



## Press Release

**Nido Home Finance Limited (NHFL)**

**April 28, 2025**

### **Ratings**

<b>Instrument / Facility</b>	<b>Amount (Rs. crore)</b>	<b>Current Ratings</b>	<b>Previous Ratings</b>	<b>Rating Action</b>	<b><a href="#">Complexity Indicator</a></b>
Proposed Commercial Paper (CPs)	100.00	IVR A1+ (IVR A One Plus)	-	Rating Assigned	Simple
<b>Total</b>	<b>100.00 (Rupees One Hundred Crore Only)</b>				

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

### **Detailed Rationale**

Infomerics Ratings has assigned its rating to the proposed commercial paper issue of NHFL based on the comfort derived from established track record of the Edelweiss group (here after referred to as group) with presence across diversified business verticals with sizeable scale of operations, adequate capitalisation of the group with proven track record of monetising group assets. However, the ratings are constrained by average asset quality and pressure on group's profitability.

### **Key Rating Sensitivities:**

#### **Downward Factors**

- Substantial decline in the overall financial profile of the group.
- Substantial deterioration in capitalisation, liquidity and profitability of the group and /or delay in planned divestments
- Deterioration in the asset quality from the current levels

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths**

#### **Established track record of the group**



## Press Release

The Edelweiss group was established in 1995 and is present across various financial services businesses, including loans to individuals, mortgage finance - loans against property and small-ticket housing loans, MSME finance, alternative and domestic asset management, and life and general insurance. In addition, the Balance sheet Management Unit (BMU) focuses on liquidity and asset-liability management. The group had 293 offices (including 10 international offices in 6 locations) in around 136 cities in FY24 (refers to period April 1st, 2023, to Mar 31, 2024). Furthermore, as part of streamlining its operating structure, the group has restructured the businesses into four verticals namely credit (Lending), insurance, asset management and asset reconstruction.

**Diversified business verticals with sizeable scale of operations albeit moderation witnessed in recent past.**

The Edelweiss group has sizeable operations across various business verticals i.e. Lending (wholesale and retail), insurance (life and general), asset management, and asset reconstruction.

The asset management business comprises mutual fund (Edelweiss Asset Management Ltd) and alternate asset businesses (Edelweiss Alternative Asset Advisors Ltd). The asset management business has substantially grown in last few years and currently the AUM stood at Rs 1,81,700.00 crore as on March 31, 2024, when compared to Rs 1,51,500.00 crore as on March 31, 2023. The AUM has further grown to Rs 1,98,075 crore as on 31 December 2024.

In the asset reconstruction segment, Edelweiss Asset Reconstruction Company Limited's (EARCL) total AUM has declined to Rs 31,590.00 crore as on March 31, 2024 (Rs 37,100.00 crore and Rs 40,200.00 crore as on March 31, 2023, and March 31, 2022). The AUM has further reduced to Rs 27,850 crore as on 31 Dec 2024 given the restrictions imposed by RBI on fresh asset acquisitions. Since, RBI has lifted restrictions imposed on EARCL on 17 Dec 2024, the acquisition of fresh assets is expected to gain momentum from Q4FY25 onwards.



## Press Release

EARCLs recoveries and acquisition of assets stood at Rs 9,416.00 crore and Rs 13,187 crore respectively for FY24. In 9MFY25, EARCLs recoveries stood at Rs 4,303.00 crore with no fresh acquisitions.

In the lending business vertical, group has two NBFCs, ECL Finance Ltd which is into wholesale (Construction loans) and retail -MSME lending, Edelweiss Retail Finance Ltd which is into retail – MSME lending and one housing finance company, Nido Home Finance Ltd which is into housing loan segment.

Total AUM of NBFC stood at Rs 6,924.00 crore (comprising of own loan book of Rs 1753.00 crore, group loans of Rs 305.47 crore, investments in SR's of Rs 3,976.83 crore and assigned book of Rs 888.83 crore) as on 31 March 2024 when compared to Rs 7,847.00 crore as on 31 March 2023. The degrowth in AUM is on account of discontinuation of wholesale lending segment. The AUM has further declined to Rs 5,370 crore in 9MFY25. The wholesale book has further reduced to Rs 3,650.00 crore by 31 December 2024 and is expected to run down in the normal course of business.

Total AUM of HFC stood at Rs 3,962.00 crore (Including Housing loans of Rs 2,549 crore, LAP of Rs 1104 crore and construction finance - residential of Rs 308 crore) as on 31 March 2024 when compared to Rs 4,115.00 crore as on 31 March 2023. The AUM of HFC stood at Rs 3,972.00 crore in 9MFY25.

The group is also having its presence in life insurance business (Edelweiss Tokio Life Insurance Company Ltd) and general insurance businesses (Zuno General Insurance Limited), which are gaining scale and are expected to breakeven over the medium term.

### **Adequate capitalisation with proven track record of monetising group assets**

The group has maintained adequate capitalisation to support the growth in various business verticals backed by proven track record of capital raise over the years. Edelweiss group has raised Rs 4,400.00 crores from global investors since 2016. On a consolidated basis, the group has a tangible Networth of Rs 5,850.74 crore as on 31 March 2024 as against Rs



## Press Release

7670.01 crore as on March 31, 2023 (Rs 7386.00 crore as on March 31, 2022). The decline in consolidated Networth is on account of demerger of “Nuvama Wealth Management Ltd”, a listed entity and the proceeds were distributed to the EFSL shareholders. EFSL held 44% stake in Nuvama and after the demerger, 30% of Nuvama's shares were distributed to EFSL shareholders, reducing EFSL's net worth by ~ Rs 2,300.00 crore. As on 31 December 2024, the consolidated Networth stood at Rs 6477.00 crore against net debt of Rs 11,590.00 crore.

The group has an established track record of monetizing its assets and unlock their intrinsic values and the latest being monetizing ~30% of its stake in “Nuvama Wealth Management Ltd” for ~Rs 3,260.00 crore, group's wealth management arm. The group plans to monetize assets worth ~Rs 1,500.00 crore in FY26 in the asset management business (EAAA) through an IPO.

### Key Rating Weaknesses

#### Average asset quality

The asset quality of the group in lending business remains average with NBFCs (Consolidated) reporting GNPA of 2.32% and NNPA of 1.46% for 9MFY25 (GNPA of 2.45% and NNPA of 1.42% for FY24) and HFC reporting GNPA of 2.19% and NNPA of 1.79% for 9MFY25 (GNPA of 1.69% and NNPA of 1.19% for FY24). Since majority of the AUM consist of wholesale loans despite discontinuation of fresh disbursements, which are big ticket size construction loans, where the delinquencies are higher when compared to other asset classes. Going forward, the ability to maintain healthy asset quality will be a key rating monitorable.

#### Pressure on group's profitability.

The group has reported PAT of Rs 528.04 crore in FY24 with major contribution from Asset reconstruction business vertical which stood at Rs 355 crore for FY24, lending business vertical contributing Rs 169 crore and Rs 248 crore from asset management business vertical. The same stands adjusted against losses incurred from other companies and deferred tax credit of Rs 305 crore.

The management has informed that the asset management business and insurance business have grown multi fold in last three years and expected to contribute majorly towards the



## Press Release

profitability of the group in the medium to long term. Also, the fact that the restrictions on EARC and ECLFL has been lifted, and the business is expected to grow and improve the profitability of the group coupled with reducing debt levels is expected to help the group in improving its profitability. The same is reflected in improved profitability reported by the group in 9MFY25 which stood at Rs 377.50 crore when compared to PAT of Rs 324.96 crore in 9MFY24.

### **Analytical Approach:** Consolidated

Infomerics Ratings has adopted consolidated approach as these entities, collectively referred to as the Edelweiss group, have significant operational, financial and managerial linkages. All these companies have common promoters and share common brand name “Edelweiss.”

The Edelweiss group comprises of 28 subsidiaries and associates as on March 31, 2024. “Edelweiss Financial Services Limited” (EFSL) is the holding company of the group, where the financials of all the subsidiaries/associates/group companies gets consolidated.

### **Applicable Criteria:**

[Rating Methodology for Financial Institutions/Non-Banking Finance companies](#)

[Policy on Default Recognition and Post – Default Curing Period](#)

[Criteria of assigning Rating Outlook](#)

[Complexity level of rated instruments/Facilities](#)

[Financial Ratios & Interpretation \(Financial Sector\)](#)

[Criteria on consolidation of companies](#)

### **Liquidity: Strong**

Edelweiss group has strong liquidity of Rs 4,568.00 crore as on 31 December 2024 against total debt repayments of Rs 4,200.00 crore for next 12 months ending December 2025. The group has adequately matched asset liability profile as on 31 December 2024. The group intends to refile the DRHP for public issue of Rs 1500.00 crore in EAAA which will further boost the liquidity of the group. Infomerics expects that the group will be able to maintain adequate liquidity with the expected cash inflows from the future fund-raising plans.





## Press Release

### **About the company – Nido Home Finance Limited (NHFL)**

Nido Home Finance Ltd (NHFL) is a housing finance company registered with National Housing Bank (NHB) and was incorporated on May 30, 2008, following the group's strategy of creating a larger retail footprint. The company offers home loans and loans against property.

### **Financials (Standalone)\*: NHFL**

	(Rs. crore)	
For the year ended* / As on	31-03-2023	31-03-2024
	Audited	Audited
Total Income	446.69	465.71
PAT	16.06	19.31
Tangible Net worth	788.19	808.41
Total Debt	1847.44	1686.48
AUM	3854.00	3962.00
<b>Ratios</b>		
Overall Gearing (Times)	2.34	2.09
ROTA (%)	0.42	0.52
Interest Coverage (times)	1.07	1.09
Gross NPA [Stage III] (%)	1.91	1.69
Net NPA [Stage III] (%)	1.46	1.19
Total CRAR (%)	32.06	39.05

\* Classification as per Infomerics' standards

### **About the Group: Edelweiss Group**

The Edelweiss group has 28 subsidiaries and associates as on March 31, 2024. The group had 293 offices (including 10 international offices in 6 locations) in around 136 cities as on March 31, 2024. The group is present across various financial services businesses, including loans to individuals, mortgage finance – loans against property and small-ticket housing loans, MSME finance, alternative and domestic asset management, and life and general insurance.

### **Financials (Consolidated)\*: EFSL**

	(Rs. crore)	
For the year ended* / As on	31-03-2023	31-03-2024
	Audited	Audited
Total Income	8632.59	9601.57



## Press Release

For the year ended* / As on	31-03-2023	31-03-2024
PAT	405.56	528.04
Tangible Net worth	7670.01	5850.74
Total Debt	28347.94	28551.00
Total Assets	42676.48	41174.55
<b>Ratios</b>		
Overall Gearing (Times)	3.70	4.88
ROTA (%)	1.01	1.31
Interest Coverage (times)	1.10	1.16
Gross NPA [Stage III] (%)	2.07	2.45
Net NPA [Stage III] (%)	1.29	1.42

\* Classification as per Infomerics' standards

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

**Any other information: NA**

**Rating History for last three years:**

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Proposed Commercial Paper	Short Term	100.00	IVR A1+	-	-	-

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### About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration



## Press Release

from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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### Annexure 1: Instrument/Facility Details

Instrument	ISIN	Date of Issuance	Maturity Date	Coupon (%)	Amount (Rs in Crores)	Listing Status	Rating
Proposed CPs	-	-	-	-	100.00	To be listed	IVR A1+
	<b>Total</b>				<b>100.00</b>		

### Annexure 2: Facility wise lender details – Not Applicable

### Annexure 3: Detailed explanation of covenants of the rated Security/facilities:





## Press Release

**Draft Term sheet for the proposed Commercial Paper issue of Rs 100.00 crore**

Issuer	Nido Home Finance Limited
Issue size	Upto Rs 100 crore
Face Value	500,000.00
ROI	9.10%
Issue Date	TBD
Maturity Date	TBD
No of Days	Upto 364 days
Purpose	Rollover of existing CPs

**Annexure 4: List of companies considered for consolidated analysis:**

<b>Name of entities consolidated</b>	<b>Extent of consolidation</b>	<b>Rationale for consolidation</b>
ECL Finance Limited	Full	Subsidiary
Edelcap Securities Ltd	Full	Subsidiary
Edelweiss Asset Management Ltd	Full	Subsidiary
ECap Securities and Investments Ltd (Formerly known as ECap Equities Ltd)	Full	Subsidiary
Edelweiss Trusteeship Company Ltd	Full	Subsidiary
Nido Home Finance Ltd (Earlier known as Edelweiss Housing Finance Ltd)	Full	Subsidiary
Edelweiss Investment Adviser Ltd	Full	Subsidiary
ECap Equities Ltd (Formerly known as Edel Land Ltd)	Full	Subsidiary
Edelweiss Investment Ltd	Full	Subsidiary
Edelweiss Rural and Corporate Services Ltd	Full	Subsidiary
Comtrade Commodities Services Ltd (Formerly known as Edelweiss Comtrade Ltd)	Full	Subsidiary
Edel Finance Company Ltd	Full	Subsidiary
Edelweiss Retail Finance Ltd	Full	Subsidiary
Edelweiss Multi Strategy Fund Advisors LLP	Full	Subsidiary



## Press Release

Zuno General Insurance Limited (Formerly known as Edelweiss General Insurance Company Ltd)	Full	Subsidiary
Edelweiss Securities and Investments Pvt Ltd	Full	Subsidiary
EC International Ltd	Full	Subsidiary
Nuvama Investment Advisors LLC (Formerly known as EAAA LLC)	Full	Subsidiary
Edelweiss Alternative Asset Advisors Pte. Ltd	Full	Subsidiary
EdelGive Foundation	Full	Subsidiary
Edelweiss Alternative Asset Advisors Ltd	Full	Subsidiary
Edelweiss Private Equity Tech Fund	Full	Subsidiary
Edelweiss Value and Growth Fund	Full	Subsidiary
Edelweiss Asset Reconstruction Company Ltd	Full	Subsidiary
Edelweiss Tokio Life Insurance Company Ltd	Full	Subsidiary
Allium Finance Pvt Ltd	Full	Subsidiary
Edelweiss Global Wealth Management Limited	Full	Subsidiary
Nuvama Custodial Services Ltd (formerly known as Edelweiss Capital Services Ltd)	Full	Subsidiary
India Credit Investment Fund II	Full	Subsidiary
Sekura India Management Ltd	Full	Subsidiary
Edelweiss Retail Assets Managers Ltd	Full	Subsidiary

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).