

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of the Company Pursuant to the Regulation 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Edelweiss Housing Finance Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Edelweiss Housing Finance Limited (the "Company") for the quarter ended December 31, 2022 and year to date from April 1, 2022 to December 31, 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For NGS & Co. LLP
Chartered Accountants**

ICAI Firm Registration No.: 119850W

**Ram
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**R. P. Soni
Partner**

Membership No.: 104796

UDIN: 23104796BGWCSF9385

Place: Mumbai

Date: January 19, 2023

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Financial Results for the quarter and nine months ended December 31, 2022

		(₹ in Crores)					
	Particulars	Quarter Ended			Nine Months ended		Year Ended
		December 31, 2022 (Unaudited)	September 30, 2022 (Unaudited)	December 31, 2021 (Unaudited)	December 31, 2022 (Unaudited)	December 31, 2021 (Unaudited)	March 31, 2022 (Audited)
1	Revenue from operations						
	(a) Interest income	102.87	106.17	110.44	312.05	329.91	445.31
	(b) Dividend income	0.17	-	-	0.17	-	-
	(c) Fee and commission income	5.31	4.34	23.79	13.69	52.45	58.07
	(d) Net gain on fair value changes	1.51	0.04	3.10	1.92	8.79	8.63
	Total revenue from operations	109.86	110.55	137.33	327.83	391.15	512.01
2	Other income	0.70	1.07	0.50	2.10	1.47	1.89
3	Total Income (1+2)	110.56	111.62	137.83	329.93	392.62	513.90
4	Expenses						
	(a) Finance costs	73.07	70.32	81.46	217.99	255.53	327.57
	(b) Employee benefits expense	17.43	16.01	16.73	46.46	45.33	66.31
	(c) Depreciation and amortisation expense	1.06	1.04	1.06	3.10	3.04	4.02
	(d) Impairment on financial instruments	2.82	1.03	22.90	6.15	47.42	42.64
	(e) Other expenses	12.33	14.80	11.25	39.22	34.81	53.19
	Total expenses	106.71	103.20	133.40	312.92	386.13	493.73
5	Profit / (Loss) before tax (3-4)	3.85	8.42	4.43	17.01	6.49	20.17
6	Tax expense	0.24	2.15	1.06	3.78	1.07	6.37
	Current tax (includes reversal of excess / short provision of earlier years)	1.88	3.21	2.04	6.32	2.87	0.11
	Deferred tax	(1.64)	(1.06)	(0.98)	(2.54)	(1.80)	6.26
7	Net Profit / (Loss) for the period (5-6)	3.61	6.27	3.37	13.23	5.42	13.80
8	Other Comprehensive Income	-	-	-	-	-	0.01
9	Total Comprehensive Income (7+8)	3.61	6.27	3.37	13.23	5.42	13.81
10	Earnings Per Share (₹) (Face Value of ₹ 10/- each)*						
	- Basic	0.52	0.90	0.48	1.91	0.78	1.99
	- Diluted	0.52	0.90	0.48	1.91	0.78	1.99

* Not annualised for the quarters and nine months

Notes:

- Edelweiss Housing Finance Limited (the 'Company'/ 'EHFL') has prepared unaudited financial results (the 'Statement') for the quarter and nine months ended on December 31, 2022 in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations, 2015'), as amended, and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and the relevant provision of the Companies Act, 2013, as applicable.
- The above financial results of the Company are reviewed and recommended by the Audit Committee and have been approved by the Board of Directors of the Company at their respective meetings held on January 19, 2023.
- The results for the quarter ended December 31, 2022 being derived figures between unaudited figures in respect of nine months ended December 31, 2022 and year to date figures upto half year ended September 30, 2022.
- EHFL had initiated sale of certain credit impaired financial assets before December 31, 2022 and for which definitive contracts were executed post the balance sheet date. These financial assets sold after December 31, 2022, amounted to Rs 12.98 crores (net of provisions and losses) to asset reconstruction company trust (ARC Trust). As per Ind AS 109, Financial Instruments, prescribed under section 133 of the Companies Act, 2013 significant judgement is involved in classification of assets. Accordingly, on account of subsequent sale to and recovery from ARC Trusts of such credit impaired assets, management has recorded such financial assets as recoverable and not as credit impaired financial assets. EFSL, the ultimate holding Company has, undertaken substantially all risks and rewards in respect of these financial assets aggregating to Rs. 11.03 crores. As at December 31, 2022, there are no impact on the financial statements of the EHFL other than expected credit loss recorded in the Profit and Loss Statement for the quarter and nine months ended December 31, 2022 amounting to Rs. 0.49 crores.
- Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances as at December 31, 2022
The Company has restructured the accounts as per RBI circular circulars 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 6, 2018, circular DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 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.

(₹ in Crores)

Type of borrower	No. of accounts restructured*	Amount
MSME	31	13.59

* Excludes accounts closed / written off

6. Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021 ,updated on 5th December 2022

(a).(i) Details of transfer through assignment in respect of loans not in default during the quarter and nine months ended December 31, 2022.

Particulars	₹ in Crores	
	Quarter Ended December 31, 2022	Nine Months ended December 31, 2022
Count of Loan accounts Assigned	40	532
Amount of Loan account Assigned (₹ in Crores)	6.02	94.21
Retention of beneficial economic interest (MRR)	10%	10%
Weighted Average Maturity (Residual Maturity) (in years)	8.47	12.85
Weighted Average Holding Period (in years)	4.60	2.43
Coverage of tangible security	100%	100%
Rating-wise distribution or rated loans	Unrated	Unrated

(a).(ii) Details of loans acquired through assignment in respect of loans not in default during the the quarter and nine months ended December 31, 2022.

Particulars	₹ in Crores	
	Quarter Ended December 31, 2022	Nine Months ended December 31, 2022
Aggregate principal outstanding of loans acquired (₹ in Crores)	43.06	248.46
Aggregate consideration paid (₹ in Crores)	38.76	238.61
Weighted average residual tenor of loans acquired	19.38	6.59

(a).(iii) Details of loans replaced / repurchased not in default which were transferred earlier during the quarter and nine months ended December 31, 2022.

Particulars	₹ in Crores	
	Quarter Ended December 31, 2022	Nine Months Ended December 31, 2022
Count or Loan accounts replaced	Nil	10
Amount of Loan account replaced (₹ in Crores)	Nil	1.69
Damages paid	Nil	Nil

(b) The company has not transferred /acquired any stressed loan during the quarter and nine months ended December 31, 2022.

- The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- Figures for the previous period/ year have been regrouped/ reclassified wherever necessary to conform to current period presentation.
- Disclosure in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the nine months ended December 31, 2022 is attached as Annexure-A.

On behalf of the Board of Directors

RAJAT RAVI
 AVASTHI

Rajat Avasthi

Mumbai
 January 19, 2023

MD & CEO
 DIN: 07969623

Edelweiss Housing Finance Limited

Annexure – A

Disclosure in compliance with regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for the nine months ended December 31, 2022

Sr. No.	Particulars	Nine Months Ended	Year Ended March
		December 31, 2022	31, 2022
		(Unaudited)	(Audited)
1	Debt-equity Ratio ^(refer note 1)	3.98	3.95
2	Debt service coverage ratio (DSCR) ^(refer note 2)	0.30	0.24
3	Interest service coverage ratio (ISCR) ^(refer note 3)	1.08	1.06
4	Outstanding redeemable preference shares (quantity and value)	Nil	Nil
5	Debenture redemption reserve (₹ in Crores)	25.63	25.63
6	Net worth ^(refer note 4) (₹ in Crores)	791.36	777.63
7	Net profit after tax (₹ in Crores)	13.23	13.80
8	Earnings per share (not annualised)		
8.a	Basic (₹)	1.91	1.99
8.b	Diluted (₹)	1.91	1.99
9	Total debts to total assets ^(refer note 5)	0.78	0.78
10	Net profit margin (%) ^(refer note 6)	4.04%	2.69%
11	Sector specific equivalent ratios as on December 31, 2022		
	(a) Capital to risk-weighted assets ratio (CRAR) (%)	34.74%	28.28%
	(b) Tier I CRAR (%)	34.74%	28.28%
	(c) Tier II CRAR (%)	0.00%	0.00%
	(d) Stage 3 ratio (gross) (%) ^(refer note 7)	2.45%	1.99%
	(e) Stage 3 ratio (net) (%) ^(refer note 8)	1.92%	1.46%

The Company, being a Housing Finance Company ('HFC'), disclosure of Current ratio, Long term debt to working capital, Bad debts to Account receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating margin ratio are not applicable

Notes:-

- Debt-equity Ratio = Total Debt (Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities + Securitisation Liability) / Net worth
- DSCR = Profit before interest and tax / (Interest expense + Principal repayment of borrowing and securitisation Liability in next nine months / twelve Months)
- ISCR = Profit before interest and tax / Interest expense
- Net worth = Share capital + Share application money pending allotment + Reserves & Surplus – Deferred Tax Assets
- Total debts to total assets = Total Debt (Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities + Securitisation Liability) / total assets
- Net profit margin (%) = Net profit after tax / Revenue from Operations
- Stage 3 ratio (gross) = Gross Stage 3 loans / Gross Loans
- Stage 3 ratio (net) = (Gross stage 3 loans - impairment loss allowance for Stage 3) / Gross Loans

The secured non-convertible debentures issued by the Company are fully secured by first pari passu charge by mortgage of the Company's immovable property and/or by hypothecation of book debts/ loan receivables and other assets to the extent as stated in the information memorandum. Further, the Company has maintained asset cover as stated in the information memorandum which is sufficient to discharge the principal amount and other dues at all times for the non-convertible debt securities issued by the Company.