

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

**Review Report to
The Board of Directors
Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)**

1. We have reviewed the accompanying statement of unaudited financial results of Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) (the "Company") for the quarter ended June 30, 2023 (the "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").
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, the circulars, guidelines and directions issued by Reserve Bank of India ('RBI') from time to time ("RBI guidelines") 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 or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For NGS & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 119850W

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R.P. Soni

Partner

Membership No.: 104796

UDIN:23104796BGWFBB4946

Place: Mumbai

Date: July 25, 2023

Financial Results for the quarter ended June 30, 2023

	Particulars	Quarter Ended			(₹ in Crores)	
		June 30, 2023 (Unaudited)	March 31, 2023 (Audited)	June 30, 2022 (Unaudited)	Year Ended March 31, 2023 (Audited)	
1	Revenue from operations					
	(a) Interest income	102.12	104.26	103.01	416.31	
	(b) Dividend income	0.22	0.24	-	0.41	
	(c) Fee and commission income	3.13	6.18	4.04	19.87	
	(d) Net gain on fair value changes	2.90	2.95	0.37	4.87	
	Total revenue from operations	108.37	113.63	107.42	441.46	
2	Other income	1.50	1.12	0.33	3.22	
3	Total Income (1+2)	109.87	114.75	107.75	444.68	
4	Expenses					
	(a) Finance costs	74.87	77.89	74.60	295.88	
	(b) Employee benefits expense	17.89	18.57	13.02	65.03	
	(c) Depreciation and amortisation expense	1.27	0.74	1.00	3.84	
	(d) Impairment on financial instruments	(0.89)	(1.79)	2.30	4.36	
	(e) Other expenses	12.19	15.55	12.09	54.77	
	Total expenses	105.33	110.96	103.01	423.88	
5	Profit / (Loss) before tax (3-4)	4.54	3.79	4.74	20.80	
6	Tax expense	1.08	0.96	1.39	4.74	
	Current tax (includes reversal of excess / short provision of earlier years)	1.53	1.44	1.23	7.76	
	Deferred tax	(0.45)	(0.48)	0.16	(3.02)	
7	Net Profit / (Loss) for the period (5-6)	3.46	2.83	3.35	16.06	
8	Other Comprehensive Income	-	0.24	-	0.24	
9	Total Comprehensive Income (7+8)	3.46	3.07	3.35	16.30	
10	Earnings Per Share (₹) (Face Value of ₹ 10/- each)*					
	- Basic	0.50	0.41	0.48	2.32	
	- Diluted	0.50	0.41	0.48	2.32	

* Not annualised for the quarters

Notes:

- Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited) (the 'Company'/ 'Nido') has prepared unaudited financial results (the 'Statement') for the quarter ended on June 30, 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 July 25, 2023.
- The results for the quarter ended March 31, 2023 represents the balancing figures between audited figures in respect of full financial year ended March 31, 2023 and year to date figures for the nine months ended December 31, 2022 which were subjected to a limited review by statutory auditor of the Company.
- During the quarter ended March 31, 2023, the Company had sold certain financial assets amounting to Rs. 20.57 crores (net of provisions and losses), to asset reconstructions company trust ('ARC Trust') and acquired security receipts (SR) amounting to Rs.17.48 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 June 30, 2023 and for which definitive contracts were executed post the financial result date. These financial assets sold after June 30, 2023, amounted to Rs 11.11 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. 9.44 crores. As at June 30, 2023, there are no impact on the financial result of the Nido other than expected credit loss recorded in the statement of Profit and Loss for the quarter ended June 30, 2023.

6. Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances as at June 30, 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	26	11.51

* Excludes accounts closed / written off during the period

7. 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).(ii) Details of loans acquired through assignment in respect of loans not in default during the the quarter ended June 30, 2023.

Particulars	Quarter Ended June 30, 2023
Aggregate outstanding of loans acquired (₹ in Crores)	42.0
Aggregate consideration paid (₹ in Crores)	42.0
Weighted average residual tenor of loans acquired (in months)	51

(a).(iii) Details of loans replaced / repurchased not in default which were transferred earlier during the quarter ended June 30, 2023.

Particulars	Quarter Ended June 30, 2023
Count or Loan accounts replaced	Nil
Amount of Loan account replaced (₹ in Crores)	Nil
Damages paid	Nil

(b) Details of transfer through PTC in respect loans not in defaults for the quarter ended 30th June 2023

Particulars	Quarter Ended June 30, 2023
Count or Loan accounts Assigned	1,036
Amount of Loan account Assigned (₹ in Crores)	236.67
Retention of beneficial economic interest (MRR) (%)	18%
Weighted Average Maturity (Residual Maturity) (in years)	10.75
Weighted Average Holding Period (in years)	4.44
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	A+ (SO),Unrated

(c) Details of transfer through Co-lending in respect of loans not in default for the quarter ended 30th June 2023

Particulars	Quarter Ended June 30, 2023
Count or Loan accounts Assigned	19
Amount of Loan account Assigned (₹ in Crores)	28.77
Retention of beneficial economic interest (MRR) (%)	20%
Weighted Average Maturity (Residual Maturity) (in years)	13.23
Weighted Average Holding Period (in years)	0.21
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	Unrated

(d) Details of stressed loans transferred during the during the quarter June 30, 2023

(₹ in Crores)

Particulars	To ARCs
	Quarter Ended June 30, 2023
No. of accounts	132
Aggregate exposure of loans transferred	25.05
Weighted average residual tenor of the loans transferred (In years)	8.65
Net book value of loans transferred (at the time of transfer)	21.06
Aggregate consideration	20.57
Additional consideration realized in respect of accounts transferred in earlier years	-

8. 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.
9. Figures for the previous period/ year have been regrouped/ reclassified wherever necessary to conform to current period presentation.
10. Disclosure in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended June 30, 2023 is attached as Annexure-A.

On behalf of the Board of Directors

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 AVASTHI / Date: 2023.07.25
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Rajat Avasthi

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 quarter/ year ended June 30, 2023

Sr. No.	Particulars	Period Ended June 30, 2023 (Un-Audited)	Year Ended March 31, 2023 (Audited)
1	Debt-equity Ratio ^(refer note 1)	3.55	3.68
2	Debt service coverage ratio (DSCR) ^(refer note 2)	0.36	0.31
3	Interest service coverage ratio (ISCR) ^(refer note 3)	1.06	1.07
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)	798.13	794.47
7	Net profit after tax (₹ in Crores)	3.46	16.06
8	Earnings per share (not annualised)		
8.a	Basic (₹)	0.50	2.32
8.b	Diluted (₹)	0.50	2.32
9	Total debts to total assets ^(refer note 5)	0.77	0.77
10	Net profit margin (%) ^(refer note 6)	3.19%	3.64%
11	Sector specific equivalent ratios as on June 30, 2023		
	(a) Capital to risk-weighted assets ratio (CRAR) (%)	33.66%	32.06%
	(b) Tier I CRAR (%)	33.66%	32.06%
	(c) Tier II CRAR (%)	0.00%	0.00%
	(d) Stage 3 ratio (gross) (%) ^(refer note 7)	1.93%	1.91%
	(e) Stage 3 ratio (net) (%) ^(refer note 8)	1.47%	1.46%

The
Company,

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 three Months/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.