

October 28, 2025

## Edelweiss Retail Finance Limited: Rating withdrawn

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Non-convertible debenture programme	300.00	-	[ICRA]A+ (Stable); withdrawn
Retail non-convertible debenture programme	97.65	-	[ICRA]A+ (Stable); withdrawn
Subordinated debt	150.00	-	[ICRA]A+ (Stable); withdrawn
Bank lines – Long-term fund-based TL	1,280.00	-	[ICRA]A+ (Stable); withdrawn
<b>Total</b>	<b>1,827.65</b>	-	

\*Instrument details are provided in Annexure I

### Rationale

The National Company Law Tribunal (NCLT) granted final approval for the proposed merger between Edelweiss Retail Finance Limited (ERFL) and ECL Finance Limited (ECLF) on September 12, 2025. The scheme of amalgamation took effect on September 30, 2025, resulting in the amalgamation of ERFL into ECLF. The merger does not impact the ECLF's credit profile and ICRA has already been considering the consolidated credit profile of Edelweiss Financial Services Limited and its subsidiaries. As a part of the amalgamation scheme, ERFL's debt instruments have been transferred to ECLF.

In line with ICRA's policy on the withdrawal of credit ratings, the rating assigned to various debt programmes of ERFL stand withdrawn. 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	<a href="#">Rating Methodology for Non-banking Finance Companies (NBFCs)</a> <a href="#">Policy on Withdrawal of Credit Ratings</a>
Parent/Group support	Not applicable; while arriving at the rating, ICRA has taken a consolidated view of the credit profiles of Edelweiss and its subsidiaries, which are engaged in retail lending, wholesale lending and asset management, due to the close linkages between the entities, common promoters and senior management team, and strong financial and operational synergies. ICRA considers Edelweiss' consolidated financials (excluding insurance) and follows a limited consolidation approach with the insurance business, whereby the proposed equity investments in the insurance businesses are considered.
Consolidation/Standalone	ICRA has considered the consolidated financials (excluding insurance) of Edelweiss. Details of the subsidiaries are provided in Annexure II.

### About the company

As part of its initiative to simplify the lending businesses, the Group had initiated the amalgamation of ERFL into ECLF (a systemically important non-deposit taking middle layer non-banking financial company). Following the receipt of requisite regulatory approvals, the scheme of amalgamation became effective on September 30, 2025, with ERFL formally being amalgamated into ECLF.

ERFL was previously engaged in offering secured and unsecured loans to small and medium-sized enterprises (SMEs) while ECLF functioned as the Group's wholesale lending platform. However, this segment was gradually deprioritised due to asset

quality challenges. In FY2024, ECLF formally exited its real estate and structured finance businesses. As part of the Group's strategic focus on reducing its exposure to wholesale and allied assets, the wholesale portfolio declined to Rs. 2,400 crore in June 2025 from Rs. 9,630 crore in June 2022, though it remains relatively elevated. Currently, ECLF is primarily focussed on providing secured and unsecured loans to SMEs.

#### **Edelweiss Financial Services Limited (parent)**

Incorporated in 1995, Edelweiss is a Securities and Exchange Board of India (SEBI) registered merchant banker with a presence across multiple businesses in the financial services space through its subsidiaries. Currently, the Group is engaged in retail lending, alternatives, asset management, life & general insurance, and asset reconstruction. It had an established position in the wealth management business before it unlocked the value in it by selling its controlling stake in FY2021. On a consolidated basis, it posted total income of Rs. 2,281 crore and a profit after tax (PAT) of Rs. 103 crore in Q1 FY2026 compared to Rs. 2,337 crore and Rs. 85 crore, respectively, in Q1 FY2025. It reported a net profit of Rs. 536 crore in FY2025 and total income of Rs. 9,519 crore compared to Rs. 528 crore and Rs. 9,602 crore, respectively, in FY2024.

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

#### **Any other information:**

- a) The Edelweiss Group had indemnified Nuvama Clearing Services Limited with respect to live litigations at the time of its stake sale to PAG. Any adverse outcome of these litigations is expected to have a bearing on the Group.
- b) The Group also carries other financial liabilities on account of the put option extended to the investors in the recent portfolio sell-down. Upon failure of the underlying exposures to meet the terms of the sell-down agreements, the Group carries the obligation of buying back such exposures with pre-committed returns. Nonetheless, it has provided timely exits to investors till now, backed by the expected inflows from the underlying exposures.

## Rating history for past three years

Current (FY2026)				Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Oct 28, 2025	Date	Rating	Date	Rating	Date	Rating
<b>Bank lines – Long-term fund-based TL</b>	Long term	1,280.00	[ICRA]A+ (Stable); withdrawn	Dec 24, 2024	[ICRA]A+ (Stable)	Jun 22, 2023	[ICRA]A+ (Stable)	Jun 24, 2022	[ICRA]A+ (Stable)
				Jun 06, 2024	[ICRA]A+; Rating Watch with Negative Implications	Dec 28, 2023	[ICRA]A+; Rating Watch with Negative Implications	-	-
<b>Non-convertible debenture</b>	Long term	300.00	[ICRA]A+ (Stable); withdrawn	Dec 24, 2024	[ICRA]A+ (Stable)	Jun 22, 2023	[ICRA]A+ (Stable)	Jun 24, 2022	[ICRA]A+ (Stable)
				Jun 06, 2024	[ICRA]A+; Rating Watch with Negative Implications	Dec 28, 2023	[ICRA]A+; Rating Watch with Negative Implications	-	-
<b>Retail non-convertible debenture</b>	Long term	97.65	[ICRA]A+ (Stable); withdrawn	Dec 24, 2024	[ICRA]A+ (Stable)	Jun 22, 2023	[ICRA]A+ (Stable)	Jun 24, 2022	[ICRA]A+ (Stable)
				Jun 06, 2024	[ICRA]A+; Rating Watch with Negative Implications	Dec 28, 2023	[ICRA]A+; Rating Watch with Negative Implications	-	-
<b>Subordinated debt</b>	Long term	150.00	[ICRA]A+ (Stable); withdrawn	Dec 24, 2024	[ICRA]A+ (Stable)	Jun 22, 2023	[ICRA]A+ (Stable)	Jun 24, 2022	[ICRA]A+ (Stable)
				Jun 06, 2024	[ICRA]A+; Rating Watch with Negative Implications	Dec 28, 2023	[ICRA]A+; Rating Watch with Negative Implications	-	-

## Complexity level of the rated instrument

Instrument	Complexity indicator
<b>Retail non-convertible debenture programme</b>	Simple
<b>Non-convertible debenture programme</b>	Simple
<b>Subordinated debt programme</b>	Moderately Complex
<b>Bank lines – Long-term fund-based TL</b>	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
INE528S07110	Retail NCD	Mar 22, 2018	8.88%	Mar 21, 2028	40.92	[ICRA]A+ (Stable); withdrawn
INE528S07128	Retail NCD	Mar 22, 2018	9.25%	Mar 21, 2028	48.35	[ICRA]A+ (Stable); withdrawn
NA	Retail NCD*	NA	NA	NA	8.38	[ICRA]A+ (Stable); withdrawn
NA	NCD*	NA	NA	NA	300.00	[ICRA]A+ (Stable); withdrawn
INE528S08019	Subordinated debt	May 25, 2015	11.50%	May 26, 2025	14.00	[ICRA]A+ (Stable); withdrawn
INE528S08027	Subordinated debt	Oct 10, 2016	9.95%	Oct 09, 2026	12.00	[ICRA]A+ (Stable); withdrawn
INE528S08035	Subordinated debt	Jul 31, 2017	9.25%	Jul 31, 2027	24.00	[ICRA]A+ (Stable); withdrawn
INE528S08043	Subordinated debt	Oct 06, 2017	9.25%	Oct 06, 2027	100.00	[ICRA]A+ (Stable); withdrawn
NA	Bank lines – Long-term fund-based TL	Jul 31, 2017	NA	FY2026	730.00	[ICRA]A+ (Stable); withdrawn
NA	Bank lines – Long-term fund-based TL (unallocated)	NA	NA	NA	550.00	[ICRA]A+ (Stable); withdrawn

Source: Company; \* Yet to be issued

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

## Annexure II: List of entities considered for consolidated analysis\*

Company name	Ownership	Consolidation approach
Edelweiss Financial Services Limited	Parent	Full consolidation
ECL Finance Limited	100.00%	
Edelcap Securities Limited	100.00%	
Edelweiss Asset Management Limited	100.00%	
ECap Securities and Investments Limited	100.00%	
Edelweiss Trusteeship Company Limited	100.00%	
Nido Home Finance Limited	100.00%	
Edelweiss Investment Adviser Limited	100.00%	
Ecap Equities 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%	
Nuvama Custodial Services Limited	51.00%	
Edelweiss Retail Finance Limited	Rated entity <sup>#</sup>	
Edelweiss Securities and Investment Private Limited	100.00%	
EAAA Pte. Limited	100.00%	
Edelweiss International (Singapore) Pte. Limited	100.00%	
Edelgive Foundation	100.00%	
EAAA India Alternatives Limited	100.00%	
Edelweiss Asset Reconstruction Company Limited	59.82%	
Allium Corporate Services Private Limited	100.00%	
Edelweiss Global Wealth Management Limited	100.00%	
EAAA Real Assets Managers Limited	100.00%	
Sekura India Management Limited	100.00%	
Edelweiss life insurance Company Limited	79.53%	
Zuno General Insurance Limited	100.00%	

Source: Edelweiss Financial Services Limited; \* As on March 31, 2025; <sup>#</sup> Amalgamated into ECLF on September 30, 2025

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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.

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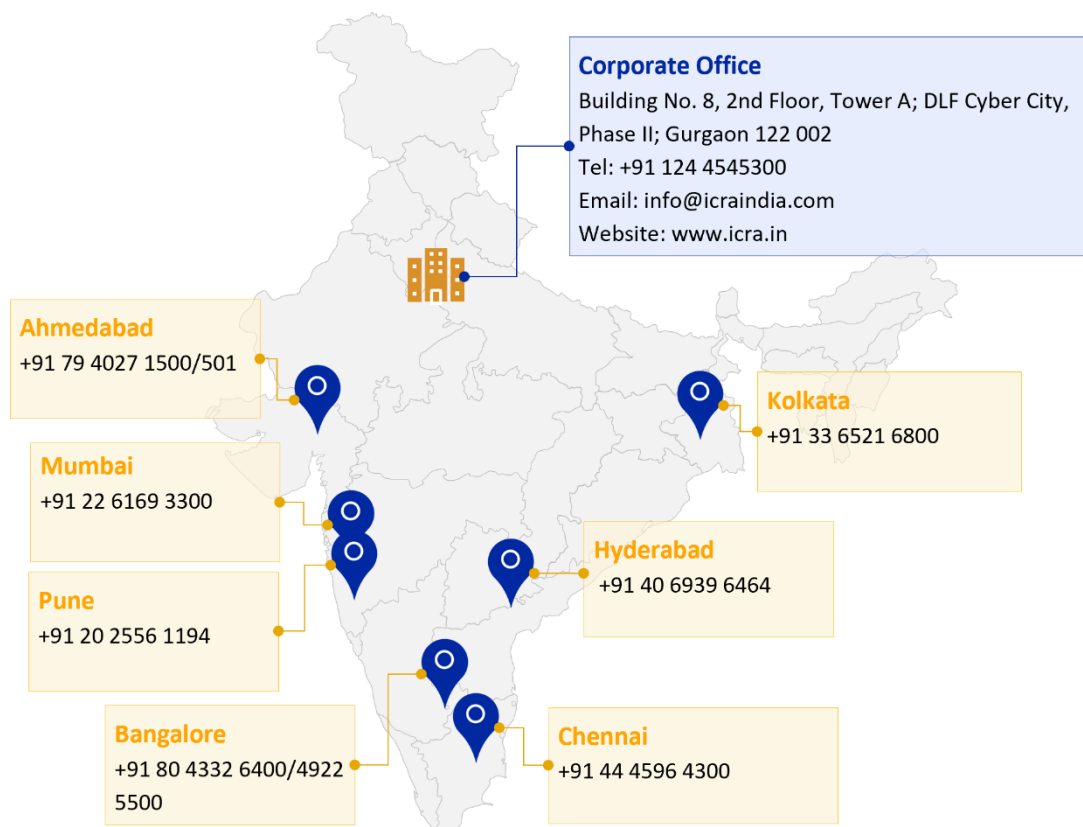


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