

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Rating Withdrawn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Long Term Rating	ACUITE AA+ (Withdrawn)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

Acuite has reviewed and withdrawn the long-term rating of '**ACUITE AA+**' (read as **ACUITE double A plus**) on the Rs. 100.00 crore proposed NCDs of Edelweiss Housing Finance Limited (EHFL).

The rating is being withdrawn as the company does not intend to issues these NCDs in the near term.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

Acuite 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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About Acuité Ratings & Research:

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