

May 09, 2024

Edel Finance Company Limited: Ratings withdrawn for matured instruments

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debenture programme	517.00	517.00	[ICRA]A+ rating watch with negative implications; outstanding
Non-convertible debenture programme	30.00	0.00	[ICRA]A+ rating watch with negative implications; withdrawn
Long-term principal protected market linked debenture programme	95.22	95.22	PP-MLD[ICRA]A+ rating watch with negative implications; outstanding
Long-term principal protected market linked debenture programme	53.54	0.00	PP-MLD[ICRA]A+ rating watch with negative implications; withdrawn
Long-term principal protected market linked debenture programme (unsecured)	4.00	4.00	PP-MLD[ICRA]A+ rating watch with negative implications; outstanding
Subordinated debt programme	15.00	15.00	[ICRA]A+ rating watch with negative implications; outstanding
Total	714.76	631.22	

*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ICRA has withdrawn the [ICRA]A+ rating assigned to Rs. 30.0 crore of non-convertible debenture programme and PP-MLD [ICRA]A+ rating assigned to the Rs. 53.54 crore of Long-term principal protected market linked debenture programme of Edel Finance Company 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

Edel Finance Company Limited (EFCL) is a non-banking financial company registered with the Reserve Bank of India (RBI). The public limited company, which was incorporated in 1989, has received in-principal approval to operate as a core investment

company (CIC). Going forward, it is expected to act as the Group's main holding company and would hold stakes in the key operating companies of the Group. EFCL is fully owned by Edelweiss, the flagship company of the Group.

The company, on a standalone basis, posted a net profit of Rs. 65.4 crore on total income of Rs. 310.6 crore in FY2023 compared to Rs. 22.2 crore and Rs. 188.7 crore, respectively, in FY2022. As of March 31, 2023, EFCL's net worth and borrowings stood at Rs. 1,523.5 crore (PY: Rs. 1,258.1 crore) and Rs. 2,674.6 crore (PY: Rs. 1,762.4 crore), respectively.

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, 2024	Dec 28, 2023	Jun 22, 2023	Jun 24, 2022	Jun 29, 2021
1 Long-term market linked debenture programme	Long term	95.22	0.00 [^]	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+ (Negative)
2 Long-term market linked debenture programme (unsecured)	Long term	4.00	4.00	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+ (Negative)
3 Non-convertible debenture programme	Long term	517.00	17.00 [^]	[ICRA]A+; rating watch with negative implications	[ICRA]A+; rating watch with negative implications	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Negative)
4 Long-term fund/Non-fund based bank lines	Long term	-	-	-	-	[ICRA]A+ (Stable); withdrawn	[ICRA]A+ (Stable)	[ICRA]A+ (Negative)
5 Subordinated debt programme	Long term	15.00	15.00	[ICRA]A+; rating watch with negative implications	[ICRA]A+; rating watch with negative implications	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Negative)

[^] Balance yet to be issued/allocated

Complexity level of the rated instrument

Instrument	Complexity Indicator
Non-convertible debenture programme	Simple
Long-term principal protected market linked debenture programme	Moderately Complex
Subordinated debt programme	Moderately Complex

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
INE241O07FW3	Long-term market linked debenture	Dec 24, 2018	MLD	Jun 24, 2022	4.60	PP-MLD[ICRA]A+ rating watch with negative implications; withdrawn
INE241O07FW3	Long-term market linked debenture	Dec 28, 2018	MLD	Jun 24, 2022	22.46	PP-MLD[ICRA]A+ rating watch with negative implications; withdrawn
INE241O07FW3	Long-term market linked debenture	Jan 11, 2019	MLD	Jun 24, 2022	0.94	PP-MLD[ICRA]A+ rating watch with negative implications; withdrawn
INE241O07FW3	Long-term market linked debenture	Jan 04, 2019	MLD	Jun 24, 2022	1.51	PP-MLD[ICRA]A+ rating watch with negative implications; withdrawn
INE241O07FW3	Long-term market linked debenture	Jan 14, 2019	MLD	Jun 24, 2022	7.05	PP-MLD[ICRA]A+ rating watch with negative implications; withdrawn
INE241O07FW3	Long-term market linked debenture	Jan 18, 2019	MLD	Jun 24, 2022	16.98	PP-MLD[ICRA]A+ rating watch with negative implications; withdrawn
NA	Long-term market linked debenture – Proposed	NA	NA	NA	95.22	PP-MLD[ICRA]A+; rating watch with negative implications
INE241O07937	Non-convertible debenture	Mar 03, 2017	9.00%	Mar 01, 2024	30.00	[ICRA]A+ rating watch with negative implications; withdrawn
INE241O07EE4	Non-convertible debenture	Jun 21, 2017	8.80%	Jun 16, 2027	17.00	[ICRA]A+; rating watch with negative implications
NA	Non-convertible debenture – Proposed	NA	NA	NA	500.00	[ICRA]A+; rating watch with negative implications
INE918K08019	Sub debt	Jul 29, 2015	11.00%	Jul 29, 2025	15.00	[ICRA]A+; rating watch with negative implications
INE241O08042	Long-term market linked debenture (unsecured)	Jan 13, 2017	Nifty 50 Index	Jan 08, 2027	4.00	PP-MLD[ICRA]A+; 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%	
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%	
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%	

ICRA has taken a consolidated view of the parent and its subsidiaries

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

ANALYST CONTACTS

Karthik Srinivasan
+91 22 6114 3444
karthiks@icraindia.com

Anil Gupta
+91 124 4545 314
anilg@icraindia.com

Deep Inder Singh
+91 124 4545 830
deep.singh@icraindia.com

Subhrajyoti Mohapatra
+91 080 4332 6406
subhrajyoti.mohapatra@icraindia.com

Kruti Jagad
+91 22 6114 3447
kruti.jagad@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6169 3304
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

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

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.