

EW/Sec/2020/175

August 27, 2020

**BSE Limited**

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

Dear Sirs,

**Ref.:- Scrip Code:- 532922**  
**Sub: Outcome of the Board Meeting**

This is to inform you that the Board of Directors of the Company at its meeting held today, approved the Unaudited Financial Results of the Company for the quarter ended June 30, 2020:-

- a) Consolidated Financial Results; and
- b) Standalone Financial Results.

The copies of the aforesaid results together with the Limited Review Report issued by the Auditors of the Company are enclosed.

The meeting of the Board of Directors of the Company commenced at 6:30 p.m. and concluded at 08:20 p.m.

The above information is given pursuant to the provisions of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

Kindly take the same on record.

Thanking you,  
**For Edelweiss Financial Services Limited**

**B. Renganathan**  
**Executive Vice President & Company Secretary**

Encl. a/a

## Edelweiss Financial Services Limited Q1FY21 Results Highlights

*Sale of 51% stake in Edelweiss Wealth Management to unlock value for shareholders  
 Maintaining a strong balance sheet, despite headwinds*

### Q1FY21 Key Highlights:

- **P&L (consolidated):** Total Income INR 1,920 Cr and PAT INR (245 Cr)
- **Group Net Worth:** INR 8,320 Cr<sup>1</sup>
- **Customer Assets:** INR 2,23,000 Cr (*INR 2,07,700 Cr in Q4FY20*)
- **Well capitalized** businesses with **strong capital adequacy** levels both at consolidated level and key operating entity levels:
  - Consolidated capital adequacy: 21.1%
  - ECL Finance Ltd.: 21.3%
  - Edelweiss Retail Finance Ltd.: 29.0%
  - Edelweiss Housing Finance Ltd.: 23.2%
  - Edelweiss Asset Reconstruction Company Ltd.: 32.6%
- **Debt Equity Ratio** (*Ex Treasury Assets*) reduced to 3.2x (*3.5x in Q4FY20*). Borrowings reduced to INR 30,394 Cr<sup>2</sup> – a reduction of 40% over Q2FY19 levels
- **Liquidity:** INR 5,700 Cr (*as on August 12, 2020*)
- **Corporate credit exposure continues to decline.** Corporate credit assets now stand at INR 8,549 Cr. (*INR 10,130 Cr in Q4FY20*) – a reduction of 59% over Q2FY19 levels
- **Dominant presence in capital-light businesses** with a **robust fee income base of ~INR 2,000 Cr p.a.** on the back of strong franchise and steadily growing customer asset base
  - Wealth Management – 2nd Largest Non-Bank Wealth Manager
  - Asset Management – Largest and most comprehensive player in private credit strategies
  - Largest ARC in India

### Sale of 51% stake in Wealth Management Business

Edelweiss has **entered into an agreement with PAG**, one of the world's largest Asia-focused investment groups, which will **acquire 51% stake in Edelweiss Wealth Management** at a post-money valuation of INR 4,400 Cr. This will be **PAG's first majority equity investment in India.**

- Transaction is expected **to close in the next 4-6 months** subject to regulatory approvals
- EWM will be **demerged and listed** thereafter in due course

This is **largest equity raise by Edelweiss group** till date and a visible **endorsement of value** that has been created in the Wealth Management business.

<sup>1</sup> Including investments of CDPQ, Kora Management and Sanaka Capital in equity convertible instruments

<sup>2</sup> Borrowings are excluding CBLO & CCDs & excludes accrued interest

**Speaking on the occasion, Mr. Rashesh Shah, Chairman and CEO, Edelweiss Financial Services Limited said:**

*“Our approach at Edelweiss above all has been to do two things well: Creating value in our businesses and unlocking value for our shareholders.*

*In FY21, we are taking a series of steps that will enable our companies to emerge fully future-ready to participate in the post Covid economic recovery, and for our shareholders to realise the value created in our companies.*

*We will do this by helping each of our businesses become leaner and fitter with the help of technology and processes. Customer focused technology initiatives will enable them to do businesses in a way that delights their customers and create lasting value.*

*Our well-capitalised businesses have great partners with impeccable credentials who will provide them with expertise, reach and scale. When growth resumes, our businesses will be very well placed to participate in the India growth story again.*

*Additionally, over the last 24 months, we have successfully managed our liquidity, leverage and asset quality and will comfortably do so through FY21.*

*Unlocking value is our other priority for FY21. EWM is India’s second largest non-bank wealth manager with a great team and sound capital base. The time is right for them to operate and grow independently. The PAG transaction will give them a great partner, which will provide them the impetus to expand scope even further. We have started putting in place a path that will see EWM demerged and listed in due course. We are also guided by the Board to seek investment partners in Edelweiss Asset Management (EAM) and GI businesses, and EAM will also be demerged and listed thereafter.*

*The capital surplus that we will generate will help us continue the virtuous cycle of creating and unlocking value that we have followed consistently over the past 25 years.”*

**Business Highlights Q1FY21:**

Edelweiss Group’s structure is organized under six business segments – Corporate Credit, Retail Credit, Wealth Management, Asset Management, Life Insurance and General Insurance with legal entities aligned to these six business segments.

**1. Corporate Credit (ECL Finance Ltd.)**

**Business performance Q1FY21:**

Particulars	Financials in INR Cr
Net Worth	3,363
Loan Book	10,953
Capital Adequacy	21.3%
PAT	(156)
NIM %	2.3%
NNPA %	2.1%

**Business updates and near-term priorities:**

- Focused on resource raising to generate liquidity
  - Raised INR 1,800 Cr across PCG and TLTRO schemes in H1FY21 till date and another INR 400 Cr is in pipeline
  - Raised ~INR 400 Cr from banks and other sources in H1FY21 till date
  - Received sanctions of INR 200 Cr from banks

- Targeting 30% reduction in costs

## 2. Retail Credit (EHFL & ERFL)

### Business performance Q1FY21:

Particulars	Financials in INR Cr	
	EHFL	ERFL
Net Worth	769	474
Loan Book	4,490	1,312
Capital Adequacy	23.2%	29.0%
PAT	-	11
NIM %	3.3%	5.6%
NNPA %	1.4%	2.0%

### Business updates and near-term priorities:

- Improvement seen in collections – July collections at ~INR 300 Cr
- Raised INR 265 Cr across PCG and TLTRO schemes, banks & other sources in H1FY21 till date and another INR 350 Cr is in pipeline
- Laying down framework for transforming to digital lending model
- Branch network optimization – consolidating the geographical footprint

## 3. Wealth Management (ESL & Others)

### Business performance Q1FY21:

Particulars	Financials in INR Cr	
	ESL	Others
Net Worth	1,260	
Net Revenues	215	
PBT	72	
PAT	59	
AUA	1,27,300	

### Business updates and near-term priorities:

- Business continues to be steady despite market volatility
- Enhanced client engagement driven by tech-first approach
- Mobilised net new money of INR 1,250 Cr during the quarter
- Strong pipeline in Investment Banking across ECM, DCM and M&A
- Focus on cost rationalisation – 10% reduction in both employee cost and operating expenses

## 4. Asset Management (EAML, EAAA, EARC and Others)

### Business performance Q1FY21:

Particulars	Financials in INR Cr	
	EAML	EAAA, EARC & Others
Net Worth	159	2,090
Net Revenues	25	102
PBT	2	57
PAT (pre MI)	2	43
AUM	29,400	66,300

## **Business updates and near-term priorities:**

### **Mutual Fund**

- Bharat Bond ETF Series II oversubscribed 3.7 times and mobilised ~INR 11,000 Cr in with ~40,000 applications
- Aim to grow equity AUM to reach INR 10,000 Cr in next 12-18 months
- Continue to launch innovative passive funds for clients

### **Asset Management:**

- Infra Fund – final close at INR 3,300 Cr
- Received commitments of ~INR 6,000 Cr (US\$790 mn) in ESOF III till date
- Actively looking at deployment opportunities – current dry powder at ~ INR 10,000 Cr
- Strong recoveries of INR 470 Cr in ARC in pandemic hit quarter

## **5. Life Insurance (ETLI)**

### **Business updates and near-term priorities:**

- 2<sup>nd</sup> highest growth in industry – 21% YoY growth in individual APE
- Strong channel mix with 75% contribution of controlled channels (agency and direct to client)
- Product mix is dominated by Traditional Par and Non-Par; ULIP is 25% only
- Won 3 awards at 9<sup>th</sup> ACEF Global Customer Engagement Awards 2020 for Organ Donation campaign
- Look to partner with more banks for distribution tie-ups
- Embedded value as on June 30, 2020: INR 1,302 Cr

## **6. General Insurance (EGIC)**

### **Business updates and near-term priorities:**

- Fastest growing insurer among private players
- Health continues to be a large focus area – contribution of health higher than the Industry and peers
- Share of profitable Motor OD premium one of the highest in industry in Q1FY21
- Focused on diversifying distribution mix with emphasis on digital partnerships
- Continue to build depth in product portfolio for Motor OD, Health and modular sachet products focusing on digital products
- Continue the buildout of digital Motor and Health Platforms
- Engaging with investors to raise equity capital for accelerating growth

**Edelweiss Financial Services Limited**

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 Tel: +91-22-40094400 Fax: +91-22-40863610  
 Website : www.edelweissfin.com


**Consolidated Financial Results for the quarter ended 30 June 2020**

(₹ in Crores)

Particulars	Quarter Ended			Year Ended
	30 June 2020 (Reviewed)	31 March 2020 (Audited) (Refer Note 11)	30 June 2019 (Reviewed)	31 March 2020 (Audited)
<b>1 Revenue from operations</b>				
(a) Interest income	1,055.31	1,373.45	1,591.04	5,901.95
(b) Dividend income	4.42	104.64	3.06	162.18
(c) Fee and commission income	357.06	476.92	475.92	2,099.30
(d) Net gain / (loss) on fair value changes	280.32	(456.29)	270.67	194.96
(e) Premium from insurance business	189.35	414.67	172.57	1,056.78
(f) Other operating income	11.66	22.01	35.46	98.15
<b>Total revenue from operations</b>	<b>1,898.12</b>	<b>1,935.40</b>	<b>2,548.72</b>	<b>9,513.32</b>
<b>2 Other income</b>	21.56	30.47	33.24	89.31
<b>3 Total Income (1+2)</b>	<b>1,919.68</b>	<b>1,965.87</b>	<b>2,581.96</b>	<b>9,602.63</b>
<b>4 Expenses</b>				
(a) Finance costs	1,001.98	1,155.12	1,190.22	4,793.04
(b) Impairment on financial assets	128.05	2,039.05	257.58	2,690.26
(c) Change in valuation of credit impaired loans (Refer Note 7)	132.97	510.35	59.90	871.24
(d) Employee benefits expense	308.41	366.90	376.15	1,407.30
(e) Depreciation and amortisation expense	57.04	85.71	47.32	232.23
(f) Change in insurance policy liability - actuarial	270.87	132.34	163.45	642.10
(g) Policy benefits paid	31.27	62.64	22.49	158.92
(h) Other expenses	231.71	432.71	261.72	1,264.19
<b>Total expenses</b>	<b>2,162.30</b>	<b>4,784.82</b>	<b>2,378.83</b>	<b>12,059.28</b>
<b>5 Profit / (loss) before tax (3-4)</b>	<b>(242.62)</b>	<b>(2,818.95)</b>	<b>203.13</b>	<b>(2,456.65)</b>
<b>6 Tax expense</b>				
Current tax	50.41	(44.84)	128.17	297.08
Deferred tax and MAT	(29.36)	(492.56)	(59.53)	(709.96)
<b>7 Net profit / (loss) for the period (5-6)</b>	<b>(263.67)</b>	<b>(2,281.55)</b>	<b>134.49</b>	<b>(2,043.77)</b>
<b>8 Other comprehensive income/(loss)</b>	40.26	485.04	53.50	472.64
<b>9 Total comprehensive Income / (loss) (7+8)</b>	<b>(223.41)</b>	<b>(1,796.51)</b>	<b>187.99</b>	<b>(1,571.13)</b>
<b>10 Net profit / (loss) for the period attributable to:</b>				
<b>Owners of the company</b>	<b>(245.08)</b>	<b>(2,245.14)</b>	<b>132.02</b>	<b>(2,045.24)</b>
Non controlling interests	(18.59)	(36.41)	2.47	1.47
<b>11 Other comprehensive income / (loss) for the period attributable to:</b>				
Owners of the company	20.76	458.14	26.54	424.15
Non controlling interests	19.50	26.90	26.96	48.49
<b>12 Total comprehensive income / (loss) for the period attributable to:</b>				
Owners of the company	(224.32)	(1,787.00)	158.56	(1,621.09)
Non controlling interests	0.91	(9.51)	29.43	49.96
<b>13 Earnings Per Share (₹) (Face Value of ₹ 1/- each)</b>				
- Basic (Refer Note 6)	(2.75)	(25.24)	1.49	(23.01)
- Diluted (Refer Note 6)	(2.75)	(25.24)	1.47	(23.01)

## Edelweiss Financial Services Limited

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Tel: +91-22-40094400 Fax: +91-22-40863610  
Website : www.edelweissfin.com



### Notes:

- The consolidated financial results of Edelweiss Financial Services Limited ('EFSL' or 'the Company') and its subsidiaries and trusts (together referred as 'Group') for the quarter ended 30 June 2020 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 27 August 2020.
- The consolidated financial results of EFSL for the quarter ended 30 June 2020 have been subjected to limited review by the Statutory Auditors of the Company and the auditors have issued an unmodified review report.
- The Company has opted to publish Extracts of the Unaudited Consolidated Financial Results, pursuant to option made available as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Standalone financial results are available on the Company's website viz. www.edelweissfin.com and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com). Key standalone financial information is given below:

Particulars	₹ in Crores			
	Quarter Ended			Year Ended
	30 June 2020 (Reviewed)	31 March 2020 (Audited) (Refer Note 11)	30 June 2019 (Reviewed)	31 March 2020 (Audited)
Profit / (loss) before tax	(127.40)	(13.11)	115.88	79.56
Net profit / (loss) after tax for the period	(129.18)	(1.71)	96.13	82.59
Other comprehensive income / (loss) after tax	(0.01)	(0.11)	0.02	(0.05)
<b>Total comprehensive income / (loss) after tax</b>	<b>(129.19)</b>	<b>(1.82)</b>	<b>96.15</b>	<b>82.54</b>

- The attribution of consolidated profit / (loss) before tax between owners of the company and non controlling interests is as per below table:

Particulars	₹ in Crores			
	Quarter Ended			Year Ended
	30 June 2020 (Reviewed)	31 March 2020 (Audited) (Refer Note 11)	30 June 2019 (Reviewed)	31 March 2020 (Audited)
<b>Profit / (loss) before tax attributable to:</b>				
Owners of the company	(230.02)	(2,737.90)	177.51	(2,478.78)
Non controlling interests	(12.60)	(81.05)	25.62	22.13
<b>Profit / (loss) before tax</b>	<b>(242.62)</b>	<b>(2,818.95)</b>	<b>203.13</b>	<b>(2,456.65)</b>

- During the quarter ended 30 June 2020, the Company has issued 171,375 equity shares of face value of ₹ 1 each to the employees of the company and its subsidiaries on exercise of employee stock options.
- Earnings per share for the quarters ended 30 June 2020, 31 March 2020 and 30 June 2019 are not annualised.
- Change in valuation of credit impaired loans represents valuation movement of loans originated by consolidated ARC trusts.
- The outbreak of COVID-19 pandemic and the resultant lockdowns and quarantine measures have sharply stalled economic activities. The Indian economy is impacted and would continue to be impacted due to the contraction in industrial and services output across small and large businesses. The impact of the COVID -19 pandemic on Group'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. 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 Group 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. In respect of accounts overdue but standard as at February 29, 2020 where moratorium benefit has been granted, the staging for the accounts is based on staging existing as at that date. As per the assessment done by the Group, this staging standstill has not been on its own considered to be triggering any substantial increase in credit risk. The Group 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 Group's lenders to extend moratorium and various other financial support from other banks and other agencies in determining the Group's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Group will be able to pay its obligations as and when these become due in the foreseeable future. In assessing the recoverability of loans, receivables, intangible assets (including goodwill), deferred tax assets and investments, the Group 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 is evolving, its effect on the operations of the Group may be different from that estimated as at the date of approval of these financial results. The Group will continue to closely monitor material changes in markets and future economic conditions.
- Two Employee Welfare Trust(s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.
- During the quarter ended 30 June 2020, few subsidiaries of the Company have sold certain financial assets aggregating to ₹ 814.00 crores (net of provisions and losses) to various asset reconstruction company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 691.90 crores. The Company and Edelweiss Rural and Corporate Services Limited (ERCSL), a subsidiary, have guaranteed significant risks and assumed rewards in respect of financial assets aggregating to ₹ 4,169.26 crores sold till 30 June 2020 by few subsidiaries of the Company. As a result, these financial assets are de-recognized in subsidiaries financial results. Further, as the risks and rewards continues in the Group, these are accounted as financial assets in the consolidated financial results of the Group and the consequent expected credit loss, if any, will be recorded in the financial statements of ERCSL or EFSL.
- The figures for quarter ended 31 March 2020 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the nine months ended 31 December 2019. The figures up to the end of the nine months period ended 31 December 2019 are subjected to a limited review by the Statutory Auditors of the Company.

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**12 Consolidated Segment Results for the quarter ended 30 June 2020.**

(₹ in Crores)

Particulars	Quarter Ended			Year Ended
	30 June 2020 (Reviewed)	31 March 2020 (Audited) (Refer Note 11)	30 June 2019 (Reviewed)	31 March 2020 (Audited)
<b>1 Segment revenue [Total income]</b>				
Agency	238.45	285.50	295.10	1,126.85
Capital based	774.34	792.10	1,526.41	4,465.20
Insurance business	399.05	317.11	285.60	1,246.25
Asset reconstruction business	359.61	356.09	355.43	1,820.71
Treasury	136.61	195.21	108.97	883.97
Unallocated	11.62	19.86	10.45	59.65
<b>Total income</b>	<b>1,919.68</b>	<b>1,965.87</b>	<b>2,581.96</b>	<b>9,602.63</b>
<b>2 Segment results [Profit / (loss) before tax]</b>				
Agency	31.64	33.15	94.46	256.00
Capital based	(277.62)	(2,607.68)	28.53	(2,790.10)
Insurance business	(83.81)	(125.59)	(86.17)	(367.01)
Asset reconstruction business	49.19	(121.07)	172.43	334.93
Treasury	44.45	(0.69)	4.70	116.16
Unallocated	(6.47)	2.93	(10.82)	(6.63)
<b>Total profit / (loss) before tax</b>	<b>(242.62)</b>	<b>(2,818.95)</b>	<b>203.13</b>	<b>(2,456.65)</b>
<b>3 Segment assets</b>				
Agency	4,264.13	4,528.77	4,589.02	4,528.77
Capital based	31,205.11	33,943.49	43,773.32	33,943.49
Insurance business	4,625.03	4,395.37	3,918.35	4,395.37
Asset reconstruction business	6,485.50	6,594.91	7,041.19	6,594.91
Treasury	3,037.53	3,277.36	3,866.77	3,277.36
Unallocated	1,564.84	1,540.43	789.15	1,540.43
<b>Total assets</b>	<b>51,182.14</b>	<b>54,280.33</b>	<b>63,977.80</b>	<b>54,280.33</b>
<b>4 Segment liabilities</b>				
Agency	3,591.65	3,888.30	4,132.59	3,888.30
Capital based	30,418.37	32,818.16	39,338.49	32,818.16
Insurance business	3,794.94	3,521.26	2,907.66	3,521.26
Asset reconstruction business	4,510.69	4,650.54	5,240.69	4,650.54
Treasury	1,567.83	1,859.22	3,338.12	1,859.22
Unallocated	312.44	335.77	216.11	335.77
<b>Total liabilities</b>	<b>44,195.92</b>	<b>47,073.25</b>	<b>55,173.66</b>	<b>47,073.25</b>
<b>5 Capital employed [Segment assets - Segment liabilities]</b>				
Agency	672.48	640.47	456.43	640.47
Capital based	786.74	1,125.33	4,434.83	1,125.33
Insurance business	830.09	874.11	1,010.69	874.11
Asset reconstruction business	1,974.81	1,944.37	1,800.50	1,944.37
Treasury	1,469.70	1,418.14	528.65	1,418.14
Unallocated	1,252.40	1,204.66	573.04	1,204.66
<b>Total capital employed</b>	<b>6,986.22</b>	<b>7,207.08</b>	<b>8,804.14</b>	<b>7,207.08</b>

The Company has made its consolidated segment reporting to meaningfully represent its business lines Agency, Capital business, Asset reconstruction business, Insurance & Treasury business. Agency includes broking, advisory, product distribution and other fee based businesses; Capital Based represents lending business; Asset reconstruction business represents purchase and resolution of distress assets; Insurance business represents life insurance business and general insurance business. Treasury business represents income from trading and investment activities.

13 The previous period/year figures have been regrouped/reclassified wherever necessary to conform to current period's/year presentation.

14 The consolidated financial results will be available on the Company's website - www.edelweissfin.com

On behalf of the Board of Directors

RASHESH  
 CHANDRAKANT SHAH

Digitally signed by RASHESH  
 CHANDRAKANT SHAH  
 Date: 2020.08.27 19:01:40  
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Rashesh Shah  
 Chairman

Mumbai, 27 August 2020.



Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to  
The Board of Directors  
Edelweiss Financial Services Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Edelweiss Financial Services Limited (the "Holding Company"), its subsidiaries and its trusts (the Holding Company, its subsidiaries and trusts together referred to as "the Group"), for the quarter ended June 30, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding 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.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the subsidiaries and trusts (Refer Annexure A)
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with 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.
6. We draw attention to Note 8 to the Statements, which describes the economic and social disruption as a result of COVID-19 pandemic of the Group's business and financial metrics including the Group's estimates of impairment of loans, financial assets, investments, investment in properties, intangible assets (including goodwill) which are highly dependent on uncertain future developments. Our conclusion is not modified in respect of this matter.
7. The accompanying Statement includes the unaudited interim financial results and other financial information, in respect of:
  - 34 subsidiaries, whose unaudited interim financial results include total revenues of Rs. 789.50 crores, total net loss after tax of Rs. 55.63 crores, total comprehensive loss of Rs. 15.28 crores, for the quarter ended June 30, 2020 as considered in the Statement which have been reviewed by their respective independent auditors. The independent auditor's reports on interim financial information and financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries and trusts is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

- The auditors of Edelweiss Tokio Life Insurance Company Limited (ETLIFE), a subsidiary, have reported that the actuarial valuation of liabilities of ETLIFE for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at June 30, 2020 is the responsibility of ETLIFE's Appointed Actuary. The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at June 30, 2020 has been duly certified by the ETLIFE 's Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", Ind AS 109 "Financial Instruments", the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ('IRDAI') and the Institute of Actuaries of India in concurrence with IRDAI. The auditors have relied upon the ETLIFE's Appointed Actuary's certificate for expressing their conclusion in this regard.
- The auditors of Edelweiss General Insurance Company Limited (EGICL), a subsidiary, have reported that the actuarial valuation of liabilities of EGICL for Incurred But Not Reported and Incurred But Not Enough Reported claims of EGICL as at June 30, 2020 is the responsibility of EGICL's Appointed Actuary. The actuarial valuation of these liabilities has been duly certified by the EGICL's Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with IRDAI. The auditors have relied on the EGICL's Appointed Actuary's certificate for expressing their conclusion in this regard.

Our conclusion on the Statement in respect of matters stated in para 7 above is not modified with respect to our reliance on the work done and the reports of the other auditors.

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

**SHRAWAN  
BHAGWATI  
JALAN**

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email=shrawan.jalan@srb.in  
Date: 2020.08.27 19:22:26 +05'30'

per Shrawan Jalan

Partner

Membership No.: 102102

UDIN: 20102102AAAEDD2470

Place: Mumbai

Date: August 27, 2020

# S.R. BATLIBOI & Co. LLP

Chartered Accountants

## Annexure A

SUBSIDIARIES:	SUBSIDIARIES:	TRUSTS:
ECL Finance Limited	Edelweiss Securities (Hong Kong) Private Limited	EARC Trust SC 332
Edelweiss Rural & Corporate Services Limited	Edelweiss Financial Services (UK) Limited	EARC Trust SC 334
Edelweiss Asset Reconstruction Company Limited	EW Special Opportunities Advisors LLC	EARC Trust SC 342
Edelweiss Housing Finance Limited	Edelweiss Trusteeship Company Limited	EARC Trust SC 344
Edelweiss Finance & Investments Limited	Lichen Metals Private Limited	EARC Trust SC 347
Edelweiss General Insurance Company Limited	ECap Equities Limited	EARC Trust SC 348
Edelweiss Fininvest Private Limited	Edelweiss Investment Advisors Private Limited	EARC Trust SC 349
Edelweiss Retail Finance Limited	EdelGive Foundation	EARC Trust SC 351
Edelweiss Tokio Life Insurance Company Limited		EARC Trust SC 352
Edelweiss Custodial Services Limited	TRUSTS:	EARC Trust SC 357
Edelweiss Securities Limited	ESAF - I Trust	EARC Trust SC 360
Edelweiss Broking Limited	EARC SAF - 2 Trust	EARC Trust SC 361
Edelcap Securities Limited	EARC SAF - 3 Trust	EARC Trust SC 363
Allium Finance Private Limited	EARC Trust SC 6	EARC Trust SC 370
EC Global Limited	EARC Trust SC 7	EARC Trust SC 381
Edelweiss Securities and Investment Private Limited	EARC Trust SC 9	EARC Trust SC 383
Edelweiss International (Singapore) Pte. Limited	EARC Trust SC 102	EARC Trust SC 386
Edel Investments Limited	EARC Trust SC 109	EARC Trust SC 384
Edelweiss Capital (Singapore) Pte. Limited	EARC Trust SC 112	EARC Trust SC 391
EC Commodity Limited	EARC Trust SC 130	EARC Trust SC 392
Aster Commodities DMCC	EARC Trust SC 223	EARC Trust SC 395
Edelweiss Asset Management Limited	EARC Trust SC 229	EARC Trust SC 380
EC International Limited	EARC Trust SC 238	EARC Trust SC 387
Edelweiss Global Wealth Management Limited	EARC Trust SC 245	EARC Trust SC 388
Edel Land Limited	EARC Trust SC 251	EARC Trust SC 393
Edelweiss Comtrade Limited	EARC Trust SC 262	EARC Trust SC 372
Edelweiss Multi Strategy Fund Advisors LLP	EARC Trust SC 263	EARC Trust SC 373
Edelweiss Gallagher Insurance Brokers Limited	EARC Trust SC 266	EARC Trust SC 374
Edelweiss Private Equity Tech Fund	EARC Trust SC 293	EARC Trust SC 375
Edelweiss Value and Growth Fund	EARC Trust SC 297	EARC Trust SC 376
EAAA LLC	EARC Trust SC 298	EARC Trust SC 385
ESL Securities Limited	EARC Trust SC 306	EARC Trust SC 394
Edelweiss Alternative Asset Advisors Limited	EARC Trust SC 308	EARC Trust SC 399
Edel Finance Company Limited	EARC Trust SC 314	EARC Trust SC 401
Edelweiss Securities (IFSC) Limited	EARC Trust SC 318	EARC Trust SC 402
Edelweiss Investment Adviser Limited	EARC Trust SC 321	EARC Trust SC 406
Edelweiss Financial Services Inc.	EARC Trust SC 325	EARC Trust SC 377
Edelweiss Alternative Asset Advisors Pte. Limited	EARC Trust SC 329	
Edelweiss Resolution Advisors LLP	EARC Trust SC 331	

## Edelweiss Financial Services Limited

Corporate Identity Number: L99999MH1995PLC094641  
Registered Office: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai - 400 098  
Tel: +91-22-40094400 Fax: +91-22-40863610  
Website : www.edelweissfin.com



### Standalone Financial Results for the quarter ended 30 June 2020

(₹ in Crores)

Particulars	Quarter Ended			Year Ended
	30 June 2020 (Reviewed)	31 March 2020 (Audited) (Refer note 4)	30 June 2019 (Reviewed)	31 March 2020 (Audited)
<b>1 Revenue from operations</b>				
(a) Interest income	0.04	1.40	4.17	12.12
(b) Dividend income	52.65	19.66	49.81	69.47
(c) Fee and commission income	10.93	24.11	43.72	95.98
(d) Net gain / (loss) on fair value changes	0.05	(17.68)	48.70	13.47
(e) Other operating income	4.42	13.29	11.01	45.65
<b>Total revenue from operations</b>	<b>68.09</b>	<b>40.78</b>	<b>157.41</b>	<b>236.69</b>
<b>2 Other income</b>	-	8.77	4.32	22.33
<b>3 Total income (1+2)</b>	<b>68.09</b>	<b>49.55</b>	<b>161.73</b>	<b>259.02</b>
<b>4 Expenses</b>				
(a) Finance costs	3.65	6.00	9.86	32.31
(b) Employee benefits expense	12.72	34.87	16.00	79.77
(c) Depreciation and amortisation expense	0.38	0.74	0.86	3.22
(d) Impairment of financial assets (Refer note 6)	46.19	0.84	2.54	1.87
(e) Loss on sale of financial instruments (Refer note 6)	120.13	-	-	-
(f) Other expenses	12.42	20.21	16.59	62.29
<b>Total expenses</b>	<b>195.49</b>	<b>62.66</b>	<b>45.85</b>	<b>179.46</b>
<b>5 Profit / (loss) before tax (3-4)</b>	<b>(127.40)</b>	<b>(13.11)</b>	<b>115.88</b>	<b>79.56</b>
<b>6 Tax expense</b>				
Current tax	10.16	(4.27)	17.90	0.19
Deferred tax and MAT	(8.38)	(7.13)	1.85	(3.22)
<b>7 Net profit / (loss) for the period (5-6)</b>	<b>(129.18)</b>	<b>(1.71)</b>	<b>96.13</b>	<b>82.59</b>
<b>8 Other comprehensive income / (loss)</b>	<b>(0.01)</b>	<b>(0.11)</b>	<b>0.02</b>	<b>(0.05)</b>
<b>9 Total comprehensive income / (loss) (7+8)</b>	<b>(129.19)</b>	<b>(1.82)</b>	<b>96.15</b>	<b>82.54</b>
<b>10 Earnings Per Share (₹) (Face Value of ₹ 1/- each)</b>				
- Basic (Refer note 5)	(1.45)	(0.02)	1.08	0.93
- Diluted (Refer note 5)	(1.45)	(0.02)	1.07	0.92

#### Notes:

- The standalone financial results of Edelweiss Financial Services Limited ('EFSL' or 'the Company') for the quarter ended 30 June 2020 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 27 August 2020.
- The standalone financial results of EFSL for the quarter ended 30 June 2020 have been subjected to limited review by the Statutory Auditors of the Company and the auditors have issued an unmodified review report.
- During the quarter ended 30 June 2020, the Company has issued 171,375 equity shares of face value of ₹1 each to the employees of the Company and its subsidiaries on exercise of employee stock options.
- The figures for quarter ended 31 March 2020 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the nine months ended 31 December 2019. The figures up to the end of the nine months period ended 31 December 2019 were subjected to a limited review by the Statutory Auditors of the Company.
- Earnings per share for the quarters ended 30 June 2020, 31 March 2020 and 30 June 2019, are not annualised.
- On account of internal business restructuring within the Group and in accordance with agreement with current investors, the Company has sold/transferred some of its investment in subsidiaries to another subsidiary. Based on the pricing methodology agreed as part of shareholders agreement, net loss of ₹ 120.13 crores on such sale/transfer and impairment loss for one subsidiary of ₹ 45.39 crores has been recorded during the quarter ended June 30, 2020. Such sale/transfer does not have any impact on financial results of the consolidated financial statements of the Group.
- Two Employee Welfare Trust(s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.
- During the quarter ended 30 June 2020, few subsidiaries of the Company have sold certain financial assets aggregating to ₹ 814.00 crores (net of provisions and losses) to various asset reconstruction company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 691.90 crores. The Company and Edelweiss Rural and Corporate Services Limited (ERCSL), a subsidiary, have guaranteed significant risks and assumed rewards in respect of financial assets aggregating to ₹ 4,169.26 crores sold till 30 June 2020 by few subsidiaries of the Company. As a result, these financial assets are de-recognized in subsidiaries financial results. Further, as the risks and rewards continues in the Group, these are accounted as financial assets in the consolidated financial results of the Group and the consequent expected credit loss, if any, will be recorded in the financial statements of ERCSL or EFSL.
- The outbreak of COVID-19 pandemic and the resultant lockdowns and quarantine measures have sharply stalled economic activities. The Indian economy is impacted and would continue to be impacted due to the contraction in industrial and services output across small and large businesses. The impact of the COVID -19 pandemic on the Company's results, including credit quality and provisions, gain/loss on fair value changes, investment impairments remain uncertain and would depend upon the time taken for economic activities to fully resume and reach normal levels. As at 30 June 2020, the Company has sufficient capital and liquidity position. Asset quality continues to be reviewed as part of the risk management and provisioning assessment. With sufficient capital, liquidity and ability to raise funds, the Company will be able to pay its obligations as and when these become due in foreseeable future. In assessing the recoverability of loans, receivables, intangible assets, 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 is evolving, 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.

**Edelweiss Financial Services Limited**

Corporate Identity Number: L99999MH1995PLC094641  
Registered Office: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai - 400 098  
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Website : www.edelweissfin.com

**10 Standalone Segment Results for the quarter ended 30 June 2020.**

(₹ in Crores)

Particulars	Quarter Ended			Year Ended
	30 June 2020 (Reviewed)	31 March 2020 (Audited) (Refer note 4)	30 June 2019 (Reviewed)	31 March 2020 (Audited)
<b>1 Segment revenue [Total income]</b>				
Agency	2.41	20.45	36.74	80.82
Holding company activities	65.68	29.09	124.99	177.36
Unallocated	-	0.01	-	0.84
<b>Total income</b>	<b>68.09</b>	<b>49.55</b>	<b>161.73</b>	<b>259.02</b>
<b>2 Segment results [Profit / (loss) before tax]</b>				
Agency	(7.16)	(22.92)	20.96	(3.38)
Holding company activities	(120.24)	9.80	94.92	82.10
Unallocated	-	0.01	-	0.84
<b>Total Profit before tax</b>	<b>(127.40)</b>	<b>(13.11)</b>	<b>115.88</b>	<b>79.56</b>
<b>3 Segment assets</b>				
Agency	4.18	14.05	18.34	14.05
Holding company activities	3,453.09	3,576.12	3,704.26	3,576.12
Unallocated	100.37	91.92	82.00	91.92
<b>Total assets</b>	<b>3,557.64</b>	<b>3,682.09</b>	<b>3,804.60</b>	<b>3,682.09</b>
<b>4 Segment liabilities</b>				
Agency	29.51	28.32	7.49	28.32
Holding company activities	173.85	184.32	314.44	184.32
Unallocated	18.51	14.88	25.12	14.88
<b>Total liabilities</b>	<b>221.87</b>	<b>227.52</b>	<b>347.05</b>	<b>227.52</b>
<b>5 Capital employed [Segment assets - Segment liabilities]</b>				
Agency	(25.33)	(14.27)	10.85	(14.27)
Holding company activities	3,279.24	3,391.80	3,389.82	3,391.80
Unallocated	81.86	77.04	56.88	77.04
<b>Total capital employed</b>	<b>3,335.77</b>	<b>3,454.57</b>	<b>3,457.55</b>	<b>3,454.57</b>

Agency includes investment banking; Holding Company activities comprise of development, managerial and financial support to the businesses of subsidiaries and investment activities.

11 The previous period/year figures have been regrouped/reclassified wherever necessary to conform to current period's/year presentation.

12 The Standalone financial results will be available on the Company's website - www.edelweissfin.com

On behalf of the Board of Directors

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CHANDRAKANT  
SHAH

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Rashesh Shah  
Chairman

Mumbai, 27 August 2020.

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to  
The Board of Directors of  
Edelweiss Financial Services Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Edelweiss Financial Services Limited (the "Company") for the quarter ended June 30, 2020 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 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.
5. We draw attention to note 9 of 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 investments and other assets, 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

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JALAN**

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per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 20102102AAAEDC3931

Place: Mumbai

Date: August 27, 2020