

August 30, 2019 <sup>Revised</sup>

## Edelweiss Housing Finance Limited: Commercial Paper Programme rating withdrawn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Commercial Paper Programme	1,000.00	0.00	[ICRA]A1+; withdrawn
Non-Convertible Debenture	1000.00	1,000.00	[ICRA]AA-(negative); outstanding
Bank Lines	4,000.00	4,000.00	[ICRA]AA-(negative); outstanding
Non-Convertible Debenture Programme	960.00	960.00	[ICRA]AA-(negative); outstanding
Subordinated Debt Programme	300.00	300.00	[ICRA]AA-(negative); outstanding
Retail Non-Convertible Debenture Programme	500.00	500.00	[ICRA]AA-(negative); outstanding
<b>Total</b>	<b>7,760.00</b>	<b>6,760.00</b>	

\* Instrument details are provided in Annexure-1

### Rationale

ICRA has withdrawn the [ICRA]A1+ (pronounced ICRA A one plus) rating for the Rs. 1,000 crore commercial paper programme (CP) of Edelweiss Housing Finance Limited (EHFL). The rating is withdrawn as the said instrument has been fully redeemed by the company and there is no amount outstanding against the instrument. The rating is withdrawn at the request of the company and in accordance with ICRA's policy on withdrawal and suspension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 largely untested nature of the book (given the principal moratorium and bullet repayment structure in a significant quantum of the loans) and the constrained financial flexibility of the underlying borrowers due to a slowdown in their core operations and their leveraged capital structure further adds to the concerns regarding the wholesale book. Given the current operating environment and the risk averse sentiment of investors towards non-banks, particularly wholesale-oriented entities, the ability of non-banks to mobilise resources at adequate rates is expected to remain constrained over the near to medium term. 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, which would help reduce the overall leverage and provide some cushion to absorb losses, if any, on the lending book. 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 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.

The rating also factors in the relative drag on the consolidated profitability level as the Group continues to incubate new businesses and incurs attendant costs, given the early stage of operations of some of its ventures. Further, the cost of funds for many entities in the financial services segment has increased since H2 FY2019. This is due to risk aversion and reduction in the usage of commercial papers as a funding source over the last few months as the companies worked on improving their asset liability profiles. While the Group has been able to pass on the increase in funding costs to the borrowers, the asset quality remains under watch, given the profile of the borrowers. ICRA notes that the Group's overall leverage levels have been high, compared to peers, driven by the sharp growth in the portfolio. However, its demonstrated ability to raise equity at regular intervals provides comfort. For instance, the Group raised Rs. 1,040 crore in May 2019 through CCDs from CDPQ Private Equity Asia Pte. Ltd. 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. Further, the Group's resource profile remains diversified, given its ability to raise funds from banks and capital markets and considering its adequate liquidity cushion (~7-8% of total borrowings, including undrawn bank lines). ICRA also notes the Group's endeavour to simplify the structure by reducing the number of subsidiaries and associates, which should help improve access to equity and debt going forward.

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 rating 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. The ratings may be downgraded in case of a deterioration in the asset quality of the credit book or the profitability indicators or a sharp increase in the leverage indicators. The ratings can also be downgraded in case of aggressive loan book growth, unrelated diversification and difficulty in resource mobilisation.

## Credit strengths

**Diversified revenue stream with presence in credit and non-credit segments** – The Edelweiss Group is a diversified financial services player engaged in the credit, capital markets and other advisory businesses. 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 presence in investment banking and institutional equity broking; asset and wealth management also increasing in scale** – The Edelweiss Group continues to hold a leading position in the investment banking and institutional equity businesses. With a total average daily volume of ~Rs. 15,200 crore in FY2019 (retail and institutional), it is among the leading institutional broking entities in the country. The other capital markets related businesses include proprietary trading and investments and wealth and asset management. The Group offers wealth management advisory services to its high net worth clients with assets under advice of Rs. 1,06,600 crore as on June 30, 2019 compared to Rs. 1,06,000 crore as on March 31, 2019 and Rs. 90,100 crore as on March 31, 2018. The Group is also engaged in asset management with a special focus on alternative assets. The funds under management (asset management) stood at Rs. 35,300 crore as of June 30, 2019 compared to Rs. 35,800 crore as on March 31, 2019 and Rs. 28,300 crore as on March 31, 2018.

**Established track record in lending business** – Over the years, the credit business has emerged as the key revenue and profit driver for the Group, which was traditionally a capital markets player. At a consolidated level, the credit book (including distressed credit) has ramped up significantly over the years to Rs. 43,510 crore as of March 31, 2019 from Rs. 15,036 crore as of March 31, 2015, registering a compound annual growth rate (CAGR) of ~30%. The loan book growth moderated to 4% YoY in FY2019, given the issues pertaining to the availability of capital as well as the reduced risk appetite of the Group, which led to a slowdown in wholesale lending. The credit book, including distressed credit, stood at Rs. 42,599 crore as of June 30, 2019. The wholesale portfolio constituted 40% of the credit portfolio as on June 30, 2019, primarily comprising structured collateralised credit (13% of the overall loan book) extended to promoters and corporates and real estate financing (27%). However, the share of retail loans has been increasing over the years, given the Group's focus on the granular retail portfolio, and stood at 40% of the credit portfolio as of June 30, 2019 (42% as of March 31, 2019, 39% as of March 31, 2018 and 32% as of March 31, 2017). Going forward, the Group would focus on growing its retail portfolio with an increasing focus on small and medium enterprises (SME) and retail mortgage. Furthermore, the group plans to utilise fund structure for fresh disbursements in the wholesale segment, which would also aid in maintaining the on-book wholesale portfolio at the current levels thereby facilitating increase in share of retail segment.

**Comfortable asset quality of lending portfolio** – The Group has ensured stable asset quality in the collateralised credit and real estate financing segments over past decade. The company is engaged in secured lending in the wholesale segment and has maintained an adequate collateral cover, though there has been some decline in the recent past. The Group reported gross non-performing advances (GNPAs), as per RBI prudential norms, of 2.33% of overall advances and net NPAs (NNPAs) of 1.24% as of March 31, 2019 compared to 1.87% and 0.83%, respectively, as on March 31, 2019. Group's stage 3 assets stood at Rs. 1,248 crore which translates into 3.42% of total loans at amortised cost as of March 31, 2019 compared to 2.21% as of March 31, 2018. The Group wrote off ~Rs. 787 crore of loans during the past five years (FY2014-2018). In FY2018, the bad debt and advances written off amounted to Rs. 427 crore (FY2017: Rs. 245 crore). Adjusting for the bad debts and advances written off, the GNPA ratio stood at 2.91% as of March 31, 2018 (2.63% as of March 31, 2017). Although the Group has demonstrated its ability to maintain adequate 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 asset quality, going forward. The Group's ability to maintain the asset quality across business cycles, while

maintaining a measured growth in the portfolio amid competitive pressure, would be closely monitored by ICRA and would remain a key rating sensitivity.

**Adequate liquidity profile supported by treasury operations** – The Group has an active treasury function, which enhances its liquidity position. At the consolidated level, the Group had an adequate liquidity cushion of Rs. 3,100 crore in the form of overnight liquidity of Rs. 1,600 crore and undrawn bank lines of Rs. 1,500 crore as of June 30, 2019. The consolidated capitalisation remained adequate at 19.4% as on June 30, 2019 compared to 18.0% as on March 31, 2019.

## Credit challenges

**Exposed to credit risk in wholesale credit business; limited seasoning of asset reconstruction business** – The Group remains exposed to credit risks, given its high concentration in wholesale lending, particularly the structured collateralised funding and real estate segments, which are inherently risky in nature. The largely untested nature of the book (given the principal moratorium and bullet repayment structure for a significant quantum of loans) and constrained financial flexibility of the underlying borrowers, given their high leverage coupled with the slowdown in their operations, add to the concerns regarding the wholesale book. ICRA however draws comfort from the group's track-record in real estate financing and its 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

In ICRA's view, the seasoning of the asset reconstruction industry remains limited. Further, the Group 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. The Group has resolved certain large ticket assets in the recent past, with recoveries of Rs. 7,019 crore in FY2019 (up from Rs. 2,574 crore in FY2018). In Q1FY20 the recoveries were in the tune of Rs. 1,076 crore. Going forward, its ability to ensure timely and adequate resolution performance would remain a key monitorable.

**High gearing levels; ability to maintain ALM remains critical** – The Group's gearing (net worth and minority interest excluding insurance/borrowings excluding interest accrued and CBLO) remained high at 5.24 times as on June 30, 2019 vis-à-vis ~5.63 times as on March 31, 2019. The Group, nevertheless, has a demonstrated track record of raising capital at regular intervals, which provides comfort. For instance, the Group raised Rs. 1,040 crore in May 2019 through CCDs from CDPQ Private Equity Asia Pte. Ltd, which helped reduce the overall leverage on a gross basis. The capital raise provides some cushion to absorb losses, if any, on the stressed 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 total borrowings as reported by the Group (excluding interest accrued and CBLO borrowings), at a consolidated level, stood at Rs. 40,859 crore as on June 30, 2019 compared to Rs. 43,201 crore as on March 31, 2019 and Rs. 44,761 crore as on March 31, 2018. The Group has a diversified resource profile and has been exploring alternative sources of funding over the past few quarters. The share of commercial paper reduced to 1% as of June 31, 2019 from 14% as of March 31, 2018. As many of the structured and wholesale loans are extended with moratorium resulting in limited principal amortisation, the Group's ability to maintain a comfortable asset-liability matching profile, in future, would be a key rating monitorable.

**Exposed to inherent cyclicality in capital markets though expansion into non-capital markets business provides diversification** – The Group remains exposed to the inherent volatility in capital markets as its various businesses are directly or indirectly linked to the performance of these markets. However, the Group’s focus on diversifying its business profile over the years has reduced its dependence on capital markets.

**Moderate profitability levels; ability to realign business with core strategy and ensure healthy profitability remains critical** – Over the years, the Group has ventured into various businesses to diversify its revenue profile and reduce its dependence on capital markets. Some of its recent forays include agri-value chain services, life insurance and general insurance. The costs associated with incubating new businesses and the attendant costs in the early stage of some of these ventures affected the Group’s overall profitability levels. Further, the cost of funds for many entities in the financial services segment increased in the current fiscal. This was due to risk aversion and reduction in the usage of commercial papers as a funding source over the last few months as the companies worked on improving their asset liability profiles. While the Group has been able to pass on the increase in funding costs to the borrowers, the asset quality remains under watch, given the profile of the borrowers.

### 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
	<a href="#">ICRA’s Credit Rating Methodology for Housing Finance Companies</a>
Applicable Rating Methodologies	<a href="#">ICRA’s Credit Rating Methodology for Non-Banking Finance Companies</a> <a href="#">ICRA's Policy on Withdrawal and Suspension of Credit Rating</a>
Parent/Group Support	For arriving at the rating, ICRA has taken a consolidated view of the Edelweiss Group, given the close linkages between Group entities, common promoters and senior management team, shared brand name, and strong financial and operational synergies.
Consolidation Approach	ICRA has considered the consolidated financials of Edelweiss Financial Services Limited. Please see Annexure 2 to view the list of companies considered for consolidation.

### About the company

#### 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.

### Edelweiss Housing Finance Limited

Edelweiss Housing Finance Limited (EHFL) is a housing finance company registered with the National Housing Bank. The company was incorporated in FY2011 following the group's strategy for creating a larger retail footprint. The group provides home loans and loan against property through this entity. Over the last couple of years, the company has realigned its strategy to focus to low ticket sized home loans. The company reported a net profit (Ind AS) of Rs. 62.46 crore on a total income of Rs. 665.90 crore in FY2019 compared to net profit (Ind AS) of Rs. 85.22 crore on a total income of Rs. 533.80 crore in FY2018. The company had a net worth of Rs. 768.90 crore as on March 31, 2019.

### 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 Assets@	1.3%	1.6%	0.8%^
Return on 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

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

### Any other information: None

### Rating history for last three years:

		Current Rating (FY2020)			Chronology of Rating History for the past 3 years									
	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating			FY2019			FY2018				FY2017
				Aug-19	Jun-19	Apr-19	Aug-18	Jul-18	Feb-18	Dec-17	Jul-17	Mar-17	May-16	
1	Non Convertible Debenture	1,000.00	Nil	[ICRA] AA- (negative)	[ICRA] ]AA- (negative)	[ICRA] ]AA (negative)	[ICRA] ]AA (stable)	-	-	-	-	-	-	-
2	Non Convertible Debenture	960	726.24	[ICRA] AA- (negative)	[ICRA] ]AA- (negative)	[ICRA] ]AA (negative)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)
3	Subordinated Debt	300	50	[ICRA] AA- (negative)	[ICRA] ]AA- (negative)	[ICRA] ]AA (negative)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)
4	Commercial Paper	1,000.00	NA	[ICRA] A1+; withdrawn	[ICRA] ]A1+	[ICRA] ]A1+	[ICRA] ]A1+	[ICRA] ]A1+	[ICRA] ]A1+	[ICRA] ]A1+	[ICRA] ]A1+	[ICRA] ]A1+	[ICRA] ]A1+	[ICRA] ]A1+
5	Bank Lines	4,000.00	3,360.00	[ICRA] AA- (negative)	[ICRA] ]AA- (negative)	[ICRA] ]AA (negative)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)
6	Retail Non Convertible Debenture	500	500	[ICRA] AA- (negative)	[ICRA] ]AA- (negative)	[ICRA] ]AA (negative)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (stable)	[ICRA] ]AA (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 No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE530L08010	Subordinated Debt	4-Feb-15	11.25%	3-May-25	50.00	[ICRA]AA-(negative)
	Subordinated Debt - Yet to be issued	NA	NA	NA	250.00	[ICRA]AA-(negative)
INE530L07160	Non Convertible Debentures	29-Apr-16	9.62%	29-Apr-26	25.00	[ICRA]AA-(negative)
INE530L07244	Non Convertible Debentures	21-Oct-16	9.25%	4-Apr-19	175.00	[ICRA]AA-(negative)
INE530L07251	Non Convertible Debentures	21-Oct-16	9.25%	8-Apr-19	25.00	[ICRA]AA-(negative)
INE530L07269	Non Convertible Debentures	21-Apr-17	NA	12-May-20	12.50	[ICRA]AA-(negative)
INE530L07277	Non Convertible Debentures	19-May-17	8.55%	19-May-22	50.00	[ICRA]AA-(negative)
INE530L07285	Non Convertible Debentures	13-Jun-17	NA	2-Jun-20	10.00	[ICRA]AA-(negative)
INE530L07293	Non Convertible Debentures	21-Jun-17	8.55%	21-Jun-22	50.00	[ICRA]AA-(negative)
INE530L07301	Non Convertible Debentures	30-Jun-17	8.55%	30-Jun-22	10.00	[ICRA]AA-(negative)
INE530L07301	Non Convertible Debentures	12-Jul-17	8.55%	30-Jun-22	20.00	[ICRA]AA-(negative)
INE530L07285	Non Convertible Debentures	19-Sep-17	NA	2-Jun-20	15.44	[ICRA]AA-(negative)
INE530L07319	Non Convertible Debentures	12-Feb-18	Zero Coupon	15-Apr-21	12.80	[ICRA]AA-(negative)
INE530L07319	Non Convertible Debentures	20-Feb-18	Zero Coupon	15-Apr-21	7.00	[ICRA]AA-(negative)
INE530L07319	Non Convertible Debentures	22-Mar-18	Zero Coupon	15-Apr-21	18.50	[ICRA]AA-(negative)
INE530L07327	Non Convertible Debentures	23-Mar-18	8.90%	23-Sep-22	150.00	[ICRA]AA-(negative)
INE530L07335	Non Convertible Debentures	4-Apr-18	Zero Coupon	4-May-21	45.00	[ICRA]AA-(negative)
INE530L07343	Non Convertible Debentures	27-Jul-18	Zero Coupon	12-Aug-21	50.00	[ICRA]AA-(negative)
INE530L08010	Non Convertible Debentures	4-Feb-15	11.25%	3-May-25	50.00	[ICRA]AA-(negative)
	Non Convertible	NA	NA	NA	1,233.76	[ICRA]AA-

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
	Debentures - Yet to be issued					(negative)
INE530L07178	Retail Non Convertible Debentures	19-Jul-16	9.50%	19-Jul-19	51.70	[ICRA]AA-(negative)
INE530L07186	Retail Non Convertible Debentures	19-Jul-16	N.A.	19-Jul-19	5.19	[ICRA]AA-(negative)
INE530L07194	Retail Non Convertible Debentures	19-Jul-16	9.75%	19-Jul-21	58.90	[ICRA]AA-(negative)
INE530L07202	Retail Non Convertible Debentures	19-Jul-16	N.A.	19-Jul-21	4.18	[ICRA]AA-(negative)
INE530L07210	Retail Non Convertible Debentures	19-Jul-16	9.57%	18-Jul-26	24.84	[ICRA]AA-(negative)
INE530L07228	Retail Non Convertible Debentures	19-Jul-16	10.00%	18-Jul-26	349.20	[ICRA]AA-(negative)
INE530L07236	Retail Non Convertible Debentures	19-Jul-16	N.A.	18-Jul-26	5.98	[ICRA]AA-(negative)
NA	Commercial Paper Programme	NA	NA	7-365 days	1,000.00	[ICRA]A1+; withdrawn
NA	Bank Lines – Term Loans and Working Capital	NA	NA	NA	3,360.00	[ICRA]AA-(negative)
NA	Bank Lines - Proposed	NA	NA	NA	640.00	[ICRA]AA-(negative)

Source: Edelweiss Housing Finance Limited

## 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

<b>Company Name</b>	<b>Ownership</b>	<b>Consolidation Approach</b>
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
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

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Company Name	Ownership	Consolidation Approach
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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## Corrigendum

Rationale dated August 30, 2019 has been revised with revisions as detailed below:

Revision on Page 7, in 'Rating history for last three years:' - amount outstanding has been updated for Non convertible debenture

Revision on Page 8, in 'Annexure-1: Instrument Details' – New ISINs have been added for Non convertible debentures; amount outstanding has been updated for Non Convertible Debentures - Yet to be issued.

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