

February 13, 2025

Hasham Traders: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term bank lines – Term loans	2,000.00	2,000.00	[ICRA]AAA (Stable); reaffirmed
Total	2,000.00	2,000.00	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation factors in Hasham Traders' (Hasham) status as one of the key principal holding entities of Wipro Limited {Wipro; rated [ICRA]AAA (Stable)}. It held a 16.89% stake in Wipro (overall promoter stake of 72.75%) as on December 31, 2024. Wipro's market capitalisation stood at Rs. 3.27 lakh crore, corresponding to a market value of ~Rs. 55,170 crore for Hasham's investment in the company as on January 31, 2025. In addition to its investment in Wipro, the firm has other listed and unlisted equity investments across various sectors in domestic and overseas companies directly and through investments in alternative investment funds (AIFs). Apart from Hasham, various other holding entities in Wipro's promoter group make similar investments. The book value of Hasham's investments (including AIFs sponsored by the promoter group and excluding Wipro) stood at Rs. 14,458 crore as on September 30, 2024.

The rated debt is for funding certain overseas equity investments made by Hasham. The leverage on the amount of debt was 0.02 times as on December 31, 2024 against the market value of the firm's holding in Wipro. The overall external debt across all promoter group entities for onward investments remains limited, providing strong financial flexibility to Hasham as well as the promoter group. The firm's earnings profile and cash flows are supported by dividend income and buybacks from Wipro apart from the gain on exit from investments.

Going forward, while income from capital gains on investments may remain opportunistic and could lead to volatility in income and profitability, Hasham's future investments are likely to be largely met through its exit from existing investments. Further, its liquidity is supported by its shareholding in Wipro.

ICRA takes note of Hasham's constitution as a partnership firm and hence the risk of capital withdrawal by the partners.

The Stable outlook reflects ICRA's expectation that Hasham will continue to receive support (managerial, operational and financial) from the Premji Group. It also reflects ICRA's expectation that the firm will maintain adequate earnings and market debt cover.

Key rating drivers and their description

Credit strengths

Strong financial flexibility as one of the key holding entities of Wipro – Hasham has been a part of the Premji Group since 1974 with Mr. Azim Hasham Premji and Mr. Rishad Azim Premji as partners. It is one of the key promoter entities of Wipro with a 16.89% stake as on December 31, 2024, which has remained stable. The market value of Hasham's investment stood at ~Rs. 55,170 crore as on January 31, 2025 with the total market value of the promoter group in Wipro at Rs. 3.27 lakh crore. As one of the key holding entities of the Group and given the market value of its investment in Wipro, Hasham enjoys strong financial flexibility.

Apart from its investment in Wipro's shares, Hasham has other listed and unlisted equity investments across various sectors in domestic and overseas companies directly and through investments in AIFs. The book value of its investments (including

AIFs sponsored by the promoter group and excluding Wipro) stood at Rs. 14,458 crore as on September 30, 2024. These investments are also spread across the lifecycle of the investee companies and the investment horizon could span 3-7 years.

Strong credit profile of Wipro, the principal contributor of dividend income – Wipro is one of the leading information technology (IT) services companies in India with revenues of ~Rs. 89,760 crore and net profit of Rs. 11,135 crore in FY2024. Its financial profile remains strong, as reflected by its healthy operating profit margin, robust debt protection metrics, healthy cash accruals, negative net debt position and superior liquidity profile. Hasham receives significant cash flow through dividend income and buybacks from Wipro. It received dividend income of Rs. 946 crore during FY2020-H1 FY2025. In addition, the buybacks resulted in a gain of ~Rs. 4,038 crore during FY2020-H1 FY2025 for Hasham. Further, the firm received dividend income of Rs. 1,061 crore from Wipro in January 2025.

Modest leverage plans – Hasham has primarily funded its investments through internally generated inflows received from dividends and through the buyback of Wipro's shares in the past few years. The debt raised by the firm remains modest and is for funding certain overseas equity investments made by the Group. Hasham generated cash inflow from the exit of certain investments, which was used to partly prepay its debt in FY2024. Further, on-balance sheet liquidity, along with the capital infusion by partners, was utilised to meet the repayment obligations in 9M FY2025. Debt stood at 0.02 times as on December 31, 2024 against the market value of Hasham's holding in Wipro. The overall external debt across all the promoter group entities remains limited. Further, the borrowings across the promoter group entities are unlikely to increase materially, thereby providing strong financial flexibility to Hasham as well as the promoter group.

Credit challenges

Profitability and cash flows could be volatile, depending on monetisation of investments – Hasham is an investment firm, which is dependent on the dividend flow from its key investee company – Wipro. Further, income from capital gains on other investments (excluding Wipro) may remain opportunistic, which could lead to volatility in income and profitability. The cash flow is dependent on the monetisation of investments, which may depend on the changing market, business and industry dynamics. ICRA draws comfort from the sizeable investment in Wipro, a small part of which can be liquidated if needed.

Constitution as partnership firm and risk of capital withdrawal – ICRA notes that Hasham is a partnership firm and significant withdrawals from the capital account by the partners could impact its net worth and capital structure. Net capital infusions stood at Rs. 662 crore and Rs. 441 crore in FY2024 and FY2023, respectively (after withdrawal of Rs. 2,469 crore and Rs. 904 crore in FY2024 and FY2023, respectively).

Liquidity position: Superior

Hasham had cash and liquid investments of Rs. 548 crore, as on December 31, 2024, to service the total scheduled interest payments of Rs. 48 crore till June 2025. The next principal repayment for the borrowings is due in March 2027. Its liquidity is supported by the market value of the listed share investments including Wipro's shares. Further, the investment in listed securities through group AIFs (book value of Rs. 4,228 crore as on September 30, 2024) supports the liquidity.

Rating sensitivities

Positive factors – Not applicable

Negative factors – The rating could be downgraded if the market value of Hasham's unencumbered equity shares in listed companies goes below 10 times of its external debt (excluding debt from Group companies) on a sustained basis. It could also be downgraded on a deterioration in Wipro's credit profile or a material decline in the promoter shareholding in Wipro.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Investment Companies
Parent/Group support	NA
Consolidation/Standalone	The rating is based on the standalone financial statements of the firm

About the company

Hasham is a part of the promoter group of Wipro Limited and currently holds a 16.89% stake in Wipro. The firm's partners are Mr. Azim Hasham Premji, Mr. Rishad Azim Premji, M/s. Apex Trust, represented by its trustee – M/s Azim Premji Trust Services Pvt Ltd, and Mr. Srinivasan Pagalthivarti. The partner's capital stood at Rs. 13,066 crore as on March 31, 2024 against Rs. 9,934 crore as on March 31, 2023. The firm reported a profit after tax (PAT) of Rs. 2,470 crore in FY2024 compared to Rs. 705 crore in FY2023.

Key financial indicators

Hasham Traders	FY2023	FY2024	H1 FY2025 [#]
Total income	1,126	2,796	2
Profit after tax	705	2,470	(65)
Total managed assets [^]	11,927	14,683	15,558
Return on managed assets	6.2%	18.6%	(0.9%)
Reported gearing (times)	0.2	0.1	0.1
Total debt	1,926	1,440	1,450
Market value of quoted investments	33,940	42,441	55,170*
Market cap/Debt cover	17.6	29.5	34.4
Gross stage 3	NA	NA	NA
CRAR	NA	NA	NA

Source: ICRA Research; Amount in Rs. crore; [#]Provisional; [^]Book value

*Market value as on January 31, 2025 (BSE)

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2025)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Feb 13, 2025	FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating
Long-term bank lines – Term loans	Long term	2,000.00	[ICRA]AAA (Stable)	Mar-13-2024	[ICRA]AAA (Stable)	Feb-28-2023	[ICRA]AAA (Stable)	Dec-31-2021	[ICRA]AAA (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term bank lines – Term loans	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	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan-I	Nov-21-2022	Repo linked	Nov-21-2027	300.00	[ICRA]AAA (Stable)
	Term loan-II	Mar-23-2022	Repo linked	Mar-23-2027	215.88	[ICRA]AAA (Stable)
	Term loan-III	Mar-23-2022	Repo linked	Mar-23-2027	375.87	[ICRA]AAA (Stable)
	Term loan- IV	Mar-23-2022	Repo linked	Mar-23-2027	221.00	[ICRA]AAA (Stable)
NA	Proposed term loan – Unallocated	-	-	NA	887.25	[ICRA]AAA (Stable)

Source: Hasham; Data as on January 31, 2025

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

Annexure II: List of entities considered for consolidated analysis

Not applicable

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Branches



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