

Ratings

Rating Rationale

May 25, 2020 | Mumbai

Edelweiss Asset Reconstruction Company Limited

Rating outlook revised to 'Negative'; CP withdrawn

Rating Action

Total Bank Loan Facilities Rated	Rs.550 Crore
Long Term Rating	CRISIL A+/Negative (Outlook revised from 'Stable' and rating reaffirmed)

Rs.195 Crore Long Term Principal Protected Market Linked Debentures (Reduced from Rs.200 Crore)	CRISIL PP-MLD AA-r(CE)/Negative (Outlook revised from 'Stable' and rating reaffirmed)
Rs.150 Crore Long Term Principal Protected Market Linked Debentures*	CRISIL PP-MLD AA-r(CE)/Negative (Outlook revised from 'Stable' and rating reaffirmed)
Rs.150 Crore Non Convertible Debentures*	CRISIL AA-(CE)/Negative (Outlook revised from 'Stable' and rating reaffirmed)
Rs.1000 Crore Non Convertible Debentures	CRISIL A+/Negative (Outlook revised from 'Stable' and rating reaffirmed)
Rs.1500 Crore Non Convertible Debentures	CRISIL A+/Negative (Outlook revised from 'Stable' and rating reaffirmed)
Non Convertible Debentures Issue Aggregating Rs.985 Crore (Reduced from Rs.1550 Crore)	CRISIL A+/Negative (Outlook revised from 'Stable' and rating reaffirmed)
Rs.2000 Crore Commercial Paper Programme	CRISIL A1+ (Withdrawn)

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

*Aggregate not to exceed Rs 150 crore

Detailed Rationale

CRISIL has revised its outlook on the long-term bank facilities, non-convertible debentures and long term principle protected market linked debentures of Edelweiss Asset Reconstruction Company Limited (EARC) to **'Negative'** from 'Stable' and reaffirmed the ratings at 'CRISIL A+/CRISIL PP-MLD AA-r(CE)/CRISIL AA-(CE)' rating.

CRISIL has withdrawn its rating on the commercial paper programme at the company's request as there is no amount outstanding against the rated instrument. This is in line with CRISIL's withdrawal policy. CRISIL has also withdrawn its ratings on the long-term, principal-protected, market-linked debentures of Rs 5 crore and non-convertible debentures (NCDs) of Rs 565 crore (See annexure 'Details of Rating Withdrawn') in line with its withdrawal policy.

CRISIL has also revised its outlook on the long-term debt instruments of the other Edelweiss group entities to 'Negative' from 'Stable'. The outlook revision factors in the increased stress in the Edelweiss group's loan book, particularly the wholesale book, which has also impacted the group's overall earnings profile. Further, while the group is in the process of scaling down its wholesale portfolio, this could be delayed, given the challenging macro environment, including issues related to the Covid-19 pandemic. Furthermore, the group's fundraising, which had seen an improving trajectory in the preceding couple of quarters, was impacted in the fourth quarter of fiscal 2020.

Overall reported gross non-performing assets (GNPAs) in the lending business increased to 2.76% as on December 31, 2019, from 1.87% as on March 31, 2019. While GNPAs in the retail book increased to 2.0% as on December 31, 2019, from 0.7% as on March 31, 2019, the reported GNPAs in the wholesale book increased to 3.6% from 2.6% during the same period. The group has sold some of the stressed exposures in the lending business to asset reconstruction companies (ARCs), including Edelweiss Asset Reconstruction Co Ltd (EARC; on an arm's length basis) to benefit from better resolution capabilities and strong legal teams. Including assets sold to ARCs, a sizeable proportion of which continue on the books in the form of security receipts, the stressed assets of the lending book would be higher. The increased stress in the loan book and consequent higher provisions has significantly impacted the group's earnings with net profits (before minority interest) for the 9 months ended December 31, 2019, declining by 70% to Rs 238 crore from Rs 798 crore during the corresponding period of the previous year.

The Edelweiss group's collections and asset quality metrics may come under further pressure on account of the extended nationwide lockdown. The lockdown has been further extended, although there has been a partial lifting of restrictions based on classification of zones. CRISIL believes that further lifting of restrictions will continue in a phased manner. Any delay in return to normalcy will put pressure on collections and asset quality metrics. The group has offered moratorium to their borrowers and hence, the collections are expected to be low in the near-term. Thereafter, collections could witness challenges as the income streams of the group's borrowers are likely to be impacted given the current challenging macro environment.

The Edelweiss group witnessed a reduction in incremental fund raising in fourth quarter of fiscal 2020. The group raised around Rs 1,500 crore in the quarter, as compared to around Rs 3,750 crore in the third quarter and around Rs 2,700 crore in the second quarter.

Nevertheless, CRISIL understands that the management is engaging with lenders and has fresh bank sanctions in the pipeline [including

those under Long Term Reverse Repo Operation (LTRO)] and is also in process of raising retail NCDs. The group's ability to raise fresh funds from diverse sources, over the near term, will be a key monitorable.

Further, CRISIL has also factored in the group's ability to raise capital as demonstrated in the last few quarters. Investments from Caisse de depot et placement du Quebec (CDPQ), Kora Management (Kora; a US-based investment firm), and Sanaka Growth SPV I Ltd (part of Sanaka Capital) between March and November in 2019, have bolstered the group's capital position with overall networth (including CDPQ investment of Rs 1,040 crore, Kora investment of Rs 177 crore, and Sanaka Capital investment of Rs 117 crore as part of networth) increasing to Rs 10,163 crore as on December 31, 2019, and gearing reducing to 3.7 times. The group plans to raise additional capital at the holding company level, as well as in the Edelweiss Global Investment Advisors (EGIA) business, which is expected to further improve the capital levels for the group.

The group also has adequate liquidity. On the liability side, the Reserve Bank of India (RBI) announced regulatory measures under the Covid-19 - Regulatory Package, whereby lenders were permitted to grant moratorium on bank loans. The Edelweiss group has, currently, not applied for moratorium and is repaying its liabilities as per schedule. The overnight on-balance sheet liquidity (including cash, liquid investments, and treasury assets) stood at around Rs 2,450 crore as on April 30, 2020, while unutilised bank lines stood at Rs 700 crore on same date. Over and above, the group has other liquid assets (investments, securities-based lending book), which can be accessed if necessary. This stood at around Rs 4,000 crore as on April 30, 2020.

The group continues to strategically focus on reducing its wholesale book through sale of assets to investors and shifting these assets to a fund platform, which will provide completion finance to the projects. In this regard, the group has already announced one transaction of \$425 million between Edelweiss Alternative Asset Advisors (EAAA) and Meritz Financial Group (a South Korean financial services conglomerate) of which one tranche has already been concluded. The group is in advanced stages of discussion with various global investors for more such transactions.

The ratings also continue to reflect the group's diversified business profile with presence across credit, capital market, and insurance segments, and demonstrated ability to build significant presence in multiple lines of business. The ratings also factor in an established market position in capital market-related segments, resulting in a regular stream of fee-based income.

These strengths are partially offset by vulnerability of asset quality to concentration in the wholesale lending segment, particularly in the current challenging economic environment. Furthermore, the profitability ratios are relatively weaker than some other large, predominantly wholesale players.

CRISIL will continue to closely monitor the progress in sell-down of wholesale assets, group's ability to raise fresh funding, proposed capital raising plans as well as any increase in build-up of stress in loan book. Based on these factors, CRISIL will take appropriate rating action.

The ratings on the debt instruments of EARC continue to centrally factor in the expectation of strong management, financial, and operational support from the ultimate parent, Edelweiss Financial Services Ltd (EFSL; 'CRISIL A1+'; holding company of the Edelweiss group), both on an ongoing basis and in the event of distress. Such expectation reflects the strategic importance of EARC to EFSL as well as the strong moral obligation on EFSL to support EARC, given the shared name and distressed assets resolution being a focus area of the group.

The rating on EARC's Rs 150 crore non-convertible debentures and Rs 350 crore long-term principal-protected, market-linked debentures continues to be driven by the corporate guarantee extended by the parent, EFSL, the structured payment mechanism, and the expected strong oversight by the guarantor. The rating also factors the company's strategic importance to the parent. Any adverse movement in the credit risk profile of the guarantor or non-adherence to the payment mechanism and guarantee fall-off are key rating sensitivity factors.

Analytical Approach

For arriving at the ratings, CRISIL has considered the standalone business and financial risk profiles of EARC. CRISIL has also factored in the support that EARC is likely to receive from its ultimate parent, EFSL. This is because EARC and EFSL have extensive business and operational linkages and a common brand. CRISIL has applied its criteria on rating instruments backed by guarantees. The (CE) suffix reflects the payment structure that is designed to ensure full and time-bound payment to lenders.

For arriving at the ratings on EFSL, CRISIL has combined the business and financial risk profiles of EFSL and its subsidiaries. That's because all the entities, collectively referred to as the Edelweiss group, have significant operational, financial, and managerial integration and also operate under the common Edelweiss brand.

Key Rating Drivers & Detailed Description **Strengths**

*** Strong support from the parent:** EFSL is the promoter of, and the largest shareholder in, EARC. EFSL holds 74.81% stake in EARC through its wholly owned subsidiary, Edelweiss Custodial Services Ltd and other subsidiaries. CDPQ (Caisse de Depot et Placement du Quebec), one of North America's largest pension fund managers, has invested in EARC through CCPs (compulsorily convertible preference shares) and upon conversion of the CCPs it will hold 20% stake in EARC, with Edelweiss holding 60% on a fully diluted basis. The Edelweiss group has articulated that it will continue to hold a minimum 60% stake in EARC. The company is strategically important to the Edelweiss group, which has identified distressed asset reconstruction as a growth area.

EARC has operational synergies with other group businesses such as asset management, investment banking, and corporate lending, and benefits from financial, operational, and management linkages with the Edelweiss group, which has infused Rs 281 crore as equity in EARC till date. Also, EARC borrows from the group companies as and when required; 10% of EARC's borrowings were from the group as on December 31, 2019 (28% as on March 31, 2019). The group's senior management is actively involved in EARC's strategic decision-making. CRISIL believes the Edelweiss group will continue to support EARC due to its majority shareholding in the company and shared brand.

*** Comfortable market position:** EARC remains the largest asset reconstruction company (ARC) in India, with outstanding security receipts (SRs; includes both owned and managed) of Rs 43,100 crore as on December 31, 2019 (around Rs 45,000 crore as on March 31, 2019). While the company initially acquired primarily corporate assets, it has also started acquiring retail and SME assets and has set-up the requisite infrastructure for the same. EARC plans to focus on recoveries mainly through restructuring and rehabilitation of the portfolio companies acquired. Over the medium term, acquisitions will be done where the risk-reward equation is within a pre-decided range with a focus on fee-based business model.

Weaknesses

* **Asset quality challenges inherent in the industry:** EARC faces asset quality-related challenges given exposure to only stressed assets, despite its adequate asset acquisition and resolution policy framework. Till December 31, 2019, EARC has put in place resolution strategies for assets of Rs 36,560 crore through employment of various strategies. Also, recoveries improved significantly in last few quarters supported by resolution of couple of large assets. However, in the current economic scenario, with significant pressure on the cash flow of borrowers, EARC's ability to recover money will remain a key monitorable. At the same time, developments such as IBC (Insolvency and Bankruptcy Court) and NCLT (National Company Law Tribunal) are expected to support recoveries from, or resolution of, stressed accounts with banks and ARCs.

* **Volatile earnings profile:** EARC's earnings profile is volatile because of unpredictable recoveries from acquired assets, given the nature of its business. The company's strategy is to focus on fee-based income by managing large trust assets, wherein a significant proportion of SRs will be held by external investors (banks or qualified buyers). This lends some stability to revenue, as management fees are higher in payment waterfall than in payment to SR holders. However, with management fees being linked to net asset value, ability to recover impacts management fees as well. At the same time, the increasing trend of an early recovery incentive under the 15:85 and subsequent regime provides a potential additional income stream if EARC is able to effect recoveries swiftly. The resolution strategy is mainly turnaround and recovery rather than asset stripping. Given the regulatory construct of investing a minimum of 15% of SRs of each trust, EARC's earnings profile is more strongly linked to the extent of recoveries from acquired assets compared to the previous minimum 5% regime.

Liquidity Adequate

EARC has adequate cash and cash equivalents. The Edelweiss group also maintains adequate liquidity. As a policy, the group maintains a cushion of 9-10% of the balance sheet. There was a liquidity cushion (including cash, liquid investments, and treasury assets) of around Rs 2,450 crore and unutilised bank lines of around Rs 700 crore as on April 30, 2020. The group also has other liquid assets (investments, securities-based lending book), which can be accessed if necessary; these stood at around Rs 4,000 crore. As on April 30, 2020, the overall liquidity was adequate to meet the debt obligation of around Rs 3,290 crore that was due over the next few months until September 30, 2020. The assets and liabilities continue to be well-matched. The group has also reduced its dependence on commercial paper borrowing, which dropped to less than 1% compared to 18% of total borrowings as on September 30, 2018.

Outlook: Negative

CRISIL believes EARC will continue to receive strong support from the Edelweiss group and will maintain its robust market position over the medium term. The ratings may be downgraded if the group's stake in, or support extended to, EARC declines, or if the group's credit risk profile weakens.

Rating Sensitivity Factors

Upward Factors

- * Significant increase in EARC's recovery from stressed assets while maintaining comfortable financial profile
- * Significant improvement in the group's asset quality with GNPA's less than 1% on a sustained basis, and an improving earnings profile
- * Increase in fund mobilisation on a steady-state basis for the group

Downward Factors

- * Change in the extent of EFSL's ownership of EARC or diminution in the expected support from the parent
- * Lack of progress on planned scale down of the wholesale portfolio
- * Continued funding challenges with limited fundraising by the Edelweiss group
- * Deterioration in asset quality of the Edelweiss group with GNPA's increasing to above 4%, thereby also impacting profitability.

Adequacy of credit enhancement structure

The credit enhancement reflects the strength of an unconditional and irrevocable guarantee extended by EFSL, and the payment mechanism for the issue. CRISIL believes EFSL's guarantee and the structured payment mechanism will ensure entire debt obligations under the debt instruments are met on time. CRISIL has fully consolidated the business and financial risk profiles of the borrower and the guarantor. The financials of the borrower, including the entire guaranteed debt, are adequately factored in the consolidated financials of the guarantor. CRISIL has also considered multiple scenarios to test the adequacy of the credit enhancement structure. CRISIL believes the instrument will have high degree of safety regarding timely servicing of financial obligations even in the most likely stress scenario.

Unsupported ratings: CRISIL A+/CRISIL PP-MLD A+r

CRISIL has introduced 'CE' suffix for instruments having explicit Credit Enhancement feature in compliance with SEBI's circular dated June 13, 2019.

Key drivers for unsupported ratings

Refer 'Key rating drivers & detailed description' above. Refer 'Key rating drivers & detailed description' above.

About the Company and the Group

EARC was incorporated in October 2007 and registered with the Reserve Bank of India as a securitisation and asset reconstruction company in October 2009. The Edelweiss group currently holds 74.81% stake in EARC, with high-networth individuals and one foreign institutional investor holding the remaining stake. As on December 31, 2019, the company had managed SRs of Rs 43,100 crore.

EARC reported a profit after tax (PAT) of Rs 435.0 crore on total income of Rs 1366.9 crore for fiscal 2019, against a PAT of Rs 180.2 crore on total income of Rs 769.4 crore for fiscal 2018. In the first 9 months of fiscal 2020, PAT was Rs 299 crore on total income of Rs 1,088 crore against Rs 327 crore and Rs 1,049 crore, respectively, in the corresponding period of the previous fiscal.

The Edelweiss group comprises 48 companies as on December 31, 2019. The number of companies has come down from 74 as on March 31, 2016, and is expected to come down further over the next few quarters (subject to requisite approvals). The group had 458 offices (including eight international offices in six locations) in around 190 cities as on December 31, 2019. Furthermore, as a part of streamlining its operating structure, the group has restructured the businesses into three verticals (credit, advisory and insurance).

The group has presence across various financial services businesses. These businesses include loans to corporates and individuals, mortgage finance, including LAPs and small-ticket housing loans, SME finance, agricultural credit including commodity sourcing and

distribution, institutional and retail equity broking, corporate finance and advisory, wealth management, third-party financial products distribution, alternative and domestic asset management, and life and general insurance. In addition, the BMU focuses on liquidity and asset-liability management.

In fiscal 2019, the group's profit after tax (PAT) was Rs 1044 crore on total income of Rs 10,881 crore against Rs 890 crore and Rs 8,920 crore, respectively, in fiscal 2018. In the first 9 months of fiscal 2020, PAT was Rs 200 crore on total income of Rs 7,637 crore against Rs 763 crore and Rs 8,124 crore, respectively, in the corresponding period of the previous fiscal.

Key Financial Indicators

As on/ for the year ended (as per IND AS)	Unit	December 31, 2019	March 31, 2019	March 31, 2018
Total Assets	Rs Cr.	7405	6840	5477
Total income	Rs Cr.	1088	1367	769
Profit after Tax	Rs Cr.	299	435	180
Gross NPA	%	NA	NA	NA
Gearing	Times	2.4	2.8	3.6
Return on Assets	%	5.6	7.1	3.7

List of covenants

The material covenants of the instruments are as follows:

- The company shall during the currency of the debentures maintain a security cover equal to the principal and interest payable throughout the tenure of the debentures.
- The company shall provide additional security to meet shortfall if the trustee and/or the debenture holder(s) are of the opinion that any time during which the debentures are outstanding the security provided by the company has become inadequate, the company shall provide and furnish to the trustee to its satisfaction such additional security for maintaining the security cover as provided in the financial covenants and conditions as may be accepted to the trustee to cover such deficiency
- The company shall not permit any transfer of the controlling interest or make any drastic change in the management setup.
- Comply with all regulatory and other requirements/covenants as mentioned in the debenture trust deed as may be applicable

Any other information

The rating on EARC's PPMLDs reflects the strength of an unconditional and irrevocable guarantee extended by EFSL, and payment mechanism for the issue. The guarantee covers EARC's entire obligations on the PPMLD issue. The rating thus reflects the credit strength of the guarantor, EFSL. CRISIL believes EFSL's guarantee and the structured payment mechanism will ensure entire debt obligations under the debt instruments are met on time. The guarantee will remain unaffected even if EARC faces bankruptcy or in case of dissolution, insolvency, liquidation, or winding up proceedings initiated by or against the issuer.

As per the payment mechanism, if EARC doesn't deposit the requisite amount in the designated account by T -1 date, the guarantor (EFSL) would be obligated to deposit the shortfall amount in the designated account latest by 12.00 pm on the T date. If the guarantor (EFSL) fails to deposit such funds in the designated account on T date, it would constitute default on the part of the guarantor.

Payment structure for the Rs 150 crore NCDs, Rs 150 crore and Rs 200 crore PPMLD programme guaranteed by EFSL.

Day*	Action
T-1	EARC shall deposit the requisite funds in the designated account
T	If EARC does not deposit the requisite funds in the designated account on any T-1 date (as mentioned above), EFSL would be obligated to deposit the shortfall amount in the designated account latest by 12.00 pm on the T date. If EFSL fails to deposit such funds in the designated account on T date, it would constitute default on part of EFSL.

*T being the coupon payment date, scheduled principal redemption date, put/call option settlement date or redemption date under an early redemption/acceleration event

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (INR. Crs)	Rating Assigned with Outlook
NA	Cash Credit*	NA	NA	NA	105	CRISIL A+/Negative
NA	Long Term Bank Facility*	NA	NA	NA	175	CRISIL A+/Negative
NA	Proposed Long Term Bank Loan Facility*	NA	NA	NA	270	CRISIL A+/Negative
INE015L07469	Non Convertible Debentures	29-Mar-17	2% quarterly	28-Mar-27	266.5	CRISIL A+/Negative
INE015L07477	Non-Convertible Debentures	30-Mar-17	2% quarterly	29-Mar-27	143.5	CRISIL A+/Negative
INE015L07493	Non-Convertible Debentures	27-Apr-17	2% quarterly	26-Apr-27	115.5	CRISIL A+/Negative
INE015L07501	Non-Convertible	28-Apr-17	2% quarterly	27-Apr-27	184	CRISIL A+/Negative

Debentures						
NA	Non-Convertible Debentures#	NA	NA	NA	527.7	CRISIL A+/Negative
NA	Non-Convertible Debentures#^	NA	NA	NA	150	CRISIL AA-(CE)/Negative
INE015L07519	Debentures	28-Aug-17	NA	27-Aug-27	133	CRISIL A+/Negative
INE015L07527	Debentures	29-Aug-17	NA	28-Aug-27	247	CRISIL A+/Negative
INE015L07568	Debentures	21-Nov-17	NA	20-Nov-27	97.5	CRISIL A+/Negative
INE015L07626	Debentures	16-Jan-19	NA	15-Jan-29	72	CRISIL A+/Negative
INE015L07667	Debentures	29-Mar-19	NA	28-Mar-29	70.6	CRISIL A+/Negative
INE015L07634	Debentures	17-Jan-19	NA	16-Feb-21	30	CRISIL A+/Negative
INE015L07592	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	27-Nov-18	NA	15-Nov-21	5.75	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07535	Nifty 10 yr Benchmark G-Sec (Clean Price) index	27-Nov-18	NA	06-Sep-22	0.25	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07584	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	27-Nov-18	NA	16-Nov-20	18.91	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07535	Nifty 10 yr Benchmark G-Sec (Clean Price) index	30-Nov-18	NA	06-Sep-22	3	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07584	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	30-Nov-18	NA	16-Nov-20	10.54	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07592	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	30-Nov-18	NA	15-Nov-21	5.34	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07592	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	13-Dec-18	NA	15-Nov-21	10	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07584	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	13-Dec-18	NA	16-Nov-20	15.79	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07535	Nifty 10 yr Benchmark G-Sec (Clean Price) index	21-Dec-18	NA	06-Sep-22	0.76	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07584	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	21-Dec-18	NA	16-Nov-20	11.25	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07592	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	21-Dec-18	NA	15-Nov-21	25.83	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07592	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	24-Dec-18	NA	15-Nov-21	0.52	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07584	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	28-Dec-18	NA	16-Nov-20	14.9	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07592	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	28-Dec-18	NA	15-Nov-21	6.1	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07535	Nifty 10 yr Benchmark G-Sec (Clean Price) index	28-Dec-18	NA	06-Sep-22	5.08	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07535	Nifty 10 yr Benchmark G-Sec (Clean Price) index	09-Jan-19	NA	06-Sep-22	0.24	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07584	NIFTY 10 YR	09-Jan-19	NA	16-Nov-20	2.43	CRISIL PP-MLD AA-r(CE)/Negative

	BENCHMARK G-SEC (CLEAN PRICE) INDEX					
INE015L07634	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	17-Jan-19	NA	16-Feb-21	26.3	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07535	Nifty 10 yr Benchmark G-Sec (Clean Price) index	23-Jan-19	NA	06-Sep-22	2.84	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07428	Nifty 10 yr Benchmark G-Sec (Clean Price) index	23-Jan-19	NA	17-Jul-26	0.2	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07592	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	24-Jan-19	NA	15-Nov-21	0.75	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07535	Nifty 10 yr Benchmark G-Sec (Clean Price) index	24-Jan-19	NA	06-Sep-22	2	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07584	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	24-Jan-19	NA	16-Nov-20	12.27	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07535	Nifty 10 yr Benchmark G-Sec (Clean Price) index	25-Jan-19	NA	06-Sep-22	39.04	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07584	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	30-Jan-19	NA	16-Nov-20	5.74	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07592	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	30-Jan-19	NA	15-Nov-21	6.65	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07428	Nifty 10 yr Benchmark G-Sec (Clean Price) index	30-Jan-19	NA	17-Jul-26	0.62	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07535	Nifty 10 yr Benchmark G-Sec (Clean Price) index	30-Jan-19	NA	06-Sep-22	0.81	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07584	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	31-Jan-19	NA	16-Nov-20	3.11	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07428	Nifty 10 yr Benchmark G-Sec (Clean Price) index	31-Jan-19	NA	17-Jul-26	16.39	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07592	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	31-Jan-19	NA	15-Nov-21	1	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07535	Nifty 10 yr Benchmark G-Sec (Clean Price) index	31-Jan-19	NA	06-Sep-22	0.91	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07584	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	06-Feb-19	NA	16-Nov-20	0.25	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07428	Nifty 10 yr Benchmark G-Sec (Clean Price) index	06-Feb-19	NA	17-Jul-26	5.4	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07592	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	06-Feb-19	NA	15-Nov-21	1.42	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07535	Nifty 10 yr Benchmark G-Sec (Clean Price) index	06-Feb-19	NA	06-Sep-22	0.61	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07592	NIFTY 10 YR BENCHMARK G-SEC	12-Feb-19	NA	15-Nov-21	3.9	CRISIL PP-MLD AA-r(CE)/Negative

	(CLEAN PRICE) INDEX					
INE015L07584	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	12-Feb-19	NA	16-Nov-20	2.7	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07535	Nifty 10 yr Benchmark G-Sec (Clean Price) index	12-Feb-19	NA	06-Sep-22	4.3	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07428	Nifty 10 yr Benchmark G-Sec (Clean Price) index	12-Feb-19	NA	17-Jul-26	1.3	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07584	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	14-Feb-19	NA	16-Nov-20	40.33	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07535	Nifty 10 yr Benchmark G-Sec (Clean Price) index	14-Feb-19	NA	06-Sep-22	1.25	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07592	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	14-Feb-19	NA	15-Nov-21	5.23	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07535	Nifty 10 yr Benchmark G-Sec (Clean Price) index	20-Feb-19	NA	06-Sep-22	1.07	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07584	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	20-Feb-19	NA	16-Nov-20	1	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07428	Nifty 10 yr Benchmark G-Sec (Clean Price) index	20-Feb-19	NA	17-Jul-26	0.19	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07592	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	20-Mar-19	NA	15-Nov-21	0.47	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07428	Nifty 10 yr Benchmark G-Sec (Clean Price) index	20-Mar-19	NA	17-Jul-26	0.22	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07584	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	20-Mar-19	NA	16-Nov-20	0.53	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07584	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	03-Apr-19	NA	16-Nov-20	1.25	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07535	Nifty 10 yr Benchmark G-Sec (Clean Price) index	20-May-19	NA	06-Sep-22	2.8	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07691	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	25-Jul-19	NA	16-Nov-20	3.99	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07592	Nifty 10 yr Benchmark G-Sec (Clean Price) index	28-Aug-19	NA	15-Nov-21	0.92	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07535	Nifty 10 yr Benchmark G-Sec (Clean Price) index	28-Aug-19	NA	06-Sep-22	0.97	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07691	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	28-Aug-19	NA	16-Nov-20	4.97	CRISIL PP-MLD AA-r(CE)/Negative
NA	Long Term Principle Protected Market Linked Debenture#^	NA	NA	NA	4.61	CRISIL PP-MLD AA-r(CE)/Negative
INE015L07618	Debentures	13-Dec-18	9.90%	08-Dec-28	331.5	CRISIL A+/Negative
INE015L07683	Debentures	23-Jul-19	2	22-Jul-29	16.2	CRISIL A+/Negative
INE015L07709	Debentures	02-Dec-19	11.50%	01-Jun-23	1250	CRISIL A+/Negative

*Interchangeable between long-term and short-term

#Yet to be issued

^total not to exceed Rs 150 crore

Annexure - Details of Rating Withdrawn

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (INR. Crs)
INE015L07600	Debentures	10-Dec-18	NA	09-Dec-19	450
INE015L07642	Debentures	25-Jan-19	NA	31-Mar-20	115
INE015L07642	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX	25-Jan-19	NA	31-Mar-20	5

Annexure - Rating History for last 3 Years

Instrument	Current			2020 (History)		2019		2018		2017		Start of 2017
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Commercial Paper	ST	2000.00	Withdrawal			04-10-19	CRISIL A1+	28-11-18	CRISIL A1+	17-10-17	CRISIL A1+	CRISIL A1+
						07-09-19	CRISIL A1+	18-09-18	CRISIL A1+	11-10-17	CRISIL A1+	
						20-07-19	CRISIL A1+			27-07-17	CRISIL A1+	
						31-01-19	CRISIL A1+			27-03-17	CRISIL A1+	
						16-01-19	CRISIL A1+			10-03-17	CRISIL A1+	
										23-02-17	CRISIL A1+	
Long Term Principal Protected Market Linked Debentures	LT	340.95 25-05-20	CRISIL PP-MLD AA-r(CE)/Negative			04-10-19	CRISIL PP-MLD AA-r(CE)/Stable	28-11-18	CRISIL PP-MLD AA(SO)/Stable	17-10-17	CRISIL PP-MLD AA(SO)/Stable	--
						07-09-19	CRISIL PP-MLD AA(CE)/Negative	18-09-18	CRISIL PP-MLD AA(SO)/Stable			
						20-07-19	CRISIL PP-MLD AA(SO)/Negative					
						31-01-19	CRISIL PP-MLD AA(SO)/Stable					
						16-01-19	CRISIL PP-MLD AA(SO)/Stable Provisional CRISIL PMLDAAr(SO)/Stable					
Non Convertible Debentures	LT	1707.30 25-05-20	CRISIL A+/-Negative CRISIL AA-(CE)/Negative			04-10-19	CRISIL A+/-Stable CRISIL AA-(CE)/Stable	28-11-18	CRISIL AA(SO)/Stable CRISIL AA-/Stable	17-10-17	CRISIL AA(SO)/Stable CRISIL AA-/Stable	CRISIL AA-/Stable
						07-09-19	CRISIL AA(CE)/Negative CRISIL AA-/Negative	18-09-18	CRISIL AA(SO)/Stable CRISIL AA-/Stable	11-10-17	CRISIL AA-/Stable	
						20-07-19	CRISIL AA(SO)/Negative CRISIL AA-/Negative			27-07-17	CRISIL AA-/Stable	
						31-01-19	CRISIL AA(SO)/Stable CRISIL AA-/Stable			27-03-17	CRISIL AA-/Stable	
						16-01-19	CRISIL AA(SO)/Stable CRISIL AA-/Stable			10-03-17	CRISIL AA-/Stable	
										23-02-17	CRISIL AA-/Stable	
Fund-based Bank Facilities	LT/ST	550.00	CRISIL A+/-Negative			04-10-19	CRISIL A+/-Stable	28-11-18	CRISIL AA-/Stable	17-10-17	CRISIL AA-/Stable	CRISIL AA-/Stable
						07-09-19	CRISIL AA-/Negative	18-09-18	CRISIL AA-/Stable	11-10-17	CRISIL AA-/Stable	
						20-07-19	CRISIL AA-/Negative			27-07-17	CRISIL AA-/Stable	
						31-01-19	CRISIL AA-/Stable			27-03-17	CRISIL AA-/Stable	
						16-01-19	CRISIL AA-/Stable			10-03-17	CRISIL AA-/Stable	
										23-02-17	CRISIL AA-/Stable	

All amounts are in Rs.Cr.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating

Cash Credit*	105	CRISIL A+/Negative	Cash Credit*	105	CRISIL A+/Stable
Long Term Bank Facility*	175	CRISIL A+/Negative	Long Term Bank Facility*	175	CRISIL A+/Stable
Proposed Long Term Bank Loan Facility*	270	CRISIL A+/Negative	Proposed Long Term Bank Loan Facility*	270	CRISIL A+/Stable
Total	550	--	Total	550	--

*Interchangeable between long-term and short-term

Links to related criteria

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating Criteria for Finance Companies](#)

[CRISILs Criteria for rating short term debt](#)

[Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support](#)

For further information contact:

Media Relations	Analytical Contacts	Customer Service Helpdesk
Saman Khan Media Relations CRISIL Limited D: +91 22 3342 3895 B: +91 22 3342 3000 saman.khan@crisil.com	Krishnan Sitaraman Senior Director - CRISIL Ratings CRISIL Limited D: +91 22 3342 8070 krishnan.sitaraman@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number: 1800 267 1301 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com
Naireen Ahmed Media Relations CRISIL Limited D: +91 22 3342 1818 B: +91 22 3342 3000 naireen.ahmed@crisil.com	Subhasri Narayanan Director - CRISIL Ratings CRISIL Limited D: +91 22 3342 3403 subhasri.narayanan@crisil.com	For Analytical queries: ratingsinvestordesk@crisil.com
	Malvika Bhotika Rating Analyst - CRISIL Ratings CRISIL Limited D: +91 22 3342 3272 malvika.bhotika@crisil.com	

Note for Media:

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper / magazine / agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL. However, CRISIL alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites, portals etc.

About CRISIL Limited

CRISIL is a leading agile and innovative, global analytics company driven by its mission of making markets function better. We are India's foremost provider of ratings, data, research, analytics and solutions. A strong track record of growth, culture of innovation and global footprint sets us apart. We have delivered independent opinions, actionable insights, and efficient solutions to over 1,00,000 customers.

We are majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: [TWITTER](#) | [LINKEDIN](#) | [YOUTUBE](#) | [FACEBOOK](#)

About CRISIL Ratings

CRISIL Ratings is part of CRISIL Limited ("CRISIL"). We pioneered the concept of credit rating in India in 1987. CRISIL is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI"). With a tradition of independence, analytical rigour and innovation, CRISIL sets the standards in the credit rating business. We rate the entire range of debt instruments, such as, bank loans, certificates of deposit, commercial paper, non-convertible / convertible / partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 24,500 large and mid-scale corporates and financial institutions. CRISIL has also instituted several innovations in India in the rating business, including rating municipal bonds, partially guaranteed instruments and microfinance institutions. We also pioneered a globally unique rating service for Micro, Small and Medium Enterprises (MSMEs) and significantly extended the accessibility to rating services to a wider market. Over 1,10,000 MSMEs have been rated by us.

CRISIL PRIVACY

CRISIL respects your privacy. We may use your contact information, such as your name, address, and email id to fulfil your request and service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit www.crisil.com.

DISCLAIMER

This disclaimer forms part of and applies to each credit rating report and/or credit rating rationale that we provide (each a "Report"). For the avoidance of doubt, the term "Report" includes the information, ratings and other content forming part of the Report. The Report is intended for the jurisdiction of India only. This Report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary licenses and/or registration to carry out its business activities referred to above. Access or use of this Report does not create a client relationship between CRISIL and the user.

We are not aware that any user intends to rely on the Report or of the manner in which a user intends to use the Report. In preparing our Report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the Report is not intended to and does not constitute an investment advice. The Report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind or otherwise enter into any deal or transaction with the entity to which the Report pertains. The Report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from CRISIL Rating are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities / instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CRISIL assumes no obligation to update its opinions following publication in any form or format although CRISIL may disseminate its opinions and analysis. CRISIL rating contained in the Report is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the Report should rely on their own judgment and take their own professional advice before acting on the Report in any way. CRISIL or its associates may have other commercial transactions with the company/entity.

Neither CRISIL nor its affiliates, third party providers, as well as their directors, officers, shareholders, employees or agents (collectively, "CRISIL Parties") guarantee the accuracy, completeness or adequacy of the Report, and no CRISIL Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Report. EACH CRISIL PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CRISIL Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Report even if advised of the possibility of such damages.

CRISIL Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors. CRISIL's public ratings and analysis as are required to be disclosed under the regulations of the Securities and Exchange Board of India (and other applicable regulations, if any) are made available on its web sites, www.crisil.com (free of charge). Reports with more detail and additional information may be available for subscription at a fee – more details about CRISIL ratings are available here: www.crisilratings.com.

CRISIL and its affiliates do not act as a fiduciary. While CRISIL has obtained information from sources it believes to be reliable, CRISIL does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and / or relies in its Reports. CRISIL keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of CRISIL may have information that is not available to other CRISIL business units. CRISIL has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. CRISIL has in place a ratings code of conduct and policies for analytical firewalls and for managing conflict of interest. For details please refer to: <https://www.crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html>

CRISIL's rating criteria are generally available without charge to the public on the CRISIL public web site, www.crisil.com. For latest rating information on any instrument of any company rated by CRISIL you may contact CRISIL RATING DESK at CRISILratingdesk@crisil.com, or at (0091) 1800 267 1301.

This Report should not be reproduced or redistributed to any other person or in any form without a prior written consent of CRISIL.

All rights reserved @ CRISIL

CRISIL uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011 to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL's use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: www.crisil.com/ratings/credit-rating-scale.html

EdelARC/321/2020-2021

May 26, 2020

Ms. Savitri Yadav
Compliance Officer,
SBICAP Trustee Company Limited
Apeejay House, 6th Floor, West Wing,
Dinshaw Wachha Road, Churchgate,
Mumbai - 400 020.

Dear Sirs,

Sub: Disclosure under Regulation 56(1)(c)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is to inform you that CRISIL Ratings has re-affirmed the credit rating of CRISIL PP-MLD AA-r (CE) assigned to Long Term Principal Protected Market Linked Debentures and CRISIL AA- (CE), CRISIL A+ assigned to the Non-Convertible Debentures with the outlook being revised from 'Stable' to 'Negative'. Instruments with CRISIL AA and CRISIL AA (CE) rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Instruments with CRISIL A rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

The modifiers "+" (plus) or "-" (minus) reflect the comparative standings within the category.

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,
For Edelweiss Asset Reconstruction Company Limited



Deepak Nautiyal
Company Secretary