

May 09, 2024

Ecap Equities Limited (Erstwhile Edel Land Limited): Ratings withdrawn for matured instruments

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term market linked debenture programme	227.38	227.38	PP-MLD[ICRA]A+ rating watch with negative implications; outstanding
Long-term market linked debenture programme	30.83	0.0	PP-MLD[ICRA]A+ rating watch with negative implications; withdrawn
Commercial paper programme	1,000.0	1,000.0	[ICRA]A1 rating watch with negative implications; outstanding
Total	1,258.21	1,227.38	

*Instrument details are provided in Annexure I

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

ICRA has withdrawn the PP-MLD [ICRA]A+ rating assigned to Rs. 30.83 crore of Long-term principal protected market linked debenture programme of Ecap Equities Limited as there are no obligations outstanding against the rated instruments. This is in accordance with ICRA's policy on the withdrawal of credit ratings. The previous detailed rating rationale, which captures the key rating drivers and their description, liquidity position, rating sensitivities and key financial indicators is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies Policy on withdrawal of credit ratings
Parent/Group support	Not applicable; while arriving at the rating, ICRA has considered the consolidated financials (ex-insurance) of Edelweiss and has taken a consolidated view of the credit profiles of Edelweiss and its subsidiaries, which are engaged in retail lending and wholesale lending, and the asset management business due to the close linkages between the entities, common promoters and senior management team, shared brand name, and strong financial and operational synergies.
Consolidation/Standalone	ICRA has considered the consolidated financials (ex-insurance) of Edelweiss. Details of the subsidiaries are provided in Annexure II.

About the company

Incorporated in 2008, Ecap Equities Limited is a wholly-owned subsidiary of Edelweiss. On a standalone basis, Ecap Equities Limited posted a net loss of Rs. 1.0 crore on total income of Rs. 1,112.3 crore in FY2023 compared to a loss of Rs. 135.2 crore and total income of Rs. 988.5 crore in FY2022. The total assets stood at Rs. 4,438 crore as of March 31, 2023 compared to Rs. 3,584.8 crore as of March 31, 2022. As of March 31, 2023, the net worth and borrowings stood at Rs. 497.1 crore and Rs. 2,023.0 crore, respectively, compared to Rs. 497.4 crore and Rs. 2,889.2 crore, respectively, as of March 31, 2022.

Edelweiss Financial Services Limited (parent)

Edelweiss Financial Services Limited (Edelweiss), the holding company of the Edelweiss Group of companies, was incorporated in 1995 to offer investment banking services primarily to technology companies. At present, the Group is engaged in wholesale

and retail lending, home finance, distressed assets resolution, general insurance, life insurance, alternatives and asset management. On a standalone basis, Edelweiss posted a total income of Rs. 3,089 crore and a PAT of Rs. 2,388 crore in FY2023 compared to total income of Rs. 1,373 crore and PAT of Rs. 933 crore in FY2022. While on a consolidated basis, Edelweiss posted a total income of Rs. 8,633 crore and a PAT of Rs. 344 crore in FY2023 compared to total income of Rs. 7,305 crore and PAT of Rs. 189 crore in FY2022. With fair valuations of stake held in Nuvama in FY2023, the Group had a consolidated net worth of Rs. 7,846 crore as of March 31, 2023. However, with allotment of 30% stake held in Nuvama to shareholders of Edelweiss, the consolidated net worth declined to ~Rs. 5,547 crore as of September 30, 2023.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2025)		Chronology of Rating History for the Past 3 Years						
		Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024		Date & Rating in FY2023		Date & Rating in FY2022	
				May 09, 2025	Dec 28, 2023	July 21, 2023	Jun 22, 2023	Jun 24, 2022	May 12, 2022	-
1 Long-term market linked debenture programme	Long term	227.38	5.67^	PP-MLD [ICRA]A+ rating watch with negative implications	PP-MLD [ICRA]A+; rating watch with negative implications	PP-MLD [ICRA]A+ (Stable)	PP-MLD [ICRA]A+ (Stable)	PP-MLD [ICRA]A+ (Stable)	PP-MLD [ICRA]A+ (Negative)	-
2 Commercial paper programme	Short term	1,000.0	-^	[ICRA]A1; rating watch with negative implications	[ICRA]A1; rating watch with negative implications	[ICRA]A1	-	-	-	-

^ Balance yet to be issued/allocated

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term market linked debenture programme	Moderately complex
Commercial paper programme	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: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE572O07DJ3	Long-term market linked debenture programme	Oct 31, 2018	MLD	Sep 12, 2028	0.25	PP-MLD[ICRA]A+; rating watch with negative implications
INE572O07DJ3	Long-term market linked debenture programme	Oct 04, 2018	MLD	Sep 12, 2028	0.52	PP-MLD[ICRA]A+; rating watch with negative implications
INE572O07AZ5	Long-term market linked debenture programme	Sep 19, 2017	MLD	Sep 28, 2023	27.68	PP-MLD[ICRA]A+ rating watch with negative implications; withdrawn
INE572O07AZ5	Long-term market linked debenture programme	Sep 21, 2017	MLD	Sep 28, 2023	3.15	PP-MLD[ICRA]A+ rating watch with negative implications; withdrawn
INE572O07DJ3	Long-term market linked debenture programme	Oct 19, 2018	MLD	Sep 12, 2028	0.25	PP-MLD[ICRA]A+; rating watch with negative implications
INE572O07DJ3	Long-term market linked debenture programme	Oct 03, 2018	MLD	Sep 12, 2028	0.71	PP-MLD[ICRA]A+; rating watch with negative implications
INE572O07DJ3	Long-term market linked debenture programme	Nov 30, 2018	MLD	Sep 12, 2028	0.69	PP-MLD[ICRA]A+; rating watch with negative implications
INE572O07DJ3	Long-term market linked debenture programme	Sep 18, 2018	MLD	Sep 12, 2028	3.25	PP-MLD[ICRA]A+; rating watch with negative implications
NA	Long-term market linked debenture programme – Unutilised	NA	NA	NA	221.71	PP-MLD[ICRA]A+; rating watch with negative implications
NA	Commercial paper programme- yet to be issued	NA	NA	NA	1,000.00	[ICRA]A1; rating watch with negative implications

Source: Company

Annexure II: List of entities considered for consolidated analysis*

Edelweiss Financial Services Limited	Edelweiss Group Ownership	Consolidation Approach
Subsidiaries:		
ECL Finance Limited	100.00%	ICRA has taken a consolidated view of the parent and its subsidiaries
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%	
Comtrade Commodities Services 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 Securities and Investment Private Limited	100.00%	
EC International Limited	100.00%	

Edelweiss Financial Services Limited	Edelweiss Group Ownership	Consolidation Approach
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	59.82%	
EW Special Opportunities Advisors LLC	67.00%	
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%	

Source: Edelweiss Financial Services Limited, * As on June 23, 2023

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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