

Press Release

Edelweiss Housing Finance Limited

August 01, 2019



Rating Withdrawn

| | |
|--------------------------------|---------------------------|
| Total Facilities Rated* | Rs. 100.00 Cr. |
| Long Term Rating | ACUITE AA+ (Withdrawn) |

* Refer Annexure for details

Acuité has reviewed and withdrawn the long-term rating of '**ACUITE AA+**' (**read as ACUITE double A plus**) on the Rs. 100.00 crore proposed NCDs of Edelweiss Housing Finance Limited (EHFL).

The rating is being withdrawn as the company does not intend to issues these NCDs in the near term.

About the Group:

Edelweiss Financial Services Limited (EFSL), the holding company of Edelweiss Group, was incorporated in 1995 and has diversified its line of operations across various fund based and non-fund based businesses. Edelweiss offers a bouquet of financial services, to a diversified client base across domestic and global geographies. Its key line of business includes credit (retail, corporate and distressed), advisory (wealth management, asset management and capital markets) and insurance (life and general).

The Edelweiss Group comprises Edelweiss Financial Services Limited, 59 subsidiaries and 2 associate companies (as on March 31, 2019). Edelweiss group has a pan India presence with a global footprint extending across geographies with offices in New York, Mauritius, Dubai, Singapore, Hong Kong and UK.

About the company:

EHFL is a Housing Finance Company (HFC) registered with National Housing Bank (NHB). The company was incorporated in 2008 as a subsidiary of EFSL. EHFL is engaged in mortgage finance, home loans, loans against property (LAP) and small ticket developer finance, with focus on Tier I and Tier II cities. Currently, EHFL has operations in 76 cities including National Capital Region (NCR), Mumbai, Bangalore and Pune.

Analytical Approach

Acuité has taken a consolidated view on Edelweiss Financial Services Limited along with its 59 subsidiaries and 2 associates (as on March 31, 2019 -details in annexure), collectively referred to as 'Edelweiss group'. This is on the back of common promoters, shared brand name, significant operational and financial synergies between the companies. Extent of consolidation: Full

About the Group -EFSL – Consolidated Key Financials

| | Unit | FY2019 (Audited) | FY2018 (Audited) | FY2017 (Audited) |
|---|---------|---------------------|---------------------|---------------------|
| Total Assets | Rs. Cr. | 64052.9 | 62892.2 | 45063.9 |
| Total Income* | Rs. Cr. | 6159.2 | 5044.5 | 3809.1 |
| PAT | Rs. Cr. | 995.17 | 863.18 | 609.30 |
| Net Worth | Rs. Cr. | 7674.5 | 6906.0 | 4483.5 |
| Return on Average Assets (RoAA) | (%) | 1.65 | 1.55 | 1.37 |
| Return on Average Net Worth(RoNW) | (%) | 14.34 | 14.70 | 12.73 |
| Total Debt/Tangible Net Worth (Gearing) | Times | 6.06 | 7.09 | 7.76 |
| Gross NPAs | (%) | 1.87 | 1.75 | 1.59 |
| Net NPAs | (%) | 0.83 | 0.70 | 0.60 |

*Total income equals to Total Income net off interest expense

About the Company- EHFL Key financials

| | Unit | FY2019 (Audited) | FY2018 (Audited) | FY2017 (Audited) |
|---|---------|---------------------|---------------------|---------------------|
| Total Assets | Rs. Cr. | 5451.72 | 4927.98 | 3355.07 |
| Total Income* | Rs. Cr. | 237.07 | 215.36 | 238.37 |
| PAT | Rs. Cr. | 62.46 | 85.22 | 67.94 |
| Net Worth | Rs. Cr. | 768.90 | 562.92 | 420.89 |
| Return on Average Assets (RoAA) | (%) | 1.20 | 2.06 | 2.34 |
| Return on Average Net Worth(RoNW) | (%) | 9.38 | 17.32 | 17.89 |
| Total Debt/Tangible Net Worth (Gearing) | Times | 5.97 | 7.63 | 6.86 |
| Gross NPAs | (%) | 1.8 | 1.8 | 1.3 |
| Net NPAs | (%) | 1.6 | 1.6 | 0.7 |

*Total income equals to Total Income net off interest expense

Status of non-cooperation with previous CRA (if applicable)

None.

Any other information

None.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-10.htm>
- Consolidation of Companies: <https://www.acuite.in/view-rating-criteria-22.htm>
- Financial Ratios And Adjustments- <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|-----------------|---|-----------|------------------|--------------------------------|
| August 03, 2018 | Proposed Secured Unsubordinated Redeemable Non-Convertible Debentures | Long Term | 100.00 | ACUITE AA+/Stable (Reaffirmed) |
| August 16, 2017 | Proposed Secured Unsubordinated Redeemable Non-Convertible Debentures | Long Term | 100.00 | ACUITE AA+/Stable (Assigned) |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings/Outlook |
|---|------------------|----------------|----------------|-----------------------------|------------------------|
| Proposed Secured Unsubordinated Redeemable Non-Convertible Debentures | Not Applicable | Not Applicable | Not Applicable | 100.00 | ACUITE AA+ (Withdrawn) |

- The following Subsidiaries and Associates of EFSL have been considered for consolidation:

| Sr.No. | Name of Entity | Relationship with EFSL |
|--------|---|------------------------|
| 1 | Edelweiss Securities Limited | Subsidiary |
| 2 | Edelweiss Finance & Investments Limited | Subsidiary |
| 3 | ECL Finance Limited | Subsidiary |
| 4 | Edelweiss Global Wealth Management Limited | Subsidiary |
| 5 | Edelweiss Insurance Brokers Limited | Subsidiary |
| 6 | Edelweiss Trustee Services Limited | Subsidiary |
| 7 | Edelcap Securities Limited | Subsidiary |
| 8 | Edelweiss Asset Management Limited | Subsidiary |
| 9 | Ecap Equities Limited | Subsidiary |
| 10 | Edelweiss Broking Limited | Subsidiary |
| 11 | Edelweiss Trusteeship Company Limited | Subsidiary |
| 12 | Edelweiss Housing Finance Limited | Subsidiary |
| 13 | Edelweiss Investment Adviser Limited | Subsidiary |
| 14 | EC Commodity Limited | Subsidiary |
| 15 | Edel Land Limited | Subsidiary |
| 16 | Edelweiss Custodial Services Limited | Subsidiary |
| 17 | Edel Investments Limited | Subsidiary |
| 18 | Edelweiss Rural & Corporate Services Limited | Subsidiary |
| 19 | Edelweiss Comtrade Limited | Subsidiary |
| 20 | Edel Finance Company Limited | Subsidiary |
| 21 | Edelweiss Retail Finance Limited | Subsidiary |
| 22 | Edelweiss Multi Strategy Fund Advisors LLP | Subsidiary |
| 23 | Edelweiss Resolution Advisors LLP | Subsidiary |
| 24 | Edelweiss Holdings Limited | Subsidiary |
| 25 | Edelweiss General Insurance Company | Subsidiary |
| 26 | Edelweiss Finvest Private Limited | Subsidiary |
| 27 | Edelweiss Securities (IFSC) Limited | Subsidiary |
| 28 | Alternative Investment Market Advisors Private Limited | Subsidiary |
| 29 | Edelweiss Securities Trading and Management Private Limited | Subsidiary |
| 30 | Edelweiss Securities and Investment Private Limited | Subsidiary |
| 31 | Edelweiss Securities (Hong Kong) Private Limited | Subsidiary |
| 32 | EC Global Limited | Subsidiary |
| 33 | EC International Limited | Subsidiary |
| 34 | EAAA LLC | Subsidiary |
| 35 | EFSL International Limited | Subsidiary |
| 36 | Edelweiss Capital (Singapore) Pte. Limited | Subsidiary |
| 37 | Edelweiss Alternative Asset Advisors Pte. Limited | Subsidiary |
| 38 | Edelweiss International (Singapore) Pte. Limited | Subsidiary |
| 39 | Edelweiss Investment Advisors Private Limited | Subsidiary |
| 40 | Aster Commodities DMCC | Subsidiary |
| 41 | Edelweiss Financial Services (UK) Limited | Subsidiary |
| 42 | Edelweiss Financial Services Inc. | Subsidiary |
| 43 | Edelweiss Alternative Asset Advisors Limited | Subsidiary |
| 44 | EW Clover Scheme - 1 | Subsidiary |

| | | |
|----|--|------------|
| 45 | Edelvalue Partners | Subsidiary |
| 46 | Edelgive Foundation | Subsidiary |
| 47 | Lichen Metals Private Limited | Subsidiary |
| 48 | EW India Special Assets Advisors LLC | Subsidiary |
| 49 | Edelweiss Private Equity Tech Fund | Subsidiary |
| 50 | Edelweiss Value and Growth Fund | Subsidiary |
| 51 | Edelweiss Asset Reconstruction Company Limited | Subsidiary |
| 52 | EW Special Opportunities Advisors LLC | Subsidiary |
| 53 | Edelweiss Tokio Life Insurance Company Limited | Subsidiary |
| 54 | Allium Finance Private Limited | Subsidiary |
| 55 | Retra Ventures Private Limited | Subsidiary |
| 56 | Edelweiss India Capital Management | Subsidiary |
| 57 | Cross Border Synergy Pte. Limited | Subsidiary |
| 58 | Edelweiss Tarim Urunleri Anonim Sirketi | Subsidiary |
| 59 | EW SBI Crossover Advisor LLC | Subsidiary |
| | | |
| 1 | Allium Finance Private Limited | Associates |
| 2 | Aeon Credit Services India Private Limited | Associates |

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|--|---|
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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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