expected future cash flows	19.58	5% increase in Expected future Cash flow	0.98	5% Decrease in Expected future Cash flow	(0.98)
Type of Financial Instruments	Fair value of asset as on 31 March 2024	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	3,822.42	Net asset value method	Expected future cash flows	4802.56	5% increase in NAV	240.13	5% Decrease in NAV	(240.13)
Pass through Certificates	28.08	Discounted Cash flow The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust	Expected future cash flows	28.08	5% increase in Expected future Cash flow	1.40	5% increase in Expected future Cash flow	(1.40)
Loans	356.68	Discounted Cash flow The present value of expected future economic benefits to be derived from the loans	Expected future cash flows	15.48%	0.25% increase in Risk-adjusted discount rate	(1.45)	0.25% decrease in Risk-adjusted discount rate	1.47
Units of Alternative Investment Fund / Venture Capital Fund	107.85	Net Asset approach	Fair value of underlying investments	107.85	5% Increase in Fair value of Underlying Investment	5.39	5% Increase in Fair value of Underlying Investment	(5.39)
Equity Shares	15.81	Comparable market multiple method	Expected future cash flows	15.81	5% increase in Expected future Cash flow	0.79	5% increase in Expected future Cash flow	(0.79)



**ECL Finance Limited****Notes to the financial statement for the year ended March 31, 2025 (continued)**

(Currency: Indian rupees in crores)

**50. Fair Value measurement:****H. Fair value of financial instruments not measured at fair value:**

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. Carrying amounts of cash and cash equivalents, trade receivables and trade and other payables as on March 31, 2025 approximately equivalent to the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

As at March 31, 2025	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial Assets</b>					
Loans	633.61	-	-	687.73	687.73
<b>Financial Liabilities</b>					
Debt securities	1,870.28	-	1,951.32	-	1,951.32
Borrowings (other than debt securities)	3,090.94	-	-	3,090.94	3,090.94
Subordinated Liabilities	1,100.43	-	1,083.74	-	1,083.74
<b>Off balance-sheet items</b>					
Undrawn commitments	95.09	-	-	82.69	82.69

As at March 31, 2024	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial Assets</b>					
Loans	905.56	-	-	911.79	911.79
<b>Financial Liabilities</b>					
Debt securities	2,529.85	-	2,615.49	-	2,615.49
Borrowings (other than debt securities)	3,391.69	-	-	3,391.69	3,391.69
Subordinated Liabilities	1,109.12	-	1,131.80	-	1,131.80
<b>Off balance-sheet items</b>					
Undrawn commitments	137.47	-	-	119.54	119.54

**I. Valuation Methodologies of Financial Instruments not measured at fair value**

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

**Financial assets at amortised cost**

The fair values financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

**Issued Debt**

The fair value of issued debt is estimated by a discounted cash flow model.

**Off balance-sheet**

Estimated fair values of off-balance sheet positions in form of undrawn commitment are estimated using a discounted cash flow model based on contractual committed cash flows, using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.



## **ECL Finance Limited**

### **Notes to the financial statement for the year ended March 31, 2025 (continued)**

(Currency: Indian rupees in crores)

#### **51. Risk Management**

##### **51.A Introduction and risk profile**

Risk is an inherent part of Company's business activities. When the Company extends a corporate or retail loan, buys or sells securities in market, or offers other products or services, the Company takes on some degree of risk. The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company believes that effective risk management requires:

- 1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Company;
- 2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate; and
- 3) Firmwide structures for risk governance

The Company strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

##### **51.B Risk Management Structure**

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 monitored primarily by the business risk group.

Our risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, we follow conservative lending norms. The Group centralises the risk monitoring systems to monitor our client's credit exposure which is in addition to the monitoring undertaken by the respective businesses.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

##### **51.C Risk mitigation and risk culture**

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Credit appraisal & credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Our key business processes are regularly monitored by the head of our business or operations. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

At all levels of the Company's operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

It is the Company's policy that a monthly briefing is given to the Board of Directors and all other relevant members of the Company in the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.



## ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

### 51.D Types of Risks

The Company's risks are generally categorized in the following risk types:

Notes	Risks	Arising from	Measurement, monitoring and management of risk
51.D.1	<b>Credit risk</b> Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract.	Arises principally from financing, dealing in Corporate Bonds, Investments in Mutual Fund, Equity, but also from certain other products such as guarantees and derivatives	Measured as the amount that could be lost if a customer or counterparty fails to make repayments;  Monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and  Managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers.
51.D.2	<b>Liquidity risk</b> Liquidity risk is the risk that we do not have sufficient financial resources to meet our obligations as they fall due or that we can only do so at an excessive cost.	Liquidity risk arises from mismatches in the timing of cash flows.  Arises when illiquid asset positions cannot be funded at the expected terms and when required.	Measured using a range of metrics, including Asset Liability mismatch, Debt Equity Ratio,  Regular monitoring of funding levels to ensure to meet the requirement for Business and maturity of our liabilities.  Maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements of the Company
51.D.3	<b>Market risk</b> Market risk is the risk that movements in market factors, such as Interest rates, equity prices and Index prices, will reduce our income or the value of our portfolios	Exposure to market risk is separated into two portfolios: trading and non-trading.	Measured using sensitivities, detailed picture of potential gains and losses for a range of market movements and scenarios.  Monitored using measures, including the sensitivity of net interest income.  Managed using risk limits approved by the risk management committee



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### 51.D.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's Trade receivables and Loans. The Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

#### Derivative financial Instruments:

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet. With gross-settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

#### Impairment Assessment:

The Company applies the expected credit loss model for recognising impairment loss. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has derived an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS including qualitative factor of an account or of pool of retail loan portfolio. Accordingly, the loans are classified into various stages as follows:

Internal rating grade	Internal grading description	Stages
<b>Performing</b>		
High grade	0 DPD & 1 to 30 DPD	Stage I
Standard grade	31 to 90 DPD	Stage II
<b>Non-performing</b>		
Individually impaired	90+ DPD*	Stage III

\*Classified as non performing asset (NPA) as per RBI guidelines

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Expected Credit Loss (ECL) computation is not driven by any single methodology, however methodology and approach used must reflect the following:

- 1) An unbiased and probability weighted amount that evaluates a range of possible outcomes
- 2) Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions:
- 3) Time value of money

While the time value of money element is currently being factored into ECL measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the first two requirements. This has been achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

#### Significant increase in credit risk (SICR)

Company considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due or classified as non performing asset (NPA) as per RBI guidelines. Classification of assets from stage 1 to stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

#### Probability of Default

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the Loans portfolio and its credit performance. In case of assets where there is a significant increase in credit risk / credit impaired assets, lifetime PD has been applied.

#### Loss Given Default (LGD)

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Workout LGD is widely considered to be the most flexible, transparent and logical approach to build an LGD model. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part of the workout process) of a particular facility, as a percentage of balance outstanding at the time of Default/Restructuring. The assessment of workout LGD was then performed. Principal outstanding for each loan was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub-segment separately.



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### Exposure at Default (EAD)

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Company, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Company provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula:

$$\text{EAD} = \text{Drawn Credit Line} + \text{Credit Conversion Factor} * \text{Undrawn Credit Line} + \text{Interest Accrual for one year}$$

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount

Undrawn Credit Line = Difference between the total amount which the Company has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD

#### Forward looking adjustments

"A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions."

To fulfil the above requirement Company has incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. Keeping in mind Ind AS requirements around obtaining reliable and supportable information, without incurring undue cost or effort- based on advice of risk committee members and economic experts and consideration of a variety of external actual and forecast information, the Company formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

#### Data sourcing

The Company is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement macroeconomic information was aggregated from Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long term average. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters.

#### Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between macro-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past years.

#### Overview of modified and forborne loans:

The table below shows assets that were modified and, therefore, treated as forborne during the year, with the related modification loss suffered by the Company.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Amortised costs of financial assets modified during the year	-	-
Net modification loss	-	-

there were no previously modified financial assets for which loss allowance has changed to 12m ECL measurement during the year:

#### Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.





# ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

The following table shows the risk concentration by industry for the components of the balance sheet

As at March 31, 2025

Particulars	Central & State Government	Financial services	Agriculture	Manufacturing industry	Real estate	Service sector	Retail	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	730.23	-	-	-	-	-	730.23
Bank balances other than cash and cash equivalents	-	37.72	-	-	-	-	-	37.72
Derivative financial instrument	-	0.98	-	-	-	-	-	0.98
Trade receivables	-	39.35	-	-	-	-	-	39.35
Loans	-	-	7.27	146.58	633.29	111.19	30.84	929.18
Investments	2,762.47	225.69	-	-	2,073.87	284.00	59.86	5,405.88
Other financial assets	-	34.56	-	-	-	-	-	34.56
	<b>2,762.47</b>	<b>1,068.53</b>	<b>7.27</b>	<b>146.58</b>	<b>2,707.16</b>	<b>395.18</b>	<b>90.70</b>	<b>7,177.90</b>

As at March 31, 2024

Particulars	Central & State Government	Financial services	Agriculture	Manufacturing industry	Real estate	Service sector	Retail loans	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	512.21	-	-	-	-	-	512.21
Bank balances other than cash and cash equivalents	-	27.76	-	-	-	-	-	27.76
Derivative financial instrument	-	71.19	-	-	-	-	-	71.19
Trade receivables	-	502.05	-	-	-	-	-	502.05
Loans	-	13.96	20.17	205.86	729.60	156.92	139.61	1,266.12
Investments	2,834.92	337.84	-	87.03	3,177.81	315.69	644.62	7,397.91
Other financial assets	-	109.03	-	-	-	-	-	109.03
	<b>2,834.92</b>	<b>1,574.04</b>	<b>20.17</b>	<b>292.89</b>	<b>3,907.41</b>	<b>472.61</b>	<b>784.23</b>	<b>9,886.27</b>



## ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency Indian rupees in crores)

### 51.D.1 Credit Risk (Contd.)

#### Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are charges over real estate properties, inventory, trade receivables, mortgages over residential properties. Securities Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

The tables below shows the maximum exposure to credit risk by class of financial asset along with details on collaterals held against exposure.

	Maximum exposure to credit risk		Principal type of collateral
	As at March 31, 2025	As at March 31, 2024	
<b>Financial Assets</b>			
Cash and cash equivalents	730.23	512.21	
Bank balances other than cash and cash equivalents	37.72	27.76	
Derivative financial instruments	0.98	71.19	
Trade receivables*	39.35	502.05	
Loans**			
Corporate credit	307.47	449.90	Equity Shares, Mutual Fund units, Land, Property, Project Receivable, etc.
Retail credit	659.78	871.84	Property Office Space, Flats, Bungalow, Pent house, Row house, Commodities, Equity shares and Mutual fund units, Bonds, etc.
Investments	5,405.88	7,397.89	
Other financial assets	34.56	109.03	
	7,215.97	9,941.86	
Loan Commitments	5.31	41.09	Equity Shares, Mutual Fund units, Land, Property, Project Receivable, Office Space, Flats, Bungalow, Pent house, Row house Commodities

\*These are receivables mainly from Group. Carrying minimum risk.

\*\*Gross value of loans considered



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### 51.D.1 Credit Risk (Contd.)

##### Collateral and other credit enhancements

Financial assets that are stage 3 and related collateral held in order to mitigate potential losses are given below:

##### Maximum exposure to credit risk as at March 31, 2025

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
<b>Financial Assets</b>				
Loans				
Corporate Credit	-	-	-	-
Retail Credit	22.56	9.78	12.78	42.55
Trade Receivables	-	-	-	-
	<b>22.56</b>	<b>9.78</b>	<b>12.78</b>	<b>42.56</b>

##### Maximum exposure to credit risk as at March 31, 2024

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
<b>Financial Assets</b>				
Loans				
Corporate Credit	24.47	10.51	13.96	18.72
Retail Credit	9.36	4.86	4.50	28.79
Trade Receivables	0.02	0.02	0.00	-
	<b>33.85</b>	<b>15.38</b>	<b>18.46</b>	<b>47.53</b>



## ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

### 51.D.2 Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Company has a Liquidity Contingency Policy in place to ensure various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario.

To manage the stressed circumstances the Company has ensured maintenance of a Liquidity Cushion in the form of Investments in Government Securities and Mutual Funds. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 6-9% of the borrowings is sought to be maintained through such assets. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern. There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds. Funding is raised through diversified sources including Banks, Public and Private issue of Debt, Commercial paper, ECB, Sub Debt etc to maintain a healthy mix.

#### Liquidity Cushion:

	As at March 31, 2025	As at March 31, 2024
<b>Liquidity cushion</b>		
Government Debt Securities*	2,762.45	2,834.92
Mutual Fund Investments	-	149.98
Equity Shares-Quoted	-	174.26
<b>Total Liquidity cushion</b>	<b>2,762.45</b>	<b>3,159.15</b>

\* Government debt securities are hypothecated against the Tri party REPO

#### Financing Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting year

	As at March 31, 2025	As at March 31, 2024
Committed Lines from Banks	8.34	17.68

#### Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at:

As at March 31, 2025

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
<b>Financial Assets</b>						
Cash and cash equivalents	730.23	-	-	-	-	730.23
Bank balances other than cash and cash equivalents	-	6.29	28.72	2.71	-	37.72
Derivative financial instruments	-	0.98	-	-	-	0.98
Trade receivables	-	39.35	-	-	-	39.35
Loans	-	237.04	201.40	570.60	440.03	1,449.07
Investments	-	3,154.43	148.79	1,955.63	147.03	5,405.88
Other financial assets	-	2.59	12.57	-	19.40	34.56
<b>Total undiscounted financial assets</b>	<b>730.23</b>	<b>3,440.68</b>	<b>391.48</b>	<b>2,528.94</b>	<b>606.46</b>	<b>7,697.79</b>
<b>Financial Liabilities</b>						
Derivative financial instruments	-	4.32	-	-	-	4.32
Trade payables	-	169.02	-	-	-	169.02
Debt securities	-	24.06	392.29	1,719.31	-	2,135.66
Borrowings (other than debt securities)	-	2,554.88	282.88	252.54	-	3,090.30
Subordinated Liabilities	-	364.44	33.19	844.56	-	1,242.19
Other financial liabilities	-	31.15	65.09	75.30	67.88	239.42
<b>Total undiscounted financial liabilities</b>	<b>-</b>	<b>3,147.87</b>	<b>773.45</b>	<b>2,891.71</b>	<b>67.88</b>	<b>6,880.91</b>
<b>Total net financial assets / (liabilities)</b>	<b>730.23</b>	<b>292.81</b>	<b>(381.97)</b>	<b>(362.77)</b>	<b>538.58</b>	<b>816.88</b>



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### Current year note:

The Company has considered that the Cash Credit and WCDL facilities availed by it aggregating to Rs. 202.13 crore as at March 31, 2025 will be repaid on their renewal dates and accordingly reflected the same in the "within 12 months" bucket.

#### As at March 31, 2024

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
<b>Financial Assets</b>						
Cash and cash equivalents	512.21	-	-	-	-	512.21
Bank balances other than cash and cash equivalents	-	0.00	17.20	10.56	-	27.77
Derivative financial instruments	-	71.19	-	-	-	71.19
Trade receivables	-	502.05	-	-	-	502.05
Loans	-	335.43	316.65	552.29	174.90	1,379.28
Investments	-	3,431.08	128.01	3,495.05	343.75	7,397.90
Other financial assets	-	21.50	64.10	-	23.44	109.03
<b>Total undiscounted financial assets</b>	<b>512.21</b>	<b>4,361.24</b>	<b>525.97</b>	<b>4,057.90</b>	<b>542.10</b>	<b>9,999.42</b>
<b>Financial Liabilities</b>						
Derivative financial instruments	-	42.80	-	-	-	42.80
Trade payables	-	778.78	-	-	-	778.78
Debt securities	-	414.52	495.94	2,116.90	90.21	3,117.57
Borrowings (other than debt securities)	-	2,259.24	731.63	394.40	-	3,385.27
Subordinated Liabilities	-	62.10	47.03	1,236.26	-	1,345.38
Other financial liabilities	-	65.47	40.24	11.94	75.19	192.84
<b>Total undiscounted financial liabilities</b>	<b>-</b>	<b>3,622.90</b>	<b>1,314.84</b>	<b>3,759.50</b>	<b>165.41</b>	<b>8,862.64</b>
<b>Total net financial assets / (liabilities)</b>	<b>512.21</b>	<b>738.34</b>	<b>(788.87)</b>	<b>298.40</b>	<b>376.69</b>	<b>1,136.78</b>

#### Previous year note:

The Company has considered that the Cash Credit facilities availed by it aggregating to Rs. 630.32 crore as at March 31, 2024 will be repaid on their renewal dates and accordingly reflected the same in the "within 12 months" bucket.

#### Contractual expiry of commitments

The table below shows the contractual expiry by maturity of the Company's commitments.

#### As at March 31, 2025

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines	-	5.31	-	-	-	5.31
Estimated amount of contracts capital account	-	0.00	-	-	-	0.00
Others	-	-	-	-	89.78	89.78
	<b>-</b>	<b>5.31</b>	<b>-</b>	<b>-</b>	<b>89.78</b>	<b>95.10</b>

#### As at March 31, 2024

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines	-	-	41.09	-	-	41.09
Estimated amount of contracts capital account	-	-	0.02	-	-	0.02
Others	-	-	96.38	-	-	96.38
	<b>-</b>	<b>-</b>	<b>137.49</b>	<b>-</b>	<b>-</b>	<b>137.49</b>

The Company expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments



# ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency Indian rupees in crores)

## 51.D.3 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices and Index movements. The company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. All the positions are managed and monitored using sensitivity analyses.

### Total Market risk exposure

Particulars	As at March 31, 2025			As at March 31, 2024			Primary risk Sensitivity
	Carrying Amount	Traded risk	Non traded risk	Carrying Amount	Traded risk	Non traded risk	
<b>Financial Assets</b>							
Cash and cash equivalents	730.23	-	730.23	512.21	-	512.21	
Bank balances other than cash and cash equivalents	37.72	-	37.72	27.76	-	27.76	Interest rate risk
Derivative financial instruments	0.98	0.98	-	71.19	71.19	-	Price risk, Interest rate risk
Trade receivables	39.35	-	39.35	502.05	-	502.05	
Loans	929.18	-	929.18	1,266.12	-	1,266.12	Interest rate risk
Investments	5,405.88	2,998.86	2,407.02	7,397.89	3,423.72	3,974.17	Price risk, Interest rate risk
Other financial assets	34.56	-	34.56	109.03	-	109.03	Interest rate risk
<b>Total Assets</b>	<b>7,177.90</b>	<b>2,999.84</b>	<b>4,178.06</b>	<b>9,886.24</b>	<b>3,494.92</b>	<b>6,391.33</b>	
<b>Financial Liabilities</b>							
Derivative financial instruments	4.32	4.32	-	42.80	42.80	-	Price risk, Interest rate risk
Trade payables	169.02	-	169.02	778.78	-	778.78	
Debt securities	1,870.28	-	1,870.28	2,529.85	-	2,529.85	Interest rate risk
Borrowings (other than debt securities)	3,090.94	-	3,090.94	3,391.69	-	3,391.69	Interest rate risk
Subordinated Liabilities	1,100.43	-	1,100.43	1,109.12	-	1,109.12	Interest rate risk
Other financial liabilities	239.42	-	239.42	192.84	19.96	172.88	Price risk, Interest rate risk
<b>Total Liabilities</b>	<b>6,474.41</b>	<b>4.32</b>	<b>6,470.09</b>	<b>8,045.08</b>	<b>62.77</b>	<b>7,982.32</b>	





## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### 51.D.3 Market Risk (Contd.)

##### Interest Rate Risk

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

ALCO is the monitoring body for compliance with these limits. ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. Balance Sheet Management Unit is in-charge for day to day management of interest rate risk.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board has established limits on the non-trading interest rate gaps for stipulated periods. The Company's policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held at 31 March 2025 and at 31 March 2024

##### Interest rate sensitivity

###### As at March 31, 2025

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank Borrowings	25	(0.96)	-	25	0.96	-
Interest Rate Swaps	25	2.00	-	25	(2.00)	-
Floating rate loans	25	0.90	-	25	(0.90)	-
Government securities	25	6.91	-	25	(6.91)	-
Corporate debt securities	25	0.54	-	25	(0.54)	-

###### As at March 31, 2024

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank Borrowings	25	(1.83)	-	25	1.83	-
Interest Rate Swaps	25	(3.36)	-	25	3.36	-
Floating rate loans	25	0.85	-	25	(0.85)	-
Government securities	25	7.09	-	25	(7.09)	-
Corporate debt securities	25	0.66	-	25	(0.66)	-

##### Price risk

The Company's exposure to price risk arises from investments held in Equity Shares, Exchange traded futures, Mutual fund units, all classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio.

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of individual investment in prices of financial instruments.



**ECL Finance Limited****Notes to the financial statement for the year ended March 31, 2025 (continued)**

(Currency: Indian rupees in crores)

**As at March 31, 2025**

	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	0.04	-	5	(0.04)	-
Equity instruments	5	-	-	5	-	-
Interest rate futures	5	(15.91)	-	5	15.91	-
Mutual fund units	5	-	-	5	-	-

**As at March 31, 2024**

	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	13.45	-	5	(13.45)	-
Equity instruments	5	8.71	-	5	(8.71)	-
Interest rate futures	5	12.63	-	5	(12.63)	-
Mutual fund units	5	7.50	-	5	(7.50)	-

**51.D.4 Prepayment Risk**

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate Loans/borrowings in the falling interest rate scenario.

If 5% of total repayable financial instruments were to prepay at the beginning of the year following the reported period, with all other variables held constant, the profit before tax for the year would be decreased by Rs 1.78 crores (previous year Rs. 4.73 crores)



**ECL Finance Limited**

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

**51 E. Additional Regulatory disclosure**

- (i) The title deed of all the immovable properties disclosed in the financial statements are held in the name of the Company.
- (ii) There is no proceedings which have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (iii) The Company has been sanctioned working capital limits during the year, from banks or financial institutions on the basis of security of current assets. Quarterly return & statement filed by the Company with such banks or financial institutions are in agreement with the books of account of the company.
- (iv) Relationship with Struck off Companies  
Where the company has any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956, the Company shall disclose the following details, namely:-

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on March 31, 2025	Balance outstanding as on March 31, 2024	Relationship with the Struck off company, if any, to be disclosed
Glossy Creations Private Limited	Receivable	0.32	-	Customer
Aditi Financial Services	Payable	0.00	0.00	Vendor
Suraj Petroleum	Receivable	0.29	0.29	Customer
Shri Sham Fisheries	Receivable	0.04	0.04	Customer

- (v) Registration of charges or satisfaction with Registrar of Companies (ROC)  
No charges or satisfaction yet to be registered with ROC beyond the statutory period by the company.
- (vi) Compliance with number of layers of companies  
Being a non-banking financial company registered with the Reserve Bank of India as per Reserve Bank of India Act, 1934 (2 of 1934), the provisions prescribed under clause (87) of section 2 of the companies Act 2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the company.
- (vii) (i) no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(ii) no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (viii) The company is not declared as a wilful defaulter by any bank or financial Institution or other lender.
- (ix) Utilisation of Borrowed funds and share premium:  
(A) During the year, the company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:  
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or  
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries  
(B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:  
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or  
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (x) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
- (xi) The Company has not traded or invested in crypto currency or virtual currency during the financial year 2024-2025

**51 F. Income Tax**

Pursuant to the Income Tax search conducted during March 2023 at the office of the company, notices were received for various years by it in relation to the proceedings. The Company had duly responded to all the notices and provided all the requisite details and clarification to the Income Tax Authorities ('ITA'). Subsequently, Assessment orders / demand notices were issued to the company by the ITA against which the Company has filed appeal before Commissioner of Income Tax (Appeals) and rectification applications.  
The Company believes that there will not be any significant impact on its financial statements or results in this regard.

**51 G. Insurance Commission Income**

Particulars	As at March 31, 2025	As at March 31, 2024
Commission Income	0.36	-



(Currency: Indian rupees in million)

**52. Regulatory disclosures - RBI**

In the terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued vide Master Direction RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 (Updated as on February 27, 2025).

**Qualitative Disclosure on Liquidity Coverage Ratio (LCR)**

The Liquidity Coverage Ratio (LCR) is a global minimum standard to measure the liquidity position in a stress scenario. Reserve Bank of India introduced LCR requirement for all deposit taking NBFCs and non-deposit taking NBFCs with an asset size of Rs. 10,000 crore and above. LCR will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. HQLA refers to the category of liquid assets that can be readily sold or immediately converted into cash at a little loss of value or used as collateral to obtain funds in a range of stress scenarios. LCR is calculated by dividing the stock of HQLA's by its total net cash outflow over a 30 day calendar period.

The Company has adopted the liquidity risk management framework as required under RBI guidelines. It ensures a sound and robust liquidity risk management system by maintaining sufficient liquidity through inclusion of a cushion of unencumbered, high quality liquid asset to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The Board of Directors have delegated responsibility of balance sheet Liquidity Risk Management to the Asset Liability

The LCR is calculated by dividing a Company's stock of HQLA by its total net cash outflows over a 30 -day stress period. The guidelines for LCR were effective from 1st December 2020 with the minimum LCR to be 50%, progressively increasing, till reaches the required level of 100% by 1st December, 2024 as follows;

From	01-12-2020	01-12-2021	01-12-2022	01-12-2023	01-12-2024
Minimum LCR	50%	60%	70%	85%	100%

In order to determine HQLA, Company considers Cash and Bank Balances, Investment in Government Securities without any haircut. In order to determine net cash outflows, Company considers total expected cash outflow minus total expected cash inflows for the subsequent 30 calendar days. As per guidelines, stressed cash flows is to be computed by assigning a predefined stress percentage to the overall cash outflows (i.e. 115%) and cash inflows (with haircut of 25%). Net cash outflow over next 30 days is computed as stressed outflows less minimum of stressed inflows, 75% of stressed outflow. Accordingly, LCR would be computed by dividing Company's stock of HQLA by its total net cash outflow.

Cash outflow under secured wholesale funding includes contractual obligations under Term loans, NCDs, Interest payable within 30 days. Outflow under other collateral requirement, the Company considers the loans which are callable under rating downgrade trigger up to and including 3- notch downgrade. Outflow under other contractual funding obligations primarily includes outflow on account of overdrawn balances with Banks and sundry payables. In order to determine Inflows from fully performing exposures, Company considers the contractual repayments from performing advances in next 30 days. Other Cash inflows includes investments in liquid mutual funds, and other assets which are maturing within 30 days.



**ECL Finance Limited**

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in million)

**52. Regulatory disclosures - RBI (Contd.)**  
**Quantitative Disclosure on Liquidity Coverage Ratio (LCR) for year ended March 31, 2025 is given below:**

Particular	Quarter Ended 31-Mar-25		Quarter Ended 31-Dec-24		Quarter Ended 30-Sep-24		Quarter Ended 30-Jun-24	
	Unweighted Value - average (refer note 1)	Weighted Value - average (refer note 1)	Unweighted Value - average (refer note 1)	Weighted Value - average (refer note 1)	Unweighted Value - average (refer note 1)	Weighted Value - average (refer note 1)	Unweighted Value - average (refer note 1)	Weighted Value - average (refer note 1)
<b>High Quality Liquid Assets</b>								
1 Total High-Quality Liquid Assets	108.94	108.94	283.11	283.11	121.85	121.85	193.71	193.71
(i) Cash & Bank Balances	108.94	108.94	283.11	283.11	121.85	121.85	193.71	193.71
(ii) Investment in Govt. Securities	-	-	-	-	-	-	-	-
<b>Cash Outflows</b>								
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	46.12	53.03	27.98	32.18	32.57	37.45	58.23	66.96
4 Secured wholesale funding	93.34	107.34	124.20	142.83	168.31	193.56	151.02	173.67
5 Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements (refer note 1)	47.29	54.39	55.45	63.76	18.75	21.57	38.33	44.08
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	11.35	13.06	18.06	20.77	21.55	24.79	23.32	26.81
6 Other contractual funding obligations	46.29	53.24	58.74	67.55	101.17	116.34	88.83	102.15
7 Other contingent funding obligations	19.12	21.99	20.26	23.30	19.11	21.97	19.28	22.18
8 <b>TOTAL CASH OUTFLOWS</b>	<b>263.51</b>	<b>303.04</b>	<b>304.68</b>	<b>350.38</b>	<b>361.46</b>	<b>415.68</b>	<b>379.00</b>	<b>435.85</b>
<b>Cash Inflows</b>								
9 Secured lending	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	132.92	99.69	35.09	26.32	93.39	70.05	107.20	80.40
11 Other cash inflows	225.09	168.82	256.43	192.32	412.91	309.68	264.73	198.55
12 <b>TOTAL CASH INFLOWS</b>	<b>358.01</b>	<b>268.51</b>	<b>291.52</b>	<b>218.64</b>	<b>506.31</b>	<b>379.73</b>	<b>371.93</b>	<b>278.95</b>
	Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value	
	108.94	283.11		283.11		121.85		193.71
<b>TOTAL HQLA</b>								
<b>TOTAL NET CASH</b>				131.75		103.92		156.91
<b>OUTFLOWS</b>		75.76						
<b>LIQUIDITY COVERAGE</b>								
<b>RATIO (%)</b>		144%		215%		117%		123%

Notes:

- The average weighted and unweighted amounts are based on simple averages of daily observations.
- Consist of outflows related to liquidity requirements in case a) downgrade triggers up to and including 3 notches down; b) market valuation changes on derivatives transactions (largest absolute net 30-day collateral flows realised during the preceding 24 months) based on look back approach; and c) potential for valuation changes on collateral securing derivatives.





# ECL Finance Limited

## Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

### 53. Regulatory disclosures - RBI

In the terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued vide Master Direction RBI DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 (Updated as on February 27, 2025).

#### 53.A Capital:

##### Capital to risk assets ratio (CRAR)

	As at March 31, 2025	As at March 31, 2024*
CRAR (%)	32.62%	40.68%
CRAR - Tier I capital (%)	23.28%	20.34%
CRAR - Tier II Capital (%)**	9.34%	20.34%

\* The RBI assessed net owned fund (NOF) of Rs. 325.10 crores and capital adequacy ratio (CRAR) at 11.98% during Inspection for Supervisory Evaluation (ISE) for the year 2023-24. The company has implemented the necessary actions as mentioned in the inspection report in the FY2024-25 and accordingly, Capital adequacy Ratio for the year ended March 31, 2025 is computed (Refer note no. 53 AD).

\*\* Tier II Capital reduced on account of conversion of compulsory convertible debenture into equity during the year.

##### Perpetual Debt

	As at and for year ended March 31, 2025	As at and for year ended March 31, 2024
Amount raised by issue of perpetual debt instruments	-	-
Perpetual debt outstanding including Interest	327.30	327.38
Percentage of Perpetual debt to Tier I Capital	37.39%	23.03%
Percentage of Perpetual debt to RBI assessed Tier I Capital	-	92.28%

##### Subordinated debt

	As at and for year ended March 31, 2025	As at and for year ended March 31, 2024
Subordinated debt outstanding including Interest	773.13	781.74
Discounted value of subordinated debt considered for the purpose of Tier II capital	120.00	269.96
Amount of subordinated debt raised as Tier-II capital	-	-

#### 53.B Investments

	As at March 31, 2025	As at March 31, 2024
<b>I) Value of Investment</b>		
<b>Gross value of investments</b>		
In India	7,752.31	8,319.29
Outside India	-	-
<b>Provisions for depreciation / appreciation</b>		
In India	(2,346.43)	(921.39)
Outside India	-	-
<b>Net value of investments</b>		
In India	5,405.88	7,397.89
Outside India	-	-

Please refer note no 14.A for more details on investments

#### II) Movement of provisions held towards depreciation/appreciation on investments.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	921.39	39.75
Add : Provisions made during the year	1,479.05	1,103.64
Less : Write-off / write-back of excess provisions during the year	(54.01)	(222.00)
Closing balance	2,346.43	921.39





## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### 53.C Derivatives

	As at March 31, 2025	As at March 31, 2024
<b>I) Forward rate agreement / interest rate swap</b>		
The notional principal of swap agreements	1,700.00	2,555.00
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	0.98	9.13
Collateral required by the NBFC upon entering into swaps	13.84	5.70
Concentration of credit risk arising from the swaps*	100.00%	100.00%
The fair value of the swap book	(3.34)	6.93
* % of concentration of credit risk arising from swaps with banks		

	As at March 31, 2025	As at March 31, 2024
<b>II) Exchange traded interest rate (IR) derivatives</b>		
Notional principal amount of exchange traded IR derivatives undertaken during the year	9,795.09	9,246.13
Notional principal amount of exchange traded IR derivatives outstanding	318.14	255.17
Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

#### III) Disclosures on risk exposure in derivatives

##### Qualitative disclosure

The Company undertakes transactions in derivative products in the role of a user with counter parties. The Company deals in the derivatives for balance sheet management i.e. for hedging fixed rate, floating rate or foreign currency assets/liabilities and for hedging the variable interest in case of benchmark linked debentures. All derivatives are marked to market on reporting dates and the resulting gain/loss is recorded in the statement of profit and loss.

Dealing in derivatives is carried out by specified groups of the treasury department of the Company based on the purpose of the transaction. Derivative transactions are entered into by the treasury front office. Mid office team conducts an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, risk monitoring and reporting.

The Company has a credit and market risk department that assesses counterparty risk and market risk limits, within the risk architecture and processes of the Company. The Company has in place a policy which covers various aspects that apply to the functioning of the derivative business. Limits are monitored on a daily basis by the mid-office.

##### Quantitative disclosure

	As at March 31, 2025		As at March 31, 2024	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
<b>Derivatives (notional principal amount)</b>				
For hedging	-	2,018.14	-	2,810.17
<b>Marked to market positions</b>				
Assets (+)	-	0.98	-	9.13
Liability (-)	-	(4.32)	-	(2.20)
<b>Credit exposure</b>	-	14.75	-	24.18
<b>Unhedged exposures</b>	-	-	-	-



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### 53.D Disclosures relating to securitisation

The information on securitisation of the Company as an originator in respect of outstanding amount of securitized assets is given below:

	As at March 31, 2025	As at March 31, 2024
a) No. of SPVs sponsored by the NBFC for securitisation transactions	7	7
b) Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	275.88	201.55
c) Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	79.29	108.48
Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
On-balance sheet exposures		
- First loss	79.29	108.48
- Others	-	-
d) Amount of exposures to securitisation transactions other than MRR	7.99	7.88
Off-balance sheet exposures		
Exposure to own securitisations		
- First loss	-	-
- Others	-	-
Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
On-balance sheet exposures		
Exposure to own securitisations		
- First loss	7.99	7.88
- Others	-	-
Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
e) Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	444.10	265.93
f) Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc	87.28	116.36
g) Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent 60 etc. Mention percent in bracket as of total value of facility	-	-
i) Amount paid	-	-
ii) Repayment received	-	-
iii) Outstanding amount	-	-
h) Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
i) Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
j) Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### Details of financial assets sold to securitisation / reconstruction company for asset reconstruction

	As at March 31, 2025	As at March 31, 2024
No. of accounts	-	34
Aggregate value (net of provisions) of accounts sold to SC / RC	-	1,836.93
Aggregate consideration	-	1,831.35
Additional consideration realized in respect of accounts transferred in earlier	-	-
Aggregate gain / (loss) over net book value	-	(5.58)
Gain / (Loss) on sale to SC/RC during the year	-	(5.58)
Amount received in respect of accounts transferred in prior year	-	-



# ECL Finance Limited

## Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

### The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:

	As at March 31, 2025	As at March 31, 2024
a) No. of transactions assigned by the NBFC	166	112
b) Total amount outstanding	297.08	402.35
c) Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	70.28	84.24
Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
On-balance sheet exposures		
- First loss	-	-
- Others	70.28	84.24
d) Amount of exposures to securitisation transactions other than MRR	4.34	0.82
Off-balance sheet exposures		
Exposure to own securitisations		
- First loss	-	-
- Others	-	-
Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
On-balance sheet exposures		
Exposure to own securitisations		
- First loss	4.34	0.82
- Others	-	-
Exposure to third party securitisations		
- First loss	-	-
- Others	-	-

### Details of non-performing financial assets purchased from / sold to other NBFCs

	As at March 31, 2025	As at March 31, 2024
<b><u>Details of non-performing financial assets purchased</u></b>		
No. of accounts purchased during the year	-	-
Aggregate outstanding	-	-
Of these, number of accounts restructured during the year	-	-
Aggregate outstanding	-	-
<b><u>Details of Non-performing Financial Assets sold :</u></b>		
No. of accounts purchased during the year	-	-
Aggregate outstanding	-	-
Aggregate consideration received	-	-



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### 53.E Asset liability management

##### Maturity pattern of certain items of assets and liabilities as at March 31, 2025

	Assets		Liabilities	
	Gross Loans	Investments*	Borrowings from bank	Other borrowings
1 day to 30/31 days (One month)	144.35	2,762.47	9.37	2,480.44
Over One months to 2 months	20.59	-	60.67	380.56
Over 2 months up to 3 months	12.27	391.96	32.91	48.23
Over 3 months to 6 months	35.61	75.91	128.25	111.00
Over 6 months to 1 year	112.22	77.29	110.63	317.87
Over 1 year to 3 years	134.52	721.66	212.55	1,412.12
Over 3 years to 5 years	228.61	1,233.97	39.98	717.06
Over 5 years	279.08	147.02	-	-
	<b>967.25</b>	<b>5,410.28</b>	<b>594.36</b>	<b>5,467.29</b>

\*Investments also include Investment in property.

The Company has considered that the Cash Credit and WCDL facilities availed by it aggregating to Rs. 202.13 crore as at March 31, 2025 will be repaid on their renewal dates and accordingly reflected the same in the "within 12 months" bucket.

##### Maturity pattern of certain items of assets and liabilities as at March 31, 2024

	Assets		Liabilities	
	Gross Loans	Investments*	Borrowings from bank	Other borrowings
1 day to 30/31 days (One month)	76.64	2,834.91	40.42	2,088.13
Over One months to 2 months	52.39	230.16	127.58	186.46
Over 2 months up to 3 months	61.08	366.02	99.81	55.46
Over 3 months to 6 months	103.49	32.64	417.99	164.36
Over 6 months to 1 year	250.60	95.37	273.36	317.11
Over 1 year to 3 years	254.44	1,457.19	243.00	1,401.61
Over 3 years to 5 years	214.56	2,050.40	137.61	941.46
Over 5 years	308.54	343.75	-	536.31
	<b>1,321.74</b>	<b>7,410.44</b>	<b>1,339.77</b>	<b>5,690.89</b>

\*Investments also include securities held for trading and Investment in property

The Company has considered that the Cash Credit facilities availed by it aggregating to Rs. 630.32 crore as at March 31, 2024 will be repaid on their renewal dates and accordingly reflected the same in the "within 12 months" bucket.

#### 53.F Exposures

##### 1) Exposure to real estate sector

##### i) Direct exposure

##### Residential mortgages -

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.15 lakhs may be shown separately)

As at  
March 31, 2025

As at  
March 31, 2024

225.75

235.78



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### Commercial real estate -

Lending secured by mortgages on commercial real estates (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 includes non-fund based (NFB) limits.

432.32 533.90

#### Investments in mortgage backed securities (MBS) and other securitised exposures -

- Residential

-

- Commercial Real Estate

4,039.08 3,177.81

#### ii) Indirect exposure

Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)

-

-

#### c) Others

4.40

12.55

#### Total Exposure to Real Estate Sector

4,701.56 3,960.04

#### 2) Exposure to capital market

	As at March 31, 2025	As at March 31, 2024
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	19.58	179.41
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	41.95	68.30
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	21.63	21.16
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances.	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) a) All exposures to Alternative Investment Funds:	-	-
(i) Category I	37.05	36.58
(ii) Category II	81.89	71.27
b) All exposure to Venture Capital Funds:	-	-
xi) others (not covered above)	146.12	200.97
<b>Total Exposure to Capital Market</b>	<b>348.22</b>	<b>577.69</b>





# ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

## 3) Sectorial Exposure

As at March 31, 2025

Sectors	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
<b>1. Agriculture and Allied Activities</b>	<b>11.38</b>	<b>0.67</b>	<b>5.92%</b>
<b>2. Industry (Micro and Small and medium and Large)</b>	<b>371.83</b>	<b>13.17</b>	<b>3.54%</b>
2.1 Micro and Small	-	-	-
2.2 Medium	-	-	-
2.3 Large	-	-	-
2.4 Others	371.83	13.17	3.54%
<b>3. Services</b>	<b>454.05</b>	<b>6.55</b>	<b>1.44%</b>
3.1 Transport Operators	-	-	-
3.2 Computer Software	-	-	-
3.3 Tourism, Hotels and Restaurants	8.70	-	-
3.4 Shipping	2.74	-	-
3.5. Professional Services	74.69	4.52	6.05%
3.6. Trade	43.43	0.73	1.69%
3.6.1 Wholesale Trade (Other than food Procurement)	2.95	0.15	5.16%
3.6.2 Retail Trade	40.48	0.58	1.43%
3.7 Commercial Real Estate	265.53	-	-
3.8 Non Banking Financials Companies of which	-	-	-
3.9.1 Housing Finance Companies (HFCs)	-	-	-
3.9.2 Public Financial Institutions (PFIs)	-	-	-
3.9. Aviation	0.23	0.18	81.56%
3.10. Other Services	58.74	1.11	1.90%
<b>4. Personal Loans</b>	<b>57.91</b>	<b>2.17</b>	<b>3.75%</b>
4.1 Housing (Including Priority Sector Housing)	-	-	-
4.2. Consumer Durables	-	-	-
4.3 Credit Card Outstanding	-	-	-
4.4. Vehicle Loans	-	-	-
4.5. Education	-	-	-
4.6. Advances against Fixed Deposits (Including FCNR (B), NRNR Deposits etc	-	-	-
4.7. Advances to Individuals against share, bonds, etc.	-	-	-
4.8. Loans against gold jewellery	-	-	-
4.9. Micro finance loans / SHG loans	-	-	-
4.10 Other Retail Loans	57.91	2.17	3.75%
<b>5. Other loans</b>	<b>72.07</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>967.25</b>	<b>22.56</b>	<b>2.33%</b>



# ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

## As at March 31, 2024

Sectors	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	18.23	0.38	2.08%
2. Industry (Micro and Small and medium and Large)	443.22	3.30	0.75%
2.1 Micro and Small	-	-	-
2.2 Medium	-	-	-
2.3 Large	-	-	-
2.4 Others	443.22	3.30	0.75%
3. Services	550.75	26.93	4.89%
3.1 Transport Operators	-	-	-
3.2 Computer Software	-	-	-
3.3 Tourism, Hotels and Restaurants	18.40	-	0.00%
3.4. Shipping	2.75	-	0.00%
3.5. Professional Services	93.40	0.94	1.00%
3.6. Trade	54.47	0.44	0.80%
3.6.1 Wholesale Trade (Other than food Procurement)	4.12	0.01	0.22%
3.6.2 Retail Trade	50.35	0.43	0.85%
3.7 Commercial Real Estate	303.47	0.00	0.00%
3.8 Non Banking Financials Companies of which	18.72	18.72	1.00
3.9.1 Housing Finance Companies (HFCs)	-	-	-
3.9.2 Public Financial Institutions (PFIs)	-	-	-
3.9. Aviation	0.26	0.13	50.40%
3.10. Other Services	59.29	6.71	11.31%
4. Personal Loans	146.92	3.12	2.12%
4.1 Housing (Including Priority Sector Housing)	-	-	-
4.2. Consumer Durables	-	-	-
4.3 Credit Card Outstanding	-	-	-
4.4. Vehicle Loans	-	-	-
4.5. Education	-	-	-
4.6. Advances against Fixed Deposits (Including FCNR (B), NRNR Deposits etc	-	-	-
4.7. Advances to Individuals against share, bonds, etc.	-	-	-
4.8. Loans against gold jewellery	-	-	-
4.9. Micro finance loans / SHG loans	-	-	-
4.10 Other Retail Loans	146.92	3.12	2.12%
5. Other loans	162.62	0.10	0.00%
<b>Total</b>	<b>1,321.74</b>	<b>33.83</b>	<b>2.56%</b>

## 4) Intra-group exposures

	As at March 31, 2025	As at March 31, 2024
i) Total amount of intra-group exposures	220.38	318.25
ii) Total amount of top 20 intra-group exposures	220.38	318.25
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	2.37%	6.77%

## 5) Unhedged foreign currency exposure

Nil

Nil



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### 53.G Details of financing of parent company products:

Details of financing of parent company products during the year: Nil (Previous year : Nil)

#### 53.H Details of single borrower limit and borrower group limit exceeded by the Company:

**FY 2024-25** - The Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI, except below

Shree Naman Developers Private Limited

City Gold Education Research Limited

The above loans were disbursed within in the limit of Single Borrower Limit (SBL) and Group Borrower Limit (GBL) as defined in Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended time to time. However this was a passive breach in SBL basis assessment of Net Owned Fund for FY 2024 by the Reserve Bank of India during the Inspection for Supervisory Evaluation (ISE) for FY2023-24. The Company has taken the necessary steps to bring the exposures of above borrowers within applicable limit.

**FY 2023-24** - The Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

**53.I** Registration obtained from other financial sector regulators - The Company is acting as corporate agent (composite) for insurance business. It has obtained license form Insurance Regulatory and Development Authority of India (IRDAI) (Registration no CA0932) dated April 19, 2024.

**53.J** Disclosure of penalties imposed by RBI and other regulators- NIL in respect of penalty for securities pay in shortage (Previous year - Rs. 0.05 crores).

In FY'24, RBI has imposed a penalty of Rs. 0.05 crores on account of failure to put in place a robust software for effective identification and reporting of suspicious transactions omissions. The said penalty has paid by the Company and assured to strengthen the software.

#### 53.K Related party transactions

All Material transactions with related parties are reflected in Note 48

#### 53.L Details of transaction with non executive directors

Name of Director	Nature	For the year ended March 31, 2025	For the year ended March 31, 2024
Biswamohan Mahapatra	Sitting Fees/Comission	0.18	0.14
Kunnasagaran Chinniah	Sitting Fees/Comission	-	0.03
Shiva Kumar	Sitting Fees/Comission	0.30	0.12
Aalok Gupta	Sitting Fees/Comission	0.26	0.11
Sameer A. Kaji	Sitting Fees/Comission	0.29	0.10
Atul Pande	Sitting Fees/Comission	0.27	0.11

#### 53.M Provisions and contingencies

	As at March 31, 2025	As at March 31, 2024
<b>Breakup of provisions and contingencies shown under the head other expenses in the statement of profit and loss</b>		
Provisions for depreciation/(appreciation) on Investment	28.39	(239.46)
Provision towards Stage 3	(5.57)	(15.73)
Provision made towards Income tax	-	-
Provision for Stage 1/Stage 2 Assets including restructured and others	(11.97)	(287.73)
Other Provision and Contingencies		
Impairment on Investment Property	2.71	-
Provision towards ECL on trade receivables	(0.03)	(6.36)



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### 53.N Draw down from reserves

The Company has drawn Rs. Nil (previous year 54.34 crores ) from the debenture redemption reserve and transferred to retained earnings on redemption of debentures till March 31, 2025. Further, pursuant to amendments in the Companies Act, 2013, debenture redemption reserve is not required to be created for the debentures issued by Non-Banking Finance Companies by Reserve Bank of India.

#### 53.O Concentration of deposits, advances, exposures and stage 3 assets

	As at March 31, 2025	As at March 31, 2024
<b>Concentration of advances</b>		
Total Advances to twenty largest borrowers	411.49	551.13
% of Advances to twenty largest borrowers to Total Advances	42.54%	41.70%
<b>Concentration of exposures</b>		
Total Exposures to twenty largest borrowers / Customers	411.49	555.97
% of Exposures to twenty largest borrowers / Customers to Total Advances	42.31%	40.80%
<b>Concentration of stage 3</b>		
Total Exposures to top Four Stage 3 Assets	10.00	26.91
<b>Sector-wise Stage 3 Assets</b>		
	% of Stage 3 assets to Total Advances in that sector	
Sectors	March 31, 2025	March 31, 2024
Agriculture & allied activities	5.92%	2.36%
MSME	4.05%	2.37%
Corporate borrowers	1.69%	5.80%
Services	0.40%	0.31%
Unsecured loans	1.10%	0.19%
Auto loans	0.00%	0.00%
Other loans	2.57%	0.67%

Other loans represents retail loans

#### 53.P Movement of Stage 3 assets

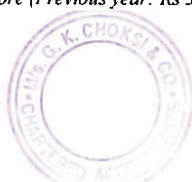
The following table sets forth, for the periods indicated, the details of movement of Stage 3 assets, Stage 3 assets net of stage 3 provision net and Stage 3 provision

	As at March 31, 2025	As at March 31, 2024
Stage 3 assets net of stage 3 provision to net advances (%)	1.33%	1.41%
<b>Movement of Stage 3 assets</b>		
Opening balance	33.83	75.87
Additions during the year	42.82	379.64
Reductions during the year*	(54.09)	(421.68)
Closing balance	22.56	33.83
<b>Movement of Stage 3 net of stage 3 provisions</b>		
Opening balance	18.46	44.77
Additions during the year	39.00	354.74
Reductions during the year	(44.70)	(381.05)
Closing balance	12.76	18.46
<b>Movement of stage 3 provisions</b>		
<i>(excluding provision on Stage 1 Stage 2)</i>		
Opening Balance	15.37	31.10
Additions during the year	3.82	24.90
Reductions during the year	(9.39)	(40.63)
Closing balance	9.80	15.37

\*Includes Stage 3 assets written off during the year Rs 17.94 crore (Previous year: Rs 32.67 crore)

#### 53.Q Overseas assets - Nil (Previous year - nil)

#### 53.R Off-balance sheet SPV sponsored - Nil (previous year - Nil)



## ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

### 53.S Customer complaints

#### 1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No	Particulars	As at March 31, 2025	As at March 31, 2024
	<b>Compliants received by the NBFC from its customers</b>		
1	No. of complaints pending at the beginning of the year	-	7
2	No. of complaints received during the year	218	93
3	No. of complaints redressed/dispensed during the year	208	100
3.1	Of which, number of complians rejected by the NBFC	25	2
4	No. of complaints pending at the end of the year	10	-
<b>5</b>	<b>Number of Maintainable complaints received by the NBFC from office of the Omnibudsman</b>	<b>37</b>	<b>26</b>
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	37	26
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
<b>6</b>	<b>Number of Awards unimplemented within the stipulated time (other than those appealed</b>	<b>-</b>	<b>-</b>

#### 2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints*	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>As at March 31, 2025</b>					
CIBIL Related	-	49	133%	3	-
Foreclosure Letter Related	-	33	NA	3	-
Collection/Recovery Related	-	22	NA	2	-
Penal Charges Related	-	19	NA	-	-
Insurance Related	-	16	NA	1	-
Others	-	79	NA	1	-
<b>Total</b>	<b>-</b>	<b>218</b>	<b>134%</b>	<b>10</b>	<b>-</b>
<b>As at March 31, 2024</b>					
CIBIL reporting related	-	21	-	-	-
Loans foreclosure related	-	10	-	-	-
Insurance Related	7	62	-18%	-	-
<b>Total</b>	<b>7</b>	<b>93</b>	<b>-18%</b>	<b>-</b>	<b>-</b>

\* Grounds of complains are basis on the grounds as specified in Scale Based Regulations issued by the Reserve Bank of India.



## Notes to the financial statement for the year ended March 31, 2025 (continued)

### 5.3.T Rating assigned by credit rating agencies

DeR F N R I: C No 45/03 10 11/19/2023-24 dated October 19, 2023 (1) dated as on January 27, 2025)

Long term instruments	CRIS11 A+/Stable	7 425 08	[ICRA] A+/Stable	9 050 69	CARE A/Stable	4 300 16	HWR A+/Rating switch with negative implications	506 00	ACUTTE A+/Rating switch with negative implications	300 00	-	-
							HWR A/Rating switch with negative implications	300 00	ACUTTE A+/Rating switch with negative implications	400 00	-	-
							BVR PP-MCD A+/Rating switch with negative implications	2 80				
Short term instruments	CRIS11 A1+	3 500 00	-	-	-	-		-	ACUTTE A1+/Rating switch with negative	500 00	IVR A1+	400 00

! ACCT711 placed on routine watch with negative implications on 07th June 2024

- 3 CSUSII placed on ruing watch with negative implications. Stable outlook assigned on 11th February 2025
- 4 CSUSII reclassified and removed from ruing watch with Negative Implications. Stable outlook assigned on 11th February 2025
- 5 CSUSII placed on ruing watch with negative implications on 07th June 2024
- 6 CSUSII reclassified and removed from ruing watch with negative implications. Negative outlook assigned on 27th December 2024
- 7 CSUSII revise outlook Negative to Stable on 09th Jan 2025
- 8 KUSA reclassified and removed from ruing watch with positive implications. Stable outlook assigned on 24th December 2024

Long Term Instruments	CRISPI A++Stable	10/95103	[ICRA] A++ Stable	17 223 37	CARE: A++ Negative	7 117 96	HW: A++ Negative	830 00	AI: III; A++Stable and AC: IITE A+Stable	700 00
Short term instruments	CRISPI: A++	3.5/0/00	ICRA: A++ Stable  IP: MLD [ICRA] A++ place d on rating watch with negative negative implantations	120 11	CARE: IP: MLD A+Stable	95 00	HW: IP: MLD A++Negative	2 00	-	500 00

С. 124

3. CRISIL has downgraded its long-term rating to CRISIL A+ from CRISIL AA- and outlook revised Negative to Stable on 18th December 2023.

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**ECL Finance Limited**

**Notes to the financial statement for the year ended March 31, 2025 (continued)**

(Currency Indian rupees in crores)

**53.V (f) Disclosure of Restructured Accounts**

**Disclosure of Restructured Accounts for the year ended March 31, 2025**

SI No	Type of Restructuring	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total			
		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Total
1	<b>Details</b> Restructured accounts as on 1st April, 2024 (Opening figures)																
		No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	<b>Fresh restructuring during the year</b>	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	<b>Upgradations of restructured accounts to Standard category*</b>	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	<b>Restructured advances which ceases to attract higher provisioning and/or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year**</b>	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	<b>Downgradations of restructured accounts during the year</b>	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	<b>Write-offs of restructured accounts during the year</b>	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	<b>Restructured accounts as on 31st March, 2025 (Closing figures)</b>	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note

\*includes recovery made during the year from the Sub-standard restructure accounts

\*\*includes recovery made during the year from the standard restructure accounts

**53.V (iii) Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances**

The Company has restructured the accounts as per RBI circular DBR No BP BC 109/21 04 048/2017-18 dated February 7, 2018, DBR No BP BC 108/21 04 048/2017-18 dated February 7, 2018, DBR No BP BC 103/21 04 048/2017-18 dated June 06, 2018, circular DBR No BP BC 18/21 04 048/2018-19 dated January 01, 2019, circular DOR No BP BC 34/21 04 048/2019-20 dated February 11, 2020 and DOR No BP BC 4/21 04 048/2020-21 dated August 6, 2020

Type of borrower	No. of accounts restructured	Amount Crs
MSME	21	24.92



# ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

## Disclosure of Restructured Accounts for the year ended March 31, 2024

SI No	Type of Restructuring	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total			
		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Total
1	Details	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Restructured accounts as on 1st April, 2023 (Opening figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Details	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Restructured accounts as on 1st April, 2023 (Opening figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Details	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Restructured accounts as on 1st April, 2023 (Opening figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Details	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Restructured accounts as on 1st April, 2023 (Opening figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Details	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Restructured accounts as on 1st April, 2023 (Opening figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Details	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Restructured accounts as on 1st April, 2023 (Opening figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Details	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Restructured accounts as on 1st April, 2023 (Opening figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note

\*includes recovery made during the year from the Sub-standard restructure accounts

\*\*includes recovery made during the year from the standard restructure accounts

Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances -

The Company has restructured the accounts as per RBI circular DBR No BP BC 100/21 04 048/2017-18 dated February 7, 2018, DBR No BP BC 108/21 04 048/2017-18 dated June 06, 2018, circular DBR No BP BC 18/21 04 048/2018-19 dated January 01, 2019, circular DOR No BP BC 34/21 04 048/2019-

20 dated February 11, 2020 and DOR No BP BC 4/21 04 048/2020-21 dated August 6, 2020

Type of borrower	No. of accounts restructured	Amount
MSME	137	64.90



# **ECL Finance Limited**

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

## **53.W Schedule to the Balance Sheet**

In the terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued vide Master Direction RBI/DoR/2023-24/106 DoR.FTN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 (Updated as on February 27, 2025).

	As at March 31, 2025		As at March 31, 2024	
	Amount outstanding	Amount Overdue	Amount outstanding	Amount Overdue
<b>1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :</b>				
a) Debentures (other than those falling within the meaning of Public deposit)				
i) Secured	1,690.43	-	2,079.85	-
ii) Unsecured	1,112.40	-	1,381.24	-
b) Deferred Credits	-	-	-	-
c) Term Loans (Bank and Other parties)	405.73	-	781.40	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial Paper	167.88	-	177.88	-
f) Public Deposits	-	-	-	-
g) Other Loans (specify nature)				
i) Working Capital Demand Loan	146.00	-	500.00	-
ii) Bank Overdraft	56.13	-	130.32	-
iii) CBLO Borrowings	2,448.02	-	1,979.97	-
iv) Loan from related parties	35.06	-	-	-

	Amount Outstanding	
	As at March 31, 2025	As at March 31, 2024
<b>2. Break up of Loans and Advances including bills receivables</b>		
i) Secured	740.58	898.89
ii) Unsecured	226.67	422.84
<b>3. Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>		
a) Lease assets including lease rentals under sundry debtors:	NA	NA
i) Financial Lease	-	-
ii) Operating Lease	-	-
b) Stock on hire including hire charges under sundry debtors		
i) Assets on hire	-	-
ii) Repossessed assets	-	-
c) Other loans counting towards Asset Financing Company activities		
i) Loans where assets have been repossessed	-	-
ii) Other loans	-	-
<b>4. Break up of Investments (including securities held for trading)</b>		
a) Current Investment - Quoted		
i) Shares		
Equity	-	174.26
Preference Shares	-	-
ii) Debentures and Bonds	216.83	264.59
iii) Units of Mutual Funds	-	149.98
iv) Government Securities	2,762.45	2,834.92
v) Others	-	-
a) Current Investment - Unquoted		
i) Shares		
Equity	-	-
Preference Shares	-	-
CCPS	-	-
ii) Debentures and Bonds	-	-
iii) Units of Mutual Funds	-	-
iv) Government Securities	-	-
v) Others	-	-



**ECL Finance Limited**

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

	Amount Outstanding	
	As at March 31, 2025	As at March 31, 2024
<b>4. Break up of Investments (including securities held for trading) (Contd.)</b>		
a) Long term Investment - Quoted		
i) Shares		
Equity	-	-
Preference Shares	-	-
ii) Debentures and Bonds	-	-
iii) Units of Mutual Funds	-	-
iv) Government Securities	-	-
v) Others	-	-
a) Long term Investment - Unquoted		
i) Shares		
Equity	19.58	5.15
Preference Shares	-	-
CCPS	-	10.66
ii) Debentures and Bonds	-	-
iii) Units of Mutual Funds		
iv) Government Securities		
v) Others		
- Investments in security receipts of trusts	2,259.99	3,822.42
- Investment in Units of AIF	118.95	107.85
- Investment in Units of Pass through Certificate	28.08	28.08

**5. Borrower group-wise classification of assets financed as in (2) and (3) above as at March 31, 2025**

	Amount net of provisions		
	Secured	Unsecured	Total
<b>a) Related Parties</b>			
Subsidiaries	-	-	-
Companies in the same group	-	-	-
<b>b) Other than related parties</b>	822.78	106.40	929.18

**Borrower group-wise classification of assets financed as in (2) and (3) above as at March 31, 2024**

	Amount net of provisions		
	Secured	Unsecured	Total
<b>a) Related Parties</b>			
Subsidiaries	-	-	-
Companies in the same group	-	53.64	53.64
-	-	-	-
<b>b) Other than related parties</b>	858.89	353.58	1,212.48



**ECL Finance Limited**

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

**6. Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)**

	As at March 31, 2025		As at March 31, 2024	
	Market Value/ Fair Value	Book Value (Net of provision)	Market Value/ Fair Value	Book Value (Net of provision)
<b>a) Related Parties</b>				
Subsidiaries	-	-	-	-
Companies in the same group	1,885.17	1,885.17	3,062.28	3,062.28
Other related parties	-	-	-	-
<b>b) Other than related parties</b>	<b>3,520.71</b>	<b>3,520.71</b>	<b>4,335.61</b>	<b>4,335.61</b>

**7. Other Information**

	Amount Outstanding	
	As at March 31, 2025	As at March 31, 2024
<b>a) Stage 3 assets</b>		
i) Related Parties	-	-
ii) Other than related parties	22.56	33.83
<b>b) Stage 3 assets net of stage 3 provision</b>		
i) Related Parties	-	-
ii) Other than related parties	12.76	18.46
<b>c) Assets acquired in satisfaction of debt</b>	<b>11.03</b>	-





**ECL Finance Limited**

**Notes to the financial statement for the year ended March 31, 2025 (continued)**

(Currency/Indian rupees in crores)

**53.X Prudential Floor for ECL**

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
A	B	C	D	E = C - D	F	G = D - F
<b>Performing Assets</b>						
Standard	Stage 1 Stage 2	794.30 150.39	13.14 15.14	781.16 135.26	3.35 2.49	9.79 12.65
<b>Total Performing Assets</b>		<b>944.69</b>	<b>28.28</b>	<b>916.42</b>	<b>5.84</b>	<b>22.44</b>
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage 3	18.60	7.21	11.39	1.88	5.33
Doubtful - up to 1 year	Stage 3	1.94	0.96	0.99	0.92	0.04
1 to 3 years	Stage 3	0.28	0.17	0.11	0.19	(0.02)
More than 3 years	Stage 3	1.74	1.46	0.28	1.56	(0.10)
<b>Total Doubtful</b>						
Loss Assets	Stage 3	-	-	-	-	-
<b>Total Non Performing Assets (NPA)</b>		<b>22.56</b>	<b>9.80</b>	<b>12.77</b>	<b>4.54</b>	<b>5.25</b>
Other items such as guarantees, loan commitments, etc which are in the scope of Ind AS 109 but not covered under IRACP	Stage 1 Stage 2 Stage 3	- - -	- - -	- - -	- - -	- - -
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	Stage 1 Stage 2 Stage 3	794.30 150.39 22.56	13.14 15.14 9.80	781.16 135.26 12.77	3.35 2.49 4.54	9.79 12.65 5.25
<b>Total Loan Book</b>		<b>967.25</b>	<b>38.07</b>	<b>929.18</b>	<b>10.38</b>	<b>27.69</b>





**ECL Finance Limited****Notes to the financial statement for the year ended March 31, 2025 (continued)**

(Currency: Indian rupees in crores)

**53.Y Disclosure on liquidity risk**

In the terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued vide Master Direction RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 (Updated as on February 27, 2025).

**a) Funding Concentration based on significant counterparty (both deposits and borrowings)**

	As at March 31, 2025
Number of significant counterparties*	8
Amount of borrowings from significant counterparties	4,543.33
% of Total deposits	NA
% of Total liabilities**	70.15%

\* "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities.

\*\*"Total liabilities " refers to the aggregate of financial liabilities and non-financial liabilities. (i.e., excluding total equity).

**b) Top 20 large deposits**

The Company being a Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits

**c) Top 10 Borrowings**

	As at March 31, 2025
Amount of Borrowings from top 10 lenders	4,660.68
% of Total Borrowings	76.89%

**d) Funding Concentration based on significant instrument/product\***

	As at March 31, 2025	
	Amount	% of Total Liabilities**
<b>Debentures</b>		
Non Convertible	2,802.83	43.27%
<b>Bank Borrowings</b>		
Term Loans	405.73	6.26%
Working Capital Demand Loan	146.00	2.25%
<b>Other Borrowings</b>		
Commercial Papers	167.88	2.59%
TriParty Repo	2,448.02	37.80%
Cash Credit	56.13	0.87%
Loan from related parties	35.06	0.54%

\* "significant instrument product" is defined as a single instrument product of group of similar instruments products which in aggregate amount to more than 1% of the NBFC's total liabilities.

\*\*"Total liabilities " refers to the aggregate of financial liabilities and non-financial liabilities. (i.e., excluding total equity).



## ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

### e) Stock Ratios

	As at March 31, 2025
Commercial papers as a % of total public funds	2.77%
Commercial papers as a % of total liabilities	2.59%
Commercial papers as a % of total assets	2.08%
Non-convertible debentures as a % of total public funds	0.00%
Non-convertible debentures as a % of total liabilities	0.00%
Non-convertible debentures as a % of total assets	0.00%
Other short-term liabilities***, if any as a % of total public funds*	13.32%
Other short-term liabilities, if any as a % of total liabilities**	12.46%
Other short-term liabilities, if any as a % of total assets	9.99%

\*"Total public funds" refers to the aggregate of Debt securities, borrowings other than debt securities and subordinated liabilities.

\*\*"Total liabilities" refers to the aggregate of financial liabilities and non-financial liabilities. (i.e., excluding total equity).

\*\*\*"Other short-term liabilities" includes cash credit, working capital demand loans, loans from related parties.

### f) Institutional set-up for liquidity risk management

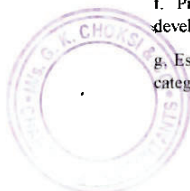
The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee.

#### - The Asset Liability Management Committee, inter alia

- Review of macro-economic scenario, impact of industry and regulatory changes monitoring the asset liability gap.
- Strategizing action to mitigate liquidity and other risks associated with the asset liability gap. Review and suggest corrective actions on liquidity mismatch, negative gaps and interest rate sensitivities. Formulate a contingency funding plan (CFP) for responding to severe disruptions and develop alternate strategies as deemed appropriate, which take into account changes in:
  - Interest rate levels and trends
  - Loan products and related markets
  - Monetary and fiscal policy
- Articulating and monitoring liquidity risk tolerance that is appropriate for its business strategy and its role in the financial system, and verifying adherence to various risk parameters and prudential limits.
- Implementation of liquidity risk management strategy of the Company and reviewing the risk monitoring system.
- Ensure that credit exposure to any one group does not exceed the internally set limits as well as statutory limits set by RBI.
- Decide the strategy on the source, tenor and mix of assets & liabilities, in line with its business plans, taking into account the future direction of interest rates. Establish a funding strategy that provides effective diversification in the sources and tenor of funding. Consider product pricing for advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by peer NBFCs for similar services/products, etc. Discuss and report on the impact of major funding shifts and changes in overall investment and lending strategies.
- Endeavour to develop a process to quantify liquidity costs, benefits & risk in the internal product pricing.
- Review behavioural assumptions and validate models for study of assets & liabilities in preparation of Liquidity and Interest Rate Sensitivity Statements and ALM analysis.
- Review stress test scenarios including the assumptions and results.
- Review and approve the capital allocation methodology.
- Analyse and deliberate at meetings, issues involving interest rate and liquidity risk, including capital allocation, liquidity cost, off balance sheet exposures, contingent liabilities, management of collateral position and intra-group
- Review the results of and progress in implementation of the decisions made in the previous meetings. Report the minutes of its meeting to the Board of Directors on quarterly basis.
- Formulate ALM policy for the Company; and
- In respect of liquidity risk oversight would include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company.

#### - The Risk Management Committee, inter alia

- Identifying, measuring and monitoring the various risks faced by the Company;
- Mitigating various risks associated with functioning of the Company through Integrated Risk Management Systems, Strategies and Mechanisms;
- To deal with issues relating to credit policies and procedure and manage the credit risk, operational risk, management of policies and process;
- To assist in developing the Policies and verifying the Models that are used for risk measurement from time to time;
- To have oversight over implementation of risk and related policies;
- Promoting an enterprise risk management competence throughout the organisation, including facilitating development of IT-related enterprise risk management expertise; and
- Establishing a common risk management language that includes measures around likelihood and impact and risk categories



**ECL Finance Limited**

**Notes to the financial statement for the year ended March 31, 2025 (continued)**

(Currency Indian rupees in crores)

**53.Z Details of Resolution plan implemented under the Resolution Framework for COVID-19 related stress as per circular dated August 6, 2020**

**Format B - For the half year ended March 31, 2025**

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the September 30, 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended March 31, 2025	Of (A) amount written off during the half year ended March 31, 2025	Of (A) amount paid by the borrowers during the half year ended March 31, 2025	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2025
Personal Loans	1.66	-	-	0.22	1.44
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>1.66</b>	<b>-</b>	<b>-</b>	<b>0.22</b>	<b>1.44</b>

**53.AA Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC 51/21 04 048/2021-22 dated September 24, 2021.**

**(a) Details of transfer through assignment in respect of loans not in default during the year ended March 31, 2025**

Particulars	Through Direct assignment	Through Co-lending	Through Pass Through Certificates (PTC)
Count or Loan accounts Assigned	-	242	882
Amount of Loan account Assigned (₹ in million)	-	139.40	262.00
Retention of beneficial economic interest (MRR)	-	20%	25%
Weighted Average Maturity (Residual Maturity) (in years)	-	6.33	7.81
Weighted Average Holding Period (in years)	-	0.06	2.60
Coverage of tangible security coverage	-	96%	64%
Rating-wise distribution of rated loans	-	Unrated	AA-(SO), Unrated

**(b) The Company has not transferred any stressed loan during the year ended March 31, 2025**

**i) Ratings of Security receipts held as on March 31, 2025 are given below -**

Recovery rating assigned by external rating agencies	Recovery Range	Amount
ACUTE RR4	25%-50%	2.13
IND RR2	75%-100%	143.16
IND RR3	50%-75%	293.2
IND RR5	Upto 25%	2.43
IVR RR 1	100%-150%	69.47
IVR RR 1+	>150%	97.41
IVR RR 2	75%-100%	8.69
IVR RR 5	0%-25%	13.52
IVR RR1	100%-150%	150.42
RR1	100%-150%	101.79
RR2	75%-100%	107.17
RR3	50%-75%	1254.66
RR4	25%-50%	15.94
<b>Total Security receipts</b>		<b>2,259.99</b>

**(c) The Company has not acquired any loan during the year ended March 31, 2025**



**ECL Finance Limited**

Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

**51AB Related Party Disclosure**

As required in terms of paragraph B of Section 14 of circular RBI/2022-21/76 DOB ACC REC No. 20/21/04/016/2022-21 dated April 19, 2022 - Disclosure in Financial Statements- Notes to Accounts of NBFCs

Related Party	Category	Parent (As per ownership or control)		Subsidiaries**		Associates/Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
		As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Borrowings	Maximum Transaction during the year*	-	-	70.00	85.00	-	-	-	-	-	-	-	-	70.00	85.00
	Transactions during the year	-	-	215.24	104.50	-	-	-	-	-	-	-	-	215.24	104.50
	Outstanding at year end	-	240.90	279.98	20.78	-	-	-	-	-	-	-	-	279.98	260.78
	Maximum Transaction during the year*	-	-	-	0.74	-	-	-	-	-	-	-	-	-	0.74
Deposits	Transactions during the year	-	-	-	0.74	-	-	-	-	-	-	-	-	-	0.74
	Outstanding at year end	-	-	1.86	1.86	-	-	-	-	-	-	-	-	1.86	1.86
	Maximum Transaction during the year*	-	-	-	1.46	-	-	-	-	-	-	-	-	-	1.46
	Transactions during the year	-	-	-	2.94	-	-	-	-	-	-	-	-	-	2.94
Placement of Deposits	Outstanding at year end	-	-	3.55	3.55	-	-	-	-	-	-	-	-	3.55	3.55
	Maximum Transaction during the year*	-	-	150.00	250.00	-	-	-	-	-	-	-	-	150.00	250.00
	Transactions during the year	-	-	325.00	876.00	-	-	-	-	-	-	-	-	325.00	876.00
	Outstanding at year end	-	-	-	50.00	-	-	-	-	-	-	-	-	-	50.00
Advances	Maximum purchase during the year*	-	-	-	733.47	-	-	-	-	-	-	-	-	-	733.47
	Purchase Transactions during the year	95.00	-	-	3,458.72	-	-	-	-	-	-	-	-	95.00	3,458.72
	Maximum sale during the year	-	-	-	595.00	-	-	-	-	-	-	-	-	-	595.00
	Sales Transactions during the year	-	-	150.25	2,610.39	-	-	-	-	-	-	-	-	150.25	2,610.39
In clements	Outstanding at year end**	205.46	105.97	61.68	204.11	-	-	-	-	-	-	-	-	269.14	310.07
	Transactions during the year	-	-	-	602.15	-	-	-	-	-	-	-	-	-	602.15
	Maximum purchase during the year	-	-	0.01	2,128.10	-	-	-	-	-	-	-	-	0.01	2,128.10
	Transactions during the year	16.72	24.67	10.46	9.21	-	-	-	-	-	-	-	-	27.48	33.88
Interest Paid #	Outstanding at year end	-	21.84	21.91	0.62	-	-	-	-	-	-	-	-	21.91	22.46
	Transactions during the year	29.08	9.94	15.99	71.54	-	-	-	-	-	-	-	-	45.07	81.47
	Outstanding at year end	10.88	8.18	0.00	3.66	-	-	-	-	-	-	-	-	10.88	11.84
	Transactions during the year	181.22	1,169.73	-	-	-	-	-	-	-	-	-	-	181.22	1,169.73
Reimbursement of Realised Loss on Security Receipts* (Refer Note-1)	Transactions during the year	0.69	12.31	117.75	89.34	-	-	-	-	-	-	-	-	127.63	115.53
	Outstanding at year end	104.48	400.08	83.57	252.67	-	-	-	-	-	-	-	-	188.05	652.75

Note: 1) \*As required in above referred circular, the Company is required to specify item if total for the item is more than 5 per cent of total related party transactions while calculating 5 per cent limit. The Company has taken sum of all transactions such as loan given, loan taken, purchase and sale of investment, securities, income & expenses, income etc. excluding closing balance of assets, liabilities. Others include total of all transactions (excluding closing balances) which are less than 5% individually.

2) \*Maximum single transaction value entered amongst any of fellow subsidiary is considered. In case investment, maximum single transaction value considered.

3) \*\*Including fellow subsidiaries, enterprises over which control is exercised by the parent company and alternative investment funds.

4) \* KMP amount includes sitting fees of independent director.

5) \*\*\* At amortised cost or at fair value.

6) \$ Includes loan given.

7) # Interest Expenses/Income recorded in P&L.

8) Purchase and sale of Fixed/ Other asset includes purchase and sale of Loans/NCDs.

9) Parent company include ultimate holding company.



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)

#### 53.AC Breach of covenant

During the financial year ending as on 31 March 2025, there is no incidence of breach of covenant. (Previous year: Nil).

#### 53.AD Divergence in Asset Classification and Provisioning

In the terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued vide Master Direction RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 (Updated as on February 27, 2025).

#### FY2023-24

The Company has received inspection report dated November 21, 2024 from Reserve Bank of India (RBI) for financial statements ending March 31, 2024. Based on the inspection report, Details of divergence are as follows:

a) Divergence in relation to Gross NPA identified by RBI

Sr.	Particulars	Amount
1	Gross NPAs as on March 31, 2024 as reported by the NBFC	33.83
2	Gross NPAs as on March 31, 2024 as assessed by the Reserve Bank of India	33.83
3	Divergence in Gross NPAs (2-1)	-
4	Net NPAs as on March 31, 2024 as reported by the NBFC	18.47
5	Net NPAs as on March 31, 2024 as assessed by Reserve Bank of India	18.47
6	Divergence in Net NPAs (5-4)	-
7	Provisions for NPAs as on March 31, 2024 as reported by the NBFC	15.37
8	Provisions for NPAs as on March 31, 2024 as assessed by Reserve Bank of India	15.37
9	Divergence in provisioning (8-7)	-
10	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2024	(88.74)
11	Reported Net Profit after Tax (PAT) for the year ended March 31, 2024	135.20
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2024 after considering the divergence in provisioning	135.20

b) The RBI carried out Inspection for Supervisory Evaluation for FY 2023-24 and assessed divergence of Rs. 977.74 crores in Risk Weighted Assets (RWAs). The RBI assessed net owned fund (NOF) of Rs. 325.10 crores and capital adequacy ratio (CRAR) at 11.98% against the reported NOF of ₹1,302.84 crores and CRAR at 40.68% for the year ended March 31, 2024. The company has implemented the necessary actions as mentioned in inspection report in the FY2024-25 and accordingly, the NOF and CRAR has been computed at Rs. 802.45 crore and 32.62% respectively for the year ended March 31, 2025.



## ECL Finance Limited

### Notes to the financial statement for the year ended March 31, 2025 (continued)

(Currency: Indian rupees in crores)


#### 54 Other Disclosures

- 54.A** The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.
- 54.B** There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2025.
- 55** Figures for the previous year have been regrouped/ reclassified wherever necessary to conform to current year presentation.

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The accompanying notes are an integral part of the financial statements  
As per our report of even date attached.

For G. K. Choksi & Co.  
Chartered Accountants  
ICAI Firms Registration: 01895W

  
Sandip A Parikh  
Partner  
Membership No. 40727

Mumbai May 5, 2025



For and on behalf of the Board of Directors


  
Ajay Khurana  
Managing Director  
DIN: 09076961

  
Sandeep Agarwal  
Chief Financial Officer

Mumbai May 5, 2025



  
Kashmira Mathew  
Executive Director  
DIN : 02341875

  
Inara Wadhwa  
Company Secretary  
Membership No. ACS65806



