

ECL Finance Limited

July 05, 2019

Ratings

Instrument	Rated Amount (Rs. crore)	Rating ¹	Rating Action
Long term Bank Facilities	12,686.66	CARE AA-; Stable (Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Non-Convertible Debentures	1,711\$ (reduced from Rs. 1,965.70 crore)	CARE AA-; Stable (Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Subordinate Debt	1,400	CARE AA-; Stable (Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Principal protected Market-linked Debenture	203.28 [§] (reduced from Rs. 228.63crore)	CARE PP-MLD AA-; Stable (PP-MLD Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Retail Bonds	151.57* (reduced from Rs. 294.16crore)	CARE AA-; Stable (Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Principal protected Market-linked Debenture	300	CARE PP-MLD AA-; Stable (PP-MLD Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Non-Convertible Debentures	2000	CARE AA-; Stable (Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Commercial Paper	5000	CARE A1+ (A One Plus)	Reaffirmed
Total	23,452.51 (Rupees Twenty Thousand One Hundred Seventy Five Crore and Fifteen lakh only)		

Details of instruments/facilities in Annexure-1

NCD's of Rs 26crore have matured and hence rating has been withdrawn

§PP-MLD of Rs. 254.7 crore have matured and hence rating has been withdrawn

^ Retail Bonds of Rs. 142.59 crore have matured and hence rating has been withdrawn

Detailed Rationale & Key Rating Drivers

The rating revision takes into account increasing risk averseness in the market towards NBFC sector in general and wholesale lending focussed NBFCs in particular which pose challenges in resource mobilisation. CARE takes note of resource mobilisation of Rs.7800 crore from various sources done by Edelweiss Financial Services Limited (EFSL) during H2FY19. However, in line with trend observed for the NBFC/HFC sector, EFSL has also witnessed increased cost of borrowings which reflects the increased risk perception of the lenders towards entities operating in the NBFC/HFC segment. Therefore, continuous mobilisation of resources for EFSL and maintaining adequate liquidity during this tough operating environment is a key rating monitorable.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

The revision also takes into account exposure of EFSL Group to real estate sector which is witnessing slowdown and experiencing heightened refinancing risk. The asset quality in this segment for EFSL needs to be monitored as it is yet to span out fully on account of larger part of the portfolio under moratorium even-though currently the asset quality is comfortable. Further the collateral cover taken on the real estate exposures also provide comfort to an extent but continuation of slowdown in the real estate market might put some pressure on the liquidity in the short to medium term.

The ratings also continues to factor in the diversified business profile of the group (on consolidated basis), experienced management team, adequate capitalization, good asset quality and comfortable liquidity profile. The ratings are, however, constrained by dependence on revenue from the capital market related activities which has inherent volatility and is declining due to diversification of revenue streams, client concentration and credit risk in its wholesale credit book, and risk associated with relatively new businesses. The performance of EFSL's new businesses, asset quality, profitability, are the key rating sensitivities.

Detailed description of the key rating drivers

Key Rating Strengths

Diversified business profile of the group

EFSL is a diversified financial services company with presence in various business segments related to credit in retail credit including mortgage finance (housing loans, loans against property) and SME credit, corporate credit and distressed assets credit including asset reconstruction. Its Franchise & Advisory businesses include wealth management, asset management, and capital market businesses which include equity and commodities broking (both institutional and retail) and investment banking. Its insurance business includes both life and general insurance businesses. The share of the group's total interest income accounted for 60% of the total income in FY19 on consolidated basis. (FY18: 56.5%). The share of broking and fee based income has reduced to 22% of total income in FY19 from 27% of total income in FY18. This was mainly due to the slowdown in the advisory and broking business due to the volatility in the capital market in FY19. The share of the insurance premium increased marginally.

Established institutional equity broking business and good retail distribution network

EFSL on group basis has established institutional equity business comprising institutional equity sales and research. It provides services to a large and diversified base of Foreign Institutional Investors (FIIs) and domestic institutional investors. Its clients include large pension funds, long only funds, Exchange Traded Funds (ETFs) and hedge funds. It is one of the largest domestic institutional broking houses in India with around 300 foreign and domestic institutional investors. The institutional equity business is supported by a strong equity sales team and relevant and timely research. EFSL manages an AUM of Rs. 2,00,900 crore of customer assets which comprises of Assets under advice (Wealth Management), Distressed Credit (ARC Assets)(excluding Edelweiss contribution),Funds under Management (Asset Management) (excluding Edelweiss contribution) and Assets under custody and clearing.

Experienced management team

EFSL has a strong management team with a rich experience in the financial sector. The senior management team of Edelweiss has been quite stable over the last few years and most of the senior management has been with Edelweiss for a long period.

Adequate capitalization levels

On a consolidated basis, the tangible net worth (excluding minority interest) stood at Rs. 6919 crore as on March 31, 2019 compared to Rs. 6027 crore as on March 31, 2018. In March 2019, the company has signed an agreement with CDPQ (Canadian Pension Fund) for investment in the NBFC arm ECL Finance Limited of ~Rs. 1800 crore in a span of 2 years. Out of the said investment, Rs. 1040 crore was received in May 2019 in the form of compulsorily convertible debenture. The company is also looking for a strategic investor in its Wealth & Asset Management business. The group maintained the Capital Adequacy levels (as per company) at 18.01% as on March 31, 2019. (17.4% as on March 31, 2018).

The groups' debt levels have decreased from Rs.48031 crore as on March 31, 2018 to Rs.45217 crore as on March 31, 2019. Subsequently, gearing levels (excluding minority interest) decreased from 7.97 times as on March 31, 2018 to 6.53 times as on March 31, 2019. The gearing (excluding MI) post the capital infusion in May 2019 stood at 5.60 times (based on March 2019 debt figures).

The Group has demonstrated a track record of raising funds at regular intervals to take care of the leverage at the group level. Further, the Group has a strong track record of raising and deploying managed funds, which supports its overall business capabilities.

Comfortable asset quality

EFSL's has been able to maintain comfortable asset quality on the book including the wholesale book over the years. As on March 31, 2019, Gross NPA ratio was 1.87% (1.75% as on March 31, 2018). Net NPA ratio was 0.83% (0.70% as on March 31,

2018) while Net NPA to Net-worth ratio was 4.32% (3.43% as on March 31, 2018). Including the written off amounts, Adjusted GNPA ratios stood at 2.5% as on March 31, 2019 as compared to 2.91 % as on March 31, 2018. Edelweiss group has outstanding exposure to real estate with financing to developers accounting for 29% of the total credit book. The current environment prevailing in the real estate sector with funding constraints on account of crisis in the NBFC sector coupled with higher inventory is expected to put pressure on the asset quality of the NBFCs including Edelweiss which has relatively higher exposure to real estate developers in the NBFC segment. Thus, the ability of the group in maintaining the asset quality across the business cycles is a key rating sensitivity.

Comfortable liquidity profile and diversified resource profile

EFSL on a consolidated basis maintained a cumulative positive asset-liability mismatch across the time buckets as on March 31, 2019. At the group level, the company maintained liquidity to the tune of Rs. 5300 crore as on March 31, 2019 which comprised of Rs. 900 crore of cash/bank balance & fixed deposit, Rs. 2100 crore of investment in mutual funds & government securities and Rs. 2300 crore of undrawn bank lines.

As on March 31, 2019, resource profile is well diversified with NCDs / Sub debt / MLD - 54% (FY18: 41%), Bank borrowings- 39% (FY18: 34%), CP - 2% (FY18: 14%), CBLO - 5% (FY17: 7%) and others - 0 (FY17: 1%) of total borrowings as respectively. EFSL has reduced its dependence on the commercial paper in FY19 and has mainly relied on the long term borrowings.

Key Rating Weakness

Substantial proportion of revenue from the capital markets related activities

A significant proportion of EFSL's revenue is related to the capital markets led activities, which include equity broking, investment banking, capital market related loan portfolio, asset management. However with increase in size of the credit business, dependency on capital markets has been declining over past few years.

Client concentration and credit risk in its wholesale credit book

As on March 31, 2019, the total loan portfolio comprised of retail book of 42% (March 2018: 41%), wholesale book of 41% (March 2018: 45%) and distressed asset book of 17% (March 2018: 14%). Wholesale credit book of EFSL comprises of the real estate financing and the structured collateralised credit book. The real estate financing accounted for 27% of the total credit book as on March 31, 2019 as compared to 24% of the total credit book as on March 31, 2018. Even though the company has demonstrated a reduction on the concentration in the wholesale book as compared to the last year, the real estate segment continues to dominate the credit book. As on March 31, 2019, top 50 exposures (of which 32 accounts were from real estate segment) shared by the company which gives information on loan outstanding, reported security cover, moratorium period, name of developer and project. As on March 31, 2019, top 50 exposures (of which 32 accounts were from real estate segment) shared by the company accounted for 1.37 times of Tangible Net-worth. The top 10 accounts accounted for 45% of the tangible net-worth. (March 2018: 46% of tangible net worth).

The real estate book which has high ticket concentration and higher proportion of the book (based on analysis of information provided for 32 top exposures in RE book) under principal moratorium is expected to impact the liquidity in the short to medium term given the prolonged slowdown in the real estate sector. However, the company tries to mitigate the risk associated with the real estate exposures by the adequate collateral cover of 2-3x maintained on each exposure. The company undertakes regular monitoring of each projects by an in-house team of 70+ employees which is engaged in fortnightly physical verification of the projects, marketing and controlling the construction if required.

Risk associated with distressed assets and new businesses

The Edelweiss group has recently forayed into new businesses, including expanding insurance (both life and general), distress assets. The insurance business is characterized by high competition and the group's ability to successfully establish a position in these segments is yet to be seen. Furthermore, the group has acquired a large portfolio of distressed assets in the past few years and the resolution in such cases needs to be seen.

As on March 31, 2019, the distressed assets (DA) accounted for 17% of credit book stood as on March 31, 2019 compared to 14% as on March 31, 2018. Till date the ARC has redeemed Rs.7553 crore of security receipts which account of approximately 13.99% of the issued security receipts. The ARC has made recoveries of Rs. 7019 crore during FY19. (FY18: Rs.2574 crore). Edelweiss ARC reported a Profit after tax (PAT) of Rs.435.02 crore in FY19 (Rs.180.02 crore in FY18). Even though the ARC business has demonstrated growth in the past year with steady recoveries and growth in profitability, the inherent high riskiness of business leads to uncertainty and credit risk. The company's ability to demonstrate adequate and timely resolution performance is a key rating sensitivity.

Moderation in profitability growth

Moderation in the growth in profitability is on account of moderate growth in the advisory income due to capital market volatility in FY19 and increase in the loss in the life insurance business coupled with the rise in the cost of borrowings of the group post H2FY19 on account of liquidity crunch in the market and also the lower dependence on the commercial paper

borrowings. The operating expense as a % of average assets increased from 5.73% in FY18 to 6.24% in FY19 on account of creation of capacity to build the retail book. Credit cost has declined from 1.17% in FY18 to 0.77% in FY19 on account of reduction in the provisions in FY19. As the result of the above, the Return on total assets remained maintained at 1.66% in FY19.

Liquidity: EFSL on a consolidated basis maintained a cumulative positive asset-liability mismatch across the time buckets as on March 31, 2019 considering cash and liquid investments of Rs.5000 crore. The company has a cumulative repayments of Rs. 17240 crore upto March 2020 and cumulative advances inflows of Rs. 16124 crore upto March 2020. At the group level, the company maintained liquidity to the tune of Rs. 5300 crore as on March 31, 2019 which comprised of Rs. 900 crore of cash/bank balance & fixed deposit, Rs. 2100 crore of investment in mutual funds & government securities and Rs. 2300 crore of undrawn bank lines to take care of the mismatches.

Analytical approach:

Edelweiss Financial Services Ltd (EFSL – rated ‘CARE AA-; Stable and ‘CARE A1+’), the flagship company of the Edelweiss group, owns 100% in most of its subsidiaries and the management/line functions for these businesses is common with significant operational and financial integration among them. Accordingly, CARE has considered a consolidated view of EFSL for arriving at the rating. The list of the subsidiaries considered for consolidation are as per Annexure 3.

Applicable Criteria

[Criteria on assigning outlook to Credit Ratings](#)

[CARE's policy on default recognition](#)

[Rating Methodology- Non Banking Finance Companies](#)

[Financial Ratios-Financial Sector](#)

[Factor Linkages in Ratings](#)

[Rating of Short term instruments](#)

About the Company

Previously known as Edelweiss Capital Limited, Edelweiss Financial Services Limited (EFSL) was incorporated in 1995 by Mr. Rashesh Shah and Mr. Venkat Ramaswamy. EFSL is registered as a Category I Merchant Banker with SEBI and is the parent company of the Edelweiss Group. The company on a standalone basis is primarily engaged in investment banking services and provides development, managerial and financial support to the businesses of the Edelweiss group entities. The Edelweiss Group offers a range of products and services, spanning varied asset classes and diversified consumer segments. The businesses of Edelweiss are organized around three broad lines – credit including housing finance, SME loans, Loans against Property, Loans against Securities, Rural finance, Agri credit, Structured collateralised credit to corporates and real estate developer finance, Franchise & advisory businesses including wealth management, asset management and capital markets and insurance including life and general insurance. In addition, the Balance-sheet Management Unit (BMU) attends to the balance sheet and liquidity management. The group conducts its business from 476 offices (including 8 international offices in 6 locations) in around 200 cities as on March 31, 2019. EFSL now caters to the total client base of 12 Lakh served by 11,410 employees pan India.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total income	8,920	10,886
PAT(after share of profit and minority interest)	863	995
Overall Gearing (excluding minority interest) (times)	7.97	6.53
Total Assets	62,554	63,630
Gross NPA (%)	1.75	1.87
ROTA (%)	1.57	1.65

A: Audited

About ECL Finance Limited

ECLF is the primary NBFC arm of Edelweiss Financial Services Limited (EFSL) with 100% shareholding. The credit business of EFSL, which includes wholesale lending like corporate loans, sponsor funding, real estate loans, collateralized loans against liquid securities and capital market related loans.

Brief Financials (Rs. crore)	FY18 (A)	FY19(A)
Total income	3,272	4,018
PAT	470.6	565.9
Interest coverage (times)	1.56	1.43
Total Assets	26,210	27,303

Net NPA (%)	0.75	0.69
ROTA (%)	1.99	2.12

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure I- Instrument Details

ISIN	Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Rating assigned along with Rating Outlook
	Fund Based- LT Bank Facilities	-	-	Jun-2023	12,686.66	CARE AA-; Stable
-	Commercial Paper	-	-	-	-	CARE A1+
INE804I07ZL1	Debt-Retail Bonds	11-Mar-15	10.15%	11-Mar-20	41.98	CARE AA-; Stable
INE804I07ZM9	Debt-Retail Bonds	11-Mar-15	10.60%	11-Mar-20	75.4	CARE AA-; Stable
INE804I07ZN7	Debt-Retail Bonds	11-Mar-15	Zero Coupon	11-Mar-20	23.46	CARE AA-; Stable
-	Debt-Retail Bonds (Proposed)	-	-	-	10.73	CARE AA-; Stable
INE804I08601	Debt-Subordinate Debt	26-Jun-14	12.00%	26-Apr-20	334.05	CARE AA-; Stable
INE804I08619	Debt-Subordinate Debt	26-Jun-14	12.00%	26-Apr-20	18.27	CARE AA-; Stable
INE804I08627	Debt-Subordinate Debt-	26-Jun-14	Zero Coupon	26-Apr-20	47.68	CARE AA-; Stable
INE804I08650	Debt-Subordinate Debt	19-Mar-15	11.25%	18-Sep-20	50	CARE AA-; Stable
INE804I08593	Debt-Subordinate Debt	30-Dec-13	12.00%	30-Dec-20	20	CARE AA-; Stable
INE804I08635	Debt-Subordinate Debt	30-Dec-14	11.25%	30-Jun-22	50	CARE AA-; Stable
INE804I08643	Debt-Subordinate Debt	4-Feb-15	11.25%	3-May-25	300	CARE AA-; Stable
INE804I08767	Debt-Subordinate Debt	14-Jun-17	9.60%	13-Jun-25	5	CARE AA-; Stable
INE804I08668	Debt-Subordinate Debt	3-Sep-15	10.62%	3-Sep-25	10	CARE AA-; Stable
INE804I08676	Debt-Subordinate Debt	30-Sep-15	10.60%	30-Sep-25	10	CARE AA-; Stable
INE804I08692	Debt-Subordinate Debt	16-Jun-16	10.15%	16-Jun-26	250	CARE AA-; Stable
INE804I08726	Debt-Subordinate Debt	5-May-17	9.75%	30-Apr-27	45	CARE AA-; Stable
INE804I08759	Debt-Subordinate Debt	13-Jun-17	9.65%	8-Jun-27	10	CARE AA-; Stable
-	Debt-Subordinate Debt (Proposed)	-	-	-	250	CARE AA-; Stable
INE804I07VQ9	Debentures-Non Convertible Debentures	3-Jul-14	11.00%	3-Jul-19	12.50	CARE AA-; Stable
INE804I07I30	Debentures-Non Convertible Debentures	31-Dec-15	9.80%	31-Dec-19	165.00	CARE AA-; Stable
INE804I07I48	Debentures-Non Convertible Debentures	31-Dec-15	9.80%	31-Dec-19	170.00	CARE AA-; Stable
INE804I07XM4	Debentures-Non Convertible Debentures	16-Oct-14	10.35%	16-Oct-20	400.00	CARE AA-; Stable
INE804I077P8	Debentures-Non Convertible Debentures	9-Jan-17	9.00%	9-Jan-24	5.00	CARE AA-; Stable
INE804I07YF6	Debentures-Non Convertible Debentures	1-Dec-14	10.50%	1-Dec-24	10.00	CARE AA-; Stable
INE804I07YP5	Debentures-Non Convertible Debentures	24-Dec-14	10.40%	24-Dec-24	10.00	CARE AA-; Stable
INE804I07ZE6	Debentures-Non Convertible	16-Feb-15	10.10%	14-Feb-25	5.00	CARE AA-; Stable

	Debentures					
INE804I07ZT4	Debentures-Non Convertible Debentures	28-Mar-15	10.20%	28-Mar-25	10.00	CARE AA-; Stable
INE804I07ZY4	Debentures-Non Convertible Debentures	21-Apr-15	10.00%	21-Apr-25	10.00	CARE AA-; Stable
INE804I07E34	Debentures-Non Convertible Debentures	5-Oct-15	9.80%	3-Oct-25	20.00	CARE AA-; Stable
INE804I07E42	Debentures-Non Convertible Debentures	6-Oct-15	9.81%	6-Oct-25	12.50	CARE AA-; Stable
INE804I07H49	Debentures-Non Convertible Debentures	22-Dec-15	9.80%	22-Dec-25	25.00	CARE AA-; Stable
INE804I077X2	Debentures-Non Convertible Debentures	23-Mar-18		23-Sep-22	650.00	CARE AA-; Stable
INE804I070Y5	Debentures-Non Convertible Debentures	25-Jun-18	9.25%	25-Jun-21	180.00	CARE AA-; Stable
-	Debentures-Non Convertible Debentures	-	-	-	26.0	CARE AA-; Stable
INE804I07YS9	Debentures-Market Linked Debentures	2-Jan-15	-	1-Jan-20	1.3	CARE PP-MLD AA - ; Stable
INE804I074W1	Debentures-Market Linked Debentures	1-Jan-14	-	30-Oct-20	5.4	CARE PP-MLD AA - ; Stable
INE804I07ZU2	Debentures-Market Linked Debentures	31-Mar-15	-	29-Mar-22	2.0	CARE PP-MLD AA - ; Stable
-	Debentures-Market Linked Debentures(Proposed)	-	-	-	194.54	CARE PP-MLD AA - ; Stable
INE804IA7139	Debentures-Non Convertible Debentures	23-May-19	9.95	23-May-29	35	CARE PP-MLD AA - ; Stable
INE804IA7147	Debentures-Non Convertible Debentures	23-May-19	10.4	23-May-29	7	CARE PP-MLD AA - ; Stable
INE804IA7121	Debentures-Non Convertible Debentures	23-May-19	10.4	23-May-24	15	CARE PP-MLD AA - ; Stable
INE804IA7113	Debentures-Non Convertible Debentures	23-May-19	10.4	23-May-24	30	CARE PP-MLD AA - ; Stable
INE804IA7105	Debentures-Non Convertible Debentures	23-May-19	9.95	23-May-24	67	CARE PP-MLD AA - ; Stable
INE804IA7097	Debentures-Non Convertible Debentures	23-May-19	10.2	23-Aug-22	19	CARE PP-MLD AA - ; Stable
INE804IA7089	Debentures-Non Convertible Debentures	23-May-19	10.2	23-Aug-22	65	CARE PP-MLD AA - ; Stable
INE804IA7071	Debentures-Non Convertible Debentures	23-May-19	9.9	23-May-21	16	CARE PP-MLD AA - ; Stable
INE804IA7063	Debentures-Non Convertible Debentures	23-May-19	9.9	23-May-21	17	CARE PP-MLD AA - ; Stable

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Debt-Subordinate Debt	LT	100.00	CARE AA-; Stable		1)CARE AA; Positive (06-Jul-18)	1)CARE AA; Stable (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)

2.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (12-Sep-17)	1)CARE AA; 2table (22-Mar-17) 2)CARE AA (02-Nov-16)
3.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
4.	Debentures-Market Linked Debentures	LT	-	-	-	-	1)Withdrawn (12-Sep-17)	1)CARE PP-MLD AA; Stable (22-Mar-17) 2)CARE PP-MLD AA (02-Nov-16)
5.	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
6.	Debentures-Market Linked Debentures	LT	-	-	-	-	1)Withdrawn (12-Sep-17)	1)CARE PP-MLD AA; Stable (22-Mar-17) 2)CARE PP-MLD AA (02-Nov-16)
7.	Bonds	LT	-	-	-	1) CARE AA; Positive (06-Jul-18)	1) CARE AA; Stable (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
8.	Debentures-Market Linked Debentures	LT	-	-	-	-	1)Withdrawn (12-Sep-17)	1)CARE PP-MLD AA; Stable (12-Sep-17) 2)CARE PP-MLD AA; Stable (22-Mar-17) 2)CARE PP-MLD AA (02-Nov-16)
9.	Fund-based - LT-Term Loan	LT	4686.66	CARE AA-; Stable	-	1)CARE AA; Positive (06-Jul-18)	1)CARE AA; Stable (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16) 3)CARE AA (12-Jul-16)
10.	Debt-Subordinate Debt	LT	400.00	CARE AA-; Stable	-	1)CARE AA; Positive (06-Jul-18)	1)CARE AA; Stable (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
11.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)

12.	Debentures-Market Linked Debentures	LT	-	CARE PP-MLD AA-; Stable	-	1) CARE AA; Positive (06-Jul-18)	1)CARE AA; Stable (12-Sep-17)	1)CARE PP-MLD AA; Stable (22-Mar-17) 2)CARE PP-MLD AA (02-Nov-16)
13.	Debentures-Non Convertible Debentures	LT	-	-	-		1)Withdrawn (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
14.	Debt-Subordinate Debt	LT	400.00	CARE AA-; Stable	-	1) CARE AA; Positive (06-Jul-18)	1)CARE AA; Stable (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
15.	Bonds	LT	294.16	CARE AA-; Stable	-	1) CARE AA; Positive (06-Jul-18)	1)CARE AA; Stable (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
16.	Debentures-Non Convertible Debentures	LT	-	-	-		1)Withdrawn (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
17.	Commercial Paper	ST	5000.00	CARE A1+	-	1)CARE A1+ (06-Jul-18)	1)CARE A1+ (12-Sep-17)	1)CARE A1+ (22-Mar-17) 2)CARE A1+ (02-Nov-16)
18.	Debentures-Non Convertible Debentures	LT	-	-	-		1)Withdrawn (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
19.	Debentures-Non Convertible Debentures	LT	1965.70	CARE AA-; Stable	-	1) CARE AA; Positive (06-Jul-18)	1)CARE AA; Stable (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
20.	Debentures-Market Linked Debentures	LT	228.63	CARE PP-MLD AA-; Stable	-	1) CARE AA; Positive (06-Jul-18)	1)CARE PP-MLD AA; Stable (12-Sep-17)	1)CARE PP-MLD AA; Stable (22-Mar-17) 2)CARE PP-MLD AA (02-Nov-16) 3)CARE PP-MLD AA (12-Jul-16)
21.	Debt-Subordinate Debt	LT	500.00	CARE AA-; Stable	-	1) CARE AA; Positive (06-Jul-18)	1)CARE AA; Stable (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16) 3)CARE AA (12-Jul-16)
22.	Fund-based - LT-Term Loan	LT	8000.00	CARE AA-; Stable	-	1) CARE AA; Positive	1) CARE AA; Stable	-

						(06-Jul-18)	(12-Sep-17)	
23	Commercial Paper- Commercial Paper(IPO Financing)	ST	5000.00	CARE A1+		1)CARE A1+ (20-Mar-19) 2)Temp Withdrawn (19-Mar-19) 3)CARE A1+ (14-Feb-19)	-	-
24	Debentures-Market Linked Debentures	LT	300.00	CARE PP MLD AA-; Stable		1)CARE PP MLD AA; Positive (13-Mar-19)	-	-
25	Debentures-Non Convertible Debentures	LT	2000.00	CARE AA-; Stable	1) CARE AA; Positive (16-Apr-19)	1) CARE AA; Positive (28-Mar-19)	-	-

Annexure-3: List of subsidiaries taken for consolidation

	Subsidiaries of Edelweiss Financial Services Limited	Shareholding by EFSL (directly/indirectly)
1	Edelweiss Securities Limited (ESL)	100%
2	Edelweiss Comtrade Ltd.	100%
3	Edelweiss Securities (Hong Kong) Private Limited	100%
4	Edelweiss Financial Services Inc.	100%
5	Edelweiss Custodial Services Limited	100%
6	Edelweiss Asset Reconstruction Company Limited	74.8%
7	Edelweiss Financial Services (UK) Limited	100%
8	Edelweiss Finance & Investments Limited	100%
9	EC Global Limited, Mauritius	100%
10	Edelweiss Rural & Corporate Services Limited (ERC SL) (Formerly Edelweiss Commodities Services Ltd. (EC SL))	100%
11	Edelweiss Housing Finance Limited (EHFL)	100%
12	Edelweiss Broking Limited (EBL)	100%
13	Edel Finance Company Ltd.	100%
14	Edelweiss Capital (Singapore) Pte. Limited (EC SPL)	100%
15	Edelweiss Alternative Asset Advisors Pte. Limited	100%
16	Edelweiss International (Singapore) Pte. Limited	100%
17	Edelweiss Investment Advisors Private Limited, Singapore	100%
18	EC International Limited, Mauritius (ECIL)	100%
19	Aster Commodities DMCC, Dubai	100%
20	EAAA LLC, Mauritius	100%
21	EFSL International Limited	100%
22	EW Special Opportunities Advisors LLC, Mauritius	67%
23	EW India Special Assets Advisors LLC, Mauritius	100%
24	ECap Equities Limited	100%
25	Edelcap Securities Limited	100%
26	Edelweiss Finvest Private Limited (formerly Arum Investments Private Limited)	100%
27	Edelweiss Retail Finance Limited	100%
28	ECL Finance Limited	100%
29	Edelweiss Alternative Asset Advisors Limited	95%
30	Edelweiss Global Wealth Management Limited	100%
31	Edelweiss Insurance Brokers Limited	100%
32	EC Commodity Limited	100%
33	Edelweiss Investment Adviser Limited	100%
34	Edelweiss Tokio Life Insurance Company Limited	51%
35	Edelweiss Trustee Services Limited	100%
36	Edel Investments Limited	100%

37	Edel Land Limited	100%
38	Edelweiss Trusteeship Company Limited	100%
39	Edelgive Foundation	100%
40	Edelweiss Asset Management Limited	100%
41	Edelweiss Holdings Limited	100%
42	Edelweiss General Insurance Company Limited	100%
43	Edelweiss Securities (IFSC) Limited	100%
44	Alternative Investment Market Advisors Private Limited	100%
45	Allium Finance Private Limited	55.48%
46	Lichen Metals Private Limited	50.32%

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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