

ERCSL/Sec/2022/50

August 2, 2022

BSE Limited

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

Dear Sir/Madam,

Sub.: Outcome of Board Meeting

In accordance with the provisions of Regulations 51, 52 and all other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), we would like to inform you that the Board of Directors of the Company (the Board) at its Meeting held today, has *inter alia* approved the:-

- i) standalone unaudited financial results of the Company for the quarter ended June 30, 2022 (the Results).

The copy of the Results together with the Limited Review Report issued by the Auditors of the Company are enclosed. The Auditors have issued an unmodified opinion on the Results.

- ii) appointment of Mr. Ravindra Dhobale (DIN: 05147051) as an Executive Director for a period of 3 years and also as Chief Financial Officer with effect from August 2, 2022.

As required under the Listing Regulations, the disclosure regarding Mr. Dhobale is provided in the Annexure.

- iii) change in the situation of the Corporate Office of the Company from Edelweiss House, Off CST Road, Kalina, Mumbai – 400098 to 4th Floor, Emgeen Chambers, CST Road, Kalina, Mumbai – 400098.

Edelweiss Rural & Corporate Services Limited

Corporate Identity Number: U45201TG2006PLC078157

Registered. Office: 2nd Floor, MB Towers, Plot No. 5, Road No. 2, Banjara Hills, Hyderabad 500 034 Tel No.: +91 40 40316900

Corporate Office: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai 400 098 Tel No.: +91 22 4009 4400

Email: cs@edelweissfin.com Website: www.edelweissfin.com

The meeting of the Board commenced at 1.00 p.m. and concluded at 2.30 p.m.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Edelweiss Rural & Corporate Services Limited

Chirag Shah
Company Secretary

Encl.: as above

Edelweiss Rural & Corporate Services Limited

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 Regd. Off: 2nd Floor, M.B. Towers, Plot No 5, Road No 2, Banjara Hills, Hyderabad-500034
 Tel: +040-4031-6900


Financial Results for the quarter ended 30 June 2022
(Rs.In Crores)

	Particulars	Quarter Ended			Year Ended
		30 June 2022 (Unaudited)	31 March 2022 (Audited) (Refer Note 9)	30 June 2021 (Unaudited)	31 March 2022 (Audited)
1	Revenue from operations				
	(a) Interest income	69.89	117.14	139.64	453.77
	(b) Fee and commission income	24.05	19.75	19.46	75.42
	(c) Net gain / (loss) on fair value changes	(5.78)	(2.05)	(41.29)	(58.91)
	(d) Sale of Commodities	147.08	222.51	-	458.48
	(e) Rental income	8.07	8.02	10.65	36.77
	(f) Other operating income	-	-	0.01	-
	Total revenue from operations	243.31	365.37	128.47	965.53
2	Other income (Refer Note 6)	38.93	114.72	2.65	118.60
3	Total Income (1+2)	282.24	480.09	131.12	1,084.13
4	Expenses				
	(a) Finance costs	102.30	161.56	109.99	539.99
	(b) Employee benefits expense (Refer Note 8)	(3.84)	6.42	4.66	53.70
	(c) Depreciation, amortisation and impairment	5.85	6.46	6.90	40.87
	(d) Purchases of commodities	147.00	222.43	-	458.30
	(e) Impairment on financial instruments	3.02	23.24	(4.87)	12.07
	(f) Other expenses	15.56	18.59	14.25	61.25
	Total expenses	269.89	438.70	130.93	1,166.18
5	Profit / (Loss) before tax (3-4)	12.35	41.39	0.19	(82.05)
6	Tax expense				
	Current tax	-	-	-	-
	Deferred tax	(2.45)	(13.60)	1.71	(7.45)
7	Net Profit / (Loss) for the period (5-6)	14.80	54.99	(1.52)	(74.60)
8	Other Comprehensive Income / (Loss)	-	(2.67)	0.29	(1.81)
9	Total Comprehensive Income / (Loss) (7+8)	14.80	52.32	(1.23)	(76.41)
10	Earnings Per Share Rs. (Face Value of Rs. 1/- each)				
	- Basic (Refer note 7)	2.05	8.39	(0.23)	(11.38)
	- Diluted (Refer note 7)	2.05	8.39	(0.23)	(11.38)

Notes:

- Edelweiss Rural & Corporate Services Limited (the 'Company') has prepared financial results (the 'Statement') for the quarter ended 30 June 2022 in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (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 provision of the Companies Act, 2013, as applicable.
- The above unaudited financial results of the Company have been reviewed and recommended by the Audit Committee and have been approved by the Board of Directors at its meeting held on 02 August 2022.
- The above unaudited financial results for the quarter ended 30 June 2022 have been subjected to limited review by the Statutory Auditors of the Company and the auditors have issued an unmodified review report.
- Edelweiss Custodial Services Limited ("ECDSL"), an associate of the Edelweiss Financial Services Company ("EFSL"), challenged an order, by an investigating agency, marking lien on its clearing account, before the 47th Additional Chief Metropolitan Magistrate Court, Mumbai. Since the investigation against Anugrah Stock and Broking Pvt. Ltd. ("trading member"), for which ECDSL was a clearing member, is still under process, the said investigative agency contended that it had no objection to set aside the lien order upon ECDSL providing an undertaking to keep sufficient assets unencumbered. The matter is subjudice and has been listed for further hearing and there is no further update on this matter during the quarter.
On behalf of ECDSL, the Company has since provided the undertaking to keep sufficient unencumbered assets amounting to Rs.251.95 crores belonging to the Company and the said lien has been set aside.
The Company has been represented by ECDSL that it has acted in accordance with the agreement entered with the trading member and in accordance with applicable laws and regulations. Accordingly, there is no adjustment required in the financial results for the quarter ended 30 June 2022.
- The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, intangibles, investments and other assets and repayment ability of its borrowers. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external sources of information. 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. The Company has considered various financial support from banks and other fundraising opportunities in determining the Company's liquidity position over the next 12 months. The Company has reviewed the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.
- During the quarter ended 30 June 2022, the Company has sold its stake in one of its fellow subsidiaries based on independent valuer report to another fellow subsidiary of the Company and accordingly, other income includes a gain on sale amounting to Rs.38.49 crores.
- Earnings per share for the quarters ended 30 June 2022, 31 March 2022 and 30 June 2021 are not annualised.
- During the quarter ended 30 June 2022, employee benefits expense includes a reversal of bonus provision of Rs. 14.76 crores.
- The figures for quarter ended March 31, 2022 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 December 31, 2021. The figures up to the end of the nine months period ended December 31, 2021 were subjected to a limited review by the Statutory Auditors of the Company.
- The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact if any, and account for the same once the rules are notified and become effective.
- Figures for the previous period/year have been regrouped/reclassified wherever necessary to conform to current period's presentation.

For and on behalf of Board of Directors
**Ravindra Baban
 Dhobale**

 Digitally signed by
 Ravindra Baban Dhobale
 Date: 2022.08.02 14:29:14
 +05'30'

Ravindra Dhobale
 Executive Director & Chief Financial Officer

Mumbai, 02 August 2022

Edelweiss Rural & Corporate Services Limited

Corporate Identity Number-U45201TG2006PLC078157

Regd. Off: 2nd Floor, M.B. Towers, Plot No 5, Road No 2, Banjara Hills, Hyderabad-500034

Tel: +040-4031-6900



Annexure A

(i) Pursuant to Regulation 54 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we would like to state that all secured Non-Convertible Debentures (NCDs) issued by the Company and outstanding as on 30 June 2022 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/loan receivables or both, on first pari-passu basis, to the extent stated in the respective information memorandum. Accordingly, the Company is maintaining asset cover of 1.1x or such higher asset cover required as per the terms of offer document/Information Memorandum.

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

	Particulars	Quarter Ended	Year Ended
		30 June 2022	31 March 2022
1	Debt-Equity Ratio (Refer Note 1)	5.41	5.58
2	Net worth (Rs in Crores) (Refer note 2)	644.37	629.26
3	Debt Service Coverage Ratio (DSCR) (Refer note 3)	0.18	0.28
4	Interest Service Coverage Ratio (ISCR) (Refer note 4)	1.12	0.85
5	Outstanding redeemable preference shares (no.of shares)	2,20,45,000	2,20,45,000
6	Outstanding redeemable preference shares capital (Rs.in Crores)	228.25	223.45
7	Capital redemption reserve (Rs.in Crores)	3.00	3.00
8	Debenture redemption reserve (Rs.in Crores)	120.21	120.21
9	Net profit after tax (Rs.in Crores)	14.80	(74.60)
10	Earnings Per Share Rs. (Face Value of Rs. 10/- each)		
	-Basic	2.05	(11.38)
	- Diluted	2.05	(11.38)
11	Total debt to Total assets (%) (Refer Note 5)	0.82	0.84

Notes:

- 1 Debt-equity Ratio = Total Borrowing (Non Current Borrowing + Current Borrowings) / Net worth
- 2 Net worth = "Equity Share capital + Instruments entirely equity in nature+ Other Equity"
- 3 DSCR = Profit before interest and tax / (Interest expense + Principal repayment in next six months)
- 4 ISCR = Profit before interest and tax / Interest expense
- 5 Total debt to Total assets = Total Borrowing (Non Current Borrowing + Current Borrowings) / Total assets.
- 6 Current ratio, Long term debt to working capital, Bad Debts to account receivables ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating margin (%), Net Profit Margin (%) are not applicable owing to the business model of the company.

Independent Auditor's Review Report on the Quarterly 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 Rural & Corporate Services Limited

1. We have reviewed the accompanying statement of unaudited financial results of Edelweiss Rural & Corporate Services Limited (the "Company") for the quarter ended June 30, 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, 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 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 - 5 of the Statement, which describes, the uncertainty caused by Novel Coronavirus (COVID-19) pandemic and its related events which could impact the Company's estimates of impairment of loans and investments, and that such investments may be affected by the severity and duration of the pandemic. 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, c=IN, o=Personal,
email=shrawan.jalan@srb.in
Date: 2022.08.02 15:01:41 +05'30'

per Shrawan Jalan
Partner
Membership No.: 102102

UDIN: 22102102AOBRMJ7533

Place: Mumbai
Date: August 02, 2022

Details of the Independent Directors as required under Regulation 30 read with Schedule III of the Listing Regulations and SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015:

Appointment of Mr. Ravindra Dhobale (DIN: 05147051) as an Executive Director and Chief Financial Officer:

Sr. No.	Details of Events that need to be provided	Information of such event(s)
1.	Reason for change viz. appointment, resignation, cessation, removal, death or otherwise	Appointment as an Executive Director of the Company for a period of 3 years and as Chief Financial Officer with effect from August 2, 2022.
2.	Date of appointment/ cessation (as applicable) & term of appointment	August 2, 2022.
3.	Brief profile (in case of appointment)	Mr. Ravindra Dhobale is a Commerce Graduate and Chartered Accountant and has rich and varied experience of more than 2 decades in the field of finance and accounts. Mr. Dhobale is associated with Edelweiss Group since 2008.
4.	Disclosure of relationships between directors (in case of appointment of director)	Mr. Dhobale is not related to any Directors and/or Promoters of the Company. Mr. Dhobale is currently the Manager and Chief Financial Officer of Edelweiss Investment Adviser Limited, a wholly owned subsidiary of the Company.
5.	Information as required pursuant to BSE Circular with ref. no. LIST/COMP/14/2018-19 and the National Stock Exchange of India Limited Circular with ref. no. NSE/CML/2018/24, both dated 20 th June, 2018.	Mr. Dhobale is not debarred from holding the office of Director by virtue of any order of Securities and Exchange Board of India (SEBI) or any other such authority.