

ERCSL/Sec/2023/9

January 28, 2023

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 Regulation 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 third quarter and nine months period ended December 31, 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; and

- ii) raising of funds, subject to receipt of necessary approvals, by issue of Non-convertible Debentures for an amount not exceeding Rs. 1,000 crores on private placement basis, in tranches.

The meeting commenced at 12.10 p.m. and concluded at 12.45 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

Independent Auditor's Review Report on the Quarterly and Year to Date 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 December 31, 2022 and year to date from April 01, 2022 to December 31, 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.

For S.R. BATLIBOI & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No.: 102102

UDIN: 23102102BGXIVI1456

Place: Mumbai
Date: January 28, 2023

Financial Results for the quarter and nine months ended 31 December 2022

(Rs. In Crores)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	December 31, 2022 (Unaudited)	September 30, 2022 (Unaudited)	December 31, 2021 (Unaudited)	December 31, 2022 (Unaudited)	December 31, 2021 (Unaudited)	March 31, 2022 (Audited)
1 Revenue from operations						
(a) Interest income	34.14	54.83	107.10	154.10	336.63	369.93
(b) Fee and commission income	16.24	22.90	18.46	63.19	55.67	75.42
(c) Net gain/(loss) on fair value changes	6.36	12.69	(1.75)	18.03	(56.86)	24.93
(d) Sale of commodities	201.06	124.81	70.45	472.95	235.97	458.48
(e) Rental income	9.84	8.81	9.52	26.72	28.75	36.77
Total revenue from operations	267.64	224.04	203.78	734.99	600.16	965.53
2 Other income	1.60	(0.35)	0.11	40.18	3.88	118.60
3 Total Income (1+2)	269.24	223.69	203.89	775.17	604.04	1,084.13
4 Expenses						
(a) Finance costs	66.23	93.46	148.07	261.99	378.43	539.99
(b) Employee benefits expense	10.32	10.01	29.27	16.49	47.28	53.70
(c) Depreciation, amortisation and impairment	5.98	6.03	21.38	17.86	34.41	40.87
(d) Purchase of commodities	200.91	124.74	70.39	472.65	235.87	458.30
(e) Impairment on financial instruments	(0.63)	(44.23)	1.62	(41.84)	(11.17)	12.07
(f) Other expenses	16.19	18.63	16.15	50.38	42.66	61.25
Total expenses	299.00	208.64	286.88	777.53	727.48	1,166.18
5 Profit/(Loss) before tax (3-4)	(29.76)	15.05	(82.99)	(2.36)	(123.44)	(82.05)
6 Tax expense						
Current tax	-	-	-	-	-	-
Deferred tax	(0.90)	11.77	3.92	8.42	6.15	(7.45)
7 Net Profit / (Loss) for the period (5-6)	(28.86)	3.28	(86.91)	(10.78)	(129.59)	(74.60)
8 Other Comprehensive Income / (Loss)	-	-	0.29	-	0.86	(1.81)
9 Total Comprehensive Income / (Loss) (7+8)	(28.86)	3.28	(86.62)	(10.78)	(128.73)	(76.41)
10 Earnings Per Share (₹) (Face Value of ₹ 10/- each)						
- Basic (Refer Note 5)	(3.99)	0.45	(13.26)	(1.49)	(19.78)	(11.38)
- Diluted (Refer Note 5)	(3.99)	0.45	(13.26)	(1.49)	(19.78)	(11.38)

- Edelweiss Rural & Corporate Services Limited (the 'Company') has prepared unaudited financial results (the 'Statement') for the quarter and nine months ended 31 December 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 for the quarter and nine months ended are reviewed and recommended by the Audit Committee and have been approved by the Board of Directors at its meeting held on 28 January 2023.
- The above financial results for the quarter and nine months ended 31 December 2022 have been subjected to Limited Review by the Statutory Auditors of the Company and the auditors have issued an unqualified review report.
- Nuwama Clearing Services Limited ("NCSL") (Formerly known as Edelweiss Custodial Services Limited), a associate of Edelweiss Financial Services Limited (EFSL) challenged an order, by an investigating agency, marking lien on its clearing account, before the 47th Additional Chief Metropolitan Magistrate Court, Mumbai ("ACMM"). Since the investigation against Anugrah Stock and Broking Pvt. Ltd. ("trading member"), for which NCSL was a clearing member, is still under process, the said Court contended that it had no objection to setting aside the lien order, upon NCSL providing an undertaking to keep sufficient assets unencumbered. The above case which pending for hearing before ACMM, has now been transferred to the City Civil & Sessions Court under Maharashtra Protection of Interest of Depositors (In Financial Establishments) Act, 1999 (MPID). The matter is sub-judice and has been listed for further hearing and there is no further update on this matter during the quarter.

On behalf of NCSL, the Company has provided the undertaking to keep sufficient unencumbered assets amounting to Rs. 57 crores belonging to the Company and the said lien has been set aside. During the quarter the Company has transferred, such perpetual bond that was given as undertaking to investigating agencies, amounting to Rs. 195 crores to Edel Finance Company Limited in accordance with undertaking submitted to investigating agency that total given undertaking will remain with Edelweiss Group. The Company is in the process of writing a letter to investigating agency to update them on this matter.

The Company has been represented by NCSL 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 and nine months ended 31 December 2022
- Earnings per share for the quarters ended 31 December 2022, 30 September 2022 and 31 December 2021 and nine months ended 31 December 2022 and 31 December 2021 are not annualised.
- The net loss of the Company for the nine-month period ended 31 December 2022 stands at Rs.11 crores and for the year ended 31 March 2022 was Rs. 76 crores. Management assessments of stress testing included recoveries from sale of its investments, scheduled recovery from group company receivables, expected borrowing and future cashflows that will be generated from operations. Basis this expected cumulative assets maturing in the next one year are Rs. 72 crores and cumulative liabilities maturing in the next one year are Rs.841 crores. Thus, the current liabilities of the Company exceed its current assets as at 31 December 2022. Edelweiss Financial Services Limited (the 'Ultimate Holding Company') and Edel Finance Company Limited (the 'Holding Company') have represented that they will continue to provide operating and financial support to the Company and Ultimate Holding Company and Holding company have sufficient financial resources to provide support as and when necessary. Further, during FY 2021-22, the Holding Company had infused equity capital amounting to Rs.250 crores into the Company. The Board of Directors have approved the business plan, the liquidity, asset liability management of the Company and the management believes that the Company will be able to pay its obligations as and when these become due in the next one year.
- 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/year presentation.



For and on behalf of the Board of Directors



Ravindra Dhobale
 Executive Director & Chief Financial Officer
 DIN: 05147051

Place : Mumbai

Date : 28 January 2023



Annexure

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 December 31, 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)

Particulars	Nine months ended	
	December 31, 2022 (Unaudited)	Year ended March 31, 2022 (Audited)
1 Debt-equity ratio (Refer note 1)	4.11	5.58
2 Net worth (Rs. in Crores) (Refer note 2)	618.80	629.26
3 Debt Service Coverage Ratio (DSCR) (Refer note 3)	0.24	0.34
4 Interest Service Coverage Ratio (ISCR) (Refer note 4)	0.99	0.85
5 Outstanding redeemable preference shares (no.of shares)	2,20,45,000	2,20,45,000
6 Outstanding redeemable preference share capital (Rs. in crores)	237.96	223.45
7 Capital redemption reserve (Rs. in Crores)	3.00	3.00
8 Debenture redemption reserve	120.21	120.21
9 Net profit/ (loss) after tax (Rs.in Crores)	(10.78)	(74.60)
10 Earnings Per Share (₹) (Face Value of ₹ 10/- each)		
- Basic	(1.49)	(11.38)
- Diluted	(1.49)	(11.38)
11 Total debt to Total assets (Refer note 5)	0.80	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, Operating margin (%) and Net profit margin (%) are not applicable owing to the business model of the Company.

