

May 09, 2024

ECL Finance Limited: Ratings withdrawn for matured instruments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/short-term fund-based bank lines	12,854.50	12,854.50	[ICRA]A+ rating watch with negative implications/ ICRA] A1 rating watch with negative implications; outstanding
Retail non-convertible debenture programme	637.62	637.62	[ICRA]A+ rating watch with negative implications; outstanding
Retail non-convertible debenture programme	752.68	0.0	[ICRA]A+ rating watch with negative implications; withdrawn
Long-term principal protected market linked debenture programme (unsecured and subordinated)	120.11	0.0	PP-MLD[ICRA]A+ rating watch with negative implications; withdrawn
Non-convertible debenture programme	2,238.57	2,238.57	[ICRA]A+ rating watch with negative implications; outstanding
Non-convertible debenture programme	50.00	0.0	[ICRA]A+ rating watch with negative implications; withdrawn
Subordinated debt programme	690.00	690.00	[ICRA]A+ rating watch with negative implications; outstanding
Total	17,343.48	16,420.69	

*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ICRA has withdrawn the [ICRA]A+ rating assigned to Rs. 802.68 crore of non-convertible debenture programme and PP-MLD [ICRA]A+ rating assigned to the Rs. 120.11 crore of Long-term principal protected market linked debenture programme of ECL Finance 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

ECL Finance Limited is a systemically important non-deposit taking non-banking financial company (NBFC-ND-SI) registered with the Reserve Bank of India (RBI). It is the primary wholesale lending company for the Edelweiss Group.

The company currently carries out the Group's financing activities like structured collateralised corporate loans, real estate financing, loans against securities, and small and medium-sized enterprise (SME) loans. It reported a net profit of Rs. 110.8 crore on total income of Rs. 1,602.2 crore in FY2023 compared to Rs. 79.4 crore and Rs. 1,660.8 crore, respectively, in FY2022. As of March 31, 2023, the capitalisation profile was characterised by a net worth of Rs. 2,671.6 crore, a gearing of 3.77 times and a capital adequacy ratio of 30.8%.

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 is expected to decline by ~Rs. 2,352 crore.

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	Amount Outstanding	Date & Rating in FY2025	Date & Rating in FY2024		Date & Rating in FY2023	Date & Rating in FY2022
		(Rs. crore)	(Rs. crore)	May 09, 2025	Dec 28, 2023	Jun 22, 2023	Jun 24, 2022	Jun 29, 2021
1 Long-term/Short-term fund-based bank lines	Long/Short term	12,854.50	1,818.42 [^]	[ICRA]A+; rating watch with negative implications/[ICRA]A1; rating watch with negative implications	[ICRA]A+; rating watch with negative implications/[ICRA]A1; rating watch with negative implications	[ICRA]A+ (Stable)/[ICRA]A1	[ICRA]A+ (Stable)/[ICRA]A1	[ICRA]A+ (Negative)/[ICRA]A1
2 Retail non-convertible debenture programme	Long term	637.62	637.32	[ICRA]A+; rating watch with negative implications	[ICRA]A+; rating watch with negative implications	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Negative)
3 Non-convertible debenture programme	Long term	2,238.57	992.80 [^]	[ICRA]A+; rating watch with negative implications	[ICRA]A+; rating watch with negative implications	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Negative)
4 Subordinated debt programme	Long term	690.00	690.00	[ICRA]A+; rating watch with negative implications	[ICRA]A+; rating watch with negative implications	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]A+ (Negative)
5 Long-term principal protected market linked debenture programme (unsecured and subordinated)	Long term	120.11	-	PP-MLD [ICRA]A+ rating watch with negative implications; withdrawn	PP-MLD [ICRA]A+; rating watch with negative implications	PP-MLD [ICRA]A+ (Stable)	PP-MLD [ICRA]A+ (Stable)	PP-MLD [ICRA]A+ (Negative)

[^] Balance yet to be issued/allocated

Complexity level of the rated instrument

Instrument	Complexity Indicator
Non-convertible debenture programme	Simple
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: [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
NA	Long-term/Short-term fund-based bank lines	Jun 18, 2017	NA	Jun 27, 2025	11,060.00	[ICRA]A+ rating watch with negative implications/ [ICRA]A1 rating watch with negative implications
NA	Long-term/short-term fund-based bank lines – Unallocated	NA	NA	NA	1,794.50	[ICRA]A+ rating watch with negative implications /ICRA]A1 rating watch with negative implications
INE804IA7022	Retail non-convertible debenture	Jan 04, 2019	10.60%	Jan 04, 2029	195.26	[ICRA]A+ rating watch with negative implications
INE804IA7014	Retail non-convertible debenture	Jan 04, 2019	10.15%	Jan 04, 2029	111.10	[ICRA]A+ rating watch with negative implications
INE804I075Y4	Retail non-convertible debenture	Aug 06, 2018	9.25%	Aug 06, 2023	82.20	[ICRA]A+ rating watch with negative implications; withdrawn
INE804I076Y2	Retail non-convertible debenture	Aug 06, 2018	0.00%	Aug 06, 2023	44.33	[ICRA]A+ rating watch with negative implications; withdrawn
INE804I077Y0	Retail non-convertible debenture	Aug 06, 2018	9.65%	Aug 06, 2023	266.11	[ICRA]A+ rating watch with negative implications; withdrawn
INE804I078Y8	Retail non-convertible debenture	Aug 06, 2018	9.43%	Aug 06, 2028	59.13	[ICRA]A+ rating watch with negative implications
INE804I079Y6	Retail non-convertible debenture	Aug 06, 2018	9.85%	Aug 06, 2028	272.13	[ICRA]A+ rating watch with negative implications
INE804I077Z7	Retail non-convertible debenture	Jan 04, 2019	9.95%	Jan 04, 2024	122.09	[ICRA]A+ rating watch with negative implications; withdrawn
INE804I078Z5	Retail non-convertible debenture	Jan 04, 2019	10.40%	Jan 04, 2024	179.11	[ICRA]A+ rating watch with negative implications; withdrawn
INE804I079Z3	Retail non-convertible debenture	Jan 04, 2019	Zero Coupon	Jan 04, 2024	58.84	[ICRA]A+ rating watch with negative implications; withdrawn
INE804I07J05	Non-convertible debenture	Jan 19, 2016	9.60%	Jan 13, 2026	0.80	[ICRA]A+ rating watch with negative implications
INE804I07H64	Non-convertible debenture	Dec 23, 2015	9.60%	Dec 19, 2025	1.00	[ICRA]A+ rating watch with negative implications
INE804I07E00	Non-convertible debenture	Sep 18, 2015	9.75%	Sep 12, 2025	7.00	[ICRA]A+ rating watch with negative implications
INE804I08684	Non-convertible debenture	May 03, 2016	9.50%	Apr 28, 2026	11.00	[ICRA]A+ rating watch with negative implications
INE804I07C93	Non-convertible debenture	Aug 17, 2015	9.75%	Aug 14, 2025	3.00	[ICRA]A+ rating watch with negative implications
INE804I07YF6	Non-convertible debenture	Dec 01, 2014	10.50%	Dec 01, 2024	10.00	[ICRA]A+ rating watch with negative implications
INE804I07YP5	Non-convertible debenture	Dec 24, 2014	10.40%	Dec 24, 2024	10.00	[ICRA]A+ rating watch with negative implications
INE804I07ZE6	Non-convertible debenture	Feb 16, 2015	10.10%	Feb 14, 2025	5.00	[ICRA]A+ rating watch with negative implications
INE804I07ZT4	Non-convertible debenture	Mar 28, 2015	10.20%	Mar 28, 2025	10.00	[ICRA]A+ rating watch with negative implications
INE804I07ZY4	Non-convertible debenture	Apr 21, 2015	10.00%	Apr 21, 2025	10.00	[ICRA]A+ rating watch with negative implications
INE804I07E34	Non-convertible debenture	Oct 05, 2015	10.00%	Oct 03, 2025	20.00	[ICRA]A+ rating watch with negative implications
INE804I07E42	Non-convertible debenture	Oct 06, 2015	9.80%	Oct 06, 2025	12.50	[ICRA]A+ rating watch with negative implications
INE804I07E59	Non-convertible debenture	Oct 12, 2015	9.18%	Oct 10, 2025	300.00	[ICRA]A+ rating watch with negative implications
INE804I07H49	Non-convertible debenture	Dec 22, 2015	9.81%	Dec 22, 2025	25.00	[ICRA]A+ rating watch with negative implications
INE804I07032	Non-convertible debenture	Mar 18, 2016	9.65%	Mar 18, 2026	25.00	[ICRA]A+ rating watch with negative implications
INE804I07V09	Non-convertible debenture	May 11, 2016	9.60%	May 11, 2026	10.00	[ICRA]A+ rating watch with negative implications

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE804I07V82	Non-convertible debenture	May 20, 2016	9.61%	May 20, 2026	10.00	[ICRA]A+ rating watch with negative implications
INE804I07X49	Non-convertible debenture	Jun 07, 2016	9.60%	Jun 05, 2026	22.50	[ICRA]A+ rating watch with negative implications
INE804I078Q4	Non-convertible debenture	Mar 06, 2017	9.00%	Mar 05, 2027	500.00	[ICRA]A+ rating watch with negative implications
INE804I077P8	Non-convertible debenture	Jan 09, 2017	9.00%	Jan 09, 2024	50.00	[ICRA]A+ rating watch with negative implications; withdrawn
NA	Non-convertible debenture – Yet to be issued	NA	NA	NA	1,245.77	[ICRA]A+ rating watch with negative implications
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+ rating watch with negative implications; withdrawn
INE804I08825	Long-term principal protected market linked debenture programme (unsecured and subordinated)	Aug 11, 2017	Nifty 50 Index	Aug 18, 2023	53.20	PP-MLD[ICRA]A+ rating watch with negative implications; withdrawn
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+ rating watch with negative implications; withdrawn
INE804I08825	Long-term principal protected market linked debenture programme (unsecured and subordinated)	Nov 06, 2017	Nifty 50 Index	Aug 18, 2023	1.93	PP-MLD[ICRA]A+ rating watch with negative implications; withdrawn
INE804I08643	Sub debt	Feb 04, 2015	11.25%	May 03, 2025	300.00	[ICRA]A+ rating watch with negative implications
INE804I08668	Sub debt	Sep 03, 2015	10.62%	Sep 03, 2025	10.00	[ICRA]A+ rating watch with negative implications
INE804I08676	Sub debt	Sep 30, 2015	10.60%	Sep 30, 2025	10.00	[ICRA]A+ rating watch with negative implications
INE804I08692	Sub debt	Jun 16, 2016	10.15%	Jun 16, 2026	250.00	[ICRA]A+ rating watch with negative implications
INE804I08833	Sub debt	Sep 12, 2017	9.25%	Sep 15, 2027	20.00	[ICRA]A+ rating watch with negative implications
INE804I08841	Sub debt	Oct 06, 2017	9.25%	Oct 06, 2027	100.00	[ICRA]A+ rating watch with negative implications

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

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%	
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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