

October 30, 2020

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: Outcome of the Board Meeting

Dear Sir/Madam,

This is to inform you that the Board of Directors of the Company at its meeting held on October 29, 2020 has, approved inter alia, the following:

- a) The Unaudited Financial Results of the Company for the half year ended September 30, 2020 together with the Limited Review Report of the Statutory Auditors' thereon;
- b) Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- c) Information as required pursuant to Regulation 52(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular SEBI/HO/DDHS/08/2020 dated January 17, 2020.

The Certificates of the Debenture Trustees, required under Regulation 52(5) of the Listing Regulations are being sent separately.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Edelweiss Retail Finance Limited

AMIT
KUMAR
PANDEY
Digitally signed by
AMIT KUMAR
PANDEY
Date: 2020.10.30
21:45:44 +05'30'

Amit Pandey
Company Secretary

Encl: as above

Edelweiss Retail Finance Limited

Corporate Identity Number: U67120MH1997PLC285490

Registered Office : Tower 3, Wing ' B', Kohinoor City Mall , Kohinoor City, Kirol 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.edelweisssretailfin.com

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

Review Report to
The Board of Directors
Edelweiss Retail Finance Limited

1. We have reviewed the accompanying statement of unaudited financial results of Edelweiss Retail Finance Limited (the "Company") for the half year ended September 30, 2020 (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. 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 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. 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 Indian Accounting Standards ('Ind AS') specified 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.

Emphasis of Matter - Assessment of Covid-19 Impact

5. We draw attention to Note 3 to the Statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of loans to customers and investments which are highly dependent on uncertain future developments.

Our conclusion is not modified in respect of this matter.

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

SHRAWAN
BHAGWATI
JALAN

Digitally signed by SHRAWAN
BHAGWATI JALAN
DN: cn=SHRAWAN BHAGWATI
JALAN, o=IN, ou=Personal,
email=shrawan.jalan@srb.in
Date: 2020.10.29 20:23:26 +05'30'

per Shrawan Jalan

Partner

Membership No.: 102102

UDIN: 20102102AAAEIR4406

Place: Mumbai

Date: October 29, 2020

Financial Results for the half year ended September 30, 2020

(₹ in Crores)

	Particulars	Half Year Ended		Year Ended
		September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	March 31, 2020 (Audited)
1	Revenue from operations			
	(a) Interest income	109.60	126.40	248.54
	(b) Dividend income	-	-	-
	(c) Fee and commission income	1.87	17.48	22.10
	(d) Net gain on fair value changes	(3.52)	12.64	16.81
	Total revenue from operations	107.95	156.52	287.45
2	Other income	2.46	0.52	1.91
3	Total Income (1+2)	110.41	157.04	289.36
4	Expenses			
	(a) Finance costs	70.21	92.88	174.74
	(b) Employee benefits expense	2.30	3.75	6.15
	(c) Depreciation and amortisation expense	2.52	3.18	7.40
	(d) Impairment on financial instruments	1.05	43.17	73.17
	(e) Other expenses	9.61	12.80	24.56
	Total expenses	85.69	155.78	286.02
5	Profit / (Loss) before tax (3-4)	24.72	1.26	3.34
6	Tax expense (refer note 5)	6.55	0.43	2.28
	Current tax	7.16	5.81	4.48
	Deferred tax	(0.61)	(5.38)	(2.20)
7	Net Profit / (Loss) for the period (5-6)	18.17	0.83	1.06
8	Other Comprehensive Income	(0.01)	(0.02)	(0.01)
	(i) Items that will not be reclassified to profit or loss	(0.01)	(0.03)	(0.02)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	0.01	0.01
9	Total Comprehensive Income (7+8)	18.16	0.81	1.05
10	Earnings Per Share (₹) (Face Value of ₹ 10/- each)			
	- Basic (Not Annualised)	4.23	0.20	0.25
	- Diluted (Not Annualised)	4.23	0.20	0.25

Notes:

- Edelweiss Retail Finance Limited (the 'Company'/'ERFL') has prepared audited financial results (the 'Statement') for the half year ended September 30, 2020 in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations, 2015') 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 October 29, 2020.
- Consequent to the outbreak of COVID – 19 pandemic, the Indian Government had announced a lockdown in March 2020. Subsequently, the lockdown has been lifted by the Government for certain activities in a phased manner outside specific containment zones. The impact of COVID – 19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to volatility in global and Indian financial markets and a decrease in global and local economic activity, which may persist even after the restrictions related to the COVID – 19 are lifted. While there has been some improvement in economic activities during the current quarter, the continued slowdown has led to a decrease in loan originations and efficiency in collection efforts. The extent to which the COVID – 19 will continue to impact Company's results, including credit quality and provisions, remain uncertain and would depend upon the time taken for economic activities to fully resume and reach normal levels. The Company holds provisions as at September 30, 2020 against the potential impact of COVID – 19 based on the information available at this point in time.

In accordance with the regulatory package announced by the Reserve Bank of India (RBI) on March 27, 2020, April 17, 2020 and May 22, 2020, the Company has granted a moratorium for the payment of all instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers that have opted to avail the same.

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 stimulus packages announced by the Government of India which will directly or indirectly benefit NBFCs and Company's lenders to extend moratorium and various other financial support from other banks and other agencies 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 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.

4. Details of moratorium / deferment extended to eligible customers under COVID19 Regulatory package

The company has extended moratorium/ deferment of term loan installments falling due in moratorium period to its eligible customers who have opted for moratorium under RBI circular on 'COVID-19 – Regulatory Package' dated March 27, 2020 and 'COVID19 Regulatory Package - Asset Classification and Provisioning' dated April 17, 2020.

	(₹ in Crores)
(a) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 (as at September 30, 2020)	236.95
(b) Respective amount where asset classification benefits is extended (as at September 30, 2020)	154.29
(c) Provisions made in terms of paragraph 5 of the circular (As per para 4, applicable to NBFC covered under IndAS)	17.92
(d) Provisions adjusted against slippages in terms of paragraph 6 of the circular	-
(e) Residual provisions as on September 30, 2020 in terms of paragraph 6 of the circular	17.92
<p>5. Hon'ble Supreme Court in a public interest litigation (Gajendra Sharma vs. Union of India & Anr) vide an interim order dated 3 September 2020 (interim order) has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Company has not classified any account as NPA, as per RBI norms, after August 31, 2020 which was not NPA as of August 31, 2020. Further in light of the interim order, even accounts that would have otherwise been classified as NPA post August 31, 2020 have not been and will not be, classified as NPA till such time the Hon'ble Supreme Court rules finally on the matter. Such accounts have been classified as stage 3 and provisioned accordingly.</p>	
<p>6. The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium was availed or not. The Company has commenced working on the operational aspects of the Scheme. On the basis of the initial assessment made by the Company, the implementation of the Scheme does not have a material impact on the income statement of the Company.</p>	
<p>7. A Scheme of Amalgamation for merger of the Company ("Transferor Company") with ECL Finance Limited ("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 National Company Law Tribunal ("NCLT") on March 26, 2019.</p>	

8. Statement of assets and liabilities as at September 30, 2020

	(₹ in Crores)	
	As at September 30, 2020	As at March 31, 2020
ASSETS		
Financial assets	1,842.03	1,941.21
(a) Cash and cash equivalents	136.30	268.14
(b) Bank balances other than (a) above	2.35	30.21
(c) Derivative financial instruments	-	-
(d) Stock in trade	15.04	14.20
(e) Receivables		
(i) Trade receivables	1.99	1.25
(f) Loans	1,559.70	1,564.41
(g) Investments	98.77	47.12
(h) Other financial assets	27.88	15.88
Non-financial assets	46.32	47.92
(a) Current tax assets (net)	12.61	16.40
(b) Deferred tax assets (net)	11.46	10.84
(c) Property, Plant and Equipment	7.97	14.49
(d) Capital work in progress	-	-
(e) Intangible assets under development	3.11	-
(f) Other Intangible assets	0.59	0.80
(g) Other non- financial assets	10.58	5.39
TOTAL ASSETS	1,888.35	1,989.13
LIABILITIES AND EQUITY		
Financial liabilities	1,399.36	1,522.51
(a) Derivative financial instruments	-	-
(b) Payables		
(i) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues to creditors other than micro enterprises and small enterprises	12.36	6.87
(c) Debt securities	512.65	493.91
(d) Borrowings (other than debt securities)	623.85	749.91
(e) Subordinated Liabilities	216.73	208.91
(f) Other financial liabilities	33.77	62.91
Non-financial liabilities	7.79	3.58
(a) Current tax liabilities (net)	7.19	2.38
(b) Provisions	0.21	0.13
(c) Deferred tax liabilities (net)	-	-
(d) Other non-financial liabilities	0.39	1.07
Equity	481.20	463.04
(a) Equity share capital	42.95	42.95
(b) Other equity	438.25	420.09
TOTAL LIABILITIES AND EQUITY	1,888.35	1,989.13

9. Figures for the previous period / year have been regrouped / reclassified wherever necessary to conform to current period presentation.

On behalf of the Board of Directors

DEEPAK
MUNDRA

Deepak Mundra
Director
DIN: 06733120

Mumbai
October 29, 2020

Annexure – A

Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

a) Details of Credit Rating as on 30 Sep 2020

(Rs. In Crores)					
Instrument category	CRISIL	ICRA	CARE	Brickworks	Acuite
i) Long Term Instruments	LT-NCD,LT Sub-Debt and BLR	LT-NCD, LT Sub-Debt and BLR	LT-NCD and LT Sub-Debt	LT-NCD and Perp-Debt	Perp-Debt and LT NCD
Rating	CRISIL AA-/Negative	ICRA A+ / Negative	CARE AA-/ Negative	BWR AA/ Negative and BWR AA-/ Negative	ACUITE AA-/Negative and Acuite AA/Negative
Amount	1,800.00	4,150.00	525.00	550.00	350.00
i) Short Term Instruments	CPs-ST	ST-NCD	CPs-ST	-	-
Rating	CRISIL A1+	ICRA A1	CARE A1+	-	-
Amount	500.00	100.00	500.00	-	-

b) There has been following changes in the Credit Rating during the 1 April 2020 to 30 Sep 2020:

- ICRA Ratings revised the ratings on Long Term Debt from AA- to A+ in 5th May'2020 while keeping the outlook unchanged at Negative and also the Short term ratings from ICRA A1+ to ICRA A1.
- CARE Ratings revised the outlook on Long Term Debt ratings from Stable to Negative in 7th May'2020.
- CRISIL Ratings revised the outlook on Long term Debt ratings from Stable to Negative in 25th May'2020.
- Brickwork has reaffirmed rating to the Long Term Debt as BWR AA (Negative) on 21 Sep 2020.
- Acuite has reaffirmed rating to the Long Term Debt as Acuite AA- (Negative) on 30 April 2020.

c) There has been following changes in the Credit Rating during the 1 October 2020 to Till date:

- ICRA has reaffirmed rating to the Long Term Debt as [ICRA]A+(Negative) on 19 Oct 2020.
- CARE Ratings revised the ratings on Long Term Debt from AA- to A+ on 8 Oct'2020 and also Outlook change Negative to Stable.

	Particulars	Half year ended		Year ended
		30-Sep-20	30-Sep-19	31-Mar-20
a)	Debt-equity Ratio (D/E) (refer note 1)	2.88	3.77	3.21
b)	Capital redemption reserve	Nil	Nil	Nil
c)	Outstanding Redeemable Preference shares	Nil	Nil	Nil
d)	Debenture redemption reserve	33.71	33.71	33.71
e)	Net worth (refer note 2)	469.74	448.78	452.20

Notes:

- D/E - 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.
- f) Asset Cover Available: All Secured NCDs issued by the Company are fully secured by way of mortgage of identified immovable property as stated in the respective debenture trust deed(s) and/ or by way of charge/ hypothecation of book debts/ receivables/ loan receivables, on first pari passu basis, to the extent stated in the respective information memorandum read with the underlying debenture trust deed.
- g) Details of previous due date, next due date for the payment of interest and repayment of principal of non-convertible debt securities

(Rs. In Crores)

Sr. No.	ISIN No.	Principal Amount (Face Value)	Previous Due date (1 Apr 20 to 30 Sep 20)		Next Due date (1 Oct 20 to 31 Mar 21)		Redemption (Principal + Interest) amount
			Interest	Principal	Interest	Principal	
1	INE528S08035	24	31-Jul-20	NA	NA	NA	NA
2	INE528S07060	100	NA	NA	NA	NA	NA
3	INE528S07094	23.43	01-Apr-20	NA	01-Oct-20	NA	0.17
			01-May-20		01-Nov-20		0.17
			01-Jun-20		01-Dec-21		0.17
			01-Jul-20		01-Jan-21		0.17
			01-Aug-20		01-Feb-21		0.17
			01-Sep-20		01-Mar-21		0.16
4	INE528S07078	16.4	01-Apr-20	NA	01-Oct-20	21-Mar-21	0.11
			01-May-20		01-Nov-20		0.12
			01-Jun-20		01-Dec-21		0.11
			01-Jul-20		01-Jan-21		0.12

ANNEXURE A

Statement of Deviation or Variation in the use of proceeds of issue of listed non-convertible debt securities

Name of listed entity	Edelweiss Retail Finance Limited					
Mode of Fund Raising	Public Issues / Private Placements					
Type of instrument	Non-Convertible Debentures					
Date of Raising Funds during half year ended September 30, 2020	-					
Amount Raised during half year ended September 30, 2020	NIL					
Report filed for half year ended	September 30, 2020					
Is there a Deviation / Variation in use of funds raised?	N.A.					
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	-					
If yes, details of the approval so required?	-					
Date of approval	-					
Explanation for the Deviation / Variation	-					
Comments of the audit committee after review	-					
Comments of the auditors, if any	-					
Objects for which funds have been raised and where there has been a deviation, in the following table	-					
Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilised	Amount of Deviation/ Variation for the half year according to applicable object (INR Crores and in %)	Remarks, if any

Edelweiss Retail Finance Limited

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www.edelweissretailfin.com

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