

January 28, 2022

BSE Limited
P J Towers,
Dalal Street, Fort,
Mumbai - 400 001.

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051.

Sub: Submission of Financial Results for the Quarter and Nine months ended December 31, 2021 as per Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

With reference to the captioned subject, we enclose the following:

- a) Unaudited Financial Results of the Company for quarter and nine months ended December 31, 2021, duly approved by the Board of Directors at its meeting held on January 28, 2022, together with the Limited Review Report of the Auditors' thereon; and
- b) Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Kindly take the above on record.

Thanking you,

Yours faithfully,

For Edelweiss Retail Finance Limited


Jignesh Gaglani
Company Secretary



Encl: as above

Edelweiss Retail Finance Limited

Corporate Identity Number: U67120MH1997PLC285490

Registered Office : Tower 3, Wing ' B' , Kohinoor City Mall , Kohinoor City, Kiro Road, Kurla (west), Mumbai – 400070, Maharashtra; ☎ +91 22 4272 2200

Corporate Office: Edelweiss House, Off. C.S.T Road, Kalina, Mumbai-400098, Maharashtra ☎ +91 22 4009 4400 Fax: +91 22 4019 4925 www.edelweissretailfin.com

Limited Review Report

**Review Report to
The Board of Directors of
Edelweiss Retail Finance Limited.**

- 1) We have reviewed the accompanying statement of unaudited financial results of **Edelweiss Retail Finance Limited** ("the Company") for the quarter and nine months ended December 31, 2021, (the "Statement"), being submitted by the company pursuant to the requirements of Regulation 52 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended ("Listing Regulations").
- 2) This Statement, which is the responsibility of the Company's Management and approved by the company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). Our responsibility is to issue a report on the Statement based on our review.
- 3) We Conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of Interim Financial information consists of making inquiries, primarily of the Company's personnel 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 specified under section 143(10) of the Companies Act, 2013 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. We have not performed an audit and accordingly, we do not express an audit opinion.
- 4) Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, 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.

Emphasis of Matter:

- 5) Attention is drawn to note no. 6 of the Statement which describes the impacts of Covid-19 Pandemic on the unaudited standalone financial results as also on the business operations of the Company, assessment thereof by the management of the Company based on its internal, external, and macro factors, involving certain estimation uncertainties. Our conclusion on the statement is not modified in respect of this matter.

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Phone: +91 20 6680 7200/223/224/305; Email – audit@gdaca.com.

Other Matters

- 6) The numbers and details pertaining to Quarter ended September 30, 2021, have been traced based on the review reports of S. R. Batliboi & Co. LLP, Chartered Accountants ("erstwhile auditors"). Similarly, the numbers and details pertaining to Year ended as at March 31, 2021 and notes related thereto in the Statement have been traced from the Financial Statements of the Company audited by the erstwhile auditors vide their unmodified audit report. The numbers and details pertaining to period(s) i.e. Quarter ended December 31, 2020 and nine months ended December 31, 2020 have not been subjected to review and have been traced based on the management certified financial results for the period then ended.

Our conclusion on the Statement is not modified in respect of this matter.

For G. D. Apte & Co.
Chartered Accountants

Firm registration number: 100515W

CHETAN Digitally signed by
RAMESH CHETAN RAMESH
SAPRE SAPRE
SAPRE Date: 2022.01.28
 12:22:32 +05'30'

Chetan R. Sapre
Partner

Membership No: 116952

UDIN : 22116952AAAADY2791

Place : Mumbai

Date : January 28, 2022

Financial Results for the quarter and nine months ended December 31, 2021

Particulars	Quarter Ended			Nine months Ended		Year Ended
	December	September	December	December	December	March
	31, 2021 (Unaudited)	30, 2021 (Unaudited)	31, 2020 (Unaudited)	31, 2021 (Unaudited)	31, 2020 (Unaudited)	31, 2021 (Audited)
1 Revenue from operations						
(a) Interest income	36.10	37.61	53.38	115.27	162.98	218.30
(b) Dividend income	-	-	20.84	-	20.84	20.84
(c) Fee and commission income	1.37	1.69	1.21	3.95	3.08	5.46
(d) Net gain on fair value changes	9.56	1.72	(2.44)	16.11	(5.96)	1.27
Total revenue from operations	47.03	41.02	72.99	135.33	180.94	245.87
2 Other income	0.11	0.12	(0.12)	2.79	2.34	4.19
3 Total Income (1+2)	47.14	41.14	72.87	138.12	183.28	250.06
4 Expenses						
(a) Finance costs	19.53	22.97	33.39	65.67	103.60	134.91
(b) Employee benefits expense	5.14	4.51	3.33	13.13	5.63	12.21
(c) Depreciation and amortisation expense	0.97	1.00	0.72	3.07	3.24	4.13
(d) Impairment on financial instruments	0.14	(6.44)	5.83	(4.80)	6.88	35.46
(e) Other expenses	19.17	22.89	4.19	53.10	13.80	30.40
Total expenses	44.95	44.93	47.46	130.17	133.15	217.11
5 Profit / (Loss) before tax (3-4)	2.19	(3.79)	25.41	7.95	50.13	32.95
6 Tax expense	0.29	(1.90)	3.62	1.96	10.17	6.11
Current tax	0.29	(1.95)	3.48	(0.25)	10.64	11.54
Deferred tax	0.00	0.05	0.14	2.21	(0.47)	(5.43)
7 Net Profit / (Loss) for the period (5-6)	1.90	(1.89)	21.79	5.99	39.96	26.84
8 Other Comprehensive Income	-	-	(0.05)	-	(0.06)	0.03
9 Total Comprehensive Income (7+8)	1.90	(1.89)	21.74	5.99	39.90	26.87
10 Earnings Per Share (₹) (Face Value of ₹ 10/-						
- Basic (Not Annualised)	0.44	(0.44)	5.08	1.39	9.31	6.26
- Diluted (Not Annualised)	0.44	(0.44)	5.08	1.39	9.31	6.26

Notes:

- Edelweiss Retail Finance Limited (the 'Company'/'ERFL') has prepared unaudited financial results (the 'Statement') for the quarter and nine months ended December 31, 2021 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 provisions 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 28, 2022.
- The results for the quarter ended December 31, 2021 being the derived figures between unaudited figures in respect to nine months ended December 31, 2021 and the year to date figures upto the half year ended September 30, 2021.
- During the quarter and nine months ended 31 December 2021, the Company had sold certain financial assets amounting to NIL and Rs. 17.89 crores (net of provisions and losses) respectively, to asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to NIL and Rs. 15.21 crores respectively 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. EFSL, the 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.
- The Company had initiated sale of certain credit impaired financial assets before December 31, 2021 and for which definitive contracts were executed post the balance sheet date. These financial assets sold after December 31, 2021, amounted to Rs. 7.52 crores to asset reconstruction companies trusts (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 which has been accentuated on account of factors caused by COVID 19. 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 holding Company has, undertaken substantially all risks and rewards in respect of these financial assets aggregating to Rs. 6.39 crores. As at December 31, 2021, there is no impact on the financial statements of the Company other than incremental loss in the Profit and Loss Statement for the quarter and nine months ended December 31, 2021 amounting to Rs 0.47 Crores.

Handwritten mark

6. The uncertainty on account of COVID-19 outbreak continues to have adverse effect across the world economy including India. However, recent results from the industry is showing signs of revival signaling a return in economic growth. The impact of the COVID-19 pandemic, on Company's results, including gain/loss on fair value changes, investment, remains uncertain and dependent on actual visibility of growth over coming quarters and steps taken by the government and other regulators to mitigate the economic impact and foster speedier growth. Further, the Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various financial support from banks and other fundraising opportunities in determining the Company's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. In assessing the recoverability of loans, receivables, deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Since the situation continue to evolve, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor material changes in markets and future economic conditions.
7. Information as required by the Reserve Bank of India Circular on Resolution Framework -2.0: Resolution of COVID-19 related stress of Individuals and small Businesses dated May 5, 2021.

(₹ in Crores)

Description	Individual Borrowers*		Small businesses
	Personal	Business	
(A) Number of requests received for invoking resolution process under Part A	5	9	12
(B) Number of accounts where resolution plan has been implemented under this window	5	-	10
(C) Exposure to accounts mentioned at (B) before implementation of the plan	23.21	-	12.18
(D) Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E) Additional funding sanctioned, if any, including between invocation of the plan and	-	-	-
(F) Increase in provisions on account of the implementation of the resolution plan	1.38	-	1.15

*Excludes accounts closed / written off during the period

8. Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances as at December 31, 2021
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	81	88.31

*Excludes accounts closed / written off during the period

9. Disclosures pursuant to RBI Notification - RB/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021.

- (a) Details of transfer through assignment in respect of loans not in default during the nine months ended 31 December 2021.

(₹ in Crores)

Particulars	Amount
Count or Loan accounts Assigned	33
Amount of Loan account Assigned	28.28
Retention of beneficial economic interest (MRR)	10%
Weighted Average Maturity (Residual Maturity)	4.42
Weighted Average Holding Period	3.61
Coverage of tangible security coverage	100%
Rating-wise distribution or rated loans	Unrated

- (b) (i) Details of stressed loans transferred during the nine months ended 31 December 2021

(₹ in Crores)

Particulars	To ARCs
No. of accounts	14.00
Aggregate principal outstanding of loans transferred	22.42
Weighted average residual tenor of the loans	5.90
Net book value of loans transferred (at the time of transfer)	19.70
Aggregate consideration	17.89
Additional consideration realized in respect of accounts transferred in earlier years	-

- ii) The Company has not acquired any stressed loan during the nine months ended 31st December 2021.

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10. Pursuant to the RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", we have aligned our NPA assessment methodology as per the new norms. However, such alignment does not have any significant impact on the financial results for the quarter and nine months ended 31 December 2021.
11. 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 and the final rules/interpretation have not yet been issued. 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.
12. A Scheme of Amalgamation for merger (Merger by Absorption) of Edelweiss Retail Finance Limited ("ERFL") with the Company ("Transferee Company") and their respective shareholders under section 230 to 232 of the Companies Act, 2013 and the Rules made there under has been filed with the Hon'ble National Company Law Tribunal ("NCLT") on March 26, 2019. Further, on March 25, 2019, the Company had applied for approval from the Reserve Bank of India in relation to the said merger, which was approved by the RBI on September 27, 2019. The Company is in process to obtain NOCs from all the lending banks.
13. Figures for the previous period / year have been regrouped / reclassified wherever necessary to conform to current period presentation.

28th January, 2022
Mumbai



On behalf of the Board of Directors

A handwritten signature in blue ink, appearing to read "Phanindranath Kakarla".

Phanindranath Kakarla
Director
DIN: 02076676

Edelweiss Retail 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, 2021

Sr. No.	Particulars	Ratio
1	Debt-equity Ratio (refer note 1)	1.53
2	Debt service coverage ratio (DSCR)	NA
3	Interest service coverage ratio (ISCR)	NA
4	Outstanding redeemable preference shares (quantity and value)	NA
5	Debenture redemption reserve (Rupees in Crores)	6.78
6	Net worth (refer note 2) (Rupees in Crores)	482.22
7	Net profit after tax (Rupees in Crores)	5.99
8	Earnings per share (not annualised)	
8.a	Basic (Rupees)	1.39
8.b	Diluted (Rupees)	1.39
9	Current ratio	NA
10	Long term debt to working capital	NA
11	Bad debts to Account receivable ratio	NA
12	Current liability ratio	NA
13	Total debts to total assets (refer note 3)	0.57
14	Debtors turnover	NA
15	Inventory turnover	NA
16	Operating margin (%)	NA
17	Net profit margin (%) (refer note 4)	4.43%
18	Sector specific equivalent ratios as on December 31, 2021	
	(a) Capital to risk-weighted assets ratio (CRAR) (%)	40.25%
	(b) Tier I CRAR (%)	26.51%
	(c) Tier II CRAR (%)	13.74%
	(d) Stage 3 ratio (gross) (%) (refer note 5)	4.95%
	(e) Stage 3 ratio (net) (%) (refer note 6)	4.27%

Notes:

- Debt-equity Ratio = Total Debt (Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities) / Net worth
- Net worth = Share capital + Share application money pending allotment + Reserves & Surplus - Deferred Tax Assets
- Total debts to total assets = Total Debt / 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

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Edelweiss Retail Finance Limited

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The secured non-convertible debentures issued by the Company are fully secured by first pari passu charge by mortgage of the Company's identified immovable property as stated in the debenture trust deed(s) and/ or by way of charge/ hypothecation of book debts/ receivables/ loan Receivables and other assets, to the extent stated in the respective information memorandum read with the underlying debenture trust deed. 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.

On behalf of the Board of Directors



Phanindranath Kakarla
Director
DIN: 02076676



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