

RATING RATIONALE

26 May 2026

ENN ENN CAPITAL PRIVATE LIMITED

Brickwork Ratings assigns the rating at BWR BBB-/Stable for the Bank Loan Facilities of Rs. 87.06 Crores of Enn Enn Capital Private Limited

Particulars

Facilities**	Amount(Rs.Crores)	Tenure	Rating
Fund Based Bank Facilities	87.06	Long Term	BWR BBB-/Stable (Assignment)
Grand Total	87.06	(Rupees Eighty Seven Crores and Six Lakhs Only)	

*Please refer to BWR website www.brickworkratings.com/ for the definition of the ratings

** Details of Bank Loan Facilities are provided in Annexure-I

RATING ACTION/ OUTLOOK: ASSIGNMENT/STABLE

Brickwork Rating assigns the long-term rating at BWR BBB-/Stable for Bank Loan facility amounting to Rs 87.06 crores of Enn Enn Capital Private Limited (ECPL or the “Company”). BWR has relied upon the information/ clarification provided by ECPL, its past few years audited financial performance up to FY25, provisional for FY26 and projections for the ensuing two years, and the information available from the public sources.

The rating assignment factors in the company's improving financials, as reflected through growth in AUM, stable earnings, improved asset quality as of March 31, 2026, albeit will be monitorable, comfortable capital adequacy, and adequate liquidity. The company is supported by shared resources with its promoters and parent entity, Enn Enn Corp Ltd, in terms of senior management and funding support in the form of substantial capital infusion and unsecured loans. These strengths are partially offset by exposure to the high-risk cyclical sector, regional concentration, and limited diversification in the funding profile.

Enn Enn Capital Limited is primarily involved in the financing of real estate projects in Surat City. The Company reported a total income of Rs 51.29 Crores on a AUM of Rs 481 Crores as of 31 March 2025 and earned a total income of Rs 66.37 Crores on a total AUM of Rs 475 Crores as of 31 March 2026. The average return on its assets was ~4%. The rating, however, is constrained by a highly concentrated credit book in the sensitive sector, with the majority of its business remaining concentrated in Surat, Gujarat. Furthermore, these exposures are concentrated in inherently volatile, cyclical, and high-risk sectors, including real estate, capital markets, and gold/diamond jewelry manufacturing. The company’s ability to grow its portfolio in diversified sectors and regions will be a key monitorable. The company’s networth stood at Rs 292 Crores as on 31 March 2025 and Rs 333 Crores as on 31 March 2026. The gearing (including loans from directors/parent Company) was 0.57x as on 31 March 2025 and 0.64x as on 31 March 2026.

The stable outlook reflects that ECPL will continue to benefit from the strong financial, operational, and managerial support from its parent company. The company is also expected to maintain its adequate capital position and earnings profile over the medium term.

KEY COVENANTS OF THE FACILITY RATED

For the bank loan facilities, the covenants shall be standard in terms of sanction.

Key terms and conditions :

1. DSRA of INR 225 Lakhs taken in the form of a lien marked FD
2. Borrower to maintain a minimum cover of 3x against overall loan receivables
3. No external debt during the tenor of the loan
4. GNPA not to exceed 5% of the overall loan book
5. Maintain a minimum ATNW of Rs 288 Crs during the tenor of the loan

KEY RATING DRIVERS

Credit Strengths:-

Healthy Capitalisation levels: The Company had healthy capitalisation levels, reflected through the total CRAR of 60.73% as on 31 March 2025; it was at 59.47% as on 31 March 2026. The minimum regulatory capital requirement for total CRAR is 15%. The company reported a net worth of Rs 292 Crores as on 31 March 2025, with a gearing of 0.57x as on 31 March 2025. The adjusted gearing, after deducting unsecured loans of Rs 72.85 Crores from the holding company, stood at 0.32x times. The growth plans will be supported from the promoter entity, and the gearing will be maintained below 2 times over the medium term.

Moderate Earnings profile: While ECPL's operational earnings profile remains comfortable—characterized by a Net Interest Margin (NIM) exceeding 7% and ROA above 4%—its asset quality metrics are monitorable. The company reported Nil Gross Non-Performing Assets (GNPA) as of March 31, 2026, after a GNPA ratio of 5.23% as of 31 March 2025; however, this is structurally driven by the recent sale of stressed assets worth ₹30 crore to an Asset Reconstruction Company (ARC). BWR takes note of the sale of non-performing advances (NPAs)/written-off loans to an asset reconstruction company during FY2026; collections from this pool shall be monitorable in the near term.

Continued support from the promoter entity: As a 100% subsidiary, ECPL benefits significantly from the financial flexibility of its parent, the promoter entity. The parent entity infused capital of ₹240 crore as of March 31, 2025. In addition to equity, the parent has backed operations with substantial unsecured loans subordinated to the company. This strong commitment provides a solid cushion against credit shocks and operational costs. Additionally, the company has been consistently profitable for the last 3 to 4 years, and retentions have also supported the capital position. As far as shareholding is concerned, the Enn Enn Corp Ltd held over 99.99% stake, and this is not expected to change over the medium term. Mr Naresh N Shah and Mr Abhishek N Shah hold critical management positions in both companies.

Credit Risks:-

Exposure to High-Risk, Cyclical Sectors: The loan book is highly vulnerable to industries characterized by high cash-flow volatility. Despite reporting Nil GNPA as of March 31, 2026, the portfolio's underlying volatility remains high. The peak GNPA of 5.23% (₹23.58 crore) as of March 31, 2025, underscores the vulnerability of lending to cyclical segments like real estate, gems & jewelry, and capital markets. Given the extreme concentration (77% across the top 20 clients), any fresh slippage could rapidly spike the NPA ratios again. Nonetheless, given the secured nature of the portfolio and moderate loan-to-value, ultimate losses are expected to be lower.

Geographical Concentration Risk: Portfolio concentration remains highly localized in Surat, Gujarat. This geographical focus exposes ECPL's asset quality to regional real estate dynamics and economic shifts within the local diamond and jewelry trade hubs.

ANALYTICAL APPROACH - Standalone financials of ENN ENN Capital Private Limited are considered. BWR believes that Enn Enn Capital Pvt Ltd will receive adequate and timely financial and managerial support from its promoter group, as and when required. Enn Enn Capital Pvt Ltd also shares a common name with its parent company, M/s Enn Enn Corp Ltd.

RATING SENSITIVITIES

Positive:

- Sustained improvement in the scale and diversification of operations across business segments and regions, while keeping the asset quality under control

Negative:

- Breach of the key financial covenant with its lender
- Withdrawal of financial support by the Parent/ Promoter entity

Liquidity Indicators - ADEQUATE

As per the ALM statement of the company for the quarter ended 31 Dec 2025, there were no negative cumulative mismatches observed across the buckets upto next 1 year. The company has cash and bank balance of Rs 2.00 Crores, over and above DSRA 2.25 Crores. Collections of Rs. 117.14 Crores for the next 12 months as against repayment obligations of Rs 52 Crores indicate adequate liquidity.

Environment, Social and Governance :

- The company demonstrates Evolving ESG profile based on its environmental, social, and governance practices. The ESG profile for financial sector entities typically factors governance as a key differentiator.
- **Environmental:** Environmental evaluation considers lending restrictions on environmentally sensitive sectors (if applicable) and the extent of support for green or sustainable-financing products

- **Social:** Social assessment covers employee welfare initiatives, diversity and inclusion practices, financial - inclusion measures. customer service and grievance-resolution systems, data privacy and information-security measures and community development or CSR initiatives.
- **Governance:** Governance analysis includes the effectiveness of investor and stakeholder grievance-redressal mechanisms, the structure and independence of the board (with 50% independent directors), adherence to regulatory and ethical standards, and workforce-governance policies promoting fairness and equity.

ABOUT THE ENTITY

Enn Enn Capital Private Limited is a wholly owned subsidiary of Enn Enn Corp Ltd, registered, non-deposit-taking Non-Banking Financial Company (NBFC) based in Surat, Gujarat. Established in 1985, the company operates under the umbrella of the diversified conglomerate Enn Enn Corp, providing secured financial products including gold loans, asset leasing, and commercial financing. The Company has its corporate office on the first floor, ENN ENN One, Behind RR Mall, Vesu, Surat 395 007, Gujarat. The Company is having total of 10 branches in Gujarat and 51 workmen as on 31 March 2026.

KEY FINANCIAL INDICATORS

Parameters	Units	FY23	FY24	FY 25	FY26
Result Type		Audited	Audited	Audited	Unaudited and provisional
AUM	Rs crores	346	421	481	475
Total revenue from operations	Rs crores	33	51	51	66
PBT	Rs crores	4	17	28	42
NIM	Rs crores	8.28	18.94	22.76	37.42
Total Equity	Rs crores	85	152	292	333.19
D/E	times	2.92	1.59	0.57	0.64
CRAR	%	22.78%	35.32%	60.73%	59.47%
GNPA	%	5.22%	4.55%	5.23%	0
NNPA	%	3.66%	3.31%	3.74%	Nil

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: There was no non-cooperation with other CRAs

Any Other Information: None

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Sr. No.	Facilities	Type	Current Rating (May 2026)		Rating History for the past 3 years		
			Amount Rs crores	Rating	FY 2025	FY 2024	FY 2023
1	Fund Based	Long Term	87.06	BWR BBB-/ Stable (Assignment)	NA	NA	NA
Total			87.06	Rupees Eighty Seven Crores and Six Lakhs Only			

COMPLEXITY LEVELS OF THE INSTRUMENTS: Simple

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General](#)
- [NBFC Criteria](#)
- [Approach to Financial Ratios](#)
- [Rating based on Parent Support](#)

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Enn Enn Capital Pvt Ltd

ANNEXURE-I

Details of Bank Loan Facilities rated by BWR:

Sr. No.	Name of the Bank/ Lender	Type of Facilities	Long Term (Rs crores)	Short Term (Rs crores)	Total	Complexity**
1	Kotak Mahindra Bank	Term Loan	4.56	-	4.56	Simple
2	Kotak Mahindra Bank	Term Loan	39.75		39.75	Simple
3	Kotak Mahindra Bank	Term Loan	14.25		14.25	Simple
4	Kotak Mahindra Bank	DL/OD	28.5		28.5	Simple
	Total		87.06		87.06	

**<http://www.brickworkratings.com/download/ComplexityLevels.pdf>

**ANNEXURE II
INSTRUMENT DETAILS: NA**

**ANNEXURE III
List of entities consolidated: NA**

List of instruments and regulators

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Instrument/Activity	Regulator
Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA-
Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) ¹	SEBI
Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)- ²	SEBI
Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)- ²	RBI
Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis ²	RBI
External Commercial Borrowings and other similar borrowings	RBI
Certificates of Deposit	RBI
Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
Inter Corporate Deposits/Loans extended by Corporates	MCA
Borrowing programme - ³	-
Issuer Ratings ⁴	-
Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
Listed Security Receipts	SEBI
Unlisted Security Receipts	RBI
Independent Credit Evaluation (ICE)	RBI
Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) ⁻¹	Investor-side Regulator such as IRDAI, PFRDA ⁵
Monitoring Agency	SEBI
Research activities, incidental to rating, such as research for Economy, Industries and Companies ⁶	NA

1. Includes securitisation transactions involving assignee payout, acquirer's payout.
2. Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
3. The rated instrument may involve the 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), BWR shall separately capture the rated quantum details along with the names of respective regulators.
4. There is no instrument being rated, and hence, the Regulator of the Instrument is not applicable.
5. These ratings were assigned during the regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side regulators have been included.
6. Permitted by SEBI vide SEBI Master Circular for CRAs

Grievance Management: For any grievances relating to rating of instruments regulated by SEBI, please contact sebigrievance@brickworkratings.com. 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. For any grievances relating to rating of instruments regulated by other FSR (Financial Sector Regulators), please contact grievance@brickworkratings.com

About Brickwork Ratings

Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009 and its corporate office in Bengaluru. It has a country-wide presence with representatives in 150+ locations. Canara Bank is Brickwork's strategic partner and promoter.

Brickwork offers credit ratings of Bank Loan, Non-convertible/convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

Disclaimer

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