EAAA India Alternatives Limited

November 17, 2026

Rating Action

Instrument	Amount (Rs. crore)	Ratings	Rating Action	Regulator^
Proposed Commercial Paper Programme (CP)	300.00	IVR A1+	Rating Reaffirmed	RBI
Total	**300.00 (Rupees Three Hundred Crore Only)**			
^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.				

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: *None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

Rationale

Infomerics Ratings has continued its ratings on the Proposed CPs of Rs. 300 crore at IVR A1+. The ratings continue to derive comfort from established track record of the group with presence across diversified business verticals with sizeable scale of operations and adequate capitalisation of the group with proven track record of monetising group assets. However, the ratings are constrained by average asset quality and subdued profitability.

Outlook: Not Applicable

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Consolidated IVR has taken a consolidated view of Edelweiss Financial Services Limited (EFSL), Edelweiss Alternative Asset Advisors Ltd (EAAA), ECL Finance Ltd (ECLFL), Edel Finance Company Ltd (EFCL), ECAP Equities Ltd (ECAP) Edelweiss Rural and Corporate Services Ltd – (ERCSL) and Nido Home Finance Limited given the close operational, financial and managerial linkages between the Group entities, shared brand name along with a common treasury team. All these companies have common promoters and share common brand name "Edelweiss." The Edelweiss group comprises of 27 subsidiaries and associates as on June 30, 2026. "Edelweiss Financial Services Limited" (EFSL) is the holding company of the group, where the financials of all the subsidiaries/associates/group companies get consolidated. (List of entities considered for combined view are mentioned in Annexure 4)
Parent/ Group Support	Not Applicable

Key Rating Drivers with Detailed Description

Strengths

Diversified business verticals with sizeable scale of operations

Edelweiss Group has sizeable and diversified operations across asset management, asset reconstruction, lending and insurance, providing diversification in its revenue streams. Within the asset management segment, the Alternative Asset Management fee-paying AUM increased to Rs. 48,623 crores as on June 30, 2026, from Rs. 44,710 crores as on March 31, 2026 (Rs. 33,833 crores as on March 31, 2025). Similarly, mutual fund AUM increased to Rs. 1,76,200 crores as on June 30, 2026, from Rs. 1,58,200 crores as on March 31, 2026 (Rs. 1,41,800 crores as on March 31, 2025), reflecting healthy growth in the asset management business.

On the other hand, the asset reconstruction business witnessed a decline in fee-paying AUM to Rs. 7,684 crores as on June 30, 2026, from Rs. 7,838 crores as on March 31, 2026 (Rs. 12,163 crores as on March 31, 2025), primarily due to write-downs aligned with expected recoveries. However, recoveries remained healthy, with no material impact on profitability. The NBFC business also reported a decline in AUM to Rs. 2,752 crores as on June 30, 2026, from Rs. 3,269 crores as on March 31, 2026 (Rs. 3,541 crores as on March 31, 2025), largely reflecting the group's calibrated reduction in wholesale lending exposure, which declined to Rs. 600 crores as on June 30, 2026, from Rs. 1,750 crores as on March 31, 2026 (Rs. 2,500 crores as on March 31, 2025). In contrast, the HFC business witnessed growth in AUM to Rs. 4,900 crores as on June 30, 2026, from Rs. 4,235 crores as on March 31, 2025 (Rs. 3,962 crores as on March 31, 2024), indicating steady growth in the housing finance segment. Meanwhile, the insurance businesses are scaling up their operations and progressing towards breakeven.

Going forward, the group's ability to sustain growth in its asset management and housing finance businesses, while managing the declining scale of the wholesale lending and asset reconstruction businesses, will remain important. Further, the impact of regulatory restrictions on the asset reconstruction business, discontinuation of wholesale lending and planned divestments across certain business verticals on the group's consolidated earnings profile, profitability and balance sheet strength will remain key rating monitorable.

Adequate capitalisation with proven track record of monetising group assets

Edelweiss Group has maintained adequate capitalisation to support growth across its various business verticals, underpinned by a demonstrated ability to raise capital and monetize assets over the years. On a consolidated basis, the group reported a tangible net worth of Rs 5,780 crore as on March 31, 2026, compared with Rs 5,712 crore as on March 31, 2025. The group has an established track record of monetising its investments and businesses, with recent initiatives

including the IPO of EAAA India Alternatives Limited (rated IVR A1+), which raised approximately Rs. 1,200 crores through an offer for sale, successful completion of the divestment of Nido Home Finance Limited (rated IVR A1+) on September 25, 2026, divestment of a 15% stake in Edelweiss Mutual Fund, and monetisation of a 14% stake in Nuvama, its wealth management arm, for approximately Rs. 3,250 crores.

Established track record of the group

Edelweiss Group, established in 1995, has a long operating track record and a diversified presence across multiple financial services segments. The group operates in lending to individuals, mortgage finance (including loans against property and small-ticket housing loans), MSME finance, alternative and domestic asset management, and life and general insurance. Further, as part of ongoing efforts to streamline operations and enhance focus, the group has reorganized its businesses into four core verticals, Asset Management, Asset Reconstruction, Credit (Lending) and Insurance.

Weaknesses

Average Asset Quality

The asset quality of the group's lending business remains average. ECL Finance Limited (rated at IVR A1+) reported a gross NPA of 2.20% and a net NPA of 1.21% for FY26, compared with 2.73% and 1.59%, respectively, for FY25 (2.45% gross NPA and 1.42% net NPA for FY24). Similarly, Nido Home Finance Limited (rated at IVR A1+) reported a gross NPA of 2.31% and a net NPA of 1.90% for FY26, compared with 2.17% and 1.76%, respectively, for FY25 (1.69% gross NPA and 1.19% net NPA for FY24). The moderation in asset quality metrics is primarily attributable to discontinuation of wholesale lending, with wholesale loans declining to Rs 2,500 crore in Mar 2025 and further to Rs. 600 crores in Jun 2026. The group has significantly downsized its wholesale book through recoveries and asset sell-downs to ARCs and AIFs.

Moderated profitability margins relative to the scale and diversified nature of operations:

The group reported a PAT of Rs 680 crore in FY26, improved largely compared to Rs 536 crore in FY25. Profitability in FY26 was primarily driven by the asset reconstruction business, which contributed Rs 350 crore, followed by the asset management vertical with a contribution of Rs 350 crore and the lending business with Rs 37 crore. These earnings were partly offset by losses from the insurance vertical, which reported a loss of Rs 216 crore in FY26 (Rs 175 crore in FY25). Given that a significant portion of the group's profitability is derived from the asset management and asset reconstruction verticals, while the insurance businesses are yet to achieve breakeven, the overall profitability profile is expected to remain moderate over the near term. The pace of

scaling up of the insurance businesses, performance of the asset reconstruction vertical, and stability of earnings from asset management and lending will be key determinants of profitability going forward.

Liquidity – Strong

Edelweiss Group continues to maintain a strong liquidity profile, with overall liquidity of Rs 6,130 crore as on June 30, 2026, against debt obligations of approximately Rs 5,100 crore falling due over the ensuing 12 months ending June 2027. The available liquidity buffer is sufficient to meet near-term debt maturities, supported by an adequately matched asset–liability profile as on the reporting date. Infomerics expects the group to sustain comfortable liquidity going forward.

Rating Sensitivities:

Upward Factors

- Substantial improvement in overall financial profile of the group.
- Substantial improvement in capitalisation, liquidity and profitability of the group.
- Significant improvement in the asset quality from the current levels

Downward Factors

- Substantial decline in 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

About the Group: Edelweiss Group

The Edelweiss group has 27 subsidiaries and associates as on 30 June 2026. The group had 293 offices (including 10 international offices in 6 locations) in around 136 cities. 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.

About the Company

EAAA was incorporated in 2008 and is an investment manager. The company manages alternate assets business of the Edelweiss group and provides non-binding advisory services to certain offshore funds under the group. EAAA is 83.88% held by Edelweiss Securities and Investments Pvt Ltd (ESIPL) including nominees of ESIPL and its ultimate holding company is EFSL post listing of its IPO worth Rs. 1200 crore which got listed in November 2026.

Key Financial Indicators (Consolidated): **(Rs. Crore)**

For the year ended* / As on	31-03-2025	31-03-2026	Q1FY27
	Audited	Audited	-
Total Income	9,250.31	10,416.95	2418.81
PBT	801.62	827.36	89.11
PAT	535.82	680.46	134.37
Tangible Net Worth (TNW)	5,711.67	5,780.47	Not Available
Total Debt	17,874.51	18,504.27	Not Available
Total Assets	41,622.50	43,741.45	Not Available
Overall Gearing (times)	3.13	3.20	Not Available
ROTA (%)	1.36	1.69	Not Available
Interest Coverage (times)	1.21	1.18	1.16

Source: Standalone Consolidated audited financials
**Classification as per Infomerics' standards*

Key Financial Indicators (Standalone): **(Rs. Crore)**

For the year ended* / As on	31-03-2025	31-03-2026
	Audited	Audited
Total Income	786.54	963.76
EBITDA	344.66	407.61
PAT	229.78	265.20
Tangible Net Worth (TNW)	947.80	1060.51
Total Debt	507.49	441.03
EBIDTA Margin (%)	43.82	42.29
PAT Margin (%)	29.21	27.52
Overall Gearing (times)	0.54	0.42
Interest Coverage (times)	6.79	7.05

Source: Standalone Company shared information
**Classification as per Infomerics' standards*

Applicable Criteria

Rating Methodology for Financial Institutions/NBFCs

Financial Ratios & Interpretation (Financial Sector)

Criteria for assigning Rating outlook

Policy on Default Recognition

Complexity Level of Rated Instruments/Facilities

Consolidation of Companies

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years

Sr. No.	Instruments/ Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years			
		Type (Long Term/ Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25		Date(s) & Rating(s) assigned in in 2023-24
					Dec 24, 2025	Dec 30, 2024	Aug 16, 2024	-
1.	Proposed CPs	Short Term	300.00	IVR A1+	IVR A1+	IVR A1+	IVR A1+/RWNI*	-

***Rating on watch with negative implications**

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator^	Complexity Indicator
Proposed CPs	-	-	-	-	300.00	IVR A1+	Proposed to be listed	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for Consolidated/Combined analysis:

Sr. No.	Name of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
1	ECL Finance Ltd	Full	Subsidiary
2	Edelcap Securities Ltd	Full	Subsidiary
3	Edelweiss Asset Management Ltd	Proportionate (90%)	Jointly controlled
4	ECAP Equities Limited	Full	Subsidiary
5	Edelweiss Trusteeship Company Ltd	Proportionate (90%)	Jointly controlled
6	Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Ltd)	Full	Subsidiary
7	Edelweiss Investment Adviser Ltd	Full	Subsidiary
8	ECap Securities and Investments Limited (formerly known as ECap Equities Limited)	Full	Subsidiary
9	Edel Investments Limited	Full	Subsidiary
10	Edelweiss Rural & Corporate Services Ltd	Full	Subsidiary

11	Comtrade Commodities Services Limited (formerly known as Edelweiss Comtrade Ltd)	Full	Subsidiary
12	Edel Finance Company Ltd	Full	Subsidiary
13	Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Company Ltd)	Full	Subsidiary
14	Edelweiss Securities and Investment Pvt Ltd	Full	Subsidiary
15	EAAA Pte. Ltd. (formerly known as Edelweiss Alternative Asset Advisors Pte. Ltd.)	Full	Subsidiary
16	Edelweiss International (Singapore) Pte Ltd	Full	Subsidiary
17	EdelGive Foundation	Full	Subsidiary
18	EAAA India Alternatives Limited (formerly known as Edelweiss Alternative Asset Advisors Ltd)	Full	Subsidiary
19	Edelweiss Asset Reconstruction Company Ltd	Full	Subsidiary
20	Edelweiss Life Insurance Company Ltd	Full	Subsidiary
21	Edge Advisory and Management Services Pvt Ltd (formerly known as Allium Corporate Services Private Limited)	Full	Subsidiary
22	Edelweiss Global Wealth Management Limited	Full	Subsidiary
23	Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited)	Full	Subsidiary
24	Sekura India Management Ltd	Full	Subsidiary
25	Edelweiss Real Assets Managers Ltd	Full	Subsidiary
26	EAAA Transinfra Managers Limited	Full	Subsidiary

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI

17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts $	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	+
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

Footnotes:

** Includes securitisation transactions involving assignee payout, acquirer's payout.*

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

 # There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+ To be finalized following a discussion with the regulatory authorities.

***Note:** For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.*

Analytical Contact

Name: Mithun Vyas

Tel: (079) 40393043

Email: mithun.vyas@infomerics.com

About Infomerics

Infomerics Valuation and Rating Ltd. ("Infomerics") [Formerly known as Infomerics Valuation and Rating Private Limited], a SEBI-registered and RBI-accredited credit rating agency, is dedicated to delivering independent, transparent, and research-driven ratings. Licensed for credit rating operations since 2015, Infomerics has empowered investors with reliable insights to make informed credit decisions. Driven by robust frameworks and methodologies, enriched by sectoral depth, and defined by analytical precision, Infomerics evaluates a wide spectrum of borrowers including MSMEs, large corporates, banks, NBFCs, state governments, municipal bodies, infrastructure projects, REITs, and InvITs— covering the entire range of debt

instruments. With a strong pan-India presence anchored by its Head Office in Delhi and Corporate Office in Mumbai, alongside branches in major cities, Infomerics has rapidly expanded its footprint. Its joint venture in Nepal further underscores its growing influence across South Asia. Over the past decade, Infomerics has emerged as a rapidly expanding force in the credit rating space, achieving broad market recognition and building enduring trust among investors, institutions, and issuers.

For more information and definitions of ratings, please visit www.infomerics.com.

Disclaimer: Infomerics ratings are independent opinions on the credit risk of the issue/issuer as of the date they are assigned and do not constitute statements of fact or recommendations to buy, hold or sell securities. The rating reflects Infomerics' opinion on the relative credit risk of the rated instrument or entity at the time it is assigned. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are based on information and data provided by the issuer or obtained from sources believed by Infomerics to be accurate and reliable. Infomerics does not conduct any audit, due diligence or independent verification of the rated issuer or of the information provided to it unless specifically required under applicable regulatory guidelines. The credit ratings are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities. While reasonable care has been taken to ensure the accuracy of the information herein, it is provided on an 'as is' basis and to the maximum extent permitted by law without warranty of any kind. Infomerics makes no representation or warranty, express or implied, regarding the accuracy, adequacy, timeliness, or completeness of any information contained in this report. All entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. Infomerics, or any of its group companies, may have provided other permissible services other than credit ratings to the rated issuer in the ordinary course of business. To the maximum extent permitted by applicable law, in no event shall Infomerics, its affiliates, or their respective directors, officers, shareholders, employees, or agents 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, lost profits, or opportunity costs) arising from any use of this report. Any person accessing or using this report shall do so at their own risk. Infomerics shall have no obligation to update, revise or supplement this report after its publication except as required under applicable regulatory guidelines. The ratings and reports issued by Infomerics are intended for use in accordance with applicable laws and regulatory requirements governing credit rating agencies in India.