

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone 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 September 30, 2022 and year to date from April 1, 2022 to September 30, 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.
5. The comparative figures for the quarter ended September 30, 2021 and year to date from April 1, 2021 to September 30, 2021, which has been reviewed by the predecessor auditor vide its report dated October 27, 2021, in which the predecessor auditor has expressed an unmodified conclusion. Our conclusion is not modified in respect of this matter.

For NGS & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 119850W

Ram prasad
soni

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R. P. Soni
Partner
Membership No.:

UDIN: 22104796BBQPNS3595
Place: Mumbai
Date: November 1, 2022

Financial Results for the quarter and half year ended September 30, 2022

Particulars	(₹ in Crores)					
	Quarter Ended			Half Year Ended		Year Ended
	September 30, 2022 (Unaudited)	June 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)	March 31, 2022 (Audited)
1 Revenue from operations						
(a) Interest income	106.17	103.01	114.14	209.18	219.47	445.31
(b) Fee and commission income	4.34	4.04	16.15	8.38	28.66	58.07
(c) Net gain on fair value changes	0.04	0.37	4.04	0.41	5.69	8.63
Total revenue from operations	110.55	107.42	134.33	217.97	253.82	512.01
2 Other income	1.07	0.33	0.71	1.40	0.97	1.89
3 Total Income (1+2)	111.62	107.75	135.04	219.37	254.79	513.90
4 Expenses						
(a) Finance costs	70.32	74.60	84.90	144.92	174.07	327.57
(b) Employee benefits expense	16.01	13.02	13.77	29.03	28.60	66.31
(c) Depreciation and amortisation expense	1.04	1.00	0.97	2.04	1.98	4.02
(d) Impairment on financial instruments	1.03	2.30	4.06	3.33	24.52	42.64
(e) Other expenses	14.80	12.09	12.04	26.89	23.56	53.19
Total expenses	103.20	103.01	115.74	206.21	252.73	493.73
5 Profit / (Loss) before tax (3-4)	8.42	4.74	19.30	13.16	2.06	20.17
6 Tax expense	2.15	1.39	3.28	3.54	0.01	6.37
Current tax (includes reversal of excess / short provision of earlier years)	3.21	1.23	0.83	4.44	0.83	0.11
Deferred tax	(1.06)	0.16	2.45	(0.90)	(0.82)	6.26
7 Net Profit / (Loss) for the period (5-6)	6.27	3.35	16.02	9.62	2.05	13.80
8 Other Comprehensive Income	-	-	-	-	-	0.01
9 Total Comprehensive Income (7+8)	6.27	3.35	16.02	9.62	2.05	13.81
10 Earnings Per Share (₹) (Face Value of ₹ 10/- each)*						
- Basic	0.90	0.48	2.31	1.39	0.30	1.99
- Diluted	0.90	0.48	2.31	1.39	0.30	1.99

* Not annualised for the quarters and half years

Notes:

- Edelweiss Housing Finance Limited (the 'Company/' 'EHFL') has prepared unaudited financial results (the 'Statement') for the quarter and half year ended September 30, 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 November 01, 2022.
- 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 September 30, 2022

Type of borrower	(₹ in Crores)				
	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year	(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	8.59	1.17	-	0.09	7.33
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	8.59	1.17	-	0.09	7.33

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

- Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances as at September 30, 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	37	18.37

* Excludes accounts closed / written off

5. Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24 2021.
(a).(i) Details of transfer through assignment in respect of loans not in default during the quarter and half year ended September 30 2022.

Particulars	Quarter Ended September 30, 2022	Half Year Ended September 30, 2022
Count of Loan accounts Assigned	252	492
Amount of Loan account Assigned (₹ in Crores)	50.80	88.19
Retention of beneficial economic interest (MRR)	10%	10%
Weighted Average Maturity (Residual Maturity) (in years)	13.17	13.15
Weighted Average Holding Period (in years)	2.65	2.28
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 half year ended September 30 2022.

Particulars	Quarter Ended September 30, 2022	Half Year Ended September 30, 2022
Aggregate principal outstanding of loans acquired (₹ in Crores)	15.28	205.40
Aggregate consideration paid (₹ in Crores)	15.28	199.85
Weighted average residual tenor of loans acquired	1.43	4.11

- (a).(iii) Details of loans replaced / repurchased not in default which were transferred earlier during the quarter and half year ended September 30 2022.

Particulars	Quarter Ended September 30, 2022	Half Year Ended September 30, 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 half year ended September 30, 2022

6. 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.

7. **Statement of assets and liabilities**

	(₹ in Crores)	
	As at September 30, 2022 (Unaudited)	As at March 31, 2022 (Audited)
ASSETS		
Financial assets	3,945.52	3,921.35
(a) Cash and cash equivalents	361.81	292.96
(b) Bank balances other than (a) above	205.42	207.28
(c) Stock in trade	-	-
(d) Receivables		
(i) Trade receivables	0.33	5.68
(ii) Other receivables	-	-
(e) Loans	2,989.83	3,096.44
(f) Investments	292.20	261.81
(g) Other financial assets	95.93	57.18
Non-financial assets	40.63	35.32
(a) Current tax assets (net)	16.32	11.37
(b) Property, Plant and Equipment	11.17	12.83
(c) Intangible assets under development	2.33	1.74
(d) Other Intangible assets	0.46	0.51
(e) Other non- financial assets	10.35	8.87
TOTAL ASSETS	3,986.15	3,956.67
LIABILITIES AND EQUITY		
Financial liabilities	3,183.32	3,162.63
(a) Payables		
(i) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	0.02	0.52
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8.09	14.13
(b) Debt securities	798.06	793.59
(c) Borrowings (other than debt securities)	1,076.24	1,448.57
(d) Subordinated Liabilities	53.68	50.86
(e) Other financial liabilities	1,247.23	854.96
Non-financial liabilities	15.07	16.41
(a) Current tax liabilities (net)	0.57	0.57
(b) Provisions	4.63	4.40
(c) Deferred tax liabilities (net)	6.28	7.18
(d) Other non-financial liabilities	3.59	4.26
Equity	787.76	777.63
(a) Equity share capital	69.35	69.35
(b) Other equity	718.41	708.28
TOTAL LIABILITIES AND EQUITY	3,986.15	3,956.67

8. Statement of cashflow for the half year ended

(₹ in Crores)

	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
A Cash flow from operating activities		
Profit / (Loss) before tax	13.16	2.06
Adjustments for		
Depreciation, amortisation and impairment	2.04	1.98
Impairment on financial instruments	3.33	24.52
Fair value of financial Instrument (Net)	(0.66)	-
Interest on lease liabilities	0.46	0.60
Profit on lease modification/cancellation	(0.71)	-
ESOP and SAR cost reimbursement	0.17	-
Gain on buy back of securities (amortised Cost)	-	0.63
Loss /(Gain) on sale of fixed assets	(0.09)	(0.01)
Operating cash flow before working capital changes	17.70	29.78
<i>Add / (Less): Adjustments for working capital changes</i>		
Decrease/(Increase) in Receivables	4.81	(2.72)
Decrease/(Increase) in Stock in trade	-	15.58
Decrease/(Increase) in Receivables from financing business (net)	103.83	88.76
Decrease/(Increase) in Other financial assets	(36.55)	(149.56)
Decrease/(Increase) in Investments	(29.74)	(53.88)
Decrease/(Increase) in Other non financial assets	(1.48)	(5.76)
Increase / (Decrease) in Trade payables	(6.55)	(0.82)
Increase / (Decrease) in Non financial liabilities and provisions	(0.43)	(9.87)
Increase / (Decrease) in Other financial liability	(33.39)	(71.03)
Cash flow from operations	18.20	(159.52)
Income taxes paid (Net)	(9.39)	(3.68)
Net cash generated from / (used in) operating activities -A	8.81	(163.20)
B Cash flow from investing activities		
Purchase of Property, plant and equipment and Intangible assets	(0.11)	(1.87)
Decrease/(Increase) in Capital Work-in-progress and Intangibles assets under development	(0.60)	(0.60)
Sale of Property, plant and equipment	0.15	0.02
Net cash generated from / (used in) investing activities - B	(0.56)	(2.45)
C Cash flow from financing activities		
Increase / (Decrease) in Debt securities	35.91	(116.83)
Increase / (Decrease) in Borrowings other than debt securities	(371.47)	(413.55)
Securitisation liability (including loan assigned under PCG scheme)	397.93	81.09
Repayment of lease obligations	(1.77)	4.74
Net cash generated from / (used in) financing activities - C	60.60	(444.55)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	68.85	(610.20)
Cash and cash equivalent as at the beginning of the period	292.96	945.58
Cash and cash equivalent as at the end of the period	361.81	335.38

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 half year ended September 30, 2022 is attached as Annexure-A.

On behalf of the Board of Directors

RAJAT RAWI
AVASTHI

Rajat Avasthi

MD & CEO
DIN: 07969623

Mumbai
November 01, 2022

Annexure – A

Disclosure in compliance with regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for the half year ended September 30, 2022

Sr. No.	Particulars	Half Year Ended	Year Ended March
		September 30, 2022	31, 2022
		(Unaudited)	(Audited)
1	Debt-equity Ratio ^(refer note 1)	3.93	3.95
2	Debt service coverage ratio (DSCR) ^(refer note 2)	0.28	0.24
3	Interest service coverage ratio (ISCR) ^(refer note 3)	1.09	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)	787.76	777.63
7	Net profit after tax (₹ in Crores)	9.62	13.80
8	Earnings per share (not annualised)		
8.a	Basic (₹)	1.39	1.99
8.b	Diluted (₹)	1.39	1.99
9	Total debts to total assets ^(refer note 5)	0.78	0.78
10	Net profit margin (%) ^(refer note 6)	4.41%	2.69%
11	Sector specific equivalent ratios as on September 30, 2022		
	(a) Capital to risk-weighted assets ratio (CRAR) (%)	35.82%	28.28%
	(b) Tier I CRAR (%)	35.82%	28.28%
	(c) Tier II CRAR (%)	0.00%	0.00%
	(d) Stage 3 ratio (gross) (%) ^(refer note 7)	2.52%	1.99%
	(e) Stage 3 ratio (net) (%) ^(refer note 8)	1.99%	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 six 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.