

June 24, 2022

## ECL Finance Limited: Ratings reaffirmed and outlook revised to Stable; ratings reaffirmed and withdrawn for matured borrowing programmes

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term/Short-term Fund-based Bank Lines	16,354.50	16,354.50	[ICRA]A+ (Stable) reaffirmed and outlook revised to Stable from Negative; [ICRA]A1 reaffirmed
Retail Non-convertible Debenture Programme	1,398.88	1,398.88	[ICRA]A+ (Stable); reaffirmed and outlook revised to Stable from Negative
Retail Non-convertible Debenture Programme	1,501.12	0.00	[ICRA]A+ (Stable); reaffirmed and outlook revised to Stable from Negative and withdrawn
Long-term Principal Protected Market Linked Debenture Programme (unsecured and subordinated)	120.11	120.11	PP-MLD[ICRA]A+ (Stable); reaffirmed and outlook revised to Stable from Negative
Long-term Principal Protected Market Linked Debenture Programme	24.12	24.12	PP-MLD[ICRA]A+ (Stable); reaffirmed and outlook revised to Stable from Negative
Long-term Principal Protected Market Linked Debenture Programme	111.95	0.00	PP-MLD[ICRA]A+ (Stable); reaffirmed and outlook revised to Stable from Negative and withdrawn
Non-convertible Debenture Programme	2,288.57	2,288.57	[ICRA]A+ (Stable); reaffirmed and outlook revised to Stable from Negative
Non-convertible Debenture Programme	1,035.00	0.00	[ICRA]A+ (Stable); reaffirmed and outlook revised to Stable from Negative and withdrawn
Subordinated Debt Programme	690.00	690.00	[ICRA]A+ (Stable); reaffirmed and outlook revised to Stable from Negative
<b>Total</b>	<b>23,524.25</b>	<b>20,876.18</b>	

\*Instrument details are provided in Annexure-1

Note: PP-MLD refers to the principal protected market linked debenture programme. According to the terms of the rated market linked debentures, the amount invested, i.e. the principal, is protected against erosion while the returns on the investment could vary as they are linked to movements in one or more variables such as equity indices, commodity prices, and/or foreign exchange rates. The assigned rating expresses ICRA's current opinion on the credit risk associated with the issuer concerned. The rating does not address the risks associated with the variability in returns resulting from the adverse movements in the variable(s) concerned

### Rationale

To arrive at the rating, ICRA has taken a consolidated view of the Edelweiss Group (the Group), given the close linkages between the Group entities, common promoters and senior management team, shared brand name, and strong financial and operational synergies.

The reaffirmation of the rating factors in the Group's established position in the financial services industry, its long-standing experience in the capital market related business, its diversified business profile with a presence in the asset reconstruction and asset management segments, and the healthy stream of fee and advisory income. ICRA has revised the outlook on the long-term rating to Stable on the back of the sustained reduction in the debt level, the improving financial performance in key

segments, adequate capitalisation, and the improvement in the outlook for the real estate sector wherein the Group has sizeable exposure.

The aforesaid strengths are, however, partially offset by the asset quality risks in the credit business, the risks associated with the distressed assets business given the focus on corporate assets coupled with the evolving nature of the industry, and the exposure to the volatility in capital markets. The Group's reported gross non-performing assets stood at 2.8% of total advances as of March 31, 2022 compared to 7.7% as of March 31, 2021. The absolute value of the GNPA's declined to Rs. 328 crore as of March 31, 2022 from Rs. 1,182 crore as of March 31, 2021. The net non-performing loans improved significantly to 1.6% as of March 31, 2022 from 4.1% as of March 31, 2021. However, ICRA notes that the GNPA ratio adjusted for fully provisioned accounts stood at 7.1% of total advances as of March 31, 2022 compared to 7.7% of total advances as of March 31, 2021.

ICRA notes that the stage 3 assets to loans at amortised cost ratio (43.5% as of March 31, 2021 and 26.9% as of March 31, 2020) is significantly high as the security receipts (SRs) held by the Group, issued against assets sold by it to asset reconstruction companies (ARCs), continue to be recognised as loans in the consolidated book. The Group is actively pursuing various alternatives for resolving potential stress and managing the wholesale portfolio. In FY2021 and FY2022, the wholesale inflows from such initiatives were Rs. 2,750 crore (inflow from SRs: Rs. 400 crore) and Rs. 3,100 crore (inflow from SRs: Rs. 600 crore), respectively. Moreover, in FY2023 (till date), the inflows were Rs. 930 crore (inflow from SRs: Rs. 550 crore). Going forward, the progress of such initiatives and the impact on the Group's asset quality trajectory would be important from a credit perspective.

In FY2022, the Group posted an improvement in the financial performance of its key segments, i.e. credit, asset management and asset reconstruction, and it also sold its stake in the insurance brokerage business (recorded as other income of Rs. 306.72 crore). This supported the overall profitability with a net profit of Rs. 212 crore in FY2022. While Edelweiss Financial Services Limited (EFSL) had reported a net profit of Rs. 254 crore in FY2021 at the consolidated level, after reporting a loss of Rs. 2,044 crore in FY2020, the profitability was supported by the divestment of the wealth management business.<sup>1</sup> Although the insurance business remains a drag on the profitability, the Group witnessed an increase in the embedded value of the life insurance business to Rs. 1,574 crore as of March 31, 2022 from Rs. 1,256 crore as of March 31, 2021 and an improvement in the business metrics of its general insurance business. On an ex-insurance post minority interest basis, the Group reported a profit after tax (PAT) of Rs. 405 crore in FY2022 (FY2021: Rs. 462 crore). The Group's Corporate and Balance Sheet Management Unit (BMU) has been posting losses largely due to the excess liquidity carried on its book, which has resulted in negative carry. Going forward, the Group's ability to keep credit costs/impairments in check and generate healthy fee income would remain imperative for profitability.

The Group's capitalisation profile is adequate and well above the regulatory requirements. ECL Finance Limited had a total capital adequacy ratio (CRAR) of 30.52% as of March 31, 2022 while Edelweiss Retail Finance Limited's CRAR stood at 36.9% and Edelweiss Housing Finance Limited's at 28.3%. Edelweiss Asset Reconstruction Company Limited's (EARC) CRAR stood at 42%. The solvency ratios of the life insurance and general insurance businesses stood at 211% and 167%, respectively, as on March 31, 2022. The borrowings have reduced consistently with the gross gearing declining to 3.0 times as of March 31, 2022 from 5.1 times as of March 31, 2020. Adjusting for the Rs. 866 crore of compulsorily convertible debentures (CCDs), the adjusted gross gearing stood at 2.5 times as of March 31, 2022. Going forward, the Group will focus on an asset-light model in the credit business with a focus on the sell-down of wholesale loans and the growth of the retail book through the co-lending model.

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<sup>1</sup> In March 2021, the Group sold its controlling stake in Edelweiss Wealth Management (EWM), leading to a reduction in its ownership stake to 38.5%. Post this, EWM is now an associate of the Group. Therefore, going forward, the Group would book its share of profits in the consolidated financials. The Group increased its stake in EWM to ~44% in Q3 FY2022

The Group raised funds aggregating Rs. 8,569 crore in FY2022 (excluding stake sale in insurance business) through a diverse set of sources such as non-convertible debentures (NCDs), market linked debentures, bank lines, commercial papers and securitisation. It had raised Rs. 7,165 crore in FY2021 (excluding stake sale in wealth management business) in FY2021. However, the borrowing cost remains at an elevated level. Nonetheless, the Group has demonstrated the ability to raise funds at regular intervals via CCDs in the credit business and the wealth management business. The Group's ability to maintain healthy collections, consistently raise funds from diversified sources and ensure a comfortable asset-liability matching (ALM) profile, in future, would be a key rating monitorable.

ICRA notes that the Group has been trying to simplify its complex structure with multiple cross holdings. It has brought in a strategic partner at the credit, ARC and life insurance verticals. With the change in the structure, the Group's erstwhile business model with seamless interaction (in terms of business and fund flow) between various entities (and verticals) may alter in the medium term. However, it would continue to support various ventures, given the shared brand name and operational and strategic linkages. The fund flow across various entities would be done, if required, at market rates and on an arm's length basis with the approval of the board of directors of the respective companies/verticals.

ICRA has reaffirmed the [ICRA]A+ (Stable) and PP-MLD [ICRA]A+ (Stable) ratings (outlook revised to Stable from Negative) and withdrawn the ratings assigned to the Rs. 1,501.12-crore retail NCD programme, Rs. 1,035-crore NCD programme and Rs. 111.95-crore PP-MLD programme of ECL Finance Limited as no amount is outstanding against these rated instruments. The ratings have been withdrawn at the request of the company and as per ICRA's policy on the withdrawal of credit ratings.

## Key rating drivers and their description

### Credit strengths

**Diversified revenue stream with presence in credit and non-credit segments** – The Edelweiss Group is a diversified financial services player engaged in the credit, capital markets and other advisory businesses. It commenced operations in the capital markets related business and has established its position as a leading entity in the institutional equity broking and investment banking segments over the years. To diversify its revenue stream and reduce its dependence on capital markets, the Group forayed into other segments like credit (wholesale lending in FY2006 and retail lending in FY2011), distressed assets (FY2010), life insurance (FY2012) and general insurance (FY2018). The Group draws the advantage of a healthy fee and advisory income, which stood at Rs. 1,444 crore (~21% of total revenue from operations) in FY2022 compared to Rs. 1,654 crore (~18% of total revenue from operations) in FY2021.

**Strong presence in asset reconstruction space and capital markets** – The Group has successfully ramped up its scale of operations with EARC emerging as the largest player in the asset reconstruction business in India with assets under management (AUM) of Rs. 40,251 crore as of March 31, 2022 (Rs. 40,473 crore as on March 31, 2021), up from Rs. 9,245 crore as on March 31, 2014.

It is also engaged in asset management with a special focus on alternative assets. The funds under management (asset management, alternative assets) increased at a healthy pace of ~36% to ~Rs. 1,15,500 crore as of March 31, 2022 from ~Rs. 85,000 crore as of March 31, 2021 and ~Rs. 49,700 crore as on March 31, 2020. Additionally, the Group has a stake of ~44% in the wealth management business, which reported a 30% year-on-year (YoY) growth in the assets under advice to ~Rs. 2,02,000 crore as of March 31, 2022. ICRA notes that the Group's stake in the wealth management business will decline to ~14%, post the public listing of the same.

## Credit challenges

**Asset quality concerns in wholesale book** – The Group’s loan book remains vulnerable to credit risks, given the high concentration in wholesale lending (46% of the total portfolio (54%, excluding Edelweiss Finance & Investments Limited’s loan book) as on March 31, 2022), which is inherently risky in nature. The top 10 accounts constituted ~38% of the overall wholesale book as of March 31, 2022. As of March 31, 2022, the Group had an on-book wholesale portfolio of Rs. 5,698 crore compared to Rs. 7,246 crore as of March 31, 2021.

The Group has decided to reduce its exposure in the wholesale segment through sell-downs and securitisation of other eligible loans, which should free up capital. It is actively pursuing various alternatives for resolving potential stress and managing the portfolio. In line with this strategy, it entered into an agreement with Meritz Financial Group (a leading South Korean financial services player) for a real estate platform. In FY2021 and FY2022, the wholesale inflows from such initiatives were Rs. 2,750 crore (inflow from SRs: Rs. 400 crore) and Rs. 3,100 crore (inflow from SRs: Rs. 600 crore), respectively. Moreover, in FY2023 (till date), the inflows were Rs. 930 crore (of which SRs: Rs. 550 crore). The Group aims to reduce the wholesale assets and transition its credit portfolio predominantly to retail-oriented lending. ICRA notes the Group’s track record in real estate financing and its in-house operations/execution team and distribution network, which provide it with the ability to closely monitor and resolve assets if required. Going forward, the progress on such endeavours and the impact on the Group’s asset quality would be important from a credit perspective.

ICRA notes that while the Group reported a deterioration in the asset quality over the past few years (FY2020 and FY2021) with the GNPA’s increasing to 7.7% of total advances as of March 31, 2021 from 5.3% as of March 31, 2020, the GNPA ratio improved to 2.8% in FY2022 as of March 31, 2022. The absolute value of the GNPA’s declined to Rs. 328 crore as of March 31, 2022 from Rs. 1,182 crore as of March 31, 2021. Also, the net non-performing loans improved to 1.6% as of March 31, 2022 from 4.1% as of March 31, 2021. However, ICRA notes that the GNPA ratio adjusted for fully provisioned accounts stood at 7.1% of total advances as of March 31, 2022 compared to 7.7% of total advances as of March 31, 2021. The stage 3 assets to loans at amortised cost ratio (43.5% as of March 31, 2021 and 26.9% as of March 31, 2020) is, however, significantly high as the SRs held by the Group, issued against assets sold by it to ARCs, continue to be recognised as loans in the consolidated book.

**Subdued profitability; ability to realign business with core strategy and ensure healthy profitability remains critical** – The high credit costs/impairments owing to stress build-up in the wholesale book have been a drag on the Group’s core profitability. Nonetheless, the Group posted an improvement in FY2022 in the financial performance of its key segments, i.e. credit, asset management and asset reconstruction, and also sold its stake in the insurance brokerage business (recorded as other income of Rs. 306.72 crore). This supported its overall profitability, resulting in a net profit of Rs. 212 crore (FY2021: Rs. 254 crore) in FY2022. The insurance business, however, remains a drag on the profitability, although the embedded value of its life insurance business increased to Rs. 1,574 crore as of March 31, 2022 from Rs. 1,256 crore as of March 31, 2021. The business metrics in the general insurance business have also improved. On an ex-insurance post minority interest basis, the Group reported a profit after tax (PAT) of Rs. 405 crore in FY2022 (FY2021: Rs. 462 crore). The Group’s corporate and BMU segment has been posting losses largely due to the excess liquidity carried on its book, which has resulted in negative carry. While ICRA expects the Group’s profitability to improve in the key segments, the same will remain subdued over the near term due to the declining loan book and losses in the insurance, corporate and BMU segments. The Group’s ability to maintain a healthy asset quality along with healthy fee income and keep the credit costs/impairments under control remains critical.

**Ability to maintain ALM, given resource mobilisation constraints, remains critical** – At the consolidated level, the Group had total borrowings of Rs. 22,711 crore as on March 31, 2022 (Rs. 48,964 crore as of March 31, 2018). The risk-averse sentiment of domestic investors towards non-banks with developer loan exposure has resulted in challenges in fund-raising and has increased the cost of funds. Fund-raising by the Group from debt capital markets over the past two years has been lower compared to the pre-September 2018 level while the secondary market yields have been elevated. The Group raised funds aggregating Rs. 8,569 crore (excluding stake sale in insurance business) in FY2022 compared to Rs. 7,165 crore (excluding stake sale in wealth management business) in FY2021.

The Group has a diversified resource profile and has been exploring alternative sources of funding over the past few quarters. Its ability to maintain healthy collections, consistently raise funds from diversified sources and ensure a comfortable ALM profile, in future, would be a key rating monitorable. The Group's gross gearing improved on a consolidated basis to 3.0 times as of March 31, 2022 from 3.7 times as on March 31, 2021 and 5.1 times as on March 31, 2020. It has a demonstrated track record of raising capital at regular intervals, which provides some comfort. The capital raised in the form of CCDs is currently classified as borrowings though these instruments are compulsorily convertible into equity in due course. Should this be treated as equity, the Group's adjusted gross gearing would stand at 2.5 times as of March 31, 2022<sup>2</sup>.

**Risks associated with asset reconstruction business, notwithstanding the strong market position** – In ICRA's view, the seasoning of the asset reconstruction industry remains limited. Further, the Group focusses on the large single borrower segment, an asset class with a high-risk profile on account of its complexity, higher ticket size as well as the significant degree of engagement with promoters. However, the Group is also present in the retail segment in the ARC space.

The risks inherent in distressed assets, coupled with the Group's strategy of focussing on resolution through the revival of operations and debt restriction, can lead to a protracted process and volatility in cash flows. The Group has, however, resolved certain large-ticket assets in the recent past, with recoveries of Rs. 6,903 crore in FY2022 and Rs. 5,432 crore in FY2021 compared to Rs. 11,257 crore in FY2020 and Rs. 7,019 crore in FY2019. Inability to achieve resolution as per expectations, in terms of the amount recovered as well as the timelines, could have a bearing on EARC's financial profile. However, the consistent management fee of Rs. 700+ crore in the past four years provides comfort. The expected shift to the cash mode from the SR mode of asset acquisition, the upfront capital requirement for ARCs would be higher. This can, nevertheless, be brought down through partnerships with other investors. The ARC's ability to judiciously acquire new assets and resolve them, while maintaining a comfortable capital structure and a competitive cost of borrowings, would also remain critical.

**Exposed to inherent cyclicity in capital markets, though expansion into non-capital market businesses provides diversification** – The Group remains exposed to the inherent volatility in capital markets as its various businesses are directly or indirectly linked to the performance of these markets. However, its focus on diversifying its business profile over the years has reduced its dependence on capital markets. The Group's ability to maintain a healthy performance in the capital market related businesses remains critical.

### Liquidity position: Adequate

The Group's liquidity position is adequate. It had overnight liquidity of Rs. 1,800 crore and undrawn bank lines of Rs. 350 crore as of April 30, 2022. It has repayment obligations of Rs. 4,299 crore from May 2022 to September 2022 and Rs. 8,055 crore from May 2022 to March 2023. The Group also has other assets like short-term treasury assets of Rs. 1,350 crore as of April 30, 2022, that can be liquidated at a relatively short notice. It has adequate liquidity for the payment of obligations for ~2 months (considering overnight liquidity and undrawn bank lines) and ~4 months (considering overnight liquidity, undrawn bank lines and short-term treasury assets). The Group also has a short-term loan book of Rs. 1,900 crore as of April 30, 2022 which can be accessed, if required. Post that, its ability to maintain healthy collections and ensure a comfortable ALM profile by raising adequate funds would be a key rating monitorable.

### Rating sensitivities

**Positive factors** – ICRA could revise the outlook to Positive or upgrade the long-term rating in case of a significant and sustained improvement in the Group's asset quality and profitability trajectory along with the mobilisation of resources at competitive terms from a diverse set of sources.

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<sup>2</sup> Adjusted gearing calculated as reported net worth including CCDs, divided by borrowings minus CCDs

**Negative factors** – The rating could be revised downwards if the asset quality pressures increase, thereby resulting in a subdued profitability level on a sustained basis. Pressure on the rating could also emerge in case of continued challenges in fund-raising\inability to diversify funding and the weakening of the liquidity profile. Delays in the planned reduction of the corporate book could also have a bearing on the rating.

## Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA's Credit Rating Methodology for Non-Banking Finance Companies</a> <a href="#">Consolidation and Rating Approach</a> <a href="#">ICRA Policy on Withdrawal of Credit Rating</a>
Parent/Group Support	Not applicable; while assigning the ratings, ICRA has taken a consolidated view of the Group (Edelweiss Financial Services Limited - Consolidated), given the high operational and managerial linkages between the Group companies and the shared brand name.
Consolidation/Standalone	To arrive at the ratings, ICRA has considered the consolidated financial profile of Edelweiss Financial Services Limited (consolidated). Details of the subsidiaries and an associate are provided in Annexure-2.

## About the company

ECL Finance Limited is a systemically important non-deposit taking non-banking financial company (NBFC-ND-SI) registered with the RBI. It is the primary wholesale lending company for the Edelweiss Group. EFSL held 99.99% of the equity as on March 31, 2022. CDPQ Private Equity Asia PTE Ltd. held CCDs of Rs. 1,039.5 crore as on March 31, 2022.

The company currently carries out the Group's financing activities like structured collateralised corporate loans, real estate financing, loans against securities, small and medium-sized enterprise (SME) loans, loan against property, employee stock ownership plan (ESOP) financing and initial public offering (IPO) funding. It reported a net profit of Rs. 79.36 crore on total income of Rs. 1,660.77 crore in FY2021 compared to a net profit of Rs. 2.23 crore on total income of Rs. 2,001.39 crore in FY2021. Its total assets stood at Rs. 18,979.08 crore while its net worth was Rs. 2,482.33 crore as of March 31, 2022 compared to Rs. 14,345.98 crore and Rs. 2,559.45 crore, respectively, as of March 31, 2021. The borrowings stood at Rs. 10,955.15 crore as of March 31, 2022 compared to Rs. 15,956.18 crore as of March 31, 2021. The CRAR stood at 30.50% (Tier 1 of 16.38%) as of March 31, 2021 compared to 25.26% (Tier 1 of 13.77%) as of March 31, 2021.

### Edelweiss Financial Services Limited

Edelweiss Financial Services Limited (EFSL), the holding company of the Edelweiss Group of companies, was incorporated in 1995 by first-generation entrepreneurs to offer investment banking services primarily to technology companies. At present, the Group is engaged in wholesale and retail financing, distressed assets resolution, corporate debt syndication and debt restructuring, institutional and retail equity broking, corporate finance advisory, wealth advisory and asset management. It forayed into housing finance in FY2011, life insurance in FY2012 and general insurance in FY2018.

On a standalone basis, EFSL had posted total income of Rs. 1,372 crore and a PAT of Rs. 933 crore in FY2022 compared to Rs. 1,722 crore and Rs. 716 crore, respectively, in FY2021. It had a net worth of Rs. 5,000 crore, total borrowings of Rs. 2,432 crore and total assets of Rs. 8,042 crore as of March 31, 2022 compared to Rs. 4,126 crore, Rs. 838 crore and Rs. 5,981 crore, respectively, as of March 31, 2021.

### Key financial indicators (audited)

Edelweiss Financial Services Limited (Consolidated)	FY2020	FY2021	FY2022
Net interest income	1,109	200	61
Total income	9,603	10,849	7,305
Profit after tax (Edelweiss' share)	(2,045)	265	189
Profit after tax - Including MI	(2,044)	254	212
Net worth	7,207	7,677	7,592
Loan asset	28,361	22,455	20,006
Total assets	54,280	46,350	43,188
Return on assets	-3.5%	0.5%	0.5%
Return on equity	-25.7%	3.4%	2.8%
Gross NPA (%)	5.3%	7.7%	7.1%*
Net NPA (%)	4.1%	4.1%	1.6%
Net NPA/Net worth (%)	11.9%	8.2%	2.7%
Gross gearing (times)	5.1	3.7	3.0
CRAR (%)	21%	21%	30%

**Source:** Company, ICRA research; All ratios as per ICRA calculations; \*includes Rs. 558 crore of exposures which has been fully provisioned.

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**



## Rating history for past three years

	Instrument	Type	Current Rating (FY2023)			Chronology of Rating History for the Past 3 Years					
			Amount Rated	Amount Outstanding	Date & Rating	Date & Rating in FY2022	Date & Rating in FY2021		Date & Rating in FY2020		
			(Rs. crore)	(Rs. crore)	Jun 24, 2022	Jun 29, 2021	Oct 19, 2020	May 05, 2020	Aug 30, 2019	Jun 25, 2019	Apr 05, 2019
1	Long-term/Short-term Fund-based Bank Lines	Long/Short Term	16,354.50	11,260.00	[ICRA]A+ (Stable)/[ICRA]A1	[ICRA]A+ (Negative)/[ICRA]A1	[ICRA]A+ (Negative)/[ICRA]A1	[ICRA]A+ (Negative)/[ICRA]A1	[ICRA]AA- (Negative)/[ICRA]A1+	[ICRA]AA- (Negative)/[ICRA]A1+	[ICRA]AA (Negative)/[ICRA]A1+
2	Retail Non-convertible Debenture Programme	Long Term	1,398.88	1,390.30	[ICRA]A+ (Stable)	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]AA- (Negative)	[ICRA]AA- (Negative)	[ICRA]AA (Negative)
3	Retail Non-convertible Debenture Programme	Long Term	1,501.12	0.00	[ICRA]A+ (Stable); withdrawn	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]AA- (Negative)	[ICRA]AA- (Negative)	[ICRA]AA (Negative)
4	Non-convertible Debenture Programme	Long Term	2,288.57	1,042.80	[ICRA]A+ (Stable)	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]AA- (Negative)	[ICRA]AA- (Negative)	[ICRA]AA (Negative)
5	Non-convertible Debenture Programme	Long Term	1,035.00	0.00	[ICRA]A+ (Stable); withdrawn	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]AA- (Negative)	[ICRA]AA- (Negative)	[ICRA]AA (Negative)
6	Subordinated Debt Programme	Long Term	690.00	690.00	[ICRA]A+(Stable)	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]AA- (Negative)	[ICRA]AA- (Negative)	[ICRA]AA (Negative)
7	Long-term Principal Protected Market Linked Debenture Programme	Long Term	24.12	24.12	PP-MLD [ICRA]A+ (Stable)	PP-MLD [ICRA]A+ (Negative)	PP-MLD [ICRA]A+ (Negative)	PP-MLD [ICRA]A+ (Negative)	PP-MLD [ICRA]AA- (Negative)	PP-MLD [ICRA]AA- (Negative)	PP-MLD [ICRA]AA (Negative)



	Instrument	Type	Current Rating (FY2023)			Chronology of Rating History for the Past 3 Years					
			Amount Rated	Amount Outstanding	Date & Rating	Date & Rating in FY2022	Date & Rating in FY2021		Date & Rating in FY2020		
			(Rs. crore)	(Rs. crore)	Jun 24, 2022	Jun 29, 2021	Oct 19, 2020	May 05, 2020	Aug 30, 2019	Jun 25, 2019	Apr 05, 2019
8	Long-term Principal Protected Market Linked Debenture Programme	Long Term	111.95	0.00	PP-MLD [ICRA]A+ (Stable); withdrawn	PP-MLD [ICRA]A+ (Negative)	PP-MLD [ICRA]A+ (Negative)	PP-MLD [ICRA]A+ (Negative)	PP-MLD [ICRA]AA- (Negative)	PP-MLD [ICRA]AA- (Negative)	PP-MLD [ICRA]AA (Negative)
9	Long-term Principal Protected Market Linked Debenture Programme (unsecured and subordinated)	Long Term	120.11	120.11	PP-MLD [ICRA]A+ (Stable)	PP-MLD [ICRA]A+ (Negative)	PP-MLD [ICRA]A+ (Negative)	PP-MLD [ICRA]A+ (Negative)	PP-MLD [ICRA]AA- (Negative)	PP-MLD [ICRA]AA- (Negative)	PP-MLD [ICRA]AA (Negative)
10	Commercial Paper Programme	Short Term	-	-	-	-	-	-	[ICRA]A1+; withdrawn	[ICRA]A1+	[ICRA]A1+

	Instrument	Type	Current Rating (FY2023)			Chronology of Rating History for the Past 3 Years					
			Amount Rated	Amount Outstanding	Date & Rating	Date & Rating in FY2022	Date & Rating in FY2021		Date & Rating in FY2020		
			(Rs. crore)	(Rs. crore)	Jun 24, 2022	Jun 29, 2021	Oct 19, 2020	May 05, 2020	Aug 30, 2019	Jun 25, 2019	Apr 05, 2019
11	Commercial Paper Programme (IPO Financing)	Short Term	-	-	-	-	-	-	[ICRA]A1+; withdrawn	[ICRA]A1+	[ICRA]A1+
12	Short Term Principal protected Market Linked Debenture Programme	Short Term	-	-	-	-	PP-MLD [ICRA]A1; withdrawn	PP-MLD [ICRA]A1	PP-MLD [ICRA]A1+	PP-MLD [ICRA]A1+	PP-MLD [ICRA]A1+
13	Short Term Non-Convertible Debenture Programme	Short Term	-	-	-	-	[ICRA]A1; withdrawn	[ICRA]A1	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Non-convertible Debenture Programme	Simple
Long-term Principal Protected Market Linked Debenture Programme (unsecured and subordinated)	Moderately Complex
Long-term Principal Protected Market Linked Debenture Programme	Moderately Complex
Subordinated Debt Programme	Moderately Complex
Retail Non-convertible Debenture Programme	Simple
Long-term/Short-term Fund-based Bank Lines	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [www.icra.in](http://www.icra.in)

## Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term/Short-term Fund-based Bank Lines	Jun 18, 2017	NA	Jun 27, 2025	11,260	[ICRA]A+ (Stable)/[ICRA]A1
NA	Long-term/Short-term Fund-based Bank Lines – Unallocated	NA	NA	NA	5,094.50	[ICRA]A+ (Stable)/[ICRA]A1
INE804IA7022	Retail Non-convertible Debenture	Jan 4, 2019	10.60%	Jan 4, 2029	195.26	[ICRA]A+ (Stable)
INE804IA7014	Retail Non-convertible Debenture	Jan 4, 2019	10.15%	Jan 4, 2029	111.1	[ICRA]A+ (Stable)
INE804I073Y9	Retail Non-convertible Debenture	Aug 6, 2018	0.00%	Aug 6, 2021	46.51	[ICRA]A+ (Stable); withdrawn
INE804I074Y7	Retail Non-convertible Debenture	Aug 6, 2018	9.45%	Aug 6, 2021	1209.79	[ICRA]A+ (Stable); withdrawn
INE804I075Y4	Retail Non-convertible Debenture	Aug 6, 2018	9.25%	Aug 6, 2023	82.2	[ICRA]A+ (Stable)
INE804I076Y2	Retail Non-convertible Debenture	Aug 6, 2018	0.00%	Aug 6, 2023	44.33	[ICRA]A+ (Stable)
INE804I077Y0	Retail Non-convertible Debenture	Aug 6, 2018	9.65%	Aug 6, 2023	266.11	[ICRA]A+ (Stable)
INE804I078Y8	Retail Non-convertible Debenture	Aug 6, 2018	9.43%	Aug 6, 2028	59.13	[ICRA]A+ (Stable)
INE804I079Y6	Retail Non-convertible Debenture	Aug 6, 2018	9.85%	Aug 6, 2028	272.13	[ICRA]A+ (Stable)
INE804I070Z2	Retail Non-convertible Debenture	Aug 6, 2018	Benchmark MIBOR+250bps	Aug 6, 2021	0.71	[ICRA]A+ (Stable); withdrawn
INE804I075Z1	Retail Non-convertible Debenture	Jan 4, 2019	10.20%	Apr 4, 2022	167.13	[ICRA]A+ (Stable); withdrawn
INE804I076Z9	Retail Non-convertible Debenture	Jan 4, 2019	Zero Coupon	Apr 4, 2022	76.98	[ICRA]A+ (Stable); withdrawn
INE804I077Z7	Retail Non-convertible Debenture	Jan 4, 2019	9.95%	Jan 4, 2024	122.09	[ICRA]A+ (Stable)
INE804I078Z5	Retail Non-convertible Debenture	Jan 4, 2019	10.40%	Jan 4, 2024	179.11	[ICRA]A+ (Stable)
INE804I079Z3	Retail Non-convertible Debenture	Jan 4, 2019	Zero Coupon	Jan 4, 2024	58.84	[ICRA]A+ (Stable)
NA	Retail Non-convertible Debentures – Yet to be issued	NA	NA	NA	8.58	[ICRA]A+ (Stable)
INE804I07J05	Non-convertible Debenture	Jan 19, 2016	9.60%	Jan 13, 2026	0.8	[ICRA]A+ (Stable)
INE804I07H64	Non-convertible Debenture	Dec 23, 2015	9.60%	Dec 19, 2025	1	[ICRA]A+ (Stable)
INE804I07E00	Non-convertible Debenture	Sep 18, 2015	9.75%	Sep 12, 2025	7	[ICRA]A+ (Stable)
INE804I08684	Non-convertible Debenture	May 3, 2016	9.50%	Apr 28, 2026	11	[ICRA]A+ (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE804I07C93	Non-convertible Debenture	Aug 17, 2015	9.75%	Aug 14, 2025	3	[ICRA]A+ (Stable)
INE804I07YF6	Non-convertible Debenture	Dec 1, 2014	10.50%	Dec 1, 2024	10	[ICRA]A+ (Stable)
INE804I07YP5	Non-convertible Debenture	Dec 24, 2014	10.40%	Dec 24, 2024	10	[ICRA]A+ (Stable)
INE804I07ZE6	Non-convertible Debenture	Feb 16, 2015	10.10%	Feb 14, 2025	5	[ICRA]A+ (Stable)
INE804I07ZT4	Non-convertible Debenture	Mar 28, 2015	10.20%	Mar 28, 2025	10	[ICRA]A+ (Stable)
INE804I07ZY4	Non-convertible Debenture	Apr 21, 2015	10.00%	Apr 21, 2025	10	[ICRA]A+ (Stable)
INE804I07E34	Non-convertible Debenture	Oct 5, 2015	10.00%	Oct 3, 2025	20	[ICRA]A+ (Stable)
INE804I07E42	Non-convertible Debenture	Oct 6, 2015	9.80%	Oct 6, 2025	12.5	[ICRA]A+ (Stable)
INE804I07E59	Non-convertible Debenture	Oct 12, 2015	9.18%	Oct 10, 2025	300	[ICRA]A+ (Stable)
INE804I07H49	Non-convertible Debenture	Dec 22, 2015	9.81%	Dec 22, 2025	25	[ICRA]A+ (Stable)
INE804I07032	Non-convertible Debenture	Mar 18, 2016	9.65%	Mar 18, 2026	25	[ICRA]A+ (Stable)
INE804I07V09	Non-convertible Debenture	May 11, 2016	9.60%	May 11, 2026	10	[ICRA]A+ (Stable)
INE804I07V82	Non-convertible Debenture	May 20, 2016	9.61%	May 20, 2026	10	[ICRA]A+ (Stable)
INE804I07X49	Non-convertible Debenture	Jun 7, 2016	9.60%	Jun 5, 2026	22.5	[ICRA]A+ (Stable)
INE804I078Q4	Non-convertible Debenture	Mar 6, 2017	9.00%	Mar 5, 2027	500	[ICRA]A+ (Stable)
INE804I077P8	Non-convertible Debenture	Jan 9, 2017	9.00%	Jan 9, 2024	50	[ICRA]A+ (Stable)
INE804I070Y5	Non-convertible Debenture	Jun 25, 2018	IDFC Bank 6m MCLR +55bps	Jun 25, 2021	60	[ICRA]A+ (Stable); withdrawn
INE804IA7311	Non-convertible Debenture	Jun 30, 2020	8.90%	Dec 30, 2021	175	[ICRA]A+ (Stable); withdrawn
INE804IA7345	Non-convertible Debenture	Aug 3, 2020	8.95%	Feb 3, 2022	300	[ICRA]A+ (Stable); withdrawn
INE804IA7352	Non-convertible Debenture	Aug 12, 2020	8.95%	Feb 11, 2022	500	[ICRA]A+ (Stable); withdrawn
NA	Non-convertible Debenture - Yet to be issued	NA	NA	NA	1,245.77	[ICRA]A+ (Stable)
INE804I076N5	Long-term Market Linked Debentures	Dec 2, 2016	Nifty 50 Index	Jan 3, 2022	2	PP-MLD[ICRA]A+ (Stable); withdrawn
INE804IA7048	Long-term Market Linked Debentures	Apr 5, 2019	Nifty 50 Index	Oct 4, 2022	24.12	PP-MLD[ICRA]A+ (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE804I072Z8	Long-term Market Linked Debentures	Sep 3, 2018	Nifty 50 Index	Jan 3, 2022	50	PP-MLD[ICRA]A+ (Stable); withdrawn
INE804I072Z8	Long-term Market Linked Debentures	Sep 7, 2018	Nifty 50 Index	Jan 3, 2022	59.95	PP-MLD[ICRA]A+ (Stable); withdrawn
INE804I08825	Long-term Principal Protected Market Linked Debenture Programme (unsecured and subordinated)	Aug 10, 2017	Nifty 50 Index	Aug 18, 2023	62.82	PP-MLD[ICRA]A+ (Stable)
INE804I08825	Long-term Principal Protected Market Linked Debenture Programme (unsecured and subordinated)	Aug 11, 2017	Nifty 50 Index	Aug 18, 2023	53.2	PP-MLD[ICRA]A+ (Stable)
INE804I08825	Long-term Principal Protected Market Linked Debenture Programme (unsecured and subordinated)	Oct 24, 2017	Nifty 50 Index	Aug 18, 2023	2.16	PP-MLD[ICRA]A+ (Stable)
INE804I08825	Long-term Principal Protected Market Linked Debenture Programme (unsecured and subordinated)	Nov 6, 2017	Nifty 50 Index	Aug 18, 2023	1.93	PP-MLD[ICRA]A+ (Stable)
INE804I08643	Sub Debt	Feb 4, 2015	11.25%	May 3, 2025	300	[ICRA]A+ (Stable)
INE804I08668	Sub Debt	Sep 3, 2015	10.62%	Sep 3, 2025	10	[ICRA]A+ (Stable)
INE804I08676	Sub Debt	Sep 30, 2015	10.60%	Sep 30, 2025	10	[ICRA]A+ (Stable)
INE804I08692	Sub Debt	Jun 16, 2016	10.15%	Jun 16, 2026	250	[ICRA]A+ (Stable)
INE804I08833	Sub Debt	Sep 12, 2017	9.25%	Sep 15, 2027	20	[ICRA]A+ (Stable)
INE804I08841	Sub Debt	Oct 6, 2017	9.25%	Oct 6, 2027	100	[ICRA]A+ (Stable)

Source: Company

#### Annexure-2: List of entities considered for consolidated analysis- as of March 31, 2022

Company Name	Edelweiss Group Ownership	Consolidation Approach
<b>Subsidiaries:</b>		ICRA has taken a consolidated view of the parent and its subsidiaries and an associate
ECL Finance Limited	100.00%	
Edelcap Securities Limited	100.00%	
Edelweiss Asset Management Limited	100.00%	
ECap Equities Limited	100.00%	
Edelweiss Trusteeship Company Limited	100.00%	
Edelweiss Housing Finance Limited	100.00%	
Edelweiss Investment Adviser Limited	100.00%	
Edel Land Limited	100.00%	
Edel Investments Limited	100.00%	
Edelweiss Rural & Corporate Services Limited	100.00%	

Company Name	Edelweiss Group Ownership	Consolidation Approach
Comtrade Commodities Services Limited (Formerly known as Edelweiss Comtrade Limited)	100.00%	
Edel Finance Company Limited	100.00%	
Edelweiss Retail Finance Limited	100.00%	
Edelweiss Multi Strategy Fund Advisors LLP	100.00%	
Edelweiss Resolution Advisors LLP	100.00%	
Edelweiss General Insurance Company Limited	100.00%	
Edelweiss Securities and Investment Private Limited	100.00%	
EC International Limited	100.00%	
EAAA LLC	100.00%	
Edelweiss Alternative Asset Advisors Pte. Limited	100.00%	
Edelweiss International (Singapore) Pte. Limited	100.00%	
Edelgive Foundation	100.00%	
Edelweiss Alternative Asset Advisors Limited	99.05%	
Edelweiss Private Equity Tech Fund	95.60%	
Edelweiss Value and Growth Fund	70.05%	
Edelweiss Asset Reconstruction Company Limited	59.84%	
EW Special Opportunities Advisors LLC	67.00%	
Edelweiss Tokio Life Insurance Company Limited	66.00%	
Allium Finance Private Limited	85.00%	
Edelweiss Global Wealth Management Limited	100.00%	
Edelweiss Capital Services Limited	51.00%	
India Credit Investments Fund - II	100.00%	
Edelweiss Real Assets Managers Limited	100.00%	
Sekura India Management Limited	100.00%	
<b>Associate:</b>		
Edelweiss Securities Limited	43.76%	

**Source:** Edelweiss Financial Services Limited



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