

ERCSL/Sec/2023-24/45

November 7, 2023

BSE Limited

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

Dear Sir/ Madam,

Sub.: Outcome of the 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 (the Board) of the Company at its Meeting held today, has *inter alia* approved the Unaudited Standalone Financial Results of the Company for the second quarter and half year ended September 30, 2023 (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.

Further, please also find enclosed the following: -

- i) Disclosure of the Related Party Transactions for the half year ended September 30, 2023 pursuant to Regulation 23 (9) of the Listing Regulations;
- ii) Statement of utilization of proceeds for the quarter ended September 30, 2023 pursuant to Regulation 52(7) of the Listing Regulations; and
- iii) Security Cover Certificate pursuant to Regulation 54 of the Listing Regulations.

The Meeting of the Board commenced at 4:30 p.m. and concluded at 6:15 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

Financial Results for the quarter and half year ended September 30, 2023

(Rs.In Crores)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	September 30, 2023 (Unaudited)	June 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	March 31, 2023 (Audited)
1 Revenue from operations						
(a) Interest income	30.20	29.05	54.83	59.25	119.96	177.86
(b) Fee and commission income	13.87	14.92	22.90	28.79	46.95	78.33
(c) Net gain/(loss) on fair value changes	2.55	24.81	12.69	27.36	11.67	(4.39)
(d) Sale of commodities	-	-	124.81	-	271.89	472.95
(e) Rental income	6.11	6.28	8.81	12.39	16.88	35.54
Total revenue from operations	52.73	75.06	224.04	127.79	467.35	760.29
2 Other income	0.81	0.03	(0.35)	0.84	38.58	40.92
3 Total Income (1+2)	53.54	75.09	223.69	128.63	505.93	801.21
4 Expenses						
(a) Finance costs	48.25	51.77	93.46	100.02	195.76	325.42
(b) Employee benefits expense	9.08	3.57	10.01	12.65	6.17	43.17
(c) Depreciation, amortisation and impairment	5.12	5.03	6.03	10.15	11.88	46.36
(d) Purchase of commodities	-	-	124.74	-	271.74	472.65
(e) Impairment on financial instruments	(8.04)	1.41	(44.23)	(6.63)	(41.21)	19.88
(f) Other expenses	14.16	11.07	18.63	25.23	34.19	69.04
Total expenses	68.57	72.85	208.64	141.42	478.53	976.52
5 Profit / (Loss) before tax (3-4)	(15.03)	2.24	15.05	(12.79)	27.40	(175.31)
6 Tax expense						
Current tax	-	-	-	-	-	-
Deferred tax	2.54	-	11.77	2.54	9.32	21.55
7 Net Profit / (Loss) for the period (5-6)	(17.57)	2.24	3.28	(15.33)	18.08	(196.86)
8 Other Comprehensive Income / (Loss)	-	-	-	-	-	(0.27)
9 Total Comprehensive Income / (Loss) (7+8)	(17.57)	2.24	3.28	(15.33)	18.08	(197.13)
10 Earnings Per Share (₹) (Face Value of ₹ 10/- each)						
- Basic (Refer Note 9)	(2.19)	0.31	0.45	(1.91)	2.50	(27.23)
- Diluted (Refer Note 9)	(2.19)	0.31	0.45	(1.91)	2.50	(27.23)

1 Edelweiss Rural & Corporate Services Limited (the 'Company') has prepared unaudited financial results (the 'Statement') for the quarter and half year ended 30 September 2023 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.

2 The above unaudited financial results of the Company are reviewed and recommended by the Audit Committee and have been approved by the Board of Directors at its meeting held on November 07, 2023.

3 The above financial results for the quarter and half year ended September 30, 2023 have been subjected to Limited Review by the Statutory Auditors of the Company and the auditors have issued an unqualified review report.

4 Nuvama Clearing Services Limited ("NCSL"), an erstwhile associate of the Holding Company, challenged an order by an investigating agency in the matter of Anugrah Stock and Broking Pvt. Ltd. ("Trading member"), before The 47th Additional Chief Metropolitan Magistrate Court, Mumbai ("ACMM") set aside the lien order upon NCSL providing an undertaking to keep sufficient assets unencumbered amounting to belonging to the NCSL and the Company. On behalf of NCSL, the Company has provided the undertaking to keep sufficient unencumbered assets amounting to Rs.92 crores belonging to the Company, the said lien has been set aside. The above case which is 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). NSE Clearing Ltd (NCL) had conducted an inspection in the matter of trading member Anugrah Share & Brokers Pvt Ltd (Anugrah) and issued a show cause notice to NCSL. The MCSGF Committee of NSE Clearing Limited has directed NCSL to adhere to instructions of National Stock Exchange ("NSE") / NCL. NCSL filed an appeal against the impugned order with the Securities Appellate Tribunal ("SAT") and SAT has heard the matter and the matter is now reserved for orders. NCSL believes 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 of the Company for the quarter and six months ended 30 September 2023.

5 The Income Tax Authorities ("the Department") conducted a search under section 132 of the Income Tax Act, 1961 on the premises of the Company during March 2023. The Company is in process of filling necessary responses to the re-assessment notices received from the Department on the said matters. Basis current internal assessment, management is of the view that this will not have any material impact on the standalone financial results for the quarter and six month ended 30 September 2023.

6 The Company is process of regularization of municipal permission with respect to the Edelweiss house owned by the Company. During the quarter, the Company has received environmental clearance regarding the said matter. The Company has paid Rs. 1.10 crores toward the said regularization and have placed Bank guarantee amounting to Rs. 4.50 crores to State Environment Impact Assessment Authority.

7 Debt securities issued by Edelweiss Financial Services Limited ("EFSL") with outstanding amount of Rs. 787.55 crores are secured by the pledge of compulsorily convertible debentures (CCDs) of Rs 900 crores issued by the Company. These CCDs are held by Edel Finance Company Limited (EFCL), subsidiary of Edelweiss Financial Services Limited. This pledge is created pursuant to the securities pledge agreement entered by EFSL, EFCL and the Debenture trustee dated February 23, 2023 and January 20, 2023 respectively. Further, Debt securities issued by Edelweiss Financial Services Limited of Rs. 227.82 crores are exclusively secured by loans amounting to Rs. 240 crores given to the Company.

8 During the previous quarter ended 30 June 2023, employee benefits expense included a reversal of bonus provision of Rs.6.4 crores.

9 Earnings per share for the quarters and half years are not annualised.

10 Statement of Assets and Liabilities as at 30 September 2023

		(₹ in Crores)	
	Particulars	As at 30 September 2023 (Unaudited)	As at 31 March 2023 (Audited)
I.	ASSETS		
(1)	Non-current assets		
	(a) Property, Plant and Equipment	203.61	209.43
	(b) Investment property	163.92	167.77
	(c) Other Intangible assets	0.81	0.95
	(d) Intangible assets under development	0.36	-
	(d) Financial Assets		
	(i) Investments	1,000.75	1,258.63
	(ii) Bank balances other than cash and cash equivalents	38.96	37.84
	(iii) Loans	0.77	6.13
	(iv) Other financial assets	3.23	3.35
	(e) Deferred tax assets (net)	86.19	88.72
	(f) Income tax assets (net)	165.29	155.91
	(g) Other non-current assets	1.88	1.88
	Total Non-current assets	1,665.77	1,930.61
(2)	Current assets		
	(a) Financial Assets		
	(i) Stock-in-trade	46.67	17.80
	(ii) Investments	0.31	660.38
	(iii) Trade receivables	13.99	35.24
	(iv) Cash and cash equivalents	8.90	7.59
	(v) Bank balances other than cash and cash equivalents	9.00	4.73
	(vi) Loans	486.22	23.63
	(vii) Derivative financial instruments	5.41	-
	(viii) Other financial assets	1.19	0.21
	(b) Other current assets	25.03	21.77
	Total Current assets	596.72	771.35
	TOTAL ASSETS	2,262.49	2,701.96
	EQUITY AND LIABILITIES		
I.	Equity		
	(a) Equity share capital	66.58	46.54
	(b) Instruments entirely equity in nature	950.00	950.00
	(c) Other equity	(578.19)	(563.98)
	Total Equity	438.39	432.56
II.	LIABILITIES		
(1)	Non-current liabilities		
	(a) Financial liabilities		
	(i) Derivative financial instruments	4.06	-
	(ii) Borrowings	897.00	1,414.50
	(iii) Other financial liabilities	8.09	6.80
	(iv) Lease liabilities	0.04	0.11
	(b) Provisions	0.53	0.53
	Total Non-current liabilities	909.72	1,421.94
(2)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	889.25	795.41
	(ii) Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	-	-
	Total outstanding dues to creditors other than micro enterprises and small enterprises	17.20	22.08
	(iii) Other financial liabilities	1.95	26.62
	(b) Other current liabilities	5.65	2.87
	(c) Provisions	0.33	0.48
	Total Current liabilities	914.38	847.46
	TOTAL EQUITY AND LIABILITIES	2,262.49	2,701.96

11 Statement of cash flows for the half year ended 30 September 2023

(₹ in Crores)

Particulars	For the half year ended 30 September 2023 (Unaudited)	For the half year ended 30 September 2022 (Unaudited)
A Cash flow from operating activities		
Profit / (Loss) before tax	(12.79)	27.40
Adjustments for		
Impairment on financial instruments (net)	(6.63)	(41.21)
Depreciation and amortisation expense	10.15	11.88
Profit / (Loss) on sale of fixed assets (net)	(0.01)	(0.03)
Provision for employee benefits	0.14	0.15
Profit / (Loss) on sale of current and non-current investments	(2.64)	(38.92)
Fair valuation of non-current investments	(23.34)	(4.20)
Share of profit from partnership firm	(0.00)	-
Finance costs	99.79	195.76
Operating cash flow before working capital changes	64.67	150.83
Changes in working capital		
(Increase) / Decrease in trade receivables	19.20	(7.87)
(Increase) / Decrease in stock-in-trade	(28.87)	37.44
(Increase) / Decrease in loans and advances	(457.23)	549.37
(Increase) / Decrease in other assets	(9.52)	0.47
Increase / (Decrease) in Trade Payable	(3.89)	8.58
Decrease/(Increase) in Derivative financial instruments	(1.35)	-
Increase / (Decrease) in liabilities and provisions	(20.75)	221.50
Cash generated from operations	(437.74)	960.32
Taxes paid (net of refunds)	(9.39)	4.71
Net cash generated from operating activities - A	(447.13)	965.03
B Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in progress)	(0.74)	(0.77)
Proceeds from sale of property, plant and equipment	0.06	0.09
Purchase of current and non-current investments	(1.00)	(1.91)
Sale of current and non-current investments	953.59	186.39
Net cash generated from / (used in) investing activities - B	951.91	183.80
C Cash flow from financing activities		
(Repayment of) / Proceeds from loans (net) ¹	(459.44)	(1,053.68)
Proceeds from / (Redemption of) subordinated liabilities	(42.71)	9.66
Proceeds from issue of equity share capital	20.05	-
Proceeds from issuance of commercial paper	128.20	86.35
Principal repayment of leases (Ind AS 116)	(0.07)	(0.09)
Interest paid	(149.50)	(195.76)
Net cash (used in) / generated from financing activities - C	(503.47)	(1,153.52)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	1.31	(4.69)
Cash and cash equivalents as at the beginning of the year	7.59	11.78
Cash and cash equivalents as at the end of the period	8.90	7.09

¹ Net figures have been reported on account of volume of transactions.

² Above Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.

12 Previous period / year figures have been regrouped / reclassified wherever necessary to conform to current period's / year's presentation
For and on behalf of the Board of Directors

 RAVINDRA
 BABAN
 DHOBALÉ

 Digitally signed by
 RAVINDRA BABAN
 DHOBALÉ
 Date: 2023.11.07
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Ravindra Dhobale
 Executive Director & Chief Financial Officer
 DIN: 05147051

 Place: Mumbai
 Date: 07 November 2023

NANGIA & CO LLP

Independent Auditor's Review Report on Quarterly and Year to Date unaudited financial results of Edelweiss Rural & Corporate Services Limited 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 September 30, 2023 and year to date from April 01, 2023 to September 30, 2023 together with the notes thereon (the "Statement") being submitted by the Company pursuant to the requirements of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the 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 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 is limited primarily to inquiries of the company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Conclusion

Based on our review conducted as above, nothing has come to our attention that cause us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (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, has not disclosed the information required to be disclosed in terms of the Regulations, including the manner in which it is to be disclosed or that it contains material misstatement.

5. Other Matter

The comparative financial information of the Company for the year ended March 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial results on May 22, 2023. Accordingly, we, do not express any opinion, as the case may be, on the figures reported in the financial results for the year ended March 31, 2023.

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p: + 91 22 6173 7000

LLP Registration NO. AAJ-1379

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune – Dehradun

NANGIA & CO LLP

Other Matter (Continued)

The comparative financial information of the Company for the quarter ended June 30, 2023 and quarter and half year ended September 30, 2022 were reviewed by another auditor who expressed an unmodified conclusion on those financial results on August 02, 2023 and November 07, 2022. Accordingly, we, do not express any conclusion, on the figures reported in the financial results for the quarter ended June 30, 2023 and quarter and half year ended September 30, 2022.

Our conclusion is not modified in respect of this matter.

For **Nangia & Co. LLP**

Chartered Accountants

Firm's Registration No. 002391C/N500069

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JASPREET JASBIR
JASBIR SINGH BEDI
SINGH BEDI Date: 2023.11.07
17:52:08 +05'30'

Jaspreet Singh Bedi

Partner

Membership No.: 601788

UDIN: 23601788BGVLYY9233

Place: Mumbai

Date: November 07, 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 September 30, 2023 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,

	Particulars	Half year ended	Year ended
		September 30, 2023 (Unaudited)	March 31, 2023 (Audited)
1	Debt-equity ratio (Refer note 1)	4.07	5.11
2	Net worth (Rs. in Crores) (Refer note 2)	438.39	432.56
3	Debt Service Coverage Ratio (DSCR) (Refer note 3)	0.19	0.13
4	Interest Service Coverage Ratio (ISCR) (Refer note 4)	0.87	0.46
5	Outstanding redeemable preference shares (no.of shares)	2,000,000	22,045,000
6	Outstanding redeemable preference share capital (Rs. In crores)	2.00	44.71
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)	(15.33)	(196.86)
10	Earnings Per Share (₹) (Face Value of ₹ 10/- each)		
	- Basic	(1.91)	(27.23)
	- Diluted	(1.91)	(27.23)
11	Total debt to Total assets (%) (Refer note 5)	78.95%	81.79%

Notes:

- Debt-equity Ratio = Total Borrowing (Non Current Borrowing + Current Borrowings) / Net worth
- Net worth = "Equity share capital + Instruments entirely equity in nature + Other equity"
- DSCR = Profit before interest and tax / (Interest expense + Principal repayment in next six months)
- ISCR = Profit before interest and tax / Interest expense
- Total debt to Total assets = Total Borrowing (Non Current Borrowing + Current Borrowings) / Total assets
- 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.

Sr No	Details of the party (listed entity /subsidiary) entering into the transaction		Details of the counterparty			Type of related party transaction	Details of other related party transaction	Value of the related party transaction as approved by the audit committee	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by				Purpose for which the funds will be utilised by the ultimate recipient of funds (end usage)	
	Name	PAN	Name	PAN	Relationship of the counterparty with the listed entity or its subsidiary					In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments		Details of the loans, inter-corporate deposits, advances or investments					
										Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Cost	Tenure	Nature (loan/ advance/ intercorporate deposit/ investment)		Interest Rate (%)
203	Edelweiss Rural & Corporate Services Limited	AAKCS7311R	Edelweiss Financial Services Limited	AAACE1461E	Holding Company	Any other transaction	Loans taken from	-	-	410.00	240.00						
204	Edelweiss Rural & Corporate Services Limited	AAKCS7311R	ECL Finance Limited	AABCE4916D	Fellow Subsidiary	Any other transaction	Loans taken from	-	-	-	10.00						
205	Edelweiss Rural & Corporate Services Limited	AAKCS7311R	Ecap Equities Limited	AACCE0717D	Fellow Subsidiary	Any other transaction	Loans taken from	-	-	146.01	-						
206	Edelweiss Rural & Corporate Services Limited	AAKCS7311R	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	AABCE9808N	Subsidiary	Any other transaction	Corporate guarantee given for	-	-	135.33	136.04						
207	Edelweiss Rural & Corporate Services Limited	AAKCS7311R	ECL Finance Limited	AABCE4916D	Fellow Subsidiary	Any other transaction	Corporate guarantee given for	-	-	14.93	6.09						
208	Edelweiss Rural & Corporate Services Limited	AAKCS7311R	Edel Finance Company Limited	AAACD4475F	Holding Company	Any other transaction	Corporate guarantee given for	-	-	70.18	70.50						
209	Edelweiss Rural & Corporate Services Limited	AAKCS7311R	Edelweiss Investment Adviser Limited	AABCE9811H	Subsidiary	Any other transaction	Corporate guarantee given for	-	-	329.06	317.27						

*0.00 REPRESENT AMOUNT LESS THAN RS 0.01 CRORES

STATEMENT OF DEVIATION OR VARIATION						
Name of listed entity					Edelweiss Rural & Corporate Services Limited	
Mode of Fund Raising					Not applicable	
Type of instrument					Not applicable	
Date of Raising Funds					Not applicable	
Amount Raised					Nil	
Report for the quarter ended					September 30, 2023	
Is there a Deviation / Variation in use of funds raised?					No	
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?					Not Applicable	
If yes, details of the approval so required?					Not Applicable	
Date of approval					Not Applicable	
Explanation for the Deviation / Variation					Not Applicable	
Comments of the audit committee after review					Not Applicable	
Comments of the auditors, if any					Not Applicable	
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
-	-	-	-	-	-	-
<i>Deviation could mean:</i> (a) Deviation in the objects or purposes for which the funds have been raised (b) Deviation in the amount of funds actually utilized as against what was originally disclosed.						
Name of the Signatory: Chirag Shah Designation : Company Secretary Date : November 7, 2023						

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: 4-A, 4th Floor, Emgeen Chambers, CST Road, Kalina, Santacruz (East), Mumbai - 400 098 Tel No.: +91 22 4079 5199

 Email: cs@edelweissfn.com Website: www.ercl.edelweissfn.com

Independent Auditor’s Report on Security Cover and Compliance with Financial Covenants as at September 30, 2023 under Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time

To,
The Board of Directors
Edelweiss Rural & Corporate Services Limited,
Edelweiss House, Off C.S.T. Road,
Kalina, Mumbai – 400 098.

1. This report is issued in accordance with the terms of the engagement letter dated October 05, 2023 with Edelweiss Rural & Corporate Services Limited (the "Company").
2. We Nangia & Co. LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the Company to examine the accompanying Statement showing ‘Security Cover as per the terms of the Debenture Trust Deed / Information Memorandum and Compliance with Financial Covenants’ for listed non-convertible debt securities as at September 30, 2023 (hereinafter the "Statement") which has been prepared by the Company from the unaudited financial results and other relevant records and documents maintained by the Company as at and for the half year ended September 30, 2023 pursuant to the requirements of the Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (hereinafter the "SEBI Regulations"), and has been initialled by us for identification purpose only.

This Report is required by the Company for the purpose of submission with BSE Limited and IDBI Trusteeship Services Limited (the “Debenture Trustee”) of the Company to ensure compliance with the SEBI Regulations in respect of its listed non-convertible debt securities as at September 30, 2023. The Company has entered into an agreement with the Debenture Trustee (“Debenture Trust Deed”) in respect of such Debentures, as indicated in the Statement.

Management’s Responsibility

3. The preparation and completeness of the accompanying Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and for providing all relevant information to the Debenture Trustee and for complying with all the financial covenants as prescribed in the Debenture Trust Deeds entered into between the Company and the Debenture Trustee.

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Auditor's Responsibility

5. Pursuant to the requirements as mentioned in paragraph 2 above, it is our responsibility to provide a limited assurance as to whether the Company has maintained asset cover as per the terms of the Debenture Trust Deed / Information memorandum and the Company is in compliance with all the financial covenants as mentioned in the Debenture Trust Deeds / Information memorandum as on September 30, 2023.
6. We have reviewed the financial result of the Company for the quarter and half year ended September 30, 2023 and issued a review conclusion vide our report dated November 07, 2023. Our review of such financial results was conducted 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.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.
10. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, as mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance and Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we have performed the following procedures in relation to the Statement:
 - a. Obtained and read the Debenture Trust Deeds and Information memorandum and noted the asset security cover required to be maintained by the Company;
 - b. Traced and agreed the principal amount of the listed non-convertible debt securities outstanding as on September 30, 2023 to the unaudited financial results and books of account maintained by the Company as at and for the half year ended September 30, 2023.
 - c. Obtained and read the particulars of asset cover in respect of listed non-convertible debt securities outstanding as per the Statement. Traced the value of assets from the Statement to the unaudited financial results and books of account maintained by the Company as at and for the half year ended September 30, 2023.

- d. Obtained the particulars of security created in the register of charges maintained by the Company and 'Form No. CHG-9' filed with Ministry of Corporate Affairs ('MCA'). Traced the value of charge created against Assets to the Security Cover indicated in the Statement.
- e. Obtained the list and value of assets placed under lien or encumbrance for the purpose of obtaining any other loan and determined that such assets are not included in the calculation of Asset Cover in respect of listed non-convertible debt security.
- f. Examined and verified the arithmetical accuracy of the computation of Security Cover, in the accompanying Statement;
- g. Compared the Security Cover with the Security Cover required to be maintained as per Debenture Trust Deeds / Information Memorandum.
- h. With respect to compliance with all financial covenants, we have performed following procedures:
 - i. Obtained the copies the copies of bank statements and traced the date of repayment of principal and interest due on sample basis during the period April 01, 2023 to September 30, 2023.
 - ii. We have verified the compliance of financial debt covenants as per the Debenture Trust Deed / information memorandum till date of this certificate. With respect to the financial covenants for the quarter / half year ended September 30, 2023 for which due date is after the date of this certificate, management has represented to us that the same shall be duly complied with within the due date; and
 - iii. Performed necessary inquiries with the management regarding any instances of non-compliance of financial covenants during the half year ended September 30, 2023.
- i. With respect to covenants other than those mentioned in paragraph 10 (h) above, the management has represented and confirmed that the Company has complied with all the other covenants including affirmative, informative, and negative covenants, as prescribed in the Debenture Trust Deed / Information memorandum, as at September 30, 2023. We have relied on the same and not performed any independent procedure in this regard.
- j. Performed necessary inquiries with the Management and obtained necessary representations.

Conclusion

11. Based on the procedures performed by us, as referred to in paragraph 10 above and according to the information and explanations received and management representations obtained, nothing has come to our attention that causes us to believe that:
 - a. The Company has not maintained security cover as per the terms of the Debenture Trust Deed / Information memorandum; and
 - b. The Company is not in compliance with the covenants (including financial covenants) as mentioned in the Debenture Trust Deeds / Information memorandum as on September 30, 2023.

Restriction on Use

12. The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 2 above and to be submitted with the accompanying Statement to the Debenture Trustee and is not to be used or referred to for any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **Nangia & Co. LLP**

Chartered Accountants

Firm Registration Number: 002391C/N500069

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Jaspreet Singh Bedi

Partner

Membership No. 601788

UDIN: 23601788BGVLYX8077

Place: Mumbai

Date: November 07, 2023

Statement of Security Cover and covenants compliance

a) The listed entity has vide its Board Resolution, information memorandum/offer document and under various Debenture Trust Deeds issued the following listed debt securities-

Sr .No.	ISIN	Facility	Secured/Unsecured	Outstanding Principal Amount in Cr.
1	INE657N07613	Non-convertible Debt Securities	Secured	400
2	INE657N07621	Non-convertible Debt Securities	Secured	200
3	INE657N07431	Non-convertible Debt Securities	Secured	20
4	INE657N08041	Non-convertible Debt Securities	Unsecured	275
5	INE657N08058	Non-convertible Debt Securities	Unsecured	275
	Grand Total			1,170

b) Security cover for Listed Debt Securities

(i) The financial information as on 30 September 2023 has been extracted from the books of accounts for the quarter ended 30 September 2023 and other relevant records of Edelweiss Rural & Corporate Services Limited

(ii) The below assets of the listed entity provide coverage of 1.1 in accordance with the terms of issue/ debenture trust deed (calculation as per statement of security cover ratio for the Secured Debt securities - Annexure A)

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: 4-A, 4th Floor, Emgeen Chambers, CST Road, Kalina, Santacruz (East), Mumbai – 400098 Tel No.: +91 22 4079 5199

Email: cs@edelweissfin.com Website: <https://ercsl.edelweissfin.com>

Edeweiss Rural & Corporate Services Limited
Statement of Security Cover and covenants compliance

Annexure A - Security Cover

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Debt not backed by any assets offered as security	Assets not offered as Security	Elimination (amount in negative)	(Total C to J)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRAs market value is not applicable)	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank DSRAs market value is not applicable)	Total Value=(K+L+M+N+O)	
		Book Value	Book Value	Yes/ No	Book Value	Book Value									
ASSETS															
Property, Plant and Equipment	Property	197.77	-	Yes	-	-		169.75	-	367.52	676.65	-	-	-	676.65
Capital Work-in-Progress		-	-	-	-	-		-	-	-	-	-	-	-	-
Right of Use Assets		-	-	-	-	-		-	-	-	-	-	-	-	-
Goodwill		-	-	-	-	-		-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-		0.81	-	0.81	-	-	-	-	-
Intangible Assets under Development		-	-	-	-	-		0.36	-	0.36	-	-	-	-	-
Investments		-	-	-	-	-		1,001.07	-	1,001.07	-	-	-	-	-
Loans	Receivables	-	-	Yes	23.58	-		463.42	-	467.00	-	-	23.58	-	23.58
Inventories		-	-	-	-	-		-	-	-	-	-	-	-	-
Trade Receivables		-	-	-	-	-		13.99	-	13.99	-	-	-	-	-
Cash and Cash Equivalents		-	-	-	-	-		8.90	-	8.90	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents		-	-	-	-	-		47.95	-	47.95	-	-	-	-	-
Others		-	-	-	-	-		334.89	-	334.89	-	-	-	-	-
Total		197.77	-	-	23.58	-		2,041.14	-	2,362.49	676.65	-	23.58	-	700.23
LIABILITIES															
Debt securities to which this certificate pertains	Refer Note 1 & 2	615.13	-	Yes	21.43	-		-	-	636.57	615.13	-	21.43	-	636.57
Other debt sharing pari-passu charge with above debt		-	-	-	-	-		-	-	-	-	-	-	-	-
Other Debt		-	-	-	-	-		904.70	-	904.70	-	-	-	-	-
Subordinated debt		-	-	-	-	-		2.00	-	2.00	-	-	-	-	-
Borrowings		-	-	-	-	-		254.93	-	254.93	-	-	-	-	-
Bank		-	-	-	-	-		-	-	-	-	-	-	-	-
Debt Securities		-	-	-	-	-		-	-	-	-	-	-	-	-
Others		-	-	-	-	-		-	-	-	-	-	-	-	-
Trade payables		-	-	-	-	-		17.20	-	17.20	-	-	-	-	-
Lease Liabilities		-	-	-	-	-		-	-	-	-	-	-	-	-
Provisions		-	-	-	-	-		0.86	-	0.86	-	-	-	-	-
Others		-	-	-	-	-		7.84	-	7.84	-	-	-	-	-
Total		615.13	-	-	21.43	-		1,161.62	25.90	1,824.10	615.13	-	21.43	-	636.57
Cover on Book Value*															
Cover on Market Value											61.51		2.14		
Security Cover Ratio**											1.10		1.10		

* For the purpose of Security Coverage Ratio ('SCR'), the fair value of the Investment Property i.e. Edelweiss House amounting to Rs. 746.20 crores (WDV Rs. 197.77 crores) has been considered. The fair value report of the property is submitted annually to relevant Trustees, implying that the fair value is considered for the purpose of SCR. This fair value is based on valuation done by an Independent Valuer as per the report dated May 2, 2023.

**The assets are secured to the extent required to maintain the agreed Security Cover in respect of the Debentures. Accordingly, total asset is derived by taking into consideration the required security cover mentioned in the respective Debenture Trust Deed/ Information Memorandum. Ind-AS adjustment for effective Interest rate on secured debt securities is excluded from assets cover computation being an accounting adjustment and accordingly the asset cover is computed on a gross basis.

Note 1

NCDs with principal outstanding of Rs. 400 crores are secured exclusively against 7 floors (i.e.1st, 2nd, 3rd, 4th, 6th, 7th, and 8th) at Edelweiss House, Kalina, Santacruz and pari pasu charged against flat at Jay Varad CHSL in Badlapur, receivables and stock in trade.

NCDs with principal outstanding of Rs. 200 crores are secured exclusively against 4 floors (i.e.9th, 11th, 14th and 15th) at Edelweiss House, Kalina, Santacruz and pari pasu charged against receivables and stock in trade.

NCDs with principal outstanding of Rs. 20 Crore are pari pasu against flat at Sharda CHSL, Badlapur and pari pasu charged against receivables and stock in trade

Note 2

Debt securities issued by Edelweiss Financial Services Limited ("EFSL") with outstanding amount of Rs. 787.55 crores are secured by the pledge of compulsorily convertible debentures (CCDs) of Rs 900 crores issued by the Company. These CCDs are held by Edel Finance Company Limited (EFCL), subsidiary of Edelweiss Financial Services Limited. This pledge is created pursuant to the securities pledge agreement entered by EFSL, EFCL and the Debenture trustee dated February 23, 2023 and January 20, 2023 respectively.

Further, Debt securities issued by Edelweiss Financial Services Limited of Rs. 227.82 crores are exclusively secured by loans amounting to Rs. 240 crores given to the Company.

Note 3

The Company is in the process of regularization of municipal permission with respect to the Edelweiss house owned by the Company. During the quarter, the Company has received environmental clearance regarding the said matter. The Company has paid Rs. 1.10 crores toward the said regularization and have placed Bank guarantee amounting to Rs. 4.50 crores to State Environment Impact Assessment Authority.

Statement of Security Cover and financial covenants compliance

c) Compliance of the financial covenants / terms of issue in respect of listed debt securities of the listed entity.

Details of Debenture Trust Deeds entered by the Company

Sr. No	Particulars	Trustee Name	Complied with Covenants	If no, reason for non-compliance
1	DTD dated September 11, 2015	IDBI trusteeship services limited	Complied	Not applicable
2	DTD dated August 23, 2017	IDBI trusteeship services limited	Complied	Not applicable
3	DTD dated August 24, 2017	IDBI trusteeship services limited	Complied	Not applicable
4	DTD dated March 24, 2022	Catalyst trusteeship limited	Complied	Not applicable

For and on behalf of **Edelweiss Rural & Corporate Services Limited**

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Ravindra Dhobale
Executive Director and Chief Financial Officer

Date: November 7, 2023