

August 30, 2019

## Edelweiss Asset Reconstruction Company Limited: Commercial paper programme rating withdrawn

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial Paper Programme	2,000.00	0.00	[ICRA]A1+; withdrawn
Non-convertible Debenture Programme	2,500.00	2,500.00	[ICRA]A+ (Negative); outstanding
Non-convertible Debenture Programme	1,050.00	1,050.00	[ICRA]AA-(SO)** (Negative); outstanding
Long-term Principal Protected Market Linked Debenture Programme	250.00	250.00	PP-MLD [ICRA]AA-(SO)*** (Negative); outstanding
Bank Lines	500.00	500.00	[ICRA]A+ (Negative); outstanding
Long-term Principal Protected Market Linked Debenture Programme	500.00	500.00	PP-MLD [ICRA]AA- (SO)** (Negative); outstanding
<b>Total</b>	<b>6,800.0</b>	<b>4,800.0</b>	

\* Instrument details are provided in Annexure-1; \*\* The letters SO in parenthesis, suffixed to the rating symbol, stand for structured obligation. An SO rating is specific to the rated issue, its terms, and structure. SO ratings do not represent ICRA's opinion on the general credit quality of the issuers concerned. The SO rating for the non-convertible debentures (NCDs) and market linked debentures is based on the strength of an unconditional, irrevocable and continuing guarantee provided by Edelweiss Financial Services Limited (EFSL; guarantor); \*\*\* PP-MLD refers to the principal protected market linked debenture programme. According to the terms of the rated market linked debentures, the amount invested, that is 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ICRA has withdrawn the [ICRA]A1+ (pronounced ICRA A one plus) rating for the Rs. 2,000 crore commercial paper programme (CP) of Edelweiss Asset Reconstruction Company Limited (EARC). The rating is withdrawn as the said instrument has been fully redeemed by the company and there is no amount outstanding against the instrument. The rating is withdrawn at the request of the company and in accordance with ICRA's policy on withdrawal and suspension.

ICRA has taken a consolidated view of the Edelweiss Group, given the close linkages between the Group entities, common promoters and senior management team, shared brand name, and strong financial and operational synergies.

The rating reflects the increased vulnerability in the Edelweiss Group's wholesale lending book, with the heightened risk profile of the underlying assets, comprising real estate and structured debt transactions across sectors, and the consequent rise in stressed exposures. The rating also takes into account the increased challenges in resource mobilisation in the industry, given the current operating environment and the risk averse sentiment of investors towards non-banks, particularly wholesale-oriented entities. As on March 31, 2019, the Edelweiss Group, through Edelweiss Custodial Services Limited (ECdSL) and other Group companies, held a 74.81% stake in Edelweiss Asset Reconstruction Company Limited (EARC).

The ratings continue to factor in EARC's parentage, by virtue of being a part of the Edelweiss Group, the Group's diversified business profile, its demonstrated track record and established position as a diversified financial services provider. ICRA has also noted the company's strategic importance to the Group, the close linkages with the Group and the shared brand name. Moreover, ICRA expects EARC to continue to receive timely and adequate support from the parent. The ratings also factor in EARC's leading position in the asset reconstruction space, with assets under management (AUM) of Rs. 46,616 crore as on March 31, 2019 (Rs. 43,598 crore as on March 31, 2018), and its experienced management team.

The ratings are, however, constrained by the high-risk profile of the company's asset class, given its focus on large ticket exposures, its high leverage, the limited seasoning of the asset reconstruction industry and the challenges faced by the industry in continuously acquiring assets at reasonable prices. The company's ability to achieve timely resolution for and healthy recovery of its assets and improve its capital structure would remain important. The valuation of EARC's investments in security receipts (SRs) and its management fee are also governed by the recovery ratings of the SRs, which, in turn, are assigned by external credit rating agencies based on the recovery prospects of these SRs from the underlying assets. While the majority of EARC's SRs are rated 'RR1' or above, which indicates recovery prospects of  $\geq 100\%$  of the underlying investments, EARC may have to write down the value of its investments in case the recovery ratings were to get downgraded. This may adversely impact its net worth. In case the ultimate or the final recovery from the underlying stressed asset remains lower than its acquisition value, the loss may also become permanent. Further, the management fees for the assets acquired after August 2014 are linked to the lower end of the rating band or NAV, whichever is less. Therefore, a downgrade in the ratings would lead to a fall in the management fees. The Group has resolved certain large ticket assets in the recent past. Going forward, its ability to ensure timely and adequate resolution performance would remain a key monitorable.

The rating continues to factor in the Edelweiss Group's demonstrated track record and established position in the financial services industry as well as its diversified business profile with a healthy stream of fee & advisory income. The Group benefited from the scaling up of its credit business over the last few years, driven by its growing focus on retail lending, and the strong performance of its wealth and asset management businesses supported by the improved performance of the capital markets. However, these positives were partially offset by the credit and concentration risks in the Group's wholesale lending segments and the risks associated with the distressed assets business, given the focus on large ticket exposures. While the Group has hitherto been able to keep its reported asset quality under check (as a sizeable portion of the real estate book is under moratorium), its ability to maintain the same, given the likely build-up of stress in the wholesale lending book especially real estate and structured debt, will be important from a credit perspective. ICRA also considers the inherent risks associated with the distressed assets business, given the focus on large ticket exposures, along with the evolving nature of the industry and the exposure to volatility in capital markets. Although the Group has demonstrated its ability to maintain adequate reported asset quality, a prolonged slowdown in the real estate industry coupled with the liquidity crunch in the overall market could have an adverse impact on the same, going forward. The risks are, however, partly mitigated by the collateral cover maintained for such exposures coupled with the recent capital raise (Rs. 1,040 crore in May 2019 through compulsory convertible debentures (CCDs) in the first tranche from CDPQ Private Equity Asia Pte. Ltd), which would help reduce the overall leverage and provide some cushion to absorb losses, if any, on the lending book. The Group is also currently in the process of raising \$200 million (~Rs. 1,400 crore) in advisory business through stake sale of which \$75 million (~Rs. 525 crore) would be invested by US-based Kora Management subject to structuring-related milestones and regulatory approvals. In addition to this, Kora Management plans to make a further investment of \$50 million (~Rs. 350 crores) in Edelweiss Group, the timing and structuring of which is yet to be finalized. The Group also draws the advantage of in-house operations / execution team and distribution network which provides it with the ability to closely monitor and resolve assets should there be a requirement. The Group's healthy liquidity profile, at a consolidated level, and the shift in focus towards a more granular retail portfolio would help de-risk the portfolio and also provide comfort.

The Group's ability to scale up the new businesses, realise commensurate returns from its investments, improve its capitalisation profile and maintain a healthy asset quality, given the increased risk profile of the wholesale book, remains critical from a credit perspective going forward. Furthermore, the Group's ability to raise and diversify its borrowings and maintain a comfortable liquidity profile would be a credit sensitive factor.

## Outlook: Negative

The outlook on the long-term ratings is Negative on account of the heightened risk profile of the wholesale lending business, coupled with the challenging operating environment, which could impact the asset quality going forward. The outlook may be revised to Stable if the stress on the wholesale book subsides and the Group is able to maintain its asset quality and profitability levels. ICRA believes that EARC would continue to benefit from its parentage as it is a part of the Edelweiss Group. It should receive timely and adequate operational, managerial and financial support from the Group. The outlook may also be revised to Stable if there is a significant improvement in the Group's credit profile or a substantial and sustained improvement in the company's recoveries and profitability, leading to an improvement in its financial risk profile.

The ratings may be downgraded on a deterioration in the Group's credit profile or the company's resolution performance and profitability indicators or a sharp increase in the leverage indicators, thereby adversely affecting its financial risk profile. The ratings can also be downgraded in case of aggressive loan book growth, unrelated diversification and difficulty in resource mobilisation.

## Key rating drivers

### Credit strengths

**Corporate guarantee from EFSL and presence of payment mechanism** – The guarantee provided by EFSL would be unconditional, irrevocable and continuing, and would cover all obligations that may arise on the rated PP-MLDs. The payment mechanism is designed to ensure timely payments to investors, as per the terms of the transaction, either by the issuer or the guarantor.

**Strong parentage, being a part of Edelweiss Group** – The Edelweiss Group, through ECdSL and other Group companies, had a stake of 74.81% in EARC as on March 31, 2019. The Group has a diversified business profile, demonstrated track record and established position as a diversified financial services provider. The Group commenced operations in the capital markets related business and has established its position as a leading entity in the institutional equity broking and investment banking segments over the years. To diversify its revenue stream and reduce dependence on capital markets, the Group forayed into other segments like credit (wholesale lending in FY2006 and retail lending in FY2011), distressed assets (FY2010), and life insurance (FY2012). With the scaling up of the credit business, the net interest income has emerged as a key revenue driver, accounting for 29% of the operating income in FY2019. The Group also draws the advantage of a healthy fee and advisory income of Rs. 2,133 crore, which accounted for 35% of the operating income in FY2019.

**Strong linkages with parent** – The Edelweiss Group's entities, including EARC, have close linkages in the form of common promoters and senior management teams, a shared brand name, and strong financial and operational synergies. The asset reconstruction business is strategically important to the Group, as is evidenced by the increase in the Group's stake in EARC to 74.81% as on March 31, 2019 from 47.41% as of March 31, 2016.

**Leading position in asset reconstruction industry** – The Group forayed into the distressed assets business in 2008 and obtained an asset reconstruction company (ARC) licence in 2009. The operations expanded from FY2014 with increasing opportunities in the market. The Group has successfully ramped up the scale of operations with EARC emerging as the

largest player in the asset reconstruction business in India with AUM of Rs. 46,616 crore as on March 31, 2019, up from Rs. 9,245 crore as on March 31, 2014. As on March 31, 2019, EARC had acquired financial assets from ~62 banks and financial institutions and had gross investments of ~Rs. 53,976 crore. This includes cash deployment of ~Rs. 7,614 crore and SRs subscribed by seller banks and financial institutions of ~Rs. 46,362 crore. ICRA takes comfort from EARC's experienced management team with a major part of the team with the company since inception.

## Credit challenges

**Exposed to risks inherent in distressed assets space** – The company focusses on the large single borrower segment, an asset class with a high-risk profile on account of its complexity, higher ticket size as well as the high degree of engagement with promoters. The risks inherent in distressed assets, coupled with the company's strategy of focussing on resolution through the revival of operations and debt restriction, can lead to a protracted process. Given the lumpy nature of these assets, the inability to achieve resolution as per expectations, in terms of amount recovered as well as timelines, can have a bearing on EARC's financial profile. EARC's NPA acquisitions from banks also increased significantly to Rs. 1,11,573 crore as of March 31, 2019 from Rs. 15,884 crore as on March 31, 2014. The company's recoveries in FY2019 were Rs. 7,019 crore on the back of the resolution of a large account compared to Rs. 2,574 crore in FY2018. EARC's ability to achieve timely resolution and commensurate returns remains critical.

**Valuation of investments, profitability and net worth susceptible to changes in recovery ratings** – The valuation of EARC's investments in SRs and its management fee are also governed by the recovery ratings of the SRs, which, in turn, are assigned by external credit rating agencies based on the recovery prospects of these SRs from the underlying assets. While the majority of EARC's SRs are rated 'RR1' or above, which indicates recovery prospects of  $\geq 100\%$  of the underlying investments, EARC may have to write down the value of its investments in case the recovery ratings were to get downgraded. This may adversely impact its net worth. In case the ultimate or final recovery from the underlying stressed asset remains lower than its acquisition value, the loss may also become permanent. Further, the management fees for the assets acquired after August 2014 are linked to the lower end of the rating band or NAV, whichever is less. Therefore, a downgrade in the ratings would lead to a fall in the management fees.

**High gearing levels** – EARC's leverage ratio was 2.79 times (Ind AS) as on March 31, 2019 compared to 3.57 times (Ind AS) as on March 31, 2018 which was on the higher side compared to its peers. Net worth/AUM was lower at 3.7% as of March 31, 2019 (2.7% as on March 31, 2018). The leverage is high, particularly given the inherent risk profile of assets. However, the company has a demonstrated track record of raising capital, which provides some comfort. For instance, in October 2016, the Edelweiss Group entered into a partnership with Caisse de Dépôt et Placement du Québec (CDPQ), the second-largest pension fund in Canada. CDPQ has infused Rs. 500-crore equity into the company in the form of compulsorily convertible preference shares (CCPS). In due course, upon conversion of these preference shares into equity, the Edelweiss Group's shareholding in EARC will reduce and stabilise at 60%, on a fully diluted basis, with CDPQ expected to have a 20% stake in EARC. Additionally, CDPQ has committed to invest Rs. 4,500 crore in distressed assets through SRs and other instruments. This infusion is expected to meet the capital requirement of the business over the near to medium term. ICRA also expects the Edelweiss Group to provide capital support to EARC, if required, to scale up its operations over the next few years.

**Limited seasoning of industry with challenges in acquiring assets at reasonable prices** – In ICRA's view, the seasoning of the asset reconstruction industry remains limited. Also, the ability of the ARCs to judiciously acquire new assets while maintaining a comfortable capital structure and competitive cost of borrowings remains a key rating sensitivity. In ICRA's view, any delay or inability to resolve delinquent assets could impact the company's profitability and liquidity profile and will remain a key rating monitorable. However, recent changes like the Insolvency and Bankruptcy Code (IBC) are expected to speed up the resolution process, going forward.

**Ability to scale up AUM at competitive costs while maintaining healthy capitalisation profile** – The change in the Reserve Bank of India’s guidelines for the sale of stressed assets can lead to an increase in the provisioning requirement for banks and can thus result in disincentivising the SR route of selling assets to ARCs. The impact on long-standing NPAs with an existing high provisioning cover would be lower. While this would facilitate more efficient price discovery for assets, the upfront capital requirement for the ARCs would be higher, given the expected shift to the cash mode from the SR mode of asset acquisition. Going forward, the ability of ARCs to judiciously acquire new assets and resolve them while maintaining a comfortable capital structure and competitive cost of borrowings remains a key rating sensitivity.

## Liquidity position

Liquidity is adequate. As per the information provided by the Edelweiss Group, the liquidity cushion stood at ~Rs. 3,500 crore as on July 31, 2019, including committed but undrawn bank lines of ~Rs. 1,400 crore. The Group has debt obligations (principal and interest) of ~Rs. 7,400 crore from July 31, 2019 till December 31, 2019 against which the total expected inflows (asset EMIs and repayments) are ~Rs. 3,500 crore. The Group also has the option of liquidating its ESOP/LAS book, treasury book and others of Rs. 5,600 crore, if needed. The Group has adequate liquidity in relation to its near-term debt repayment obligations. It has demonstrated its ability to raise funds at regular intervals.

## Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA’s Credit Rating Methodology for Non-Banking Finance Companies</a> <a href="#">Approach for rating debt instruments backed by third-party explicit support</a> <a href="#">ICRA’s Policy on Withdrawal and Suspension of Credit Rating</a>
Parent/Group Support	ICRA expects EFSL, the ultimate parent of EARC, to provide financial support to the company, given the close linkages between the Group entities, common promoters and senior management team, shared brand name, and strong financial and operational synergies. The SO rating for the NCDs and market linked debentures is based on the strength of an unconditional, irrevocable and continuing guarantee provided by EFSL.
Consolidation/Standalone	To arrive at the ratings, ICRA has considered the standalone financial risk profile of EARC. ICRA has also considered the consolidated financials of EFSL. Please see Annexure 2 to view the list of companies considered for consolidation.

## About the company

Edelweiss Asset Reconstruction Company Limited (EARC) was incorporated in September 2009 by the Edelweiss Group, in partnership with a group of high net worth individual (HNI) investors. The Edelweiss Group, through ECdSL and other Group companies, held a 74.81% stake as on March 31, 2018 in EARC, up from 47.41% as on March 31, 2016, while the remaining stake is held by other investors. EARC has emerged as the largest ARC in the country with AUM of Rs. 46,616 crore as on March 31, 2019. The company operates fully in the large corporate segment, which is perceived to be risky on account of its complexity, higher ticket size, as well as the high degree of engagement with promoters and bankers. During the year ended March 31, 2019, the company forayed into retail segment and acquired a pool of mortgage assets from one of the housing finance company. EARC reported a net profit of Rs. 435 crore (Ind AS) in FY2019 compared to a net profit of Rs. 180 crore in FY2018. The company’s net worth was Rs. 1,735 crore as on March 31, 2019 compared to Rs. 1,159 crore as on March 31, 2018.

### Edelweiss Financial Services Limited

Edelweiss Financial Services Ltd (EFSL), the holding company of the Edelweiss Group of companies, was incorporated in 1995 by first-generation entrepreneurs to offer investment banking services primarily to technology companies. At present, the Edelweiss Group is engaged in wholesale and retail financing, distressed assets resolution, commodity financing, corporate debt syndication and debt restructuring, institutional and retail equity broking, corporate finance advisory, wealth advisory and asset management. The Group forayed into housing finance in FY2011, life insurance in FY2012 and general insurance in FY2018.

### Key financial indicators (IndAS - consolidated for EFSL)

	FY2018	FY2019	1QFY2020 (unaudited)
Total Income (Gross)	8,921	10,878	2,546
Profit after Tax	863	995	132
Net Worth*	7,826	8,715	8,804
Loan Book**	42,010	43,510	42,599
Total Assets	63,487	64,543	63,978
Return on Total Assets@	1.3%	1.6%	0.8%^
Return on Total Equity*,@	10.70%	11.98%	6.11^
Gross NPA	1.75%	1.87%	2.33%
Net NPA	0.70%	0.83%	1.24%
Stage 3 assets/Loans at amortised cost	2.21%	3.42%	NA
Capital Adequacy Ratio	17%	18%	19%
Gearing*,\$	6.14	5.19	4.64#

Source: Company, ICRA research, \*Net worth includes minority interest and insurance, \*\*Includes distressed credit book, @based on net profit attributable to owners and minority interest, \$ Gearing as of March 31, 2018 and March 31, 2019 includes interest accrued as per INDAS. Gearing as of June 30, 2019 is based on borrowings excluding interest accrued and CBLO. ^annualised ratios #excluding insurance net worth gearing is 5.24 times as of June 30, 2019

Amount in Rs. crore

### Key financial indicators (IndAS - EARC)

	FY2018	FY2019
Total revenue from operations	769	1,367
Profit after Tax	180	435
Net Worth	1,159	1,735
Assets Under Management	43,598	46,616
Total Assets	5,477	6,840
Return on Total Assets@	3.3%	6.4%
Total Capital ratio	21.24%	25.58%
Gearing*	3.57	2.79

Source: Company, ICRA research, @profit after tax/total assets, \*Gearing includes ICD borrowings

Amount in Rs. crore

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

**Any other information: None**

**Rating history for last three years**

Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Current Rating (FY2020) Date & Rating			Chronology of Rating History for the Past 3 Years						
				Aug-19	June-19	Apr-19	FY2019		FY2018		FY2017		
							Sep-18	Jul-18	Jan-18	Dec-17	Sep-17	Mar-17	Jun-16
1 Non-convertible Debenture	Long term	2,000.00	Nil	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]AA- (Negative)	[ICRA]AA- (stable)	-	-	-	-	-	-
2 Commercial Paper Programme	Short term	2,000.00	NA	[ICRA]A1+; withdrawn	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	-	-
3 Non-convertible Debenture	Long term	1,050.00	741.00	[ICRA]AA- (SO) (Negative)	[ICRA]AA- (SO) (Negative)	[ICRA]AA (SO) (Negative)	[ICRA]AA (SO) (stable)	[ICRA]AA (SO) (stable)	[ICRA]AA (SO) (stable)	[ICRA]AA (SO) (stable)	[ICRA]AA (SO) (stable)	[ICRA]AA (SO) (stable)	[ICRA]AA (SO) (stable)
4 Long term Principal Protected Market Linked Debenture	Long term	250.00	0.00	PP-MLD [ICRA]AA- (SO) (Negative)	PP-MLD [ICRA]AA- (SO) (Negative)	PP-MLD [ICRA]AA(SO) (Negative)	PP-MLD [ICRA]AA(SO) (stable)	PP-MLD [ICRA]AA(SO) (stable)	PP-MLD [ICRA]AA(SO) (stable)	PP-MLD [ICRA]AA(SO) (stable)	PP-MLD [ICRA]AA(SO) (stable)	PP-MLD [ICRA]AA(SO) (stable)	PP-MLD [ICRA]AA(SO) (stable)
5 Non-convertible Debenture	Long term	500.00	0.00	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]AA- (Negative)	[ICRA]AA- (stable)	[ICRA]AA- (stable)	[ICRA]AA- (stable)	[ICRA]AA- (stable)	[ICRA]AA- (stable)	[ICRA]AA- (stable)	-

Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Current Rating (FY2020) Date & Rating				Chronology of Rating History for the Past 3 Years					
				Aug-19	June-19	Apr-19	Sep-18	FY2019		FY2018		FY2017	
								Jul-18	Jan-18	Dec-17	Sep-17	Mar-17	Jun-16
6	Bank Lines	500.00	0.00	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]AA- (Negative)	[ICRA]AA- (stable)	[ICRA]AA- (stable)	[ICRA]AA- (stable)	[ICRA]AA- (stable)	[ICRA]AA- (stable)	[ICRA]AA- (stable)	-
7	Long term Principal Protected Market Linked Debenture	500.00	0.00	PP-MLD [ICRA]AA- (SO) (Negative)	PP-MLD [ICRA]AA- (SO) (Negative)	PP-MLD [ICRA]AA(SO) (Negative)	PP-MLD [ICRA]AA(SO) (stable)	PP-MLD [ICRA]AA(SO) (stable)	PP-MLD [ICRA]AA(SO) (stable) confirmed as final	Provisional PP-MLD [ICRA]AA(SO) (stable)	Provisional PP-MLD [ICRA]AA(SO) (stable)	-	-

### Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

## Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE015L07113	Non-convertible Debenture	13-Jun-16	NA (Zero Coupon Bond)	3-Sep-19	35.00	[ICRA]AA- (SO) (Negative)
INE015L07121	Non-convertible Debenture	14-Jun-16	10.00%	14-Jun-21	7.00	[ICRA]AA- (SO) (Negative)
INE015L07147	Non-convertible Debenture	16-Jun-16	10.75%	14-Jun-19	100.00	[ICRA]AA- (SO) (Negative)
INE015L07295	Non-convertible Debenture	7-Jul-16	10.75%	5-Jul-19	25.00	[ICRA]AA- (SO) (Negative)
INE015L07345	Non-convertible Debenture	14-Jul-16	10.75%	14-Jun-19	30.00	[ICRA]AA- (SO) (Negative)
INE015L07352	Non-convertible Debenture	15-Jul-16	10.75%	15-Jul-19	200.00	[ICRA]AA- (SO) (Negative)
INE015L07451	Non-convertible Debenture	23-Mar-17	NA (Zero Coupon)	12-May-20	18.00	[ICRA]AA- (SO) (Negative)
INE015L07261	Non-convertible Debenture	1-Jul-16	10.00%	26-Jun-26	18.5	[ICRA]AA- (SO) (Negative)
INE015L07279	Non-convertible Debenture	4-Jul-16	10.00%	29-Jun-26	5	[ICRA]AA- (SO) (Negative)
INE015L07287	Non-convertible Debenture	5-Jul-16	10.50%	6-Jul-21	25	[ICRA]AA- (SO) (Negative)
INE015L07444	Non-convertible Debenture	25-Jul-16	Reset Rate	25-Jul-19	200	[ICRA]AA- (SO) (Negative)
INE015L07485	Non-convertible Debenture	18-Apr-17	NA (Zero Coupon)	12-May-20	12.5	[ICRA]AA- (SO) (Negative)
INE015L07550	Non-convertible Debenture	12-Sep-17	8.85%	11-Sep-24	60	[ICRA]AA- (SO) (Negative)
	Non-convertible Debenture – Proposed	NA	NA	NA	309.00	[ICRA]AA- (SO) (Negative)
	Market Linked Debenture – Proposed	NA	NA	NA	250.00	PP-MLD [ICRA]AA- (SO) (Negative)
	Market Linked Debenture – Proposed	NA	NA	NA	500.00	PP-MLD [ICRA]AA- (SO) (Negative)
	Non-convertible Debenture – Proposed	NA	NA	NA	2,500.00	[ICRA]A+ (Negative)
	Proposed Bank Lines	NA	NA	NA	500.00	[ICRA]A+ (Negative)
	Commercial Paper Programme	-	-	7-365 days	2,000.00	[ICRA]A1+; withdrawn

Source: EARC

## Annexure-2: List of entities considered for consolidated analysis

The subsidiaries and associates considered in the consolidated financial statements as of March 31, 2019:

Company Name	Ownership	Consolidation Approach
<b>Subsidiaries</b>		
Edelweiss Securities Limited	100.00%	Full Consolidation
Edelweiss Finance & Investments Limited	100.00%	Full Consolidation
ECL Finance Limited	100.00%	Full Consolidation
Edelweiss Global Wealth Management Limited	100.00%	Full Consolidation
Edelweiss Insurance Brokers Limited	100.00%	Full Consolidation
Edelweiss Trustee Services Limited	100.00%	Full Consolidation
Edelcap Securities Limited	100.00%	Full Consolidation
Edelweiss Asset Management Limited	100.00%	Full Consolidation
Ecap Equities Limited	100.00%	Full Consolidation
Edelweiss Broking Limited	100.00%	Full Consolidation
Edelweiss Trusteeship Company Limited	100.00%	Full Consolidation
Edelweiss Housing Finance Limited	100.00%	Full Consolidation
Edelweiss Investment Adviser Limited	100.00%	Full Consolidation
EC Commodity Limited	100.00%	Full Consolidation
Edel Land Limited	100.00%	Full Consolidation
Edelweiss Custodial Services Limited	100.00%	Full Consolidation
Edel Investments Limited	100.00%	Full Consolidation
Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited (ECSL))	100.00%	Full Consolidation
Edel Comtrade Limited	100.00%	Full Consolidation
Edel Finance Company Limited	100.00%	Full Consolidation
Edelweiss Retail Finance Limited	100.00%	Full Consolidation
Edelweiss Multi Strategy Fund Advisors LLP	100.00%	Full Consolidation
Edelweiss Resolution Advisors LLP (formerly known as Edelweiss Wealth Advisors LLP)	100.00%	Full Consolidation
Edelweiss Holdings Limited	100.00%	Full Consolidation
Edelweiss General Insurance Company Limited	100.00%	Full Consolidation
Edelweiss Finvest Private Limited	100.00%	Full Consolidation
Edelweiss Securities (IFSC) Limited	100.00%	Full Consolidation
Alternative Investment Market Advisors Private Limited	100.00%	Full Consolidation
Edelweiss Securities Trading and Management Private Limited (formerly known as Dhalia Commodities Services Private Limited)	100.00%	Full Consolidation
Edelweiss Securities and Investment Private Limited (formerly known as Magnolia commodities Services Private Limited)	100.00%	Full Consolidation
Edelweiss Securities (Hong Kong) Private Limited	100.00%	Full Consolidation
EC Global Limited	100.00%	Full Consolidation
EC International Limited	100.00%	Full Consolidation

<b>Company Name</b>	<b>Ownership</b>	<b>Consolidation Approach</b>
EAAA LLC	100.00%	Full Consolidation
EFSL International Limited	100.00%	Full Consolidation
Edelweiss Capital (Singapore) Pte. Limited	100.00%	Full Consolidation
Edelweiss Alternative Asset Advisors Pte. Limited	100.00%	Full Consolidation
Edelweiss International (Singapore) Pte. Limited	100.00%	Full Consolidation
Edelweiss Investment Advisors Private Limited	100.00%	Full Consolidation
Aster Commodities DMCC	100.00%	Full Consolidation
Edelweiss Financial Services (UK) Limited	100.00%	Full Consolidation
Edelweiss Financial Services Inc	100.00%	Full Consolidation
Edelweiss Alternative Asset Advisors Limited	95.00%	Full Consolidation
EW Clover Scheme - 1	100.00%	Full Consolidation
Edelvalue Foundation	100.00%	Full Consolidation
Edelgive Foundation	100.00%	Full Consolidation
Lichen Metal Private Limited	100.00%	Full Consolidation
EW India Special Assets Advisors LLC	90.00%	Full Consolidation
Edelweiss Private Equity Tech Fund	88.90%	Full Consolidation
Edelweiss Value and Growth Fund	88.90%	Full Consolidation
Edelweiss Asset Reconstruction Company Limited	74.80%	Full Consolidation
EW Special Opportunities Advisors LLC	67.00%	Full Consolidation
Edelweiss Tokio Life Insurance Company Limited	51.00%	Full Consolidation
Allium Finance Private Limited	70.00%	Full Consolidation
Retra Ventures Private Limited	70.00%	Full Consolidation

Source: Edelweiss Financial Services Limited

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