

Independent Auditor's Report on the Quarterly and Year to Date audited Financial Results of Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) Pursuant to the Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To

The Board of Directors of
Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)

Report on the audit of the Financial Results

Opinion

We have audited the accompanying statement of financial results of Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) (the "Company"), for the quarter ended March 31, 2023 and year to date results for the period from April 01, 2022 to March 31, 2023 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

1. is presented in accordance with the requirements of the Listing Regulations in this regard, and
2. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2023 and year to date financial results for the period from April 01, 2022 to March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" 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 financial statements under the provisions of the Act and the Rules 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 opinion.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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.

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

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 with reference to financial statements 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 Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 financial results 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 Statement, including the disclosures, and whether the Statement represents 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.

Other Matter

The Statement includes the results for the quarter ended March 31, 2023 being derived figures between audited figures in respect of year to date March 31, 2023 and the published unaudited year to date figures for nine months ended December 31, 2022 which were subjected to a limited review by us.

Our conclusion is not modified in respect of this matter

For NGS & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:119850W

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Date: 2023.05.08
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R.P. Soni
Partner
Membership No.: 104796

UDIN: 23104796BGWDJE5145

Place: Mumbai
Date: May 08, 2023

Financial Results for the quarter and year ended March 31, 2023

(₹ in Crores)

	Particulars	Quarter Ended			Year Ended	
		March 31, 2023 (Audited)	December 31, 2022 (Unaudited)	March 31, 2022 (Audited)	March 31, 2023 (Audited)	March 31, 2022 (Audited)
1	Revenue from operations					
	(a) Interest income	104.26	102.87	115.40	416.31	445.31
	(b) Dividend income	0.24	0.17	-	0.41	-
	(c) Fee and commission income	6.18	5.31	5.62	19.87	58.07
	(d) Net gain on fair value changes	2.95	1.51	(0.16)	4.87	8.63
	Total revenue from operations	113.63	109.86	120.86	441.46	512.01
2	Other income	1.12	0.70	0.42	3.22	1.89
3	Total Income (1+2)	114.75	110.56	121.28	444.68	513.90
4	Expenses					
	(a) Finance costs	77.89	73.07	72.04	295.88	327.57
	(b) Employee benefits expense	18.57	17.43	20.98	65.03	66.31
	(c) Depreciation and amortisation expense	0.74	1.06	0.98	3.84	4.02
	(d) Impairment on financial instruments	(1.79)	2.82	(4.78)	4.36	42.64
	(e) Other expenses	15.55	12.33	18.38	54.77	53.19
	Total expenses	110.96	106.71	107.60	423.88	493.73
5	Profit / (Loss) before tax (3-4)	3.79	3.85	13.68	20.80	20.17
6	Tax expense	0.96	0.24	5.30	4.74	6.37
	Current tax (includes reversal of excess / short provision of earlier years)	1.44	1.88	(2.76)	7.76	0.11
	Deferred tax	(0.48)	(1.64)	8.06	(3.02)	6.26
7	Net Profit / (Loss) for the period (5-6)	2.83	3.61	8.38	16.06	13.80
8	Other Comprehensive Income	0.24	-	0.01	0.24	0.01
9	Total Comprehensive Income (7+8)	3.07	3.61	8.39	16.30	13.81
10	Earnings Per Share (₹) (Face Value of ₹ 10/- each)*					
	- Basic	0.41	0.52	1.21	2.32	1.99
	- Diluted	0.41	0.52	1.21	2.32	1.99

* Not annualised for the quarters

Notes:

- Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited) (the 'Company/ 'Nido') has prepared audited financial results (the 'Statement') for the quarter and year ended on March 31, 2023 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 May 08, 2023.
- The results for the quarter ended March 31, 2023 being derived figures between audited figures in respect of year ended March 31, 2023 and year to date figures upto nine months ended December 31, 2022 which were subjected to a limited review.
- During the year ended March 31, 2023, the Company had sold certain financial assets amounting to Rs. 12.98 crores (net of provisions and losses), to asset reconstructions company trust ('ARC Trust') and acquired security receipts (SR) amounting to Rs.11.03 crores from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from the Company's financial result. Edelweiss Financial Services Limited (EFSL), the ultimate holding company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognized in the Company's financial result.
- Nido had initiated sale of certain credit impaired financial assets before March 31, 2023 and for which definitive contracts were executed post the balance sheet date. These financial assets sold after March 31, 2023, amounted to Rs 20.57 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 Trust 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. 17.48 crores. As at March 31, 2023, there are no impact on the financial statements of the Nido other than expected credit loss recorded in the statement of Profit and Loss for the quarter and year ended March 31, 2023 amounting to Rs. 0.53 crores.
- Details of Resolution plan implemented under the Resolution Framework for COVID-19 related stress as per circular dated August 6, 2020.
Format - B: As at March 31, 2023

(₹ in Crores)

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-	(B) Of (A), aggregate debt that slipped into NPA during the half-year	(C) Of (A) amount written off during the half-year	(D) Of (A) amount paid by the borrowers during the half-year	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	7.33	-	0.06	0.10	7.23
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	7.33	-	0.06	0.10	7.23

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

7. Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances as at March 31, 2023
 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	28	12.42

* Excludes accounts closed / written off during the period

8. 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 year ended March 31, 2023.

(₹ in Crores)

Particulars	Quarter Ended	Year Ended
	March 31, 2023	March 31, 2023
Count of Loan accounts Assigned	71	603
Amount of Loan account Assigned (₹ in Crores)	9.46	103.67
Retention of beneficial economic interest (MRR) (%)	10%	10%
Weighted Average Maturity (Residual Maturity) (in years)	11.56	12.73
Weighted Average Holding Period (in years)	2.91	2.48
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 year ended March 31, 2023.

Particulars	Quarter Ended	Year Ended
	March 31, 2023	March 31, 2023
Aggregate outstanding of loans acquired (₹ in Crores)	40.87	289.33
Aggregate consideration paid (₹ in Crores)	36.78	275.38
Weighted average residual tenor of loans acquired	18.00	7.94

(a).(iii) Details of loans replaced / repurchased not in default which were transferred earlier during the quarter and year ended March 31, 2023.

Particulars	Quarter Ended	Year Ended
	March 31, 2023	March 31, 2023
Count or Loan accounts replaced	NIL	10
Amount of Loan account replaced (₹ in Crores)	NIL	1.69
Damages paid	NIL	NIL

(b) Details of transfer through PTC in respect loans not in defaults for the quarter ended 31st March 2023

Particulars	Quarter Ended	Year Ended
	March 31, 2023	March 31, 2023
Count or Loan accounts Assigned	264	3,742
Amount of Loan account Assigned (in crs)	40.15	747.64
Retention of beneficial economic interest (MRR) (%)	10%	10%
Weighted Average Maturity (Residual Maturity) (in years)	14.28	13.87
Weighted Average Holding Period (in years)	3.13	2.72
Coverage of tangible security coverage	100%	100%
Rating-wise distribution of rated loans	AAA(SO)	AAA(SO),AA,AA(SO),A(SO),BBB+

(c) Details of transfer through Co-lending in respect of loans not in default for the quarter ended 31st March 2023

Particulars	Quarter Ended	Year Ended
	March 31, 2023	March 31, 2023
Count or Loan accounts Assigned	9	51
Amount of Loan account Assigned (in crs)	13.47	65.12
Retention of beneficial economic interest (MRR) (%)	20%	20%
Weighted Average Maturity (Residual Maturity) (in years)	13.45	14.44
Weighted Average Holding Period (in years)	0.15	0.06
Coverage of tangible security coverage	100%	100%
Rating-wise distribution of rated loans	Unrated	Unrated

(d) Details of stressed loans transferred during the during the quarter and year ended March 31 2023

(₹ in Crores)

Particulars	To ARCs	
	Quarter Ended	Year Ended
	March 31, 2023	March 31, 2023
No. of accounts	68	68
Aggregate exposure of loans transferred	15.95	15.95
Weighted average residual tenor of the loans transferred (In years)	10.16	10.16
Net book value of loans transferred (at the time of transfer)	13.46	13.46
Aggregate consideration	12.98	12.98
Additional consideration realized in respect of accounts transferred in earlier years	-	-

9. Statement of assets and liabilities

(₹ in Crores)

	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
ASSETS		
Financial assets	3,731.94	3,921.35
(a) Cash and cash equivalents	100.34	292.96
(b) Bank balances other than (a) above	199.32	207.28
(c) Receivables		
(i) Trade receivables	3.99	5.68
(ii) Other receivables	-	-
(d) Loans	3,027.04	3,096.44
(e) Investments	280.40	261.81
(f) Other financial assets	120.85	57.18
Non-financial assets	54.28	35.32
(a) Current tax assets (net)	21.35	11.37
(b) Investment property	2.39	-
(c) Property, Plant and Equipment	12.21	12.83
(d) Intangible assets under development	1.40	1.74
(e) Other Intangible assets	4.88	0.51
(f) Other non- financial assets	12.05	8.87
TOTAL ASSETS	3,786.22	3,956.67
LIABILITIES AND EQUITY		
Financial liabilities	2,976.34	3,162.63
(a) Payables		
(i) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	0.82	0.52
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9.82	14.13
(b) Debt securities	799.88	793.59
(c) Borrowings (other than debt securities)	996.70	1,448.57
(d) Subordinated Liabilities	50.86	50.86
(e) Other financial liabilities	1,118.26	854.96
Non-financial liabilities	15.41	16.41
(a) Current tax liabilities (net)	1.39	0.57
(b) Provisions	4.39	4.40
(c) Deferred tax liabilities (net)	4.25	7.18
(d) Other non-financial liabilities	5.38	4.26
Equity	794.47	777.63
(a) Equity share capital	69.35	69.35
(b) Other equity	725.12	708.28
TOTAL LIABILITIES AND EQUITY	3,786.22	3,956.67

10. Statement of cashflow for the year ended

(₹ in Crores)

	March 31, 2023 (Audited)	March 31, 2022 (Audited)
A Cash flow from operating activities		
Profit / (Loss) before tax	20.80	20.17
Adjustments for		
Depreciation, amortisation and impairment	3.84	4.02
Impairment on financial instruments	4.36	42.64
Fair value of financial Instrument (Net)	(1.10)	-
Interest on lease liabilities	1.23	1.28
Profit on lease modification/cancellation	(0.67)	-
ESOP and SAR cost reimbursement	0.36	0.44
Bad debts written off/recovery	(2.08)	-
Loss/ (Gain) on sale of Property, Plant and Equipment	(0.13)	0.05
Operating cash flow before working capital changes	26.61	68.60
<i>Add / (Less): Adjustments for working capital changes</i>		
Decrease/(Increase) in Receivables	1.60	4.52
Decrease/(Increase) in Stock in trade	-	15.58
Decrease/(Increase) in Receivables from financing business (net)	65.12	456.98
Decrease/(Increase) in Other financial assets	(55.35)	(88.67)
Decrease/(Increase) in Investments	(17.50)	(101.72)
Decrease/(Increase) in Other non financial assets	(3.18)	4.56
Increase / (Decrease) in Trade payables	(4.01)	7.42
Increase / (Decrease) in Non financial liabilities and provisions	1.35	2.54
Increase / (Decrease) in Other financial liability	(51.16)	(82.10)
Cash flow from operations	(36.52)	287.71
Income taxes paid (Net)	(16.85)	(10.42)
Net cash generated from / (used in) operating activities -A	(53.37)	277.29
B Cash flow from investing activities		
Purchase of Property, plant and equipment and Intangible assets	(4.27)	(0.42)
Decrease/(Increase) in Capital Work-in-progress and Intangibles assets under development	(0.59)	(1.41)
Sale of Property, plant and equipment	0.25	0.07
Purchase of Investment Property	(0.31)	-
Net cash generated from / (used in) investing activities - B	(4.92)	(1.76)
C Cash flow from financing activities		
Increase / (Decrease) in Debt securities	11.87	(356.19)
Increase / (Decrease) in Borrowings other than debt securities	(445.24)	(817.20)
Securitisation liability	302.78	248.93
Repayment of lease obligations	(3.74)	(3.69)
Net cash generated from / (used in) financing activities - C	(134.33)	(928.15)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(192.62)	(652.62)
Cash and cash equivalent as at the beginning of the year	292.96	945.58
Cash and cash equivalent as at the end of the year	100.34	292.96

- 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 year ended March 31, 2023 is attached as Annexure-A.

On behalf of the Board of Directors

RAJAT RAVI Digitally signed by
 AVASTHI RAJAT RAVI AVASTHI
 Date: 2023.05.08
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Rajat Avasthi

MD & CEO
 DIN: 07969623

Mumbai
 May 08, 2023

Nido Home Finance Limited (Formerly known as 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 year ended March 31, 2023

Sr. No.	Particulars	Year Ended	Year Ended
		March 31, 2023	March 31, 2022
		(Audited)	(Audited)
1	Debt-equity Ratio ^(refer note 1)	3.68	3.95
2	Debt service coverage ratio (DSCR) ^(refer note 2)	0.31	0.24
3	Interest service coverage ratio (ISCR) ^(refer note 3)	1.07	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)	794.47	777.63
7	Net profit after tax (₹ in Crores)	16.06	13.80
8	Earnings per share (not annualised)		
8.a	Basic (₹)	2.32	1.99
8.b	Diluted (₹)	2.32	1.99
9	Total debts to total assets ^(refer note 5)	0.77	0.78
10	Net profit margin (%) ^(refer note 6)	3.64%	2.69%
11	Sector specific equivalent ratios as on March 31, 2023		
	(a) Capital to risk-weighted assets ratio (CRAR) (%)	32.06%	28.28%
	(b) Tier I CRAR (%)	32.06%	28.28%
	(c) Tier II CRAR (%)	0.00%	0.00%
	(d) Stage 3 ratio (gross) (%) ^(refer note 7)	1.91%	1.99%
	(e) Stage 3 ratio (net) (%) ^(refer note 8)	1.46%	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:-

- 1 Debt-equity Ratio = Total Debt (Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities + Securitisation Liability) / Net worth
- 2 DSCR = Profit before interest and tax / (Interest expense + Principal repayment of borrowing and securitisation Liability in next twelve Months)
- 3 ISCR = Profit before interest and tax / Interest expense
- 4 Net worth = Share capital + Share application money pending allotment + Reserves & Surplus – Deferred Tax Assets
- 5 Total debts to total assets = Total Debt (Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities + Securitisation Liability) / total assets
- 6 Net profit margin (%) = Net profit after tax / Revenue from Operations
- 7 Stage 3 ratio (gross) = Gross Stage 3 loans / Gross Loans
- 8 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.