

February 18, 2026

Nido Home Finance Limited: Placed on Rating Watch with Developing Implications

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Retail non-convertible debentures	1,006.99	1,006.99	[ICRA]A+; placed on rating watch with developing implications
Non-convertible debenture	525.00	525.00	[ICRA]A+; placed on rating watch with developing implications
Bank Lines - Long term Fund based others	2,215.00	2,215.00	[ICRA]A+; placed on rating watch with developing implications
Total	3,746.99	3,746.99	

*Instrument details are provided in Annexure-I

Rationale

On February 10, 2026, Edelweiss Financial Services Limited, together with its wholly owned subsidiaries—Edelweiss Rural & Corporate Services Limited (ERCSL), Edel Finance Company Limited (EFCL) and Nido Home Finance Limited (Nido)— [announced](#) the execution of definitive agreements with CA Sardo Investments (an affiliate of The Carlyle Group) and Salisbury Investments Private Limited (the investment vehicle of Mr. Aditya Puri and his family) for an investment of ~ Rs. 2,100 crore to acquire a strategic majority stake in Nido.

As part of the transaction, the Buyers will acquire a 45% stake in Nido from the Edelweiss Group for Rs. 602 crore and will further subscribe to Nido's equity shares and warrants for Rs. 500 crore and Rs. 1,000 crore¹, respectively. Upon completion of the sale and the proposed allotment of equity shares and warrants, the Buyers will hold ~ 73% of Nido on a fully-diluted basis. The Group aims to conclude the transaction by July 31, 2026, subject to requisite approvals.

ICRA has placed the long-term rating on watch with developing implications. The rating watch will be resolved upon completion of the transaction and the emergence of clarity regarding the company's growth strategy and business plans under new ownership.

The successful completion of the transaction will result in a primary capital infusion of about Rs.1,500 (of which Rs. 750 crore is contingent on the exercise of warrants) which would materially augment the company's capital position. With this Nido's net worth is expected to increase by about Rs. 750 crore upon completion of the first leg of the transaction and further by additional Rs. 750 crore depending on the exercise of warrants. The improved capital position would provide headroom for the company to scale up its operations which otherwise has reported muted AUM growth of 9% between March 2022 and

¹: including Rs. 750 crore payable upon exercise of the warrants during their tenure

December 2025 to Rs. 4,804 crore amid capital constraints and a focus on scaling operations through an asset light model.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers, their descriptions, liquidity position, rating sensitivities and key financial indicators: [Click here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Non-Banking Finance Companies (NBFCs)
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, 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

Nido Home Finance Limited (Nido) is a housing finance company registered with National Housing Bank. It was incorporated in FY2011 following the Group's strategy of creating a footprint in the affordable housing space. As a part of the Group's positioning exercise, the company was rechristened Nido Home Finance Limited (Formerly Edelweiss Housing Finance Limited) in May 2023. In the recent years, the company has realigned its strategy to focus on low ticket-sized home loans. Nido reported a net profit of Rs. 18 crore in 9M FY2026 compared to net profit of Rs. 9 crore in 9M FY2025. During FY2025, it reported net profit of Rs. 19 crore compared to Rs. 19 crore in FY2024. As on December 31, 2025, its capitalisation profile was characterised by a net worth of Rs. 847 crore, a gearing of 3.8 times and a capital adequacy ratio of 29.5%.

Edelweiss Financial Services Limited (parent)

Incorporated in 1995, Edelweiss Financial Services Limited 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 also 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 standalone provisional basis, EFSL reported a net profit of Rs. 285 crore in 9M FY2026 on total income of Rs. 700 crore compared to a loss in 9M FY2025. As on December 31, 2025, its capitalisation profile was characterised by a net worth of Rs. 5,896 crore and a gearing of 0.7 times.

Status of non-cooperation with previous CRA: Not Applicable

Any other information

- 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 portfolio sell-downs in the recent past. 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.

Rating history for past three years

Current (FY2026)				Chronology of rating history for the past 3 years							
Instrument	Type	Amount rated (Rs. crore)	Feb 18, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Subordinated debt	Long term	-	-	Dec 17, 2025	[ICRA]A+ (Stable); withdrawn	May 9, 2024	[ICRA]A+; Rating Watch with Negative Implications	Jun 22, 2023	[ICRA]A+ (Stable)	Jun 24, 2022	[ICRA]A+ (Stable)
				-	-	Jun 6, 2024	[ICRA]A+; Rating Watch with Negative Implications	Jun 30, 2023	[ICRA]A+ (Stable)	-	-
				-	-	Dec 24, 2024	[ICRA]A+ (Stable)	Dec 28, 2023	[ICRA]A+; Rating Watch with Negative Implications	-	-
Retail non-convertible debenture	Long term	1,006.99	[ICRA]A+; Rating Watch with Developing Implications	Dec 17, 2025	[ICRA]A+ (Stable)	May 9, 2024	[ICRA]A+; Rating Watch with Negative Implications	Jun 22, 2023	[ICRA]A+ (Stable)	Jun 24, 2022	[ICRA]A+ (Stable)
				-	-	Jun 6, 2024	[ICRA]A+; Rating Watch with Negative Implications	Jun 30, 2023	[ICRA]A+ (Stable)	-	-
				-	-	Dec 24, 2024	[ICRA]A+ (Stable)	Dec 28, 2023	[ICRA]A+; Rating Watch with Negative Implications	-	-
Non-convertible debenture	Long term	525.00	[ICRA]A+; Rating Watch	Dec 17, 2025	[ICRA]A+ (Stable)	May 9, 2024	[ICRA]A+; Rating Watch with	Jun 22, 2023	[ICRA]A+ (Stable)	Jun 24, 2022	[ICRA]A+ (Stable)

Current (FY2026)				Chronology of rating history for the past 3 years							
Instrument	Type	Amount rated (Rs. crore)	Feb 18, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
			with Developing Implications				Negative Implications				
						Jun 6, 2024	[ICRA]A+; Rating Watch with Negative Implications	Jun 30, 2023	[ICRA]A+ (Stable)	-	-
						Dec 24, 2024	[ICRA]A+ (Stable)	Dec 28, 2023	[ICRA]A+; Rating Watch with Negative Implications	-	-
Bank lines – Long-term fund-based others	Long term	2,215.00	[ICRA]A+; Rating Watch with Developing Implications	Dec 17, 2025	[ICRA]A+ (Stable)	May 9, 2024	[ICRA]A+; Rating Watch with Negative Implications	Jun 22, 2023	[ICRA]A+ (Stable)	Jun 24, 2022	[ICRA]A+ (Stable)
						Jun 6, 2024	[ICRA]A+; Rating Watch with Negative Implications	Jun 30, 2023	[ICRA]A+ (Stable)	-	-
						Dec 24, 2024	[ICRA]A+ (Stable)	Dec 28, 2023	[ICRA]A+; Rating Watch with Negative Implications	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Retail non-convertible debenture programme	Simple
Non-convertible debenture programme*	Simple
Bank Lines - Long term Fund based others	Simple

*Subject to change upon finalisation of the terms of issue

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
INE530L07210	Retail non-convertible debentures	Jul 19, 2016	9.57%	Jul 18, 2026	24.84	[ICRA]A+; Rating Watch with Developing Implications
INE530L07228	Retail non-convertible debentures	Jul 19, 2016	10.00%	Jul 18, 2026	349.21	[ICRA]A+; Rating Watch with Developing Implications
INE530L07236	Retail non-convertible debentures	Jul 19, 2016	Zero^	Jul 18, 2026	5.98	[ICRA]A+; Rating Watch with Developing Implications
INE530L07160	Non-convertible debentures	Apr 29, 2016	9.62%	Apr 29, 2026	25.00	[ICRA]A+; Rating Watch with Developing Implications
NA	Non-convertible debentures*	NA	NA	NA	500.00	[ICRA]A+; Rating Watch with Developing Implications
NA	Bank lines – Long-term fund-based others	NA	NA	NA	2215.00	[ICRA]A+; Rating Watch with Developing Implications
NA	Retail non-convertible debentures*	NA	NA	NA	565.13	[ICRA]A+; Rating Watch with Developing Implications
INE530L07533	Retail non-convertible debentures	Sep 15, 2023	9.20%	Sep 15, 2026	19.43	[ICRA]A+; Rating Watch with Developing Implications
INE530L07624	Retail non-convertible debentures	Sep 15, 2023	9.60%	Sep 15, 2026	10.25	[ICRA]A+; Rating Watch with Developing Implications
INE530L07616	Retail non-convertible	Sep 15,	Zero^	Sep 15,	1.72	[ICRA]A+; Rating Watch

ISIN	Instrument name	Date of issuance/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
	debentures	2023		2026		with Developing Implications
INE530L07608	Retail non-convertible debentures	Sep 15, 2023	9.67%	Sep 15, 2028	5.00	[ICRA]A+; Rating Watch with Developing Implications
INE530L07558	Retail non-convertible debentures	Sep 15, 2023	10.10%	Sep 15, 2028	15.88	[ICRA]A+; Rating Watch with Developing Implications
INE530L07566	Retail non-convertible debentures	Sep 15, 2023	Zero^	Sep 15, 2028	0.77	[ICRA]A+; Rating Watch with Developing Implications
INE530L07574	Retail non-convertible debentures	Sep 15, 2023	10.00%	Sep 15, 2033	2.51	[ICRA]A+; Rating Watch with Developing Implications
INE530L07590	Retail non-convertible debentures	Sep 15, 2023	10.45%	Sep 15, 2033	6.27	[ICRA]A+; Rating Watch with Developing Implications

Source: Company; ^Proposed to be listed

[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	Rated entity	
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%	
Nuvama Custodial Services Limited	51.00%	
Edel Finance Company Limited	100.00%	
Edelweiss Retail Finance Limited	100.00%#	
Edelweiss Securities and Investment Private Limited	100.00%	
EAAA Pte. Limited	100.00%	
Edelweiss International (Singapore) Pte. Limited	100.00%	
Edelgive Foundation	100.00%	

Company name	Ownership	Consolidation approach
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%	Limited consolidation
Zuno General Insurance Limited	100.00%	

Source: Edelweiss Financial Services Limited; * As on March 31, 2025; # Amalgamated into ECL Finance Limited on September 30, 2025

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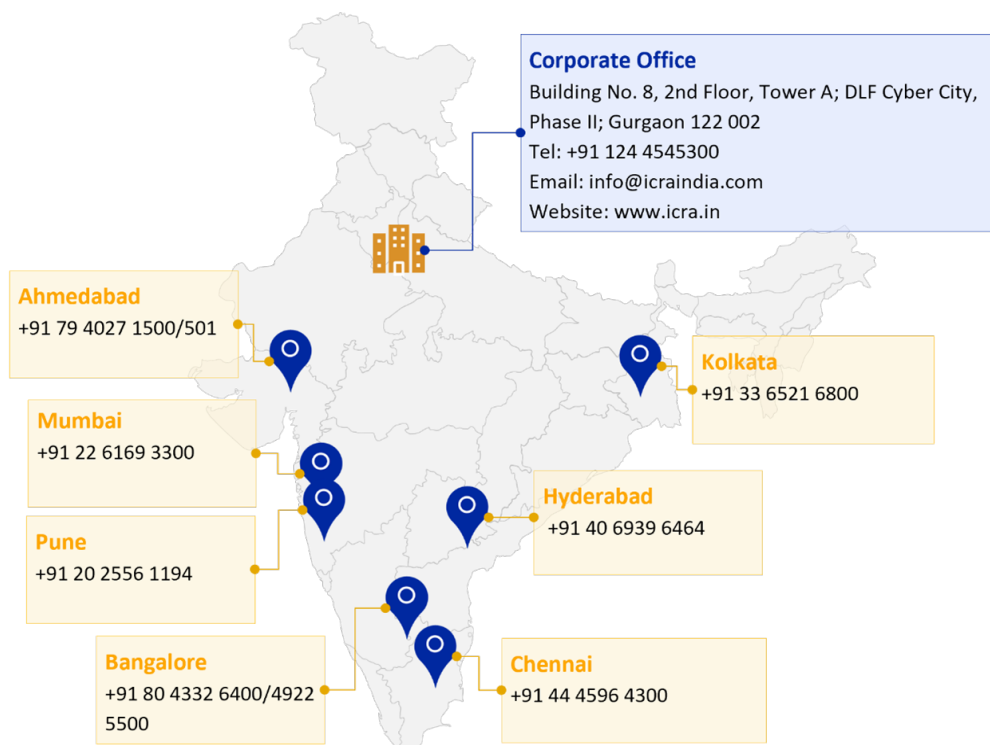


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Branches



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