EDELWEISS FINANCIAL SERVICES LIMITED

Edelweiss Financial Services Limited (the "**Company**" or "**Issuer**") was incorporated at Mumbai on November 21, 1995 as a public limited company with the name 'Edelweiss Capital Limited' under the provisions of the Companies Act, 1956. Thereafter, a certificate of commencement of business was issued to our Company by the Registrar Of Companies Maharashtra, at Mumbai, ("**RoC**"), on January 16, 1996. Subsequently, the name of our Company was changed to 'Edelweiss Financial Services Limited' pursuant to a fresh certificate of incorporation issued by the RoC on August 1, 2011. For more information about our Company, please refer "*General Information*" and "*History and Main Objects*" on pages 53 and 162 of the Shelf Prospectus and pages 51 and 143 of this Tranche III Prospectus.

Registered Office: Edelweiss House, Off C.S.T. Road, Kalina, Mumbai 400 098, Maharashtra, India; **Tel**.: +91 22 4009 4400;
Fax: +91 22 4086 3610; **CIN**: L99999MH1995PLC094641; **PAN**: AAACE1461E; **Website**: www.edelweissfin.com; **Email**: efslncd@edelweissfin.com
Company Secretary and Compliance Officer: Mr. Tarun Khurana; **Tel**.: +91 22 4009 4400; **Email**: efslncd@edelweissfin.com
Chief Financial Officer*:* Ms. Ananya Suneja; **Tel**: +91 22 4009 4400; **Email**: efslncd@edelweissfin.com

PUBLIC ISSUE BY THE COMPANY OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH ("NCDs") OR "DEBENTURES") FOR AN AMOUNT OF ₹ 1,500 MILLION ("BASE ISSUE SIZE) WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹ 1,500 MILLION AMOUNTING TO ₹ 3,000 MILLION ("TRANCHE III ISSUE LIMIT") ("TRANCHE III ISSUE") WHICH IS WITHIN THE SHELF LIMIT OF ₹ 10,000 MILLION AND IS BEING OFFERED BY WAY OF THIS TRANCHE III PROSPECTUS DATED JUNE 28, 2023 CONTAINING INTER ALIA THE TERMS AND CONDITIONS OF TRANCHE III ISSUE ("TRANCHE III PROSPECTUS"), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED DECEMBER 27, 2022 ("SHELF PROSPECTUS") FILED WITH THE ROC, STOCK EXCHANGES AND SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"). THE SHELF PROSPECTUS AND TRANCHE III PROSPECTUS CONSTITUTES THE PROSPECTUS ("PROSPECTUS"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED AND THE SEBI OPERATIONAL CIRCULAR. THE ISSUE IS NOT UNDERWRITTEN.

OUR PROMOTERS

(i) Mr. Rashesh Shah; Email: efslncd@edelweissfin.com; Tel: +91 22 4009 4400, (ii) Mr. Venkatchalam Ramaswamy; Email: efslncd @edelweissfin.com; Tel: +91 22 4009 4400, (iii) Ms. Vidya Shah; Email: efslncd@edelweissfin.com; Tel: +91 22 4009 4400, and (iv) Ms. Aparna T.C; Email: efslncd@edelweissfin.com; Tel: +91 22 4009 4400. For details of our Promoters, see *"Our Promoter"* on page 184 of the Shelf Prospectus.

GENERAL RISKS

For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the Investors is invited to the chapters *"Risk Factors"* on page 18 of this Tranche III Prospectus, before making an investment in such Issue. This Tranche III Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), any registrar of companies or any stock exchange in Indian or do they guarantee the accuracy or adequacy of this document.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the NCDs, please refer to the section titled "*Issue Related Information*" on page 207 of this Tranche III Prospectus.

CREDIT RATING

The NCDs proposed to be issued under the Issue have been rated "CRISIL AA-/Negative (pronounced as CRISIL double A minus rating with Negative outlook)" for an amount of ₹ 10,000 million by CRISIL *vide* rating letter dated December 02, 2022, revalidated vide their letters dated February 6, 2023 and June 22, 2023 with rating rationale dated December 01, 2022 and June 22, 2023 and "ACUITE AA-/ Negative (pronounced as ACUITE double A minus)" for an amount of ₹ 10,000 million by Acuité vide their rating letter dated December 07, 2022, revalidated vide there letter dated February 13, 2023 and June 14, 2023 with rating rationale dated December 07, 2022. The ratings given by the Credit Rating Agencies are valid as on the date of this Tranche III Prospectus and shall remain valid until the ratings are revised or withdrawn. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. These ratings are not a recommendation to buy, sell or hold securities and Investors should take their own decisions. Please refer to *Annexure A and Annexure B* of this Tranche III Prospectus for the rating letter, rationale, revalidation and press release of the above rating.

LISTING

The NCDs offered through the Draft Shelf Prospectus, the Shelf Prospectus and this Tranche III Prospectus are proposed to be listed on BSE Limited ("**BSE**") and BSE shall be the Designated Stock Exchange. Our Company has received an 'in-principle' approval from BSE vide their letter no. DCS/BM/PI-BOND/017/22-23 dated December 20, 2022.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated December 12, 2022 was filed with the BSE, pursuant to the provisions of the SEBI NCS Regulations and was kept open for public comments for a period of seven Working Days (i.e., until 5 p.m.) on December 19, 2022. No comments were received on the Draft Shelf Prospectus until 5p.m. on December 19, 2022

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE TO THE ISSUE
EQUIRUS CAPITAL PRIVATE LIMITED 12th Floor, C Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai 400 013 **Tel:** +91 22 4332 0736 **Fax:** +91 22 4332 0750 **Email:** efsl.ncd@equirus.com **Website:** www.equirus.com **Contact person:** Malay Shah	**KFIN TECHNOLOGIES LIMITED** Selenium Tower-B, Plot 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana **Tel:** +91 40 6716 2222 **Email:** efsl3.ncdipo@kfintech.com **Website:** www.kfintech.com **Contact Person:** M Murali Krishna	**BEACON TRUSTEESHIP LIMITED*** 4 C&D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club Bandra (East), Mumbai 400 051 **Tel**.: +91 22 26558759 **Email:** compliance@beacontrustee.co.in **Website**: www.beacontrustee.co.in **Contact Person**: Kaustubh Kulkarni

CREDIT RATING AGENCY		STATUTORY AUDITOR
ACUITÉ RATINGS & RESEARCH LIMITED 708, Lodha Supremus, Lodha iThink Techno Campus, Kanjurmarg (East), Mumbai 400 042 **Tel**: + 91 22 4929 4000 **Email**: chitra.mohan@acuite.in **Website**: www.acuite.in **Contact Person**: Chitra Mohan	**CRISIL Ratings Limited** CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400076 **Tel:** + 91 22 3342 3000 **Fax:** +91 22 4040 5800 **Email:** crisilratingdesk@crisil.com **Website:** www.crisilratings.com **Contact Person:** Krishna Sitaraman	**S. R. BATLIBOI & CO. LLP** 12th Floor, The Ruby 29 Senapati Bapat Marg Dadar (West), Mumbai 400 028 Maharashtra, India **Tel**: + 91 22 6819 8000 **Email**: srbc@srb.in **Contact Person**: Shrawan Jalan

TRANCHE III ISSUE PROGRAMME**

TRANCHE III ISSUE OPENS ON: TUESDAY JULY 4, 2023	TRANCHE III ISSUE CLOSES ON: MONDAY JULY 17, 2023

**Beacon Trusteeship Limited under regulation 8 of SEBI NCS Regulations has by its letter dated December 9, 2022 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Tranche III Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to the Issue.*

*** This Tranche III Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that this Tranche III Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Debenture Fund Raising Committee. Pursuant to Regulation 33A of the SEBI NCS Regulations, (i) the Tranche III Issue shall be kept open for a minimum of three working days and a maximum of ten working days, (ii) in case of a revision in the price band or yield, the Company shall extend the Tranche III Issue Period for a minimum period of three working days, provided that it shall not exceed the maximum number of days, as provided above in (i), and (iii) in case of force majeure, banking strike or similar circumstances, the Company may, for reasons to be recorded in writing, extend the Tranche III Issue Period, provided that it shall not exceed the maximum number of days, as provided above in (i). In the event of an early closure or extension of this Tranche III Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Tranche III Issue closure. On this Tranche III Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. For further details please refer to the section titled "General Information" on page* 51.

A copy of this Tranche III Prospectuses shall be filed with the Registrar of Companies, Maharashtra at Mumbai in terms of Section 26 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please refer to the section titled "Material Contracts and Documents for Inspection" on page 273 of this Tranche III Prospectus.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Tranche III Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to such definitions and abbreviations set forth herein. References to any legislation, act, regulation, rules, guidelines, clarifications or policies shall be to such legislation, act, regulation, rules, guidelines, clarifications or policies as amended, supplemented or re-enacted from time to time until the date of this Tranche III Prospectus, and any reference to a statutory provision shall include any subordinate legislation notified from time to time pursuant to such provision.

The words and expressions used in this Tranche III Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI NCS Regulations, the Companies Act, 2013, the SCRA, the Depositories Act and the rules and regulations notified thereunder.

General Terms

Term	Description
Associates	Associate would mean associates of our Company as at and for the relevant financial year/period as applicable.
"EFSL" or "Company" or "the Issuer"	Edelweiss Financial Services Limited, a public limited company incorporated under the Companies Act, 1956, and having its Registered Office at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai 400 098, Maharashtra, India.
"we" or "us" or "our"	Unless the context otherwise requires, this refers to Edelweiss Financial Services Limited together with its Subsidiaries, Associates and Trusts for the relevant financial year/period as applicable.
Subsidiaries	Subsidiary would mean subsidiaries of our Company as at and for the relevant financial year/period as applicable. For the details of the subsidiaries of our Company, as on March, 31, 2023, see "*Material Developments - History and Main Objects*" on page 143 of this Tranche III Prospectus.
Trusts	Trust would mean trusts of our Company as at and for the relevant financial year/period as applicable. For the details of the trusts of our Company, as on March 31, 2023, see "*Material Developments - History and Main Objects*" on page 143 of this Tranche III Prospectus.

Company Related Terms

Term	Description
Articles or Articles of Association or AOA	Articles of Association of our Company
Audit Committee	Audit committee of the Board of Directors
Auditors or Statutory Auditors	The current statutory auditors of our Company, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants
Board or Board of Directors or our Board or our Board of Directors	Board of Directors of our Company or any duly constituted committee thereof.
Corporate Social Responsibility Committee	Corporate Social Responsibility Committee of the Board of Directors
Committee	A committee constituted by the Board, from time to time.
Debenture Fund Raising Committee	Debenture Fund Raising Committee as constituted by the Board of Directors
Directors	Directors of the Company
Equity Shares	Equity shares of the Company of face value of ₹ 1 each
ESOPs	Employee stock options
Independent Director(s)	The independent director(s) on our Board, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations
KMP / Key Managerial Personnel	Key managerial personnel of our Company as disclosed in the Shelf Prospectus and this Tranche III Prospectus and appointed in accordance with Key Managerial Personnel, as defined under Section 2(51) of the Companies Act, 2013.

Term	Description
LAP	Loan against property
"MoA" or "Memorandum" or "Memorandum of Association"	Memorandum of Association of our Company
Nomination and Remuneration Committee	Nomination and Remuneration Committee of the Board of Directors
Networth	As defined in Section 2(57) of the Companies Act, 2013, as follows: "*Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.*"
Preference Shares	Preference Shares of the Company having face value of ₹5 each.
Promoter Group	Includes such persons and entities constituting the promoter group of our Company pursuant to Regulation 2 (1) (pp) of the SEBI ICDR Regulations, 2018.
Promoters or our Promoter	The promoters of our Company are Mr. Rashesh Shah, Mr. Venkatchalam Ramaswamy, Ms. Vidya Shah and Ms. Aparna T.C.
Public Issue 1	Public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹2,000 million pursuant to the prospectus dated December 17, 2020.
Public Issue 2	Public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹4,000 million pursuant to the prospectus dated March 26, 2021.
Public Issue 3	Public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 4,000 million pursuant to the prospectus dated August 9, 2021.
Public Issue 4	Public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 5,000 million pursuant to the tranche I prospectus dated November 29, 2021.
Public Issue 5	Public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 4,000 million pursuant to the tranche II Prospectus dated September 26, 2022.
Public Issue 6	Public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 4,000 million pursuant to the tranche I prospectus dated December 27, 2022.
Public Issue 7	Public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 4,000 million pursuant to the tranche II prospectus dated March 31, 2023.
Reformatted Financial Information	Reformatted Consolidated Financial Information and Reformatted Standalone Financial Information.
Reformatted Consolidated Financial Information	The reformatted consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022, March 31, 2021, the reformatted consolidated statement of profit and loss for the year ended 2023, 2022, 2021, the reformatted consolidated statement of cash flows for the year ended 2023, 2022, 2021, the reformatted consolidated statement of changes in equity for the year ended 2023, 2022, 2021. Our audited consolidated financial statements as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 form the basis of such reformatted Consolidated Financial Information.
Reformatted Standalone Financial Information	The reformatted standalone statement of assets and liabilities of our Company as at March 31, 2023, March 31, 2022, March 31, 2021, the reformatted standalone statement of profit and loss for the year ended 2023, 2022, 2021, the reformatted standalone statement of cash flows for the year ended 2023, 2022, 2021, the reformatted standalone statement of changes in equity for the year ended 2023, 2022, 2021.

Term	Description
	Our audited standalone financial statements as at and for the year ended March 31, 2023, March 31, 2022, and March 31, 2021 form the basis of such reformatted Standalone Financial Information.
Registered Office	The registered office of our Company is situated at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai 400 098, Maharashtra, India.
Risk Committee	Risk Committee of the Board of Directors.
RoC/ Registrar of Companies	Registrar of Companies, Maharashtra at Mumbai.
Shareholders	The holders of the Equity Shares from time to time.
Stakeholders' Relationship Committee	Stakeholders' Relationship Committee as constituted by the Board of Directors.
Total Borrowing(s)/ Total Debt	Debt securities plus borrowings (other than debt securities), subordinated liabilities and deposits.
ZGIL	Zuno General Insurance Company (formerly known as Edelweiss General Insurance Company)

Issue Related Terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of the Shelf Prospectus and this Tranche III Prospectus.
Acknowledgement Slip/ Transaction Registration Slip/ TRS	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Acuité/ Acuite	Acuité Ratings & Research Limited.
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment.
"Allotment", "Allot" or Allotted	Unless the context otherwise requires, the allotment of NCDs to the successful Applicants pursuant to the Tranche III Issue.
Allottee(s)	The successful Applicant to whom the NCDs are Allotted either in full or part, pursuant to the Tranche III Issue.
"Applicant" or "Investor"	Any person who applies for issuance and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of the Shelf Prospectus, this Tranche III Prospectus, the Abridged Prospectus and the Application Form.
"Application" or "ASBA Application"	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Tranche III Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail investors for an Application Amount of upto ₹ 500,000 which will be considered as the application for Allotment in terms of the Shelf Prospectus and this Tranche III Prospectus.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for this Tranche III Issue.
Application Form / ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs in terms of the Shelf Prospectus and this Tranche III Prospectus.
ASBA Account	An account maintained with a SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the Application Amount mentioned in the Application Form by an Applicant and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value upto ₹ 500,000.
Banker(s) to the Issue	Collectively Public Issue Account Bank, Refund Bank and Sponsor Bank.
Base Issue Size	₹ 1,500 million
Basis of Allotment	The basis on which NCDs will be allotted to applicants under specified in this Tranche III Prospectus for Tranche III Issue and which is described in "*Issue Procedure – Basis of Allotment*" on page 269 of this Tranche III Prospectus.

Term	Description
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the websites of the Stock Exchange at www.bseindia.com.
CARE	CARE Ratings Limited
CARE Research Report	Industry report titled "*Industry Report on Financial Services*" dated June 23, 2023, prepared by CARE Advisory Research & Training Limited.
Category I (Institutional Investors)	• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds and pension funds each with a minimum corpus of ₹250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance companies registered with the IRDAI; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements; • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual funds registered with SEBI.
Category II (Non Institutional Investors)	• Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; and • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009). • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons.
Category III (High Net Worth Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in this Tranche III Issue.
Category IV (Retail Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in this Tranche III Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹ 500,000 in any of the bidding options in this Tranche III Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.
CIBIL	TransUnion CIBIL Limited.

Term	Description
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications in this Tranche III Issue, at the Designated CDP Locations in terms of the SEBI Operational Circular.
Consortium Agreement	Agreement dated June 23, 2023, between our Company, the Lead Manager and the Consortium Members.
Consortium Members	Equirus Securities Private Limited and Nuvama Wealth and Investment Limited (*formerly known as Edelweiss Broking Limited*)
Credit Rating Agencies	Acuité and CRISIL.
Debentures / NCDs	Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000 each.
Debenture Holder(s)/ NCD Holder(s)	The holders of the NCDs whose name appears in the database of the Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law.
Debenture Trust Deed	The trust deed cum hypothecation to be entered between the Debenture Trustee and our Company which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% security cover for the NCDs and the interest due thereon issued pursuant to this Tranche III Issue. The contents of the Debenture Trust Deed shall be as prescribed by SEBI or any other applicable statutory/regulatory body from time to time.
Debenture Trustee/ Trustee	Trustees for the NCD holders in this case being Beacon Trusteeship Limited.
Debenture Trustee Agreement	Agreement dated December 9, 2022 entered into between the Debenture Trustee and the Company wherein the appointment of the Debenture Trustee, is agreed as between our Company and the Debenture Trustee.
Deemed Date of Allotment	The date on which the Board/or the Debenture Fund Raising Committee approves the Allotment of NCDs or such date as may be determined by the Board of Directors/or the Debenture Fund Raising Committee and notified to the Designated Stock Exchange. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.
Demographic Details	The demographic details of the Applicants such as their respective addresses, email, PAN, investor status, MICR Code and bank account detail.
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or at such other websites as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange at www.bseindia.com.
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/or the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of the Shelf Prospectus and Tranche III Prospectus following which the NCDs will be Allotted in this Tranche III Issue.
Designated Intermediaries	Collectively, the Lead Manager, the Consortium Members, Trading Members, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Application Forms from the Applicants in this Tranche III Issue.
Designated RTA Locations	Such locations of the CRTAs where Applicants can submit the ASBA Forms to CRTAs, a list of which, along with names and contact details of the CRTAs eligible to accept ASBA Forms are available on the website of the Stock Exchange.
Designated Stock Exchange	The designated stock exchange for this Tranche III Issue, being BSE Limited.
Direct Online Application	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility.
Draft Shelf Prospectus	The Draft Shelf Prospectus dated December 12, 2022 filed with the Designated

Term	Description
	Stock Exchange for receiving public comments and with, SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations.
Interest / Coupon Payment Date	Please see section titled "*Issue Related Information*" on page 207 of this Tranche III Prospectus.
Issue	Public issue by our Company of secured redeemable non-convertible debentures of face value of ₹1,000 each, aggregating up to ₹10,000 million ("**Shelf Limit**"). The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for relevant tranche issue (each a "**Tranche Issue**"), which should be read together with the Tranche III Prospectus and the Shelf Prospectus (collectively the "**Offer Documents**").
Issue Agreement	The Issue Agreement dated December 12, 2022, entered between the Company and Equirus Capital Private Limited, the Lead Manager and the amendment to the Issue Agreement dated March 28, 2023.
Lead Manager	Equirus Capital Private Limited.
Market Lot	1 (One) NCD.
Members of the Syndicate	Members of the Syndicate includes Lead Manager and Syndicate Member(s).
Mobile App(s)	The mobile applications listed on the website of Stock Exchange as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism.
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue.
Offer Document	The Draft Shelf Prospectus, the Shelf Prospectus, relevant Tranche Prospectus and Abridged Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Manager, Public Issue Account and Sponsor Bank Agreement, Consortium Agreement with other intermediaries for the purpose of the Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Registrar Agreement, the Agreement with the Lead Manager. For further details see the chapter titled "*Material Contracts and Documents for Inspection*" on page 326 of the Shelf Prospectus and page 273 of this Tranche III Prospectus.
Pledged Securities	Includes (i) eligible securities detailed in the Debenture Trust Deed and Securities Pledge Agreement; and (ii) any additional security that the Company may pledge in favour of the Debenture Trustee at its sole discretion for securing the Debentures.
Public Issue Account	A bank account to be opened with the Banker to this Tranche III Issue to receive monies from the ASBA Accounts on the Designated Date as specified for in this Tranche III Prospectus.
Public Issue Account and Sponsor Bank Agreement	Agreement dated June 23, 2023 entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and the Sponsor Bank and the Lead Manager for the appointment of the Sponsor Bank in accordance with the SEBI Operational Circular for collection of the Application Amounts from ASBA Accounts and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof.
Public Issue Account Bank	ICICI Bank Limited.
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days or such other day prior to the date on which interest is due and payable, and/or the date of redemption or such other date under this Tranche III Prospectus as may be determined by the Company in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock

Term	Description
	Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Recovery Expense Fund	An amount which has been deposited by our Company with the Designated Stock Exchange, equal to 0.01% of the issue size, subject to a maximum of deposit of ₹25,00,000 at the time of making the application for listing of NCDs.
Redemption Amount	Please see the section titled "*Issue Related Information*" on page 207 of this Tranche III Prospectus.
"Redemption Date" or "Maturity Date"	Please see the section titled "*Issue Related Information*" on page 207 of this Tranche III Prospectus.
Refund Account	Account to be opened with the Refund Bank from which refunds, if any, of the whole orany part of the Application Amount
Refund Bank	ICICI Bank Limited
Register of NCD holders	The register of NCD holders maintained by the Depositories in case of NCDs held in dematerialised form, and/or the register of NCD holders maintained by the Registrar.
Registrar Agreement	Agreement dated December 12, 2022, entered into between the Issuer and the Registrar under the terms of which the Registrar has agreed to act as the Registrar to the Issue.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulation, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Applications from Applicants.
Registrar to the Issue or Registrar	KFIN Technologies Limited.
Resident Individual	An individual who is a person resident in India as defined in the FEMA.
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue.
Security	The principal amount of the NCDs to be issued in terms of the Shelf Prospectus and this Tranche III Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of an exclusive and/or pari passu charge in favor of the Debenture Trustee on the assets of the entities permissible under applicable law and/or the Company including loans and advances, receivables, investments, stock in trade, current & other assets and/or immovable property / fixed assets held by the entities permissible under applicable law and/or the Company, created in favour of the Debenture Trustee, and/or over the Pledged Securities in favour of the Debenture Trustee for the benefit of the Debenture holders, except those specifically and exclusively charged in favour of certain existing charge holders as specifically set out in and fully described in the Debenture Trust Deed and/or Securities Pledge Agreement, such that a security cover of atleast 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date. We undertake that the assets on which the charge is proposed to be created are free from any encumbrances. For further details on date of creation of security/likely date of creation of security, minimum security cover etc., please refer to the "*Terms of the Issue – Security*" on page 215 of this Tranche III Prospectus.
Securities Pledge Agreement	The pledge agreement to be entered inter alia between the Debenture Trustee, our Company, and pledgor which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements for creation of security, in favour of the Debenture Trustee for the NCD Holders to ensure 100% security cover for the NCDs and the interest due thereon issued pursuant to this Tranche III Issue.
"Self-Certified Syndicate Banks" or "SCSBs"	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI athttp://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Term	Description
Series/Option	Collectively the Series of NCDs being offered to the Applicants as stated in the section titled "*Issue Related Information*" beginning on page 207 of this Tranche III Prospectus.
Shelf Prospectus	The Shelf Prospectus dated December 27, 2022 filed by our Company with the SEBI, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations. The Shelf Prospectus shall be valid for a period as prescribed under section 31 of the Companies Act, 2013.
"Specified Cities" or "Specified Locations"	Bidding centres where the Members of the Syndicate shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI athttps://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Sponsor Bank	A Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value upto ₹ 500,000 and carry out any other responsibilities in terms of the UPI Mechanism Circular and as specified in this Tranche III Prospectus.
Stock Exchange	BSE
Syndicate ASBA	Applications through the Syndicate or the Designated Intermediaries.
Syndicate ASBA Application Locations	ASBA Applications through the Lead Manager, Consortium Members, the Trading Members of the Stock Exchange or the Designated Intermediaries.
Syndicate Bidding Centres	Syndicate Bidding Centres established for acceptance of Application Forms.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Tenor	Please see "*Terms of the Issue*" on page 215 of this Tranche III Prospectus.
Trading Members	Intermediaries registered with the Consortium Members or a sub-broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchange.
Tranche III Issue	Public Issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 each ("NCDs") for an amount of ₹ 1,500 million ("Base Issue Size") with an option to retain oversubscription up to ₹ 1,500 million amounting to upto ₹ 3,000 million
Tranche III Prospectus	This Tranche III Prospectus containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of possible tax benefits, regulatory and statutory disclosures and material contracts, documents for inspection and other terms and conditions in respect of this Tranche III Issue.
Tranche III Issue Closing Date	Monday July 17 2023
Tranche III Issue Opening Date	Tuesday July 4, 2023
Tranche III Issue Period	The period between this Tranche III Issue Opening Date and this Tranche III Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms.
Transaction Documents	Transaction documents shall mean the Tranche III Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus(es) read with any notices, corrigenda,

Term	Description
	addenda thereto, Issue Agreement, Registrar Agreement, Debenture Trustee Agreement, Debenture Trust Deed, Securities Pledge Agreement, Tripartite Agreements, Consortium Agreement, executed or to be executed by our Company, as the case may be. For further details please see the section titled, "*Material Contracts and Documents for Inspection*" on page 273 of this Tranche III Prospectus.
Tripartite Agreements	Tripartite Agreement dated December 17, 2020, entered into between our Company, the Registrar to the Issue and NSDL and Tripartite Agreement dated December 8, 2020 entered into between our Company, the Registrar to the Issue and CDSL for offering demat option to the NCD Holders.
"UPI" or "UPI Mechanism"	Unified Payments Interface mechanism in accordance with SEBI Operational Circular to block funds for application value up to ₹ 500,000 submitted through intermediaries, namely the Registered Stockbrokers, Consortium Members, Registrar and Transfer Agent and Depository Participants.
UPI ID	Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India.
"UPI Mandate Request" or "Mandate Request"	A request initiated by the Sponsor Bank on the Retail Individual Investor to authorize blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount and subsequent debit of funds in case of allotment.
Wilful Defaulter(s)	Wilful defaulter shall have the same meaning as under regulation (2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
Working Days	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and bank holidays in Mumbai. Furthermore, for the purpose of post issue period, i.e. period beginning from Tranche III Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Saturdays, Sundays and bank holidays in Mumbai, as per the SEBI NCS Regulations, however, with reference to payment of interest/redemption amount of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai.

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/Full Form
"₹", "Rupees", "Indian Rupees" or "INR"	The lawful currency of the Republic of India
"US$", "USD", and "U.S. Dollars"	The lawful currency of the United States of America
ACH	Automated Clearing House
AGM	Annual General Meeting
ALM	Asset Liability Management
ALM Guidelines	Guidelines for ALM system in relation to NBFCs
AMC	Asset Management Company
AS or Accounting Standards	Accounting **S**tandards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time
ASBA	Application supported by blocked amounts
AUM	Assets Under Management
Bankruptcy Code	The Insolvency and Bankruptcy Code, 2016
BSE	BSE Limited
CAGR	Compounded annual growth rate over a specified period of time of a given value (the year-over-year growth rate)
CARE Research Report	Industry report titled "*Industry Report on Financial Services*" dated June 23, 2023,

Term/Abbreviation	Description/Full Form
	prepared by CARE Advisory Research & Training Limited.
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Companies Act/ Companies Act, 2013	Companies Act, 2013 and the rules made thereunder
CPC	Code of Civil Procedure, 1908
CRAR	Capital to risk-weighted assets ratio means (Tier I Capital + Tier II Capital)/ Total Risk Weighted Assets *100
CrPC	Code of Criminal Procedure, 1973
CY	Calendar Year
Depositories	CDSL and NSDL
Depositories Act	Depositories Act, 1996
Depository(ies)	NSDL and /or CDSL
DIN	Director Identification Number
"DP" or "Depository Participant"	Depository Participant as defined under the Depositories Act, 1996
DRR	Debenture Redemption Reserve
EGM	Extraordinary General Meeting
EOW	Economic Offences Wing
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FEMA Regulations / FEMA20 (R)€	FEMA (Non-debt Instruments) Rules, 2019, as amended from time to time
FII	Foreign Institutional Investor(s)
FPI	Foreign Portfolio Investor as defined and registered under the SEBI (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time.
"Financial Year", "Fiscal" or "FY" or "for the year ended"	Period of 12 months ended March 31 of that particular year
GDP	Gross Domestic Product
"Government"	Government of India
G-Sec	Government Securities
GST	Goods and Services Tax
HNI	High Net worth Individual
HFC	Housing Finance Company
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards
"Income Tax Act" or "IT Act"	Income Tax Act, 1961
Ind AS	Indian Accounting Standards as prescribed by Section 133 of the Companies Act, 2013 and notified by the Ind AS Rules
Ind AS Rules	Indian Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended from time to time
India	Republic of India
IPC	Indian Penal Code, 1860
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information Technology
ITR	Income Tax Returns
KYC	Know Your Customer
LLP	Limited Liability Partnership
LLP Act	Limited Liability Partnership Act, 2008
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
MLD	Market Linked Debentures

Term/Abbreviation	Description/Full Form
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NHB	National Housing Bank
NHB Act	National Housing Bank Act, 1987
NAV	Net Asset Value
NBFC	Non-Banking Financial Company, as defined under Section 45-IA of the RBI Act
NEFT	National Electronic Fund Transfer
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PCR	Provisioning Coverage Ratio
PMLA	Prevention of Money Laundering Act, 2002
PP MLD	Principal Protected Market Linked Debentures
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RBI Master Directions	Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016
RERA	Real Estate Regulatory Authority
RERAD Act	Real Estate Regulation and Development Act, 2016
RTGS	Real Time Gross Settlement
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002
SBR Framework	RBI Scale based regulation circular dated October 22, 2021, as amended
SCRA	Securities Contracts Regulation Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI Debenture Trustee Operational Circular	SEBI circular with reference number SEBI/HO/DDHS/P/CIR/2023/50 dated 31 March, 2023 as may be amended from time to time.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Banker Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time and circulars issued thereunder
SEBI Operational Circular	SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time.
Stage 1 Assets	Stage 1 Assets includes financial instruments that have not had a significant increase in credit risk (SICR) since initial recognition or that have low credit risk at the reporting date as defined under Ind AS
Stage 1 Provision	Stage 1 provision are 12-month ECL resulting from default events that are possible within 12 months after the reporting date as defined under Ind AS
Stage 2 Assets	Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment as defined under Ind AS
Stage 2 Provision	Stage 2 provision are lifetime ECL resulting from all default events that are

Term/Abbreviation	Description/Full Form
	possible over the expected life of the financial instrument as defined under Ind AS
Stage 3 Assets	Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS
Stage 3 Provision	Stage 3 provision are lifetime ECL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS
TDS	Tax Deducted at Source
Trademarks Act	Indian Trademarks Act, 1999

Technical and Industry Related Terms

Term/Abbreviation	Description/Full Form
MFI	Microfinance institutions
NPA	Non-Performing Assets
NBFC-D	NBFC registered as a deposit accepting NBFC
NBFC-MFI	An NBFC-MFI is defined as a non-deposit taking NBFC which extends loans to Micro Finance Sector
NBFC-ND	NBFC registered as a non-deposit accepting NBFC
NBFC-ND-SI	Systemically important Non-Deposit taking NBFC
NBFC-BL	Base Layer NBFC under SBR Framework
NBFC-ML	Middle Layer NBFC under SBR Framework
NBFC-UL	Upper Layer NBFC under SBR Framework
PPP	Purchasing Power Parity
Prudential Norms	Prudential norms as provided under Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
MSME	Micro, Small and Medium Enterprises
Tier I Capital	Tier I capital means, owned fund as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by a non-deposit taking NBFC in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year
Tier II Capital	Tier-II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier-I capital

Notwithstanding the foregoing, the terms defined as part of "General Information", "Risk Factors" "Industry Overview", "Regulations and Policies", "Statement of Possible Tax Benefits", "Summary of Key Provisions of Articles of Association", "Financial Information" and "Other Regulatory and Statutory Disclosures" on pages 18, 53, 73, 88, 188, 205, 249 and 316 of the Shelf Prospectus, respectively and "General Information", "Risk Factors", "Statement of Possible Tax Benefits", "Financial Information" and "Other Regulatory and Statutory Disclosures", on pages 51, 18, 72, 154 and 191 of Tranche III Prospectus, respectively, shall have the meaning ascribed to them as part of the aforementioned sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

In this Tranche III Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms, all references to "Edelweiss Financial Services Limited" and "our Company" are to Edelweiss Financial Services Limited on a standalone basis, while all references to "we", "us", "our" are to Edelweiss Financial Services Limited together with its Subsidiaries. Unless stated otherwise, all references to page numbers in this Tranche III Prospectus are to the page numbers of this Tranche III Prospectus.

All references in this Tranche III Prospectus to "India" are to the Republic of India and its territories and possessions. All references to the "Government" or "State Government" are to Government of India, Central or State, as applicable.

Presentation of Financial Information

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Tranche III Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the year ended on March 31 of that calendar year.

In accordance with the Road Map for Ind AS implementation, issued by MCA, our Company is required to prepare its financial statements in accordance with Ind AS for periods beginning on or after April 1, 2018. For the purposes of disclosure in this Tranche III Prospectus, we have prepared and presented our Reformatted Financial Information for the latest Fiscals (in this case, for Fiscal 2023, 2022, and 2021).

Accordingly, our Company's audited standalone financial statements for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 and our Company's audited consolidated financial statement for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 have been prepared in accordance with IndAS. Our audited standalone financial statements for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 and our Company's audited consolidated financial statement for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 have been audited by M/s. S. R. Batliboi & Co. LLP, Chartered Accountants.

The Reformatted Financial Information is included in this Tranche III Prospectus and is referred to hereinafter as the "*Reformatted Financial Information*". The examination reports on the Reformatted Financial Information are included under the section titled "*Financial Statements*" beginning from page 154 of this Tranche III Prospectus. Unless stated otherwise or unless the context requires otherwise, the financial data on standalone and consolidated basis as at and for the year ended March 31, 2023, March 31, 2022 and March 31 2021 used in this Tranche III Prospectus is derived from our Reformatted Financial Information.

Unless stated otherwise and unless the context requires otherwise, the financial data used in this Tranche III Prospectus is on a consolidated basis. Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

Unless stated otherwise, macroeconomic and industry data used throughout this Tranche III Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used this Tranche III Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Tranche III Prospectus is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data.

Currency and Unit of Presentation

In this Tranche III Prospectus, all references to 'Rupees'/'₹'/'INR'/ '₹' are to Indian Rupees, the official currency of the Republic of India.

Except where stated otherwise in this Tranche III Prospectus, all figures have been expressed in 'in millions'. All references to 'million/million/mn.' Refer to one million, which is equivalent to 'ten lakhs' or 'ten lacs', the word 'lakhs/lacs/lac' means 'one hundred thousand' and 'Crore' means 'ten million' and 'billion/bn./billions' means 'one hundred crores'.

Certain figures contained in this Tranche III Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Tranche III Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Industry and Market Data

Any industry and market data used in the Shelf Prospectus and this Tranche III Prospectus consists of estimates based on data reports compiled by Government bodies, professional organizations and analysts, data from other external sources including CARE, available in public domain and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us, its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe that the industry and market data used in the Shelf Prospectus and this Tranche III Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may not be comparable. The extent to which the industry and market data presented in the Shelf Prospectus and this Tranche III Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

General Risk

Investment in NCDs involve a degree of risk and investors should not invest any funds in NCDs unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the Tranche III Issue including the risks involved in it.

Specific attention of investors is invited to statement of risk factors contained under section "*Risk Factors*" on page **18** of this Tranche III Prospectus. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the NCDs or Investor's decision to purchase such securities.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Tranche III Prospectus that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Tranche III Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, including our financial conditions and results of operations to differ from our expectations include, but are not limited to, the following:

- We operate in an increasingly competitive financial services industry, which creates significant pricing pressures and may adversely affect our net interest margins, income and market share;
- Performance of the financial and capital markets in India and globally;
- We are involved in certain legal and other proceedings which, if determined against us, could have a material adverse impact on our financial condition;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Changes in Indian and/or foreign laws and regulations, including tax, accounting, banking, securities, insurance and other regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations;
- Our inability to successfully diversify our portfolio;
- Any disruption in our sources of funding;
- Our inability to obtain or maintain statutory or regulatory approvals and licenses for conducting our business;
- Our reliance on Indian exchanges for a significant portion of our investment banking business;
- Performance of the Indian debt and equity markets;
- Occurrence of natural calamities, pandemics, or natural disasters affecting the areas in which our Company has operations; and
- Any increase in the levels of non-performing assets ("NPA") on our loan portfolio, for any reason; whatsoever, would adversely affect our business and results of operations.

For further discussion of factors that could cause our actual results to differ, see "*Risk Factors*" on page 18 of this Tranche III Prospectus.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled, "*Our Business*" and "*Issue Related Information*" on pages 138 and 216 of the Shelf Prospectus, and on pages 121 and 207 of this Tranche III Prospectus. The forward-looking statements contained in this Tranche III Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company, its Directors, its KMPs and officers, nor any of their respective affiliates or associates or the Lead Manager have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI NCS Regulations, our Company and Lead Manager will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

SECTION II – RISK FACTORS

An investment in this type of security involves a certain degree of risk. The investor should carefully consider all the information contained in this Tranche III Prospectus, including the risks and uncertainties described below, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risks that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse impact on our business, results of operations, cash flows and financial condition. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment.

The financial and other related implications of the risks described in this section, have been disclosed to the extent quantifiable as on the date of this Tranche III Prospectus. This Tranche III Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Tranche III Prospectus.

Unless otherwise stated or unless context requires otherwise, the financial information used in this section is derived from and should be read in conjunction with the Reformatted Financial Information as included in this Tranche III Prospectus. In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Edelweiss Financial Services Limited on a standalone basis, while any reference to "we", "us", "our" or "our Group" is a reference to Edelweiss Financial Services Limited on a consolidated basis.

Risk factors relating to our business

1. ***The financing industry is becoming increasingly competitive, which creates significant pricing pressures for us to retain existing customers and solicit new business. Our growth will depend on our ability to compete effectively in this environment.***

Our business operates in a highly competitive market and we face significant competition from other players in the financing industry. Many of our competitors are large institutions, which may have a larger customer base, funding sources, branch networks and capital base compared to us. Some of our competitors may be more flexible and better positioned to take advantage of market opportunities. This competition is likely to further intensify as a result of liberalisation and regulatory changes. Our future success will depend, to a large extent, on our ability to respond in a timely and effective manner to these competitive pressures.

Our credit business competes based on a number of factors, including cost effective sources of funding, successful implementation of new technologies and rationalising branches to manage operational costs. Loans are becoming increasingly standardised and terms such as variable (or floating) rate interest options, lower processing fees and monthly reset periods are becoming increasingly common in the Indian financial sector, thereby increasing competition.

Our advisory business includes asset management, asset reconstruction businesses and Wealth Management Business (now demerged and subsequently proposed to be listed). Competitive factors with respect to our asset management activities include the amount of firm capital we can invest in new products and our ability to increase assets under management, including our ability to attract capital for new investment funds.

Our insurance business competes for business based on various factors, including product features, price, coverage offered, quality of customer service, distribution network, relationships with agents, bancassurance partners and other intermediaries, brand recognition, size of operations, financial strength and credit ratings. In addition, life insurance products also compete with certain other financial services products which may not be exactly comparable but provide slightly different alternatives to the customers. For example, in the area of savings-oriented insurance products, we compete with mutual fund companies, bank fixed deposits and Government small saving schemes. Some of our competitors may offer higher commissions or more attractive rewards to agents and other distribution intermediaries or offer similar insurance products at lower pricing. There have also been a few takeovers of insurance companies or companies in other segments and as a result of such consolidation, competitors may emerge that are larger in scale and/or have other competitive advantages. We may not be able to sustain our growth considering competitive pressure or other factors.

If we are unable to effectively respond to these various competitive pressures, it could result in a decrease of market share, decrease in our margins and spreads, reduced customer base, increase in pricing of our products, increase in operating expenses, as well as higher attrition rates among management and sales staff, lower growth rates, or even losses, which could have material adverse effect on our business, results of operations, cash flows and financial condition.

2. We have grown in the past but there can be no assurance that our growth will continue at a similar rate or that we will be able to manage our rapid growth. If we are unable to implement or sustain our growth strategy effectively it could adversely affect our business, results of operations, cash flows and financial condition.

Our consolidated profit for the year attributable to owners of the parent was ₹ 3,441.63 million for the Fiscal 2023. While we were profitable during the Fiscal 2023 and will continue to endeavour to grow our profitability going forward, no assurance can be given that our growth will continue at a similar rate or that we will be able to manage our rapid growth. If we are unable to implement or sustain our growth strategy effectively it could adversely affect our business, results of operations, cash flows and financial condition.

Our growth strategy includes growing our asset management, asset reconstruction, and insurance businesses and expanding our retail customer base. A principal component of our strategy is to continue diversifying the development of our new portfolio of products to suit our customers' needs and increase the scale of our businesses. This growth strategy will place significant demands on our management, financial and other resources and will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment as well as developing and improving our internal administrative infrastructure.

We also face a number of operational risks in executing our growth strategy. In-line with our new strategy of asset light growth, we will see transitory period of degrowth of our credit book and slow scale up of our retail credit businesses which will eventually translate to increase in our assets under management. Any rapid growth in our credit book exposes us to a wide range of increased risks, including business and operational risks, such as the possibility of increased NPA, fraud risks as well as regulatory and legal risks. Dealing with a large base of retail clients in businesses like retail credit, insurance, asset management and brokerage also exposes us to a wide range of increased risks, including business, regulatory, legal, fraud, compliance and reputation risks.

The insurance industry or other financial services industry segments have also seen a few takeovers in the recent past. As a result of this consolidation, competitors may emerge that are larger in scale and/or have other competitive advantages. We may not be able to sustain our growth in light of competitive pressure or other factors. Additionally, there may be scenarios wherein the newly launched products may not generate anticipated returns from the market or may have negative impact on the returns and may be withdrawn. Business models may not succeed in the market and technological and other costs incurred towards automating and developing new customer-friendly interfaces may not yield desired results.

Our ability to sustain our rate of growth also depends, to a large extent, upon our ability to recruit trained and efficient personnel, retain key managerial personnel, maintain effective risk management policies, continue to offer products, which are relevant to our target base of clients, develop managerial experience to address emerging challenges and ensure a high standard of client service. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rate, a need to hire additional employees, erosion in the quality of customer service, a diversion of the management's resources, an increase in our exposure to high-risk credit and an increase in costs for us. If we grow our credit book too rapidly or fail to make proper assessments of credit risks associated with new customers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition. If we are unable to manage such growth it could disrupt our business prospects, impact our financial condition and adversely affect our results of operations, cash flows and financial condition.

Our rapid growth has placed and will continue to place significant demands on our operational, credit, financial and other internal risk controls, including:

- preserving our asset quality as our geographical presence increases and our customer profile changes;
- developing and improving our products and delivery channels;
- recruiting, training and retaining sufficient skilled personnel;
- upgrading, expanding and securing our technology platform;
- stabilising our newly set up businesses;
- complying with regulatory requirements, including Know Your Customer ("**KYC**") norms and other regulations;

and

- maintaining high levels of customer satisfaction.

If we are not successful in implementing or executing these operational measures and risk controls, we may not be able to expand our business as we have in the past, and our growth rate may decline. We may not be able to manage our new operations effectively or efficiently, which would mean that our operations would suffer, and our performance and financial results as a whole would be materially and adversely affected.

3. Difficult conditions in financial markets can adversely affect our business, which could materially reduce our revenue and income.

As a financial services firm, our businesses are materially affected by conditions in the domestic and global financial markets, as well as economic conditions in India. We have businesses in the group which are widely exposed to the Indian capital markets and market sentiments namely our asset management and insurance businesses. We provide a variety of services and products to participants in the Indian capital markets, including working capital funding and margin funding to share brokers, personal loans secured by securities, initial public offering finance for retail customers, stock exchange clearing services, and depository accounts. Apart from that, if there is a prolonged or significant downturn or extreme volatility in the Indian capital markets, our revenue generated from these products and services, as well as our net investment income and fund management fees, could decrease, which would have a material adverse effect on our business, results of operations, cash flows and financial condition.

We have in the past incurred trading losses in certain of the equity investments, derivatives, fixed income securities and commodities in our portfolio. Any significant or sustained trading losses could place the capital invested by us at risk, thereby adversely affecting our consolidated business, results of operations, cash flows and financial condition. Market and economic climate may deteriorate in the future because of many factors beyond our control, including rising interest rates or inflation, terrorism or political uncertainty, any adverse global or domestic events, including events that may negatively impact liquidity and investment inflows from foreign and domestic investors.

Our ability to grow relatively recent business ventures such as retail financing, insurance, and asset management and may also be limited in difficult market conditions. Performance of our capital businesses such as investment of our excess liquidity through our internal liability management operations may be affected due to conditions in the financial markets and economic conditions. A credit crunch in the markets or a liquidity squeeze as being experienced by NBFC industry since September 2018 after the collapse of a AAA rated entity, have increased the cost of borrowings for NBFC industry which may aggravate in future. A downturn in global market conditions can also adversely affect the demand for credit funds, which may adversely affect not only our asset management business but also our corporate credit business. A downturn in global or domestic economic conditions as is being experienced now for the past two or three years, exacerbated by the COVID-19 pandemic impact have worsened the financial performance of companies like ours**.**

We are unable to quantify the impact of any such adverse market conditions on our business and/or financial condition. Our operating results may vary significantly from quarter to quarter as a result of volatility in market conditions. Therefore, period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as an indication of our future performance.

4. High levels of customer defaults and the resultant non-performing assets could adversely affect our business, financial condition, results of operations and future financial performance.

Our credit business involves lending money and accordingly, we are subject to risks of customer default, which includes default or delays in repayment of principal and/or interest on the loans we provide to customers. Customers may default on their obligations as a result of various factors, including certain external factors, which may not be within our control such as developments in the Indian economy and the real estate market, movements in global markets, changes in interest rates, changes in regulations and government policies. Any negative trends or financial difficulties affecting our customers could increase the risk of their default. Our customers could also be adversely affected by factors such as, bankruptcy, lack of liquidity, lack of business and operational failure. If our customers fail to repay loans in a timely manner or at all, then our results of operations, cash flows and financial condition will be adversely impacted. If we are not able to successfully manage the risks associated with lending to these customers, then it may become difficult for us to make recoveries on these loans. We may also experience higher delinquency rates due to prolonged adverse economic conditions or a sharp increase in interest rates. Any increase in delinquency rates could result in a reduction in our total interest income (i.e., our accrued interest income from loans, including any interest income from credit substitutes) and as a result, lower revenue from our operations, while increasing our costs due to increased expenses associated with the servicing and collection of delinquent loans. We may also be required to make loss provisions in respect of loans to such customers in accordance with applicable regulations and, in certain cases, may be required to write-off such loans. This is also corroborated by the fact that our loan loss provisions and write offs have been at an elevated levels during the past year or two.

We have previously faced certain instances of customers defaulting and/or failing to repay dues in connection with loans or finance provided by us. We have, in certain instances, initiated legal proceedings to recover amounts due from delinquent customers. For further details in relation to some of such litigations, see *"Outstanding Litigations"* on page 166 of this Tranche III Prospectus. Customer defaults could also adversely affect our levels of NPA and increase our provisions made for our NPA, which could in turn adversely affect our operations, cash flows and profitability. Our Gross NPA for our three credit entities were 2.01%, 2.51% and 6.71% of our gross advances as at March 31 2023, 2022 and 2021, respectively. Our Net NPA for our three credit entities were 1.36%, 1.80% and 5.84% of our gross advances as at March 31 2023, 2022 and 2021, respectively. Though there can be no assurance that the trend of improvement in the asset quality will be maintained in the future. As our loan portfolio matures, we may experience increased defaults in principal or interest repayments. If we are not able to control or reduce our level of NPA, the overall quality of our loan portfolio may deteriorate, and our results of operations may be adversely affected. Our total provision cover for our three credit entities was 277.52%, 188.79% and 70.46% as at March 31, 2023, 2022 and 2021, respectively. Our loan loss provisions may not be comparable to that of other similar financial institutions. There can be no assurance that there will be no further deterioration in our provisioning coverage ratio or that the percentage of NPA that we will be able to recover will be similar to our past experience in recovering our NPA. In the event of any deterioration in the quality of our loan portfolio, there could be further adverse impact on our results of operations. If we are unable to effectively perform credit appraisal, portfolio monitoring and recovery processes and the related deterioration in the credit quality of our loan portfolio, the proportion of NPA in our loan portfolio could increase, which would, in turn, have a material adverse effect on our business, results of operations, cash flows and financial condition.

5. ***We may not be able to recover the full value of collateral or amounts sufficient to cover the outstanding amounts due under defaulted loans on a timely basis or at all, or the value of collateral may decrease, which could adversely affect our results of operations, cash flows and financial condition.***

The value of collateral that we take for loans given by us is dependent on various factors, including (i) prevailing market conditions, (ii) the general economic and political conditions in India, (iii) growth of the stock markets and real estate sector in India and the areas in which we operate, (iv) any change in statutory and/or regulatory requirements and (v) the credit profile of our borrower.

Delays in recovery, bankruptcy and foreclosure proceedings, defects in the title and delays in obtaining regulatory approvals for the enforcement of such collaterals may affect the valuation of the collateral. As a result, we may not be able to recover the full value of the collateral for the loans provided by our customers within the expected timeframe or at all. Further, legal proceedings may have to be initiated by us in order to recover overdue payments on loans and as a consequence, the money and time spent on initiating legal proceedings may adversely affect our cash flow.

The value of the security provided by the borrowers to us may be subject to a reduction in value on account of various reasons. While our customers may provide alternative security to cover the shortfall, the realisable value of the security for the loans provided by us in the event of liquidation may continue to be lower than the combined amount of the outstanding principal amount, interest and other amounts recoverable from the customers.

Any default in the repayment of outstanding credit obligations by our customers may also expose us to losses. A failure or delay recovering the loan value from sale of collateral security could expose us to potential losses. Any such losses could adversely affect our results of operations, cash flows and financial condition. Furthermore, the process of litigation to enforce our legal rights against defaulting customers in India is generally a slow and potentially expensive process. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

6. ***Any adverse development in the real estate sector would negatively affect our results of operations.***

A significant portion of our credit book is exposed to the real estate sector. In addition, our Asset reconstruction business also has exposure to loans to companies in the real estate sector. Our wholesale mortgage financing enables developers to raise money for the development of real estate projects. Our wholesale mortgage financing are usually loans against real estate collateral and cash flows from real estate projects, principally for residential housing projects, to meet short-term and medium-term requirements.

Our wholesale mortgage, retail mortgages and SME & business loans are exposed to the real estate sector and any significant decline in property prices can adversely affect our ability to realise the value of our collateral or fully recover principal and interest in the event of a default. Delay in completion of real estate developments may also affect the value of our collateral and our ability to enforce our rights. Failure to recover the expected value of collateral could expose the Company to losses and, in turn, result in a material adverse effect on our business, results of operations, cash flows and financial condition. Following the introduction of the SARFAESI Act, we are allowed to foreclose on secured property after 60 days' notice to a borrower, whose loan has been classified as non-performing. Although the enactment of the SARFAESI Act has strengthened the rights of creditors by allowing expedited enforcement of security in an event of default, there is still no assurance that we will be able to realize the full value of our collateral, due to, among other things, delays on our part in taking action to secure the property, delays in bankruptcy foreclosure proceedings, stock market downturns, defects in the perfection of collateral and fraudulent transfers by borrowers.

Further, among the various regulatory developments that have impacted the real estate sector recently, we believe that the implementation of the Real Estate Regulation and Development Act, 2016 (the "**RERA Act**") is expected to have the biggest impact over the long term. After notification of certain Sections of the RERA Act with effect from May 2016, the full provisions of the RERA Act became effective from May 2017 onwards. Subsequent to this, the obligations of real estate project developers under the provisions of the RERA Act, including mandatory project registration, enhanced disclosure norms and penal provisions for violation of rules have become effective across India. While most of the state governments have notified rules in relation to the RERA Act, other states are in the process of doing so.

To ensure compliance with the requirements of the RERA Act, companies in the real estate sector may need to allocate additional resources, which may increase compliance and they may face regulatory actions or be required to undertake remedial steps, which may have an adverse effect the business, operations and financial condition of various companies in the sector leading to less than anticipated growth in the housing sector, resulting in adverse effect on our business.

7. If we are unable to recover the amounts due from customers to whom we have provided unsecured loans it could adversely affect our operations and profitability.

Our unsecured loan portfolio includes working capital loans to SMEs, rural finance and other loans. Since loans to these customers are unsecured, upon the occurrence of an event of default, our ability to realise the amounts due would be restricted to initiating legal proceedings for recovery. There can be no guarantee as to the length of time it could take to conclude such legal proceedings or for the legal proceedings to result in a favourable decision for us. Moreover, since these loans are uncollateralised, there can be no assurance that we will be able to fully recover the outstanding due, or at all, even in the event of a favourable decision for us. With respect to some of our loans, we do not have any direct control over how the customer actually utilises the loan proceeds. Although our credit appraisal system conducts a due diligence during its underwriting process and exercises caution in its lending, any use of loan proceeds for purposes outside those stated on the loan application form may negatively affect the repayment capacity of the borrowers to repay the loan. Any failure to repay such loans could have an adverse effect on our financial condition, results of operations and cash flows.

8. We and certain of our Promoters and Directors, group companies, Subsidiaries are involved in certain legal and other proceedings and there can be no assurance that we and our Promoters and Directors, group companies, Subsidiaries will be successful in any of these legal actions. In the event we are unsuccessful in litigating any of the disputes, our business and results of operations may be adversely affected.

We are involved in certain legal proceedings, including civil suits, criminal proceedings, and tax disputes. These legal proceedings are pending at different levels of adjudication before various courts, authorities and tribunals. Some of our Promoters and Directors, group companies, Subsidiaries have been named as parties to criminal and regulatory proceedings, which are currently pending. For further details in relation to legal proceedings, among other things, involving us and certain of our Promoters and Directors, group companies, Subsidiaries, see "Outstanding Litigations" on page 166 of this Tranche III Prospectus.

We are required to devote management and financial resources in defence or prosecution of these disputes. There can be no assurance that these disputes will not be determined against us or that we will not be required to pay all or a portion of the disputed amounts or that we will be able to recover amounts for which we have filed recovery proceedings. Even if we are successful in defending such cases, we will be subject to legal and other costs relating to defending such litigation, and such costs may be substantial and not recoverable. There can also be no assurance that similar proceedings will not be initiated against us in the future.

9. SMEs to which we provide loans may not perform as expected and we may not be able to control the non-performance of such businesses.

We provide loans to SMEs against their assets and profits where we expect business growth. Our SME & other business loan portfolio aggregated to ₹ 10,821.68 million , ₹9,603.61 million and ₹ 16,661.97 million as at March 31, 2023, 2022 and 2021, respectively. Some of our SME loans are also unsecured. We do not manage, operate or control such SME businesses or entities and have no control over those businesses' functions or operations. Such SME businesses may make business, financial or management decisions with which we do not agree, or the majority shareholders or the management of such companies may make business, financial or management decisions that may be adverse to, or otherwise act in a manner that does not serve, our best interests. The repayment of the loans extended to such SME businesses will depend to a significant extent on the specific management team of the relevant borrower entity. The actions taken by the management of our SME customers may lead to significant losses and affect their ability to repay our loans, and this may adversely affect our financial performance.

10. We may be impacted by volatility in interest rates, which could cause our net interest margins to decline and adversely affect our profitability.

Our results of operations are substantially dependent upon our net interest income, which is a function of the amount of our credit book and net interest margin. The net interest income for our credit NBFCs was as follows:

(₹ in million, unless otherwise stated)

Name of entity	**Fiscal 2023**	**Fiscal 2022**	**Fiscal 2021**
ECL Finance Limited	(22.18)	(1,908.49)	843.15
Edelweiss Retail Finance Limited	703.33	733.24	836.52
Nido Home Finance Limited	1,204.34	1,177.45	1,133.83

We borrow and lend funds on both fixed and floating rates. While any reduction in interest rates at which we borrow may be passed on to our customers, we are unable to pass on any increase in interest rates to customers who have existing loans on fixed interest rates. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, and conversely, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted. Competitive pressure may also require us to reduce the interest rates at which we lend to our customers without a proportionate reduction in interest rates at which we raise funds. Our customers may also prepay their loans to take advantage of a declining interest rate environment. An increase in interest rates could result in our customers, particularly those with variable interest rate loans, prepaying their loans if less expensive loans are available from other sources. In a declining interest rate environment, especially if the decline is sudden or sharp, we could be adversely affected by a decline in the market value of fixed income securities and this could reduce our earnings from liability management operations.

Accordingly, our operations are susceptible to fluctuations in interest rates. Interest rates are highly sensitive and volatility in interest rates could be a result of many factors, including the monetary policies of the RBI, inflationary pressures in the economy, de-regulation of the financial services sector in India, domestic and international economic and political conditions and inflation. An increase in inflation and consequent changes in bank rates, repo rates and reverse repo rates by the RBI have led to an increase in interest rates on loans provided by banks and financial institutions and consequently, interest rates in India have been volatile in recent financial periods. There can be no assurance that we will be able to adequately manage our interest rate risk in the future, which could have an adverse effect on our net interest income and net interest margins, which could in turn have a material adverse effect on our business, results of operations, cash flows and financial condition.

11. Our businesses require substantial operating capital and any disruption in the sources of its funding or an increase in its average cost of borrowings could have a material adverse effect on our liquidity and financial condition.

Our liquidity and ongoing profitability are, to a large extent, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements have historically been met through a combination of borrowings such as term loans, working capital limits from banks, issuance of commercial papers and non-convertible debentures as well as retained earnings. We are also in the process of diversifying our sources of funding by securitising some of our loan portfolio. Our finance costs (on a consolidated basis) were ₹25,745.63 million, ₹ 29,841.09 million and ₹ 38,340.33 million for the Fiscals 2023, 2022 and 2021, respectively. Our business growth, liquidity and profitability depend and will continue to depend on our ability to access diversified, relatively stable and low-cost funding sources as well as our financial performance, capital adequacy levels, credit ratings and relationships with lenders. As a financial services company, we face certain additional regulatory restrictions on our ability to obtain financing. For example, recent regulatory developments have affected NBFCs' access to select funding sources and have affected costs of borrowings.

NBFC industry is also facing a resources crunch after a credit event in September 2018 which has also increased the cost of borrowing for some players in the industry. Any adverse developments or changes in applicable laws and regulations, which limit our ability to raise funds through securitisation or direct assignment transactions or through private placements of non-convertible debentures can disrupt our sources of funding and as a consequence, could have a material adverse effect on our liquidity and financial condition.

Our total borrowings (on a consolidated basis) was ₹ 2,17,360.48 million as at March 31, 2023 and on standalone basis was ₹ 25,886.54 million as on March 31, 2023. In order to meet these debt obligations, we will either need to refinance, which may prove to be difficult in the event of volatility in the credit markets, or alternatively, raise additional retained earnings or generate sufficient operating cash flows to retire the debt. There can be no assurance that our business will generate sufficient cash to enable it to service its existing debt or to fund its other liquidity needs.

Our ability to borrow funds and refinance existing debt may also be affected by a variety of factors, including deterioration in our financial performance or profitability, regulatory policies impacting the ability of lenders to lend to certain sectors such as NBFCs, liquidity in the credit markets, the strength of the lenders from which we borrow, the amount of eligible collateral, credit rating downgrade and accounting changes that may impact calculations of covenants in our financing agreements. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions that constricts the availability of credit may increase our cost of funds and make it difficult for us to access financing in a cost-effective manner. A disruption in sources of funds or increase in cost of funds as a result of any of these factors may have a material adverse effect on our liquidity and financial condition.

Pursuing our growth strategy and introducing new product offerings to our customers will have an impact on our long-term capital requirements. The market for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors. If we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors, including the regulatory environment and policy initiatives in India, liquidity in the market, developments in international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition. If we are unable to obtain adequate financing or financing on terms satisfactory to us or refinancing and in a timely manner, our ability to grow or support our business and to respond to business challenges could be limited and our business prospects, results of operations, cash flows and financial condition would be materially and adversely affected.

12. ***Any downgrade in our credit ratings could increase interest rates for refinancing our outstanding borrowings, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis, which could adversely affect our business, financial condition, results of operations and cash flows.***

As on the date of this Tranche III Prospectus, various rating agencies had rated our company's long-term credit ratings as: "Acuité AA-/Negative (read as ACUITE double A minus rating with Negative outlook) (Outlook: Negative)", "BWR AA-/Negative (BWR double A Minus)", "CARE A+ (CARE Single A Plus; Outlook: Negative)", "ICRA A+ (ICRA A Plus; Stable)","CRISIL AA- (read as CRISIL double A Minus) (Outlook : Negative)" and our short term credit ratings as CRISIL A1+ and CARE A1+. The long-term and short-term rating or **o**utlook of our company and our group subsidiaries have been downgraded in the recent past by some rating agencies.

The NCDs proposed to be issued under the Issue have been rated "CRISIL AA-/Negative (pronounced as "CRISIL double A minus rating with Negative outlook)" for an amount of ₹ 10,000 million by CRISIL *vide* rating letter dated December 02, 2022, revalidated vide their letters dated February 6, 2023 and June 22, 2023 with rating rationale dated December 01, 2022 and June 22, 2023 and "ACUITE AA- (Negative) | Assigned (read as ACUITE double A minus with a 'Negative outlook)" for an amount of ₹ 10,000 million by Acuité vide their rating letter dated December 7, 2022, revalidated vide their letters dated February 13, 2023 and June 14, 2023 with rating rationale dated December 7, 2022. For rating letter, rationale and press release including the risk and key drivers mentioned therein, please refer to "Annexure A" and "Annexure B" of this Tranche III Prospectus.

Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position and ability to meet our obligations. As a diversified set of businesses, many of whom are dependent upon our ability to access capital, our liquidity and ongoing profitability are primarily dependent upon our timely access to, and the costs associated with raising capital. Our business is significantly dependent on funding from the debt capital markets and commercial borrowings. The demand for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors, including our ability to maintain positive credit ratings. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets. A reduction or withdrawal of the ratings may also adversely affect the market price and liquidity of the non-convertible debentures and our ability to access the debt capital markets. This would negatively affect our net interest margin and our business. Any downgrade of our credit ratings could also increase the possibility of additional terms and conditions being imposed upon future financing or refinancing arrangements. Any downgrade of our credit ratings could also accelerate the repayment of certain of our borrowings in accordance with the applicable covenants of our borrowing arrangements. Any such adverse development could adversely affect our business, results of operations, cash flows and financial condition.

We also face certain restrictions on our ability to raise money from international markets, which may further constrain our ability to raise funds at attractive rates. While our borrowing costs have been competitive in the past due to our ability to raise debt products, credit rating and our asset portfolio, we may not be able to offer competitive interest rates for loans to our customers if we are unable to access funds at an effective cost that is comparable to or lower than our competitors. This may adversely impact our business and results of operations.

13. We have diversified into our insurance business to reduce exposure to capital markets and credit cycles but we may not be able to scale up and grow this business

We had entered the life insurance business in 2011 through a joint venture with Tokio Marine of Japan established. Edelweiss Tokio Life Insurance Company Limited ("**ETLI**") incurred a loss after tax after minority interest flowing through our consolidated profit & loss account was ₹ 1,401.61million, ₹ 1.111.50 million and ₹ 1,054.32 million for year ended March 31, 2023, Fiscals 2022 and 2021, respectively.

While ETLI will be required to increase its capital requirements as it increases the scale of our life insurance business, which will require further increase in ETLI's capital base and may increase the loss after tax in our insurance business.

Further, Zuno General Insurance Limited ("**ZGIL**") (formerly known as *Edelweiss General Insurance Company Limited*), a wholly owned subsidiary of the Company, is an IRDAI registered general insurance company. EGICL's loss after tax was ₹ 1,254.87million, ₹ 1,048.89 million and ₹ 910.34 million, for half year ended March 31, 2023, Fiscals 2022 and 2021 respectively. Like our life insurance business, our general insurance business is also a long gestation period business.

Our growth also depends on our ability to develop new products and product add-ons/extensions, expanding in target markets and consumer segments with the perspective of growing market share and profitability. There may be scenarios wherein the newly launched products may not generate anticipated returns from the market or may have negative impact on the returns and may have to be withdrawn. Business models may not succeed in the market and technological and other costs incurred towards automating and developing new customer-friendly interfaces may not yield desired results.

While we believe that in the long-term our diversification into the insurance business will provide a stable growth platform that will reduce our exposure to capital markets and credit cycles, there can be no assurance that we will succeed in building scale in this business or that our insurance business will ever achieve a profit after tax, and our failure to do so could have a material adverse effect on our business, results of operations, cash flows and financial condition.

14. Any significant variation from the various assumptions and estimates used in the pricing of, and maintaining reserves for, our insurance products, could have a material adverse effect on our business, results of operations, cash flows and financial condition.

We price our life insurance products based on various assumptions and estimates relating to, among other factors, benefits, claim patterns, mortality rates and persistency ratios etc. General insurance covers multiple product categories and the key risks relate to parametric risks wherein we price our insurance products based on various assumptions and estimates relating to, among other factors, benefits, claim frequency and claim severity etc.

We determine liabilities that provide for future obligations relating to our products, and our earnings from our Insurance business are dependent on the extent to which actual benefits, claims and persistency ratios are consistent with the assumptions and estimates we have used in the pricing of our insurance products and the determination of the appropriate amount of policy reserves. Due to the nature of the underlying risks and the high degree of uncertainty associated with the determination of liabilities relating to unpaid insurance policy claims, we cannot determine in any precise manner the amount that will ultimately be required to settle such liabilities. The pricing of our insurance products, and the estimation of reserves, involves various assumptions and estimates based on our management's assessment of the information available, historical data, probable forecast of future events that could affect our policyholders or the insurance industry in general, as well as anticipated estimates of a future claims' severity and frequency, loss trends in claim frequency and severity experienced by us, our loss history and loss history in the Indian insurance industry and information regarding claims. These assumptions and estimates are also affected by other factors beyond our control, such as regulatory development or judicial determination relating to insurance claims and damages, any change in the political environment or general macroeconomic trends affecting the Indian economy, including inflation. We also utilise policyholder information in our modelling exercise, which could be inaccurate or incomplete.

We typically make certain assumptions relating to future persistency of policyholders, and on the basis of such assumptions and past experience, we can generally anticipate the overall level of policy surrenders, withdrawals, discontinuance and lapses in a given period. In addition, the modelling methodologies we use may not be either accurate or optimal and are also likely to be more complex and less accurate as we increase the number and complexity of the insurance products we offer. Since the prices we set for our insurance products and the expected profitability on such products is based in part upon expected patterns of premiums and assumptions related to persistency, if the actual persistency of our customers varies significantly from our persistency assumptions, it could have a material adverse impact on our insurance business and its results of operations. The incidence of unusual events with significant or lasting impact, such as sharp declines in income of customers resulting from adverse macroeconomic conditions, radical changes in the applicable regulatory framework or government policies impacting the economy in general or the insurance industry in particular, loss of customer confidence in the insurance industry due to actual or perceived weakening of the financial strength of one or more insurance companies, or increased volatility in the capital markets, could also result in unanticipated high levels of surrenders, withdrawals, discontinuance and lapses of insurance policies, thereby adversely affecting our persistency rates.

Based on our risk assessment, if we under-price our insurance products, our results of operations could be adversely affected, while if we overprice our insurance products, our sales of insurance products may be materially and adversely affected. In addition, various assumptions related to future investment returns are used in pricing our insurance products and setting of reserves for this business. Actual investment returns that are lower than those projected could result in significant losses on particular insurance products, thereby causing us to increase the price of our products, thereby adversely affecting future sales of insurance policies. If we are unable to accurately price our insurance products, it may adversely affect our results of operations and financial condition.

We maintain reserves to cover amounts we estimate will be required to settle insured losses as well as for any expenses incurred to settle claims. However, our reserves do not, and will not in the future, represent any precise calculation of liability, but rather are estimates of the anticipated net future policy benefits and claims payments, and are consequently inherently uncertain. An estimation of the loss and loss expense reserves is an arduous and complex process that involves a number of variables and is subject to the subjective assumptions, estimates and judgment of senior management of insurance business. Consequently, in the event that our claim payments vary significantly from the assumptions used in the pricing of, or maintaining reserves for, our insurance products, it could have a material adverse effect on our insurance business and our results of operations, cash flows and financial condition.

15. We are subject to certain ongoing investigations by income tax authorities, outcome of which is currently not known to us.

The income tax authorities conducted an investigation from March 2, 2023 to March 9, 2023, under section 132 of the Income Tax, 1961 at Edelweiss Financial Services Limited, and at its subsidiaries namely, Ecap Equities Limited, Edelweiss Rural and Corporate Services Limited, Allium Finance Private Limited, Edelweiss Asset Reconstruction Company Limited, ECL Finance Limited and Edel Finance Company Limited and requisite information was provided during the investigation to the income tax authorities. Subsequently, the Company has received a summon dated March 9, 2023, under section 131 (1A) of the Income Tax Act, 1961 which was attended to by the Company on March 13, 2023. During the course of investigation, the department sought information and clarifications which have been duly responded. As on date of this Tranche III Prospectus, no notice or request for information is pending for compliance and the Company and its above-mentioned subsidiaries have not received any information or quantification by the concerned income tax authorities in relation to any tax liabilities for the Company or its above mentioned subsidiaries. The Company believes that there may not be any significant impact on standalone or consolidated financial statements or results due to this investigation. The Company is extending its full cooperation with the concerned income tax authorities and is unable to comment on the final outcome of the investigation. In case of an adverse outcome, it may affect our business, financial condition, and results of operation.

16. We are in the process of amending the Articles of Association of our Company pursuant to the amendment to SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 notified on February 02, 2023.

Pursuant to the amendment to SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 notified on February 02, 2023, our Company is required to amend our Articles of Association for appointment of a director nominated by any debenture trustee in line with the SEBI (Debenture Trustee) Regulations, 1993, as amended on or before September 30, 2023. In terms of Section 14 of the Companies Act, 2013, we cannot undertake any alteration in the Articles of Association without obtaining the shareholders' approval through a special resolution. We cannot assure that such approval from shareholders can be obtained in a timely manner. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

17. The actuarial valuation of liabilities for our life insurance policies with outstanding liabilities is not required to be audited under applicable regulations, and any inaccurate actuarial valuation may have an adverse effect on our results of operations, cash flows and financial condition.

The actuarial valuation of liabilities for our life insurance policies with outstanding liabilities are performed by an appointed actuary and presented in our financial statements. Under Indian regulations, the appointed actuary of a life insurance company is required to certify such actuarial valuation of liabilities for our policies with outstanding liabilities and confirm that the assumptions taken into account for purposes of such valuation comply with relevant regulations and guidelines stipulated by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI and in accordance with the accounting standards, Ind AS 104 "Insurance Contracts" and Ind AS 109 "Financial Instruments", which are prescribed by Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended from time to time. Additionally, the valuation methodologies, including assumptions, are verified as a part of peer review process as prescribed under Actuarial Practice Standards-4 issued by the Institute of Actuaries of India. ETLI's statutory auditors rely on the certificate provided by the appointed actuary of such companies on such actuarial valuation and such valuation is not subjected to an independent audit by ETLI's statutory auditors. The process of actuarial valuation of liabilities for policies with outstanding liabilities in India may vary from that followed by life insurance companies and insurance regulatory authorities in other jurisdictions, and therefore may not be comparable. In the event the underlying assumptions or actuarial modelling used in the determination of the actuarial valuation of our liabilities are inaccurate, or if the absence of an audit or similar process independently evaluating the actuarial liabilities results in an error in the calculation of such actuarial valuation, it could have an adverse effect on our results of operations, cash flows and financial condition. While there have been no materially incorrect actuarial valuations for our policies with outstanding liabilities in the recent past, we cannot assure you that there will be no instances of incorrect actuarial valuations in the future.

18. We are exposed to fluctuations in the market values of our investment and other asset portfolio.

Financial market turmoil can adversely affect economic activity globally, including India. Deterioration in the credit and capital markets may result in volatility of our investment earnings and impairments to our investment and asset portfolio, including the assets in our balance sheet management unit, which are maintained as a part of our liquidity management. Further, the value of our investments depends on several factors beyond our control, including the domestic and international economic and political scenario, inflationary expectations, unforeseen tail events like the COVID-19 pandemic and the RBI's monetary policies. Any decline in the value of the investments could negatively impact our financial condition.

19. We may face asset-liability mismatches, which could affect our liquidity and consequently may adversely affect our operations and profitability.

Asset-liability mismatch represents a situation when financial terms of an institution's assets and liabilities do not match and is a key financial parameter indicative of an NBFC's performance. A significant portion of our funding requirements is met through short-term and medium-term funding sources such as bank loans, working capital demand loans, cash credit, short term loans and commercial paper and non-convertible debentures. However, a significant portion of our assets (such as loans to our customers) have maturities with longer tenor than our borrowings. We may face potential liquidity risks due to varying periods over which our assets and liabilities mature. Moreover, raising long-term borrowings in India has historically been challenging. If we are unable to obtain additional credit facilities or renew our existing credit facilities in a timely and cost-effective manner to meet our maturing liabilities, or at all, this may lead to gaps and mismatches between our assets and liabilities, which in turn may adversely affect our liquidity position, and in turn, our operations and financial performance.

20. A decline in our capital to risk assets and solvency ratio could restrict our future business growth.

Our credit business conducted under our NBFC and HFC licenses is subject to the capital to risk assets ratio requirements prescribed by the RBI.

Our NBFC subsidiaries are subject to regulations relating to the capital adequacy of NBFCs, which determine the minimum amount of capital that must be held as a percentage of the risk-weighted assets on the portfolio, or CRAR. Under the RBI's Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time, such NBFCs are required to have a regulatory minimum CRAR of 15.00%, with a minimum Tier 1 capital of 10.00%. Our CRAR for ECL Finance Limited, which is the key NBFC in our Group – calculated on the basis of the RBI norms applicable to NBFCs – was 30.84%, 30.50% and 25.29% as at March 31, 2023, 2022 and 2021 respectively, while its Tier 1 Capital was 15.82%, 16.38% and 13.70% as at March 31, 2023, 2022 and 2021 respectively..

In respect of Nido Home Finance Limited, our HFC subsidiary, The Housing Finance Companies (National Housing Bank) Directions, 2010, as amended from time to time ("**NHB Directions**") *inter alia* require HFCs to comply with a specified capital (consisting of Tier I and Tier II capital) to aggregate risk (weighted) assets and risk adjusted value of off- balance sheet items ratio, or capital adequacy ratio ("**CRAR**"). From March 31, 2020, in terms of the NHB directions, HFCs are required to maintain a CRAR of at least 13%. The minimum required CRAR as on March 31, 2021, March 31, 2022 and March 31, 2023 is 14%, 15% and 15% respectively. The CRAR of Nido Home Finance Limited as at March 31, 2023, March 31, 2022 and March 31, 2021 was 32.06% 28.28% and 26.49%, respectively.

As we have an insurance business, IRDAI requires us to maintain a minimum Solvency Ratio of 150%. ETLI's Solvency Ratio – calculated on the basis of IRDAI norms applicable to insurance companies – was 220%, 211% and 215% as at, March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Meanwhile, ZGICL's Solvency Ratio – calculated on the basis of IRDAI norms applicable to insurance companies – was 180%, 167% and 209% as at March 31, 2023, March 31, 2022 and March 31, 2021 respectively. ZGICL commenced operations in February 2018.

If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II Capital in order to continue to meet the applicable CRARs with respect to our businesses. There can be no assurance that we will be able to raise adequate additional Tier I and Tier II capital in the future on terms favourable to us, in a timely manner, or at all and this may adversely affect the growth of our business. There can be no assurance that we will be able to raise adequate additional capital in the future in these subsidiaries on terms favourable to us, in a timely manner, or at all and this may adversely affect the growth of our business.

The Solvency Ratio of ETLI and ZGICL may be affected by various factors, including the amount of capital available to it, the mix of insurance products sold by it, its business growth as well as its profitability. In the event ETLI and/or ZGICL is unable to comply with the prescribed Solvency Ratio requirements due to inadequacy of share capital and profit to support business growth, statutory solvency requirements being increased, or the decline of its financial condition or due to any other factor, it will be required to raise additional capital to meet the applicable Solvency Ratio requirements. In addition, the IRDAI may increase the control level of solvency or modify the existing regulatory framework in the future. Any such development, including the implementation of the risk-based solvency framework, may require it to raise additional capital to meet any modified regulatory requirements. Its ability to raise additional capital from external sources in the future is subject to a variety of uncertainties, including but not limited to, its future financial condition, results of operations, cash flows, regulatory approvals, changes in regulations relating to capital raising activities by insurance companies, its credit rating, general market conditions for capital raising activities, and other economic and political conditions in India and globally. It may not be able to raise additional capital in a timely manner or on acceptable terms or at all and this may adversely affect the growth of our business.

21. Regulatory revisions governing the sale of distressed assets by banks and financial institutions could adversely affect the growth of our asset reconstruction business.

Asset reconstruction business typically involves resolution of distressed assets sold by banks or financial institutions. The RBI guidelines and directions prescribe *inter alia* certain compliances in relation to the issuance of security receipts and presently require an asset reconstruction company to invest a minimum of either 15% of the transferor's investment in the security receipts ("**SRs"**) or 2.5% of the total SRs issued, whichever is higher, in each asset class under each scheme on an ongoing basis till the redemption of all the SRs issued under such scheme SRs issued by ARCs are valued at a net asset value based on recovery rating range assigned by an independent credit rating agency.

The RBI guidelines provide that if an investment by a bank in SRs backed by stressed assets sold by it under an asset securitisation, is more than 10% of SRs backed by its sold assets and issued under that securitisation, then the bank is required to create provisions on the SRs as per extant asset classification and provisioning norms for the higher of the provisioning rate required in terms of net asset value declared by the securitizing company(ies) and the provisioning rate as applicable to the underlying loans, assuming that the loans notionally continued in the books of the bank. As a result of these guidelines, banks and financial institutions may sell lesser distressed assets in the coming years, which in turn could reduce the growth in the size of our credit book for distressed assets and thereby adversely impact the growth and profitability of our asset reconstruction business. The RBI could also increase the provisioning requirements for Edelweiss Asset Reconstruction Company Limited ("**EARC**"). Any of these revisions in the regulations governing the sale of distressed assets would have a material adverse effect on our asset reconstruction business and our results of operations, cash flows and financial condition. Any adverse revisions in the regulations governing the sale of distressed assets would have a material adverse effect on our asset reconstruction business and our results of operations, cash flows and financial condition. Further, the RBI prohibits ARCs from acquiring financial assets on a bilateral basis from a bank or financial institution, which is either a lender to the ARC or a sponsor to the fund, if any, raised by the ARC for its operations. These and other regulations may also limit the opportunities of growth for our asset reconstruction business.

In addition, our asset reconstruction business is also dependent upon the process of resolution and recovery of stressed assets. Any delay or regulatory change in the resolution and the recovery mechanism has the ability to adversely affect recoveries from the stressed assets and the growth of our asset reconstruction business. For example, in light of the COVID-19 pandemic, the RBI had pursuant to notifications dated April 17, 2020 and May 23, 2020, with respect to accounts which were within the 30 day review period as on March 1, 2020 (in terms of the notification dated June 7, 2019 issued by RBI on the "Prudential Framework for Resolution of Stressed Assets" (the "**June 7 Circular**"), directed that the period from March 1, 2020 to August 31, 2020 be excluded from the calculation of the review period. With respect to accounts, where the 180 day resolution period (in terms of the June 7 Circular) had as on March 1, 2020 commenced but not expired, the timeline for resolution was to be extended by 180 days from the date on which the 180 day resolution period was originally set to expire.

Our asset reconstruction business is also dependent upon the process of resolution and recovery of stressed assets. Any delay or regulatory change in the resolution and the recovery mechanism has the ability to adversely affect the returns on this business.

22. Our indebtedness and the conditions and restrictions imposed by our financing arrangements and any default in compliance with the material covenants could restrict our ability to conduct our business and operations in the manner we desire.

As at March 31, 2023 our total borrowings (on a consolidated basis) were ₹ 2,17,360.48 million. We have in the past incurred significant indebtedness and will continue to incur additional indebtedness in the future. Certain of our financing agreements also include certain conditions and covenants that require us to maintain certain financial ratios and obtain consents from lenders prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or to obtain these consents could have significant adverse consequences on our business and operations. Under certain of our financing agreements, for example, we are required, but may be unable to obtain lender consents for, among others, the following matters:

- to effect any change in control in our group;
- permit any transfer of the controlling interest or make any drastic change in the management set-up;
- to effect any change in the capital structure;
- to undertake or permit any merger, amalgamation or compromise with our shareholders, creditors or effect any scheme of amalgamation or reconstruction;
- implement a new scheme of expansion or take up an allied line of business or manufacture;
- permit any transfer of the controlling interest or make any drastic change in the management set-up; and
- to amend the constituent documents of certain companies in our group.

Under certain of our financing agreements, the debenture trustee on behalf of the debenture holder may enforce our security, charge additional interest or accelerate the redemption of our debentures if we fail to fulfil the covenants as in the financing agreements. There can be no assurance that we will be able to fulfil these covenants in the future, in a timely manner, or at all and this may adversely affect the growth of our business.

Additionally, our Company in certain instances, has provided corporate guarantees assuring repayment of certain loan facilities availed by certain companies in our Group. If any such company or any other guarantor under the loan facilities commits a default or fails to meet their obligations under the facility agreements, the lender may enforce its rights against our Company (in addition to any rights it may have against the defaulting company in our Group). If any lender seeks the accelerated repayment of any such loan or is successful in enforcing any other rights against us, including enforcing the corporate guarantees, there could be a material adverse effect on our business, results of operations, cash flows and financial condition.

23. ***Our contingent liabilities could adversely affect our financial condition.***

As at March 31, 2023, our contingent liabilities on a consolidated basis not provided for, as per Ind AS 37 issued by MCA, were amounting to ₹ 1,455.73 million which included taxation matters in respect of which appeal is pending amounting to ₹ 1,108.10 million, litigation pending against group amounting to ₹ 347.63 million. If, for any reason, these consolidated contingent liabilities materialise, it may adversely affect our financial condition. For more details of contingent liability as at March 31, 2023 as per Ind AS 37, see "*Financial Information*" on page 154 of this Tranche III Prospectus.

24. ***If the investments made by the funds we advise or manage perform poorly we will suffer a decline in our investment advisory and management revenue and earnings, we may be obligated to repay certain incentive fees we have previously received to the third party investors in such funds, and our ability to raise capital for future funds may be adversely affected.***

Our revenue from our investment advisory business is derived from fees earned for our advice to the funds, which is calculated as a percentage of the capital committed to/drawn-down from these funds, incentive fees, or carried interest, which is earned when certain financial returns are achieved over the life of a fund, gains or losses on investments of our own capital in the funds and monitoring, and transaction fees. In the event that such investments perform poorly, our investment advisory revenues and earnings may suffer a corresponding decline and make it more difficult for us to raise new funds in the future. To the extent that, over the life of the funds, we have received an amount of carried interest that exceeds a specified percentage of distributions made to the third party investors in these funds, we may be obligated to repay the amount of this excess to the third party investors.

25. ***We face the threat of fraud and cyber-attacks, such as hacking, phishing, trojans and other threats, attempting to exploit our network to disrupt services to customers and/or theft of sensitive internal company data or customer information. This may cause damage to our reputation and adversely impact our business and financial results.***

Our systemic and operational controls may not be adequate to prevent adverse impact from cyber fraud, errors, hacking and system failures in future. Further, our mobile and internet-based customer applications and interfaces may be open to being hacked or compromised by third parties, resulting in thefts and losses to our customers and us. Some of these cyber threats from third parties include: (a) phishing and trojans – targeting our customers, wherein fraudsters send unsolicited mails to our customers seeking account sensitive information or to infect customer machines to search and attempt ex-filtration of account sensitive information; (b) hacking – where attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting services; (c) data theft – where cyber criminals may attempt to intrude into our network with the intention of stealing our data or information; and (d) advanced persistency threat – network attack in which an unauthorised person gains access to our network and remains undetected for a long period of time. The intention of this attack is to steal our data or information rather than to cause damage to our network or organisation. Attempted cyber threats fluctuate in frequency and are generally increasing in frequency. If we suffer from any of such cyber threats, it could materially and adversely affect our business, results of operations, cash flows and financial condition.

A significant system breakdown or system failure caused due to intentional or unintentional acts would have an adverse impact on our revenue-generating activities and lead to financial loss. It may also impact our customers' loyalty and satisfaction.

Although we have established a geographically remote disaster recovery site to support critical applications, it is possible the disaster recovery site may also fail or it may take considerable time to make the system fully operational and achieve complete business resumption using the alternate site. Therefore, in such a scenario, where the primary site is completely unavailable, there may be significant disruption to our operations, which would materially adversely affect our reputation and financial condition.

There is also the risk of our customers blaming us and terminating their accounts with us for a cyber-incident that might have occurred on their own system or with that of an unrelated third party. Any cyber-security breach could also subject us to additional regulatory scrutiny and expose us to civil litigation and related financial liability.

Some of our businesses use cloud environments for various applications, we store and transmit large amounts of sensitive, confidential, personal and proprietary information over public communications networks. The shared, on-demand nature of cloud computing introduces the possibility of new security breaches, in addition to the threats faced by traditional corporate networks. Due to the vast amount of data stored on cloud servers, cloud providers have become an attractive target for cyber-attacks. Though cloud providers deploy the required security controls to protect their cloud environments, if they fail in protecting our confidential information, it may have a material adverse effect on our business, results of operations, cash flows, financial condition, reputation and prospects.

26. Our Statutory Auditors have reported a statement on certain matters specified in Companies (Auditors Report) Order, 2020/2016 ("the Order") as an annexure to the main audit report in respect of Standalone and Consolidated Audited Financial Statements for March 31, 2023, March 31, 2022 and March 31, 2021 and with respect to Rule 11 (e) of the Companies (Audit and Auditors) Rules, 2014, in their audit report in respect of Standalone and Consolidated Audited Financial Statements for March 31, 2023 and March 31, 2022 which were modified, which may affect our future financial results.

Our Statutory Auditors have reported a statement included as an annexure to their auditors report on standalone financial statements of the Company for the year ended March 31, 2023, a statement on certain matters specified in the Companies (Auditor's Report) Order, 2020 ("**the Order**") which were modified to indicate (a) raised funds on pledge of securities held by subsidiaries; (b) funds obtained to meet obligations of subsidiaries, in accordance with terms of agreement with the lenders; (c) slight delay in payment of undisputed statutory dues; (d) disclosure of statutory dues outstanding on account of a dispute;

Our Statutory Auditors have reported a statement included in their auditors report on standalone financial statements of the Company for the year ended March 31, 2023, with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 (e) of the Companies (Audit and Auditors) Rules, 2014, which was modified, with respect to the Company, has not advanced or loaned or invested or has not received any fund to/from any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall, except with respect to certain loans given to its subsidiary company in the ordinary course of business, which are at Arm's length and the same is approved by Board Audit Committee of the Company. The Company has also confirmed that the transactions were in accordance with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013 and the such transactions are not in violation of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

Our Statutory Auditors have reported a statement included as an annexure to their auditors report on standalone financial statements of the Company for the year ended March 31, 2022, a statement on certain matters specified in the Companies (Auditors Report) Order, 2020 ("**the Order**") which were modified to indicate (a) regularity of principal repayment of loans to group companies could not be commented as principal repayment terms were not stipulated; during the year such terms were stipulated by entering into a supplementary agreement; (b) loans given to group companies due were renewed/extended by entering into a supplementary agreement (c) use funds raised for short term purpose for long term purpose; (d) funds obtained to meet obligations of subsidiaries, in accordance with terms of agreement with the lenders; (e) slight delay in payment of undisputed statutory dues; (f) disclosure of statutory dues outstanding on account of a dispute;

Our Statutory Auditors have reported a statement included in their auditors report on standalone financial statements of the Company for the year ended March 31, 2022, with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 (e) of the Companies (Audit and Auditors) Rules, 2014, which was modified, with respect to the Company, has not advanced or loaned or invested funds or has not received any fund to/from any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall, except with respect to certain loans and given loans to its subsidiary company in the ordinary course of business, which are at Arm's length and the same is approved by Board Audit Committee of the Company. The Company has also confirmed that the transactions were in accordance with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013 and the such transactions are not in violation of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

Our Statutory Auditors have included as an annexure in their auditor's report on standalone financial statements of the Company for the year ended March 31, 2021 a statement on certain matters specified in the Companies (Auditors Report) Order, 2016 ("**the Order**") has given statement of facts (a) slight delay in payment of undisputed statutory dues; (b) disclosure of statutory dues outstanding on account of a dispute.

Our Statutory Auditors have included as an annexure in their auditors report on consolidated financial statements of the Company for the year ended March 31, 2023, a statement on certain matters by the Companies (Auditor's Report) Order, 2020 which indicated unfavourable or adverse remarks by the respective auditors in their report on Companies

(Auditors Report) Order, 2020 of the companies included in the consolidated financial statements which indicated for respective entities with respect to clause iii (c) and iii (d), ix (d), xvii, i (c), ix (e) and ix (f), and xix.

Our Statutory Auditors have reported a statement included in their auditors report on consolidated financial statements of the Company for the year ended March 31, 2023, with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 (e) of the Companies (Audit and Auditors) Rules, 2014, which was modified, with respect to the holding Company, has not received any fund from any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall, except with respect to certain loans and given loans to its subsidiary company in the ordinary course of business, which are at Arm's length and the same is approved by Board Audit Committee of the Company. The Company has also confirmed that the transactions were in accordance with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013 and the such transactions are not in violation of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

Our Statutory Auditors have included as an annexure in their auditors report on consolidated financial statements of the Company for the year ended March 31, 2022, a statement on certain matters specified in the Companies (Auditors Report) Order, 2020 ("**the Order**") which indicated unfavourable or adverse remarks by the respective auditors in their report on Companies (Auditors Report) Order, 2020 of the companies included in the consolidated financial statements which indicated for respective entities with respect to clause iii (c), (d), (e), (f), ix (e), xi (a),(d) & (e),xvii and xix.

Our Statutory Auditors have reported a statement included in their auditors report on standalone financial statements of the Company for the year ended March 31, 2022, with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 (e) of the Companies (Audit and Auditors) Rules, 2014, which was modified, with respect to the holding Company has not received any fund from any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall, expect with respect to certain loans and given loans to its subsidiary company in the ordinary course of business, which are at Arm's length and the same is approved by Board Audit Committee of the Company. The Company has also confirmed that the transactions were in accordance with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013 and the such transactions are not in violation of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

For further details, please see "*Financial Information*" on page 154 of this Tranche III Prospectus. There can be no assurance that our statutory auditors will not include similar comments in the audit reports to our audited financial statements in the future, or that such remarks will not affect our financial results in future fiscal periods.

27. Failure to maintain confidential information securely or significant security breaches could adversely impact our business, financial condition, cash flows, results of operations and prospects.

In the course of our business operations, we are involved in the acquisition and secure processing, transmission and storage of sensitive, confidential and proprietary information, including our investment banking, trading, clearing and settlement, and research businesses. While we believe we have adequate systems in place, we are exposed to significant risks related to data protection and data security due to, among others, our brokerage platform involving extensive data transmission and processing, our outsourcing of certain business operations, our reliance on licensed technologies and outsourced employees for some of the key components of our information technology systems and their maintenance. We seek to protect our computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems. Further, computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and network infrastructure.

Information security breaches could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of our or our customers'/clients' confidential, proprietary and other information, identity theft or disruptions of and errors within our systems. We employ security systems, including sophisticated threat management systems and password encryption, designed to minimize the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent break-ins, damage and failures, there can be no assurance that these security measures will be adequate or successful. Failed security measures could have a material adverse effect on our business, our future financial performance and the trading price of the Equity Shares. We may need to expend significant resources to protect against security breaches, intrusions, attacks or other threats or to address problems including reputational harm and litigation, caused by breaches. Although we take measures to safeguard against systems related and other fraud, there may be certain situations that fraud may occur. Our reputation could be adversely affected by significant fraud committed by employees, customers or outsiders.

Further, data collection and storage are increasingly subject to various legislation and regulations and our attempts to comply with applicable legal and statutory requirements may not be successful, and may also lead to increased costs for compliance, which may materially and adversely affect our business, financial condition, cash flows, results of operations and prospects.

28. Our Statutory Auditors have included an emphasis of matter in their Auditors report on our audited standalone financial statements and audited consolidated financial statements as at and for years ended March 31, 2022 and March 31, 2021.

Our Statutory Auditors, have included an emphasis of matter in their reports on our audited consolidated financial statements as at and for year ended March 31, 2022 with respect to the note included in such audited consolidated financial statements on the economic and social disruption as a result of COVID-19 pandemic of the Group's business and financial metrics including the Group's estimates of impairment of loans, financial assets, investments, investment in properties, intangible assets (including goodwill) and in case of life insurance business, estimate of claims which are highly dependent on uncertain future developments. Our Statutory Auditors have not modified their opinion in respect of this matter. For details of such note see "*Financial Information*" on page 154 of this Tranche III Prospectus.

Our Statutory Auditors, have also included an emphasis of matter in their reports on our audited standalone financial statements as at and for year ended March 31, 2022 with respect to the note included in such audited standalone financial statements on the economic and social disruption as a result of COVID-19 pandemic of our Company's business and financial metrics including our Company's estimates of impairment of investments and other assets, which are highly dependent on uncertain future developments. Our Statutory Auditors have not modified their opinion in respect of this matter. For details of such note see "*Financial Information*" on page 154 of this Tranche III Prospectus.

Our Statutory Auditors, have included an emphasis of matter in their reports on our audited consolidated financial statements as at and for year ended March 31, 2021 with respect to the note included in such audited consolidated financial statements on the economic and social disruption as a result of COVID-19 pandemic of the Group's business and financial metrics including the Group's estimates of impairment of loans, financial assets, investments, investment in properties, intangible assets (including goodwill) and in case of life insurance business, estimate of claims which are highly dependent on uncertain future developments. Our Statutory Auditors have not modified their opinion in respect of this matter. For details of such note see "*Financial Information*" on page 154 of this Tranche III Prospectus.

Our Statutory Auditors, have also included an emphasis of matter in their reports on our audited standalone financial statements as at and for year ended March 31, 2021 with respect to the note included in such audited standalone financial statements on the economic and social disruption as a result of COVID-19 pandemic of our Company's business and financial metrics including our Company's estimates of impairment of investments and other assets, which are highly dependent on uncertain future developments. Our Statutory Auditors have not modified their opinion in respect of this matter. For details of such note see "*Financial Information*" on page 154 of this Tranche III Prospectus.

29. We may experience difficulties in expanding our business, organically and inorganically, into new regions and markets in India and overseas.

We continue to evaluate attractive growth opportunities to expand our business into new regions and markets in India as well as overseas. These opportunities can take various forms, including acquisitions, mergers, joint ventures and strategic investments.

There can be no assurance that we will be able to identify suitable acquisition targets or strategic investment at acceptable cost and on commercially reasonable terms, obtain the finance, if required, to complete and support such acquisitions or investments, integrate such businesses or investments or that any business acquired or investment made will be profitable. The return of capital deployed on such acquisitions will depend on the price of the acquisitions and speed of integration of acquired business employees and assets. Any future acquisitions may result in integration issues and employee retention problems; we face numerous risks and uncertainties combining, transferring, separating or integrating the relevant businesses and systems, including the need to combine or separate accounting and data processing systems and management controls and to integrate relationships with clients, trading counterparties and business partners. We may not be able to realise the benefits we might anticipate from any such acquisitions.

Factors such as competition, culture, regulatory regimes, business practices and customs and customer requirements in these new markets may differ from those in our current markets and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with other banks and financial institutions that already have a presence in those jurisdictions and markets. As these banks and financial institutions are more familiar with local regulations, business practices and customs, they may have developed stronger relationships with customers. Our business expansion may be exposed to various additional challenges, including obtaining the necessary governmental approvals, identifying and collaborating with local business and partners with whom we may have no previous working relationship, successfully gauging market conditions in the local markets in which we have no previous familiarity, attracting potential customers in a market in which we do not have significant experience or visibility, being susceptible to local laws, including taxation in additional geographical areas in India and overseas adapting our marketing strategy and operations to the different regions of India in which different languages are spoken. Expansion in new markets could also lead to a change in existing risk exposures, and the data and models we use to manage such exposures may not be as sophisticated or effective as those we use in existing markets or with existing products. This, in turn, could lead to losses in excess of our expectations. If we are unable to expand our current operations it may adversely affect our business prospects, results of operations, cash flows and financial condition.

30. ***We introduce new products for our customers and there is no assurance that our new products will be profitable in the future.***

We introduce new products and services in our existing lines of businesses. We may incur costs to expand our range of products and services and cannot guarantee that such new products and services will be successful once offered, whether due to factors within or outside of our control, such as general economic conditions, a failure to understand customer demand and market requirements or a failure to understand the regulatory and statutory requirements for such products or lack of management focus on these new products. If we fail to develop and launch these products and services successfully, we may lose a part or all of the costs incurred in development and promotion or discontinue these products and services entirely, which could in turn adversely affect our business and results of operations.

31. ***Our Group's ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs which could have an impact on our business and could affect our growth, margins and business operations.***

The RBI *vide* its Circular DBR.No.BP.BC.43/ 21.01.003/2016-17 dated December 1, 2016 and Circular DBR.No.BP.BC.31/21.01.003/2018-19 dated April 1, 2019 and circular No. DBR.No.BP.BC.43/21.01.003/2018-19 dated June 3, 2019 as amended from time to time, has amended the regulatory framework governing banks to address concerns arising from divergent regulatory requirements for banks and NBFCs. These Circulars restrict bank's exposures to a single NBFC to 15.00% of their eligible capital base and to a group of connected NBFCs or group of connected counterparties having NBFCs in the group to 25.00% of their Tier I Capital. In September 2019, the Reserve Bank of India (RBI) again increased a banks exposure limit to a single NBFC from 15.00% to 20.00% of its Tier-I capital upto June 30, 2021 and on May 23, 2020, the exposure to a group of connected NBFCs or group of connected counterparties having NBFCs in the group was increased from 25.00% to 30.00% of their Tier I Capital as a one-time measure due to COVID-19 and the increased limit is applicable upto June 30, 2021.

Furthermore, RBI has suggested that banks may consider fixing internal limits for their aggregate exposure to all NBFCs combined. Since these circulars limit a bank's exposure to NBFCs, the same consequently restricts our ability to borrow from banks. Further, as per the extant guidelines by RBI, it has now been decided that rated exposures of banks to all NBFCs (including members of our Group), excluding Core Investment Companies (CICs), would be risk-weighted as per the ratings assigned by the accredited rating agencies, in a manner similar to that for corporates.

These circulars could affect our business and any similar notifications released by the RBI in the future, which has a similar impact on our business could affect our growth, margins and business operations.

32. ***We are a widely regulated business and revisions to laws and regulations or regulatory investigations may have a material adverse effect on our business, results of operations, cash flows and financial condition.***

Our subsidiaries are regulated by and report to a wide variety of Indian regulatory bodies, including RBI, NHB, SEBI, IRDAI and other regulators, each of which promulgate guidelines governing a wide variety of activities, including but not limited to capital adequacy, investment and credit exposure, reserves and other prudential norms.

Our largest subsidiary by revenue and assets, ECL Finance Limited, is regulated principally by the RBI and is subject to the RBI's guidelines on the regulation of the NBFC-ND-Sis. The RBI also regulates the credit flow by banks to NBFC-ND-Sis and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to the NBFC-ND-Sis. In order to provide enhanced control, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented.

RBI had issued a Discussion Paper on January 22, 2021 proposing a revised scale-based framework for NBFCs with increasing level of supervision and regulations with the scale. Thereafter, upon receipt of public comments, with effect from October 1, 2022, RBI has put in place the said framework which requires NBFCs to adopt stricter norms for conducting their business which may affect their profitability and results of operations.

Our life and general insurance subsidiaries are regulated by IRDAI. The laws and regulations governing the insurance industry cover a wide variety of issues, including foreign investment, solvency requirements, investments, money laundering, privacy, record keeping, marketing and selling practices, and have become increasingly complex over time. Any change in the policies of the IRDAI, including in relation to investment or provisioning, may result in our inability to meet such increased or changed requirements as well as require us to increase our coverage to relatively riskier segments. In addition, the Insurance Act, 1938 and regulations issued by the IRDAI could restrict our insurance subsidiaries' operating flexibility as it restricts the types of capital that can be issued by an insurer in India to equity shares having a single face value, preference share capital, subordinated debt instruments and any other debt instrument as may be permitted by the IRDAI. Accordingly, our insurance subsidiaries' ability to issue capital of varied nature is limited. In addition, the Insurance Act, 1938 provides that appointment, reappointment or termination of a managing or whole-time director, a manager or a chief executive officer, of an insurance company shall be made only with the prior approval of the IRDAI. The regulations prescribed by IRDAI further require that the right to appoint a chairman who exercises a casting vote and the right to appoint a chief executive officer has to necessarily be appointed by the Indian promoters and/or investors or the board of directors of the insurance company. Further, according to the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, certain requirements are imposed on investments by insurers.

We are also subject to periodic inspections by RBI, NHB, SEBI, IRDAI and other regulators. In the past certain observations were made by the regulators during such inspections regarding our business and operations. These observations relate to, amongst others, financial aspects such as calculation of CRAR in our NBFC, operational aspects such as data errors and use of customer data, and governance aspects such as formulation of fit and proper criteria for appointment of directors on one of the Subsidiaries. While we generally respond to the observations issued by the regulators in the inspection reports, we cannot assure you that such responses would be found to be acceptable by the regulators in all cases. For instance, Edelweiss Rural and Corporate Services Limited has, in the past, been subject to penalties arising out of inspections carried out by the FMC and the MCX. While we attempt to be in compliance with all regulatory provisions applicable to us, in the event we are not able to comply with the observations made by the regulators, we could be subject to supervisory actions, which may have a material adverse effect on our reputation, results of operations, cash flows and financial condition. For details of outstanding proceedings in this respect, see "*Outstanding Litigations*" on page 166 of this Tranche III Prospectus.

We are also subject to corporate, taxation and other laws in force in India. The abovementioned regulations are subject to frequent amendments, which may require us to restructure our activities, incur additional costs or could otherwise adversely affect our business and financial performance. Further, the guidelines promulgated by the regulators may overlap, which could lead to interpretational ambiguities and subject us to potential liability in case of divergent views. There can be no assurance that these regulatory bodies will not implement further regulations or policies, including legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that may have an adverse impact on our subsidiaries. Further, if we are unable to comply with such regulatory requirements, our business and results of operations may be materially and adversely affected. The RBI, SEBI, NHB, IRDAI and other regulators in India and jurisdictions where we operate are empowered to impose and have in the past given administrative warnings and imposed penalties, including for matters such as failure to exercise adequate due diligence in case of certain public offerings on which we were mandated. We cannot predict the initiation or outcome of any current or future investigations by other authorities or different investigations by the regulators in India or in other jurisdictions we operate in. Past penalties imposed by the regulators have generated adverse publicity for our business. Such adverse publicity, or any future scrutiny, investigation, inspection or audit, which could result in fines, public reprimands, damage to our reputation, significant time and attention from our management, costs for investigations and remediation of affected customers, may materially adversely affect our business and financial results.

33. ***If we are unable to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our existing or future businesses it may have a material adverse effect on our business, results of operations, cash flows and financial condition.***

Our Company and our subsidiaries in India are subject to regulations and supervision by the RBI, NHB, SEBI, IRDAI and other regulators. In addition to the numerous conditions required for the registration with each of these regulatory bodies, we are also required to comply with certain other regulatory requirements for our business imposed by the regulators. There could be circumstances where we or our subsidiaries may be required to renew applicable permits and approvals and obtain new permits and approvals for our current and any proposed operations, or in the event of a change in applicable law and regulations. There can be no assurance that the concerned regulators or other relevant authorities will issue any such permits or approvals in the timeframe anticipated by us, or at all. Our failure to renew, maintain or obtain the required permits or approvals may result in an interruption of our operations and may have a material adverse effect on our business, results of operations, cash flows and financial condition.

In addition, our branches are required to be registered under local laws and regulations of the states in which they are located. These local laws and regulations regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our branch businesses may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration for such branch may be suspended or cancelled and we shall not be able to carry on such activities.

34. Dividend income from subsidiaries and associates contribute to a significant portion of the company's revenues

The Company is the holding company for the Edelweiss group and has limited business operations. As a result, dividend income from subsidiaries continues to be a significant portion of the revenues of the Company. Consequently, in the event that if one or more of the subsidiary companies are unable to or do not declare dividends for whatsoever reasons including but not limited to any macroeconomic situation, regulatory constraints or other factors generally affecting the industry in which such subsidiaries operate, the Company may have lesser, significantly lower or no revenues. In such a situation, the profits of the Company may be affected, which would affect the Company's ability to pay interest.

35. We may divest stakes in our businesses or demerge businesses as we seek to increase our capital position, to strengthen our balance sheet and find suitable strategic partners to grow our businesses, thereby reducing our stake in those businesses.

We had announced divestment of our stake in our Wealth Management Business recently subject to regulatory approvals. We have also recently divested our stake in EGIBL to Arthur J. Gallagher & Co. We continue to explore various fund-raising opportunities, including the option to raise capital from the strategic investor(s) and we may consider divesting certain or all of our existing investments and businesses. To this effect, subject to receipt of requisite regulatory and customary approvals and compliance with applicable law, our Board has approved a restructuring exercise involving the sale of investments by our Company (either in part or whole) in our Subsidiaries by transferring, hiving off, demerging, selling etc., whole or part of our Wealth Management Business, asset management business and general insurance business to any strategic investor(s)/person, at an appropriate time, including by listing the equity shares of the holding company of the respective businesses or one or more of the identified subsidiaries. Timing of outcomes and impact thereof of these initiatives cannot be predicted or assessed accurately at this juncture and our Company may have a lower stake in these businesses in the future. For details in relation to the various agreements entered into by our Company and our Subsidiaries, please refer to "*History and Main Objects-Key Material Agreements and Material Contracts"* on page 143 of this Tranche III Prospectus and 163 of the Shelf Prospectus.

36. The Insolvency and Bankruptcy Code, 2016 may affect our rights to recover loans from borrowers.

The Insolvency and Bankruptcy Code, 2016, as amended from time to time ("**Bankruptcy Code**") was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the committee of creditors on specified critical matters must be taken by a vote of not less than 66% of the voting share of all financial creditors unless otherwise specified otherwise in the Bankruptcy Code. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it.

In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes, debts owed to workmen. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority subject to subsisting inter – se ranking of charges amongst the secured creditors.

Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the Bankruptcy Code.

Further, the GoI vide notification dated March 24, 2020 ("**Notification**") has amended section 4 of the Bankruptcy Code due the lingering impact of the COVID-19 pandemic. Pursuant to the said Notification, GoI has increased the minimum amount of default under the insolvency matters from ₹100,000 to ₹10,000,000. Therefore, the ability of our Company to initiate insolvency proceedings against the defaulters where the amount of default in an insolvency matter is less the ₹10,000,000 may impact the recovery of outstanding loans and profitability of our Company.
Therefore, the ability of our Company to initiate insolvency proceedings against the defaulters with respect to the defaults during the above mentioned periods may impact the recovery of outstanding loans and profitability of our group.

37. Changes to laws and regulations across the multiple jurisdictions we operate in, may materially and adversely affect our business and financial performance.

Our business and financial performance could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us and our business, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations, in India or in other jurisdictions we operate in.

The governmental and regulatory bodies in India and other jurisdictions where we operate may notify new regulations and/or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those, which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, results of operations, cash flows and financial condition.

38. Certain Directors hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.

Some of our Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. Such Directors may be able to exercise significant control over us, including being able to determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may not be able to affect the outcome of such voting. Our Directors may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders.

39. Our revenues are dependent on our sustained ability to successfully manage transactions and advisory assignments and on managing client concentrations.

Our investment banking services are primarily provided to clients on a short-term basis, engaging us for specific projects such as equity capital markets, corporate finance, mergers and acquisitions advisory, and private equity syndication. Unlike long-term contracts, these engagements are not recurring in nature. Therefore, once our current projects are successfully completed or terminated, we must actively seek new engagements to sustain our business. It's important to note that high activity levels in one period do not necessarily guarantee continued high activity levels in subsequent periods. If we fail to secure a significant number of new engagements and generate fees from successful transactions, it will have an adverse impact on our business and financial performance.

The fees we earn from our financial advisory business are typically received upon the successful completion of a specific transaction or assignment. A decrease in the number of financial advisory engagements or a decline in the market for such services would negatively affect our business. Our financial advisory business operates in a highly competitive environment, where revenue sources are not typically based on long-term contracts. Each engagement that generates revenue requires separate solicitation, negotiation, and awarding. Moreover, many businesses do not regularly engage in transactions that necessitate our services. Consequently, the predictability of fee-paying engagements with clients is low, and a quarter with high financial advisory revenue does not guarantee sustained high revenue in the future. Additionally, we experience client attrition each year due to factors such as their choice to hire other financial advisors, their sale, merger, or restructuring, changes in senior management, and various other reasons.

These factors can significantly impact the volume, nature, and scope of our engagements, resulting in a material decline in our financial advisory revenue. Furthermore, we have client concentrations in certain lines of business, particularly institutional equities. There is no assurance that we will be able to attract large new clients to mitigate any adverse effects on our business, financial performance, cash flows, and overall financial condition.

40. We derive a portion of our revenue from our investment banking and securities business and are subject to various risks associated with investment banking and securities business.

We offer investment banking services, including equity capital markets, corporate finance, mergers and acquisitions advisory, and private equity syndication to corporate clients and financial sponsors. However, our investment banking revenue is subject to macroeconomic conditions, capital markets environment, and market demand for mergers and acquisitions. This results in significant income fluctuations across periods.

Engaging in investment banking entails risks, such as challenges in obtaining regulatory approvals or experiencing execution delays, which may lead to penalties and business setbacks. Securities offerings of listed companies undergo a review process by SEBI, beyond our control, potentially causing substantial delays or termination. There is no guarantee of prompt or future regulatory approvals, impacting our revenue as fees depend on transaction completion.

The accuracy of information provided by clients is crucial, as inaccurate data may trigger negative regulatory observations, damaging our reputation. Inadequate due diligence or failure to detect fraud or misconduct can result in sanctions, fines, legal liabilities, and litigation. Repercussions can arise from domestic and international regulatory actions related to securities sales.

Employees' access to sensitive data, including non-public information, poses risks of unauthorized dissemination or illicit trading, leading to fines, regulatory actions, damaged client relationships, and harm to our reputation. Inadequate valuation and pricing based on growth prospects, industry trends, and economic scenarios can negatively impact our reputation, client relationships, and business prospects.

Furthermore, adverse market conditions and capital markets volatility, including cyclicality, have previously caused delays or terminations of securities offerings, potentially resulting in fewer mandates and adversely affecting our investment banking revenue.

41. Our wealth management business has been demerged which may have an impact on our financial performance.

Pursuant to the scheme of arrangement between our Company and Nuvama Wealth Management Limited ("**NWML**") and the respective shareholders and creditors ("**Scheme of Arrangement**"), our wealth management business which comprises of merchant banking, securities broking, investment advisory and research analysis services provided to clients and investments in any company carrying out such businesses has been demerged and transferred to NWML. The Scheme of Arrangement was approved by the NCLT, Mumbai Bench on April 27, 2023 and May 18, 2023 was fixed as the effective date of the demerger. Hence, our financial performance in the future will not reflect the contribution made by the wealth management business and our financial results, and growth thereof, will be constrained by businesses that our Company currently undertakes.

42. Our success depends upon our management team and key personnel and our ability to attract, train and retain such persons. If we are unable to attract and retain talented professionals or the loss of key management personnel may have an adverse impact on our business and future financial performance.

Our ability to sustain the rate of growth depends significantly on selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. We face a continuing challenge to recruit, adequately compensate and retain a sufficient number of suitably skilled personnel, knowledgeable in sectors in which we operate or to which we lend. There is significant competition in India for such personnel, which has increased in recent years as a significant number of banks, NBFCs, HFCs and insurance companies have recently commenced operations. We compete with other similar financial institutions to attract and retain this talent pool. Our success in attracting and retaining such resources depends upon factors such as remuneration paid, range of our product offerings, pre and post-sale support provided, our reputation, our perceived stability, our financial strength, and the strength of the relationships we maintain with our intermediaries, agents and other professionals. If we fail to attract or retain such key personnel, it could have a material adverse effect on our business, results of operations, cash flows, financial condition and prospects.

If we are unable to hire additional qualified personnel or to retain them, our ability to expand our business may be impaired. We will need to recruit new employees who will have to be trained and integrated within our operations. In addition, we will have to train existing employees to adhere to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rate, a requirement to hire additional employees, an erosion of the quality of customer service, a diversion in the management's resources, an increase in our exposure to high-risk credit and an increase in costs for us. Hiring and retaining qualified and skilled managers is critical to our future as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven. Moreover, competition for experienced employees can be intense, and has intensified in the recent financial periods. While we have an incentive structure, if we are unable to attract and retain talented professionals or the loss of key management personnel it may have an adverse impact on our business and future financial performance.

43. A failure or inadequacy in our information technology and telecommunication systems or if we are unable to adapt to rapid technological changes it may adversely affect our business, results of operations, cash flows and financial condition.

Our ability to operate and remain competitive depends in part on our ability to maintain and upgrade our information technology systems and infrastructure on a timely and cost-effective basis, including our ability to process a large number of transactions on a daily basis. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our financial, accounting or other data processing systems and management information systems or our corporate website may fail to operate adequately or become disabled as a result of events that may be beyond our control, including a disruption of electrical or communications services. Further, the information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. If any of these systems are disabled or if there are other shortcomings or failures in our internal processes or systems, it may disrupt our business or impact our operational efficiencies and render us liable to regulatory intervention or damage to our reputation. The occurrence of any such events may adversely affect our business, results of operations, cash flows and financial condition.

We are dependent on various external vendors for the implementation of certain elements of our operations, including implementing information technology infrastructure and hardware, industry standard commercial off-the-shelf products, networking and back-up support for disaster recovery. We are, therefore, exposed to the risk that external vendors or service providers may be unable to fulfil their contractual obligations to it (or will be subject to the risk of fraud or operational errors by their respective employees) and the risk that their (or their vendors') business continuity and data security systems prove to be inadequate or fail to perform. Failure to perform any of these functions by our external vendors or service providers could materially and adversely affect our business, results of operations and cash flows.

We update our information technology systems and introduce new information technology systems from time to time. However, delays, system failures or other accidents may occur during such system upgrades or introduction of new systems. In addition, the upgraded or new information technology systems may not be able to achieve the projected processing capacity and availability and may also not be able to meet the needs of our business scale and business growth in the future. Our failure to address these problems promptly, including any delay in the implementation of any upgraded or new information systems, could result in our inability to perform, or prolonged delays in performing critical business operational functions, the loss of key business data, which could have a material adverse effect on our business operations. This could in turn have a material adverse effect on our business, financial condition, results of operations, reputation and prospects.

In addition, the future success of our business will depend in part on our ability to respond to technological advances and to emerging financing industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies effectively or adapt our technology and systems to meet customer requirements or emerging industry standards. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our financial condition could be adversely affected. Any technical failures associated with our information technology systems or network infrastructure, including those caused by power failures and other unauthorised tampering, may cause interruptions or delays in our ability to provide services to our customers on a timely basis or at all, and may also result in added costs to address such system failures and/or security breaches, or for information retrieval and verification.

44. We are exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees, agents, customers or third parties, which could harm our results of operations, cash flows and financial condition.

We are exposed to many types of operational risks. Operational risks can result from a variety of factors, including failure to obtain proper internal authorisations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. We attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures, undertaking regular contingency planning and providing employees with continuous training. We employ security systems, including firewalls and password encryption, designed to minimise the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent fraud, break-ins, damage and failures, there can be no assurance that these security measures will be adequate. Any failure to mitigate such risks may adversely affect our business and results of operations.

Any fraud, sales misrepresentation and other misconduct committed by our employees, agents or distribution partners could result in violations of laws and regulations by us and subject us to regulatory scrutiny. Even if such instances of misconduct may not result in any legal liabilities on our part, they could cause serious reputational or financial harm to us. Our agents and intermediaries are also subject to regulatory oversight of regulators within respective industries such as RBI, NHB, IRDAI etc. Any regulatory action against such distribution partners could reduce our ability to distribute our products through them, harm our reputation and have a material adverse effect on our business, results of operations, cash flows, financial condition and prospects.

In addition, some of our transactions expose us to the risk of misappropriation or unauthorised transactions by our employees and fraud by our employees, agents, customers or third parties. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Furthermore, we may be subject to regulatory or other proceedings in connection with any unauthorised transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. In addition, some of the collateral provided for the loans may not be adequately insured and this may expose us to a loss of value of the collateral. As a result, we may not be able to recover the full value of the collateral. Any loss of value of the collateral may have a material adverse effect on our profitability and business operations.

45. Our insurance coverage may not adequately protect us against losses, which could adversely affect our business, results of operations, cash flows and financial condition.

We maintain a number of insurance policies to cover the different risks involved in the operation of our business. We maintain a directors' and officers' liability policy to cover certain liabilities that may be imposed on our directors and officers. We believe that our insurance coverage is appropriate and adequate for our operations. We have insurance policies covering, among others, electronic equipment, burglary, standard fire and special peril and machinery breakdown, and comprehensive general liability insurance.

We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Any successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including any increase in premium or any imposition of larger deductibles or co-insurance requirements could adversely affect our business, results of operations, cash flows and financial condition.

46. Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts and our risk management measures and internal controls, may not be fully effective in mitigating our risks in all market environments or against all types of risks, which may adversely affect our business and financial performance.

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. Some methods of managing risks are derived from the observation of historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the indication based on historical measures. Other risk management methods depend on an evaluation of information regarding markets, customers or other matters. This information may not be accurate, complete, up-to-date or properly evaluated. The management of operational, legal or regulatory risk requires, among other things, proper policies and procedures to record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective.

We may utilise a variety of financial instruments, such as derivatives, options, interest rate swaps, caps and floors, futures and forward contracts to seek to hedge against any decline in value of our assets as a result of changes in currency exchange rates, certain changes in the equity markets and market interest rates and other events. Hedging transactions may also limit the opportunity for gain if the value of the hedged positions should increase, it may not be possible for us to hedge against a change or event at a price sufficient to fully protect our assets from the decline in value of the positions anticipated as a result of such change or event. In addition, it may not be possible to hedge against certain changes or events at all. While we may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, or the risks of a decline in the equity markets generally or one or more sectors of the equity markets in particular, or the risks posed by the occurrence of certain other events, unanticipated changes in currency or interest rates or increases or smaller than expected decreases in the equity markets or sectors being hedged or the non-occurrence of other events being hedged may result in a poorer overall performance for the group than if we had not engaged in any such hedging transaction. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the position being hedged may vary. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the positions being hedged. Such imperfect correlation may prevent us from achieving the intended hedge or expose the group to additional risk of loss.

Our risk management techniques may not be fully effective in mitigating our risks in all types of market environments or against all types of risk, including risks that are unidentified or unanticipated.

Our future success will depend, in part, on our ability to respond to new technological advances and emerging market standards and practices in a cost-effective and timely manner. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will be able to successfully implement new technologies or adapt our transaction processing systems in accordance with the requirements of customers or emerging market standards.

47. Any adverse change in our relationship with our individual agents and other distribution intermediaries, a decline in performance of our agent or other distribution network or if we are unable to enter into additional distribution arrangements may have a material adverse effect on our business, results of operations, cash flows and financial condition.

We distribute our products through a large number of individual agents and other financial intermediaries with respect to our various businesses. We typically enter into exclusive arrangements with our individual agents who contribute a significant portion of our insurance business. We compete with other financial institutions and insurance companies to attract and retain individual agents. Our success is dependent on the sales commissions and other rewards and recognition programs extended by us subject to applicable regulatory restrictions, the range of our product offering, our brand and business reputation, market and customer perception regarding the stability of our financial condition, our financial performance, our marketing and related support services that we provide to our agents and other intermediaries, and our relationship with our individual agents. If we are unable to attract and retain productive sales agents, it could have a material adverse effect on our business, results of operations, cash flows and financial condition. It is also difficult, time consuming and expensive to recruit, train and deploy agents and other retail distributors. If we are unable to develop a productive team of agents in a cost-effective manner, or at all, it could adversely affect our sales as well as customer perception of our business and products. We may experience high attrition rates of individual agents and other intermediaries as a result of increased competition. In addition to individual agents, we also rely on other distribution channels, including corporate agents, brokers, micro-agents, common service centres and marketing firms. If we are unable to continue to recruit, train and retain productive sales agents and other distribution intermediaries it may have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

48. We may face damage to our professional reputation and risk legal liability to our clients and affected third parties if our services are not regarded as satisfactory.

All of our businesses depend to a large extent on our relationships with our clients and our reputation for integrity and high calibre professional services to attract and retain clients. As a result, if a client is not satisfied with our services, it may be more damaging to our business than to other businesses. Moreover, our role as advisor to our clients on important mergers and acquisitions or structured finance transactions involves complex analysis and the exercise of professional judgment.

Our activities may subject us to the risk of significant legal liabilities to our clients and aggrieved third parties, including shareholders of our clients who could initiate securities class actions against us. These risks often may be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. Our engagements typically include broad indemnities from our clients and provisions to limit our exposure to legal claims relating to our services, but these provisions may not protect us or may not be enforceable in all cases. As a result, we may incur significant legal expenses in defending against litigation. Substantial legal liability or significant regulatory action against us could have material adverse financial effects or cause significant harm to our reputation, which could seriously harm our business prospects.

49. Poor investment performance, pricing pressure and other competitive factors may reduce our revenue or result in losses in our asset management and/or investment advisory businesses.

Our revenues from our asset management and investment advisory business are primarily derived from management fees, which are based on committed/drawn down capital and/or assets under management and incentive fees, which are earned if the return of our investment funds exceeds certain threshold returns. Our ability to maintain or increase assets under management is subject to a number of factors, including investors' perception of our past performance, market or economic conditions, competition from other fund managers and our ability to negotiate terms with major investors.

Investment performance is one of the most important factors in retaining existing clients and competing for new asset management and private equity business and our historical performance may not be indicative of future results. Poor investment performance and other competitive factors could reduce our revenues and affect our growth in many ways:

- existing clients may withdraw funds from our asset management and investment advisory services business in favour of better performing products;
- our incentive fees could decline or be eliminated entirely;
- firms with which we have business relationships may terminate these relationships with us;
- our capital investments in our investment funds or the seed capital we have committed to new asset management products may diminish in value or may be lost; and
- our key employees in the business may depart, either to join a competitor or otherwise.

To the extent our future investment performance is perceived to be poor in either relative or absolute terms, our asset management revenues will likely be reduced and our ability to raise new funds will likely be impacted.

Even when market conditions are generally favourable, our investment performance may be adversely affected by our investment style and the particular investments that we make. In addition, over the past several years, the size and number of investment funds, including exchange-traded funds and private equity funds, has continued to increase. If this trend continues, it is possible that it will become increasingly difficult for us to raise capital for new investment funds or price competition may mean that we are unable to maintain our current fee structure. We have historically competed primarily on the basis of the performance of our investment funds and other asset management products and services, and not on the level of our fees relative to those of our competitors. However, there is a risk that fees in the asset management industry will decline, without regard to the historical performance of a manager, including our historical performance. Fee reductions on our existing or future investment funds and other asset management products and services, without corresponding decreases in our cost structure, would adversely affect our revenues and results of operations.

50. Our reliance on any misleading or misrepresented information provided by potential customers or counterparties or an inaccurate credit appraisal by our employees may affect our credit judgments, as well as the value of and title to the collateral, which may adversely affect our reputation, business and results of operations.

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including financial statements and other financial information. We may also rely on certain representations in relation to the accuracy and completeness of that information as well as independent valuation reports and title reports with respect to the collateral. In addition, we may rely on reports of the independent auditors in relation to the financial statements of the customers. For example, in deciding whether to extend credit, we may assume that a customer's audited financial statements conform to GAAP and the financial condition, results of operations and cash flows of the customer are presented fairly in all material respects. Our financial condition and results of operations may be adversely affected by relying on financial statements that do not comply with GAAP or other information that may be materially misleading. Moreover, we have implemented a KYC checklist and other measures to prevent money laundering. There can be no assurance that information furnished to us by potential customers and any analysis of such information or the independent checks and searches will return accurate results, and our reliance on such information may affect our judgment of the potential customers' credit worthiness, as well as the value of and title to the collateral, which may result in us having to bear the risk of loss associated with such misrepresentations. In the event of the ineffectiveness of these systems, our reputation, business and results of operations may be adversely affected.

We may also be affected by the failure of our employees to adhere to the internal procedures and an inaccurate appraisal of the credit or financial worth of our clients. Inaccurate appraisal of credit may allow a loan sanction, which may eventually result in a bad debt on our books of accounts. In the event we are unable to mitigate the risks that arise out of such lapses, our business and results of operations may be adversely affected.

51. We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and harm our business or reputation.

We are required to comply with applicable KYC, anti-money-laundering and anti-terrorism laws and other regulations in India and other jurisdictions that we operate in. In the course of our operations, we run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers despite putting in place systems and controls customary in India to prevent the occurrence of these risks. Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect any AML activity and ensure KYC compliance, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions, including imposition of fines and other penalties. In certain activities and in pursuit of our business, we run the risk of inadvertently offering our financial products and services ignoring customer suitability and appropriateness despite having a KYC and Anti-Money Laundering measures and associated processes in place. Such incidents may adversely affect our business and reputation.

52. Our business is dependent on the Group's goodwill and 'Edelweiss' brand name. Any change in control of the Group or any other factor affecting the business and reputation of the Group may have a concurrent adverse effect on our Group's reputation, business and results of operations.

Our business is dependent on our Group's goodwill and the 'Edelweiss' brand name. Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent in our business. The reputation of the financial services industry in general has been closely monitored as a result of the global financial crisis and other matters affecting the financial services industry. Negative public opinion about the financial services industry generally or about us specifically could materially adversely affect our ability to attract and retain customers and may expose us to litigation and regulatory action. Negative publicity can result from our or our third-party service providers' actual or alleged conduct in any number of activities, including lending practices, mortgage servicing and foreclosure practices, technological practices, investment advisory practices, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organisations in response to that conduct. Damage to our reputation and loss of brand equity could reduce demand for our products. Any impairment of our reputation or erosion of the brand or failure to optimize the brand in the marketing of our products could have a material adverse effect on our capacity to retain our current customers and attract new customers and therefore on our sales and profitability, as well as require additional resources to rebuild our reputation and restore the value of the brand. Although we take steps to minimise reputational risk in dealing with customers and other constituencies, we, as a large financial services organisation with a high industry profile, are inherently exposed to this risk. Any adverse developments regarding our brand could materially and adversely affect our business, results of operations, cash flows and financial condition.

53. We have entered into related party transactions and may continue to enter into related party transactions, which may involve conflicts of interest.

We have entered into related party transactions. For more details, see details of related party transactions included under section titled "*Financial Statements*" on page 154 of this Tranche III Prospectus. While the related party transactions entered into in the past are conducted on an arm's length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Further, our Company may continue to enter into related party transactions in the future, which may involve conflicts of interest.

54. Certain facts and statistics are derived from publications not independently verified by us, the Lead Manager or its respective advisors.

We have not independently verified data obtained from industry publications and other external sources referred to herein and therefore, while we believe them to be accurate, complete and reliable, we cannot assure you that they are accurate, complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. Therefore, discussions of matters relating to India, its economy, the financial services industry and the life and general insurance industry are subject to the caveat that the statistical and other data upon which such discussions are based may be inaccurate, incomplete or unreliable. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. The data and other information sourced from the CARE Research Report is subject to CARE Research's disclaimer set forth in "*Industry Overview*" on page 85 of this Tranche III Prospectus, Industry and government sources and publications are also prepared on the basis of information as at specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions that may prove to be incorrect. Accordingly, no investment decision should be made on the basis of such information. For more details, see "*Industry Overview*" on page 85 of this Tranche III Prospectus.

55. We do not own the premises where our branch offices are located and in the event our rights over the properties are not renewed or are revoked or are renewed on terms less favourable to us, our business activities may be disrupted.

At present, we do not own the premises of almost all of our branch offices. All such non-owned properties are leased or licensed to us. If the owners of these properties do not renew the agreements under which we occupy the premises or only agree to renew such agreements on terms and conditions that are unacceptable to us, of if the owners of such premises withdraw their consent to our occupancy, our operations may be disrupted. We may be unable to locate suitable alternative facilities on favourable terms, or at all, and this may have a material adverse effect on our business, results of operations, cash flows and financial condition.

56. We rely on models for risk analysis to guide our managerial decisions and any misspecification, deficiencies or inaccuracies in the models and data may impact our decision-making and operations.

As part of our ordinary decision making process, we rely on various models for risk and data analysis. These models include credit scoring models used for approving retail loans. These models are based on historical data and supplemented with managerial input and comments. There are no assurances that these models and the data they analyse are accurate or adequate to guide our strategic and operational decisions and protect us from risks. Any misspecification, deficiencies or inaccuracies in the models or the data might have a material adverse effect on our business, results of operations, cash flows and financial condition.

57. We could be subject to claims by our customers and/or regulators for alleged mis-selling of our products.

We carry on insurance business through ETLI and ZGICL. These products are sold through their intermediaries, including individual agents or personal financial advisors, corporate agents, brokers and bancassurance partners, as well as certain of our employees. Intermediaries aid the customer in choosing the correct product by advising on appropriate benefits and affordable premiums, disclosing product features and advising on whether to continue with a particular product or switch products.

We also sell investment products through our investment advisory unit and wealth management units. Our investment advisory unit introduces and advises our customers as to the different types of products available for their investments and aids the customers in choosing appropriate products, which suits their risk profile. Our liability management operations and certain Subsidiaries also deal with foreign currency and derivative products and offer them to customers.

Under certain circumstances, customers may claim that our sales process is inadequate or that there was misconduct on the part of our employees or intermediaries at the time of signing of the policy contract or during the course of customer service. Such misconduct could include activities such as making non-compliant or fraudulent promises of high returns on investments and recommending inappropriate products and fund management strategies. We may be subject to claims by customers for such alleged instances of mis-selling. In some instances, we may also have paid a commission to the intermediary prior to a claim of mis-selling by our customers, and if we have to refund the customer but are unable to recover such commission, we might face significant losses. In addition, regulators may attribute the mis-selling activities of intermediaries to us and impose penalties on us for non-compliance with relevant laws and regulations.

It is also possible that a third party aggregates a number of individual complaints against us with the intention of obtaining increased negotiating power. This could result in significant financial losses to us as well as loss of our reputation. Further, persons may also misrepresent themselves as agents of us to defraud customers and such aggrieved customers, have filed and, in the future, may file complaints against us.

Cases of mis-selling, or recurring cases of mis-selling, which are sub-judice or initiated against us, could result in substantial claims and fines. We establish reserves for legal claims when payments associated with claims become probable and the costs can be reasonably estimated. We may still incur legal costs for a matter even if we have not established a reserve. In addition, the actual cost of resolving a suit, proceeding or a legal claim may be substantially higher than any amounts reserved for that matter. The final outcome of any pending or future legal proceeding, depending on the remedy sought and granted, could materially adversely affect our results of operations, cash flows and financial condition. For more details see "*Outstanding Litigations*" on page 166 of this Tranche III Prospectus.

58. We rely on third-party service providers who may not perform their obligations satisfactorily or in compliance with law.

We enter into outsourcing arrangements with third party vendors for a number of our businesses and for services required by us. These vendors provide services, which include, among others, software services, client sourcing, and call centre services. Though adequate due diligence is conducted before finalising such outsourcing arrangements, we cannot guarantee that there will be no disruptions in the provision of such services or that these third parties will comply with regulatory requirements or adhere to their contractual obligations in a timely manner, or at all. If there is a disruption in the third-party services, despite having continuity plans in place as required by the regulators or if the third-party service providers discontinue their service agreement with us, our business, results of operations, cash flows and financial condition will be adversely affected. In case of any dispute, we cannot assure you that the terms of such agreements will not be breached, which may result in litigation costs. Such additional cost, in addition to the cost of entering into agreements with third parties in the same industry, may materially and adversely affect our business, results of operations, cash flows and financial condition. We may also suffer from reputational and legal risks if our third-party service providers fail to operate in compliance with regulations or corporate and societal standards, act unethically or unlawfully, which could materially and adversely affect our business, results of operations, cash flows and financial condition.

59. Our results of operations could be adversely affected by any disputes with employees.

As of March 31, 2023, we employed 5,871 full-time employees on a consolidated basis. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business, results of operations, cash flows and financial condition.

60. Our liability or liquidity management operations income, debt investment portfolio and derivatives portfolio are exposed to risks relating to mark-to-market valuation, illiquidity, credit risk and income volatility.

We have debt investment portfolio (consists of government securities, treasury bills and other Debt Securities) as a part of our liability or liquidity management operations. We run value-at-risk tests to manage risks in our investments, but in the event interest rates rise, our portfolio will be exposed to the adverse impact of the mark-to-market valuation of such bonds. Any rise in interest rates leading to a fall in the market value of such debentures or bonds may materially and adversely affect our business, results of operations, cash flows and financial condition. We face income volatility due to the illiquid market for the disposal of some of debt investment portfolio.

Our income from liability or liquidity management operations is subject to volatility due to, among other things, changes in interest rates and foreign currency exchange rates as well as fluctuations in equities and derivatives markets. For example, an increase in interest rates may have a negative impact on the value of certain investments such as Government securities and corporate bonds and may require us to mark down the value of these investments on our balance sheet and recognise a loss on our income statement. Similarly, our derivative portfolio is subject to fluctuations in interest rates and foreign exchange rates, and any movement in those rates may require us to mark down the value of our derivatives portfolio. While we invest in corporate debt instruments as part of our normal business, we are exposed to risk of the issuer defaulting on its obligations. Changes in corporate bond spreads also affect valuations and expose us to risk of valuation losses. Although we have risk and operational controls and procedures in place for our liability or liquidity management operations, such as sensitivity limits, value at risk ("**VaR**") limits, position limits, stop loss limits and exposure limits, that are designed to mitigate the extent of such losses, there can be no assurance that we will not lose money in the course of trading on our fixed income book in held for trading and available-for-sale portfolio. Any such losses could materially and adversely affect our business, results of operations, cash flows and financial condition.

61. Regulatory restrictions may prevent certain subsidiaries from making payments to our Company, including dividend payments.

Regulatory, tax restrictions and other legal restrictions may limit our subsidiaries' ability to transfer funds freely to our Company. In particular, many of our subsidiaries, including our subsidiaries that are NBFCs or HFCs, are subject to laws and regulations that may limit the flow of funds from them to our Company, or that restrict or prohibit such transfers or dividends altogether in certain circumstances. These laws and regulations may hinder our Company's ability to access funds that our Company may need to make payments on its obligations or to pay dividends.

62. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

The amount of future dividend payments by our Company, if any, will depend upon a number of factors, including but not limited to our future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions and capital expenditures. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing agreements our Company may enter into to finance our fund requirements for our business activities. There can be no assurance that we will be able to pay dividends in the future. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders.

63. A rise in the general income level of our customers may adversely affect the demand for our loans.

The size of our loans portfolios is dependent upon the demand for loans in India, which is inversely related to the general income level of our customers. A rise in the general income level in India could make our loans unattractive to some customers due to their having increased disposable income, making them less reliant on loans. Such a shift in income levels could lower our interest income, which could in turn adversely affect our business, financial condition, cash flows and results of operations.

64. Our financial performance may be materially and adversely affected if we are unable to respond promptly and effectively to new technology innovations.

Currently, technology innovations in mobilisation and digitisation of financial services require companies like ours to continuously develop new and simplified models for offering financial products and services. Disruptive technology and new models of financial services that utilise such technology, such as micro-financing and peer-to-peer lending, might also materially and adversely affect our financial performance.

Such technologies could increase competitive pressures on us, to adapt to new operating models and upgrade back-end infrastructure on an ongoing basis. There is no assurance that we will be able to continue to respond promptly and effectively to new technology developments, be in a position to dedicate resources to upgrade our systems and to compete with new players entering the market. As such, the new technology innovations may result in a material adverse effect on our business, results of operations, cash flows and financial condition.

65. The rise of digital platforms and payment solutions may adversely impact our fees, and there may be disintermediation in the loan or other financial services market by fintech companies.

Disruption from digital platforms could have an adverse effect on the fees that we have traditionally received on many of our financial services. We also face threat to our loan market and other financial services market from newer business models, such as Buy Now & Pay Later ("**BNPL**"), that leverage technology to bring together savers and borrowers or cater to prospective borrowers in newer ways. We may not be competitive in facing up to the challenges from such newer entrants. This may, accordingly, have an adverse impact on our business and growth strategy.

66. We may breach third-party intellectual property rights.

We may be subject to claims by third parties, both inside and outside India, if we breach their intellectual property rights by using slogans, names, designs, software or other such rights that are of a similar nature to the intellectual property these third parties may have registered or are using. We might also be in breach of such third-party intellectual property rights due to accidental or purposeful actions by our employees where we may also be subjected to claims by such third parties.

Any legal proceedings that result in a finding that we have breached third parties' intellectual property rights, or any settlements concerning such claims, may require us to provide financial compensation to such third parties or stop using the relevant intellectual property (including by way of temporary or permanent injunction) or make changes to our marketing strategies or to the brand names of our products, any of which may have a material adverse effect on our business, prospects, reputation, results of operations, cash flows and financial condition.

External Risk Factors

1. ***We face risks related to public health epidemics and pandemics in India and abroad.***

Our business could be materially and adversely affected by the outbreak of public health epidemics, or the fear of such an outbreak, in India or elsewhere. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and have confirmed cases of diseases including the highly pathogenic ones such as H7N9, H5N1 and H1N1 strains of influenza in birds and swines and more recently, the COVID-19 virus, and monkey pox virus. Certain countries in Southeast Asia have reported cases of bird-to-human transmission of avian and swine influenza, resulting in numerous human deaths. The COVID-19 outbreak across the world has affected the world economy including India. However, in recent times the industry is showing signs of revival signaling a slow but steady return of growth of economy. Any slowdown or perceived slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely impact our business and financial performance and results of operations.

The Indian economy was impacted by this pandemic and the resultant lockdown, due to the contraction in industrial and services output across small and large businesses. The impact of the COVID-19 pandemic, on Company's results, including credit quality and provisions, gain/loss on fair value changes, investment, remains uncertain and dependent on actual visibility of growth over coming quarters and steps taken by the government, RBI and other regulators to mitigate the economic impact and foster speedier growth. Any of these factors could have a material adverse effect on our results of operations and financial condition, including its revenues, costs structure, liquidity, cash flows, asset quality and growth.

2. ***Our results of operations have been, and may continue to be, adversely affected by Indian and international financial market and economic conditions.***

Our business is highly dependent on Indian and international markets and economic conditions. Such conditions in India include fluctuations in interest rates; changes in consumer spending; the level of consumer confidence; housing prices; corporate or other scandals that reduce confidence in the financial markets, among others. International markets and economic conditions include the liquidity of global financial markets, the level and volatility of debt and equity prices and interest rates, investor sentiment, inflation, the availability and cost of capital and credit, and the degree to which international economies are expanding or experiencing recessionary pressures. The independent and/or collective fluctuation of these conditions can directly and indirectly affect demand for our lending finance and other financial products or increase the cost to provide such products. In addition, adverse economic conditions, such as declines in housing values, could lead to an increase in mortgage and other home loan delinquencies and higher write offs, which can adversely affect our earnings.

Global financial markets were and continue to be extremely volatile and were materially and adversely affected by a significant lack of liquidity, decreased confidence in the financial sector, disruptions in the credit markets, reduced business activity, rising unemployment, declining home prices and erosion of consumer confidence. These factors have contributed to and may continue to adversely affect our business, results of operations, cash flows and financial condition.

3. ***Financial difficulties and other problems in certain financial institutions in India could cause our business to suffer and adversely affect our results of operations.***

We are exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years. Some co-operative banks (which tend to operate in rural sector) have also faced serious financial and liquidity crises. There has been a trend towards consolidation with weaker banks and NBFCs being merged with stronger entities. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect our business, our future financial performance, our shareholders' funds and the market price of our NCDs.

4. ***Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may negatively affect our business and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, any deterioration in relations between India and its neighboring countries might result in investor concern about stability in the region, which could adversely affect our business.

India has also witnessed civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our NCDs.

5. ***Natural calamities could have a negative impact on the Indian economy, particularly the agriculture sector, and cause our business to suffer.***

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. The erratic progress of the monsoon over the course of past few years affected sowing operations for certain crops. Further, prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy thereby, adversely affecting our business.

6. ***Any downgrading of India's credit rating or outlook by an international rating agency could have a negative impact on our business.***

Any adverse revisions to India's credit ratings or outlook for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, our ability to raise financing for onward lending and the price of our NCDs.

7. ***Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry.***

There is no assurance that the liberalization policies of the Government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. The Government of India plays an important role by regulating the policies and regulations that govern the private sector. The current economic policies of the Government may change at a later date. The pace of economic liberalization could change and specific laws and policies affecting the industry and other policies affecting investments in our Company's business could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business.

Unstable domestic as well as international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced polices and taken initiatives that support continued economic liberalization.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business may be affected not only by changes in interest rates, changes in Government policy, taxation, social and civil unrest but also by other political, economic or other developments in or affecting India.

8. ***Companies operating in India are subject to a variety of central and state government taxes and surcharges.***

Tax and other levies including stamp duty imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India (as applicable to us), which includes a surcharge on the tax and a health and education cess on the tax and the surcharge.

The central or state government may in the future increase the corporate income tax or surcharge/cess it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations and profitability.

9. ***Financial instability in other countries could disrupt our business.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors’ reactions to developments in one country can have adverse effects on the economy as a whole, in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India.

In the event that the current difficult conditions in the global credit markets continue or if the recovery is slower than expected or if there any significant financial disruption, this could have an adverse effect on our cost of funding, loan portfolio, business, prospects, results of operations, cash flows and financial condition.

10. Trading of the NCDs may be limited by temporary exchange closures, broker defaults, settlement delays, strikes by brokerage firm employees and disputes.

The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

Risks relating to the Issue and NCDs.

1. The NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs. Failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, inter alia, including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% security cover for the NCDs and the interest thereon, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs and the possibility of recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security. A failure or delay recovering the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

2. You may be subject to taxes arising on the sale of the NCDs.

Sale of NCDs by any holder may give rise to tax liability, under Indian taxation laws. Investors and or subscribers are advised to consult their own tax consultant with respect to the specific tax implications arising out of sale of the NCDs.

3. The Issuer, being a listed company is not required to maintain a debenture redemption reserve (“DRR”).

Our Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited. Pursuant to a Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, a listed company is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs.

4. There may be no active market for the NCDs on the platform of the Stock Exchange. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs may depend on various factors, inter alia, including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, and (v) our financial performance, growth prospects and results of operations etc. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

5. There may be a delay in making refund to Applicants.

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your Applications, (ii) our failure to receive minimum prescribed subscription in connection with the Issue, (iii) withdrawal of the Issue, or (iv) failure to obtain the final approval from the Stock Exchange for listing of the NCDs, will be refunded to you in a timely manner. We, however, shall refund such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions**.**

6. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid in accordance with the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

7. The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of repayment /prepayment of interest and principal of existing borrowings of our Company and general corporate purposes. For further details, see the section "*Issue Related Information*" on page 207 of this Tranche III Prospectus. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. The utilization details of the proceeds of the Issue shall be adequately disclosed as per applicable law. Further, as per the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

8. There is no assurance that the NCDs issued pursuant to the Issue will be listed on Stock Exchange in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to the Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Stock Exchange. There could be a failure or delay in listing the NCDs on the Stock Exchange for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchange, our Company will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Tranche III Prospectus. There is no assurance that the NCDs issued pursuant to the Issue will be listed on Stock Exchange in a timely manner, or at all.

SECTION III – INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated in Mumbai as 'Edelweiss Capital Limited' on November 21, 1995 under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the RoC. Thereafter, our Company was issued a certificate of commencement of business by the RoC, on January 16, 1996. Subsequently, the name of our Company was changed to 'Edelweiss Financial Services Limited' pursuant to a fresh certificate of incorporation issued by the RoC on August 1, 2011. The registered office of our Company is situated at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098, Maharashtra, India and our CIN is L99999MH1995PLC094641.

For details of the business of our Company, see "*Our Business*" beginning on page 138 of the Shelf Prospectus and page 121 of this Tranche III Prospectus.

Registration:

CIN: L99999MH1995PLC094641
LEI: 335800GA1YN8NAGS8V55

Permanent Account Number: AAACE1461E

Registered Office:

Edelweiss Financial Services Limited
Edelweiss House, Off C.S.T. Road,
Kalina, Mumbai 400 098,
Maharashtra, India
Tel: +91 22 4009 4400
Fax: +91 22 4086 3610
Website: www.edelweissfin.com
Email: efslncd@edelweissfin.com

For further details regarding changes to our Registered Office, see "*History and Main Objects*" beginning on page 162 of the Shelf Prospectus.

Registrar of Companies, Maharashtra at Mumbai
100, Everest House
Marine Lines, Mumbai 400 002
Maharashtra, India

Chief Financial Officer:

Ms. Ananya Suneja
Edelweiss House, Off C.S.T. Road,
Kalina, Mumbai 400 098,
Maharashtra, India
Tel: +91 22 4009 4400
Fax: +91 22 4086 3610
Email: efslncd@edelweissfin.com

Company Secretary and Compliance Officer:

Mr. Tarun Khurana
Company Secretary and Compliance Officer
Edelweiss House, Off C.S.T. Road
Kalina, Mumbai 400 098
Maharashtra, India
Tel: +91 22 4009 4400
Fax: +91 22 4086 3610
Email: efslncd@edelweissfin.com

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer/Registrar in case of any pre-Issue or post-Issue related issues such as non-receipt of Allotment Advice, demat credit of allotted NCDs, refunds, non-receipt of debentures certificates (in case of NCDs which have been re-materialised), transfers, etc. as the case may be.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, Series of NCDs applied for, amount paid on application, Depository Participant name and client identification number, and the collection centre of the Members of the Consortium where the Application was submitted and ASBA Account number (for Bidders other than Retail Individual Investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of Retail Individual Investors bidding through the UPI mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchange Mechanism or through Trading Members of the Stock Exchange may be addressed directly to the relevant Stock Exchange.

Lead Manager

Equirus Capital Private Limited
12th Floor, C Wing, Marathon Futurex
N.M. Joshi Marg, Lower Parel
Mumbai 400 013
Tel: +91 (22) 4332 0736
Fax: +91 (22) 4332 0750
Email: efsl.ncd@equirus.com
Investor Grievance Email: investorsgrievance@equirus.com
Website: www.equirus.com
Contact person: Malay Shah
Compliance Officer: Parth Pankhaniya
SEBI Registration Number: INM000011286
CIN: U65910MH2007PTC172599

Banker to the Company

ICICI Bank Limited
ICICI Bank Limited, ICICI Bank Towers,
Bandra Kurla Complex
Bandra, Mumbai
Telephone: +91 22-26537441
Fax: +91 22 26531122
Email: Bhushan.pande@icicibank.com
Website: https://www.icicibank.com

Debenture Trustee

Beacon Trusteeship Limited
4 C&D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club,
Bandra (East), Mumbai 400 051
Tel: +91 22 2655 8759
Email: compliance@beacontrustee.co.in
Website: www.beacontrustee.co.in
Contact Person: Kaustubh Kulkarni
SEBI Registration No: IND000000569
CIN: U74999MH2015PLC271288

Beacon Trusteeship Limited has, pursuant to regulation 8 of SEBI NCS Regulations, by its letter dated December 9, 2022 given its consent for its appointment as Debenture Trustee. A copy of letter from Beacon Trusteeship Limited conveying their consent to act as trustees for the Debenture holders is annexed as *Annexure C*.

All the rights and remedies of the Debenture Holders under this Tranche III Issue shall vest in and shall be exercised by the appointed Debenture Trustee for the Issue without having it referred to the Debenture Holders. All investors under this Tranche III Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Tranche III Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by our Company to the Debenture Holders/Debenture Trustee, as the case maybe, shall, from the time of making such payment, completely and irrevocably discharge our Company from any liability to the Debenture Holders to that extent. For details on the terms of the Debenture Trust Deed, please see "*Issue Related Information*" on page 207 of this Tranche III Prospectus.

For details on the terms of the Debenture Trust Deed see, "*Issue Related Information*" beginning on page 207 of this Tranche III Prospectus.

Consortium Member to this Tranche III Issue

Equirus Securities Private Limited
21st Floor, A Wing, Marathon Futurex
N.M. Joshi Marg, Lower Parel
Mumbai 400 013
Tel: +91 (22) 4332 0600
Fax: +91 (22) 4332 0601
Email: equirus_compliance@equirus.com
Investor Grievance Email: admin_equities@equirus.com
Website: www.equirus.com
Contact person: Shital Tamrakar
SEBI Registration Number: INM000251536
CIN: U65993MH2007PTC176044

Nuvama Wealth And Investment Limited
(*Formerly known as Edelweiss Broking Limited***)**
2nd Floor, Office no: 201-203,Zodiac Plaza, Xavier College Road,
Off CG Road, Ahmedabad 380009
Telephone No: +91 22 4032 4500
Email: amit.dalvi@nuvama.com/prakash.boricha@nuvama.com
Investor Grievance E-mail: helpdesk@edelweiss.in
Website: www.nuwamawealth.com
Contact Person: Amit Dalvi/ Prakash Boricha
SEBI Registration No: INZ000005231
CIN: U65100GJ2008PLC077462

Public Issue Account Bank, Sponsor Bank and Refund Bank to this Tranche III Issue

ICICI Bank Limited
Capital Market Division, 5th Floor,
163, HT Parekh Marg
Backbay Reclamation, Churchgate,
Mumbai – 400020
Tel: 022-68052185
E-mail: sagar.welekar@icicibank.com/ipocmg@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Sagar Welekar
SEBI Registration Number: INBI00000004

Registrar to this Tranche III Issue

KFIN Technologies Limited
Selenium Tower-B,
Plot 31 & 32 Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032, Telangana
Tel: +91 40 6716 2222
Fax: +91 40 6716 1563
Email: efsl3.ncdipo@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
Compliance Offer: Anshul Jumar Jain
SEBI Registration Number: INR000000221
CIN: L72400TG2017PLC117649

KFIN Technologies Limited, has by its letter dated June 23, 2023, given its consent for its appointment as Registrar to the Issue and for its name to be included in the Shelf Prospectus and this Tranche III Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Tranche III Issue.

Statutory Auditor

S. R. Batliboi & Co. LLP
12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West), Mumbai 400 028
Maharashtra, India
Tel: + 91 22 6819 8000
Email: srbc@srb.in
Firm Registration Number: 301003E/E300005
Contact Person: Shrawan Jalan

Appointment of S. R. Batliboi & Co. LLP. has been approved by the Board of Directors of our Company on May 23, 2018 and by the members of our Company at the annual general meeting held on July 26, 2018.

Credit Rating Agency

Acuité Ratings & Research Limited
708, Lodha Supremus,
Lodha iThink Techno Campus,
Kanjurmarg (East), Mumbai 400 042
Tel: + 91 22 4929 4000
Email: chitra.mohan@acuite.in
Investor Grievance ID: chitra.mohan@acuite.in
Website: www.acuite.in
Contact Person: Ms. Chitra Mohan
Compliance Officer: Ms. Chitra Mohan
SEBI Registration No: IN/CRA/006/2011
CIN: U74999MH2005PLC155683

CRISIL Ratings Limited
CRISIL House,
Central Avenue, Hiranandani Business Park,
Powai, Mumbai 400076
Tel: + 91 22 3342 3000
Fax: +91 22 4040 5800
Email: crisilratingdesk@crisil.com
Website: www.crisilratings.com
Contact Person: Krishna Sitaraman
SEBI Registration No: IN/CRA/001/1999
CIN: U67100MH2019PLC326247

Credit Rating and Rationale

The NCDs proposed to be issued under this Tranche III Issue have been rated "CRISIL AA-/Negative (pronounced as CRISIL double A minus rating with Negative outlook)" for an amount of ₹ 10,000 million by CRISIL *vide* rating letter dated December 02, 2022, revalidated vide their letters dated February 6, 2023 and June 22, 2023 with rating rationale dated December 01, 2022 and June 22, 2023and "ACUITE AA-/ Negative (pronounced as ACUITE double A minus)" for an amount of ₹ 10,000 million by Acuité vide their rating letter dated December 07, 2022, revalidated vide there letter dated February 13, 2023 and June 14, 2023 with rating rationale dated December 07, 2022. The ratings given by the Credit Rating Agencies are valid as on the date of this Tranche III Prospectus and shall remain valid until the ratings are revised or withdrawn. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. These ratings are not a recommendation to buy, sell or hold securities and Investors should take their own decisions. Please refer to Annexure A and Annexure B of this Tranche III Prospectus for the rating letter, rationale, revalidation and press release of the above rating.

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Legal Counsel to the Issue

INDUSLAW
THOUGHT LEADERSHIP ... APPLIED

IndusLaw
1502H, 15th Floor,
Tower –1C, "One World Centre",
Senapati Bapat Marg Mumbai 400 013
Maharashtra, India
Tel: 91 22 4920 7200

Impersonation

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, relating to punishment for fictitious applications. Section 38(1) of the Companies Act, 2013 provides that:

"Any person who —

(a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

(b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 0.10 crore or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 0.10 crore or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 0.50 crore or with both.

Underwriting

This Tranche III Issue is not underwritten.

Arrangers to the Issue

There are no arrangers to this Tranche III Issue.

Guarantor to the Issue

There are no guarantors to this Tranche III Issue.

Minimum subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to this Tranche III Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 Working Days from this Tranche III Issue Closing Date or such time as may be specified by SEBI provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 Working Days from this Tranche III Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including in the SEBI Operational Circular.

Designated Intermediaries

Self-Certified Syndicate Bank

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, refer to the above-mentioned link.

In relation to Bids submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the Members of the Syndicate is available on the website of SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.

Syndicate SCSB Branches

In relation to Applications submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the Members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CRTAs / CDPs

The list of the CRTAs and CDPs, eligible to accept Applications in this Tranche III Issue, including details such as postal address, telephone number and email address, are provided on the website of BSE for CRTAs and CDPs, as updated from time to time.

Utilisation of Issue proceeds

For details on utilisation of Tranche III Issue proceeds see, "*Objects of the Issue*" and "*Other Regulatory and Statutory Disclosures"* beginning on pages 69 and 191 respectively.

Tranche III Issue Program*

TRANCHE III ISSUE OPENS ON	Tuesday July 4, 2023
TRANCHE III ISSUE CLOSES ON	Monday July 17, 2023
PAY IN DATE	Application Date. The entire Application Amount is payable on Application
DEEMED DATE OF ALLOTMENT	The date on which the Board of Directors/or the Debenture Fund Raising Committee approves the Allotment of the NCD General corporate purposes for the Issue or such date as may be determined by the Board of Directors/ or the Debenture Fund Raising Committee to the Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture holders from the Deemed Date of Allotment.

**This Tranche III Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that this Tranche III Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Debenture Fund Raising Committee. Pursuant to Regulation 33A of the SEBI NCS Regulations, (i) the Tranche III Issue shall be kept open for a minimum of three working days and a maximum of ten working days, (ii) in case of a revision in the price band or yield, the Company shall extend the Tranche III Issue Period for a minimum period of three working days, provided that it shall not exceed the maximum number of days, as provided above in (i), and (iii) in case of force majeure, banking strike or similar circumstances, the Company may, for reasons to be recorded in writing, extend the Tranche III Issue Period, provided that it shall not exceed the maximum number of days, as provided above in (i). In the event of an early closure or extension of this Tranche III Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Tranche III Issue closure. On this Tranche III Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange.*

*Applications Forms for this Tranche III Issue will be accepted only from 10:00 a.m. to 5:00 p.m.(Indian Standard Time) ("**Bidding Period**") or such extended time as may be permitted by the Stock Exchange, during this Tranche III Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On this Tranche III Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day after this Tranche III Issue Closing Date.*

Due to limitation of time available for uploading the Applications on this Tranche III Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to this Tranche III Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on this Tranche III Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on this Tranche III Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under this Tranche III Issue. Neither our Company, nor the Lead Manager, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under this Tranche III Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

CAPITAL STRUCTURE

Details of share capital

The share capital of our Company as on March 31, 2023 is set forth below:

Share Capital	(in ₹)
AUTHORISED SHARE CAPITAL	
12,300,00,000 Equity Shares of ₹ 1 each	1,230,000,000
4,000,000 Preference Shares of ₹ 5 each	20,000,000
Total Authorised Share Capital	1,250,000,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
943,275,276 Equity Shares of ₹ 1 each fully paid up	943,275,276

Note: Securities Premium account as of March 31, 2023 was ₹ 30,695.15 million
Note: There will be no change in the capital structure and securities premium account due to the issue and allotment of the NCDs.

Details of change in authorised share capital of our company as on March 31, 2023, for last three years:

There have been no changes in authorized share capital of our Company in the last three years preceding March 31, 2023.

Issue of Equity Shares for consideration other than cash

Our Company has not issued any Equity Shares in the three years prior to the date of this Tranche III Prospectus for consideration other than cash.

Changes in the Equity Share capital of our Company in the three years preceding March 31, 2023:

Date of allotment	Nature of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Consideration	Cumulative no. of Shares	Cumulative Equity Share Capital (₹)	Cumulative Equity Share Premium (in ₹)
July 22, 2020	Allotment pursuant to ESOP scheme	3,450	1	30.45	Cash	93,45,83,827	93,45,83,827	31,34,50,10,154.50
		2,800		34.60		93,45,86,627	93,45,86,627	31,34,51,04,234.50
		10,000		37.30		93,45,96,627	93,45,96,627	31,34,54,67,234.50
		125		59.05		93,45,96,752	93,45,96,752	31,34,54,74,490.75
August 20, 2020	Allotment pursuant to ESOP scheme	58,750	1	30.00	Cash	93,46,55,502	93,46,55,502	31,34,71,78,240.75
		37,250		30.45		93,46,92,752	93,46,92,752	31,34,82,75,253.25
		41,100		34.60		93,47,33,852	93,47,33,852	31,34,96,56,213.25
		12,500		57.10		93,47,46,352	93,47,46,352	31,35,03,57,463.25
		625		59.05		93,47,46,977	93,47,46,977	31,35,03,93,744.50
September 16, 2020	Allotment pursuant to ESOP scheme	45,875	1	30.00	Cash	93,47,92,852	93,47,92,852	31,35,17,24,119.50
		79,175		30.45		93,48,72,027	93,48,72,027	31,35,40,55,823.25
		17,000		34.60		93,48,89,027	93,48,89,027	31,35,46,27,023.25
		25,250		57.10		93,49,14,277	93,49,14,277	31,35,60,43,548.25
		12,250		59.05		93,49,26,527	93,49,26,527	31,35,67,54,660.75
October 19, 2020	Allotment pursuant to ESOP scheme	16,575	1	30.45	Cash	93,49,43,102	93,49,43,102	31,35,72,42,794.50
		25,675		34.60		93,49,68,777	93,49,68,777	31,35,81,05,474.50
		20,000		55.10		93,49,88,777	93,49,88,777	31,35,91,87,474.50
		2,750		59.05		93,49,91,527	93,49,91,527	31,35,93,47,112.00
		625		170.60		93,49,92,152	93,49,92,152	31,35,94,53,112.00
November 5, 2020	Allotment pursuant to ESOP scheme	2,500	1	57.10	Cash	93,49,94,652	93,49,94,652	31,35,95,93,362.00
January 12, 2021	Allotment pursuant to ESOP scheme	50,000	1	30.00	Cash	93,50,44,652	93,50,44,652	31,36,10,43,362.00
		3,025		30.45		93,50,47,677	93,50,47,677	31,36,11,32,448.00
		4,475		34.60		93,50,52,152	93,50,52,152	31,36,12,82,808.00

Date of allotment	Nature of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Consideration	Cumulative no. of Shares	Cumulative Equity Share Capital (₹)	Cumulative Equity Share Premium (in ₹)
		1,375		57.10		93,50,53,527	93,50,53,527	31,36,13,59,946.00
January 22, 2021	Allotment pursuant to ESOP scheme	2,750	1	30.45	Cash	93,50,56,277	93,50,56,277	31,36,14,40,933.50
		2,250		34.60		93,50,58,527	93,50,58,527	31,36,15,16,533.50
		6,250		57.10		93,50,64,777	93,50,64,777	31,36,18,67,158.50
		2,000		59.05		93,50,66,777	93,50,66,777	31,36,19,83,258.50
February 8, 2021	Allotment pursuant to ESOP scheme	3,750	1	30.00	Cash	93,50,70,527	93,50,70,527	31,36,20,92,008.50
		2,750		30.45		93,50,73,277	93,50,73,277	31,36,21,72,996.00
		2,250		34.60		93,50,75,527	93,50,75,527	31,36,22,48,596.00
		50,000		51.60		93,51,25,527	93,51,25,527	31,36,47,78,596.00
		7,050		57.10		93,51,32,577	93,51,32,577	31,36,51,74,101.00
		9,250		59.05		93,51,41,827	93,51,41,827	31,36,57,11,063.50
March 16, 2021	Allotment pursuant to ESOP scheme	1,94,700	1	30.00	Cash	93,53,36,527	93,53,36,527	31,37,13,57,363.50
		3,98,600		30.45		93,57,35,127	93,57,35,127	31,38,30,96,133.50
		10,450		34.60		93,57,45,577	93,57,45,577	31,38,34,47,253.50
		5,000		37.30		93,57,50,577	93,57,50,577	31,38,36,28,753.50
		33,750		57.10		93,57,84,327	93,57,84,327	31,38,55,22,128.50
		13,750		59.05		93,57,98,077	93,57,98,077	31,38,63,20,316.00
May 4, 2021	Allotment pursuant to ESOP scheme	42,750	1	30.00	Cash	93,58,40,827	93,58,40,827	31,38,75,60,066.00
		1,62,000		30.45		93,60,02,827	93,60,02,827	31,39,23,30,966.00
		4,04,750		34.60		93,64,07,577	93,64,07,577	31,40,59,30,566.00
		28,125		57.10		93,64,35,702	93,64,35,702	31,40,75,08,378.50
		35,000		59.05		93,64,70,702	93,64,70,702	31,40,95,40,128.50
May 19, 2021	Allotment pursuant to ESOP scheme	11,925	1	57.10	Cash	93,64,82,627	93,64,82,627	31,41,02,09,121.00
June 21, 2021	Allotment pursuant to ESOP scheme	29,300	1	34.60	Cash	93,65,11,927	93,65,11,927	31,41,11,93,601.00
		23,750		57.10		93,65,35,677	93,65,35,677	31,41,25,25,976.00
		11,875		59.05		93,65,47,552	93,65,47,552	31,41,32,15,319.75
July 15, 2021	Allotment pursuant to ESOP scheme	11,875	1	30.00	Cash	93,65,59,427	93,65,59,427	31,41,35,59,694.75
		51,775	-	30.45		93,66,11,202	93,66,11,202	31,41,50,84,468.50
		48,525	-	34.60		93,66,59,727	93,66,59,727	31,41,67,14,908.50
		23,750	-	57.10		93,66,83,477	93,66,83,477	31,41,80,47,283.50
		21,625	-	59.05		93,67,05,102	93,67,05,102	31,41,93,02,614.75
August 16, 2021	Allotment pursuant to ESOP scheme	7,500	1	30.00	Cash	93,67,12,602	93,67,12,602	31,41,95,20,114.75
		7,575	-	30.45		93,67,20,177	93,67,20,177	31,41,97,43,198.50
		600	-	34.60		93,67,20,777	93,67,20,777	31,41,97,63,358.50
		2,500	-	55.10		93,67,23,277	93,67,23,277	31,41,98,98,608.50
		62,750	-	57.10		93,67,86,027	93,67,86,027	31,42,34,18,883.50
		59,500	-	59.05		93,68,45,527	93,68,45,527	31,42,68,72,858.50
September 16, 2021	Allotment pursuant to ESOP scheme	87,500	1	30.00	Cash	93,69,33,027	93,69,33,027	31,42,94,10,358.50
		1,94,500	1	30.45		93,71,27,527	93,71,27,527	31,43,51,38,383.50
		1,80,025	1	34.60		93,73,07,552	93,73,07,552	31,44,11,87,223.50
		11,250	1	55.10		93,73,18,802	93,73,18,802	31,44,17,95,848.50
		1,72,500	1	57.10		93,74,91,302	93,74,91,302	31,45,14,73,098.50
		1,11,250	1	59.05		93,76,02,552	93,76,02,552	31,45,79,31,161.00
October 12, 2021	Allotment pursuant to ESOP scheme	40,000	1	57.10	Cash	937,642,552	937,642,552	31,460,175,161.00
		18,750		59.05		937,661,302	937,661,302	31,461,263,598.50
		6,000		61.00		937,667,302	937,667,302	31,461,623,598.50
November 25, 2021	Allotment pursuant to ESOP scheme	362,500	1	30.00	Cash	938,029,802	938,029,802	31,472,136,098.50
		484,500		30.45		938,514,302	938,514,302	31,486,404,623.50
		660,975		34.60		939,175,277	939,175,277	31,508,613,383.50
		43,750		48.10		939,219,027	939,219,027	31,510,674,008.50
		1,138,763		57.10		940,357,790	940,357,790	31,574,558,612.80

Date of allotment	Nature of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Consideration	Cumulative no. of Shares	Cumulative Equity Share Capital (₹)	Cumulative Equity Share Premium (in ₹)
		730,850		59.05		941,088,640	941,088,640	31,616,984,455.30
		56,250		61.00		941,144,890	941,144,890	31,620,359,455.30
		1,875		189.85		941,146,765	941,146,765	31,620,713,549.05
		2,500		314.40		941,149,265	941,149,265	31,621,497,049.05
December 15, 2021	Allotment pursuant to ESOP scheme	223,125	1	30.00	Cash	941,372,390	941,372,390	31,627,967,674.05
		560,050		30.45		941,932,440	941,932,440	31,644,461,146.55
		481,450		34.60		942,413,890	942,413,890	31,660,637,866.55
		35,000		55.10		942,448,890	942,448,890	31,662,531,366.55
		391,575		57.10		942,840,465	942,840,465	31,684,498,724.05
		199,500		59.05		943,039,965	943,039,965	31,696,079,699.05
		3,000		61.00		943,042,965	943,042,965	31,696,259,699.05
		625		170.60		943,043,590	943,043,590	31,696,365,699.05
February 8, 2022	Allotment pursuant to ESOP scheme	50,000	1	51.60	Cash	943,093,590	943,093,590	31,698,895,699.05
		625		59.05		943,094,215	943,094,215	31,698,931,980.30
		1,250		61.00		943,095,465	943,095,465	31,699,006,980.30
March 21, 2022	Allotment pursuant to ESOP scheme	2,500	1	61.00	Cash	943,097,965	943,097,965	31,699,156,980.30
June 28, 2022	Allotment pursuant to ESOP scheme	3,250	1	59.05	Cash	943,101,215	943,101,215	31,699,345,642.80
March 23, 2023	Allotment pursuant to ESOP scheme/SAR 2019	21,750	1	61.00	Cash	943,122,965	943,122,965	31,700,650,642.80
		152,311		1		943,275,276	943,275,276	31,700,650,642.80

Shareholding pattern of our Company on March 31, 2023

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities – No of Voting Rights – Class eg: Equity Shares	Class eg: y	Total	Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of Locked in shares – No. (a)	As a % of total Shares held(b)	No. of Shares pledged or otherwise encumbered – No. (a)	As a % of total Shares held(b)	No. of equity shares held in dematerialised form
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	13	30,76,84,490	-	-	307,684,490	32.62%	30,76,84,490	-	307,684,490	32.62%	-	32.62%	-	-	-	-	30,76,84,490
(B)	Public	2,13,561	59,06,94,006		-	59,06,94,006	62.62%	59,06,94,006	-	59,06,94,006	62.62%	-	62.62%	-	-	-	-	59,01,13,526
(C)	Non Promoter - Non Public	2	4,48,96,780	-	-	44,896,780	4.76%	4,48,96,780	-	44,896,780	4.76%	-	4.76%	-	-	-	-	4,48,96,780
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares Held By Employee Trust	2	4,48,96,780	-	-	44,896,780	4.76%	4,48,96,780	-	44,896,780	4.76%	-	4.76%	-	-	-	-	4,48,96,780
	Total	2,13,576	94,32,75,276	-	-	94,32,75,276	100.00%	94,32,75,276	-	94,32,75,276	100.00%	-	100.00%	-	-	-	-	94,26,94,796

List of top 10 holders of Equity Shares of our Company as on March 31, 2023:

Sr. No.	Name of the Shareholder	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares
1.	Rashesh Chandrakant Shah	14,56,01,730	14,56,01,730	15.44
2.	Venkatchalam Arakoni Ramaswamy	5,81,26,560	5,81,26,560	6.16
3.	BIH SA	4,56,34,784	4,56,34,784	4.84
4.	Mabella Trustee Services Private Limited (On Behalf of Shah Family Discretionary Trust)	3,87,50,000	3,87,50,000	4.11
5.	Edelweiss Employees Welfare Trust.	3,75,95,270	3,75,95,270	3.99
6.	Baron Emerging Markets Fund	3,56,28,987	3,56,28,987	3.78
7.	Vidya Shah	3,10,31,200	3,10,31,200	3.29
8.	The Pabrai Investment Fund IV, LP	2,61,40,000	2,61,40,000	2.77
9.	Life Insurance Corporation of India	2,42,82,094	2,42,82,094	2.57
10.	Tiaa-Cref Funds - Tiaa-Cref Emerging Markets Equity Fund	2,29,56,912	2,29,56,912	2.43

List of top 10 holders of non-convertible debentures as on March 31, 2023 (on cumulative basis):

Sr. No.	Name	Amount	Category	Face Value Per NCD (₹)	Holding as a % Of Total NCD Outstanding
1	Burlington Loan Management Designated Activity Company	2,61,50,00,500	Corporate	7,47,143	11%
2	Edelweiss Tokio Life Insurance Company Limited	1,26,08,00,000	Corporate	1,000	5%
3	ECap Equities Limited	23,53,48,000	Corporate	1,000	2%
		19,64,00,000		100,000	
4	Agnus Ventures LLP	34,75,00,000	Corporate	1,00,000	1%
5	Ashutosh Vinayak Joshi	25,00,00,000	Individual	1,00,000	1%
6	Zuno General Insurance Limited	24,00,00,000	Corporate	1,000	1%
7	Jyoti Ceramic Industries Private Limited	5,50,00,000	Corporate	1,00,000	1%
		15,00,00,000		1,000	1%
8	Earth Stone Infraspace Private Limited	19,60,01,000	Corporate	1,000	1%
9	Shrestha Infra Projects Private Limited	15,00,00,000	Corporate	1,000	1%
10	M J Biopharm Private Limited	12,25,00,000	Corporate	1,000	0.5%

Statement of the aggregate number of securities of our Company and our Subsidiaries purchased or sold by our Promoters, promoter group, our Directors and/or their relatives within six months immediately preceding the date of filing of this Tranche III Prospectus.

Except as stated below, no securities of our Company and our Subsidiary have been purchased or sold by our Promoters, promoter group, our Directors and/or their relatives within six months immediately preceding the date of filing of this Tranche III Prospectus.

Sr. No.	Name	Date of transaction	Nature of transaction	No. of Equity Shares
1	Venkatchalam Ramaswamy	May 31, 2023	Purchase	14,50,000
2.	Vidya Shah	June 6, 2023	Purchase	35,000

Statement of capitalization (Debt to Equity Ratio) of our Company as on March 31, 2023 on a Standalone basis:

(₹ in million, unless otherwise stated)

Particulars	Pre issue as at March 31, 2023	Post issue*
Borrowing/ Debt	-	-
Debt securities	25,886.54	28,886.54
Borrowings (other than debt securities)	-	-
Deposits	-	-
Subordinated Liabilities	-	-
Total Borrowing/ Total Debt (A)	25,886.54	28,886.54
Equity		
Equity Share Capital	898.38	898.38
Other Equity	71,654.25	71,654.25
Total Equity (B)	72,552.63	72,552.63
Debt/Equity (A/B)	0.36	0.40

**The debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹3,000 million from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

Statement of capitalization (Debt to Equity Ratio) of our Company as on March 31, 2023 on a consolidated basis:

(₹ in million, unless otherwise stated)

Particulars	Pre issue as at March 31, 2023	Post issue*
Borrowing/ Debt		
Debt securities	1,54,030.34	1,57,030.34
Borrowings (other than debt securities)	49,947.02	49,947.02
Deposits	16.25	16.25
Subordinated Liabilities	13,366.87	13,366.87
Total Borrowing/ Total Debt (A)	2,17,360.48	2,20,360.48
Equity		
Equity Share Capital	898.38	898.38
Other Equity	66,542.74	66,542.74
Equity attributable to Non-Controlling Interest	11,021.19	11,021.19
Total Equity (B)	78,462.31	78,462.31
Debt/Equity (A/B)	2.77	2.81

**The debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹3,000 million from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

Details of Promoter's shareholding in our Company's Subsidiaries

Our Company has 28 Subsidiaries as on March 31, 2023. Except the shares held in our Subsidiaries as nominee of our Company, our Promoters do not hold any equity shares in our Subsidiaries, as on March 31, 2023.

Shareholding of Directors in our Company

The shareholding of the Directors in our Company as on the date of this Tranche III Prospectus is mentioned below:

Sr. No.	Name of Director	Number of Equity Shares
1.	Rashesh Shah	145,601,730
2.	Venkatchalam Ramaswamy	59,576,560
3.	Himanshu Kaji	2,975,000
4.	Vidya Shah	31,066,200

Shareholding of our Directors in our Subsidiaries, Joint Venture and associate companies

Except the shares held in our Subsidiaries, Associates and JVs as nominee of our Company, our Directors do not hold any equity shares in our Subsidiaries, Associates and Joint Ventures, as on the date of the Tranche III Prospectus**.**

Details of any acquisition or amalgamation in the last one year

Our Company has not made any acquisition or amalgamation in the last one year prior to filing of this Tranche III Prospectus.

Details of any reorganization or reconstruction in the last one year

Our Company has not made any reorganization or reconstruction in the last one year prior to filing of this Tranche III Prospectus. However, the Board of Directors at their meeting held on August 27, 2020 has *inter alia* accorded its in-principle approval, subject to receipt of appropriate regulatory and other customary approvals, to explore various alternatives to transfer, hive off, demerge, sell etc., whole or part of the asset management business of the group ("**EAM**") comprising of asset reconstruction, PMS, AIF and mutual fund businesses, carried on by various subsidiaries, to a strategic investor at an appropriate time, including evaluating the option to list the equity shares of EAM holding company or one or more of its identified subsidiaries on the stock exchanges.

Pursuant to the above, the following has been concluded (in a phased manner and in compliance with applicable laws):

1. Segregation of legal structure of the Edelweiss group relating to wealth management and asset management businesses into two separate business verticals namely Edelweiss Wealth Management ("**EWM**") business and Edelweiss Asset Management ("**EAM**") business respectively.

2. Demerger of EAM business (along with investments in subsidiaries carrying on EAM business) of *Nuvama Wealth Management Limited ("**Nuvama**") (formerly Edelweiss Securities Limited)* into a separate company, such that ESL only retains EWM business.

3. Demerger of the EWM business of EGWML (including CCDs issued by EGWML) to *Nuvama (formerly Edelweiss Securities Limited)* such that, subsequent to conversion of the CCDs, the Investor shall hold 51% equity stake on a fully diluted basis in *Nuvama (formerly Edelweiss Securities Limited)*.

4. Further, the Board of Directors of the Company, at its Meeting held on May 13, 2022, subject to receipt of necessary approvals, approved the scheme of arrangement between the Company, *Nuvama (formerly Edelweiss Securities Limited)* and its respective creditors and the shareholders for demerger of its wealth management business (comprising of the merchant banking business along with the investments into *Nuvama (formerly Edelweiss Securities Limited*) and subsequent listing of the equity shares of *Nuvama (formerly Edelweiss Securities Limited)*, at an appropriate time ('**Scheme of Arrangement**").

5. Pursuant to the order dated January 12, 2023, passed by the National Company Law Tribunal, Mumbai Bench, a meeting of the equity shareholders of the Company was held on February 24, 2023 wherein the equity Shareholders of our Company approved the Scheme of Arrangement. The NCLT vide its order dated April 27, 2023 sanctioned the Scheme of Arrangement. The Scheme of Arrangement became effective from May 18,, 2023, which was the appointed date provided in the Scheme of Arrangement.

6. Our Board of Directors by way of their resolution dated May 16, 2023, had fixed June 2, 2023 as the record date, in consultation with Nuvama *(formerly Edelweiss Securities Limited)*, for the purpose of determining the shareholders of the Company who would be allotted the equity shares of Nuvama *(formerly Edelweiss Securities Limited)* pursuant to the Scheme of Arrangement.

Employee Stock Option Scheme and Stock Appreciation Rights

The details of our ESOP Schemes and Stock Appreciation Rights in force as on the date of this Tranche III Prospectus are set forth below:

Edelweiss Employees Stock Incentive Plan 2011

Our Company instituted the Edelweiss Employee Stock Incentive Plan 2011 ("**ESOP 2011**") pursuant to a special resolution dated April 26, 2011 passed through a postal ballot. Under ESOP 2011, our Company can grant employee stock options exercisable into not more than 100,000,000 Equity Shares of ₹1 each. The eligibility and number of options to be granted to an employee is determined on the basis of criteria laid down in the ESOP 2011 and is approved by the Compensation Committee.

The options granted shall vest on the eligible employees of our Company or subsidiaries, as determined in accordance with ESOP 2011, within a period of not less than 12 months and not more than 60 months from the date of grant, as mentioned in the grant letters, and can be exercised within a period of not less than 12 months and not more than 60 months from the date of vesting of the respective options or until the validity of the ESOP 2011, i.e., June 30, 2030. The ESOP 2011 shall continue to be in force until its termination by the Board or the Compensation Committee.

Please refer below for the details of ESOP 2011 as on March 31, 2023:

Sr. No.	Particulars	Number of stock options
1	Stock options granted	124,923,723
2	Stock options vested	32.63,050
3	Stock options exercised	8,45,28,070
4	Total number of shares arising out of exercise of Stock options	8,45,28,070
5	Stock options lapsed	3,58,03,153
6	Exercise price (In ₹)	Between 24.6 – 314.40

Edelweiss Employee Stock Appreciation Rights Plan 2019:

Our Company instituted the Edelweiss Employee Stock Appreciation Rights Plan 2019 ("**SAR 2019**") pursuant to a special resolution passed by our shareholders on April 30, 2019. Under SAR 2019, our Company can grant Stock Appreciation Rights ("**SARs**") exercisable into not more than 40,000,000 Equity Shares of ₹1 each. The eligibility and number of rights to be granted to an employee is determined on the basis of criteria laid down in the SAR 2019 and is approved by the Compensation (ESOP) Committee.

The rights granted shall vest on the eligible employees of our Company or subsidiaries within a period of not less than 12 months and not exceed 96 months from the date of grant. The SAR 2019 shall continue to be in force until its termination by the Board or the Compensation (ESOP) Committee.

Please refer below for the details of SAR 2019 as on March 31, 2023:

Sr. No.	Particulars	Number of SARs
1	SARs granted	1,80,50,500
2	SARs vested	-
3	SARs exercised	10,34,220
4	Total number of shares arising as a result of SARs	1,52,311
5	SARs lapsed	89,58,860
6	Exercise price (In ₹)	Between 61 – 180.65

Note: On exercise of vested SARs, the Grantees would receive the appreciation value in (i) cash; or (ii) by way of issuance of Equity Shares. The number of Equity Shares to be issued shall be determined on the basis of the application value, divided by the market price per Equity Share on the date of exercise. In case of settlement of the appreciation value by way of issue of Equity Shares, the grantee will be required to pay the face value of the quantum of such Equity Shares, i.e., ₹ 1 per Equity Share granted.

OBJECTS OF THE ISSUE

Tranche III Issue Proceeds

Public Issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 each ("**NCDs**") for an amount of ₹ 1,500 million ("**Base Issue Size**") with an option to retain oversubscription up to ₹ 1,500 million amounting to ₹ 3,000 million ("**Tranche III Issue Limit")** ("**Tranche III Issue**") which is within the Shelf Limit of ₹ 10,000 million and is being offered by way of this Tranche III Prospectus, which should be read together with the Shelf Prospectus filed with the ROC, Stock Exchanges and SEBI.

The following table details the objects of the Tranche III Issue and the amount proposed to be financed from Net Proceeds:

Sr. No.	Objects of the Tranche III Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of repayment /prepayment of interest and principal of existing borrowings of our Company #	At least 75%
2.	General Corporate Purposes*	Maximum of up to 25%

#Our Company shall not utilize the proceeds of this Tranche III Issue towards payment of prepayment penalty, if any.
**The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in this Tranche III Issue, in compliance with the SEBI NCS Regulations.*

The main objects clause of the Memorandum of Association of the Company permits the Company to undertake its existing activities as well as the activities for which the funds are being raised through the Tranche III Issue.

The following table details the objects of this Tranche III Issue and the amount proposed to be financed from Net Proceeds:

Particulars	Estimated amount (₹ in million)
Gross proceeds of this Tranche III Issue	3,000.00
Less: Issue related expenses*	67.95
Net proceeds	2,932.05

**The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to this Tranche III Issue, the number of allottees, market conditions and other relevant factors.*

Purpose for which there is a requirement of funds

As stated in this section.

Funding Plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Monitoring of utilization of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee of our Company shall monitor the utilisation of the proceeds of this Tranche III Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from Fiscal 2024, the utilisation of the proceeds of this Tranche III Issue under a separate head along with details, if any, in relation to all such proceeds of this Tranche III Issue that have not been utilised thereby also indicating investments, if any, of such unutilized proceeds of this Tranche III Issue. Our Company shall utilize the proceeds of this Tranche III Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchange.

General Corporate Purposes

Our Company intends to deploy up to 25% of the amount raised and allotted in this Tranche III Issue for general corporate purposes, including but not restricted to routine capital expenditure, renovations, strategic initiatives, meeting any expenditure in relation to our Company as well as meeting exigencies which our Company may face in the ordinary course of business, or any other purposes as may be approved by the Board of Directors.

Issue expenses

A portion of this Tranche III Issue proceeds will be used to meet Tranche III Issue expenses. The following are the estimated Issue expenses:

Particulars	Amount (₹ in million)	As percentage of Tranche III Issue proceeds (in %)	As percentage of total expenses of the Tranche III Issue (in %)
Fee Payable to Intermediaries including Registrar to this Tranche III Issue and Debenture Trustees	1.20	0.04%	1.77%
Lead Manager Fee, Selling and Brokerage Commission, SCSB Processing Fee	63.25	2.11%	93.08%
Advertising and Marketing, Printing and Stationery Costs	2.50	0.08%	3.68%
Other Miscellaneous Expenses	1.00	0.03%	1.47%
Grand Total	67.95	2.26%	100.00%

The above expenses are indicative and are subject to change depending on the actual level of subscription to this Tranche III Issue and the number of Allottees, market conditions and other relevant factors.

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Manager/ Members of the Syndicate/ Sub- Members of the Syndicate /Brokers / Trading Members and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹ 8 per Application Form procured (inclusive of GST and other applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee. Further, our Company shall pay the Sponsor Bank ₹8 for every valid Application that is blocked. The payment will be made on the basis of valid invoices within such timelines mutually agreed to/prescribed by the Company with the Designated Intermediaries/Sponsor Bank.

Interim use of proceeds

Our Management will have the flexibility in deploying the proceeds received from this Tranche III Issue. Pending utilization of the proceeds out of this Tranche III Issue for the purposes described above. Our Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

Other Confirmations

In accordance with the SEBI NCS Regulations, our Company will not utilize the proceeds of this Tranche III Issue for providing loans to or acquisition of shares of any person or company who is a part of the same group as our Company or who is under the same management as our Company.

Proceeds from this Tranche III Issue shall not be utilised towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property. No part of the proceeds from this Tranche III Issue will be paid by us as consideration to our Promoter, the Directors, Key Managerial Personnel, or companies promoted by our Promoter except in ordinary course of business.

No part of the proceeds from this Tranche III Issue will be utilized for buying, trading or otherwise dealing in equity shares of any listed company. Further our Company undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

All monies received out of this Tranche III Issue shall be credited/ transferred to a separate bank account maintained with a Scheduled Bank as referred to in section 40(3) of the Companies Act 2013.

Details of all monies utilised out of this Tranche III Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised along with details, if any, in relation to all such proceeds of this Tranche III Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of this Tranche III Issue.

Details of all unutilised monies out of this Tranche III Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested.

Our Company confirms that it will not use the proceeds from this Tranche III Issue for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, the acquisition of any immovable property or acquisition of securities of any other body corporate.

We shall utilize this Tranche III Issue proceeds only upon execution of Debenture Trust Deed, receipt of the listing and trading approval from the Stock Exchange(s) as stated in this Tranche III Prospectus in the section titled "*Issue Related Information*" beginning on page 207.

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

Variation in terms of contract or objects in this Tranche III Prospectus.

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Tranche III Prospectus is issued, except as may be prescribed under the applicable laws and specifically under Section 27 of the Companies Act, 2013.

Benefit / interest accruing to Promoters/Directors out of the object of the Tranche III Issue

Neither our Promoter nor the Directors of our Company are interested in the Objects of this Tranche III Issue.

STATEMENT OF POSSIBLE TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Edelweiss Financial Services Limited
Edelweiss House, Off CST Road, Kalina,
Mumbai – 400 098.

Dear Sirs,

Statement of Possible Tax Benefits available to the debenture holders of Edelweiss Financial Services Limited in connection with the proposed public issue of secured redeemable non-convertible debentures of face value of Rs. 1,000/- each (the "Debentures" or the "NCDs") (hereinafter referred to as the "Issue")

1. We hereby confirm that the enclosed Annexure, prepared by Edelweiss Financial Services Limited ('the Company'), provides the possible tax benefits available to the debenture holders of the Company under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act, 2023, i.e., applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25 respectively, presently in force in India. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon their fulfilling such conditions which, the debenture holders may or may not choose to fulfil.

2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. We do not express any opinion or provide any assurance as to whether:

    i) the debenture holders will continue to obtain these benefits in future;
    ii) the conditions prescribed for availing the benefits have been / would be met with; and
    iii) the revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

5. This report has been issued at the request of the Company for the purpose of inclusion in the offer document in connection with its proposed Issue and should not be used by anyone else or for any other purpose.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102

Place of Signature: Mumbai
Date: June 28, 2023

Annexure

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDER(S)

This Annexure is based on the provisions of the Income-tax Act, 1961 ('IT Act') in force as on the current date, after considering the amendments made by the Finance Act, 2023 ('FA, 2023').

This Annexure intends to provide general information on the applicable provisions of the IT Act. However, in view of the nature of the implications, the investors are best advised to consult their respective tax advisors/consultants for appropriate counsel with respect to the specific tax and other implications arising out of their participation in the Portfolio as indicated herein.

Taxability under the IT Act

Section 50AA of the IT Act

The Finance Act, 2023 has inserted section 50AA to the IT Act to provide for a special provision for computation of capital gains in case of Market Linked Debenture (MLD). For the purposes of the said section, MLD have been defined in the Explanation thereto to mean a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to the market returns on other underlying securities or indices, and includes any security classified or regulated as a MLD by the Securities and Exchange Board of India.

Based on the definition, MLD has the following essential features:

- It is a security in the nature of debt;
- It has an underlying principal component;
- Returns with respect to such security are linked to market returns on other underlying securities or indices;
- And, by way of extension, it is also provided that any security classified or regulated by SEBI as an MLD, shall for the purposes of section 50AA of the IT Act, be deemed to be an MLD

The Non-Convertible Debentures (NCDs) issued/ proposed to be issued by the issuer creates a borrower-lender relationship between the issuer and subscriber and to that extent, such NCDs constitute a security in the nature of debt. Further, such NCDs, by their very nature, have a principal component (which is the price at which the subscriber subscribes to such NCDs).

However, the returns with respect to such NCDs (excess of redemption value over the principal component) is a fixed return and is not linked to any market return or underlying security or indices.

Given the same, the NCDs issued by the issuer do not satisfy the first limb of the definition of MLD as provided in the Explanation to section 50AA of the IT Act and thus, such NCDs should not constitute an MLD for the purposes of section 50AA of the IT Act.

The second limb of the definition of MLD which deems any security classified or regulated by SEBI as an MLD, to be an MLD for the purposes of section 50AA of the IT Act, is an independent limb and need to be construed as such. We have been given to understand that, at present, the NCD issued/ proposed to be issued by the issuer is neither classified nor regulated by the SEBI as an MLD and accordingly, the NCDs issued by the issuer should not constitute an MLD for the purposes of section 50AA of the IT Act. However, the said fact-pattern would have to be re-visited in light of any amendment in the law as may be notified by SEBI in future.

A. Common provisions applicable to both Resident and Non-Resident debenture holders:

1. Determination of head of income for the purpose of assessability:

The returns received by the investors from the Non-Convertible Debentures ('NCD') in the form of 'interest' and gains on transfer of the NCD, may be characterized under the following broad heads of income for the purposes of taxation under the IT Act:

- Profits and gains of business or profession ('PGBP');

- Capital gains ('CG'); and
- Income from other sources ('IFOS').

For determining the appropriate head of income (as mentioned above) *vis-à-vis* the income or loss earned on/ from the NCD, it will be pertinent to analyse whether the NCD are held as 'Investments' i.e. capital asset or as 'Stock-in-trade'.

If the NCD are held as 'Stock-in-trade', interest income as well as gain or loss on its transfer will be assessed to tax under the head PGBP, whereas, if the NCD are held as 'Investments', then the interest income will be assessed to tax under the head IFOS and any gain/ loss on its transfer will be assessed to tax under the head CG (explained in ensuing paragraphs), based on facts of each case.

However, as per section 2(14) of the IT Act, 'capital asset' includes, *inter alia*, securities held by a Foreign Institutional Investor ('FII') [now known as Foreign Portfolio Investor ('FPI')] which has invested in such securities in accordance with the regulations made under Securities and Exchange Board of India Act, 1992. Accordingly, such securities, held by an FII, will be characterised as 'capital asset' and classification as 'Stock-in-trade' shall not apply.

The investors may obtain specific advice from their tax advisors regarding the above classification and tax treatment.

2. *Taxation of Interest and Gain/ loss on transfer of debentures:*

\- ***Taxation of Interest***

Income by way of interest received on NCD held as 'Investments' (i.e. capital asset) will be charged to tax under the head IFOS at the rates applicable to the investor after deduction of expenses, if any, allowable under section 57 of the IT Act. These are essentially expenses (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of earning the interest income. In case of NCD held as 'Stock-in-trade', interest received thereon will be charged to tax under the head PGBP. Further, any expenditure specifically laid out or expended wholly and exclusively for the purpose of earning such interest income shall be allowed as deduction while computing income under the head PGBP.

The investors may obtain specific advice from their tax advisors regarding the tax treatment of their Interest income.

\- ***Taxation of gain or loss on transfer***

(a) Taxable under the head PGBP

As discussed above, depending on the particular facts of each case, the NCD may, in certain cases, be regarded to be in the nature of 'Stock-in-trade' and, accordingly, the gains from the transfer of such NCD should be considered to be in the nature of business income and hence chargeable to tax under the head PGBP.

In such a scenario, the gains from the business of investing in the NCD may be chargeable to tax on a 'net' basis (i.e. net of allowable deductions for expenses/allowances under Chapter IV – Part D of the IT Act).

Based on section 145 of the IT Act, the timing of charging any income to tax would depend on the method of accounting followed by the taxpayer consistently (i.e. cash or mercantile).

Investors should obtain specific advice from their tax advisors regarding the manner of computing business income, the deductions available therefrom and the tax to be paid thereon.

(b) Taxable under the head Capital Gains

As discussed above, based on the particular facts of each case, the NCD may, in certain cases, be regarded to be held as 'Investments' in which case the gains or loss from the transfer of such NCD should be chargeable to tax under the head CG.

In such a scenario, the gains / loss from the transfer of such NCD may be chargeable to tax on a 'net' basis (i.e. net of acquisition cost of NCD, expenditure incurred in relation to transfer of NCD).

Investors should, however, seek specific advice from their tax advisors/ consultants in respect of characterization of capital gains, the manner of computation and the tax to be paid thereon.

3. Period of holding and Capital gain – long term & short term:

As per section 2(29AA) read with section 2(42A) of the IT Act, listed NCD is treated as a long-term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer and consequently, the gain/ loss on transfer of such NCD should be treated as long term capital gain/ loss.

Accordingly, if listed NCD is held for upto 12 months immediately preceding the date of its transfer, the same should be treated as a short-term capital asset and the gain/ loss on transfer of such NCD should be treated as short-term capital gain/ loss.

Without prejudice to the fact that the NCDs to be issued by the issuer are not MLD (as has been concluded at the outset), where, for whatsoever reasons, the NCDs are treated as MLDs, then in such cases, as per the amendment by the FA, 2023, the capital gains arising on transfer or redemption or maturity of such NCDs shall be deemed to be capital gains arising from transfer of a short-term capital asset. Further, in computing the capital gains, no deduction shall be allowed on account of Securities Transaction Tax (STT) paid, if any.

4. Computation of capital gains and tax thereon

Capital gains is computed after reducing from the consideration received for the transfer of the capital asset ['full value of consideration (FVC)], the cost of acquisition (CoA) of such asset and the expenses incurred wholly and exclusively in connection with the transfer. The capital gains so computed will be chargeable to tax at the rates as detailed in the ensuing paragraphs.

5. Set off of capital losses

As per section 74 of the IT Act, long-term capital loss incurred during a year can be set-off only against long-term capital gains arising in that year or in subsequent years and cannot be set-off against short-term capital gains arising in that year or in subsequent years. The long-term capital loss remaining after set-off, if any, can be carried forward for eight years immediately succeeding the year in which the loss was first computed, to be for set-off against subsequent years' long-term capital gains.

On the other hand, short-term capital loss incurred during a year can be set-off against both, short-term and long-term capital gains of the same year or of subsequent years. The short-term capital loss remaining after set-off, if any, can be carried forward for eight years immediately succeeding the year in which the loss was first computed, to be set-off against subsequent years' short-term as well as long-term capital gains.

B. Tax benefits available to Resident NCD holders:

- Interest on NCD received by resident NCD holders would form part of their total income and be subject to tax at the applicable rates of tax (Note 1 and 2 below) in accordance with and subject to the provisions of the IT Act.

- Capital gains on transfer of NCD shall be computed by deducting from the FVC, expenditure incurred wholly and exclusively in connection with the transfer and the CoA of the NCD.

As per section 112 of the IT Act, capital gains arising on the transfer of long-term capital assets being listed debentures are subject to tax at the rate of 10% (plus applicable surcharge and health & education cess – Note 2 below) on the capital gains calculated without indexing the cost of acquisition (Fourth *proviso* to Section 48 restricts indexation benefit in case of long-term capital asset being a bond or debenture).

In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with the provisions of the IT Act.

C. Tax benefits available to Non-Resident debenture holders:

- A non-resident Indian has an option to be governed by Chapter XII-A of the IT Act, subject to the provisions contained therein which are given in brief as under:

- As per section 115C(e) of the IT Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

- As per section 115E of the IT Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20% (plus applicable surcharge and cess), whereas long term capital gains on transfer of such debentures will be taxable at 10% (plus applicable surcharge and cess – Note 2 below) of such capital gains without indexation of CoA. Short-term capital gains will be taxable at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with and subject to the provisions contained therein.

- Under section 115F of the IT Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the whole of the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the IT Act in accordance with and subject to the provisions contained therein.

- Under section 115G of the IT Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the IT Act, if his total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the IT Act in accordance with and subject to the provisions contained therein.

- Under section 115H of the IT Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A of the IT Act shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

- In accordance with and subject to the provisions of section 115-I of the IT Act, a non-resident Indian may opt not to be governed by the provisions of Chapter XII-A of the IT Act. In such a case, long-term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% (plus applicable surcharge and cess – Note 2 below) computed without indexation of CoA.

- Interest income and short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with and subject to the provisions of the IT Act.

- Without prejudice to the fact that the NCDs to be issued by the issuer are not MLD (as has been concluded at the outset), where, for whatsoever reasons, the NCDs are treated as MLDs, then in such cases, as per the amendment by the FA, 2023, the capital gains arising on transfer or redemption or maturity of such NCDs shall be deemed to be capital gains arising from transfer of a short-term capital asset. Further, in computing the capital gains, no deduction shall be allowed for Securities Transaction Tax (STT) paid, if any.

- Where debentures are held as stock-in-trade, the income on transfer of debentures would be taxed as business income in accordance with and subject to the provisions of the IT Act.

- As per section 90(2) of the IT Act read with the Circular no. 728 dated October 30, 1995, issued by the Central Board of Direct Taxes ('CBDT'), in the case of a remittance to a country with which a Double Tax Avoidance Agreement ('DTAA') is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of a valid and subsisting tax residency certificate ('TRC') is a mandatory condition for availing benefits under any DTAA. If the TRC does not contain the prescribed particulars, a self-declaration in Form 10F would need to be provided by the assessee along with the TRC which is valid and subsisting.

D. Tax benefits available to Foreign Institutional Investors ('FII's) or Foreign Portfolio Investors ('FPI's):

- In accordance with and subject to the provisions of section 115AD of the IT Act, long-term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess – Note 2 below) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess - Note 2 below). The benefit of indexation of CoA will not be available.

- Income other than capital gains arising out of debentures is taxable at 20% (plus applicable surcharge and cess - Note 2 below) in accordance with and subject to the provisions of Section 115AD of the IT Act.

- However, the above is subject to any relief available under DTAA entered into by the Government of India (as mentioned in Point C above).

- The CBDT has issued Notification No.9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the IT Act.

E. Withholding provisions

The withholding provisions provided under the IT Act are machinery provisions meant for tentative deduction of income-tax subject to regular assessment. The withholding tax is not the final liability to income-tax of an assessee. For rate of tax applicable to an assessee, please refer Notes 1 and 2 below:

S. No	Scenarios	Provisions
	Withholding tax rate on interest on NCD issued to Indian residents	➢ Interest paid to residents other than insurance companies will be subject to withholding tax as per section 193 of the IT Act at the rate of 10 per cent. ➢ No tax is required to be deducted on interest paid to an individual or a HUF, in respect of debentures issued by a company in which the public is substantially interested if; • the amount of interest paid to such person in a financial year does not exceed INR 5,000; and • such interest is paid by an account payee cheque ➢ Further, no tax is required to be deducted on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. However, the FA, 2023 has to omitted the aforesaid exemption and thus, any interest paid on or after 1 April 2023, with respect to any security issued by a company, where such security is in dematerialized form

S. No	Scenarios	Provisions
		and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder shall be liable to tax withholding as applicable.
	Withholding tax rate on interest on NCD issued to Foreign Portfolio Investor (FII)	▶ Interest on NCD issued to FII may be eligible for concessional withholding tax rate of 5 per cent under section 194LD of the IT Act, provided the interest coupon on such NCDs does not exceed the rates as notified by the Central Government. ○ Conditions to avail lower withholding tax rate of 5 percent are as under: a. Interest should be payable on or after 01 June 2013 but before 01 July 2023 in respect of investments made in (i) rupee denominated bond of an Indian Company; or (ii) a government security. b. Interest coupon on such NCDs should not exceed the rates as notified by the Central Government. ▶ Interest to a non-resident, not being a company or to a foreign company by a specified company or a business trust, may alternatively be eligible for concessional tax rate of 5 per cent under section 194LC(2)(ia) of the IT Act in respect of monies borrowed by it from a source outside India by way of issue of rupee denominated bond before the 1st day of July 2023. The FA, 2023 has extended the applicability of section 194LC of the IT Act with the following modification: 1. The provisions of section 194LC of the IT Act shall continue to apply to monies borrowed from a source outside India by way of issue of long-term bond or rupee denominate bond on or after 1 July 2023 where such bond is listed on a recognised stock exchange located in an International Financial Services Centre. 2. The **rate of tax** in case of the aforesaid borrowings shall be **9 per cent**. 3. With respect to the **borrowings made prior to 1 July 2023**, the provisions of section 194LC of the IT Act, as they applied at that time, shall continue to apply *sans* the modification discussed *supra*. 4. No extension of date for payment of interest in case of section 194LD of the IT Act has been made by the FA, 2023. Where such remains the case, interest therein shall then be subject to tax at the rate of 20% (excluding applicable surcharge and cess) subject to availability of DTAA benefits. ▶ Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge as applicable. However, where the withholding is done as per the rate of tax provided under the relevant DTAA, the said rate shall not be required to be increased by a surcharge and health and education cess.
	Withholding tax rate on interest on NCD issued to non-residents other than FIIs	▶ Interest payable to non-resident (other than FII) would be subject to withholding tax at the rate of 30 per cent/ 40 per cent as per the provisions of section 195 of the IT Act subject to relief under the relevant DTAA depending upon the status of the non-resident. ▶ Alternatively, benefits of concessional rates of 5/ 9 per cent under section 194LC of the IT Act provided the said interest falls within the ambit of the

S. No	Scenarios	Provisions
		provisions of section 194LC of the IT Act and meets the conditions mentioned therein which *inter-alia* includes the loan / bond being issued prior to/ on or after 1st July 2023, obtaining approval from the Central Government with respect to the rate of interest, etc. ▶ Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge, as applicable.
	Withholding tax rate on purchase of 'goods'	▶ As per section 194Q of the IT Act, any sum payable by a 'buyer' to a resident for purchase of 'goods' of the value exceeding INR 50 Lakhs shall be liable to withholding at the rate of 0.1 percent. ▶ Buyer means a person whose total sales, turnover or gross receipts from the business carried on by him exceeds INR 10 crores in the financial year immediately preceeding the financial year in which the purchase is carried out. ▶ TDS shall not be applicable where; a. Tax is deductible under any of the provisions of the IT Act; or b. Tax is collectible under the provisions of section 206C of the IT Act other than a transaction to which section 206C(1H) of the IT Act applies ▶ The CBDT has issued Circular No 13 of 2021 dated 30 June 2021 laying down guidelines under section 194Q of the IT Act. It *inter alia* provides that TDS under section 194Q of the IT Act shall not apply to transaction in securities and commodities which are traded through recognised stock exchanges or cleared and settled by the recognised clearing corporation (including exchanges or corporation located in IFSC). ▶ Given that the Circular does not provide clarity in respect of shares/ securities traded off-market, it is advisable that the investors obtain specific advice from their tax advisors regarding applicability of these provisions.

F. ***Requirement to furnish PAN under the IT Act***

i. Section 139A(5A) requires every person from whose income tax has been deducted under the provisions of chapter XVIIB of the IT Act, to furnish his PAN to the person responsible for deduction of tax at source.

ii. As per provisions of section 206AA of the IT Act, the payer would be obliged to withhold tax at higher of the following rates in case the deductee has not furnished PAN to the payer:

(a) at the rate in force specified in the relevant provision of the IT Act; or
(b) at the rates in force; or
(c) at the rate of twenty per cent

Section 206AA of the IT Act provides that the provisions shall not apply to non-residents in respect of payment of interest on long-term bonds as referred to in section 194LC and any other payment subject to such conditions as may be prescribed.

Further, as per Rule 37BC of the Income-tax Rules, 1962 ('the Rules'), the provisions of section 206AA shall not apply to non-residents where the non-residents provide the following information to the payer of such income:

- Name, email-id, contact number;

- Address in the country or specified territory outside India of which the deductee is a resident;
- A certificate of his being resident in any country or specified territory outside India from the government of the other country or specified territory if the law of that country or specified territory provides for issuance of such certificate;
- Tax Identification Number of the deductee in the country or specified territory of his residence and in a case, no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

Where an incorrect PAN is provided, it will be regarded as non-furnishing of PAN and TDS shall be deducted as mentioned above, apart from any other penal consequences that may ensue.

iii. Further, as per section 206AB of the IT Act, with effect from 1 July 2021, payments made to specified persons will be subject to TDS at rate which is <u>higher</u> of the following:

- twice the rate specified in the relevant provision of the IT Act; or
- twice the rate or rates in force; or
- the rate of 5%

In cases, where both section 206AA and section 206AB of the IT Act are applicable, taxes shall be deducted at higher of the rate prescribed under both the sections.

For the purpose of section 206AB of the IT Act, specified person means any person-

- Who has not filed an income-tax return for the AY relevant to the previous year immediately preceding the previous year in which tax is required to be deducted, and the prescribed time limit to file the income-tax return has expired;
- The aggregate amount of TDS is INR 50,000 or more in each of these previous years

But other than a non-resident who does not have a permanent establishment in India. Further, FA, 2023 has carved-out from the definition of 'specified person' under section 206AB of the IT Act, a person who is not required to file/ furnish a return of income and who, in that behalf, is notified by the Central Government *vide* the Official Gazette.

G. General Anti Avoidance Rules ("GAAR")

The General Anti Avoidance Rule (''GAAR'') was introduced in the IT Act by the Finance Act, 2012. The Finance Act, 2015 made the provisions of GAAR applicable prospectively from 1 April 2017. Further, income accruing, arising, deemed to accrue or arise or received or deemed to be received by any person from transfer of investments made up to 31 March 2017 would be protected from the applicability of GAAR.

H. Exemption under Section 54F of the IT Act

Exemptions may be claimed from taxation of LTCG if investments in certain specified securities/assets is made subject to fulfillment of certain conditions.

Section 54F of the IT Act exempts long-term capital gains on transfer of any long-term capital asset (other than a residential house), held by an individual or HUF, if the net consideration is utilized to purchase/ construct a residential house within the specified timelines.

Note 1: Tax Rates

Resident Individuals and Hindu Undivided Families:

The FA, 2023 has amended section 115BAC of the IT Act by, *inter alia,* inserting sub-section (1A) thereto to provide that the tax regime provided under section 115BAC of the IT Act shall be the default tax regime applicable in case of an individual, HUF, AOP (other than a co-operative society), body of individual or artificial juridical, beginning with the financial year 2023-24, except where the assessee specifically opts to be governed by the erstwhile regime.

In such cases, the following shall be the rate of tax applicable:

Slab	Tax rate
Total income up to INR 3,00,000	Nil
More than INR 3,00,000 but up to INR 6,00,000	5 per cent of excess over INR 3,00,000
More than INR 6,00,000 but up to INR 9,00,000	10 per cent of excess over INR 6,00,000 + INR 15,000
More than INR 9,00,000 but up to INR 12,00,000	15 per cent of excess over INR 9,00,000 + INR 45,000
More than INR 12,00,000 but up to INR 15,00,000	20 per cent of excess over INR 12,00,000 + INR 90,000
More than INR 15,00,000	30 per cent of excess over INR 15,00,000 + INR 1,50,000

In computing the income-tax under the new regime, certain deductions like standard deduction available to salaried taxpayers, etc., shall be allowed. However, most of the deductions/exemptions such as section 80C, 80D, etc. would need to be foregone.

A resident individual (whose total income does not exceed Rs 7,00,000) whose income is chargeable to tax under sub-section (1A) of section 115BAC can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 25,000, whichever is less. Further, where the total income exceeds Rs 7,00,000, the assessee shall be entitled for deduction of an amount equal to the amount by which the income-tax payable on the total income exceeds the amount by which the total income exceeds Rs 7,00,000.

Where the assessee as stated above, specifically opts to be governed by the erstwhile regime, the income earned by assessee should be liable to tax as per the applicable slab rates (plus applicable surcharge and health and education cess) based on the taxable income of such assessee. The slab rates applicable to such investors (other than resident individuals aged 60 years or more) are as follows:

Income	Tax rate*
Up to INR 2,50,000#	NIL
Exceeding INR 2,50,000 up to INR 5,00,000@	5 per cent of the amount by which the total income exceeds INR 2,50,000
Exceeding INR 5,00,000 up to INR 10,00,000	20 per cent of the amount by which the total income exceeds INR 5,00,000 plus INR 12,500$
Exceeding INR 10,00,000	30 per cent of the amount by which the total income exceeds INR 10,00,000 plus INR 112,500$

@A resident individual (whose total income does not exceed Rs 500,000) can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 12,500, whichever is less.

* plus surcharge if applicable and a health and education cess ('cess') of 4 per cent on the amount of tax plus surcharge, if applicable).

for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 250,000 has to be read as Rs 300,000 and for resident senior citizens of eighty years of age and above (“super senior citizen) Rs 250,000’ has to be read as Rs 500,000.

$Similarly, for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 12,500 has to be read as Rs 10,000 and Rs 112,500 has to be read as Rs 110,000. And for super senior citizen Rs 12,500 has to be read as Nil and Rs 112,500 has to be read as Rs 100,000.

Partnership Firms & LLP’s:

The tax rates applicable would be 30 per cent (plus surcharge if applicable – Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge, if applicable).

Domestic Companies:

Type of Domestic company	Base normal tax rate on income (other than income chargeable at special rates)	Base MAT rate
Domestic companies having turnover or gross receipts of upto Rs 400 Cr in FY 2020-21 (For AY 2023-24) and in FY 2021-22 (For AY 2024-25)	25 per cent	15 per cent
Domestic manufacturing company set-up and registered on or after 1 March 2016 subject to fulfilment of prescribed conditions (Section 115BA)	25 per cent	15 per cent
Any domestic company (even if an existing company or engaged in non-manufacturing business) has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAA)	22 per cent	Not applicable
Domestic manufacturing company set-up and registered on or after 1 October 2019 and commences manufacturing upto 31 March 2024, has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAB)	15 per cent	Not applicable
Domestic companies not falling under any of the above category	30 per cent	15 per cent

Note 2: Surcharge (as applicable to the tax charged on income)

Non-corporate assessees (other than firm, co-operative societies and FIIs):

Particulars	Rate of Surcharge
Where total income (including dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) does not exceed Rs 50 lacs	Nil
Where total income (including dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore	10 per cent on total tax
Where total income (including dividend income and income under the provisions of section 111A section 112A and section 112 of the IT Act) exceeds Rs 1 crore but does not exceed Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income and income under the provisions of section 111A, section 112A and 112 of the IT Act) does not exceed Rs 2 crore but total income (including dividend income and income under the provisions of section 111A, section 112A and 112 of the IT Act) exceeds Rs 2 crore	15 per cent on total tax *The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act.*
Where total income (excluding dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) exceeds Rs 2 crore	- 25 per cent on tax on income excluding dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act - 15 per cent on tax on dividend income and income under the provisions of section 111A section 112A and section 112 of the IT Act. *The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-*

Particulars	Rate of Surcharge
	term gains chargeable to tax under section 112 of the IT Act as well.

Note: *The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act as well.*

As per the FA, 2023, the maximum surcharge rate in case of capital gains chargeable to tax under section 112 of the IT Act, in case of an assessee being an individual, HUF, AOP (not being a co-operative society), BOI or artificial juridical person is also capped to 15%.

FIIs (Non – corporate):

Particulars	Rate of Surcharge
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) does not exceed Rs 50 lacs	Nil
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore	10 per cent on total tax
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 1 crore but does not exceed Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) does not exceed Rs 2 crore but total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 2 crore	- 25 per cent on tax on income excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act - 15 per cent on tax on dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act

Note: The FA, 2023 has capped the highest surcharge rate to 25 per cent.

For assessees other than those covered above:

Particulars	Rate of surcharge applicable
Non-corporate taxpayers being firms and co-operative societies	Nil where total income does not exceed Rs 1 crore
	From FY 2022-23 7 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore
	From FY 2022-23 12 per cent where total income exceeds Rs 10 crore
Domestic companies (other than companies availing benefit under section 115BAA and section 115BAB of the IT Act)	Nil where total income does not exceed Rs 1 crore
	7 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore
	12 per cent where total income exceeds Rs 10 crore

Particulars	Rate of surcharge applicable
Domestic companies availing benefit under section 115BAA and section 115BAB of the IT Act	10 per cent (irrespective of total income)
Foreign Companies (including corporate FIIs)	Nil where total income does not exceed Rs 1 crore
	2 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore
	5 per cent where total income exceeds Rs 10 crore

A health and education cess of 4 per cent is payable on the total amount of tax plus surcharge.

Notes:

- The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of NCD.

- The above statement covers only certain relevant direct tax law benefits and does not cover benefit under any other law.

- The above statement of possible tax benefits is as per the current direct tax laws (read along with the amendments made by the FA, 2023) relevant for the AY 2024-25 corresponding to the FY 2023-24.

- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the NCD of the Company.

- In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV – ABOUT OUR COMPANY

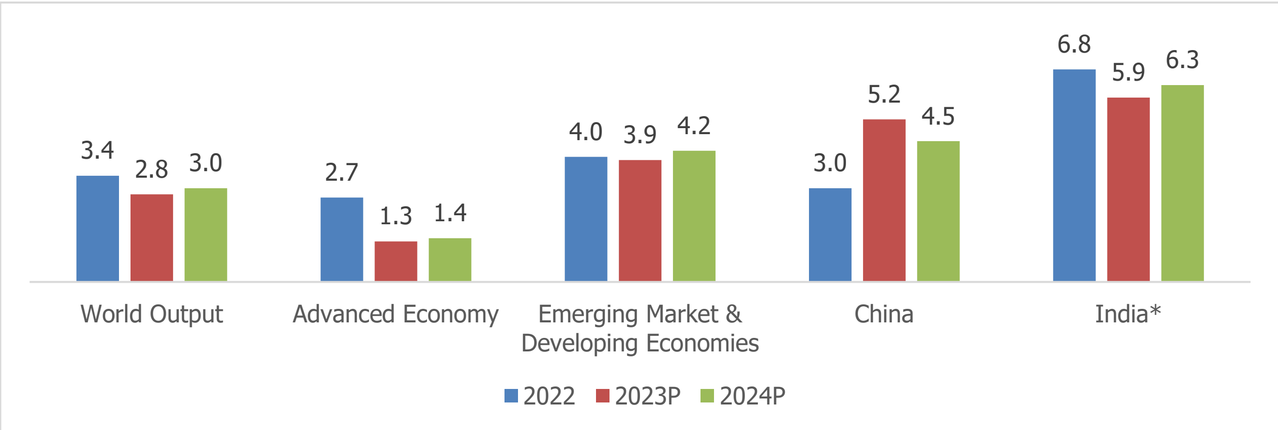
INDUSTRY OVERVIEW

The information under this section has been derived and extracted from the industry report titled "Industry Report on Financial Services Sector " dated June 23, 2023 prepared by CARE Advisory Research & Training Limited ("CART") in an "as is where is basis" and the industry and third-party related information in this section has not been independently verified by us, the Lead Manager, or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and Government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and Government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded-off for presentation in this Tranche III Prospectus. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. The information in this section must be read in conjunction with "Risk Factors" and "Our Business" on pages 18 and 121.

Global Economy

As per the International Monetary Fund (IMF)'s World Economic Outlook growth projections released in April 2023, for CY22, global economic growth was estimated at 3.4%, down from 6.3% in CY21 citing disruptions due to the Russia-Ukraine conflict and higher-than-expected inflation worldwide. The global economic growth for CY23 is projected to slow down further to 2.8% mainly due to tightening global financial conditions, expectations of steeper interest rate hikes by major central banks to fight inflation, a sharper slowdown in China and spillover effects from the war in Ukraine with gas supplies from Russia to Europe tightening. Growth in CY24 is projected to pick up to 3.0% with expected gradual recovery from the effects of the war in Ukraine and subsiding of inflation. For the next 5 years, the IMF projects world economic growth in the range of 3.0%-3.2% on year on year (Y-o-Y) basis.

Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: P-Projection
**For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year*
Source: IMF – World Economic Outlook, April 2023

Advanced Economies Group

For major advanced economies, the GDP growth was estimated to be 2.7% in CY22, down from 5.4% in CY21, which is further projected to decline to 1.3% in CY23. This forecast of low growth reflects rise in central bank interest rates to fight inflation and the war in Ukraine. About 90% of advanced economies are projected to see decline in growth in CY23. This growth is expected to rebound to 1.4% in CY24.

One of the major countries from this group is United States. The growth for United States is estimated to be 2.1% for CY22. Whereas, growth for CY23 and CY24 is projected at 1.6% and 1.1%, respectively. This is reflective of declining real disposable income impacting consumer demand with higher interest rates taking toll on spending.

The growth for CY22 in Euro Area is estimated to be 3.5% compared to 5.4% in CY21. However, the boost from reopening of economy after pandemic appears to be fading. For CY23 and CY24, the growth is projected at 0.8% and 1.4%, respectively. With inflation at about 10% or above in several Euro Area countries and the United Kingdom, household budgets will remain stretched. Further, the accelerated pace of rate increases by the Bank of England and the European Central Bank is tightening financial conditions and cooling demand in the housing sector and beyond.

Emerging market and developing economies group

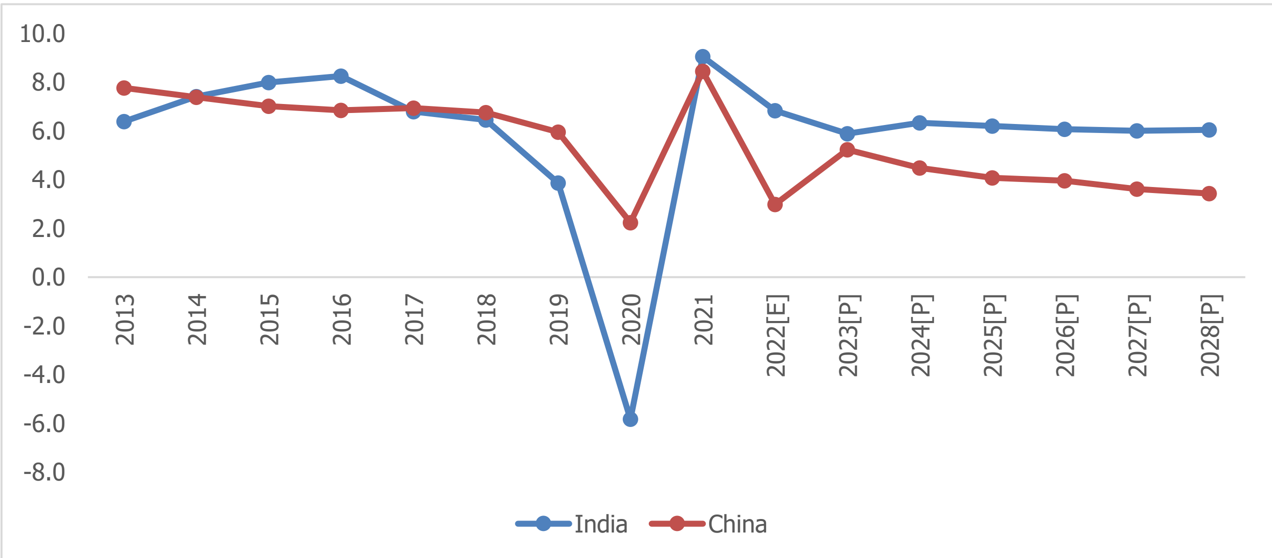
For the Emerging market and developing economies group, GDP growth rose modestly by 4.0% in CY22, compared to 6.9% in CY21. This growth is further projected to be 3.9% in CY23 and 4.2% in CY24. Overall, the expected growth in CY24 is on account of anticipation of gradual recovery.

In China, growth is expected to pick up to 5.2% with the full reopening in CY23. Whereas, India's GDP projection for CY23 and CY24 stand at 5.9% and 6.3%, respectively with resilient domestic demand despite external headwinds.

India to remain fastest growing economy transcending China

Despite the turmoil in last two-three years, India bears good tidings for becoming USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices for India, the GDP is estimated to be at USD 3.4 trillion for CY22 and projected to reach USD 5.2 trillion by CY27. The expected GDP growth rate of India for coming years is almost double compared to the world economy.

GDP growth trend comparison - India and China (Real GDP, Y-o-Y change in %)



P- *Projections; Source: IMF, World Economic Outlook Database (April 2023)*

Besides this, India stands out as the fastest growing economy amongst the major economies. Outshining the growth rate of China, the Indian economy is expected to grow at more than 6% in the period of CY24-CY28.

Indian economy is paving its way towards becoming largest economy in the world. Currently, India is the third largest economy globally in terms of Purchasing Power Parity (PPP) with ~7% share in global economy with China [~18%] on the top and United states [~15%] being second. Purchasing Power Parity is an economy performance indicator denoting relative price of an average basket of goods and services that a household needs for livelihood in each country. Despite of the pandemic and the geo-political tensions in Europe, India has been one of the major contributors to world economic growth.

Indian Economy Outlook

GDP growth and Outlook

In broader sense, the pandemic resulted to 5.8% of negative growth for the Indian economy in FY21. The Indian economy bounced back strongly in Q1FY22 with 21.6% y-o-y growth due to lower base effect. The easing of lockdowns and restrictions across states since June coupled with the decline in Covid-19 cases and higher vaccination rate facilitated higher economic activity as reflected in the GDP for the Q2FY22, which grew annually by 9.1%. The dip in Q3FY22 of 5.2% can be attributed to the fading base effect. India's economy recorded modest growth of 4.1% in Q4FY22, down from previous quarter. The economy was hit by the third wave of Covid-19 pandemic during the quarter. Global supply bottlenecks due to the Russia-Ukraine dispute and higher input costs slowed down the pace of recovery in the last quarter. Overall, India is expected to have witnessed 9.1% growth in FY22.

In Q1FY23, India recorded 13.2% growth in GDP which can largely be attributed to better performance by agriculture and services sectors. Following this double-digit growth, Q2FY23 witnessed 6.3% growth, while, Q3FY23 registered 4.4% growth. This slowdown in growth of Q2FY23 and Q3FY23 compared to the Q1FY23 can be attributed to the normalization of the base and a contraction in the manufacturing sector's output. The investments as announced in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure has augmented growth and encouraged private investment through large multiplier effects in FY23. However, heightened inflationary pressures and resultant policy tightening may pose risk to the growth potential.

GDP growth outlook

RBI's GDP Growth Outlook (Y-o-Y %)

FY23 (complete year)	FY24 (complete year)	Q1FY24	Q2FY24	Q3FY24	Q4FY24
7.0	6.5	7.8	6.2	6.1	5.9

Source: Reserve Bank of India

Stronger prospects for agricultural and allied activities are likely to boost rural demand. Rebound in contact-intensive sectors and discretionary spending is expected to support urban consumption. Strong credit growth, resilient financial markets, and the government's continued thrust on capital spending and infrastructure create a congenial environment for investment. On the other hand, external demand is likely to be dented by a slowdown in global activity, with adverse implications for exports.

Taking all these factors into consideration, in April 2023, the RBI in its bi-monthly monetary policy meeting estimated the real GDP growth to be at 7.0% for FY23 and 6.5% for FY24 with Q1FY24 at 7.8%, Q2FY24 at 6.2%, Q3FY24 at 6.1% and Q4FY24 at 5.9%.

Gross Value Added (GVA)

Gross value added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of supply side whereas GDP represents consumption.

Industry and Services sector leading the recovery charge

• The gap between GDP and GVA growth has turned positive in FY22 (after a gap of two years) as a result of robust tax collections. Of the three major sector heads, service sector has been fastest growing sector in the last 5 years.

• Agriculture sector was holding growth momentum till FY18. In FY19, the acreage for rabi crop was marginally lower than previous year which affected the agricultural performance. FY20 witnessed growth on account of improved production. During the pandemic impacted period of FY21, agriculture sector was largely insulated as timely and proactive exemptions from covid-induced lockdowns to the sector facilitated uninterrupted harvesting of rabi crops and sowing of kharif crops. However, supply chain disruptions impacted the flow of agricultural goods leading to high food inflation and adverse initial impact on some major agricultural exports. However, performance remained steady in FY22.

The Q1FY23 and Q2FY23, the agriculture sector recorded a growth of 2.5% and 2.4%, respectively. Due to uneven rains in this financial year, the production of some major Kharif crops such as rice and pulses was adversely impacted thereby impacting agriculture sector's output. In Q3FY23, the sector recorded a growth of 3.7%. Going forward, rising bank credit, increased exports and higher sowing of rabi crop will be the drivers for agriculture sector.

Overall, for the FY23, agriculture sector is expected to perform well despite the climate-related disruptions (heat-wave, uneven rainfall etc.) which posed challenges impacting yields of some major crops and is expected to record 3.3% growth in FY23.

• Industrial sector witnessed CAGR of 4.7% for the period FY16 to FY19. From March 2020 onwards, nation-wide lockdown due to the pandemic had a significant impact on industrial activity. In FY20, this sector felt mild turbulence and recorded decline of 1.4%. FY21 witnessed 0.9% decline on account of ongoing adverse impact of covid-19 pandemic. With the opening up of economy and resumption of industrial activity, FY22 registered 11.6% growth, albeit on a lower base.

The industrial output in Q1FY23 jumped 9.6% on y-o-y basis. However, sequentially the sector witnessed a sharp contraction due to lower output across mining, manufacturing and construction sectors. Further, the output contracted by 0.4% in Q2FY23. This was mainly because of the poor performance by the manufacturing sector which has been marred by high input costs. In Q3FY23, the sector grew modestly by 2.4%.
In the coming quarters, easing of commodity price pressures and prospects of improvement in consumption demand due to festive push are potential attributes which will support growth in the manufacturing sector. Overall, industrial sector is expected to register 3.6% growth in FY23.

Services sector recorded CAGR of 7.1% for the period FY16 to FY20, which was led by trade, hotels, transport, communication and services related to broadcasting and finance, real estate & professional service. This sector was hardest hit by the pandemic and registered 8.6% of decline in FY21. The easing of restrictions aided a fast rebound in this sector, with 7.1% growth witnessed in FY22.

In Q1FY23 and Q2FY23, this sector registered growth of 16.3% and 9.4%, respectively, on a lower base and revival in contact intensive sectors. The services sector continued to witness buoyant demand and recorded a growth of 6.2% in Q3FY23. Healthy growth in various service sector indicators like air passenger traffic, port cargo traffic, GST collections and retail credit will support service sector going ahead. Overall, gaining from the pent-up demand, service sector is estimated to record growth of 9.4% in FY23.

Sectoral Growth (Y-o-Y % Growth) - at Constant Prices

At constant Prices	FY18	FY19	FY20 (3RE)	FY21 (2RE)	FY22 (1RE)	FY23 (2AE)	Q1 FY23	Q2 FY23	Q3 FY23
Agriculture, forestry & fishing	**6.6**	**2.1**	**6.2**	**4.1**	**3.5**	**3.3**	**2.5**	**2.4**	**3.7**
Industry	**5.9**	**5.3**	**-1.4**	**-0.9**	**11.6**	**3.6**	**9.6**	**-0.4**	**2.4**
Mining & quarrying	-5.6	-0.8	-3.0	-8.6	7.1	3.4	9.3	-0.4	3.7
Manufacturing	7.5	5.4	-3.0	2.9	11.1	0.6	6.4	-3.6	-1.1
Electricity, gas, water supply & other utility services	10.6	7.9	2.3	-4.3	9.9	9.2	14.9	6.0	8.2
Construction	5.2	6.5	1.6	-5.7	14.8	9.1	16.2	5.8	8.4
Services	**6.3**	**7.2**	**6.4**	**-8.2**	**8.8**	**9.4**	**16.3**	**9.4**	**6.2**
Trade, hotels, transport, communicatio & broadcasting	10.3	7.2	6.0	-19.7	13.8	14.2	25.7	15.6	9.7
Financial, real estate & professional services	1.8	7	6.8	2.1	4.7	6.9	8.6	7.1	5.8
Public administration, defence and othe services	8.3	7.5	6.6	-7.6	9.7	7.1	21.3	5.6	2.0
GVA at Basic Price	**6.2**	**5.8**	**3.9**	**-4.2**	**8.8**	**6.6**	**12.1**	**5.5**	**4.6**

3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, 2AE – Second Advanced Estimate; Source: MOSPI

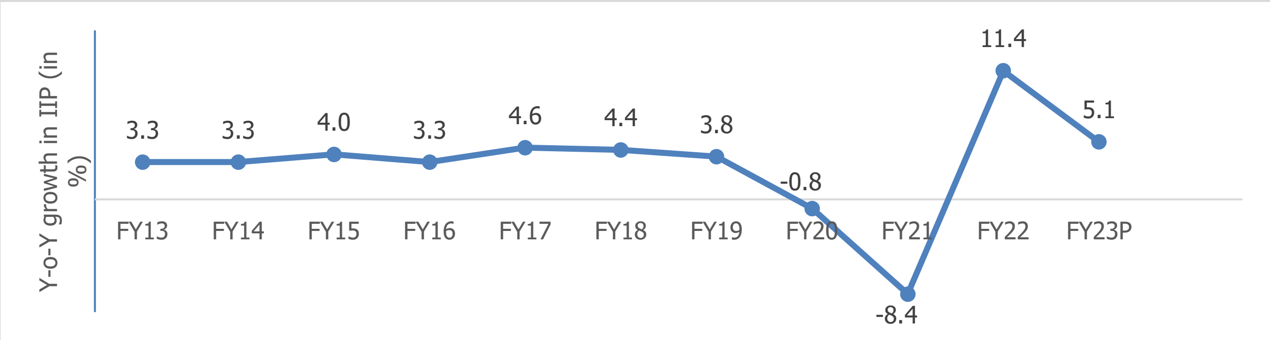
Industrial Growth

Improved core and capital goods sector helped in IIP growth momentum

Index of Industrial production (IIP) is an index to track manufacturing activity in an economy.

On a cumulative basis, IIP grew by 11.4% in FY22. However, this high growth is mainly backed by low base of FY21. FY22 IIP was higher by 2.0% when compared with the pre-pandemic level of FY20, indicating that while economic recovery is underway, it is still at very nascent stages.

Moreover, for FY23, the industrial output has recorded a growth of 5.1% supported by a favourable base and a rebound in economic activities. Going forward, it will be critical for the current growth momentum in the industrial sector to be maintained. In the environment of global slowdown, maintaining growth in industrial output will depend on the resilience and momentum of domestic demand recovery. Healthy credit growth and moderating inflation in the economy is likely to be supportive of domestic consumption demand in the months to come. Pick-up in the investment demand is also expected to support segments like capital goods and infrastructure. However, industrial sector might feel the pinch of global slowdown as reflected by contraction in the export dependent sectors.

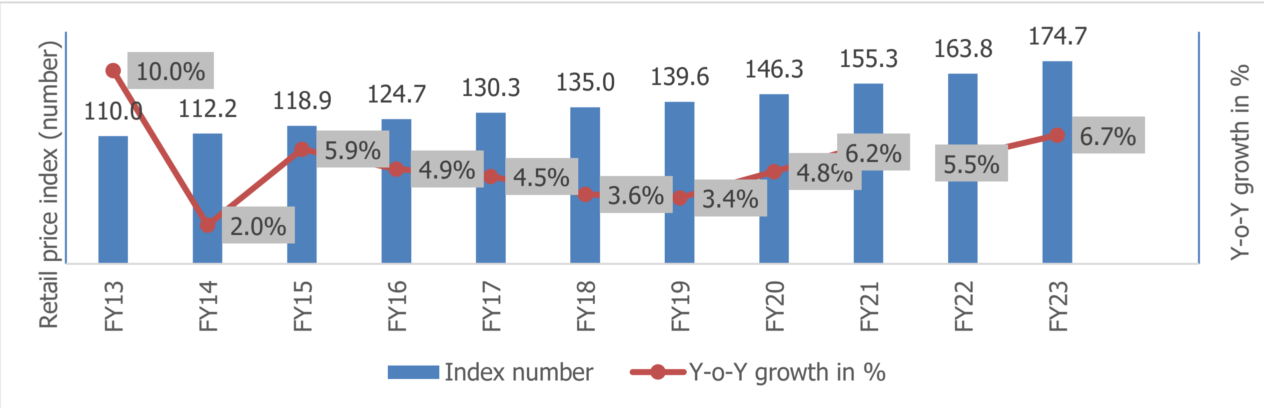


Y-o-Y growth in IIP (in %)
Source: MOSPI; P-Provisional

Consumer Price Index

Inflation has reappeared as a global issue in both advanced and emerging economies. India's retail price inflation stood at 5.5% in FY22 which is within the targeted tolerance band of 6%. The consumer inflation started to upswing from October 2021 onwards. As per the monthly numbers, the inflation rate reached the tolerance level of 6% in January 2022. Following this, the month of March 2022 registered 6.9% rate.

Retail Price Inflation in terms of index numbers and Y-o-Y Growth in % (Base: 2011-12=100)



Source: MOSPI

Consecutively, the average inflation rate of 6.7% for FY23 remained above the RBI's tolerance level, surpassing the threshold of 6.0%. March 2023 month witnessed decline and the retail inflation stood at 5.7% tracing back to the RBI's tolerance band. Wherein, apart from a favourable base effect, the relief in retail infaltion came from a moderation in food inflation. The CPI came in at 4.7%in April 2023. This moderation in CPI inflation has also been supported by a high base of last year.

The CPI is primarily factored in by RBI while prepapring their bi-monthly monetory policy. At the bi-monthly meeting held in April 2023, RBI projected inflation at 5.2% for FY24 - Q1FY24 is projected at 5.1%, Q2FY24 at 5.4%, Q3FY24 at 5.4% and Q4FY24 at 5.2%.

RBI maintained its policy repo rate unchanged at 6.50% in a meeting held in April 2023. RBI also maintained the liquidity adjustment facility (LAF) corridor by adjusting the standing deposit facility (SDF) rate of 6.25% as the floor and the marginal standing facility (MSF) at the upper end of the band at 6.75%.

The central bank continued to maintain its stance as accommodative.

With domestic economic activities gaining traction, RBI has shifted gear to prioritize controlling inflation. While RBI has paused on the policy rate front, it has also strongly reiterated its commitment to bringing down inflation close to its medium-term target of 4%. Given the uncertain global environment and lingering risks to inflation, Central Bank has kept the window open for further monetary policy tightening in future if required.

Concluding Remarks

Despite the global growth uncertainties, Indian economy is relatively better placed. The major headwinds to economic growth are escalating geopolitical tensions, volatility in global commodity prices and shortages of key inputs. However, the bright spots for the economy are continued healthy domestic demand, support from government capital expenditure and improving business confidence. Various high-frequency growth indicators including purchasing managers index, auto sales, bank credit, GST collections have shown improvement in the FY23.

Despite high food and fuel inflation pressure, the normalizing employment situation after the opening up of economy is expected to improve and provide support to consumption expenditure.

Public investment is expected to exhibit healthy growth as the government has budgeted for strong capital expenditure in FY24. Private sector's intent to invest is also showing improvement as per the data announced on new investment projects. However, the volatility in commodity prices and the economic uncertainties emanating from global turbulence may slow down the improvement in private capex and investment cycle.

Among sectors, the industrial segment is expected to be negatively impacted due to high input prices. Nonetheless, with flagship programmes like 'Make in India' and the Production Linked Incentive (PLI) schemes, the government is continuing to provide the support to boost the industrial sector. Service sector is expected to see continued revival in FY24 with healthy economic growth. However, some segments like information technology in the services sector would feel the pinch of slowdown in the US and European economies.

Overview of Non-Banking Financial Company

Non-banking financial institutions (NBFIs) comprise a heterogeneous group of financial intermediaries. Those under the regulatory purview of the Reserve Bank consist of

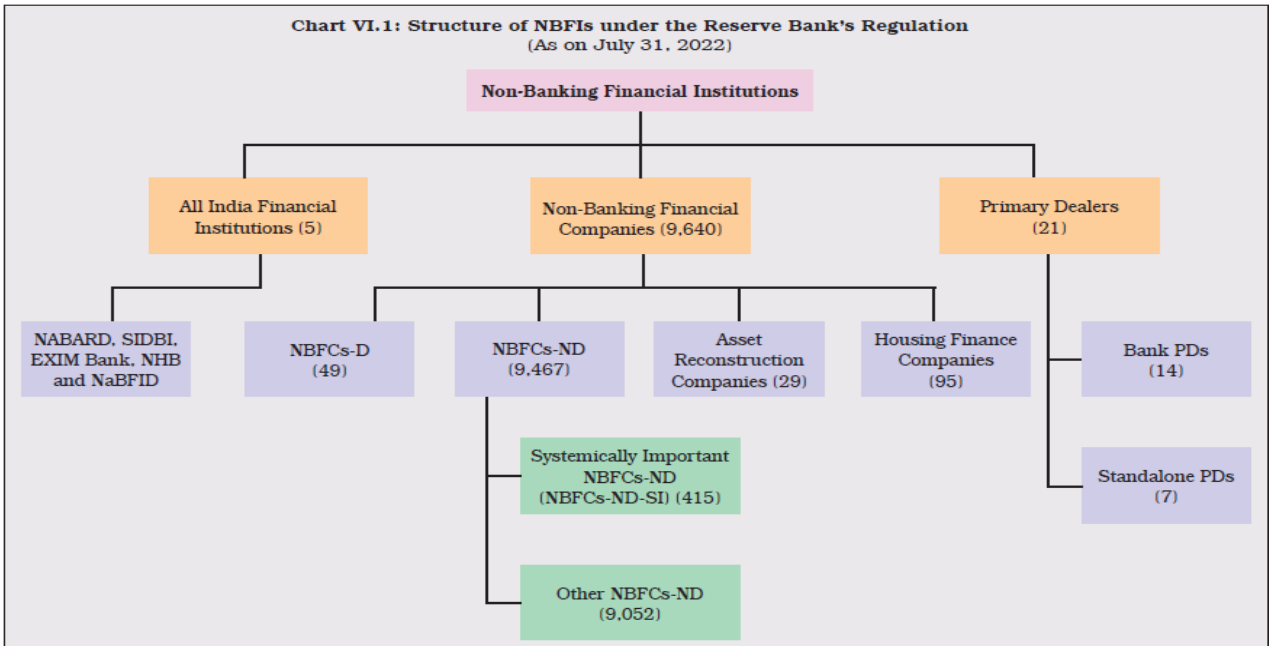
All-India financial institutions (AIFIs) that include the National Bank for Agriculture and Rural Development (NABARD), the Export Import (EXIM) Bank of India, the Small Industries Development Bank of India (SIDBI) and the National Housing Bank (NHB) are apex financial institutions that play an important role in meeting the long-term funding requirements of agriculture and the rural sector, foreign trade, small industries, housing finance companies (HFCs), NBFCs, Micro Finance Institutions (MFIs) and other specialised segments and institutions.

Non-banking financial companies (NBFCs) are government/public/private limited companies that specialise in delivering credit to a wide variety of specific segments, ranging from infrastructure to consumer durables and vehicle financing. Housing finance companies (HFCs) extend housing finance to individuals, co-operative societies, and corporate bodies and lease commercial and residential premises to support housing activity in the country.

Primary dealers (PDs) came into existence in 1995 and act as market makers in the government securities (G-secs) market, besides ensuring subscription to primary issuances.

Non-Banking Financial Companies (NBFCs) play an important role in the Indian financial system by complementing and competing with banks, and by bringing efficiency and diversity into financial intermediation. NBFCs have evolved considerably in terms of operations, heterogeneity, asset quality and profitability, and regulatory architecture.

Structure of NBFIs under the Reserve Bank Regulations
Source: RBI



Note: Figures in bracket indicates the number of Institutions as of July 22

Classification of NBFCs

NBFCs can be classified on the basis of a) asset/liability structures; b) systemic importance; and c) the activities they undertake. In terms of liability structures, NBFCs are subdivided into deposit-taking NBFCs (NBFCs-D) - which accept and hold public deposits - and non-deposit taking NBFCs (NBFCs-ND) - which source their funding from markets and banks. Among non-deposit taking NBFCs, those with an asset size of Rs. 500 crore or more are classified as non-deposit taking systemically important NBFCs (NBFCs- ND-SI). As on July 31, 2022, there were 49 NBFCs-D and 415 NBFCs-ND-SI.

Since NBFCs cater to niche areas, they are also categorised on the basis of the activities they undertake. Till February 21, 2019, NBFCs were divided into 12 categories. Thereafter, these categories were harmonised in order to provide NBFCs with greater operational flexibility. As a result, asset finance companies (AFCs), loan companies (LCs) and investment companies (ICs) were merged into a new category called Investment and Credit Companies (NBFC-ICC). At present, there are 11 categories of NBFCs in the activity-based classification.

Recognition of NBFCs in Upper Layer

NBFC categorization is based on an annual review. The paper recognizes two parameters; quantitative and qualitative:
- The quantitative parameters will have 70% weightage.
- The qualitative parameters will have 30% weightage.

The table below represents quantitative and qualitative parameters as proposed:

Parameter	Sub-parameter	Sub weight	Weights
	Quantitative Parameters (70%)		
Size & Leverage	Size: Total exposure (on-and off-balance sheet)	20+15	35
	Leverage: total debt to total equity		
Interconnectedness	i) Intra-financial system assets:	10	25
	– Lending to FIs	10	
	– Securities of other FIs	5	
	– Mark to market REPO		
	– OTC derivatives		
	ii) Intra-financial system liabilities		
	–Borrowings from FIs		

Parameter	Sub-parameter	Sub weight	Weights
	– Marketable securities issued by the finance company to FI		
	– Mark to market OTC derivative with FIs		
	iii) Securities outstanding (issued by NBFC)		
Complexity	i) Notional amount of OTC derivatives	5	10
	– CCP centrally	5	
	– Bilateral OTC		
	ii) Trading and available for sale securities		
Qualitative Parameters/Supervisory inputs (30%)			
Nature and type of liabilities	– Degree of reliance on short term funding	10	30
	– Liquid asset ratios		
	– Callable debts		
	– Asset-backed funding Vs. other funding		
	– Asset liability duration and gap analysis		
	– Borrowing split (secured debt, CCPS, CPs, unsecured debt)		
Group Structure	– Total number of entities	10	
	– Total number of layers		
	– Total intra-group exposure		
Segment Penetration	Importance of NBFC as a source of credit in a specific segment or area	10	

Source: RBI, CareEdge Research

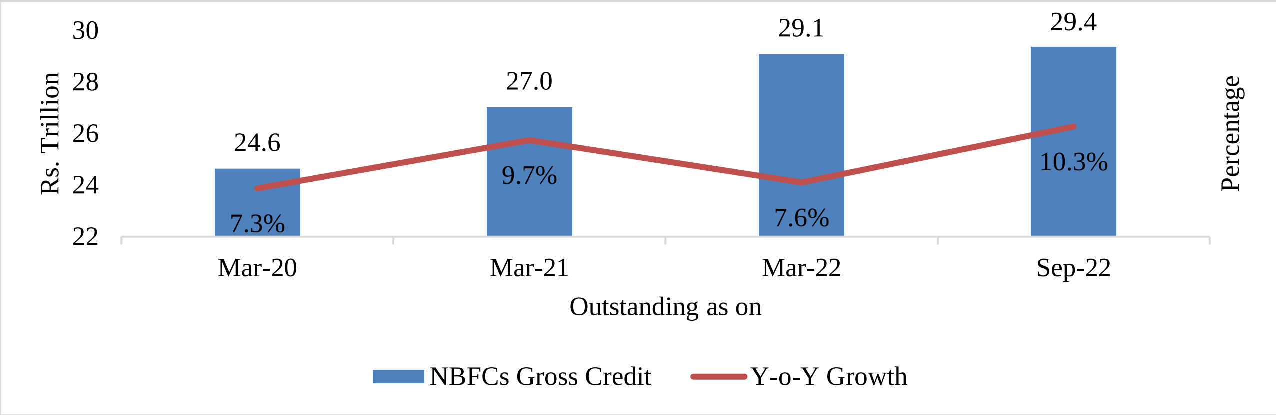
Further, as per RBI's notification as on June 06, 2022 titled "Provisioning for Standard assets by Non-Banking Financial Company – Upper Layer". NBFCs classified as NBFC-UL shall maintain provisions in respect of 'standard' assets at the following rates for the funded amount outstanding:

Category of Assets	Rate of Provision
Individual housing loans and loans to Small and Micro Enterprises (SMEs)	0.25%
Housing loans extended at teaser rates	2%, which will decrease to 0.4% after 1 year from the date on which the rates are reset at higher rates (if the accounts remain 'standard')
Advances to Commercial Real Estate – Residential Housing (CRE - RH) Sector	0.75%
Advances to Commercial Real Estate (CRE) Sector (other than CRE-RH)	1%
Restructured advances	As stipulated in the applicable prudential norms for restructuring of advances
All other loans and advances not included above, including loans to Medium Enterprises	0.40%

Credit Growth of NBFCs

Credit disbursed by NBFCs is broadly classified into two parts – food and non-food credit. Food credit accounts for a fraction of total credit disbursed. Non-food credit makes up close to 99% of total credit extended by NBFCs and the movement in overall credit growth therefore hinges on the movement in non-food credit growth.

Gross Credit Deployed by NBFCs



Source: RBI, CareEdge Research
Note: Sep-22 growth is over Sep-21

As of Sep-22, the credit growth rate has seen an uptick of 10.3% y-o-y over Sep-22. The consistence upward growth of NBFCs credit is indicating its importance in India's Financial System.

Growth Drivers

NBFCs have a strong presence in unorganized and under-served areas where banks may not have a strong foothold. This is on account of the absence of necessary infrastructure of banks in these areas as well as an aversion on the part of banks to disburse loans to smaller companies. The ease of internet access and affordable data packs have not only contributed to increased spending and demand for retail credit from these areas, but have also increased the potential consumer base of NBFCs.

Focus on informal customer base

Traditional banks may not be very keen on lending to retail borrowers from semi-urban and rural areas or small companies with weaker credit scores and lack of documentation, when compared to larger borrowers. However, in terms of volume, the number of potential customers in this category is higher and NBFC have created niche segment by having customized credit assessment method based on cash flow assessment and field verification. This gives NBFCs an opportunity to extend credit to the financially weaker set of customers, a growing customer base in the informal customer segment opens up avenues for NBFCs' growth.

Technological adoption and Co-lending arrangements

NBFCs deploy technological solutions to develop innovative products and lower operational costs. Since NBFCs are fairly new in the financial landscape as compared to most banks, they are more agile and better positioned to leverage technology to enhance their reach while increasing efficiency.

NBFCs also partner with various alternative financiers and commercial banks, which enables them to diversify their income avenues and reach their targeted customer base through different channels.

Shift in buying behaviour

Over the years, there has been significant change is perception of consumers towards borrowing. With the need to improve lifestyle, more and more people especially the younger population are moving towards borrowing to attain a certain standard of living.

Rising demand from retail customers

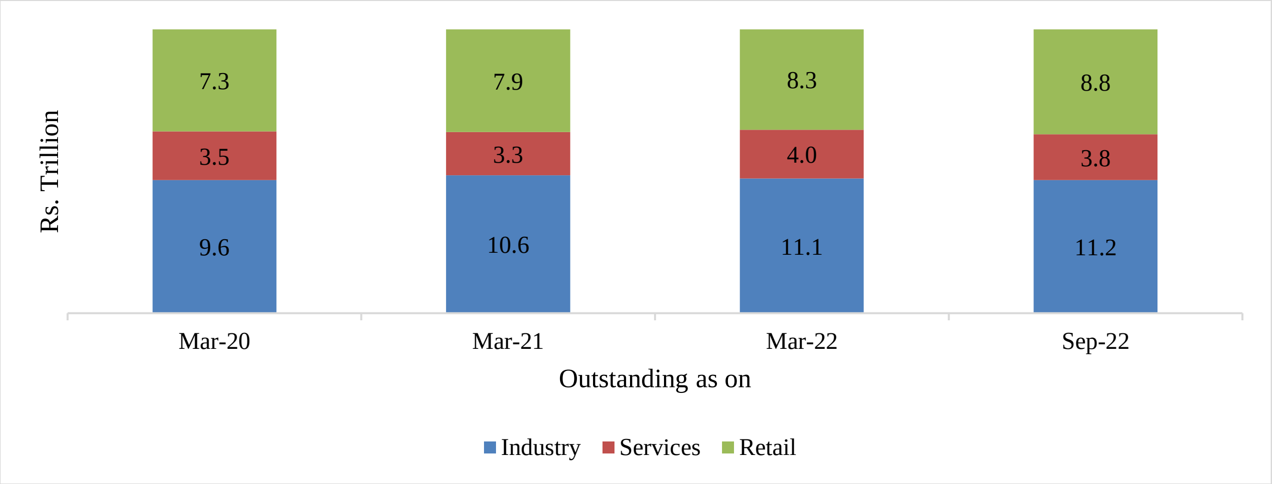
Retail borrowers accounted for around 26% of total credit disbursed by NBFCs as on 31 March 2022, as per data published by the RBI. Along with being a significant chunk of the customer base of NBFCs, the retail segment has shown a consistent growth in credit demand throughout the pandemic. Going forward, CareEdge Researcg believes that the demand for consumer durables, consumption of services, home loans and gold loans are likely to support the growth in retail demand and, consequently, aid in the new business of NBFCs.

Increased demand from MSME and agriculture

Favourable Government policies aimed at boosting agriculture, small-scale industries and consumption are likely to act as long-term growth catalysts in improving demand for MSME and agricultural credit. The “Make in India”, “Start-up India” initiatives, for example, are likely to support industrial activity and contribute to the demand for credit from NBFCs. As on 28 November 2022, more than 12,244,823 micro, small and medium enterprises (MSMEs) have registered on the Udyam portal, of which 11.778,071 are micro enterprises; 427,267 are small enterprises; and 39,485 are medium enterprises. Micro and small enterprises represent 99.7% of the total registered MSMEs as of 28 November 2022. The coverage of the formal banking system in MSMEs still remains low, which provides a major opportunity to NBFCs to expand their reach.

Distribution between segments

Sectoral distribution of NBFCs' credit



Source: RBI, CareEdge Research
Note: Others includes Food credit and Other non-food credit

The industry sector has remained the largest recipient of credit extended by NBFCs followed by retail loans, services, other non-food credit, and agriculture & allied activities NBFCs have increased the amount of credit deployed to industry on account of improved demand for credit majorly on account of improved demand for working capital loans due to surge in commodity prices. As of Sep-22, industry credit contributed to Rs. 11.2 trillion that is around 38% of NBFCs' gross credit deployed, as per the RBI.

While NBFCs’ credit to the industry is growing, their credit to services is declining majorly on account of the decline in credit to the commercial real estate sector, transport operators and other services. As of Sep-22, as per data published by RBI, credit deployed to the service sector has hovered around Rs. 3.8 trillion that is around 13% of NBFCs gross credit deployed.

Retail loans comprise housing loans, vehicle loans, loans against gold, consumer durables loans and other such personal loans. Over the last couple of years, NBFCs have shifted their focus on retail lending in order to grow their business. And with slow demand for credit from the industry and services sector, retail lending has shown tremendous growth. As retail loans have lower delinquencies when compared to MSME / corporate lending which is also a major factor for the shift. As of Sep-22, the credit deployed to retail loans by NBFCs has increased to nearly a third of their gross credit deployed, which stood at Rs. 29.4 lakh crores for NBFCs.

Outlook

CareEdge Research believes assets under management of NBFCs is expected to have been higher at around 6-9% in FY 23 driven by an increased focus on extending credit to customers belonging to segments where the penetration of bank credit is low, ease of access to internet and investments made in technology infrastructure due to the COVID-19 pandemic. In terms of segmental growth, CareEdge Research expects the retail segment to continue its growth momentum, while credit to industry will likely remain a laggard.

CareEdge Research believes that NBFCs are shifting their focus towards retail financing, which is anticipated to show a healthy growth with a pick-up in economic activity and increased penetration of financial institutions providing convenient financing options to borrowers. The retail segment comprises vehicle loans, consumer durable loans, advances against golds, real estate loans and other such individual loans.

The retail segment is likely to significantly contribute to NBFCs' growth, especially in case of housing loans and vehicle loans. These segments are likely to continue their growth momentum on the back of steady demand. Growth in vehicle segment is anticipated to see growth on the back of automotive industry's growth. In the near term, the growth is likely to be supported by new model launches and sustained demand for vehicles during the first four months of FY23, supported by improved availability of semi-conductors.

Gold loans are a highly secured and liquid asset class that generates high returns with minimal credit losses and encourages financial institutions to extend their credit towards gold loans. CareEdge Research believes that with the rise in the price of gold amidst geopolitical unrest, a large geographic reach and the fast turnaround time on loan application, the demand for gold loans to fund the working capital of micro enterprises and an individual's personal requirements will grow.

CareEdge Research believes that real estate financing will grow with the sustained demand for affordable housing. However, the hike in interest rates and high property prices will continue to be a key monitorable for the real estate finance segment as a whole.

In the coming months, CareEdge Research expects NBFCs to grow on account of improved demand for credit that will facilitate disbursements. In addition to this, CareEdge Research expects high provisions against non-performing assets and improved capital positions will aid this growth.

Overview of Indian Housing Sector

Housing development and democratized homeownership are important economic and social policy objectives in India. Economic development and rising per capita income have created a new aspirational India. Owning a home is an essential part of Indian aspirations.

The real estate industry is one of the most crucial and recognized sectors across the globe. The industry can be further segmented into four sub-sections – housing, commercial, retail, and hospitality. Of these, the residential segment contributes to around 80 percent of the overall sector. The growth of the overall real estate industry also depends on the growth in the corporate environment and the demand for office spaces, urban and semi-urban accommodations. The construction industry is therefore one of the major sectors in terms of its direct, indirect, and induced impacts on all sectors of the economy.

In India, the real estate industry is the second largest employment generator after agriculture. Around three houses are built per 1,000 people per year as against the required construction rate of five houses per 1,000 individuals per year, as per industry estimates. This indicates that there is significant untapped potential for growth in the sector. While the current shortage in housing in urban areas is pegged at around 10 million units, the shortage in the affordable housing space is expected to be much higher considering the population belonging to that strata. Along with this, increased economic growth and the uptick in India's service sector have created additional demand for office space, which in turn is likely to result in greater demand for housing units in the nearby vicinity.
India is in the top 10 price-appreciating housing markets internationally. Therefore, it is also expected that this sector will incur more non-resident Indian (NRI) investment, both in the short term and the long term. The growing flow of funds through the FDI route in Indian real estate is encouraging increased transparency. Developers, to attract funding, have revamped their accounting and management systems to meet due diligence standards.

The housing finance sector in India comprises financial institutions, scheduled commercial banks, regional rural banks, agriculture, and rural development banks, housing finance companies, state-level apex cooperative housing finance society, NBFCs, Finance institutions ("**MFIs**"), and self-help groups.

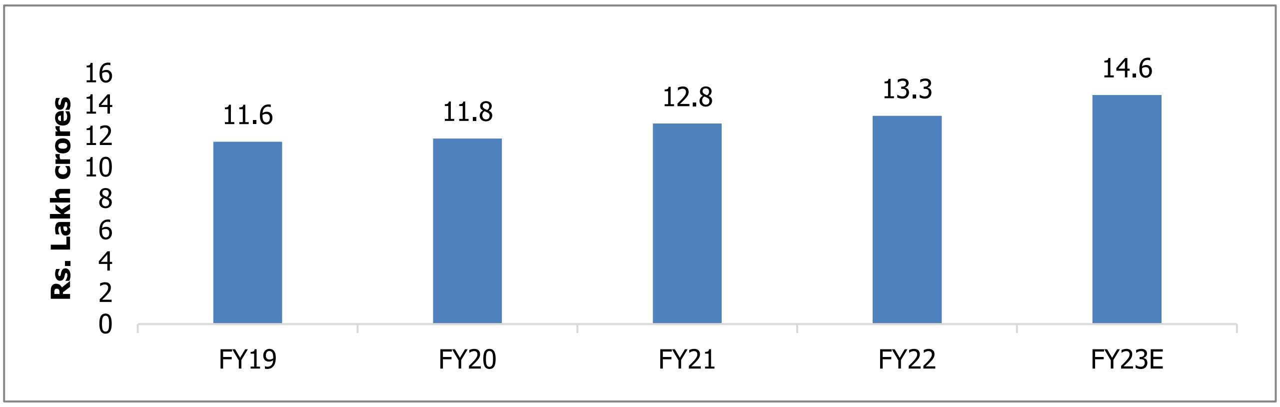
The purpose of a housing finance system is to provide the funds to home aspirational. In many countries, the government has created a complex procedure for availing finance which has complicated the housing finance system. The important feature of any financing scheme is the ability to channel the funds of investors to those purchasing their homes. The role of housing finance is to eliminate these obstacles and contribute to better living standards for a thriving economy. This will directly or indirectly generate demand for supporting industries and lead to the creation of job opportunities.

India has changed socially and there is no stigma attached today to go for borrowed funds. The emergence of housing finance is a major business in the country, the demand for housing loans was rapidly increasing in recent years. The reasons for this were easy affordability of housing, declined property prices, reduced interest rates, attractive tax incentives, supporting government policy (PMAY), and an increase in overall household incomes. Despite policy focus and sustained government efforts, India still suffers from a housing shortage that could increase with a rising population.

Credit Growth Trends of Housing Finance Companies

Housing finance companies (HFCs) serve as an alternative financing channel to the real estate and housing sector and are a part of the non-banking financial companies (NBFC) sector. Home loans account for over 65% of HFCs' loan books followed by construction finance and loan against property.

HFCs Outstanding Loans and Advances Portfolio



Source: RBI, CareEdge Research
Note: E indicates Estimated

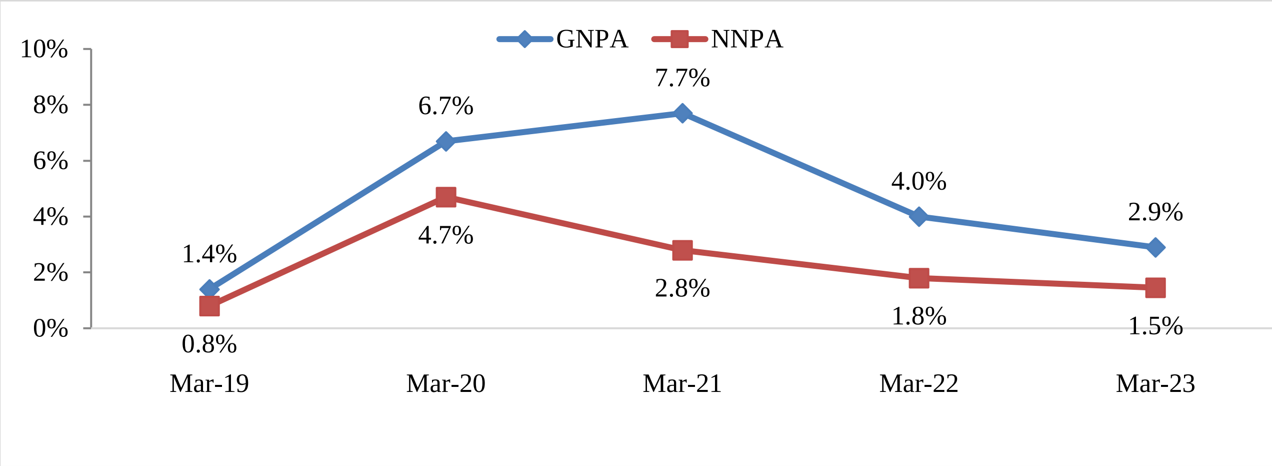
The outstanding loan and advances portfolio of HFCs continues to see an upward trend on the back of increase in demand for housing loans, government's focus towards affordable housing has encouraged home buys to avail home loans.

The affordable housing finance segment is the largest – and most challenging - within India's housing finance sector. India's typical affordable HFC customer lives in Tier-2 and Tier-3 cities, is new to the concept of credit, earns a low informal income, does not possess income documents and is usually self-employed. These realities warrant the use of specialized expertise in addition to what is used in conventional lending.

Over the last decade, several new players have emerged in the housing finance space, focusing primarily on the affordable housing segment. In FY21 the housing sector was booming on account of high demand of homes coupled with low supply of homes. Additionally, the affordability of the home buyers was high led by low interest rates. However, with the rising inflation and RBIs rate hike, and the housing market being sensitive to fluctuations in rates has been impacted.

As of May-23, data as per PMAY(U) since inception, the Government sanctioned 120 lakh houses under PMAY, of which more than 74 lakh houses were completed. In FY23, housing loans are expected to have formed major chunk of loan, followed by loan against property then construction finance respectively. For FY23, the outstanding loans and advances of housing finance companies are expected to be around Rs. 14.6 trillion, indicating 10% y-o-y growth.

Asset Quality

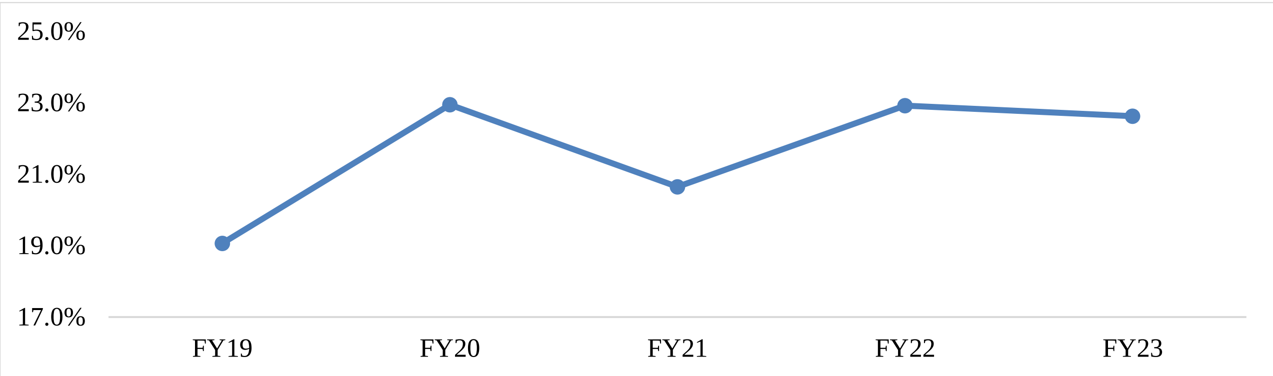


Source: RBI, CareEdge Research
Note: Asset quality of Mar-23 is estimated

The asset quality of HFCs is expected to have improved in FY23 on account of good recoveries, increased provisions, low slippages supported by asset recognition norms. Additionally, healthy growth in disbursement, improved demand for credit and capital adequacy of HFCs has also aided the improvement in asset quality. The non-performing assets are expected to have declined on account of restructuring of loan book and write-offs.
Over the years, the asset quality of HFCs has also improved as they have shifted their focus towards retail loans that have low slippages compared to corporate loans and are low risk in nature.

Profitability

Net Profit Margins of HFCs



Source: Industry Reports
Note: Data for Mar'23 indicates net profit margins of top 4 HFCs constituting more than 70% market share

Post the Covid-19 pandemic, the profitability of housing finance companies has improved on account of improvement in collection efficiency, increase in interest rate spreads and decline in non-performing assets, uptick in assets under management. Housing finance companies have also increased their portfolio of home loans which are secured and are high margin loans in nature. Additionally, the decline in dependence on market borrowings has reduced the cost of funds of HFCs, which in turn has supported the profitability of HFCs.

Outlook

CareEdge Research expects housing finance companies to grow between 10%-12% in FY24 on the back of sustained demand from the affordable housing segment and increase in need of house ownership. However, the rising borrowing costs, stiff competition from banks, hike in interest rates, high property prices and moderation in home affordability will continue to be key challenges for the overall housing finance segment. The asset quality of housing finance companies is likely to be impacted by the inability of the borrower to repay amid interest rate hikes and rise in inflationary pressures.

The growth of housing industry will be supported by continuous efforts of the Government towards affordable housing finance, such as the Pradhan Mantri Awas Yojana ("PMAY"), which was launched in June 2015 to provide affordable housing to the urban poor. As on 1st February 2023, the Government allocated an outlay Rs. 79,000 crores under PMAY towards the completion of existing projects. While CareEdge Research expects this to facilitate the affordable housing segment, it is unlikely that significant benefits will be witnessed in FY24. CareEdge Research expects the outcome of this additional outlay under PMAY in the medium term to remain contingent upon the efficient construction and timely delivery of houses.

Data as per PMAY, since inception, the Government sanctioned 120 lakh houses under PMAY, of which 74 lakh houses were completed as of May-23. CareEdge Research expects the demand for affordable housing segment to increase supported by the increased Government incentives. CareEdge Research expects the overall boost in demand in the residential segment to aid the need for housing finance.

MSME Finance

Introduction

The micro, small and medium enterprises ("**MSME**") sector is a vibrant and dynamic sector with crucial linkages to employment. The MSME sector is considered the growth engine of the Indian economy, with significant contribution to the GDP, exports and employment generation. The sector contributes significantly in the economic and social development of the country by fostering entrepreneurship and generating large employment opportunities at comparatively lower capital cost, next only to agriculture. MSMEs are complementary to large industries as ancillary units and the sector therefore contributes significantly in the inclusive industrial development of the country.

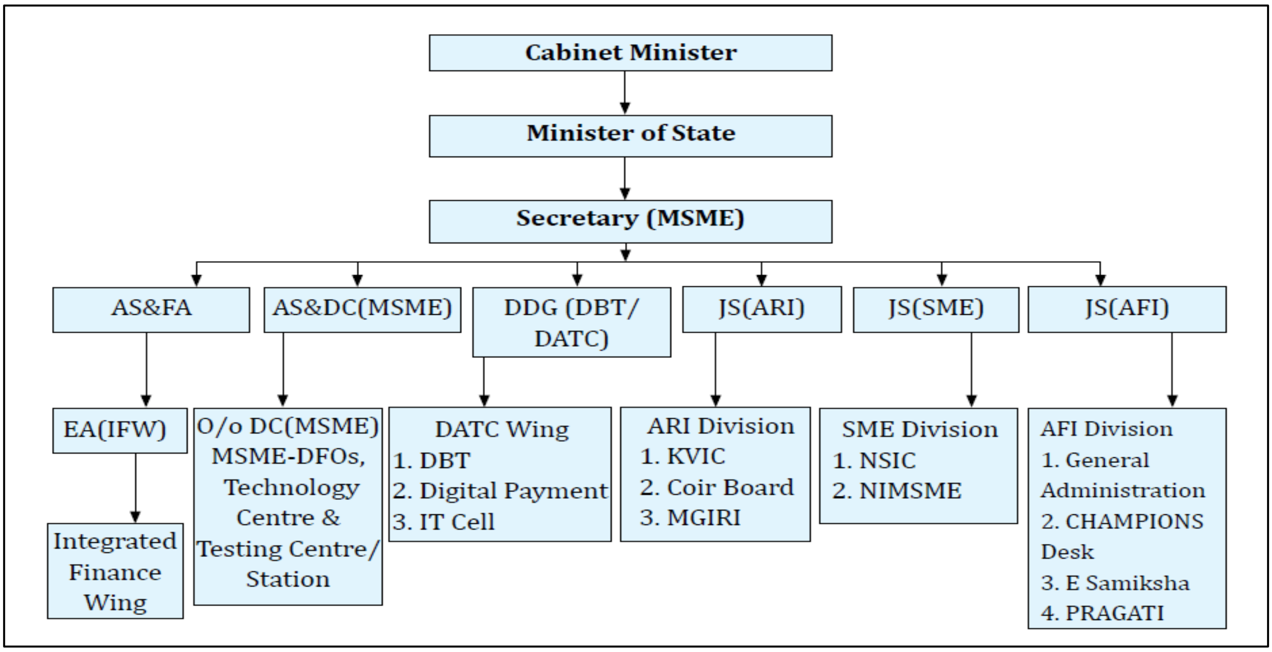
MSMEs are widening their domain across sectors of the economy, producing a diverse range of products and services to meet demands of domestic as well as global markets.

In accordance with the provision of Micro, Small & Medium Enterprises Development ("**MSMED**") Act, 2006 MSMEs are classified as follows:

Enterprise Category	Investment in Plant & Machinery or Equipment	Annual Turnover
Micro Enterprises	Does not exceed 1 crore	Does not exceed Rs. 5 crores
Small Enterprises	More than Rs. 1 crore but does not exceed Rs. 10 crores	More than Rs. 5 crores but does not exceed Rs. 50 crores
Medium Enterprises	More than Rs. 10 crores but does not exceed Rs. 50 crores	More than Rs. 50 crores but does not exceed Rs. 250 crores

Organisational Structure of MSMEs

The Ministry of MSME consists of Small & Medium Enterprises (SME) Division, Agro & Rural Industry (ARI) Division, Administration & Financial Institutions (AFI) Division, Integrated Finance Wing (IFW) and Data Analytics and Technical Coordination (DATC) Wing, besides the Office of the Development Commissioner (DC, MSME) as an attached office and other subordinate organisations. The organisational structure of the Ministry is depicted below:



Source: MSME Annual report 2022-23

Estimated Number of MSMEs (Activity Wise)

Activity Category	Estimated Number of Enterprises (in crores)			Share (%)
	Rural	Urban	Total	
Manufacturing	1.14	0.83	1.97	31
Electricity*	0	0	0	0
Trade	1.09	1.22	2.3	36
Other Services	1.02	1.05	2.07	33
All	3.25	3.09	6.34	100

Source: MSME Annual Report 2022-23, CareEdge Research
*Note: *Non-captive electricity generation and transmission*

Credit growth in MSME lending

India witnessed a sharp jump in MSME lending in FY21 and this increase has been supported by Atmanirbhar Bharat scheme of Emergency Credit Line Guarantee Scheme (ECLGS) which provided 100% credit guarantee to lenders. The scheme that was announced by the Government in May 2020 helped the firms to get access to more credit.

SCBs and NBFCs credit exposure to MSMEs

(*Figures in Rs. crores*)

Outstanding as on	NBFCs			SCBs		
	Micro and Small Enterprise	Medium Enterprise	Total	Micro and Small Enterprise	Medium Enterprise	Total
Mar-19	37,360	16,020	53,380	3,75,508	1,06,392	4,81,900
Mar-20	36,441	14,077	50,518	3,92,265	1,05,095	4,97,360
Mar-21	44,235	14,910	59,145	4,33,192	1,38,599	5,71,791
Mar-22	46,967	17,186	64,153	5,32,179	2,13,996	7,46,175
Sep-22	49,966	15,103	65,069	5,72,958	2,25,083	7,98,041
Mar-23				5,98,390	2,56,023	8,54,413

Source: RBI, CareEdge Research
Note: The credit exposure for MSMEs is NBFCs and SCBs credit exposure to `Micro & Small' and `Medium' enterprises under 'Industrial Sector' only.

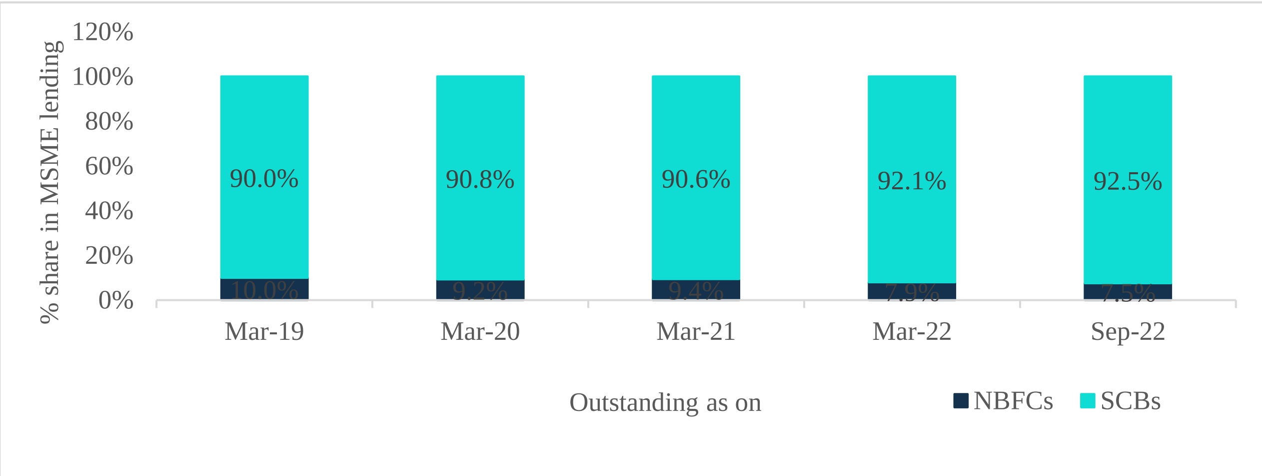
NBFCs mainly deploy credit to MSMEs belonging to the services and agricultural sectors. In comparison, bank credit to MSMEs witnessed a consistent growth. Bank credit deployed to MSMEs witnessed an improvement in FY21 and strengthened further in the FY22 on account of a resurgence in demand from MSMEs as well as support from the Central Government by way of credit guarantee. The ECLGS scheme launched in May-20 after the pandemic hit the country in Mar-20 revived credit offtake by MSMEs. The scheme was introduced to help mitigate the economic distress faced by MSMEs by providing them additional funding in the form of a fully guaranteed emergency credit line.

The credit extended towards MSME has increased significantly as during the pandemic, the Government encouraged banks to extend credit to MSMEs and aid them to buffer the effects of the pandemic. And as micro and small enterprises were more vulnerable, the credit towards them during the pandemic increased significantly during the FY21. On the other hand, medium enterprises were able to buffer the effects of pandemic to a certain extent. Although the credit towards medium enterprises increased over the previous financial year, the growth was moderate compared to growth in credit extended to micro and small enterprises. This has continued to result in the growth of credit to MSMEs significantly in FY22. Moreover, the extension of ECLGS up to Mar-23, with the guarantee cover raised by Rs 50,000 crores to a total of 5 lakh crores has also contributed in the credit growth of MSME's and as on Mar-23, the total bank credit outstanding to MSMEs crossed at Rs 8.5 lakh crores.

Share of banks & NBFCs in MSME lending

The MSME sector is underpenetrated by NBFCs and there is a huge unmet credit demand in the sector, primarily due to lack of documentation and credit history required to access to financing from formal banking channels. There is also a significant gap between the original credit requirement and the actual credit exposure of formal channels to MSMEs, which provides a huge opportunity in MSME lending.

Share of banks & NBFCs in MSME lending



Source: RBI, CareEdge Research
Note: The credit exposure for MSMEs is NBFCs and SCBs credit exposure to `Micro & Small' and `Medium' enterprises under 'Industrial Sector' only.

NPA Rates in MSME Segment

MSMEs have poor financial muscle and were severely impacted by the coronavirus pandemic. Since most MSMEs operate in the manufacturing sector, the nationwide lockdown which impacted production as well as demand caused increased stress to MSMEs. Additionally, MSMEs likely witnessed delayed payments on orders serviced and the inability to adopt digitization or accommodate higher costs on social distancing and limited workforce impaired MSMEs' operations. Many went out of business and some struggled to tide over the crisis with cash flow issues which translated into a strain on their ability to repay banks.

Bank-wise SMA distribution of MSME Portfolio

Period ended	Public sector banks + Private sector banks				
	0 days past due	SMA-0	SMA-1	SMA-2	GNPA
Mar-21	74.00%	7.30%	5.70%	2.20%	10.80%
Jun-21	72.40%	8.60%	3.80%	3.40%	11.90%
Sep-21	76.30%	6.60%	2.60%	3.10%	11.30%
Dec-21	75.40%	8.80%	3.10%	2.30%	10.40%
Mar-22	79.70%	6.40%	3.50%	1.10%	9.30%

Source: RBI, CareEdge Research

MSMEs seeking loans from banks also struggled to meet their obligations due to uncertainty and the second wave of the pandemic. As per data published by the RBI, GNPAs from the MSME segment witnessed a spike for the pandemic year of FY21 and rose further to 18.8% towards the end of June-21, which coincided with the second wave of the virus. GNPAs seemed to decline at the start of Sep-21 as operations returned back to normalcy. GNPAs have further improved and declined to 9.3% in FY22. CareEdge Research estimates GNPA levels to ease gradually over the next financial year.

Government Policies

The Government of India has designed various policies for the growth of MSMEs in the country.

- Revamp of the credit guarantee scheme for MSMEs wef April 2023 through fund infusion of Rs 9,000 crore in the corpus. This will facilitate additional collateral-free guaranteed credit of Rs 2 lakh crore and reduces the cost of the credit by 1%.
- Announcement on introducing an Entity DigiLocker for MSMEs in order to store and share documents securely in an online mode.
- Under Vivad se Vishwasl, 95% of the forfeited amount relating to bid or performance security is to be returned by the government in case of failure by MSMEs to execute contracts during the Covid period.
- PM VIshwakarma KAushal Samman (PM VIKAS) for traditional artisans to integrate them with the MSME value chain and assist them in improving the quality, scale and reach of their products.

Recent Developments in the sector

- The government has revised definition for micro, small and medium enterprises (MSMEs). The government will now accord MSME status to retailers and wholesale traders. The decision will benefit 2.5 crores retail and wholesale traders in the country. This is a positive move to provide easier access to credit and loans millions of retailers and wholesalers to modernise and expand their business. It will aid in boosting informal retail sector's contribution towards GDP & overall economic growth.
- In April 2021, the non-banking finance companies (NBFCs) requested the Reserve Bank of India to extend the one-time restructuring scheme of MSME advances till March 31, 2022, as these players are unable to revive their businesses.
- In March 2021, the Ministry of MSME, through the Development Commissioner (DC-MSME) implemented the Technology Centre Systems Program (TCSP) to establish 15 new Technology Centres (TC). The centres provide assistance to the industry predominantly MSMEs in General Engineering, Automotive, Fragrance & Flavour and ESDM sectors.
- In March 2021, the Finance Ministry allowed private retirement funds to invest up to 5% in Category I & II AIFs regulated by SEBI; this will help widen the fundraising options for MSMEs and expand the domestic pool of capital.
- Category 1 AIFs consists of infrastructure, venture capital, angel and social venture funds. Category II AIFs covers funds where at least 51% of the size can be invested in either infrastructure, SMEs, venture capital or social welfare entities.
- In March 2021, MSME support and development organisation, National Small Industries Corporation (NSIC) announced that they will assist MSMEs working with the Agricultural and Processed Food Products Export Development Authority (APEDA) across multiple areas.
- The relationship will also support promotion of green & sustainable manufacturing technology for MSME clusters, enabling units to switch to sustainable and green production processes and products.

- In February 2021, Walmart's Vriddhi programme was extended to Uttar Pradesh, with launch of an e-institute to facilitate small businesses in granting access to skills and competencies across online and offline platforms such as Flipkart's marketplace and Walmart's global supply chain. The company stated that this new e-institute will benefit 50,000 MSMEs across the country to expand domestically and globally.
- In February 2021, Indian Bank signed a memorandum of understanding (MOU) with the Society for Innovation and Development (SID), a project of the Indian Institute of Science, to provide exclusive credit to start-ups and MSMEs.
- In February 2021, the Small Industries Development Bank of India (SIDBI), a financial institution dedicated to the promotion, financing, and development of micro, small, and medium enterprises (MSMEs), signed an agreement with the government of Andhra Pradesh to help expand the state's MSME ecosystem.
- Udyam Registration: In 2020, the Ministry classified MSMEs based on investment in plant & Machinery/equipment and turnover of MSMEs as a composite criteria for classification. Initially, the process was filed by Udyog Aadhaar Memorandum which is now replaced by 'Udyam' registration on a portal developed by this Ministry.
- Exemption from requirement of having GSTIN: The ministry has exempted from the requirement of having GSTIN shall be as per the provisions of the Central Goods and Services Tax Act, 2017, that will lead to increase in the registration on Udyam Registration portal.
- Also, the Government has included Retail and Wholesale Trades as MSMEs from 2nd July, 2021 and are allowed to be registered on Udyam Registration Portal. The Government has also included Street Vendors as Retail Trades as MSMEs from 2nd August, 2021.

Outlook

The MSME sector is the driving force of the Indian economy and has major potential to spread industrialization across the economy. The sector faces number of challenges such as limited access to finance, inadequate availability of skilled labour, and insufficient infrastructure. Along with this, rising interest rates by RBI to control inflation has become a hindrance to the growth in sector. This has led to increase in borrowing cost for MSMEs and further made the situation difficult for accessing credit. This high rise in borrowing cost is expected to impact the cash flows and profitability of MSMEs. Although, this sector has many challenges, the growth potential remains high.

MSMEs are small in terms of scale of operations, business size. They employ a large number of people making the sector a key contributor to the economic development of the country. The sheer number of work force engaged also results in this sector receiving Government support and benefits. Apart from Government initiatives, the improved use of digital solutions adopted during the pandemic (such as easy payments and marketing through digital platforms) increased demand for finished products have strengthen the MSMEs and resulted in recovery of their business.

In addition to this the extension of Emergency Credit Line Guarantee Scheme (ECLGS), that assists MSMEs in availing credit required to ensure recovery, until March 31, 2023 has helped in the recovery and growth of this sector. In August 2022, the cabinet has approved the enhancement in the limit of ECLGS to Rs.5 lakh crore from Rs. 4.5 lakh crore. This increase in limit is expected to provide relief to businesses to meet their operational expenses in hospitality and related sectors. Furthermore, the revamp of the credit guarantee scheme for MSMEs from April 2023 with Rs 9,000 crore of infusion in the corpus will facilitate additional collateral-free guaranteed credit of Rs 2 lakh crore and reduces the borrowing cost by 1%. These initiatives are expected to stimulate credit outreach to MSMEs, provide last-mile financial inclusion and promote job creation in the sector.

The MSME sector is expected to help India achieve its goal of becoming a USD 5 lakh crore economy by 2025 and in order to achieve this goal, MSMEs have to generate employment opportunities, improve performance, transform their business operations and carry out technology-based production and invest in research and development activities. In addition to this, MSMEs are expected to contribute more than 40% of India’s nominal gross domestic product (GDP) by financial year 2025 for which it will require immense support from the Government, institutions and banks.

Wholesale Finance

Introduction

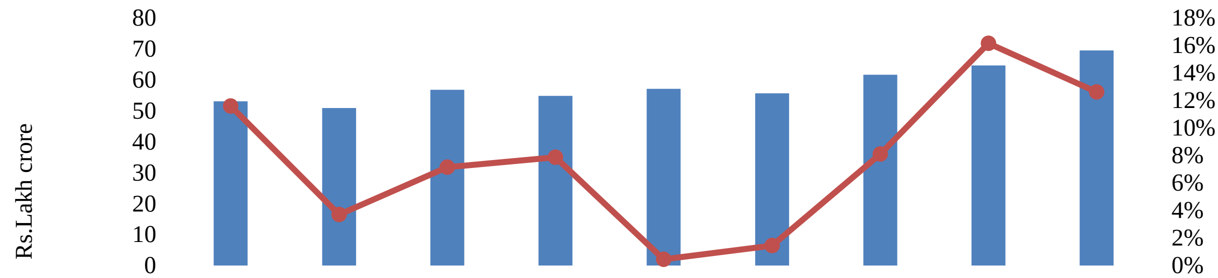
Wholesale finance refers to loans disbursed by banks to corporates belonging to the manufacturing and services sector.

Banking System – Wholesale Credit

The profile of wholesale credit in 2020-21 reflects a subdued credit situation across bank groups, pointing to risk aversion and muted demand weighing on the outlook. The coronavirus pandemic halted industrial activity during the June-20 quarter. Production was stalled and factories remained shut. Even with the gradual reopening of the economy and the lifting of lockdown restrictions across states, companies were unable to fully utilize existing capacities on account of muted demand across segments. With existing capacities not used optimally, companies were in no requirement of financing from banks. Additionally, the recessionary fears brought by the pandemic likely put the corporate sector in a wait-and-watch mode. Companies were and are expected to wait for demand to pick up discernibly and sustain before wanting to secure new loans for any projects or capacity expansions. This translated into credit to industry showing a severe slowdown during the first half of 2020-21 before falling into the negative territory from October 2020 onwards.

After remaining in single digits for three years, wholesale credit growth (y-o-y) by scheduled commercial banks (SCBs) reached a high of 16.1% per cent in Sep-22. This revival in growth was on account of economic growth following waning of the pandemic and increased vaccination along with uptick in demand. However, the growth has moderated in Mar-23 at 12.6% y-o-y with wholesale credit reaching to nearly Rs. 70 lakh crores and its share in the total non-food credit continues to decline.

Growth in Wholesale Credit



	Mar-19	Sep-19	Mar-20	Sep-20	Mar-21	Sep-21	Mar-22	Sep-22	Mar-23
Wholesale credit	53.0	50.9	56.8	54.9	57.1	55.6	61.7	64.6	69.5
Y-o-Y Growth	11.6%	3.7%	7.1%	7.9%	0.5%	1.4%	8.1%	16.1%	12.6%

Source: RBI, CareEdge Research

For the purpose of wholesale credit analysis, funded amount outstanding of companies (which account for about 51% of the total funded amount outstanding to wholesale obligors) has been considered as opposed to other organisational forms such as cooperatives, partnerships, trusts and societies. The market capitalisation of central public sector enterprises (CPSEs) has, however, fallen in an otherwise bullish equity market, implying muted market expectations about value creation through the PSU channel.

Conclusion

With banks reducing exposure to transport operators, professional services, real estate developers in the past 2-3 years, non-banks have been the primary lenders to these segments. However, liquidity constraints faced by weaker non-banks have constrained their credit growth. There has seen reduction of overall SMA and NPAs due to revival of economy which has resulted into higher capacity utilisation resulting into higher revenues thereby making repayment of loans possible for the companies.

As non-banks focus on managing liquidity, lending to this segment is likely to remain moderate in FY24. Over a longer period of time horizon of 3-5 years credit off take should increase keeping in mind the various policies to be undertaken by government to reach US$ 5 trillion GDP goal for Indian Economy.

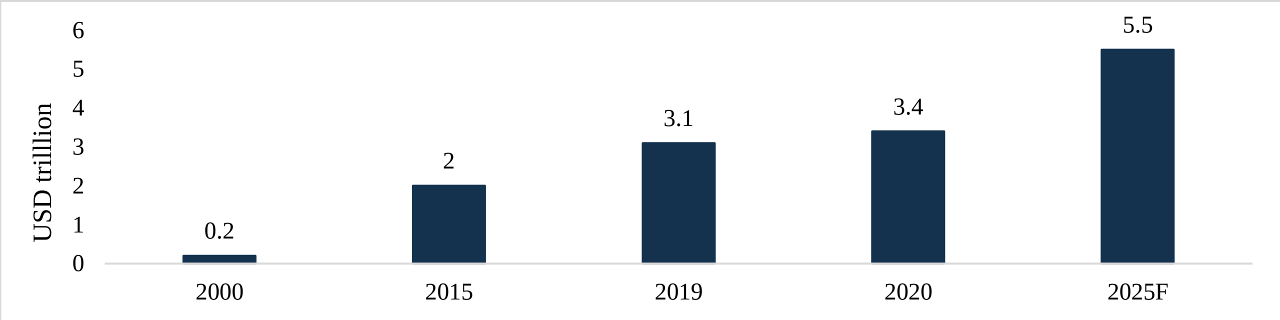
Indian Wealth Management Industry Overview

Wealth management globally plays a vital role in Corporate Advisory. It's important to have a broad understanding of different businesses to advice any corporate operating within a specific industry. While advisory services include strategic financial planning, short and long-term investments through different assets, hedge funds, due diligence, mergers and acquisitions (M&A), private equity and more, risk management is also offered as advisory service.

Wealth management is also extended to the corporate employees through corporate employee benefit programmes. Depository and trustee services are tailor made and designed for corporate promoters, to provide insightful information on ensuring compliance on fund documentation, regulatory requirements and scheme particulars. In addition to this, promoter funding assistance plays a vital role while raising funds for business.

Wealth Management space in India is highly competitive with large number of domestic players in each segment except UHNI segment which is dominated by global players. Change in investor attitude has led to financialization of savings with both MF AUM and folios growing at around 19% CAGR.

India's Financial Wealth



Source: Industry Reports, CareEdge Research
Note: Financial wealth includes investments in assets class such as bonds, insurance, stocks and cash and bank deposits.

Given India's long-term economic prospects, positive demographics, rising income levels, and current low penetration, Indian Wealth Management market is on a steady upward trajectory. While India's wealthy individuals are less in comparison with established markets, the country's wealth is expected to expand rapidly in the future. The key factors for growth in wealth management business in India are large and young mass affluent segment, an increase in wealth of global Indians', the Indian government's push to regulate illegal channels of funds and tightening of capital market regulations.

Number of millionaires in 2022 and 2027P (Selected countries)

Country	HNI (thousand)		UHNI (thousand)	
	2022	2027(P)	2022	2027(P)
United States	25,172	36,885	203	253
Mainland China	10,388	20,813	88	131
Germany	3,379	4,970	25	30
France	3,182	4,500	23	27
Canada	3,072	4,783	24	32
UK	2,857	4,243	21	26
India	797	1,657	12	19
World	**69,543**	**1,09,099**	**580**	**745**

Source – Industry sources, CareEdge Research
Note: Data are provisional, (P) indicates projected

The demographic difference presents an opportunity to create new products to address the needs of a young population and leverage new technologies, such as social and software-based investing applications as a key differentiator. Indian wealth management industry is largely focused on the urban segment, leaving untapped majority of Indian population. One of the key factors for advisors is to develop trust with the potential investors where advisors constantly need to build its brand, focus on overcoming trust barriers, invest in technology and focus on transparency and compliance.

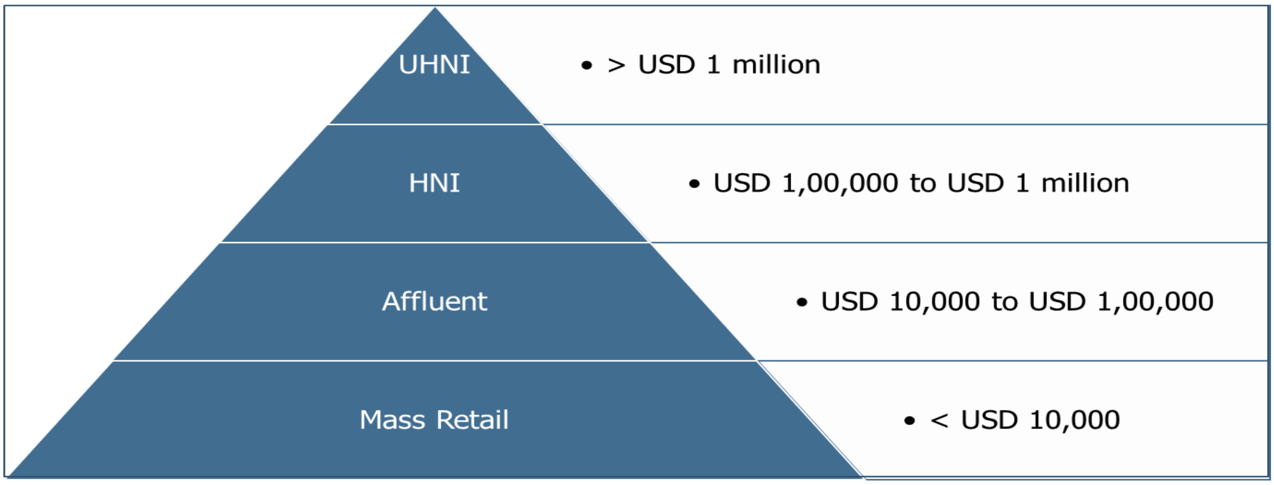
With increase in start-ups, rising income levels and friendly macro factors with ease of doing business, young HNI population in India is expected to rise. There is a big opportunity for a wealth management firm to tap into an underpenetrated market with huge upside growth potential for wealth managers.

There is steady growth in number of client's interest towards:
1) Access to Mutual Fund / Other financial Product Distribution
2) Financial Planning (specific short term and long-term goals) Advice
3) Tax Planning Advice
4) Estate Planning Advice
5) Wealth Management Advice

The Indian Wealth Management market is on a sustained path of growth, given India's long-term economic prospects, positive demographics, rising income levels and current low penetration.

Based on the investment corpus available with the individuals, CareEdge Research has grouped individuals in following four categories -

Wealth Pyramid



Source: CareEdge Research

The first three segments of the wealth pyramid namely ultra-high net worth individuals (UHNI), high net-worth individuals (HNI) and affluent contribute to more than 80% of India's wealth. A large base of low-wealth holders underpins higher tiers occupied by progressively fewer adults. The inequality has also increased due to the rise in the value of financial assets during the Covid-19 pandemic. Over the years, there has been significant ramp-up in the affluent segment supported by the emerging economy and expansion of middle-class population.

Key trends of the wealth management industry in India

Need for Advisory

Financial markets have become complex due to a wide variety of investments options available in the market today. Investors are often confused as to which products to invest in and how to determine the suitability of the investment based on their risk-return profile. As a result, the demand for an unbiased wealth manager who guide them appropriately has increased significantly. Investors value holistic advice on how to achieve multiple, often conflicting, financial goals using a range of investment techniques and funding strategies.

While this means new opportunities for the wealth managers, excessive competition has also posed new challenges to sustain, grow, and strive in the market. This is a challenging macro environment for investors and their advisors to find the right return-risk combination. Increasing regulatory burdens and rising costs of risk pose new challenges to wealth management firms.

Goal Based Planning over Wealth maximization

Investors are becoming increasingly aware of milestone-based planning and want to plan ahead for them. These goals can be short-term, such as purchasing the latest phone or taking a vacation, or long-term, such as a child's education, retirement, and so on. In order to keep up with the changing investor behaviour, wealth managers are rethinking their wealth management strategies beyond wealth maximisation and offer financial planning solutions that cater investor's goals.

Digitization of Wealth Management

Investors have been exposed to the world of technology thanks to the rise of smartphones and internet access. Investors are increasingly gravitating towards platforms with simple user interfaces that allow them to make investments with the swipe of a finger. The need for wealth management infrastructure to be digitalized has never been greater. Digital wealth management is more than just providing digital channels for transacting. It also includes employing technology to provide higher value, professional service, and an improved investment experience for customers, all while remaining objective.

The rise of digitalization has also given rise to robo-advisors, which are automated, Algo-based systems that provide wealth management advice. These user-friendly platforms have made the whole investment process accessible and affordable to a large section of people, thus bringing science and human combination in advisory models.

Big data and advanced analytics are transforming the industry with new ways to engage with new clients, manage client relationships and manage risks. Collaborating with wealth tech providers can help the traditional wealth advisory firms expand their capabilities and enhance digitalization faster and in a cost-effective manner.

Outlook for Wealth Management Industry

The Indian wealth management industry witnessed a structural shift over the past few years on account of changing demographics, increase in the number of millennials focusing on investing, and increased penetration of digitization. The pandemic-led 2021 accelerated the shift from traditional investing avenues such as bank deposits to equities.

Cumulatively, both the depositories (NSDL and CDSL) have added 21 lakh new accounts in FY23 (April to February), with CDSL itself accounting for 17 lakhs new demat accounts, indicating that renewed optimism surrounding growth and the resultant exuberance in stock markets drew many first-time investors.

The increase in focus on wealth management comes as investors are more aware and attuned to current events and are actively planning their finances to meet their financial goals or to plan for the difficult times. Additionally, there is a growing trend towards achieving financial self-reliance for meeting discretionary spends and maintaining lifestyle.

Indian household savings have also been witnessing some considerable structural shifts of late.

Households in India have historically been quite risk-averse and wary of investing their savings into volatile or uncertain return-based assets. A pursuit of safe bets has always driven India towards making investments in assets like gold which are considered to have limited downside risk. This pattern is has changed over time, especially since demonetization in November 2016. Also, the country has seen a major shift in attitude from capital preservation to wealth creation from FY17.

In FY24, the growth of the wealth management industry is likely to be stable on account of growing engagement of millennials towards investing coupled with higher disposable income, increased savings and uplift in confidence among retail investors.

Furthermore, increase in start-ups, rising income levels and friendly macro factors with ease of doing business will drive the growth of the young HNI population in India, this is likely to create huge opportunity for a wealth management firms to tap into an underpenetrated market with huge upside growth potential for wealth managers. CareEdge Research expects the following trend to drive the growth of the wealth management industry.

Need for reliable advice – The complexity of the financial markets can be a deterrent due to the many investment options at hand. A lay investor is likely to face headwinds due to the inability to understand the suitability of options with his/her own risk appetite and goals. This gives rise to need of a knowledgeable and reliable wealth manager who can guide the investor through many goals using different investment and funding strategies.

Increase in wealth advisory platforms – The advent of the internet and rise in smartphone penetration has opened up newer wealth advisory platforms for investors. This has resulted in investors accessing platforms having easy-to-use interfaces where investments are made at the click of the finger.

Digital wealth management also includes using technology to offer more value, better services and enhance the customer’s investor experience. Wealth advisory platforms also make the investment process accessible and affordable to a large section of people, thus increasing the reach of the wealth management industry.

Financial planning to achieve goals – Investors today are focusing on milestone-based planning and want to invest for them adequately. These investment goals can be short-term and related to purchases or longer-term goals such as education or retirement. Wealth managers need to rethink their strategies to not only focus on wealth maximization but also on financial planning solutions covering the different timelines.

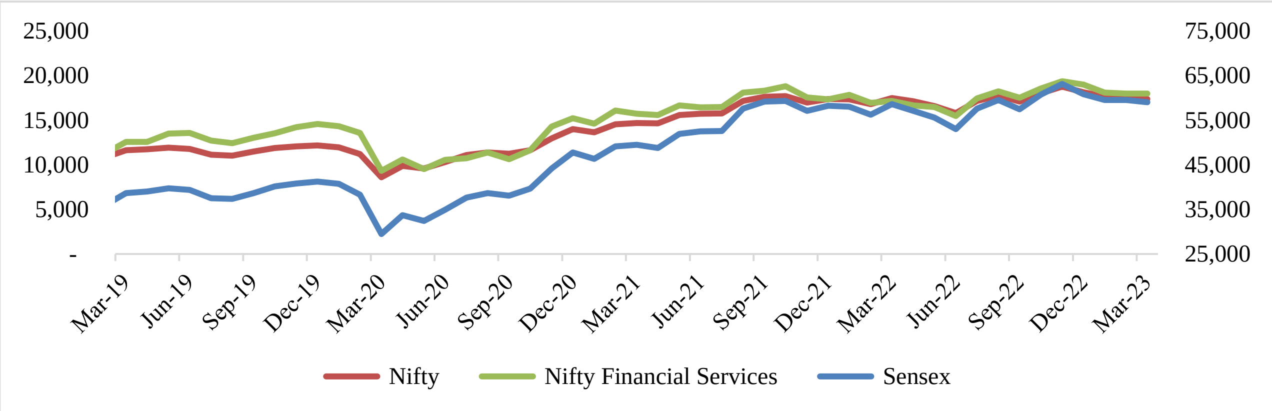
Shift from traditional asset classes – Retail investors are moving beyond traditional asset classes like fixed deposits due to their sub-optimal real returns. They are looking for access to asset classes and investment strategies deployed by HNIs and want to explore alternative assets. Wealth managers are therefore offering products beyond those that are conventional in nature to attract greater participation from this stratum of clientele. Additionally, wealth management is moving from being a one-product-fits-all to more customized advisory based on the risk appetite, goals and time horizons of the customers.

In sum, a change in the perception of investing of customers, increased participation of millennials in investing and newer developments in technology will aid the growth of the wealth management industry, going forward.

Indian Capital Market

The role of capital markets is to act as a platform between buyers and suppliers engaging in trading of financial securities such as stocks, bonds and various other securities. Capital markets help in mobilization of resources and allocation of funds. The capital markets aid in providing long term funds to the corporate sector by channelizing savings and investments between individuals who have capital and entities in need of funds.

Index Movement



Source: NSE, BSE, CareEdge Research

The Indian capital markets have been on a steady growth trajectory since May 2020. The Government's decision of imposing a nationwide lockdown impacted the markets and subsequently, both Nifty and Sensex crashed to multi-year lows. However, investors tried to use the temporary weakness in the market to build their portfolios and this, coupled with a sharp cut in bank deposits, drew more investor participation in equities. This resulted in the indices witnessing a return to growth as early as May 2020. However, currently (Mar'23) the indices are showing a downward trend amid the fluctuations in the market caused by increase rising interest rates by RBI, rise in inflation and uncertainty surrounding the ongoing geo-political tensions.

Nifty movement

Date	Nifty Closing	Change (y-o-y)
March 31, 2020	8,597.80	-26.03%
December 30, 2020	12,168.45	0.00%
March 31, 2021	14,690.70	70.87%
December 30, 2021	17,354.05	42.62%
March 31, 2022	17,464.80	18.88%
December 30, 2022	18,105.30	4.33%
March 31, 2023	17,359.75	-0.60%

Source: NSE, CareEdge Research

Primary Market Trends (Public & Rights Issues)

Trends in primary market

Particulars	2020-21		2021-22		2022-23	
	No. of Issues	Amount (Rs crore)	No. of Issues	Amount (Rs crore)	No. of Issues	Amount (Rs crore)
I. Public Issues (Debt)	18	10,587	28	11,589	36	9,160
(a) Public Issue (Equity)	57	46,060	121	1,12,568	147	53,954
(b) FPOs	-	-	-	-	-	-
(c)Rights Issues	21	64,059	43	26,327	70	6,635
II. Total Equity Issues (a + b + c)	78	1,10,118	164	1,38,895	217	60,588
Grand Total (I+II)	96	1,20,706	192	1,50,484	253	69,748

Source: SEBI, CareEdge Research
Notes:1. Equity public issues also includes issues listed on SME platform.
2. From April, 2020 onwards the data of equity is being prepared based on the listing date.
3. The data of Debt is being prepared based on closing date.

During FY22, the number of total equity issues have doubled to 164 issues form 78 issues in FY21 and in terms of value it has increased by 26%. For the year FY23, the number of total equity issues increased to 238 issues from 78 issues in FY21, showing around 205% growth in over FY21 however in terms of value it has significantly declined by 40%. Similarly, the number of debt issues have nearly doubled in FY23 while in terms of value there is a decline. This decline comes on the back of high volatility in the financial market driven by economic uncertainty and global inflationary pressures.

Capital Raised by Listed Companies through Qualified Institutional Placements (QIPs)

Capital raised by listed companies through QIPs

Year	Total No. of issues	Amount (Rs. Crores)
2018-19	14	8,678
2019-20	14	54,389
2020-21	31	78,738
2021-22	29	31,440
2022-23	11	8,212

Source: SEBI, CareEdge Research

Qualified institutional placements are directly linked to markets and the volatility in markets significantly impacts market transactions. During FY23 with rising global headwinds, there was a sharp increase in volatility on the back of tightening monetary policy to keep inflation in check.

Public issue and private placement of Debt & Equity

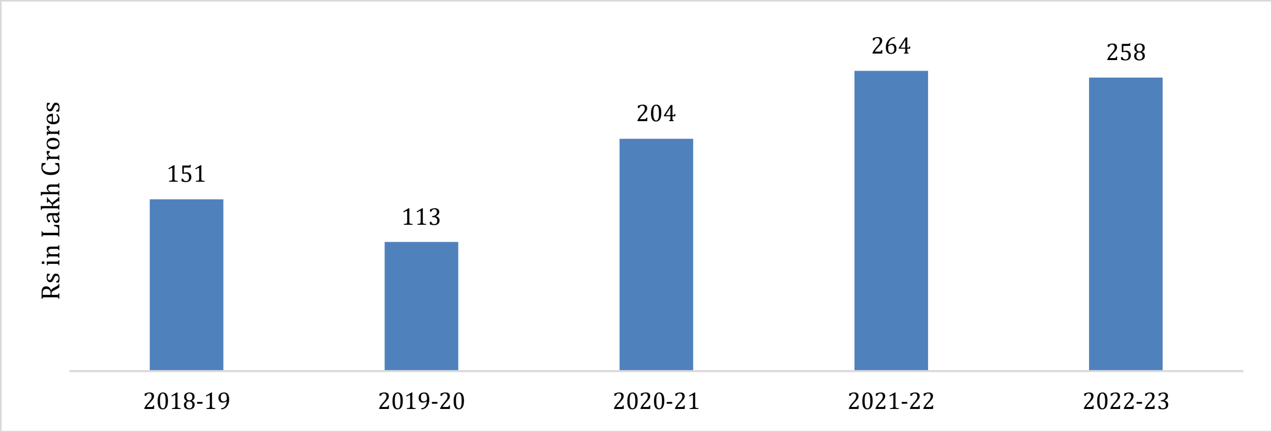
Year	Total No. of issues	Amount (Rs. Crores)
2020-21	96	1,20,706
2021-22	192	1,50,484
2022-23	276	75,232

Source: SEBI, CareEdge Research

As of Mar’22, total amount mobilized through public issues and private placement of both debt and equity indicates 25% increase in the amount mobilized and 100% increase in number of issues over Mar’21. Whereas for FY23, there is positive environment indicated by growth in the number of issues over FY22 however, in value terms they are half of that in Mar’22.

Market Capitalisation of India and its Historic Trend

Market Capitalisation of India



Source: BSE, CareEdge Research

During 2022-23, the Indian financial market was on an upward trajectory however, owing to the increasing inflationary pressures in the global economy, outflow of funds by foreign investors and rise in Fed rates led to decline in market capitalization over previous year FY22.

Asset management

Overview of Mutual fund products

A mutual fund is a professionally-managed investment scheme that raises capital or investment from a group of people and uses that pooled capital to invest in different types of securities like equities, bonds, money market instruments and/or other securities. Mutual funds can be classified under various categories, based on their structure, investment style and the investment objective.

Types of Mutual Funds Based on Structure

Open-end Fund: An open-end fund is a mutual fund scheme that is available for subscription and redemption on every business day throughout the year. These schemes are perpetual and do not have any maturity date.

Closed-end Fund: A closed-end fund is a scheme which has a specified tenor and a fixed maturity date and is open for subscription only during the initial offer period. Units of Closed-end funds can be redeemed only on maturity. Hence, the units of a closed-end fund are compulsorily listed on a stock exchange after the new fund offer, and traded on the stock exchange just like other stocks. This provides the investors an option to exit from the scheme before the maturity by selling the units on the exchange.

Type of Mutual Funds Based on Investment Objectives and Underlying Securities

Equity Funds / Growth Funds invest a predominant share of the corpus in equity securities, with the main objective of providing capital appreciation over the medium to long term investment horizon. They are high-risk funds and the returns are linked to the performance of the capital markets. There are different types of equity funds such as diversified funds, sector specific funds and index-based funds.

Diversified Funds have a portfolio comprising of investments in companies spread across sectors and market capitalization.

Sector Funds invest primarily in equity shares of companies in a certain identified business sector or industry. While these funds may give higher returns during certain periods, they are riskier as compared to diversified funds given the dependence of their performance on a particular sector or industry.

Index Funds invest in the same pattern, that is same securities and in the same proportion, as popular stock market indices like CNX Nifty Index and S&P BSE Sensex. The value of the index fund varies in proportion to the benchmark index.

Tax Saving Funds are diversified equity funds with the added feature of tax benefits to investors under section 80C of the Income Tax Act, 1961. Investors in these funds have a lock-in period of three years.

Debt Fund / Fixed Income Funds invest predominantly in rated debt or fixed income securities like corporate bonds, debentures, government securities, commercial paper and other money market instruments. These are less risky when compared with equity funds.

Liquid Funds / Money Market Funds invest in highly liquid money market instruments and provide easy liquidity. Liquid funds are short duration funds and typically used by corporate, institutional investors and business houses for deploying surplus liquidity for a short period.

Gilt Funds invest in central and state Government securities. Gilt funds have the lowest credit risk.

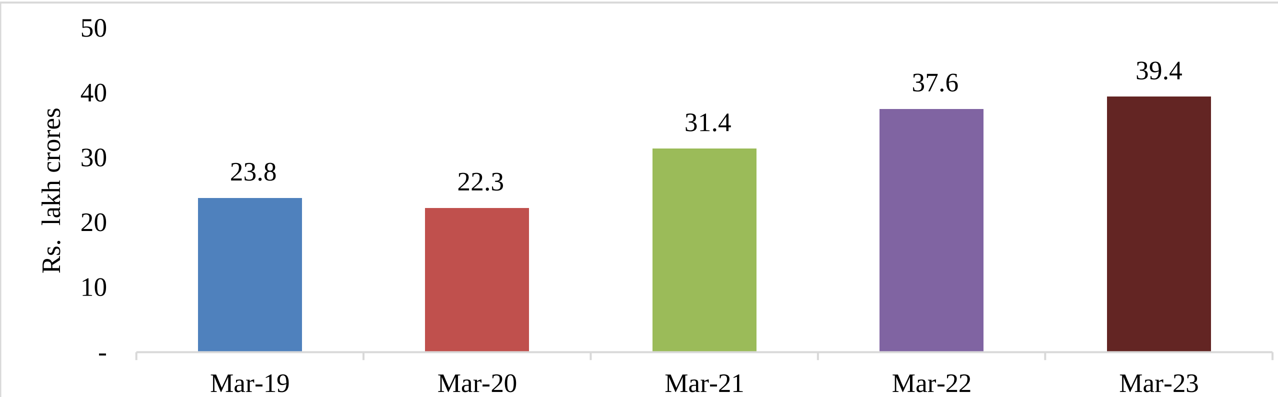
Balanced / Hybrid Funds invest both in equity shares and debt (fixed income) instruments and strive to provide both growth and regular income.

Exchange Traded Funds ("ETFs"): track an index, a commodity or a basket of assets as closely as possible, but trade like shares on the stock exchanges. They are backed by physical holdings of the commodity, and invest in stocks of companies, precious metals or currencies.

Gold Funds are schemes that mainly invest in gold ETFs and other related assets. Unlike for gold ETFs, investing in gold funds does not require a demat account. Further, gold funds do not directly invest in physical gold but take the same position indirectly by investing in gold ETFs.

Penetration of mutual funds in India

Indian Mutual Fund industry AUM



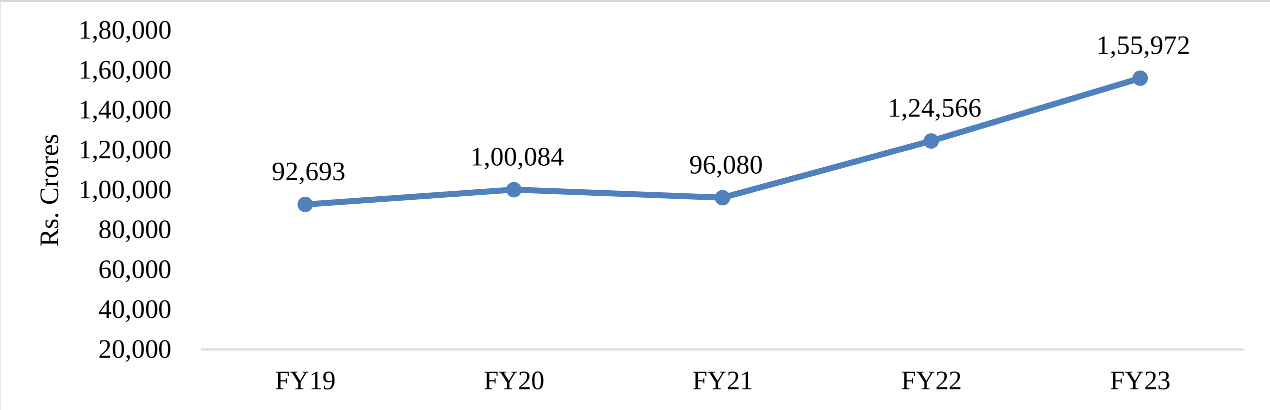
Source: CMIE, CareEdge Research

Growth in the mutual funds industry's AUM has been on a steady rise post March 2020 (Covid-19 pandemic). This growth in AUM is majorly driven by a higher growth in AUM of equity-linked mutual funds. By the end of FY22, total AUM had increased by Rs 37 lakh crore representing 23% y-o-y growth over FY21. As of financial year, ended 2023, total AUM has increased by Rs 1.9 lakh crore over FY22 representing around 5% growth y-o-y. Steady increase is attributed by positive sentiments of investors, despite Russia Ukraine war. Going forward, we expect fresh investments to continue majorly into equity-linked mutual funds which will drive the industry's AUM as a whole.

Classification of AUM: Equity markets have witnessed a large influx of retail investors as of financial year ended 2023 as compared to previous years. The contribution of Equity schemes has increased significantly over the period, followed by Debt schemes which contribute around 20% of total AUM, although their share has reduced significantly over the years. Moreover, the ETF market share (others) has increased from mere 6.6% as of Mar-19 to 13.2% as of Mar-23.

Contribution of SIP: Retail investor folios, which were on a decline post the financial crisis of 2008, reversed course in the past financial years. Due to political stability, low inflation, central bank rate cuts, higher than expected monsoons, and tax cut by Government for corporates led retail investors to increase their allocation to equity mutual funds. Mutual Fund outstanding SIPs accounts stood at around 6.28 crore accounts and the total contribution through SIPs during 2022-23 was Rs 1,55,972 crores.

SIP Contribution



Source: AMFI, CareEdge Research

As of March 2023, Mutual fund industry's monthly SIP contribution peaked to Rs 14,276 crore. This is the highest-ever amount of SIP contribution received in a month. The growth in number of SIP accounts and high contribution is driven by regular financial literacy, increased awareness among the retail investors about the nuances of managing market volatility and risk adjustment through SIP. During the period FY23, the contribution towards SIP has increased by 25% y-o-y over FY22.

Overview of various Wealth Management Products

Structured Products / market-Linked debentures (MLD)

Structured products are a blend of fixed-income and derivative instruments. Its layer of derivatives gives it the flexibility needed to blend with a portfolio and enhance its risk-to-return performance while matching an investor's objectives.

Market-Linked Debentures (MLD) is a debt instrument that differs from a standard fixed-income security in the sense that the coupon on the instrument is linked to a variable market indicator such as an equity index, commodity price such as gold, etc. Structured Products / MLDs are generally close ended hybrid instruments which could be either with principle protection or without principle protection. The underlying security is generally a non-convertible debenture of the issuer linked to an equity index (nifty 50, bank nifty etc.), 10-year G-Sec, gold index etc. The tenure of MLDs ranges between 13 to 60 months depending upon issuers funding requirement. Unlike a bond that pays a fixed interest either monthly, quarterly, half yearly or annually, MLDs do not pay any regular income, it comes only at maturity. Theoretically these MLDs can be considered to be a zero-coupon bond and an embedded customized payoff that could be an equity option.

MLDs are primarily of two types i.e. principal protected (PP) and non-principal protected (NPP).

Principal protected MLDs: A principal-protected instrument designed to return 100% of the original investment at maturity subject to credit risk of the issuer. While a portion of the capital may be invested by the issuer in debt instruments to bring in the feature of capital protection, the return may be linked to an external market indicator such as equity index to capture the market upside.

Non-principal protected MLDs: MLD wherein the issuers may also issue non-principal protected instruments wherein both the principal as well as coupon are linked to performance of external market indices.

Demand drivers of MLDs

- Higher participation from corporates in addition to existing HNIs,
- Increase in ticket size
- Acceptance of MLDs with underlying other than Nifty (i.e. G-sec, corporate bonds etc.)
- Investors' emphasis on downside protection in volatile market conditions.

The supply side of market grew on the back of rise in number of issuers and - Increase in number of distributors.

Capital Raised from the Primary Market through Public Debt Issue

(*Rs. Crore*)

Year	No. of Issues	Amount
2018-19	25	36,679
2019-20	34	14,984
2020-21	18	10,587
2021-22	28	11,589
2022-23	38	9,409

Source: SEBI, CareEdge Research

Information on capital raised from the primary market through public debt issue shows a downward trend in funds raised for three consecutive years ending FY21. The amount raised in FY21, which was less than a third of that in 2018-19, and the number of issuances during year can be attributed to the pandemic. The investment climate showed signs of a revival, albeit gradual, as per the data above, it indicates that both, the number of issues, as well as the amount ultimately raised, witnessed a pick-up. The amount raised during the 2021-22 was higher than the total capital raised for 2020-21. Similarly, the number of issues in FY22 surpassed the total issues in the previous year and during FY23, the issues reached to 38 highest in the last 5 years. However, we estimate cautious optimism to prevail in the near term and total capital raised during the near term is expected to remain low as compared to previous years.

Portfolio Management Services

Portfolio Management Services (PMS) offer a tailor-made investment portfolio managed by professionals to suit the investment objective and needs of the investor. With the support of fund managers, researchers and analysts, an investment portfolio in stocks, fixed income, debt, cash, structured products and other individual securities is carefully constructed to capture long-term value while minimizing potential loss to the client.

The Investment solutions provided by PMS cater to a niche segment of clients. The clients can be Individuals or Institutions entities with high net worth. Depending on the market condition, clients are offered customized products focusing on the objective of delivering consistent long-term performance while controlling risk.

Services under Portfolio Management Services

Discretionary: Services where the choice and the timings of the investment decisions rest solely with the Portfolio Manager are termed as discretionary service.

Non-Discretionary: Services where the Investor is responsible to choose the investment and the time of investment. While the role of portfolio manager is only to suggest the investment ideas and execute the trade are termed as Non-Discretionary Services.

Advisory: Services where the role of portfolio manager is only to suggest the investment ideas. While the Investor is responsible to choose the investment and execute his investment decisions.

As of Mar-23, the AUM of the portfolio management industry stood at Rs. 27.8 lakh crore of which discretionary service category contributed the most followed by non-discretionary services. While the Advisory service contributed to Rs. 2.2 lakh crore of the total AUM which is 7.9% of the AUM of portfolio management industry.

There were 1.4 lakh clients in portfolio management industry as of Mar-23. Of these, 94.9% clients were of discretionary services category 3.9% clients in non-discretionary services category and 1.2% clients availed advisory services of portfolio managers.

Alternative Investment Fund (AIF)

Alternative Investment Fund (AIF) is a fund established or incorporated in India which is a privately pooled investment vehicle collecting funds from sophisticated investors, whether Indian or foreign, for investing in accordance with a defined investment policy for the benefit of its investors. These investments do not belong to any of the traditional or conventional investment categories.

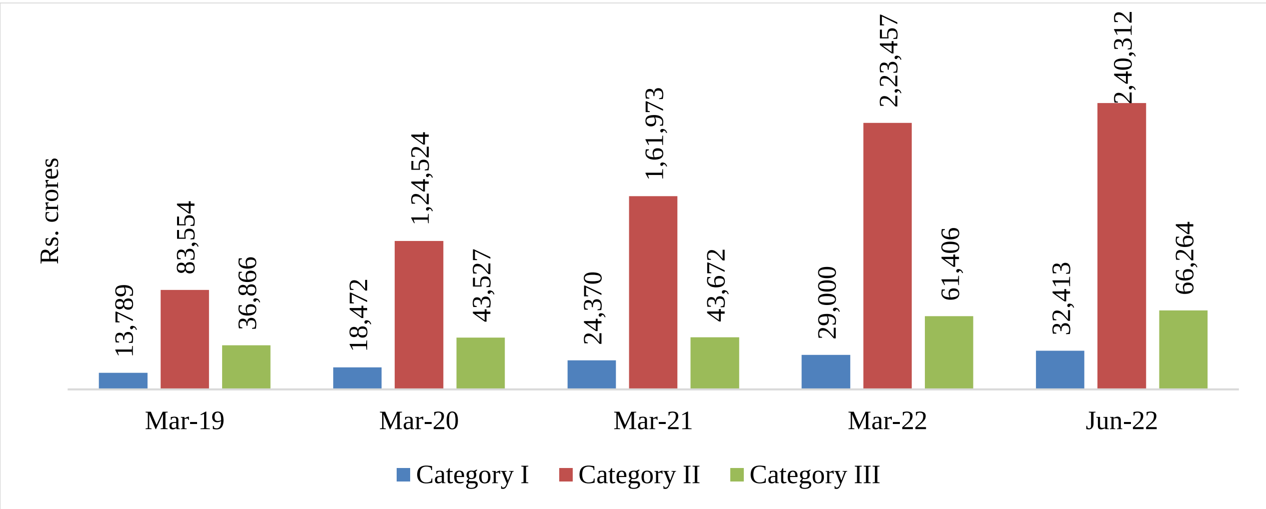
The different categories of funds included under the Alternative Investment Fund are as follows:

CATEGORY I	CATEGORY II	CATEGORY III

• Venture Capital Funds • SME Funds • Social Venture funds • Infrastructure Funds • And other such other funds which may be prescribed under the regulation. • "Angel Investment Funds" introduced by SEBI in 2013, under the head of Venture Capital.	• Funds which is not included under "Category 1" and "Category 3" • And other funds which are not used for borrowing and only for carrying day to day operation • Private Equity Funds and Debt Funds.	• Hedge Funds • Funds which trade for the intention of making short term returns. • Other open funds which are specified by the Regulation. • Other funds provided that no incentives or concessions were given by the Government and Regulations as mentioned.

The AIF market in India is at a very nascent stage. Since SEBI regulations came into effect in 2012, the number of AIFs registered in India has grown to 1,102 as of 10th April 2023. Funds raised have increased significantly from Rs 3,13,863 crores as of March 2022 to around Rs 3,38,990 crores as of June 2022 which is around 47% of growth over March 2021, indicating the rapid growth in demand for alternative investments in India.

Alternative Fund Investment (Rs. Crores)



Exchange Traded Funds (ETFs)

Introduction to Exchange-Traded Funds

Exchange-Traded Funds (ETFs), are a type of investment fund which closely tracks an index, a commodity or a basket of assets and are traded on stock exchanges like shares or bonds. They are backed by physical holdings of the commodity, and they invest in stocks of companies, precious metals or currencies.

Features

- Exchange-traded funds are generally passive in nature. They provide a low-cost investment option to the investors as they offer lower fees and has less expense ratio when compared to actively managed funds.

- ETFs help investors to expand their portfolio through basket of assets across various companies and sectors. This kind of diversification helps in risk mitigation as it lets stakeholders proliferate the investments in different sectors and geographies instead of holding onto one basket of securities.

Unlike mutual funds, ETFs can be traded anytime during the day at the market price.

Indian ETFs (passive funds) have shown exponential growth over the last two years. The net assets under management of ETFs has grown from around Rs. 5 lakh crores as of Mar-22 to Rs. 6.7 lakh crores as of Mar-23 indicating massive growth of around 35% y-o-y over Mar-22. The key growth trigger in recent times has been investment by the Employee Provident Fund (EPFO). Currently this is dominated by SBI and UTI AMC's ETFs which are the designated managers for EPFO. SBI AMC has the largest share of AUM in passive funds space mainly due to EPFO mandates, followed by other AMCs.

ETFs have high growth potential, which makes it an attractive segment for AMCs while the large proportion of institutional mandates make managing the funds more profitable. As of Mar-23, ETFs AUM for around 17.1% of the mutual fund industry's AUM. The growth in ETFs is expected to further rise in the near future because of its characteristics such as cost-effectiveness, flexibility and ease in liquidation.

Between FY19-FY23, the total assets under management has reached nearly Rs. 71 lakh crores in FY23 from around Rs. 41 lakh crores in FY19.

(*Rs. Lakh crores*)

AUM	FY19	FY23
Mutual Fund	23.8	39.4
PMS	16.1	27.8
AIF	1.3	3.7
Total	41.2	70.9

Way Forward

The shift in trend from traditionally managed funds to passive investment funds such as ETFs, PMS, AIFs will continue to witness a steady growth in the wealth industry. Investors are now looking for cost-effective and sustainable investment options. Moreover, advancement in technology such as machine learning and artificial intelligence is also evolving rapidly. The increased usage of robo-advisors across variety of fund products by the individuals is also a result of emerging technology in wealth management space. In addition, clients have the freedom to choose their own customized investment portfolios based on their preferences and risk associated with it. The rising demand in discretionary portfolio management services is contributing towards the growth of portfolio management.

Along with this, AIFs are gaining swiftness in the industry. Investment in derivatives, hedge funds, real estate and commodity products such as metals, energy etc., has increased over the past years. The urge to earn good returns while mitigating risk at the same time has made the investors more focused on diversifying their portfolio in various alternate investment options which also helps them protect their capital and achieve growth in long term.

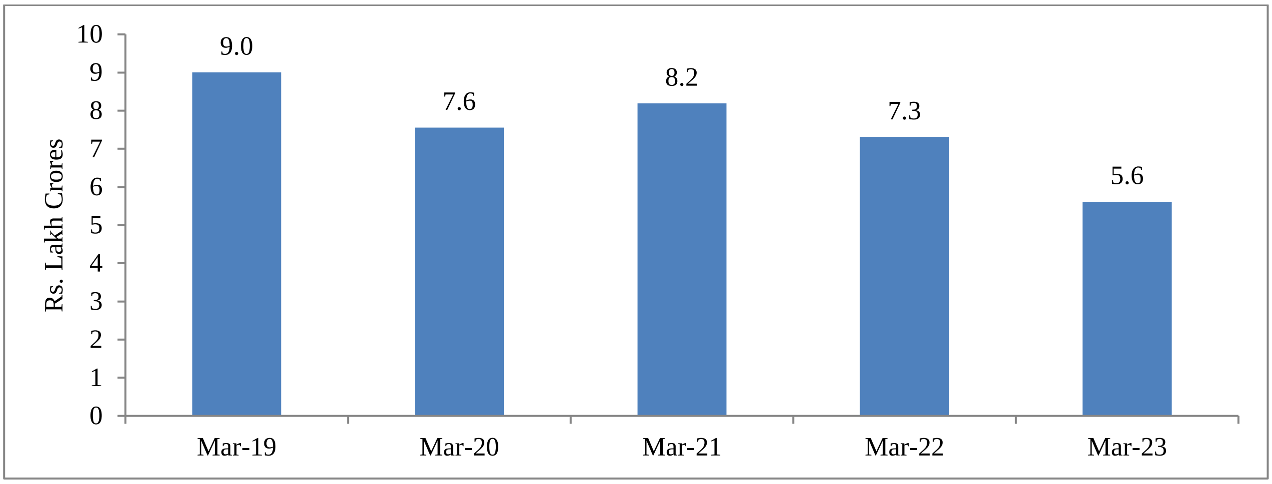
Asset Reconstruction Company

Asset Reconstruction Companies (ARCs), as an institutional framework for NPA management, that has been in existence for around 20 years. With the amendment of SARFESAI Act in September 2016 and subsequent regulatory modification, along with transformational reforms such as the Insolvency and Bankruptcy Code, introduced by the Government of India, the functioning of ARCs underwent the structural shift towards Real Assets reconstruction as against focused recovery earlier.

Opportunity in India's Stressed Asset Market

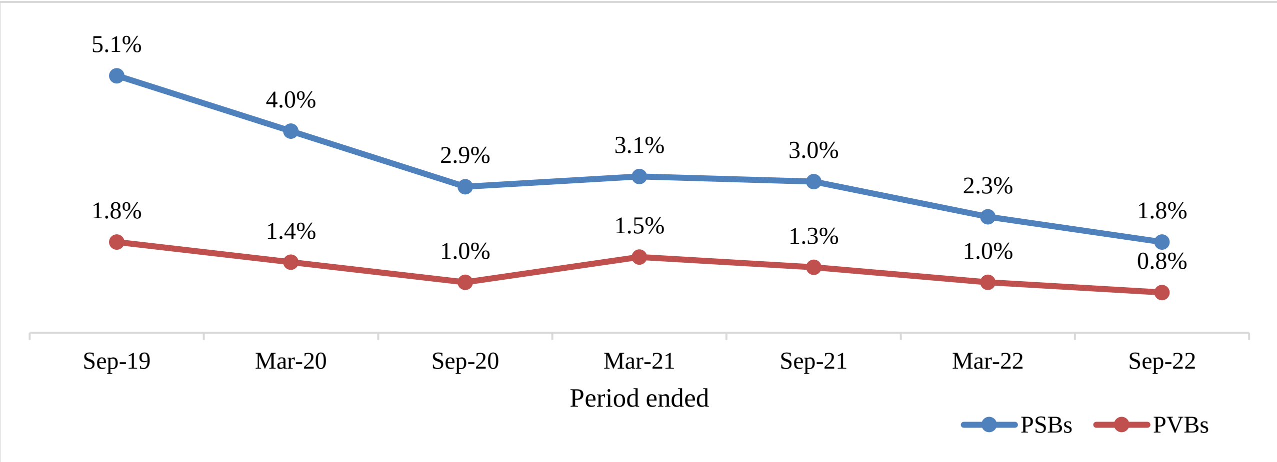
The gross non-performing assets (GNPA) of banking industry improved to Rs. 5.6 lakh crores for financial year ending Mar-23 compared to Rs. 7.3 lakh crores as of financial year ending Mar-22. Indicating a decline of around 23% in FY23 over FY22

Gross NPA of SCBs



Source: RBI, CMIE, CareEdge Research
Note: Data are provisional

Net NPA of PSBs and PVBs

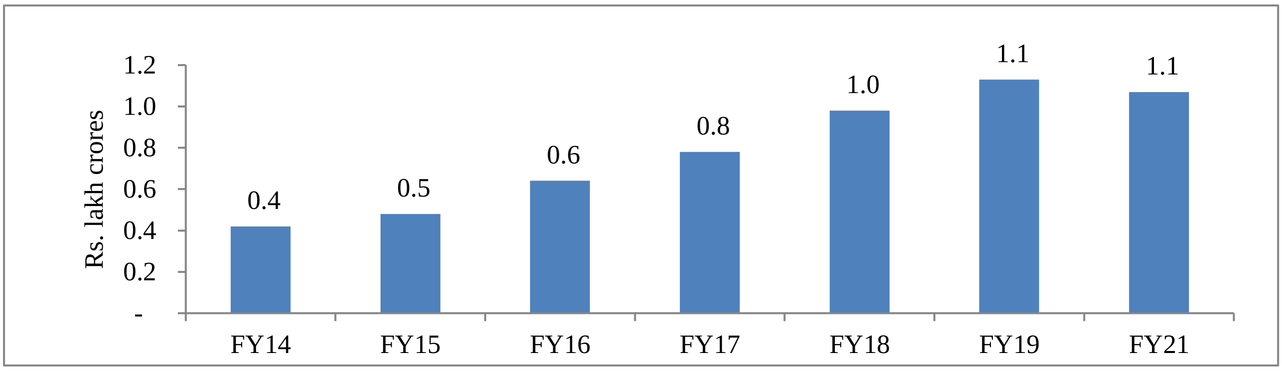


Source: RBI, CMIE, CareEdge Ratings, CareEdge Research
Note: Data are provisional
PSB – Public Sector Bank; PVB- Private Banks

Assets under Management in ARCs

Assets under Management for ARCs, as measured by Security Receipts (SR) outstanding, reached Rs. 1.1 lakh crores as on March 2021.

AUM for ARCs



Source: RBI, Industry Sources, CareEdge Research

With an increase in the proportion of cash deals, it is estimated that discounts will remain on higher side. To make way for new acquisitions and attract new and repeat investors, it is imperative that ARCs quickly resolve the assets and redeems the SRs. CareEdge Research expects the AUM to grow at 10% -12% CAGR over next few years.

National Asset Reconstruction Company NARCL

In Feb 2021, RBI announced a structure for a proposed bad bank an ARC-type entity will be set up to take over bad loans from the books of public sector banks and it will try to resolve just like any other ARC.

The Reserve Bank of India (RBI) said the aggregation of assets by the proposed National Asset Reconstruction Company Limited (NARCL) is expected to assist in turning around the assets and eventually offloading them to Alternative Investment Funds (AIFs) and other potential investors for further value unlocking. Banks are understood to have identified 22 stressed consortium loans (₹500 crores and above) aggregating about ₹89,000 crores for transferring to NARCL.

National Asset Reconstruction Company (NARCL) is a bad bank incorporated by the government as an asset reconstruction company, to take over and dispose of the stressed assets of commercial banks. In October 2021, NARCL received the RBI's license enabling NARCL to commence operations as a 'bad bank'.

Features of NARCL

Structure: The establishment of NARCL for acquiring and consolidating stressed assets, along with the India Debt Resolution Company Limited (IDRCL) for managing these assets by engaging market professionals and turnaround experts.

Ownership: NARCL, has an initial capital base of ₹6,000 crores, of which PSBs own a majority (51 per cent) stake while the remaining shareholding vests in private sector banks and non-bank finance companies. This structure, thus, does not put immediate strain on the government's limited resources. The majority private shareholding of the IDRCL and the resultant professional and expert handling of bad assets is expected to ensure maximum and timely recovery.

Acquisition: NARCL can acquire stressed assets (bad loans) of commercial banks worth around Rs. 2 lakh crores in a phased manner. The stressed assets are to be acquired with 15 per cent p of the agreed or discounted value of the loan upfront payment in cash and the remaining 85 per cent payment in form government guaranteed security receipts. NARCL aims to sell these loans to prospective buyers of distressed debt. NARCL will be responsible for determining the value of these bad loans and price at which these loans are to be sold.

Given that in phase I, assets worth ₹90,000 crores (out of total planned acquisition of ₹2,00,000 crores) that have already been fully provided for are expected to be acquired, recovery will instantly strengthen banks' balance sheets. Further, by concentrating on legacy large value accounts of more than ₹500 crores, the NARCL may lead to faster resolution of overall stress.

Government guarantee: The guarantee of up to ₹30,600 crores may be invoked to make good the shortfall between the face value of the SR and the actual realisation. The time-bound nature of the guarantee, valid for 5 years conditional on resolution or liquidation, and gradual increase in guaranteed fee payable to the government by NARCL, are expected to disincentivize any delays in resolution. The structure, ownership pattern and the government guarantee backing the SRs is expected to impart credibility to the institution and allay fears of banks regarding scrutiny by various regulators about their sell-off decisions.

Security Receipts: Apart from reducing upfront capitalisation requirements of the bad bank, guarantees by the government are bound to improve the liquidity and tradability of SRs, helping in development of a secondary market for them.

Complementarity with existing ARCs: Under the proposed mechanism, NARCL is required to go for the "Swiss Challenge method", where the 28 existing ARCs in India will be invited to make a better offer for the stressed asset. Rather than being substitutes or rivals as buyers in the market of stressed assets, the nationalised entity will act as a complement to the existing companies. They will help in debt consolidation, minimising the time taken for aggregating the bad loans, and avoiding the inter-lender litigations.

Outlook

ARCs are an important part of the infrastructure for asset resolution and financial reform in India. So far, the evolution of ARCs in India has been marked by phases of strong growth and stagnation in terms of assets under management and the number of loan accounts handled. The phases of crests and trough were partly driven by the changing macroeconomic conditions and largely by developing regulatory environment. The regulatory changes by the Reserve Bank have been broadly geared towards strengthening the ARC industry, ensuring genuine sale of NPAs by banks, enhancing the involvement of ARCs in the process of resolution, and deepening the market for SRs, among others.

The gross non-performing assets (GNPA) of banking industry improved to Rs. 5.6 lakh crores for financial year ending Mar-23 compared to Rs. 7.3 lakh crores as of financial year ending Mar-22. Indicating a decline of around 23% in FY23 over FY22. This decline in GNPA signifies the improvement in asset quality of the overall banking industry. This implies that ARCs managed the banking industry's stressed assets. Additionally, in terms of untapped potential, ARC's can continue to improve to help banks in reducing non-performing assets.
Over the long term, factors such as regulatory transparency, higher stream of stressed assets, Government initiatives and potential for greater returns in India vis-à-vis returns received from global stressed assets are likely to work in favour of the Indian stressed assets market.

The development of a vibrant distressed assets market is key to growth as market participants are currently reliant on loans from banks and the corporate bond market, which is underpenetrated at present. On part of banks, a sound distressed assets market by way of asset reconstruction companies will ensure freeing up on bank capital which will enable banks to grow their loan book. Additionally, the presence of asset reconstruction companies will ease the burden of debt collections on banks or the resources required for the same.

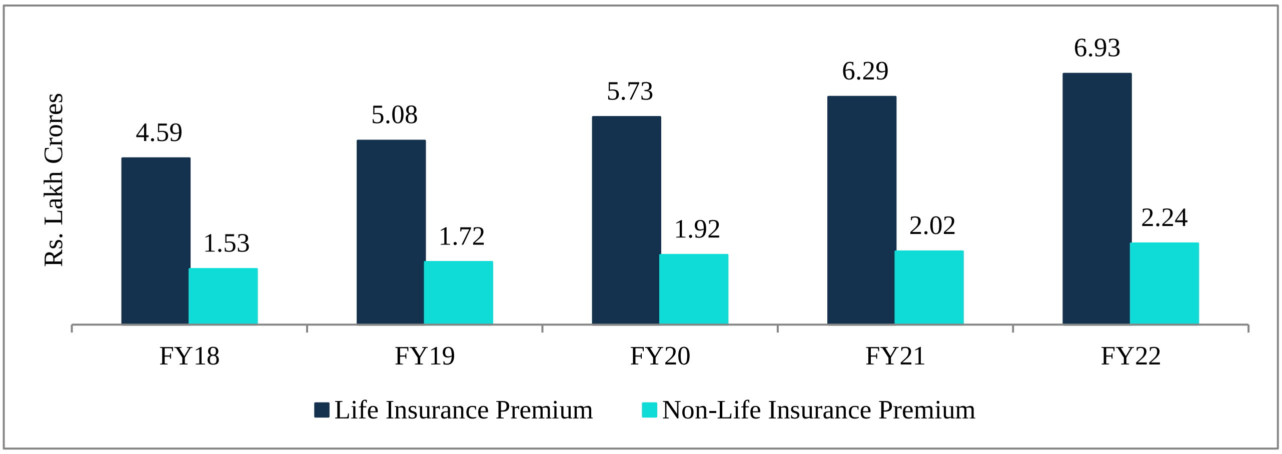
Insurance Industry in India

The insurance industry seeks to protect a country's people, assets and businesses. Hence, the business of insurance has always been closely linked to a country's business performance and asset ownership.

Life insurance protects the livelihoods of people and future earnings and has a direct correlation with the earnings of people, their business performance and net worth. General insurance protects assets and businesses and their valuation as well as overall economic activity. Hence, a popular way of measuring insurance penetration is to benchmark it with the GDP of a country.

The insurance industry directs pooled funds towards those who need them the most and acts as a massive investor in infrastructure and government bonds, thus indirectly funding large-scale government and private projects. The industry also generates large-scale employment by employing people as agents, distributors and service providers, and thus plays a fundamental role in strengthening the country's economy. In FY18, the life insurance industry recorded a premium income of Rs. 4.6 lakh crores, which increased by around 50% to Rs. 6.9 lakh crores in FY23. The non-life insurance industry collected gross direct premiums worth Rs. 1.53 lakh crores in FY18, which in FY22 grew to Rs. 2.24 lakh crores.

Total Insurance Premium



Source: IRDAI, CareEdge Research

Currently, the insurance penetration in India has been steadily increasing, with life insurance penetration driving the growth of insurance industry. India's insurance industry is still under penetrated and there is significant market opportunity in this segment. India is poised to emerge as one of the fastest-growing insurance markets in the coming decade.

Life Insurance Industry in India

Life insurance is one of the fastest growing sectors in India since 2000. Parliament on March 22 passed the Insurance Amendment Bill 2021 to increase the foreign direct investment (FDI) limit in the insurance sector to 74% from 49%. As of Mar-23, there were total of 24 players in Life Insurance Sector off which LIC of India is the only public sector company. LIC of India is the largest player in India having market share of 62.5% as of Mar-23 (based on first-year premium).

First Year Premium of life insurers declined by 12.6% to Rs 52,081 crore in Mar-23. On the other hand, the premiums more than doubled compared to Feb-23. The y-o-y decline in Mar-23 can be attributed to group premiums (primarily LIC). Private insurance companies continued their growth momentum as the financial year closed (tax saving options) and non-par policies were pushed aggressively to high-net-worth individuals prior to new taxation regime kicked in beginning of Apr-23.

Movement of Monthly New Business Premium (Rs. Crores)

Month	FY21	FY22	FY23	FY21 vs. FY2	FY22 vs. FY2	FY23 vs. FY2
April	6,728	9,739	17,940	-32.6%	44.8%	84.2%
May	13,739	12,977	24,480	-25.4%	-5.5%	88.6%
June	28,869	30,009	31,255	-10.5%	3.9%	4.2%
July	22,986	20,435	39,079	6.9%	-11.1%	91.2%
August	27,040	27,821	32,856	14.8%	2.9%	18.1%
September	25,366	31,001	36,367	26.5%	22.2%	17.3%
October	22,776	21,606	24,917	31.9%	-5.1%	15.3%
November	19,159	27,177	35,459	-26.9%	41.8%	30.5%
December	24,383	24,466	26,838	-2.8%	0.3%	9.7%
January	21,390	21,957	26,424	3.7%	2.7%	20.3%
February	22,425	27,465	22,848	21.0%	22.5%	-16.8%
March	43,417	59,609	52,081	70.9%	37.3%	-12.6%

Source – IRDAI, Life Insurance Council, CareEdge Research

First Year Premium Growth of Life Insurance Companies (Rs. Crores)

Insurer	FY21	FY22	FY23	FY22 vs FY21	FY23 vs FY22
Private	**94,103**	**1,15,503**	**1,38,644**	**22.7%**	**20.0%**
Individual Single	13,584	17,066	19,444	25.6%	13.9%
Individual Non-Single	43,833	53,371	66,434	21.8%	24.5%
Group Single	30,304	37,619	43,749	24.1%	16.3%
Group Non-Single	402	401	161	-0.1%	-59.8%
Group Yearly Renew.	5,980	7,046	8,856	17.8%	25.7%
LIC	**1,84,175**	**1,98,760**	**2,31,899**	**7.9%**	**16.7%**
Individual Single	28,823	24,806	25,624	-13.9%	3.3%
Individual Non-Single	27,584	30,016	33,016	8.8%	10.0%
Group Single	1,21,570	1,37,350	1,67,235	13.0%	21.8%
Group Non-Single	5,598	5,249	5,181	-6.2%	-1.3%
Group Yearly Renew.	601	1,339	844	123.0%	-37.0%
Grand Total	**2,78,278**	**3,14,263**	**3,70,543**	**12.9%**	**17.9%**
Individual Single	42,407	41,872	45,067	-1.3%	7.6%
Individual Non-Single	71,417	83,387	99,449	16.8%	19.3%
Group Single	1,51,874	1,74,969	2,10,984	15.2%	20.6%
Group Non-Single	6,000	5,650	5,342	-5.8%	-5.5%
Group Yearly Renew.	6,580	8,385	9,700	27.4%	15.7%

Source – IRDAI, Life Insurance Council, CareEdge Research

For FY23, while the private peers saw a marginal decline in their y-o-y growth rate for FY23. LIC's first year premium reported a growth rate doubled compared to FY22. This growth in first year premium is majorly driven by continued traction in the group single premiums. LIC constitute around 79% of the total group single premiums.

Overall, the life insurance segment grew by 17.9% y-o-y for FY23. This growth is majorly on account of LIC's group single premiums and individual non-single premiums, mainly by private companies.

Movement in Premium Type of Life Insurance Companies (Rs. Crores)

Premium type	FY21	FY22	FY23	FY22 vs FY21	FY23 vs FY22
Single	1,94,281	2,16,841	2,56,051	11.6%	18.1%
Non-Single	83,998	97,422	1,14,492	16.0%	17.5%

Source – IRDAI, Life Insurance Council, CareEdge Research

In FY23, single premiums witnessed a significant growth of 18% y-o-y over FY22. Single premiums continue to account for a substantial portion of the overall first year premiums.

For FY23, the private sector has a larger share of 66% in the non-single sub-segment, while LIC continues to dominate the single premium sub-segment. LIC's accounts for around 68% of the total individual single premiums, while LIC accounts for around 80% of total group single premiums.

General Insurance Industry in India

The insurance segment in India is divided into two categories – life insurance and general insurance. While life insurance policies cover the financial loss suffered due to loss of life, general insurance policies cover the financial loss suffered due to the loss of an asset. General insurance, therefore, covers the loss of economic value of assets or the financial loss suffered due to specific contingencies. General insurance has different types of plans, each of which is designed to cover specific risks related to health, motor, fire, travel or any assets etc.

As of Mar-23, there were total of 31 players in general insurance sector off which there are 24 general insurers, 5 health insurers and 2 specialized insurers. General Insurance industry recorded growth of 16.4% y-o-y over FY22, there by crossing Rs. 2.5 lakh crores gross direct premium underwritten.

Movement in Segment Premium (Rs. Crores)

Month	Total Premium			Growth Rate %	
	FY21	FY22	FY23	FY22 vs. FY21	FY23 vs. FY22
Health	58,684	73,598	90,668	25.4%	23.2%
Motor	67,735	70,434	81,292	4.0%	15.4%
Fire	20,133	21,548	23,934	7.0%	11.1%
Crop Insurance	31,120	29,465	32,016	-5.3%	8.7%
Personal Accident	5,101	6,904	7,014	35.4%	1.6%
Marine	3,497	4,168	5,058	19.2%	21.4%
Liability	3,156	4,191	4,863	32.8%	16.0%
Engineering	2,970	3,563	4,281	20.0%	20.2%
Credit Guarantee	1,395	1,492	1,687	7.0%	13.1%
Aviation	749	852	889	13.7%	4.4%
All Other Misc.	4,175	4,585	5,219	9.8%	13.8%
Grand Total	**1,98,715**	**2,20,800**	**2,56,920**	**11.1%**	**16.4%**

Source – IRDAI, CareEdge Research

For FY23, all segments have shown growth compared over FY22.

The health segment has been the primary contributor of the non-life insurance industry since the beginning of the Covid-19 pandemic. This has resulted in the segment increasing its market share from 29.5% in FY21 to over 35% in FY23.

The health segment has grown by 23.2% for FY23, which is lower than the growth of 25.4% witnessed for FY22.

In addition, the overseas medical has been on a growth trajectory as international air travel has increased.

The Motor insurance segment has continued to pick-up in FY23, showing a growth rate of 15.4% reaching Rs. 81,292 crores. This growth is on account of low base, increase in Motor third party rates and increase in sales of vehicles.

Movement in Gross Direct Premium Underwritten (Rs. Crores)

Insurers	Total Premium			Growth Rate %	
	FY21	FY22	FY23	FY22 vs. FY21	FY23 vs. FY22
General Insurers	1,69,845	1,84,886	2,14,837	8.9%	16.2%
SAHI	15,755	20,867	26,242	32.4%	25.8%
Specialized PSU Insurers	13,115	15,047	15,841	14.7%	5.3%
Total	**1,98,715**	**2,20,800**	**2,56,920**	**11.1%**	**16.4%**

Source – IRDAI, CareEdge Research

General Insurers' witnessed 2x growth compared to last year. This growth is majorly driven by the group health and motor segments.

For FY23, while the Standalone Private Health Insurers (SAHI) continued their growth path the growth rate was slower in the current year as compared to previous year. The slowdown was on account of the normalized growth in the government and retail health schemes in the current year, while previous year, the same had posted significant growth.

The growth of Specialized PSU insurers remained subdued, growing at 5.3% in FY23 as the fall in the participation by a few private sector general insurance companies offset the increase of other companies.

Outlook

Insurance demand is positively correlated with economic growth and grows at a multiple to the GDP. The top line of life insurers is anticipated to remain healthy for FY24 supported by increase in non-par business, increase in term policies (Protection plans) while the demand for Annuity will continue in the near term coupled with cost management. The sector is expected to continue its trajectory after companies tweak their policy mix to drive growth. Further, given the protection gap and insurance requirements, the long-term growth of the life insurance segment remains intact. The growth would also be driven by a push to increase insurance coverage, especially in the rural populace, product innovations/customisation and allowing corporate agents to take on additional companies.

Furthermore, the supportive regulatory landscape (ease of doing business, Bima Sugan, Bima Vahak, Bima Vistaar, consolidating the expense of management limits) will drive growth of life insurance industry. With the launch of Bima Sugam Portal by IRDAI will facilitate more safety for the policyholders as there is no need to store the physical documents and it also reduces paperwork This digital platform will act as a comprehensive solution to cater to all the insurance needs of the policyholders. Factors such as growing awareness about insurance, new product innovations, digitalisation for easier user interface and expansion of reach in rural areas also contribute towards the growth of the industry.

CareEdge Researchestimates that the Indian non-life insurance market would grow by approximately 13-15% over the medium term. The health insurance segment is on track to breach the Rs 1 lakh crore mark, while Motor insurance premiums are expected to cross Rs 85,000 crore mark in FY24. The growth would be driven by supportive regulations, popularity of health insurance products/schemes, growing demand for motor insurance (Third party & Owner damage) products, and an expected rise in per capita / disposable income levels. Further, improving profitability, stabilisation of loss ratios which had increased during the pandemic, expenses of management would be controlled given the regulations around the same, enabling regulatory environment, strengthening of distribution networks, and higher investment yields due to a rising interest rate environment. Overall, the outlook is expected to be stable in the medium term. However, intensification of competition and an uncertain geopolitical environment and high inflation, can negatively impact economic growth and subsequently the non-life insurance sector.

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections "Forward Looking Statements", "Risk Factors", and "Financial Information" on pages 17, 18 *and* 154, *respectively of this Tranche III Prospectus. Unless otherwise indicated or unless the context otherwise requires, the financial information included herein is derived from our Reformatted Financial Information for the year March 31, 2021, March 31, 2022 and March 31, 2023, as included in this Tranche III Prospectus. Our fiscal year ends on March 31 of each year and references to a particular fiscal year are to the twelve months ended March 31 of that year.*

Overview

Our Company, Edelweiss Financial Services Limited ("**EFSL**"), was incorporated on November 21, 1995 under the name Edelweiss Capital Limited and started operations as an investment banking firm after receipt of a Category II license from SEBI. Edelweiss Capital Limited subsequently received a Category I Merchant Banker license from SEBI with effect from October 16, 2000. The name of Edelweiss Capital Limited was changed to 'Edelweiss Financial Services Limited' with effect from August 1, 2011.

EFSL was listed in December 2007 under the symbols NSE: EDELWEISS, BSE: 532922, Reuters: EDEL.NS and EDEL.BO and Bloomberg: EDEL IS and EDEL IB. Our Corporate Identity Number is L99999MH1995PLC094641.

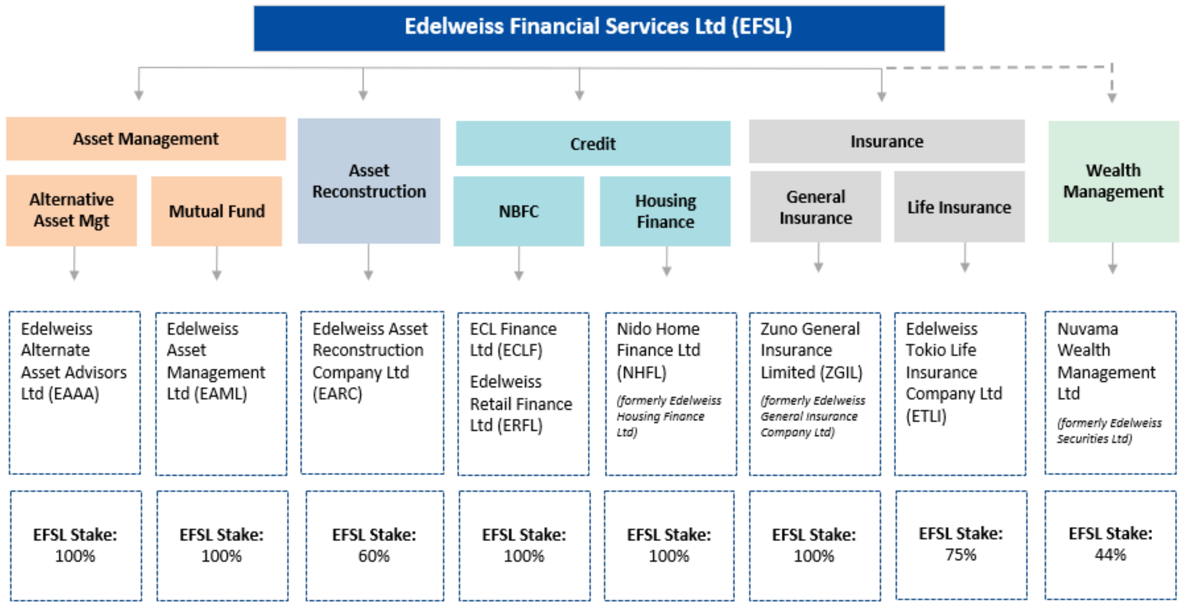
After commencing the business as an investment banking firm, the Company, through its subsidiaries has diversified its businesses to include credit including retail and corporate credit, asset management including mutual fund and alternatives asset management businesses, asset reconstruction, insurance both life and general insurance business, and Wealth Management businesses. However, the Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited ("**NWML**") Business and Edelweiss Gallagher Insurance Brokers Limited ("**EGIBL**") have ceased to be a subsidiary of our company with effect from March 26, 2021 and October 18, 2021, respectively. Further, NWM ceases to be an associate of our company with effect from March 30, 2023. We believe that our focus on product innovation and a seamless customer experience has helped expand our retail footprint to approximately ~5 million customers. Our research driven approach and consistent ability to capitalise on emerging market trends has further enabled us to foster strong relationships across client segments including corporates, institutions (both domestic and international), high networth individuals and retail clients.

We have a pan-India and international network with 230 domestic offices, and 3 international offices (total 233 offices) and employed 5,981 employees as at March 31, 2023.

Our group comprises 28 subsidiaries as at March 31, 2023. Our total income of the Company was ₹ 1,09,549.40 million for the year March 31, 2021, ₹ 72,125.91 million for the year March 31, 2022, and ₹ 86,325.91 million for the year March 31, 2023 on a consolidated basis. Our profit attributable to owners of the Company was ₹ 2, 653.36 million for the year March 31, 2021, ₹ 1,887.84 million for the year ended March 31, 2022 and ₹ 3,441.63 million for the year March 31, 2023 on a consolidated basis. We believe that our diversified business strategy has improved the resilience of our business model across economic cycles. We constantly pursue innovation and invest in new ideas, newer products and newer alternate channels of delivery. We seek to add significant value by providing new and innovative products and services and are committed to focusing on six key vectors in our journey into the future – people management, cost management, risk management, technology, customer experience and innovation – while adhering to our business principles – which emphasise placing our clients' interests first, commitment to excellence and innovation and teamwork.

Our Group Structure

Our group comprises 28 subsidiaries as at March 31, 2023. Our principal business lines and major subsidiaries engaged in those business lines are as follows:



Nuvama Wealth Management Limited ceases to be an associate company with effect from March 30, 2023

Our Strengths

We believe that the following strengths position us well for continued growth:

Diversified business model

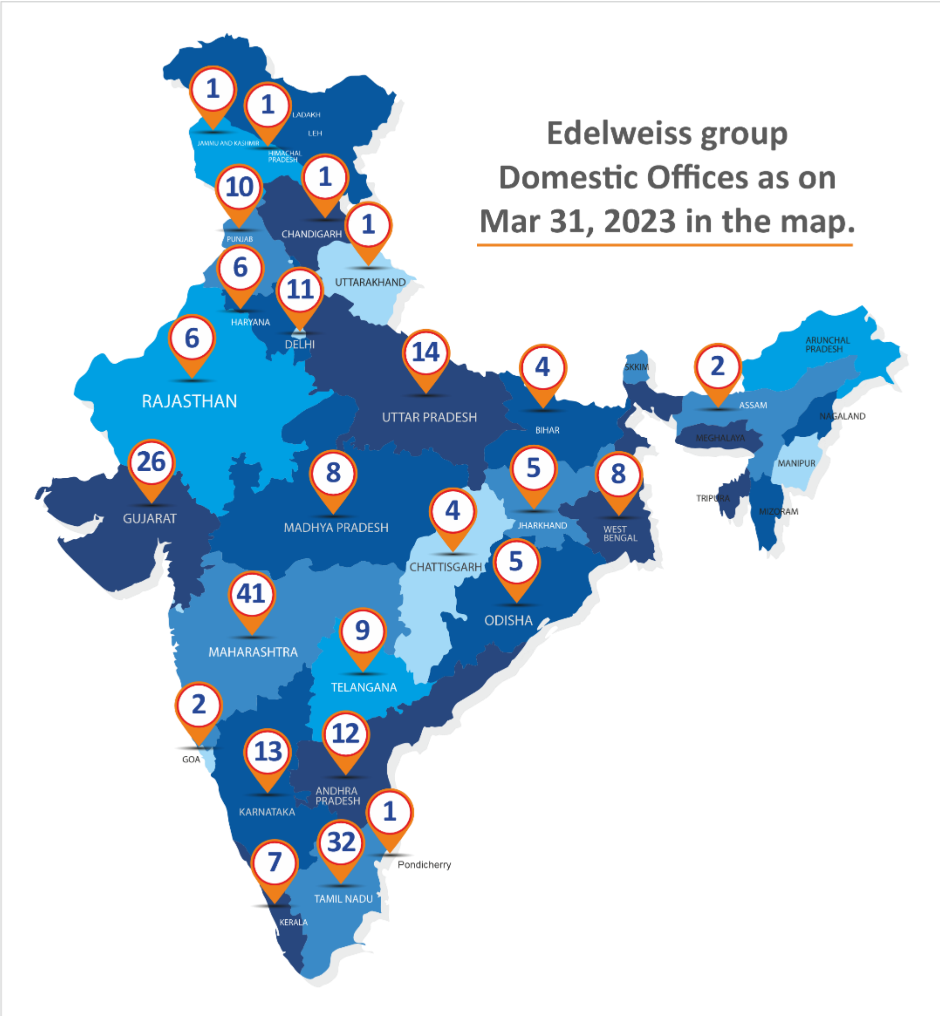
We have grown from a capital markets advisory business to a diversified financial services group engaged in businesses of Asset Management (Alternatives and Mutual Fund), Insurance (General and Life Insurance), Asset Reconstruction, Credit (mSME and Mortgages) and Wealth Management (now demerged and subsequently proposed to be listed). We believe that our diversified service platform allows us to leverage relationships across various lines of businesses, thereby increasing our ability to garner repeat business and cross-sell our products and benefits from customer reference. We believe that in the long run our diversified business model provides multiple vectors for growth, delivers consistent growth and profitability, helps manage short-term volatility in the business cycle, affords us the ability to calibrate growth in line with favourable macro and micro-economic market conditions, and provides us with multiple avenues for deployment and growth of our human capital.

We believe that our successful diversification of our businesses, asset classes, client segments and geographies have gradually increased the scale and/or profitability of businesses, as well as the stability and sustainability on our overall group performance.

Pan-India distribution network

Our pan-India and international network spanned across a total of 233 offices (including 230 domestic offices and three international offices as at March 31, 2023.

The following map shows a snapshot of our pan-India distribution network of 230 domestic offices as at March 31, 2023.



Notes: Map is not according to scale and is only for illustration purposes

Our extensive network enables us to acquire more customers, particularly for our retail businesses such as our retail credit, asset management and insurance businesses, where increased profitability and ROE are based upon increased scale of business.

Adequately capitalised

Our credit business operating under our NBFC and HFC licenses and are subject to the capital to risk assets ratio ("**CRAR**") requirements prescribed by the RBI. Further, our ARC business also operates under the NBFC license. We are currently required to maintain a minimum 15% CRAR in respect of our NBFC subsidiaries under the prudential norms prescribed by the RBI. In respect of our HFC subsidiary, we are currently required to maintain a minimum 13% CRAR as on March 31, 2020, 14% on or before March 31, 2021 and 15% on or before March 31, 2022 under the prudential norms prescribed by the NHB. We generally maintain a CRAR higher than the level that is prescribed by the RBI or NHB as applicable.

While the parent company of the group, EFSL, is currently not subject to any minimum CRAR requirements, the CRAR for our major NBFCs in our Credit and Asset Reconstruction business, as at March 31, 2021, March 31, 2022 and March 31, 2023 on standalone basis are as under:

Name of the NBFC	Minimum Regulatory CRAR	CRAR as at March 31, 2021	CRAR as at March 31, 2022	CRAR as at March 31, 2023
ECL Finance Limited	15%	25.29%	30.50%	30.84%

Name of the NBFC	Minimum Regulatory CRAR	CRAR as at March 31, 2021	CRAR as at March 31, 2022	CRAR as at March 31, 2023
Edelweiss Retail Finance Limited	15%	39.85%	36.90%	72.25 %
Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited) (HFC) (calculated as per Ind AS) Total Capital Ratio	4% by March 31, 2021 5% by March 31, 2022	26.49%	28.28%	32.06%
Edelweiss Asset Reconstruction Company Ltd	15%	37.38%	42.00%	49.23%

Diversified funding profile

Our current funding requirements are predominantly sourced through the issuance of redeemable non-convertible debentures and through credit facilities from banks. We have accessed funds from multiple classes of credit providers, including nationalised banks, private Indian banks, mutual funds and other NBFCs. We believe that we have developed stable long-term relationships with our lenders and established a track record of the timely servicing of our debts. Our Total Borrowings on a consolidated basis were ₹ 284,360.49 million as at March 31, 2021, ₹2,27,109.83 million as at March 31, 2022 and ₹2,17,360.48 million as at March 31, 2023 out of which ₹97,271.74 million were to mature in less than a year. Our Total Borrowings on a standalone basis was ₹25,886.54 million as on March 31, 2023.

Improving asset quality with strong internal control and risk management systems

We believe that we have the necessary internal controls and risk management systems to assess and monitor risks across our various business lines. Our risk management systems function through an independent department concerning accounts and operations at each business unit and a dedicated risk management team. We seek to monitor and control risk exposure through a variety of separate but complementary financial, credit and operational reporting systems.

We believe that our business processes ensure independence of functions and a segregation of responsibilities. Legal and technical verifications include collateral valuation, title search, document verification, fraud and KYC verifications, personal meetings with clients and internal review before the disbursement of loans. Our processes have been standardised with the objective of providing high quality of service and ensuring efficiency, and to facilitate integration of our workforce, processes and technology. Each of our key business processes is regularly monitored by the respective business or operations head.

The asset quality of the overall credit book held by our three credit entities has continued to be under control with Gross NPA at 2.01% and Net NPA at 1.36% as on March 31, 2023, Gross NPA at 2.51% and Net NPA at 1.80 % as on March 31, 2022, Gross NPA at 6.71% and Net NPA at 5.84% as on March 31, 2021. While the asset quality deteriorated during Fiscal 2020 and Fiscal 2021 due to environmental headwinds including the effects of the pandemic, it has started improving in Fiscal 2022 following a multi-pronged strategy adopted by us.

Strong Edelweiss Brand

We believe that Edelweiss today enjoys a strong brand franchise in the financial services space backed by a reputation for consistent focus on execution and innovation. We have sought to carve a distinct brand identity which, help us to increase awareness and consideration amongst our customers.

Effective use of technology

We have high technology adoption in our businesses. In our alternatives business, investment monitoring for our infrastructure investments is done remotely on a real time basis via a digital control centre. Our mutual fund business website has one of the quickest investor transaction journeys; thereby improving customer experience and aiding digital customer acquisition. Our general insurance business is one of the early adopters of cloud native general insurance platform and has remote surveys for motor claims. Further, amongst the few insurance companies to have successfully completed Ayushman Bharat Digital Mission integration and launched telematics enabled “usage based” insurance with Switch 2.0 – ‘Pay as you drive and pay how you drive’ motor insurance.

We also have a customised platform for loan origination and credit underwriting for some of our products in retail credit, which provides our credit officers with basic scorecards generated by the platform, to judge the creditworthiness of an individual. The platform generates scorecards after considering all factors, including an external credit rating (CIBIL), salary or income details and other asset details. This platform is also linked to a de-duplication system, which provides access to a customer's credit history and record. We believe that our customer service initiatives coupled with our use of technology has helped us enhance our recognition and secure both new and repeat business in our retail operations.

Strong management and distinctive people and culture

Our most important asset is our people. We seek to consistently reinforce our management strength and experience through strong corporate governance and our employees' commitment to our business through recruitment, training and a performance review and compensation system that emphasises teamwork. Our senior management has extensive experience in the banking and financial services sector and most of them have been with our group for a number of years, providing stability in our senior management leadership. Further, each of our businesses is supported by a dedicated team of managers with specialised professional expertise.

We believe the strength of our senior management team helps us in implementing policies and processes that ensure healthy credit quality and high standards of work ethic and that our current management structure allows scalability. Our senior management seeks to maintain a strong focus on corporate governance.

Our Strategies

Diversify our portfolio of products, increase retail focus and expand the scale of our business

We intend to continue to diversify and expand our product portfolio to cater to the various financial needs of our customers and increase the share of income derived from the sale of financial products and services. Our businesses provide a diverse bouquet of solutions of Asset Management (Alternatives and Mutual Fund), Insurance (General and Life Insurance), Asset Reconstruction and Credit (mSME and Mortgages) to our clients, enabling and supporting them on their financial journeys. We intend to leverage our brand and office network to develop complementary business segments and become the preferred provider of financial products – a one-stop shop for our customers' financial needs. Offering a wide range of products also helps us to attract more customers and to increase our scale of operations.

We intend to focus on high growth and dispersed risk-retail lending and to continue to grow our presence in high growth segments such as Retail Mortgages and SME loans. We expect our retail business to provide opportunities to achieve economies of scale and intend to diversify our risk across geographies, industries and collaterals.

Our stated priority has also been to scale up our asset management and insurance businesses. Our mutual fund business is ranked 13th and is amongst the fastest growing top 15 AMCs in the industry. We are a dominant player in the alternative asset management segment with our alternatives AUM crossing ₹ 465 billion as on March 31, 2023. Our general insurance business has also been consistently ranked amongst the top growing in the industry with a 53% YoY growth in GDPI in quarter ended March 31, 2023. We continue to grow our presence in high growth segments such as Retail Mortgages and SME loans.

We expect that our diverse revenue stream will reduce our dependence on any particular product or business, which will enable us to spread and mitigate our risk exposure to any particular industry, business, geography or customer segment aiding to as also to reduction in volatility of our performance.

We expect that our complementary businesses will allow us to offer new products to existing customers while also attracting new customers. We also expect that our knowledge of local markets will allow us to diversify into products desired by our customers, differentiating us from our competitors.

Focus on efficient allocation of capital

We will actively seek growth opportunities in the businesses in which we operate as well as in new businesses that we see as potential areas of growth and value creation. These opportunities can take various forms, including acquisitions, mergers, de-mergers, stake sales, joint ventures and strategic investments. We will continue to seek both organic and inorganic growth opportunities and pursue these where we see the ability to add value for our various stakeholders and also grow our footprint across the businesses we operate in.

Focus on capital efficiency is at the core of asset light strategy which we intend to pursue going ahead. We are moving towards a capital light model for our retail **c**redit business by collaborating with banks (co-lending, on-lending, co-origination and securitisation) and down selling. We believe the partnership led models such as co-lending will improve efficiency of capital utilised and help grow overall asset under management.

Continue to leverage our large customer base and diversified business platform

We intend to continue to leverage our customer base by selling products across different business segments. As on March 31, 2023, our customer reach was at ~5.6 million which is approximately a 38% YoY growth of customer reach; a testament to the high quality product and customer experience provided by the group's businesses.

Going ahead our increasing focus will be to leverage our large customer base and to build momentum for cross selling which will further enhance our strategy for providing a one-stop shop for our customers' financial needs. Our focus also has been on increasing our partner network in insurance businesses to provide an ecosystem approach to the customer to various ancillary services and in retail credit to help improve our product offering and risk-based pricing using technology enabled underwriting.

Continue to improve productivity, reduce risks and decrease costs

With an aim to improve operational performance, streamline service delivery and build long term cost efficiencies various projects have been undertaken to improve business independence. We have successfully unbundled various central operations to the underlying businesses which aid the businesses to choose the best service at the best cost suited for their specific business requirement aimed at reducing long term cost overheads.

Even as a group, our aim was to reduce structural complexity and rationalise entities to build and optimum group operating structure which aids the long-term cost rationalisation process.

For effective governance, risk mitigation and operational oversight on our businesses, various governance structures have been created to review operating performance, monitor risk and consult on improving profitability of the underlying businesses.

Continue to attract, train and retain talented employees

We believe a key to our success will be our ability to maintain a healthy mix of experienced and young professionals. We have been successful in building a team of skilled and talented professionals with relevant experience, having expertise in credit evaluation, risk management, retail consumer products, asset management, actuarial sciences, treasury, technology and marketing. Recruitment is a key management activity and we intend to attract graduates from premier Indian business schools as well as employees with relevant experience. We also focus on employee retention and utilise various programs to motivate employees and maintain employee satisfaction including employee long term incentives, adequate vacation days, maternity/ paternity leave, hybrid working and sabbaticals for long-term employees.

Increasing groups retail exposure and footprint

We have witnessed a robust growth in our customer franchise over the last couple of years. As on March 31, 2023, our customer reach was at ~5.6 million which is approximately a 38% YoY growth of customer reach. We see the retail segment as a key driver in our future growth and hence are recalibrating our group to increase retail footprint.

The group focus will be on scaling up retail focused businesses of asset management, insurance and credit to SME and mortgage segments. In line with this this strategy, the stated priority of the group has been to reduce our wholesale exposure and increase our banking partnerships for an asset light model of retail lending.

Our asset management businesses which include our mutual fund and alternative business have grown significantly, with their customer assets growing at 31% YoY to ₹1,515 billion. Our mutual business was the fastest growing amongst the top 15 AMCs in the industry in quarter ended March 31, 2023. Our Alternatives business is currently India's leading alternatives platform with an AUM of over ₹ 465 billion as on March 31, 2023. Our general insurance business has also been consistently ranked amongst the top growing in the industry with a 53% YoY growth in GDPI in quarter ended March 31, 2023.

Brief Highlights of our Businesses

Brief highlights of our diversified businesses including their business performance are as under:

Asset Management Business

Our asset management business consists of our mutual fund and our alternatives business. The businesses have grown significantly over the last couple of years with our assets under management nearly doubling over two years and quadrupling over three years. Our total assets under management in our Asset Management business were approximately ₹1,515 billion, ₹ 1,155 billion, and ₹ 850 billion, as at March 31,2023, March 31, 2022, and March 31, 2021, respectively.

Mutual Fund

One of the fastest growing AMC among the top 15 in the industry. Overall, AUM stands at ₹ 1,050 billion with total folios of 1.17 million as on Fiscal 2023. In Fixed-Income, we are among the top 10 AMCs in India with total debt AUM crossing ₹ 802 billion as on Fiscal 2023. The business has a ladder of debt-index funds ranging from 2023 to 2032 maturities.

Edelweiss Mutual Fund has been recognised and awarded:

- Bharat Bond ETF featured in Mint 20 top performing schemes

- Refinitiv Lipper Fund Awards India 2022 Winner, Edelweiss Banking & PSU Debt-Growth, Best Bond INR Fund Over 5 Years.

Alternative Asset Management

Our alternative assets business focuses on offshore and onshore institutional investors and UHNI funds in strategies of special situations, structured debt, real estate credit and infrastructure yield.

Our total asset under management was around approximately ₹ 465 billion, approximately ₹305 billion and approximately ₹ 300 billion at the end of Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively. AUMs have grown 1.55 times since Fiscal 2021 till the end of Fiscal 2023.

Asset Reconstruction Business

Our asset reconstruction business, managed through Edelweiss Asset Reconstruction Company Limited (EARC), seeks out distressed assets and businesses and combines our financial turnaround expertise with our ability to provide working capital through bridge loans and priority funding to streamline business operations and improve profitability. We believe we have created an expert advisory board of leaders from across sectors like steel, power and infrastructure to help us implement best practices in our portfolio companies. We employ a combination of resolution strategies to distressed assets that can be broadly categorised as follows:

- *Revival* – since we target investment in potentially viable companies, revival and business turnaround is amongst the foremost business strategy that we utilise.

- *Negotiated Settlement* – we utilise this strategy by employing an independent view on achievable return to seek quick and amicable resolution of assets with limited effort.

- *Enforcement* – where revival has failed and negotiations for settlement are inconclusive, we utilise the benefits available under SARFAESI Act and other statutes to enforce secured assets in an ethical and structured manner as prescribed in the Act.

We target investment in distressed assets with clear potential for business revival and having focused and dedicated promoters of high integrity and/or potential for asset sale. We also target investments in distressed assets that do not have any material barriers for legal enforcement.

Our assets under management in the asset reconstruction business were approximately ₹ 371 billion, ₹ 403 billion and ₹ 408 billion as at as at March 31, 2023, March 31, 2022 and March 31, 2021, respectively placing EARC as one of the largest ARC in India. EARC has partnered with over multiple banks/NBFCs backed by our expertise on resolution of stressed assets. EARC has been able to recover more than ₹ 69 billion in Fiscal 2022 as compared to more than ₹ 54 billion in Fiscal 2021. Recoveries in the year ended March 31, 2023, have been ₹ 75.3 billion. Total recoveries during five years covering Fiscal 2019 to Fiscal 2023 have been approximately ₹ 381.41 billion. The recovery scenario got a major boost during Fiscal 2020 with the successful resolution of several large accounts under IBC.

Insurance Business

Edelweiss expanded its addressable retail markets by launching life insurance business during 2011. We completed our insurance offering by entering general insurance business in Fiscal 2018.

Life Insurance Business

Our Life Insurance business has also expanded its distribution footprint across India and had approximately 109 branches in around 88 cities as on March 31, 2023.

We entered the life Insurance business in 2011 through a joint venture between Edelweiss Financial Services and Japan's Tokio Marine Holdings Inc. Edelweiss holds 75.08% equity in the Company and Tokio Marine holds the rest. We believe partnership with an insurance giant like Tokio Marine has given the Company access to best global practices and brought our processes on par with leaders in insurance across the world.

The Company operates under a life insurance license issued by IRDAI. It had equity of ₹ 6,780 million and had approximately 3,30,241 unique policy holders as on March 31, 2023. It issued approximately 56,600 individual policies by end of March 31, 2023. The Company had a distribution presence through its 109 branches and ~69,000 personal financial advisors (PFAs) as on March 31, 2023.

The Gross Premium income in year ended March 31, 2023, ₹ 16.76 billion, growth of about % 15 YoY. The collected Individual Annualised Premium Equivalent (APE) was at ₹ 5.02 billion in year ended March 31, 2023. The Total assets under management as on March 31, 2023 ₹66.37 billion, and ₹ 54.90 billion as on March 31, 2022, a growth of about 21.00 % between two fiscals. The overall 13th month persistency is at 75% in year ended March 31, 2023. The Embedded Value of the business, calculated on market consistent basis, stands at ₹ 18.44 billion as on March 31, 2023.

The Company's Solvency Ratio – calculated on the basis of IRDAI norms applicable to insurance companies – was 220% as on March 31, 2023. Our solvency ratio has been consistently well above the required 150%.

Life insurance companies, typically, have a long gestation period. Given our life insurance business is a little over 10 years old, it is yet to break even. The Loss After Tax after minority interest for Edelweiss Tokio Life business flowing through our consolidated profit and loss statement was ₹ 1,400 million, ₹ 1,111.50 million and ₹1,054.22 million for the year ended March 31, 2023, Fiscals 2022 and 2021, respectively.

We believe that a younger demographic, a rising life expectancy, and an absence of effective social security coverage create a strong case for the longer-term growth potential of insurance products in India. To realise on this long-term potential, we continue to invest to increase the scale of our Life Insurance business.

Edelweiss Tokio Life is focused on differentiating itself by being customer centric and enhancing customer experience driven by technology. It follows a prioritized need-based sales methodology that puts the customer at the centre of solution design and business processes. The customer centric approach of the business translates into product design, building customer-oriented internal systems and processes and sales and service approach, which enables us to build long lasting relationships.

Edelweiss Tokio Life has consistently been recognized by industry forums for its diverse capabilities, as is evident from the following accolades:

- 'Excellence in CX – 2022' at The Economic Times CX summit
- 'Best Life Insurer' & 'Best Product Innovation' titles received in April'21 at the BFSI Excellence Awards 2021
- 'Best Customer Experience & Contact Center Management' title received in June'21 at the Alden Global in association with NASSCOM.
- Certified as India's Best Workplaces in BFSI by Great Place To Work for 2023 made it to the list of Top 25 Best Workplaces in the BFSI Sector.
- Our flagship CSR initiative on Organ Donation #nomorewaiting won ''CSR initiative of the year – India' in Aug'21 at 6th Insurance Asia Awards. The campaign was also felicitated for its 'valuable contribution towards the cause' by the Times of India in Sept'21

- Received ‘India’s Most Trusted & Promising Insurance Brand Award’ for bancassurance and agency sales in Jan’22 at the insurance alerts awards.

Continuing its path of innovation, the company has focused primarily on Protection and Savings segments and launched Total Protect Plus, a term insurance solution along with two income products – Premier Guaranteed Income (PGI), Guaranteed Income Star (GIS) plans which focused on benefits of income planning and longer-term retirement planning and Flexi Savings plan which provides benefits of flexible savings with long life cover during the year ended March 31, 2023.

General Insurance Business

Edelweiss strengthened its retail foray and increased the breadth of solutions offered to customers, both corporate and individual, with the launch of general insurance business in February 2018 through its 100% owned subsidiary Zuno General Insurance Limited (ZGIL) (formerly known as *Edelweiss General Insurance Company Limited*).

It focuses on bringing out new and innovative solutions for its clients. Further, there is impetus on investing in ecosystem partnerships and leveraging technology to deliver superlative customer experience. Our general insurance business was First to launch telematics enabled “usage based” Insurance with Switch 2.0 – *India’s First ‘Pay as you drive and pay how you drive’ motor Insurance.*

ZGIL had equity of ₹ 1,736.32 million and has approximately reached 3.7 million customers as at March 31, 2023. ZGIL had issued approximately 376,680 policies in the financial year 2023. ZGIL operates through approximately 9 offices as at March 31, 2023.

The company generated Gross Written Premium (“GWP”) of ₹ 5,517.39 million, ₹ 3,610.18 million and ₹ 2,264.50 million, for the year ended March 31, 2023, Fiscals 2022 and 2021, respectively.

ZGIL’s loss after tax was ₹ 1,254.86 million, ₹ 1048.89 million and ₹ 910.34 million, for the year ended March 31, 2023, Fiscals 2022 and 2021, respectively. EGIC’s Solvency Ratio – calculated on the basis of IRDAI norms applicable to insurance companies – was 180%, 167%, 209% as on March 31, 2023, March 31, 2022, March 31, 2021, respectively.

We believe that we have developed strong capabilities to build the scale of our business in the financial services and general insurance markets, and that these capabilities can be leveraged to build the scale of our business in the general insurance market. Our emphasis has been on strengthening revenues and improving our service footprint by expanding our partner network which includes garages, hospitals, OEMs and new-age digital players. We have also tied up with technology partners across motor and health segments to bolster our efforts towards providing a superlative customer experience.

General Insurance covers multiple product categories and the key risks relate to parametric risks wherein we price our insurance products based on various assumptions and estimates relating to, among other factors, benefits, claim frequency and claim severity etc. We remain committed to operational excellence and nuanced underwriting. We are proud to have won top awards for our product innovation and technology adoption efforts given by eminent industry consortiums and platforms.

We have won multiple awards for an innovative product like Edelweiss Switch and other technology initiatives undertaken. We continued to invest in and scale up our technology infrastructure which allows for easy integration with our ecosystem partners using our open API stack. We have also strengthened our competencies in product management and customer excellence in addition to extensively increasing the use of mobile applications and digital assets to actively engage and service our customers.

Apart from bringing innovative solutions for customers and enhancing their experience, we endeavour to continuously improve operational efficiency using our digital platform and leveraging data analytics for risk selection and pricing. Our continued rigor and focus on product innovation and technology adoption helped us win the IMC Digital Technology Awards 2020 and India’s most trusted insurance brand for Customer Obsession & Sachet Products.

Credit Business

Credit business of the group is a mix of diversified and scalable businesses. It consists of retail credit and corporate credit. The retail credit segment offers mortgages including home finance, retail construction finance and loan against property, SME finance, rural finance. Corporate credit business offers products like cash flow-based loans and structured collateralized credit to corporates and real estate finance to developers.

We have now embarked upon a new strategy for our corporate credit book wherein we will focus on a capital light model by collaborating with Banks (Co-lending, on-lending, co-origination and securitisation model) and/or adopt alternate investment funds model to run our wholesale credit business. We will also resort to continued sell-down which will release equity, generate liquidity and reduce debt-equity ratio further.

We seek to increase the size of our retail credit book while exploring capital light / partnership model to leverage the network and grow the loan book in a balanced risk efficient manner. We also emphasise prudent financing criteria, strong risk management and a conservative collateral coverage ratio in order to achieve a low rate of Gross NPA and Net NPA in our retail credit business. We believe that the Government's initiatives to increase digitisation of public services will result in increased financial inclusion and home ownership among the Indian population and are supportive of our Credit business and we consistently seek to leverage technology to improve consumer access and increase retail use of our credit products and services.

Retail Credit Business (Edelweiss Retail Finance Limited and Nido Home Finance Limited .)

Our retail credit businesses are conducted under our subsidiary Edelweiss Retail Finance Limited ("**ERFL**"), an NBFC and Nido Home Finance Limited (Formerly known as *Edelweiss Housing Finance Limited*)("**NHFL**"), an HFC, catering to a wide spectrum of individuals, high-net worth individuals ("**HNI**") and affluent clientele, as well as lower income urban and rural customers (collectively, our "Retail Credit" business) and offers the following products:

Retail Mortgage

Our mortgages business caters to retail homebuyers and small business owners/self-employed clients. We provide a wide variety of products including construction finance, home loans, loan against property, small ticket home loans and small ticket loan against property. While we initially launched this business in major metropolitan areas/ tier 1 cities, our focus is now on building the small ticket or affordable home loans in tier 2 and 3 cities. We focus on home loans through developer tie-ups and participating in affordable housing programs. With our increased eligibility to obtain refinance from the National Housing Board at a reduced borrowing cost, we seek to grow this business with increasing profitability.

Additionally, our focus on the asset light, co-lending led credit strategy enables mobilise resources and free up equity capital for further growth in addition to yield optimisation on such loans. The collateral for Retail Mortgage products is a pledge of residential or commercial property.

Retail mortgage finance business had asset under management of ₹ 41,146.70 million as on March 31, 2023. The loan to value ratio in its home loans and LAP portfolio remained at a comfortable level.

SME & Business Loans

SME finance business is our key focus areas in retail credit and caters to the underserved and highly scalable market. Among our products for SMEs, we offer secured and unsecured business loans to them. We believe that the SME sector has significant unmet demand that is not currently adequately serviced by banks and financial institutions and NBFCs are increasing their penetration of this sector. The collateral for secured SME loans is typically a pledge of residential or commercial property.

SME business had a gross loan book of ₹ 10821.68 million as on March 31, 2023.

Corporate Credit Business (ECL Finance Limited) (ECLF)

Our corporate credit business (also referred to as wholesale lending) is primarily conducted in our major NBFC subsidiary ECL Finance Limited (ECLF) and mainly comprises of wholesale mortgages and structured collateralised credit products which are focused largely on the real estate development and corporate sector. Wholesale credit assets in ECLF stand at ₹ 57 billion as on March 31, 2023.

- *Wholesale Mortgage* – Our wholesale mortgage credit book comprises loans granted against real estate collateral backed by cash flows from real estate projects, principally for residential housing projects, to meet short-term and medium-term requirements. The tenure of the loans is generally up to five years. Our risk management maintains a focus on liquidity and price risk, as well as approval and execution risk.

- *Structured Collateralized Credit* – Structured collateralised credit book comprises loans against liquid market securities and other collaterals which are principally offered to corporates. In certain cases, immoveable property may also be used as collateral. These loans also include bridge financing or other short-term loans. The tenure of the loans is generally up to three years. The funds raised are to be utilised for the working capital requirement of the corporates, expansion and diversification of business among other uses.

In addition to ERFL and EHFL, some retail loans (SME and LAP) are also booked in ECL Finance Limited.

Asset Quality and Risk Management

Gross Loans/ Gross Loan Book of ERFL was ₹ 5,648.05 million, ₹ 10,719.22 million and ₹ 12,548.63 million as at March 31, 2023, March 31, 2022 and as at March 31, 2021, respectively on a standalone basis. Gross Stage 3 loans % and/or Gross NPA % of ERFL were 2.81%, 2.31% and 12.44%, of the gross advances as at March 31, 2023, March 31, 2022 and as at March 31, 2021, respectively on a standalone basis. Net Stage 3 Loans % and/or Net NPA % of ERFL were 2.19%, 1.82% and 10.21% of the gross advances as at March 31, 2023, March 31, 2022 and as at March 31, 2021respectively on a standalone basis.

Gross Loans/ Gross Loan Book of EHFL was ₹ 30,692.05 million, ₹ 31,448.72 million, ₹ 36,453.58 million March 31, 2023, as at March 31, 2022 and as at March 31, 2021, respectively on a standalone basis. Gross Stage 3 loans % of EHFL were 1.91%, 1.99% 3.50 % of the gross advances as at March 31, 2023, March 31, 2022 and as at March 31, 2021, respectively on a standalone basis. Net Stage 3 Loans % and/or Net NPA % of EHFL were 1.46%, 1.46%, 3.14% of the gross advances as at March 31, 2023, as at March 31, 2022 and as at March 31, 2021, respectively on a standalone basis.

Gross Loans/ Gross Loan Book of ECLF was ₹ 38,645.09 million, ₹ 56,910.34 million and ₹ 86, 342.50 million as at March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Our Gross Stage 3 loans were 1.96%, 2.84 % and 7.23 % of our gross advances as at March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Our Net Stage 3 Loans % were 1.17%, 2.00% and 6.40% of our gross advances as at March 31, 2023, March 31, 2022 and March 31, 2021 respectively.

We seek to maintain an average collateral value ratio in excess of two times the loan amount at the time of origination and maintain focus on asset quality and controlling underwriting costs. We believe that, as a result of our prudent risk management and strict underwriting policies, we have been able to manage the quality of collateral assets securing our corporate credit loans. Even when a loan is required to be classified as an NPA, we continue to hold a significant amount of collateral against such loans. We have also observed in the past that over-collateralisation acts as a disincentive for the borrower to default.

As a matter of policy, we avoid concentration in the corporate credit book by having appropriate limits on exposure to a single borrower or a group or a sector or particular scrip taken as collateral etc. The single borrower and group borrower lending limits (SBL/GBL) are in place as per the RBI directives for NBFCs. Industry. Sector/scrip-wise exposures are also monitored to ensure that we do not build up any concentration.

We seek to manage risk in our Credit business through the 3 ‘C’s framework - counterparty, collateral and cash flow.

- *Counterparty* – We focus on the borrower’s track record, relationship with our group, and ability to execute the project. We also analyse the borrower group’s financial standing, assets and liabilities and cash flow and liquidity, and conduct a credit history and regulatory checks.

- *Collateral* – We determine whether it is a hybrid collateral pool or a ring-fenced structure and analyse ease of enforcement. We conduct a valuation based on both economic value and liquidity. We conduct an environmental analysis and follow-up with periodical post-disbursement monitoring.

- *Cash flow* – We analyse the fundamentals of the borrower’s business performance and the collateral assets. We stress test cash flow analysis assuming both periodic and event-based scenarios. We employ escrow arrangements to ring-fence and control project cash flows wherever appropriate.

Our Lending Policies and Processes

Our loan offerings cater to a broad cross-section of clients ranging from corporates to SMEs to individuals including rural population. The lending policies that we have in place are aimed at ensuring that risk management remains our focus and our loan portfolio remains of a high quality. We also maintain prudent provisioning and write-off policies in respect of our NPAs in line with regulatory requirements.

Lending Policies

Our lending products and policies are aligned to the specific needs of diverse categories of clients. To ensure this, each of our business segments maintains its own internal credit policies and approval processes, which are in line with our established risk evaluation criteria.

Credit Processes

We believe our business processes ensure complete independence of functions and a segregation of responsibilities. We believe our credit appraisal and credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. These legal and technical verifications include collateral valuation, title search, document verification, fraud and KYC verifications, personal meetings with clients and audit before the disbursement of loans. Furthermore, our processes have been standardised with the objective of providing high quality of service and ensuring efficiency. This is achieved by facilitating the integration of our workforce, processes and technology. Our key business processes are regularly monitored by the respective business or operations head. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

We believe that we have the necessary internal controls and risk management systems to assess and monitor risks across various business lines. The risk management systems function through an independent department concerning accounts and operations and a dedicated centralised risk management team. We seek to monitor and control risk exposure through a variety of separate but complementary financial, credit and operational reporting systems.

Capital to Risk Assets Ratio

Our Credit business is subject to the CRAR requirements as prescribed by the RBI or NHB, as applicable. We are currently required to maintain in respect of our NBFCs a minimum of 15.00% as prescribed under the Prudential norms of the RBI based on our total capital to risk weighted assets. We are currently also required to maintain in respect of our HFC a minimum of 14.00% by March 31, 2021 as prescribed under the Prudential Norms of the NHB based on our total capital to risk weighted assets. As part of our governance policy, we maintain capital adequacy higher than the statutorily prescribed CRAR.

The table below sets out our CRAR for our key NBFC subsidiaries/HFC engaged in the credit business, which is computed on the basis of the applicable RBI/NHB requirements, as at the dates indicated:

Particulars	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
ECL Finance Limited			
CRAR – Tier I capital (%)	15.82	16.38	13.70
CRAR – Tier II capital (%)	15.02	14.12	11.59
Total CRAR (%)	30.84	30.50	25.29
Edelweiss Retail Finance Limited			
CRAR – Tier I capital (%)	58.25	24.37	26.70
CRAR – Tier II capital (%)	14.00	12.53	13.15
Total CRAR (%)	72.25	36.90	39.85
Nido Home Finance Limited (Formerly known as *Edelweiss Housing Finance Limited*) **(calculated as per Ind AS)**			
CET1 Capital ratio	32.06	28.28	26.49
CET2 Capital ratio	0.00	0.00	0.00
Total Capital Ratio	32.06	28.28	26.49

Wealth Management Business

Our Wealth Management Business, Nuvama Wealth Management Limited ("**NWML**") ceases to be an associate from March 30, 2023. Furthermore, pursuant to the scheme of arrangement between our Company and NWML and their respective shareholders and creditors, the Wealth Management Business has been demerged and transferred to NWML.

The scheme of arrangement was approved by the NCLT, Mumbai Bench on April 27, 2023 and May 18, 2023 was fixed as the effective date of the demerger as recorded through the board resolution dated May 16, 2023, paving way for its subsequent proposed listing.

The Assets Under Advice ("**AUA**") for the business were ₹ 2,252 billion, ₹ 2,020 billion and ₹ 1,550 billion as at March 31, 2023, March 31, 2022 and 2021, respectively. We have revised the method of computation of AUA from March 31, 2020, onwards. The business had approximately 10,87,564 and 8,53,700 number of affluent clients as at March 31, 2023 and March 31, 2022 respectively.

Liability Management

We focus on meeting our funding requirements and managing short-term surpluses in a manner similar to that of a treasury of commercial banks. As a part of this process, we track daily cash flows and expected cash flows for near and medium term. We ensure maintenance of liquidity at group and entity level and its investment across different asset classes. Our sources of funding comprise credit facilities by way of term loans from banks, cash credits from banks, redeemable non-convertible debentures and money market borrowings. We raise funds from diversified sources and through a wide range of instruments in order to reduce our funding cost and maintain a large lender base. This assists us to raise resources at competitive rates, protect interest margins and maintain a diversified funding portfolio designed to achieve funding stability and liquidity. We believe that through our liability management operations, we maintain our ability to repay borrowings as they mature and obtain new loans at competitive rates. We seek to manage and maintain an optimum level of liquidity and comply with the prudent requirements of asset liability management. The objective is to obtain smooth functioning of all our operations and to avoid the holding of excessive cash. We maintain a balance between interest earning liquid assets and cash to optimise earnings. We actively manage our cash and funds flow by using various cash management services provided by banks. We also invest temporary surplus funds with liquid debt based mutual funds. Our investments are made in accordance with the investment policy approved by the Board. These responsibilities are now devolved at entity level to ensure compliance and efficiency.

Asset and Liability Management

Our business requires significant working capital and, accordingly, our day-to-day liquidity management is a critical function. We manage our liquidity and balance sheet to ensure that maturing liabilities are repaid smoothly. We also manage key components of balance sheet, monitor interest rate sensitivity in our portfolio and take pre-emptive steps to mitigate any potential liquidity risks and interest rate risks. We ensure that we maintain an adequate liquidity cushion to meet short-term obligations while continuing to meet long-term obligations as a going concern. As at March 31, 2023 our available liquidity, which includes unencumbered government bonds, mutual fund investments, bank fixed deposits, unutilised overdraft lines, sanctioned term loans from banks, Exchange margin, and other high quality liquid assets which can be converted into cash in a short period of time if needed, was approximately ₹ 29 billion which was ~13% of our borrowings on that day.

Our Asset Liability Management (the "ALM")/Available Liquidity statement is prepared on a monthly basis to track our inflows and outflows. The ALM statement is placed before the asset liability management committee periodically. Since we have a mixed lending portfolio comprising short-term and long-term loans, we make efforts to match the maturity of liabilities with the maturity of assets. We structure the treasury assets to maintain sufficient liquidity, address the capital needs of the business and manage interest rate risks. We focus on enterprise-wide risk management to ensure optimum returns and capital preservation. These responsibilities are devolved at entity level to ensure compliance and efficiency. We also seek to continue to reduce dependence on short-term money market borrowings, diversify our sources of borrowings and increase the proportion of our medium to long term borrowings.

Ever since the collapse of an AAA rated entity in September 2018, the NBFC industry is facing tight liquidity and a credit crunch. The situation has been exacerbated by the COVID-19 pandemic. We have accordingly enhanced monitoring of our available liquidity and also continue to work on various sources to raise fresh funds.

Besides maintaining a liquid balance sheet, we continue to reduce dependence on market borrowings, diversify sources of borrowings, diversify the type of instruments through which we borrow and increase liabilities in the medium to long term buckets. We have reduced dependence on CP borrowings to 5% of borrowings with the borrowings from NCDs and bank finance accounting for 95% of total adjusted borrowings at the end of Fiscal 2023. Overall share of borrowings maturing in less than one year and more than one year stands at 41% and 59% respectively as at March 31, 2023.

All these steps have ensured that we continue to maintain positive gap in ALM through all time buckets, individually as well as at consolidated level and also maintain sufficient available liquidity.

Key Operational Parameters

Our consolidated profit/(loss) for the year attributable to owners of the Company was ₹ 3,441.63 million, ₹ 1,887.84 million, ₹ 2,653.36 million for the Fiscals 2023, 2022 and 2021, respectively. Our profit of the Company was ₹ 23,882.47 million for the year ended March 31, 2023 on a standalone basis.

The following table sets forth the Key Operational and Financial Parameters on a consolidated basis:

(₹ in million, unless otherwise stated)

Parameters	As at and for the year ended March 31 2023	As at and for the year ended March 31 2022	As at and for the year ended March 31, 2021
Balance Sheet			
Net Fixed assets (Refer Note I)	13,919.48	16,169.82	17,939.09
Total assets (Refer Note II)	440,642.67	432,797.80	463,500.13
Networth (Refer Note III)	74,837.12	72,201.92	72,198.86
Total equity and liabilities (Refer Note IV)	440,642.67	432,797.80	463,500.13
Profit and Loss			
Total Income	86,325.91	72,125.91	109,549.40
Revenue from Operations	84,810.36	68,194.04	94.634.50
Other income	1,515.55	3,931.87	14,914.90
Total Expenses	83,796.60	70,818.65	108,086.81
Profit / (Loss) before tax	3,847.25	2,273.80	1,456.24
Profit/(Loss) for the year	4,055.57	2,120.74	2,539.20
Other comprehensive income/(loss)	185.77	(1,194.37)	(17.97)
Total comprehensive income/(loss)	4,241.34	926.37	2,521.23
EPS*			
(a) Basic	3.83	2.11	2.98
(b) Diluted	3.83	2.11	2.97
Cash Flow			
Net cash generated from / (used in) operating activities	17,198.88	55,922.48	34,580.26
Net cash generated from / (used in) investing activities	7,457.57	(10,579.91)	40,849.12
Net cash generated from / (used in) financing activities	(17,083.48)	(64,442.09)	(85,869.42)
Cash & Cash Equivalents as at the beginning of the year	19,885.63	38,985.15	49,425.19
Cash & Cash Equivalents as at the end of the year	27,458.60	19,885.63	38,985.15
Net (decrease) / increase in cash and cash equivalents	7,572.97	(19,099.52)	(10,440.04)
Additional information			
Cash and Cash Equivalents	27,458.60	19,885.63	38,985.15
Interest Income	29,458.64	30,454.79	40,617.58
Finance Costs	25,745.63	29,841.09	38,340.33

Notes: "Debt to equity ratio" refers to aggregate of Debt securities, Borrowings (other than debt securities), Subordinated Liabilities at the end of the period divided by equity.

I. Net Fixed assets

(₹ in million, unless otherwise stated)

Particulars	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Investment property	1,822.13	3,034.26	3,394.63
Property, Plant and Equipment	10,328.00	11,071.77	12,281.27
Capital work in progress	7.09	0.57	7.93
Intangible assets under development	240.60	195.70	124.17
Goodwill on consolidation	236.60	663.35	663.35
Other Intangible assets	1,285.06	1,204.17	1,467.74

(₹ in million, unless otherwise stated)

Particulars	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Total Net Fixed Assets	**13,919.48**	**16,169.82**	**17,939.09**

II. Total Assets

(₹ in million, unless otherwise stated)

Particulars	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Total Financial assets	**396,248.42**	**389,170.29**	**421,557.89**
Cash and cash equivalents	27,458.60	19,885.63	38,985.15
Bank balances other than cash and cash equivalents	9,532.13	10,503.34	8,616.91
Derivative financial instruments	779.00	685.22	2,902.03
Stock in trade (Securities held for trading)	26,994.05	15,118.11	15,746.76
Trade Receivables	4,133.08	4,691.71	5,060.49
Loans	1,73,536.28	200,976.16	224,545.46
Investments	1,44,628.19	126,274.89	113,073.02
Other financial assets	9,187.09	11,035.23	12,628.07
Total Non-financial assets	**44,394.25**	**43,627.51**	**41,942.24**
Reinsurance assets	3,013.36	3,432.77	3,393.36
Current tax assets (net)	8,227.34	8,912.80	7,218.14
Deferred tax assets (net)	12,115.65	10,645.61	9,584.99
Investment property	1,822.13	3,034.26	3,394.63
Property, Plant and Equipment	10,328.00	11,071.77	12,281.27
Capital work in progress	7.09	0.57	7.93
Intangible assets under development	240.60	195.70	124.17
Goodwill on consolidation	236.60	663.35	663.35
Other Intangible assets	1,285.06	1,204.17	1,467.74
Other non- financial assets	7,118.42	4,466.51	3,806.66
Total Assets	**440,642.67**	**432,797.80**	**463,500.13**

III. Networth

(₹ in million, unless otherwise stated)

Particulars	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Equity Share capital	898.38	898.20	890.90
Other equity	66,542.74	64,475.96	64,880.69
Less: Revaluation Reserve through Other Comprehensive Income	(3,625.19)	(3,721.28)	(4,571.09)
Equity attributable to Non-controlling interest	11,021.19	10,549.04	10,998.36
Networth	**74,837.12**	**72,201.92**	**72,198.86**

IV. Total equity and liabilities

(₹ in million, unless otherwise stated)

Particulars	As at		
	March 31, 2023	March 31, 2022	March 31,2021
Derivative Financial Instruments	775.72	2,259.89	1,845.51
Trade Payables	14,122.16	12,901.27	4,894.78
Insurance claims payable	509.76	345.28	194.41
Debt securities	1,54,030.34	155,057.04	174,858.54
Borrowings (other than debt securities)	49,947.02	56,550.66	94,318.19
Deposits	16.25	15.60	96.01

(₹ *in million, unless otherwise stated)*

Particulars	As at		
	March 31, 2023	**March 31, 2022**	**March 31,2021**
Subordinated Liabilities	13,366.87	15,486.53	15,087.75
Other financial liabilities	54,070.45	51,493.22	45,207.17
Current tax liabilities (net)	249.21	173.94	253.00
Provisions	623.96	495.40	1,118.55
Policyholders' liabilities	66,135.11	55,288.34	43,549.30
Deferred tax liabilities (net)	1,827.60	2,166.41	2,157.62
Other non-financial liabilities	6,505.91	4,641.02	3,149.35
Equity Share capital	898.38	898.20	890.90
Other equity	66,542.74	64,475.96	64,880.69
Equity attributable to Non-controlling interest	11,021.19	10,549.04	10,998.36
Total Equity and Liabilities	**440,642.67**	**4,32,797.80**	**4,63,500.13**

The following tables sets forth the Key Operational and Financial Parameters on a standalone basis:

(₹ *in million, unless otherwise stated)*

Parameters	As at and for the year ended March 31 2023	As at and for the year ended March 31 2022	As at and for the year ended March 31 2021
Balance Sheet			
Net Fixed assets (Refer Note I below)	10.34	6.54	7.18
Total assets (Refer Note II below)	1,07,185.86	80,420.60	59,809.30
Net Worth (Refer Note III below)	72,552.63	50,002.16	41,259.88
Total equity and liabilities (Refer Note IV below)	1,07,185.86	80,420.60	59,809.30
Profit and Loss			
Total Income	30,886.92	13,724.74	17,218.73
Total Revenue from operations	24,091.08	8,364.49	3,436.06
Other income	6,795.84	5,360.25	13,782.67
Total Expenses	7,740.36	5,177.30	10,279.54
Exceptional Item			-
Profit before tax	23,146.56	8,547.44	6,939.19
Profit for the year	23,882.47	9,333.58	7,162.12
Other comprehensive income	0.33	(0.10)	9.54
Total comprehensive income	23,882.80	9,333.48	7,171.66
EPS*			
(a) Basic	26.59	10.44	8.05
(b) Diluted	26.59	10.43	8.01
Cash Flow			
Net cash generated from / (used in) operating activities	(3,286.08)	(5,361.46)	1,172.92
Net cash generated from / (used in) investing activities	2,854.22	(4,302.97)	(5,694.52)
Net cash generated from / (used in) financing activities	(2,837.39)	12,801.97	5,989.75
Cash and cash equivalents as at the beginning of the year	4,619.34	1,481.81	13.66
Cash and cash equivalents at the end of the year	1,350.09	4,619.34	1,481.81
Net (decrease) / increase in cash and cash equivalents	(3,269.25)	3,137.53	1468.15
Additional information			
Cash and Cash Equivalents	1,350.09	4,619.34	1,481.81
Interest Income	3,499.18	2,918.12	834.96
Finance Costs	3,027.37	2,142.50	973.34

Notes: "Debt to equity ratio" refers to aggregate of Debt securities, Borrowings (other than debt securities), Subordinated Liabilities at the end of the period divided by equity.

I. Net Fixed Assets

(₹ in million, unless otherwise stated)

Particulars	As at		
	Fiscal 2023	Fiscal 2022	Fiscal 2021
Property, Plant and Equipment	10.34	5.71	5.99
Intangible assets under development	-	-	-
Other intangible Assets	-	0.83	1.19
Total Net Fixed Assets	**10.34**	**6.54**	**7.18**

II. Total Assets

(₹ in million, unless otherwise stated)

Particulars	As at		
	Fiscal 2023	Fiscal 2022	Fiscal 2021
Total Financial assets	**1,03,018.89**	**77,534.14**	**58,600.10**
Cash and cash equivalents	1,350.09	4,619.34	1,481.81
Bank balance other than cash and cash equivalents	39.17	539.08	8.19
Trade receivables	305.64	123.64	191.00
Loans	29,023.40	21,703.81	12,472.43
Investments	72,100.70	49,632.63	43,817.32
Other financial assets	199.89	915.64	629.35
Total Non-financial assets	**4,166.96**	**2,886.46**	**1,209.20**
Current tax assets (net)	1,143.22	951.08	688.06
Deferred tax assets (net)	1,895.05	1,159.14	379.62
Property, plant and equipment	10.34	5.71	5.99
Intangible assets under development	-	-	-
Other intangible assets	-	0.83	1.19
Other non-financial assets	1,118.36	769.70	135.88
Total Assets	**1,07,185.86**	**80,420.60**	**59,809.30**

III. Networth

(₹ in million, unless otherwise stated)

Particulars	As on		
	Fiscal 2023	Fiscal 2022	Fiscal 2021
Equity Share Capital	898.38	898.20	890.90
Other Equity	71,654.25	49,103.96	40,368.98
Networth	**72,552.63**	**50,002.16**	**41,259.88**

IV. Total Equity and Liabilities

(₹ in million, unless otherwise stated)

Particulars	As on		
	Fiscal 2023	Fiscal 2022	Fiscal 2021
Financial Liabilities	**34,600.98**	**30,326.28**	**18,418.24**
Derivative financial instruments	-	-	-
Trade payables	2,233.99	952.15	2,354.43
Debt securities	25,886.54	24,322.12	7,288.95
Borrowings (other than debt securities)	-	-	1,091.16
Other financial liabilities	6,480.45	5,052.01	7,683.70
Non-financial Liabilities	**32.25**	**92.16**	**131.18**
Current tax liabilities (net)	7.86	7.94	7.26
Provisions	9.31	7.19	3.59
Other non-financial liabilities	15.08	77.03	120.33
Equity	**72,552.63**	**50,002.16**	**41,259.88**
Equity Share Capital	898.38	898.20	890.90

(₹ in million, unless otherwise stated)

Particulars	As on		
	Fiscal 2023	Fiscal 2022	Fiscal 2021
Other Equity	71,654.25	49,103.96	40,368.98
Total Equity and Liabilities	**1,07,185.86**	**80,420.60**	**59,809.30**

Key Parameters of Edelweiss Retail Finance Limited

(₹ in million, except percentage)

Particulars	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022	As at and for the year ended March 31,2021
Gross Stage III Loan (A)	158.46	248.05	1,561.17
Total Gross Loan (B)	5,648.05	10,719.22	12,548.63
Gross Stage 3 % (A/B)	2.81%	2.31%	12.44%
Gross Stage III Loan	158.46	248.05	1,561.17
Less: Allowance for ECL on Stage III	35.68	52.82	279.81
Net Stage III (A)	122.78	195.23	1,281.36
Total Gross Loan	5,648.05	10,719.22	12,548.63
Less: Allowance for ECL on Stage III	35.68	52.82	279.81
Net Loan (B)	5,612.37	10,666.41	12,268.82
Net Stage 3 % (A/B)	**2.17%**	**1.82%**	**10.21%**

Key Parameters of Nido Home Finance Limited (Formerly known as *Edelweiss Housing Finance Limited*) ("**NHFL**")

(₹ in million, except percentage)

Particulars	As at and for the year ended March 31,2023	As at and for the year ended March 31, 2022	As at and for the year ended March 31,2021
Gross Stage III Loan (A)	587.53	627.30	1,275.78
Total Gross Loan (B)	30,692.05	31,448.72	36,453.58
Gross Stage 3 % (A/B)	1.91%	1.99%	3.50%
Gross Stage III Loan	587.53	627.30	1,275.78
Less: Allowance for ECL on Stage III	138.61	167.78	131.73
Net Stage III (A)	448.92	459.52	1,144.05
Total Gross Loan	30,692.05	31,448.72	36,453.58
Less: Allowance for ECL on Stage III	138.61	167.78	131.73
Net Loan (B)	30,553.44	31,280.94	36,321.85
Net Stage 3 % (A/B)	**1.46%**	**1.46%**	**3.14%**

Key Parameters of ECL Finance Limited

(₹ in million, except percentage)

Particulars	As at and for the year ended March 31,2023	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021
Gross Stage III Loan (A)	758.73	1,616.32	6,241.92
Total Gross Loan (B)	38,645.09	56,910.34	86,342.50
Gross Stage 3 % (A/B)	1.96%	2.84%	7.23%
Gross Stage III Loan	758.73	1,616.32	6,241.92
Less: Allowance for ECL on Stage III	310.96	487.29	769.43
Net Stage III (A)	447.77	1129.03	5,472.49
Total Gross Loan	38,645.09	56,910.34	86,342.50
Less: Allowance for ECL on Stage III	310.96	487.29	769.43
Net Loan (B)	38,334.13	56,423.05	85,573.07
Net Stage 3 % (A/B)	1.17%	2.00%	6.40%

Our Credit Ratings

Credit Ratings for Edelweiss Financial Services Limited as on the date of Tranche III Prospectus:

Credit Rating Agency	Instruments	Ratings
ACUITE	Long Term - NCD	ACUITE AA-/Negative
Brickwork	Long Term Structured Products	BWR PP-MLD AA-/Negative
Brickwork	Long Term NCDs	BWR AA-/Negative
CARE	Short-term – Commercial Paper	CARE A1+
CARE	Long Term - NCDs	CARE A+/Negative
CRISIL	Long Term Structured Products	CRISIL PPMLD AA-/Negative
CRISIL	Long Term NCDs	CRISIL AA-/Negative
CRISIL	Short-term – Commercial Paper	CRISIL A1+
ICRA	Long Term - NCD	[ICRA]A+/Stable

Our Business Approach

From advisory and investment banking services, we have grown by strategically focusing on synergistic diversification in complementary businesses, client segments, asset classes and geographies. Our strong focus on diversification has helped our group grow from being an investment banking advisory house into a credit and financial services institution.

We believe that knowledge, research and innovation have been the key drivers of our growth. We constantly pursue innovation, explore complementary businesses and invest in new business models. The core thinking that underlines each of our business decisions is to provide long-term value creation by building sustainable businesses while focusing on risk.

We believe that, over the years, we have demonstrated the ability to reinvent ourselves in response to evolving economic and business cycles. We believe that the element of adaptability and flexibility ensures our businesses identify opportunities, deal with dynamic economic situations and are equipped to leverage knowledge, experience and professionalism in dealing with new prospects.

As a diversified financial services company, we believe that we cater to all segments of society, as distinguished from largely mono-line financial services companies that are focused on one or two asset classes and narrowly defined customer segments, resulting to greater exposure to market cycles. Our businesses include retail credit, corporate credit, asset management, asset reconstruction and insurance. While our Credit businesses, currently facing environmental headwinds, have provided us the steady growth and scalability in the past. We also believe that our Insurance business is a long-term opportunity to create a stable source of growth.

Growing our business

Over the years, a key question that we have faced is what it takes to build a sustainable business. Having engaged in trying to build sustainable and quality businesses over the last 25 years, we now believe that building a business involves the management of four key vectors:

- Customers – Customer experience is a key component of the long-term growth of our business. Our brand building mission has been intensified by digitalisation and easy access of customers to our products. We have also increasingly enhanced our focus on customers with three new guiding principles added to our original list of ten, each of them focusing on customers.

- People – We believe that our people are critical to the mission of our group and human capital sets apart good companies from great companies. We believe that we have been fortunate to work with people who have not only proved to be valuable assets in driving our business and enterprise functions but equally adept at helping extend our core focus on people management to their own leadership teams.

- Risk – Managing risk and treading carefully is central to our mission and risk management has been a core focus since our inception for the growth of our business. By embedding risk management into the culture of the organisation, we have tried to ensure that the first line of defence starts with each individual and pervades throughout our organisation.

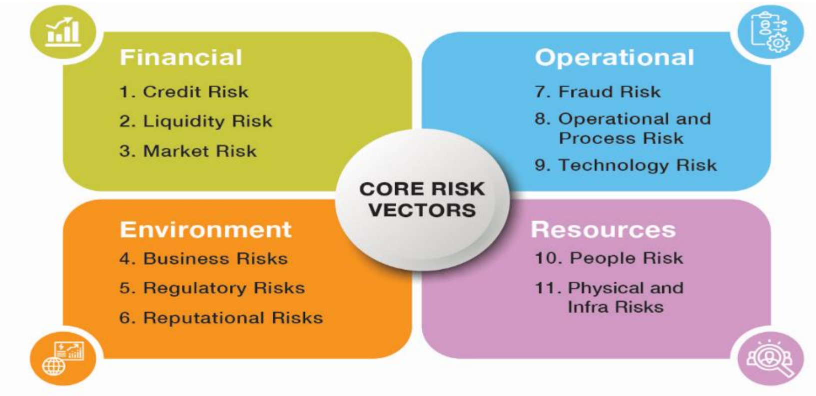
- Cost – Managing costs is not about cutting costs, but about calibrating costs to ensure that necessary balance between current and future spending and investment. We seek to continue invest in businesses and opportunities in order to build the scale of our credit, asset management and insurance businesses.

We seek to support our management with these four key vectors along with a high degree of technological penetration throughout our business operations.

Risk management

Our diversified financial services business activities are exposed to various risks that are either inherent to the business or have their genesis in changes in the macro-economic environment. The good risk management practices of the grouphave facilitated navigating through environmentally turbulent times. Respect for risk is an integral part of business at Edelweiss. The good risk management practices of the Group have facilitated navigating through environmentally turbulent times. Our Enterprise Risk Management (ERM) framework has helped us strategically benchmark our practices across different business lines to the desired levels.

We have also put in place an in-house "Eleven-risk framework" as under to formalize the process of assess, avoid, manage and mitigate risks across business verticals in a continuous manner.



A brief description of the risks we face is as under:

Risk Vector	Description
Business Risk	Risk of failure of strategy or execution or adverse change in environment or inability to innovate
Market Risk	Risk of loss resulting from adverse movements in market variables
Liquidity Risk	Risk of not being able to timely monetize an asset at a fair price; or inability to meet financial obligations
Credit Risk	Risk of loss due to inability or unwillingness of a counterparty to meet financial / contractual obligations
Operational & Process Risk	Risk of loss resulting from inadequate or failed processes, system controls or human negligence
Fraud Risk	Activities undertaken by an individual or entity in a dishonest or illegal manner for personal gains
Regulatory Risk	Risk of not adhering to the letter and spirit of laws and regulations leading to fines or other penal action
Reputation Risk	Risk arising from negative perception about the organization on the part of stakeholders
Technology Risk	Risk of loss due to technology failures such as information security incidents or service outrages
Physical & Infra Risk	Risk of loss and people safety due to disruption of basic services/infra due to natural or manmade events
People Risk	Risk of not having the right people with the right skills/competencies at the right time to achieve business goals

A number of new initiatives have been taken in these eleven risk areas. For Regulatory risk, introduction of analytics to identify early warning signs has facilitated in effective implementation of pro-active mitigant measures along with compliance training programs to employees on policies and framework. For Operational & Process risk, all businesses have identified its critical as well as non-critical processes and thorough review of the standard operating procedures (SOPs) for all the critical processes. For Credit risk, a comprehensive framework for asset quality review was put in place in Fiscal 2019 and the recalibration of the expected credit loss (ECL) model has been concluded during Fiscal 2020.

Reputational risk has been factored in all business strategies and it is managed with an effective crisis management approach and timely transparent response to all stakeholders. For Technology risk, significant progress has been made on IT security front to manage the risk emanating from the changing ecosystem.

The elaborate risk governance structure at Edelweiss includes Risk Committee of the Board of the listed company. In addition, key subsidiaries also have risk committee of their respective boards. At individual business level we have Investment Committees and Business Risk Groups to Access, Avoid, Manage and Mitigate various risks.
Our diversified businesses give us the opportunity to leverage parallel growth opportunities, while at the same time providing significant risk mitigation through reallocation of resources to address the prevailing economic environment. We have developed our business model over several years to reach a level of diversification where our profits are distributed across business segments thereby increasing the stability and sustainability in our operations.

Human Resources

Employee Inclusion and Diversity are an important element at the heart of Edelweiss. As at March 31, 2023, approximately 25% of our employees are women out of a total of 5,871 employees.

We reinforce tenets that enable employees with different backgrounds, gender, ways to thinking, style of operating to work effectively together and holistically play to their strengths. A significant component of our value-based culture is commitment to acknowledge and appreciate the efforts of employees through extensive recognition programs.

We believe our human capital is one of our most important strengths and a key driver of growth, efficiency and productivity. We invest in developing our talent and leadership through various initiatives aimed at strengthening the ability of our managers to bring together people, strategies, and execution to drive business results. We also have a leadership programme with the objective of multiplying leadership capability, developing internal leaders and ensuring seamless execution of our future growth. As at March 31, 2023, approximately 5% of our employees are in our centralised three-tiered leadership pool, comprising of Management Committee members, senior leaders and business leaders, each of whom undergo a structured engagement, communication and development programme during their membership period in the leadership pool. The tenure of the current batch of Emerging Leaders is over and its continuation is under review.

Strong corporate social responsibility

We believe that corporate social responsibility program ("**CSR**") is an important foundation of our business reputation. Our CSR is carried out through our philanthropic arm, the EdelGive Foundation ("EdelGive"). EdelGive' s mission is to leverage our resources with a view to empower social entrepreneurs and organisations towards achieving systemic change. EdelGive seeks to build a strong, efficient and high impact social sector by being the bridge between the users and providers of philanthropic capital and knowledge, by catalysing the exchange of ideas, skills, talents and resources among civil society, philanthropists, businesses and government.

Through EdelGive, we financially support, and also review and manage, our portfolio of non-profits and social entrepreneurs. We also provide philanthropists with investment advice customised for the non-profit sector, as well as analyses of outcomes of philanthropic investments and monitoring of individual programme milestones and broader social impact.

EdelGive follows a research-based approach while sourcing credible non-profits. Investment decisions are based on thorough due diligence of target beneficiary needs, aspects of sustainability and programme impact analysis. EdelGive's objective is to select the best grantees as well as focusing on organizations that are addressing the most urgent and overlooked problems. EdelGive also attempts to signal other funders by taking the additional step of educating and attracting donors, especially those lacking expertise in the area, thus effectively improving or magnifying the return on a larger pool of philanthropic resources. EdelGive also endeavours to improve the performance of grant recipients by moving from the role of capital provider to fully engaged partner, thereby improving the grantee's effectiveness as an organization.

EdelGive's programme areas include social and economic empowerment of women (freedom from violence, access to legal justice, grassroots leadership, access to rights and entitlements and freedom from economic dependence), access to quality education (early childhood education, school transformation, and innovation and experimentation), and building resilient livelihoods (water for livelihood, skill and institution building, employability skill building and financial Inclusion – programmes that focus on the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society).

Outsourcing

We enter into outsourcing arrangements for non-essential functions with third party vendors for a number of our businesses and services required by us. These vendors provide services, which include, among others, software services, client sourcing, and call centre services. We conduct due diligence before finalising such outsourcing arrangements. We adhere to outsourcing guidelines prescribed by various regulators.

ETLI complies with the IRDAI (Outsourcing of Activities by Indian Insurers) Regulations, 2017 published on May 5, 2017 and does not outsource any of the activities that are prohibited from being outsourced thereunder, including: fund management NAV calculations; compliance with AML and KYC; product design; actuarial functions; risk management; decision-making on underwriting and claims; policyholders grievances redressal; decision to appoint insurance agents; and approval of advertisements.

Insurance Coverage

We maintain a number of insurance policies to cover the different risks involved in the operation of our business. We maintain a directors' and officers' liability policy to cover certain liabilities that may be imposed on our directors and officers. We believe that our insurance coverage is appropriate and adequate for our operations. We have insurance policies covering, among others, electronic equipment, burglary, standard fire and special peril and machinery breakdown, and comprehensive general liability insurance.

Competition

Our competitors include established Indian and foreign commercial banks, NBFCs, HFCs, small finance banks, microfinance companies and the private unorganised and informal financiers, as well as insurance companies and advisory businesses, who principally operate in the local market. In particular, many of our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalising related operational costs.

Property

We own the premises located at Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai, 400 098 and the premises located at 401, A wing, 4th Floor, Bheem Co-operative Housing Society Limited, Near Anand Nagar, Dahisar East. Mumbai. In addition, we also own office premises at Kohinoor Towers in Mumbai and Fountainhead learning and development centre at Alibaug. As at March 31, 2023, we had 233 offices (including 230 domestic offices and 3 international offices) in around 133 cities (including 131 domestic and 2 international cities). Except the three owned properties mentioned above, other domestic office premises are on lease.

MATERIAL DEVELOPMENTS

A. History and Main Objects:

The following information should be read with *'History and Main Objects'* beginning on page 162 of the Shelf Prospectus:

Details of any acquisition or amalgamation in the last one year

Except as provided under "*Capital Structure - Details of any reorganization or reconstruction in the last one year", on page 67,* our Company has not made any acquisition or amalgamation in the last one year prior to filing of this Tranche III Prospectus.

Key Material Agreements and Material Contracts

Other than the below-mentioned agreements, our Company has not entered into material agreements and material contracts which are not in the ordinary course of business, in the last two years.

The following information should be read with *'History and Main Objects - Key Material Agreements and Material Contracts'* beginning on page 163 of the Shelf Prospectus:

*Amendment Agreement dated March 9, 2023 to the Amended and Restated Shareholders' Agreement dated March 18, 2021 ("between our Company, Edelweiss Global Wealth Management Limited ("**EGWML**"), PAGAC Ecstasy Pte Ltd (the "**PAG Investor**") and Nuvama Wealth Management Limited ("**Nuvama**") (formerly Edelweiss Securities Limited) ("**Amendment Agreement**")*

Our Company along with EGWML, PAG Investor (PAG Investor and EGWML are collectively referred to as the "**Investor**") and Nuvama entered into the Amendment Agreement to amend certain terms of the amended and restated shareholders' agreement on March 18, 2021 (the "***ESL PAG SHA***"). The Amendment Agreement provided *inter alia*, that (i) the board of directors of Nuvama shall comprise of upto 15 directors (including the number of independent directors required to be appointed to the board under applicable law); (ii) Nuvama shall not issue any equity securities to any person without offering it to each shareholder in proportion to its shareholding in Nuvama; (iii) the quorum for a general meeting shall require presence in person, or by proxy, of at least one representative of the Investor at such meeting and the chairperson shall not have a casting vote.

Subsidiary Companies

As on March 31, 2023, our Company has following subsidiaries:

1. ECap Securities & Investments Limited
2. Edelweiss Investment Adviser Limited
3. ECap Equities Limited (formerly known as Edel Land Limited)
4. Edel Finance Company Limited
5. Edelweiss Rural & Corporate Services Limited
6. EdelGive Foundation
7. ECL Finance Limited
8. Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)
9. Edelweiss Retail Finance Limited
10. Edelweiss Asset Reconstruction Company Limited
11. Edelweiss Alternative Asset Advisors Limited
12. Edelweiss Asset Management Limited
13. Edelweiss Trusteeship Company Limited
14. Allium Finance Private Limited
15. Edel Investments Limited
16. Edelcap Securities Limited
17. Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited)
18. Comtrade Commodities Services Limited
19. Edelweiss Securities and Investments Private Limited
20. Edelweiss Real Assets Managers Limited
21. Sekura India Management Limited

22. Edelweiss Tokio Life Insurance Company Limited
23. Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited)
24. EC International Limited
25. Edelweiss Alternative Asset Advisors Pte. Limited
26. Edelweiss International (Singapore) Pte. Limited
27. Nuvama Investment Advisors LLC (formerly known as EAAA LLC)
28. Edelweiss Global Wealth Management Limited

Associates

As on March 31, 2023, our Company does not have any associates.

Enterprises over which control is exercised by the Company

As on March 31, 2023, our Company exercises control on the following enterprises:

- EARC TRUST SC - 130
- EARC SAF-2 TRUST
- EARC TRUST SC - 238
- EARC TRUST SC - 266
- EARC TRUST SC - 306
- EARC TRUST SC - 332
- EARC TRUST SC - 334
- EARC TRUST SC - 344
- EARC TRUST SC - 347
- EARC TRUST SC - 351
- EARC TRUST SC - 352
- EARC TRUST SC - 357
- EARC TRUST SC - 360
- EARC TRUST SC - 363
- EARC TRUST SC - 370
- EARC TRUST SC - 6
- EARC TRUST SC - 9
- EARC TRUST SC - 102
- EARC TRUST SC - 112
- EARC TRUST SC - 229
- EARC TRUST SC - 245
- EARC TRUST SC - 251
- EARC TRUST SC - 262
- EARC TRUST SC - 298
- EARC TRUST SC - 308
- EARC TRUST SC - 314
- EARC TRUST SC - 329
- EARC TRUST SC - 331
- EARC TRUST SC - 361
- EARC TRUST SC - 109
- EARC TRUST SC - 386
- EARC TRUST SC - 263
- EARC TRUST SC - 348
- EARC TRUST SC - 381
- EARC TRUST SC - 373
- EARC TRUST SC - 374
- EARC TRUST SC - 392
- EARC TRUST SC - 395
- EARC TRUST SC - 393
- EARC TRUST SC - 380
- EARC TRUST SC - 387
- EARC TRUST SC - 388
- EARC TRUST SC - 375
- EARC TRUST SC - 394
- EARC TRUST SC - 385
- EARC TRUST SC - 401
- EARC TRUST SC - 402
- EARC TRUST SC - 376
- EARC TRUST SC - 406
- EARC TRUST SC - 377
- EARC TRUST SC - 378
- EARC TRUST SC - 396
- EARC TRUST SC - 410
- EARC TRUST SC - 405
- EARC TRUST SC - 428
- EARC TRUST SC - 429
- EARC TRUST SC - 412
- EARC TRUST SC - 415
- EARC TRUST SC - 430
- EARC TRUST SC - 413
- EARC TRUST SC - 416
- EARC TRUST SC - 417
- EARC TRUST SC - 397
- EARC TRUST SC - 431
- EARC TRUST SC - 227
- EARC TRUST SC - 228
- EARC TRUST SC - 434
- EARC TRUST SC - 418
- EARC TRUST SC 441
- EARC TRUST SC 447
- EARC TRUST SC 444
- EARC TRUST SC - 425
- EARC TRUST SC 451
- EARC TRUST SC 448
- EARC TRUST SC 449
- EARC TRUST SC 459
- EARC TRUST SC 443
- EARC TRUST SC 461
- EARC TRUST SC 477
- EARC TRUST SC - 325
- EARC TRUST SC - 427
- EARC TRUST SC - 7
- EARC TRUST SC 462
- EARC TRUST SC 481
- EARC TRUST SC 482
- EARC TRUST SC 442
- EARC TRUST SC 483
- EARC TRUST SC 484
- EARC TRUST SC 452

- EARC TRUST SC - 383
- EARC TRUST SC - 384
- EARC TRUST SC - 391
- EARC TRUST SC - 372
- EARC TRUST SC - 436
- EARC TRUST SC - 421
- EARC TRUST SC - 422
- EARC TRUST SC - 423
- EARC TRUST SC - 424
- EARC TRUST SC - 440

B. <u>Our Management</u>

Please read the details of the Board of Directors in place of the details provided on page no. 171 of the Shelf Prospectus:

***Details of Board of Directors as on the date of this Tranche III Prospectus*:**

Board of Directors

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors. The Articles of Association sets out that the number of Directors in our Company shall be not less than three and not more than Fifteen.

As of the date of this Tranche III Prospectus, we have eight Directors on the Board, out of which three Directors are Executive Directors, one Director is Non-Executive Non-Independent Director and four Directors are Non-Executive Independent Directors. Our Company has two women directors including one woman Independent Director on the Board.

***Details of Board of Directors as on the date of this Tranche III Prospectus*:**

Name, designation, and DIN	Age (in years)	Address	Date of Appointment	Other directorships
Rashesh Shah Designation: Chairman and Managing Director DIN: 00008322	59	223/B Kalpataru Horizon-B, S. K. Ahire Marg, Worli, Mumbai 400 018, Maharashtra, India	*Date of appointment:* November 21, 1995 *Date of re-appointment*: April 1, 2022	• ECL Finance Limited; • Edelweiss Asset Reconstruction Company Limited; • Edelweiss Tokio Life Insurance Company Limited; • Mabella Trustee Services Private Limited; • Rashesh & Vidya Shah Family Foundation and; • Zuno General Insurance Limited
Venkatchalam Ramaswamy *Designation*: Vice-Chairman & Executive Director DIN: 00008509	56	Flat No 2101/2201, Mangrish Apartments, Kashinath Dhuru Road, Near Kirti College, Dadar West, Mumbai – 400028, Maharashtra, India.	*Date of appointment*: February 20, 1996 *Date of re-appointment*: April 1, 2022	• ECL Finance Limited; • Edelweiss Asset Reconstruction Company Limited; • Edelweiss Alternative Asset Advisors Pte. Ltd.; • Edelweiss Asset Management Limited • Edelweiss Real Assets Managers Limited and; • Edelweiss Global Wealth Management Limited

Name, designation, and DIN	Age (in years)	Address	Date of Appointment	Other directorships
Himanshu Kaji *Designation*: Executive Director DIN: 00009438	57	C/5, C/7, Ishwar Niwas, Sicka Nagar, V. P. Road, Mumbai 400 004, Maharashtra, India	*Date of appointment*: November 1, 2011 *Date of re-appointment*: November 1, 2019	None
Vidya Shah *Designation*: Non-Executive Non-Independent Director DIN: 00274831	56	223, Kalpataru Horizon B, S K Ahire Marg, Worli, Mumbai 400 018, Maharashtra, India	*Date of appointment*: August 1, 2014	• Edelgive Foundation; • Edelweiss Asset Reconstruction Company Limited; • Foundation for Reinventing Governance; • Kimyo Learning Private Limited; • Mabella Trustee Services Private Limited ; • Rashesh & Vidya Shah Family Foundation; • Foundation for Promotion of Sports and Games; • Jan Sahas Foundation; • Edel Finance Company Limited; and • Vardhman Special Steels Limited.
Biswamohan Mahapatra *Designation*: Independent Director DIN: 06990345	68	502, M1 Wing, Riddhi Gardens, Gen. A. K. Vaidya Marg, Malad (East), Mumbai 400 097, Maharashtra, India	*Date of appointment*: March 26, 2015 *Date of re-appointment:* July 26, 2018	• ECL Finance Limited; • Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited**)**; • HDFC Credila Financial Services Limited; • National Payments Corporation of India; • NPCI International Payments Limited; • NPCI Bharat BillPay Limited; and • CSB Bank Ltd.
Ashok Kini *Designation*: Independent Director DIN:00812946	77	B202, Mantri Pride Apts, Behind Madhavan Park, 1st Block, Jayanagar, Bengaluru – 560011, Karnataka, India	*Date of appointment*: April 1, 2019 *Date of re-appointment:* April 1, 2022	• Fino Finance Private Limited; • Fino Paytech Limited; • Nihilent Limited; and • Edelweiss Tokio Life Insurance Company Limited.
Dr. Ashima Goyal *Designation*: Independent Director DIN:00233635	67	A 301/302 Raheja Sherwood, Nirlon Compound, Behind Hub Mall, Off. Western Express Highway, Goregaon (East),	*Date of appointment:* April 1, 2019 *Date of re-appointment:* April 1, 2022	• SBI General Insurance Company Limited

Name, designation, and DIN	Age (in years)	Address	Date of Appointment	Other directorships
		Mumbai 400063, Maharashtra, India		
Shiva Kumar *Designation*: Independent Director DIN: 06590343	70	D 61, Westend Heights, DLF Phase 5, Gurugram 122009, Haryana, India	*Date of appointment:* August 4, 2022	• UTI Trustee Company Private Limited; • Edelweiss Real Assets Managers Limited; • ECL Finance Limited; • Edelweiss Asset Reconstruction Company Limited; and • Vishuv Invest Private Limited

Relationship between Directors

Except Vidya Shah and Rashesh Shah, who are spouses, none of the other Directors are related to each other.

Remuneration of Directors

The Nomination and Remuneration Committee determines and recommends to the Board the compensation to Directors. The Board of Directors or the shareholders, as the case may be, approve the compensation to Directors. The tables set forth the details of the remuneration pertaining to the last three financial years which has been paid or was payable to the Directors by our Company.

Details of remuneration paid to the Executive Directors during the Fiscals 2023, 2022 and 2021 by our Company (on a standalone basis):

(₹ in million, unless otherwise stated)

Name of Director	Fiscal 2023	Fiscal 2022	Fiscal 2021
Rashesh Shah	80.01	86.77	11.48
Venkatchalam Ramaswamy	64.42	65.58	9.36
Himanshu Kaji	32.50	41.59	10.77
Rujan Panjwani*	34.07	52.09	2.25

**Retired by rotation with effect from September 2, 2022*
Note: Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and provision made for bonus which are provided for group of employees on an overall basis.

Details for the Fiscals 2023, 2022 and 2021 by our Subsidiaries and Associates:

Our Directors do not receive any remuneration from our Subsidiaries and erstwhile Associates except as mentioned below:

(₹ in million, unless otherwise stated)

Name of Director	Name of Subsidiary/ erstwhile Associate	Fiscal 2023	Fiscal 2022	Fiscal 2021
Rujan Panjwani^	ECap Securities & Investments Limited	0.83	9.97	5.36
	Edelweiss Rural & Corporate Services Limited	-	-	3.68
	Ecap Equities Limited (formerly known as Edel Land Limited)	2.64	-	-
Vidya Shah	Edelweiss Rural & Corporate Services Limited	36.31	31.21	1.84
Biswamohan Mahapatra*	ECL Finance Limited	0.81	0.40	0.44
	Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)	0.55	0.32	0.10
Kunnasagaran Chinniah*^	Nuvama Wealth Management Limited	2.64	2.88	0.46

Name of Director	Name of Subsidiary/ erstwhile Associate	Fiscal 2023	Fiscal 2022	Fiscal 2021
	Edelweiss Tokio Life Insurance Company Limited	0.04	0.18	0.20
	ECL Finance Limited	0.77	0.30	0.12
	Edelweiss Rural and Corporate Services Limited	0.14	0.46	0.22
	Nuvama WealthFinance Limited	0.80	1.24	0.26
Navtej S. Nandra*^	Edelweiss Tokio Life Insurance Company Limited	0.12	0.28	0.26
	Zuno General Insurance Company Limited (formerly known as Edelweiss General Insurance Company Limited)	0.14	0.20	0.24
	Nuvama Wealth Management Limited	2.72	2.86	-
P.N Venkatchalam*^	Nuvama Wealth Finance Limited	-	-	0.32
	Edelweiss Asset Reconstruction Company Limited	1.44	0.96	0.38
	Edelweiss Tokio Life Insurance Company limited	0.14	0.32	0.30
	ECL Finance Limited	0.24	0.40	0.44
	Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)	-	0.14	0.40
Ashok Kini*	Edelweiss Asset Reconstruction Company Limited		-	0.18
	Edelweiss Tokio Life Insurance Company Limited	0.50	-	-
Shiva Kumar	Edelweiss Real Assets Managers Limited	0.48	-	-
	ECL Finance Limited	0.48	-	-
	Edelweiss Asset Reconstruction Company Limited	0.57	-	-

^Ceased as Director with effect from September 2, 2022
**Sitting fees/ Commission paid to Independent Directors*

Remuneration of Non-Executive Independent Directors

(₹ in million, unless otherwise stated)

Name of Director	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Commission*	**Sitting Fees**	**Commission***	**Sitting Fees**	**Commission***	**Sitting Fees**
PN Venkatachalam∗#	2.00	0.22	2.00	0.32	0.50	0.36
Berjis Desai@	-	-	2.00	0.28	0.50	0.50
Navtej S. Nandra *#	2.00	0.18	2.00	0.24	0.50	0.28
Kunnasagaran Chinniah*#	2.00	0.20	2.00	0.54	0.50	0.12
Biswamohan Mahapatra	2.00	0.65	2.00	0.26	0.50	0.34
Ashok Kini	2.00	0.71	2.00	0.12	0.50	0.12
Ashima Goyal	2.00	0.48	2.00	0.12	0.50	0.12
Vidya Shah	2.00	-	2.00	-	-	-
Shiva Kumar^	-	0.57	-	-	-	-

#Ceased as Director with effect from September 2, 2022
@Berjis Desai an Independent Director on our Board resigned with effect from November 6, 2021
^Shiva Kumar was appointed an Independent Director on our Board with effect from August 4, 2022.
**Commission pertains to the immediately preceding Fiscal.*

Other understandings and confirmations

None of the Director of our Company is a director or is otherwise associated in any manner with any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, willful defaulter list maintained by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority.

None of our Directors is, or was, a director of any listed company which has been or was delisted from any recognised stock exchange, during the term of his/her directorship in such company.

None of our Directors have committed any violation of securities laws in the past and no such proceedings are pending against any of our Directors.

None of our Directors is, or was, a director of any listed company, which has been or was delisted from any recognised stock exchange, during the term of his/her directorship in such company.

None of our Directors have been categorised as a wilful defaulter by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution. None of our Directors are in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

Borrowing Powers of the Board:

Pursuant to resolution passed by the shareholders of our Company on September 10, 2014 through a postal ballot and in accordance with provisions of 180(1)(c) and all other applicable provisions of the Companies Act and Articles of Association, the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company’s bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purposes) by a sum not exceeding ₹100,000 million.

Interest of the Directors:

Except Rashesh Shah, Venkatchalam Ramaswamy, Vidya Shah and Aparna T.C. (Aparna T.C. is not a director of the Company), no other directors are interested in the promotion of the Company.

All the directors of our Company, including our independent directors, may be deemed to be interested to the extent of sitting fees/commission, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them. All the non-executive independent directors of our Company are entitled to sitting fees for attending every meeting of the Board or a committee thereof and are also eligible for commission. The whole-time Directors of our Company are interested to the extent of remuneration paid for services rendered / ESOP granted, if any, as an officer or employee of our Company.

All the directors of our Company, including independent directors, may also be deemed to be interested to the extent of Equity Shares, if any, held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as otherwise stated in this Tranche III Prospectus and statutory registers maintained by our Company in this regard, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Tranche III Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made with them. Our Company's directors have not taken any loan from our Company.

None of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them to become, or to help them qualify as a director, or otherwise for services rendered by him or by such firm or company, in connection with the promotion or formation of our Company.
No contribution has been made by the directors as part of the Tranche III Issue or separately.

Further, Vidya Shah, Non-Executive Non-Independent Director of our Company, who is the spouse of Rashesh Shah, has been appointed as an employee in one of the Subsidiaries of our Company.

Except as disclosed hereinabove and the section titled *"Risk Factors"* on page 18 of this Tranche III Prospectus, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by our Company.

Except as stated in details of related party transactions included under the section titled "*Financial Statements*" on page 154 of this Tranche III Prospectus and to the extent of compensation and commission if any, and their shareholding in our Company, our Directors do not have any other interest in our business.

Our Directors have no interest in any immovable property acquired or proposed to be acquired by our Company in the preceding two years of filing this Tranche III Prospectus with the RoC nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

No benefit/interest will accrue to our Promoters/Directors out of the objects of the Tranche III Issue.

Debenture holding of Directors:

As on March 31, 2023, none of the Directors of our Company hold any debentures issued by our Company.

Shareholding of Directors, including details of qualification shares held by Directors as on the date of this Tranche III Prospectus:

As per the Articles, our Directors are not required to hold any qualification shares in our company.

Shareholding of our Directors in our Company is as follows:

As on March 31, 2023, the shareholding of our Directors in our Company is as follows:

Sr. No.	Name of the Director, Designation and DIN	No. of Equity Shares of ₹ 1 each	Number of Stock Options/SAR's	% of total Equity Shares of our Company
1.	Rashesh Shah Chairman & Managing Director DIN: 00008322	145,601,730	-	15.44
2.	Venkatchalam Ramaswamy Vice Chairman & Executive Director DIN: 00008509	58,126,560	-	6.16
3.	Himanshu Kaji	29,75,000	4,45,500	0.31

Sr. No.	Name of the Director, Designation and DIN	No. of Equity Shares of ₹ 1 each	Number of Stock Options/SAR's	% of total Equity Shares of our Company
	Executive Director DIN: 00009438			
4.	Vidya Shah Non-Executive Non Independent Director DIN: 00274831	31,031,200	-	3.29

Shareholding of Directors in Subsidiaries and Associate companies, including details of qualification shares held by Directors as on the date of this Tranche III Prospectus:

As of the date of this Tranche III Prospectus, except for the shares held in our Subsidiaries and Associate Companies as nominee of our Company, our Promoters do not hold any equity shares in our Subsidiaries and Associate Companies.

Corporate Governance

We are in compliance with the requirements in relation to the composition of the Board of Directors and constitution of Committees such as Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Committee as mandated under the Companies Act, 2013 and the SEBI Listing Regulations.

Details of various committees of the Board:

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was last reconstituted vide a resolution passed by the Board on September 13, 2022**.** As on the date of this Tranche III Prospectus, it comprises:

Name	Designation	Nature of directorship
Ashok Kini	Chairman	Independent Director
Shiva Kumar	Member	Independent Director
Vidya Shah	Member	Non-executive Director

The scope of activities of the Nomination and Remuneration Committee is as set out in Regulation 19 of SEBI Listing Regulations and as amended read with Section 178 of the Companies Act, 2013. The terms of reference of the Nomination and Remuneration Committee are broadly as follows:

1. Identify the persons who can become directors;

2. Formulating the criteria for determining the qualifications, positive attributes etc. and independence of a Director;

3. Recommending to the Board, a policy relating to the remuneration for the directors and key managerial personnel, for the approval of the Board;

4. Recommend to the Board, all remuneration, in whatever form, payable to senior management; and

5. Specify the manner for effective annual evaluation of performance of the Board, its committees and individual directors.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was last reconstituted vide a resolution passed by the Board on September 13, 2022. As on the date of this Tranche III Prospectus, it comprises:

Name	Designation	Nature of Directorship
Shiva Kumar	Chairman	Independent Director
Ashok Kini	Member	Independent Director
Venkatchalam Ramaswamy	Member	Executive Director

The broad terms of reference of committee are as under:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

2. Review of measures taken for effective exercise of voting rights by shareholders;

3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

C. Our Promoters:

Other understanding and confirmations

Our Company confirms that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the Promoters, as available, and Permanent Account Number of Directors have been submitted to the BSE.

None of our Promoters and the relatives of the Promoters as per the Companies Act, have been identified as willful defaulters.

No violation of securities laws has been committed by our Promoters in the past or is currently pending against them except as disclosed in section titled "*Outstanding Litigations*" on page 166 of this Tranche III Prospectus.

None of our Promoters, was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Tranche III Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

Our Promoters are not restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Common pursuits of our Promoters

None of our Promoters are engaged in businesses similar to ours.

Interest of our Promoters in our Company

Our Promoters do not propose to subscribe to the Tranche III Issue and none of our Promoters have any interest in the promotion of the Tranche III Issue.

Equity share allotted to our Promoters in last three fiscal years

As on the date of this Tranche III Prospectus, no equity shares have been allotted to the Promoters in the last three fiscal years.

Payment of benefit to our Promoter in last three fiscal years

Other than as disclosed under the Reformatted Financial Information of the Company and other than the dividend that may be declared and paid by our Company, our Company has not made payments of any benefits to the Promoter during the last three fiscals preceding the date of this Tranche III Prospectus.

Details of shares pledged or encumbered by our Promoter

No shares of the Company have been pledged or encumbered by our Promoter as of the date of this Tranche III Prospectus.

Interest of our Promoters in property, land and construction

Our Promoter does not have any interest in any property acquired by our Company within two years preceding the date of filing of this Tranche III Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

FINANCIAL INDEBTEDNESS

As on March 31, 2023, our Company had outstanding total borrowings, on a standalone basis, of ₹ 25,886.54 million.

Sr. No.	Nature of Borrowings	Amount Outstanding (in ₹ million)*	%
1.	Secured borrowings	25,886.54	100%
2.	Unsecured borrowings	-	-
Total Borrowings		25,886.54	100%

** The above amount is calculated after considering IndAS adjustments.*

Set forth below, is a summary of the borrowings by our Company outstanding as on March 31, 2023, together with a brief description of certain significant terms of such financing arrangements.

Details of secured borrowings:

Our Company's outstanding borrowings through debt securities, on a standalone basis, as on March 31, 2023 amounts to ₹ 25,886.54 million (including IND-AS adjustment for effective Interest rate on secured Non-Convertible Debentures (NCD).

The details of the secured borrowings on a standalone basis are set out below:

1. Secured Redeemable non-convertible debentures *(public placements):*

Our Company has issued **s**ecured redeemable non-convertible debenture of face value of ₹ 1,000 on a public placement basis of which ₹ 2,020.26 million is outstanding as on March 31, 2023, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Description	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity date	Credit Rating
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BK7	1,095	9.35	January 8, 2021	590.83	January 8, 2024	BWR AA-/Negative & CARE A+/Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BL5	1,095	NA	January 8, 2021	186.38	January 8, 2024	BWR AA-/Negative & CARE A+/Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BM3	1,826	9.39	January 8, 2021	544.90	January 8, 2026	BWR AA-/Negative & CARE A+/Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BN1	1,826	9.80	January 8, 2021	339.14	January 8, 2026	BWR AA-/Negative & CARE A+/Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BO9	1,826	NA	January 8, 2021	125.88	January 8, 2026	BWR AA-/Negative & CARE A+/Negative

(₹ in million, unless otherwise stated)

Description	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity date	Credit Rating
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BP6	3,652	9.53	January 8, 2021	166.39	January 8, 2031	BWR AA-/Negative & CARE A+/Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BQ4	3,652	9.95	January 8, 2021	66.74	January 8, 2031	BWR AA-/Negative & CARE A+/Negative

Above debentures are fully secured by receivables from Edel Finance Company Limited ₹ 2,170 million
**Includes adjustment on account of EIR.*

2. Secured Redeemable non-convertible debentures *(public placements):*

Our Company has issued Secured redeemable non-convertible debenture of face value of ₹1,000 on a public placement basis of which ₹ 2,244.89 million is outstanding as on March 31, 2023, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Description	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity date	Credit Rating
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BV4	1,096	9.10	April 29, 2021	537.43	April 29, 2024	BWR AA-/Negative & Acuite AA-/Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BX0	1,826	9.16	April 29, 2021	798.27	April 29, 2026	BWR AA-/Negative & Acuite AA-/Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BY8	1,826	9.55	April 29, 2021	319.63	April 29, 2026	BWR AA-/Negative & Acuite AA-/Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CA6	3,652	9.30	April 29, 2021	178.34	April 29, 2031	BWR AA-/Negative & Acuite AA-/Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CB4	3,652	9.70	April 29, 2021	160.42	April 29, 2031	BWR AA-/Negative & Acuite AA-/Negative
Secured, rated, listed, non-convertible	INE532F07BW2	1,096	NA	April 29, 2021	145.49	April 29, 2024	BWR AA-/Negative & Acuite AA-/Negative

(₹ in million, unless otherwise stated)

Description	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity date	Credit Rating
redeemable debentures							
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BZ5	1,826	NA	April 29, 2021	105.31	April 29, 2026	BWR AA-/Negative & Acuite AA-/Negative

Above debentures are fully secured by receivables from Edelweiss Rural and Corporate Services Limited ₹ 2,400 million
**Includes adjustment on account of EIR.*

3. Secured, Redeemable Non-convertible debentures (*public placement*):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹1,000 on a public placement basis of which ₹ 3,701.62 million is outstanding as on March 31, 2023, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Description	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest) *	Redemption/ Maturity date	Credit Rating
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CC2	1096	8.75	September 10, 2021	773.02	September 10, 2024	ACUITE AA-/Negative & ICRA A+/Stable
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CD0	1096	9.1	September 10, 2021	836.82	September 10, 2024	ACUITE AA-/Negative & ICRA A+/Stable
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CE8	1096	NA	September 10, 2021	332.76	September 10, 2024	ACUITE AA-/Negative & ICRA A+/Stable
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CF5	1826	9.15	September 10, 2021	798.49	September 10, 2026	ACUITE AA-/Negative & ICRA A+/Stable
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CG3	1826	9.55	September 10, 2021	452.33	September 10, 2026	ACUITE AA-/Negative & ICRA A+/Stable
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CH1	1826	NA	September 10, 2021	149.71	September 10, 2026	ACUITE AA-/Negative & ICRA A+/Stable
Secured, rated, listed, non-convertible	INE532F07CI9	3652	9.3	September 10, 2021	260.80	September 10, 2031	ACUITE AA-/Negative &

(₹ in million, unless otherwise stated)

Description	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest) *	Redemption/ Maturity date	Credit Rating
redeemable debentures							ICRA A+/Stable
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CJ7	3652	9.70	September 10, 2021	97.69	September 10, 2031	ACUITE AA- /Negative & ICRA A+/Stable

Above debentures are fully secured by investment in CCD of Edelweiss Rural and Corporate Services amounting to ₹ 4,500 million by Edel Finance Company Limited.
**Includes adjustment on account of EIR.*

4. Secured, Redeemable Non-convertible debentures (*public placement*):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹ 1,000 on a public placement basis of which ₹ 4,546.12 million is outstanding as on March 31, 2023, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Description	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity date	Credit Rating
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CL3	730	8.75	December 28, 2021	748.23	December 28, 2023	CRISIL AA- /Negative ACUITE AA- /Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CM1	730	NA	December 28, 2021	131.55	December 28, 2023	CRISIL AA- /Negative ACUITE AA- /Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CN9	1096	8.75	December 28, 2021	827.10	December 28, 2024	CRISIL AA- /Negative ACUITE AA- /Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CO7	1096	9.1	December 28, 2021	609.83	December 28, 2024	CRISIL AA- /Negative ACUITE AA- /Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CP4	1096	NA	December 28, 2021	181.15	December 28, 2024	CRISIL AA- /Negative ACUITE AA- /Negative

(₹ in million, unless otherwise stated)

Description	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity date	Credit Rating
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CQ2	1826	9.15	December 28, 2021	758.01	December 28, 2026	CRISIL AA- /Negative ACUITE AA- /Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CR0	1826	9.55	December 28, 2021	750.75	December 28, 2026	CRISIL AA- /Negative ACUITE AA- /Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CS8	1826	NA	December 28, 2021	129.45	December 28, 2026	CRISIL AA- /Negative ACUITE AA- /Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CT6	3652	9.3	December 28, 2021	289.53	December 28, 2031	CRISIL AA- /Negative ACUITE AA- /Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CU4	3652	9.7	December 28, 2021	120.52	December 28, 2031	CRISIL AA- /Negative ACUITE AA- /Negative

Above debentures are fully secured by receivables from Edel Finance Company Limited amounting to ₹ 5,000 million
Includes adjustment on account of EIR

5. Secured, Redeemable Non-convertible debentures (*public placement*):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹ 1,000 on a public placement basis of which ₹ 3,561.67 million is outstanding as on March 31, 2023, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Description	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity date	Credit Rating
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CV2	731	8.85	October 20, 2022	219.83	October 20, 2024	CRISIL AA- /Negative ACUITE AA-/ Negative
Secured, rated, listed, non-convertible	INE532F07CW0	731	NA	October 20, 2022	109.47	October 20, 2024	CRISIL AA- /Negative

(₹ in million, unless otherwise stated)

Description	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity date	Credit Rating
redeemable debentures							ACUITE AA-/ Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CX8	1,096	8.90	October 20, 2022	566.15	October 20, 2025	CRISIL AA- /Negative ACUITE AA-/ Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CY6	1,096	9.25	October 20, 2022	426.67	October 20, 2025	CRISIL AA- /Negative ACUITE AA-/ Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CZ3	1,096	NA	October 20, 2022	227.34	October 20, 2025	CRISIL AA- /Negative ACUITE AA-/ Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07DB2	1,826	9.35	October 20, 2022	1171.95	October 20, 2027	CRISIL AA- /Negative ACUITE AA-/ Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07DC0	1,826	9.75	October 20, 2022	321.91	October 20, 2027	CRISIL AA- /Negative ACUITE AA-/ Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07DA 4	1,826	NA	October 20, 2022	101.41	October 20, 2027	CRISIL AA- /Negative ACUITE AA-/ Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07DD 8	3,652	9.65	October 20, 2022	233.34	October 20, 2032	CRISIL AA- /Negative ACUITE AA-/ Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07DE6	3,652	10.10	October 20, 2022	183.60	October 20, 2032	CRISIL AA- /Negative ACUITE AA-/ Negative

Above debentures are fully secured by receivables from Edel Finance Company Limited amounting to ₹ 4,000 million
**Includes adjustment on account of EIR*

6. Secured, Redeemable Non-convertible debentures (*public placement*):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹ 1,000 on a public placement basis of which ₹ 3,829.34 million is outstanding as on March 31, 2023, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Description	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity date	Credit Rating
Secured, rated, listed, non-convertible redeemable debentures	INE532F07DF3	731	9	January 20, 2023	199.60	20-Jan-25	Acuite AA- /Negative & CRISIL AA- /Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07DO5	731	NA	January 20, 2023	98.80	20-Jan-25	Acuite AA- /Negative & CRISIL AA- /Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07DM9	1096	9.20	January 20, 2023	533.88	20-Jan-26	Acuite AA- /Negative & CRISIL AA- /Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07DN7	1096	9.60	January 20, 2023	492.62	20-Jan-26	Acuite AA- /Negative & CRISIL AA- /Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07DL1	1096	NA	January 20, 2023	199.12	20-Jan-26	Acuite AA- /Negative & CRISIL AA- /Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07DK3	1826	9.67	January 20, 2023	1,149.19	20-Jan-28	Acuite AA- /Negative & CRISIL AA- /Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07DJ5	1826	10.10	January 20, 2023	356.56	20-Jan-28	Acuite AA- /Negative & CRISIL

Description	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity date	Credit Rating
							AA- /Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07DG1	1826	NA	January 20, 2023	149.83	20-Jan-28	Acuite AA- /Negative & CRISIL AA- /Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07DH9	3653	10.00	January 20, 2023	429.89	20-Jan-33	Acuite AA- /Negative & CRISIL AA- /Negative
Secured, rated, listed, non-convertible redeemable debentures	INE532F07DI7	3653	10.45	January 20, 2023	219.85	20-Jan-33	Acuite AA- /Negative & CRISIL AA- /Negative

7. <u>Unrated, Unlisted, Secured, Redeemable Non-Convertible Debentures (private placements):</u>

Our Company has issued unrated, secured redeemable non-convertible debenture of face value of ₹ 737,134 on a private placement basis of which ₹ 3,520.27 million is outstanding as on March 31, 2023, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Description	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest) (₹ million)*	Redemption/ Maturity date	Credit Rating
Secured, unrated, unlisted, non-convertible redeemable debentures	1,506	5.00%	March 16, 2021	3,520.27	April 30, 2025	NA

Above debentures are fully secured by pledge over 59.82% of the total issued and paid-up equity share capital of Edelweiss Asset Reconstruction Company Limited.
**Includes adjustment on account of EIR and redemption premium.*

8. <u>Secured Redeemable non-convertible debentures *(private placements)*:</u>

(₹ in million, unless otherwise stated)

Sr. No.	Description	ISIN	Tenor/ Period of Maturity (Days)	Coupon (p.a.) in %	Issue Amount (₹ million)	Amount outstanding (₹ million)	Redemption/ Maturity Date	Credit Rating
1	J3L001A	INE532F07BJ9	1,095	NA	105.70	130.02	December 18, 2023	BWR PP-MLD AA-/Negative
2	J3L001A01	INE532F07BJ9	1,092	NA	10.00	12.30	December 18, 2023	BWR PP-MLD AA-/Negative

Sr. No.	Description	ISIN	Tenor/ Period of Maturity (Days)	Coupon (p.a.) in %	Issue Amount (₹ million)	Amount outstanding (₹ million)	Redemption/ Maturity Date	Credit Rating
3	I5A101A	INE532F07BT8	1825	NA	350.00	423.04	January 13, 2026	BWR PP-MLD AA-/Negative
4	J3A102A	INE532F07BR2	1096	NA	150.00	182.74	January 15, 2024	BWR PP-MLD AA-/Negative
5	J3L001A03	INE532F07BJ9	1068	NA	45.00	55.04	December 18, 2023	BWR PP-MLD AA-/Negative
6	J5A101A	INE532F07BS0	1826	NA	50.00	60.30	January 14, 2026	BWR PP-MLD AA-/Negative
7	J3L001A04	INE532F07BJ9	1067	NA	347.50	424.90	December 18, 2023	BWR PP-MLD AA-/Negative
8	J3A102A01	INE532F07BR2	1085	NA	200.00	243.09	January 15, 2024	BWR PP-MLD AA-/Negative
9	J5A101A01	INE532F07BS0	1815	NA	50.00	60.15	January 14, 2026	BWR PP-MLD AA-/Negative
10	J3L001A02	INE532F07BJ9	1054	NA	178.50	217.61	December 18, 2023	BWR PP-MLD AA-/Negative
11	J3A102A02	INE532F07BR2	1081	NA	15.50	18.83	January 15, 2024	BWR PP-MLD AA-/Negative
12	J3L001A07	INE532F07BJ9	1050	NA	100.00	121.83	December 18, 2023	BWR PP-MLD AA-/Negative
13	J3L001A09	INE532F07BJ9	1039	NA	15.00	18.23	December 18, 2023	BWR PP-MLD AA-/Negative
14	J5A101A02	INE532F07BS0	1784	NA	25.00	29.78	January 14, 2026	BWR PP-MLD AA-/Negative
15	J3L001A08	INE532F07BJ9	1026	NA	10.00	12.04	December 18, 2023	BWR PP-MLD AA-/Negative
16	J3A102A04	INE532F07BR2	1048	NA	50.00	59.95	January 15, 2024	BWR PP-MLD AA-/Negative
17	J3A102A05	INE532F07BR2	1041	NA	50.00	59.86	January 15, 2024	BWR PP-MLD AA-/Negative
18	J5A101A03	INE532F07BS0	1765	NA	20.00	23.73	January 14, 2026	BWR PP-MLD AA-/Negative
19	J3A102A07	INE532F07BR2	1027	NA	60.00	71.62	January 15, 2024	BWR PP-MLD AA-/Negative
20	J5A101A04	INE532F07BS0	1757	NA	20.00	23.68	January 14, 2026	BWR PP-MLD AA-/Negative

Sr. No.	Description	ISIN	Tenor/ Period of Maturity (Days)	Coupon (p.a.) in %	Issue Amount (₹ million)	Amount outstanding (₹ million)	Redemption/ Maturity Date	Credit Rating
21	J3A102A08	INE532F07BR2	990	NA	30.00	35.72	January 15, 2024	BWR PP-MLD AA-/Negative
22	J5A101A05	INE532F07BS0	1720	NA	20.00	23.49	January 14, 2026	BWR PP-MLD AA-/Negative
23	J3A102A09	INE532F07BR2	973	NA	40.00	47.67	January 15, 2024	BWR PP-MLD AA-/Negative
24	J5A101A06	INE532F07BS0	1703	NA	10.00	11.74	January 14, 2026	BWR PP-MLD AA-/Negative
25	J3A102A10	INE532F07BR2	969	NA	65.00	77.40	January 15, 2024	BWR PP-MLD AA-/Negative
26	J5A101A07	INE532F07BS0	1699	NA	15.00	17.59	January 14, 2026	BWR PP-MLD AA-/Negative

Above debentures are fully secured by pari passu charge over present and future receivables of the Company excluding the receivables which are charged with other lenders, trustees or creditors.

Corporate Guarantee

As on March 31, 2023, our Company has issued corporate guarantee amounting to ₹ 33,108.96 million:

(₹ in million, unless otherwise stated)

Sr. No.	Company name	Nature of Counterparty	Nature of facility	Amount sanctioned	Amount outstanding
1	Ecap Equities Limited	Subsidiary	MLDs	22,500.00	6,523.30
2	ECL Finance Limited	Subsidiary	Banking facility	3,500.00	1,200.00
3	Edelweiss Asset Reconstruction Company Limited	Subsidiary	MLDs, NCDs and Banking facility	39,050.00	16,575.40
4	Nuvama Clearing Services Limited	Body Corporate	Banking facility	4,000.00	4,000.00
5	Nuvama Wealth Finance Limited	Body Corporate	Preference shares, trading and banking facility	470.70	138.27
6	Edel Finance Company Limited	Subsidiary	MLDs	15,000.00	470.00
7	NIDO Home Finance Limited	Subsidiary	Banking facility	3,500.00	917.10
8	Edelweiss Investment Adviser Limited	Subsidiary	NCD	3,650.00	3,284.89
Total				**91,670.70**	**33,108.96**

Details of unsecured borrowings:

Commercial Paper:

Our Company has not issued any commercial papers as on March 31, 2023.

Inter-Corporate Deposits:

Our Company has not borrowed any amount by way of inter-corporate deposits as on March 31, 2023.

Inter-Corporate Loans:

Our Company has not borrowed any amount by way of demand loans under the same management as on March 31, 2023.

Loan from Directors and Relatives of Directors:

Our Company has not raised any loan from directors and relatives of directors as on March 31, 2023.

Restrictive Covenants under our Financing Arrangements:

Our financing agreements include various restrictive conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the debenture trustee before carrying out such activities. For instance, our Company, inter-alia, is required to obtain the prior written consent in the following instances:

a. Effect any change in control of our Company.

b. Permit any transfer of the controlling interest or make any drastic change in the management set-up.
c. Change or in any way alter the capital structure.

d. Implement a new scheme of expansion or take up an allied line of business or manufacture.

e. Effect any scheme of amalgamation or reconstruction.

f. to amend the constituent documents of certain companies of our Company.

Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities.

As on the date of this Tranche III Prospectus, there has been no rescheduling, default and/or delay in payment of principal or interest on any existing term loan, debt security(ies) or any other financial indebtedness including corporate guarantee issued by the Issuer in the past three years.

Details of the rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares)

Nil

Details of any outstanding borrowing taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.

Nil

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS

Our Company, Directors, Promoter, Subsidiaries and our group companies are subjected to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are initiated by us and also by customers and other parties. These legal proceedings are primarily in the nature of (a) arbitration petitions (b) civil suits (c) criminal complaints, (d) consumer complaints, I tax matters and (f) petitions pending before appellate authorities. We believe that the number of proceedings in which we are involved in is not unusual for a company of our size in the context of doing business in India. Except as disclosed below, there is no outstanding litigation involving our Company, Subsidiaries, Promoters, Directors and group companies or any other person that would have a material adverse effect on our operations or financial position which may affect the Issue or the investor's decision to invest in the Issue.

The Debenture Fund Raising Committee has set a materiality threshold for disclosure of events or information in relation to the Issue encompassing all pending litigation involving our Company, Promoter, Directors, Subsidiaries and group companies, other than criminal proceedings, and regulatory proceedings (which would be disclosed in a consolidated manner), as 'material' for the purposes of disclosure in this Tranche III Prospectus if: (i) the monetary amount of claim by or against the entity or person in any such pending litigation is in excess of an amount of ₹1,000 million, or (ii) any such litigation or regulatory action the outcome of which has a bearing on the business, operations, prospects or reputation of our Company, irrespective of the amount involved in such litigation.

It Is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors, our Promoter, Subsidiaries or our group companies shall, unless otherwise decided by our Board of Directors/Fund Raising Committee, not be considered as litigation until such time that our Company, Directors, Promoter, Subsidiaries and/or group companies, as the case maybe, is impleaded as a defendant in litigation proceedings before any judicial forum.

Except as disclosed below, there are no pending proceedings pertaining to:

(a) matters likely to affect operations and finances of our Company, Subsidiaries, Promoter, Directors, group companies, or any other person, whose outcome could have a material adverse effect on our Company, including disputed tax liabilities and contingent liabilities of any nature;

(b) any default and non-payment of statutory dues;

(c) litigation or legal action pending or taken against the promoters of the Company by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of this Tranche III Prospectus;

(d) The details of acts of material frauds committed against the Company in the last three years, if any, and if so, the action taken by the Company;

(e) there are no failures or defaults to meet statutory dues, institutional dues and dues towards instrument holders including holders of debentures, fixed deposits and arrears on cumulative preference shares, etc., by our Company;

(f) pending proceedings initiated against our Company for economic offences; and

(g) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013, or any previous companies law (including where there were any prosecutions filed) and fines imposed or compounding of offences by our Company in the last three years immediately preceding the year of issue of this Tranche III Prospectus against our Company and our Subsidiaries fines imposed on or compounding of offences done by our Company and our Subsidiaries in the last three years immediately preceding the year of issue of this Tranche III Prospectus.

(h) any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc) which may affect the issue or the investor's decision to invest in the Issue.

1. Criminal litigations, material civil litigations and all regulatory actions involving our Company

(i) As on the date of this Tranche III Prospectus, following are material civil litigations in our Company:

Civil Litigation

By our Company

Nil

Against our Company

Our Company has been served with provisional attachment order dated May 18, 2020 ("**PAO**") from the office of the Enforcement Directorate, Jalandhar, under various provisions of PMLA against the immovable properties and investments of Kuldeep Singh, Vikram Seth and others for allegedly siphoning off about ₹213.10 million from Bank of Baroda, Phagwara Branch. It is revealed from PAO that certain non- performing asset were taken over by our group entity, Edelweiss Asset Reconstruction Company Limited ("**EARC**") under assignment deed from State Bank of Patiala (now merged with State Bank of India) in its ordinary course of business. Our Promoter has been served with show cause notice dated July 10, 2020 from the Adjudicating Authority, PMLA, New Delhi ("**Authority**"). Our Company has been served with show cause notice dated July 10, 2020 under Section 8 of PMLA inter alia inquiring about source of income, earning or assets by means of which our Company acquired attached property and directed to appear before the Adjudicating Authority, New Delhi along with supporting evidence/documents. EFSL filed its application dated December 7, 2020 before Adjudicating Authority, PMLA and advanced submissions that it has been incorrectly arraigned in the present proceedings. EARC, also filed its reply dated November 2, 2020 before the Authority on merit to decline confirmation of PAO. Upon noting the submission of EFSL, the Adjudicating Authority adjourned the matter for final arguments. The Authority vide its order dated December 28, 2021 confirmed the PAO against the proprieties under provisions of the PMLA Act and ordered to continue pending investigation. Being aggrieved, EARC preferred an Appeal being no 4530 of 2022 before the hon'ble appellate tribunal constituted under PMLA Act challenging said order and the same is pending for hearing. Our Company also adopted further appropriate steps by way of Appeal challenging the said order. The matter is currently pending.

(ii) Criminal Litigation

By our Company

A. Our Company *vide* its letter dated December 30, 2011 had filed a complaint under various sections of IPC, the Information Technology Act, 2000, Trademark Act, 1999, and the Copyright Act, 1957 against Vaibhav Singh, Percept Profile, Harindra Singh, Shailendra Singh, Rajeev Mehrotra and unknown persons in relation to press release titled "*Edelweiss Asset Management Head Quits, to Start Own*", which was allegedly released by the aforesaid employees of Percept Profile on behalf of our Company. Our Company also moved a criminal writ petition before Bombay High Court against the State of Maharashtra and others, praying *inter alia*, that the respondents or the Central Bureau of Investigation ("**CBI**") or any other agency be directed to register and investigate the aforesaid complaint dated December 30, 2011. The Bombay High Court *vide* its order dated July 23, 2012, directed the police to register a first information report on August 6, 2012 ("**FIR**"). Subsequently, Harindra Singh and Shailendra Singh filed a Criminal Application before the Bombay High Court praying inter alia for quashing the FIR. Further, Rajeev Mehrotra filed a criminal application before Bombay High Court *inter alia* praying for declaration that investigation under FIR is null and void and for staying further proceedings in the FIR. The Court, *vide* its order dated December 3, 2012, directed that a 72 hours' advance notice has to be given prior to any arrest of any of the accused in the case, so that appropriate remedy can be sought. The matter is currently pending.

B. On June 13, 2020, our Company filed a criminal complaint against LeapUp-Edutech Private Limited and its two directors ("**Accused**") for having committed offences under provisions of Indian Penal Code, *inter alia* defamation, cheating, criminal breach of trust, hatching a criminal conspiracy along with mischief for publishing defamatory video against our Company, on its private channel on YouTube. The video has been taken down by the Accused. The matter is currently pending.

Against our Company

Nil

(i) Regulatory Proceedings involving our Company

A. Our Company (ought to have been ECL Finance Limited) has been served with a notice dated February 16, 2022 ("**Notice**") issued by Member Secretary, Micro and Small Enterprises Facilitation Council, MMR Region, Mumbai inter-alia informing that one M/s. Pagdandi Marketing Solutions Private Limited ("**Complainant**"), the complainant has filed a petition on Samadhan Portal under Section 18(1) of Micro Small Medium Enterprises Development Act, 2006. The Complainant, being channel partner of ECL Finance Limited for sourcing equipment and mortgaged finance, alleged against ECL Finance Limited for non-payment of commission / invoice amounting to ₹ 2.36 million along with interest of ₹ 2.30 million aggregating to ₹ 4.66 million for processing of loan business. Our Company filed its application dated July 07, 2022 challenging maintainability of the captioned petition on merit alongwith copy of criminal complaint filed against the directors of the Complainant. The Petition is pending for hearing.

2. Litigation or all legal or regulatory actions involving our Promoter as on the date of this Tranche III Prospectus

(i) The Enforcement Directorate, Ministry of Finance, ("**ED**") *vide* a letter dated January 3, 2020 ("**Summon**"), issued under Sections 37(1) and (3) of the Foreign Exchange Management Act, 1999 read with Section 131(1) of the Income Tax Act, 1961 and Section 30 of the Code of Civil Procedure 1908, the Chairman of our Company and requested his personal attendance in case of Capstone Forex Private Limited and others on January 9, 2020 to give evidence and produce books of account or other documents specified in the Summon. The Chairman of our Company attended the office of ED on January 15, 2020, and the authorized representative of our Company *vide* letter dated January 15, 2020, *inter alia* responded to the Summon and provided the information sought in the Summon. Subsequently, further queries were responded to *vide* email dated January 17, 2020 and letter dated January 22, 2020. No request for information or personal appearance is pending to be complied. The matter is currently pending.

(ii) S & D Financials Private Limited ("**SDFL**"), a client of Nuvama Wealth Management Limited ("**NWML**") filed an application under Section 156(3) of the CrPC pursuant to which a first information report dated March 22, 2008("**FIR**") was registered under various sections of IPC against NWML and our Company's Directors and Promoters, Rashesh Shah and Venkatchalam Ramaswamy and others. In the FIR, SDFL inter-alia alleged Rashesh Shah and Venkatchalam Ramaswamy and others of unauthorised trading, criminal breach of trust and cheating SDFL in future and options transactions amounting to ₹8.48 million. NWML vide a letter dated September 8, 2008, denied all the allegation against it and inter alia stated that (a) there are arbitration proceedings initiated by NWML against SDFL for non-payment of monies which are currently pending; and (b) there was a running account maintained between NWML and SDFL and only when SDFL suffered a loss in January 2008, it chose to file a criminal complaint on frivolous grounds to avoid payment of monies to NWML . The matter is currently pending.

(iii) ECL Finance Limited, our Promoter Rashesh Shah and other employees of ECL Finance Limited ("**Accused**") are in receipt of a complaint under various section of IPC filed by one Amir Ahmad ("**Complainant**"). The Complainant has alleged that ECL Finance Limited arbitrarily liquidated his 4383 equity shares of HDFC Bank Limited, pledged with ECL Finance Limited as Security for repayment of ESOP loan facility amounting to ₹ 5.74 million and unsecured loan facility amounting to ₹ 2.35 million availed by the Complainant. ECL Finance limited vide its letter dated January 12, 2021 replied to the said notice alongwith relevant documents denying the allegations made by the Complainant. Further, all the Accused have filed their replies *vide* letter dated February 2, 2021. The investigation is currently pending.

(iv) ECL Finance received notice dated April 5, 2021, from its borrower Dr. Mohammad Ali Kaka Patankar (A to Z Diagnostic Centre), Mumbai ("**Borrower**") through his Advocate regarding alleged high-handed behaviour of collection executives during their visit to his residence on March 30, 2021, for recovery of outstanding dues/EMIs. The Borrower vide another letter dated April 7, 2021, made a complaint before the President of the Maharashtra State Minorities Commission ("**MSMC**") for alleged intimidation ("Complaint"). Based on the Complaint, the MSMC issued a notice under Section 10 of the MSMC Act 2004 to the Deputy Commissioner of Police, Circle 5, Mumbai and Mr. Rashesh Shah, Chairman for appearance and hearing. The Borrower *vide* letter dated July 7, 2021, informed the Senior Inspector of Police, Worli Police Station about the settlement of the dispute and requested to treat the matter as amicably settled between the Parties. The matter is currently pending.

(v) BE Office Automation Product Private Limited ("**Petitioners**") filed Civil Original Contempt Petition No. 362 of 2021 before the Punjab and Haryana High Court ("**Court**") against various parties including our Promoter, Mr. Venkatchalam Arakoni Ramaswamy, for willfully and deliberately violating order dated December 8, 2017 passed by the Commercial Court, Gurugram in Arbitration Case No. 04 of 2017.

The Petitioners and Orris had entered into commercial arrangements to develop certain residential properties on land provided by the Petitioners. Certain disputes arose between Petitioners and Orris, and the Petitioners filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 before the ADJ, Commercial Court, and Gurugram against Orris and others praying for restraint on alienation of inventory of the project in which third party rights were already created. By an order dated December 8, 2017, the Court restrained Orris from creating third party rights on the remaining units to be allocated to the Petitioners.

EARC entered into a deed of assignment ("**Deed**") with L&T Housing Finance whereby a security interest was created in favour of L&T Housing Finance on certain immovable assets in the Project. EARC issued a Public Caution Notice after the execution of the Deed, *inter-alia* directing that an NOC has to be availed from EARC before selling any units to a prospective purchaser. Any sale without the NOC of EARC will be null and void. Pursuant to publication of the notice the Petitioners informed EARC that certain properties mentioned in the public notice form part of the properties already handed over by Orris to the Petitioners pursuant to the order dated December 8, 2017. EARC has admitted that inclusion of the said properties was a typographical error and has replied to the contempt petition on merits. Subsequently, Mr. Venkatchalam Arakoni Ramaswamy filed an application dated May 29, 2023 before the High Court of Punjab at Chandigarh for deletion of his name from the array of parties on the grounds of not being a necessary or proper party for adjudication of the petition. The matter is pending.

3. Material litigations involving our Directors as on the date of this Tranche III Prospectus

A. <u>Civil litigation</u>

Other than as mentioned under "*-Material litigation or legal or regulatory actions involving our Promoter*", there are no other civil proceedings against the Directors of EFSL.

B. <u>Criminal litigation</u>

Other than as mentioned below and under "*-Material litigation or legal or regulatory actions involving our Promoter*", there are no other criminal proceedings against the Directors of EFSL.

(i) Smt. Iti, a client of Edelweiss Financial Advisors Limited ("**EFAL**") (now amalgamated with Edelweiss Broking Limited ("**EBL**")), filed a first information report on June 30, 2012 ("**FIR**"), before Hari Parvat, Janpad Police Station, Agra ("**Station**") against Saurabh Jain, Richa Jain and Mahendra Jain (collectively "**Accused**"), under Sections 420, 467, 468, 471 read with Section 120B of the Indian Penal Code, 1860 and Sections 66, 66C and 66D of the Information Technology Act, 2000, for alleged unauthorised trading by modifying her trading account and password with EBL. The total amount claimed by Smt. Iti is ₹ 13.8 million. Thereafter, notices were received by the director of EFSL, namely Himanshu Kaji ("**Directors**") from the Station and was followed by a supplemental charge sheet of the Station filed with the Chief Judicial Magistrate, Agra ("**CJM, Agra**"). In response, a quashing petition under S 482 of the Criminal Procedure Code was filed by the Directors in the Allahabad High Court ("**AHC**") which stayed the proceedings before the CJM, Agra. Similarly, a supplemental charge sheet was also filed by the Station against employees and directors of EBL with the CJM, Agra. This was also stayed by the AHC pursuant to a Section 482 application. Further, in August 2019, the AHC clubbed the above Section 482 applications. The matter is pending.

4. Litigation involving Subsidiaries.

(a) Edelweiss Asset Reconstruction Company Limited ("EARC") and its Trust

(i) <u>Civil proceedings by EARC Trusts</u>

1. IDFC First Bank Limited (Assignor bank and applicant in the original application) filed an application in DRT-Hyderabad against Coastal Projects Limited, and others for recovery of the debt amount from defaulter, Coastal Projects Limited amounting to ₹2,382.76 million. EARC has acquired the debts pertaining to Coastal Projects Limited from IDFC Bank Limited *vide* Assignment Agreement dated

August 24, 2018 under EARC Trust SC 341. After assignment of debts, EARC, acting in its capacity of trustee has filed an application for impleadment as an applicant, in its capacity as assignee, in the original application ("**OA**") filed by IDFC Bank Limited in DRT Hyderabad, which was allowed by DRT-Hyderabad.

Defendant's also filed their counter claim of about ₹2,390 million against the Assignor Bank on the ground that Bank, which was holding 3,385,939 shares of the defendant company in security, have liquidated at much lower price of about ₹670 million without any notice to the defendants. Defendants alleged that the liquidation is in violation of the provisions of the agreement executed between the Bank and the Defendants and the Assignor bank ought to have realized ₹3,510 million upon liquidation of securities.

Since the corporate debtor (i.e., Coastal Projects Limited) have undergone liquidation under the Insolvency and Bankruptcy Code, 2016, EARC, acting in its capacity of trustee, had filed an interim application for bringing on record the liquidator. The said interim application for bringing on record the liquidator has been allowed. The matter is currently pending for recording evidence.

(ii) Civil proceedings against EARC Trusts

Other than as mentioned below and under "-Civil proceedings against ECL Finance", there are no other civil proceedings against EARC or EARC Trusts.

1. Winsome Yarns Limited, the Plaintiffs have filed a Civil Suit being No. 444 of 2020 before Civil Judge (Junior Division), Ludhiana against the State of Punjab and EARC inter alia for declaration that the assignment agreement dated December 10, 2015 executed between Punjab National Bank ("**PNB**") and EARC Trust SC 168 for the exposure of Winsome Yarns Ltd should not be relied upon by any legal forum. The purchase consideration of the assignment agreement executed between PNB and EARC Trust SC 168, is amounting to about ₹ 479.5 million. On February 13, 2020, EARC, acting in its capacity of trustee, filed its written statement and filed an application under order 7 Rule 10 of CPC for return of plaint consequent upon misjoinder of cause of actions. On February 24, 2020, the Plaintiffs filed its reply to said application. The matter is pending for hearing due to pandemic Covid-19.

2. Winsome Yarns Limited, has filed a Petition being Miscellaneous Application No. 24 of 2020 before the Court of Chief Controlling Revenue Authority-cum-Financial Commissioner (Revenue) Punjab, Chandigarh ("**CCRA**") inter-alia praying for an order that EARC, in its capacity as Trustee be directed not to act upon the assignment agreement dated December 10, 2015 executed between PNB and EARC Trust for want of paying requisite stamp duty before any lawful authority including DRT/NCLT, Chandigarh etc. CCRA vide its interim order dated February 03, 2020 passed an order to issue notice to District Collector, Ludhiana to submit certified copy of the assignment agreement dated December 10, 2015 and to submit his opinion on quantum of stamp duty, if any payable and if so, by which party. CCRA further passed an order to issue notice to EARC, acting in its capacity as trustee, for appearance before CCRA and to contest the stamp duty liability amounting to about ₹14.59 million and interest, if any. On February 19, 2020 EARC, acting in its capacity as trustee, entered its appearance, however on account of pandemic Covid-19, matter adjourned from time to time. On October 07, 2020 EARC, acting in its capacity as trustee, filed its reply and an application for maintainability of miscellaneous application, which was rejected by CCRA. CCRA vide its Order dated December 18, 2020 held that Financial Commissioner has the jurisdiction to adjudicate the Miscellaneous Application No. 24 of 2020 and is maintainable for final adjudication. Miscellaneous Application is pending for final adjudication.

   In the meantime, EARC, acting in its capacity as trustee, filed a Civil Writ Petition being No. 13346 of 2020 before the High Court at Punjab & Haryana against (i) State of Punjab through CCRA, Punjab, Deputy Commissioner, Ludhiana and (iii) Joint Sub Registrar cum Naib Tehsildar, Mullanpur Dhakan, Ludhiana *inter-alia* challenging the ex-parte interim order dated February 03, 2020 passed by CCRA.

   Winsome Yarns Limited, filed an application before the Hon'ble High Court to become a party in Civil Writ Petition filed by EARC Trust, which was allowed by the Court vide its Order dated November 05, 2020 with the observations that Winsome Yarns Limited shall assist the Court on the legal aspect of payment of stamp duty. On December 07, 2020, the Hon'ble High Court observed that the CCRA would dispose of the pending application of EARC qua maintainability and pass an appropriate order thereon in accordance with Law. The said Writ Petition was disposed off vide order dated October 26, 2021 wherein the Hon'ble High Court of Punjab and Haryana, while allowing said petitions has set aside impugned orders in all the Petitions and the consequence of the same is that EARC Trust no longer has any stamp duty liability as on date. Being aggrieved, Winsome Yarns Limited and State of Punjab preferred an Appeals against the said order dated October 26, 2021 before Division Bench of Punjab and Haryana High Court. The matter is currently pending before Hon'ble High Court of Punjab and Haryana. and CCRA.

3. SAM Family Trust and AHA Holdings Private Limited ("**Applicants**") have filed Securitization Applications being Dairy Nos. 1260 of 2021 and 1261 of 2021 respectively along with Applications for Interim stay before the Debt Recovery Tribunal, Pune ("**DRT**") on November 21, 2021 against Catalyst Trusteeship Limited, EARC Trust SC 384, ECL Finance, Smaaash Entertainment Private Limited ("**Smaaash**") and resident Naib Tahsildar, Mahul ("**Defendants**") *inter-alia* challenging demand notice dated July 3, 2020 for ₹ 2689.37 million issued by Defendant No. 1, under sub-section (2) of Section 13 of SARFAESI Act, 2002, notice dated October 25, 2021 to take physical possession mortgaged assets located at Village Kunenama, Taluka , Maval, District Pune in pursuance of Order dated June 29, 2021 passed by the Additional District Collector, Pune. Applicants alleged the classification of NCD account of Defendant Smaaash as NPA for non-payment of interest is contrary to RBI guidelines. Furthermore, alleged assignment agreement dated June 28, 2019, executed by ECL Finance in favour of EARC Trust SC 384 assigning the benefits of NCDs is contrary to regulatory framework of SARFAESI Act, 2002, the SARFAESI Guidelines, 2003 and various guidelines/circulars/directions issued by the RBI. An appeal was filed against the DRT order allowing the securitisation application before the Debt Recovery Appellate Tribunal ("**DRAT**). The DRAT, vide order dated June 3, 2022 stayed the DRT order. Further, DRAT has order to maintain status quo of the property being adjudicated vide its order dated June 27, 2022. DART, Mumbai by its order dated November 11, 2022 stayed the operation of impugned order of DRT, Pune. The matter is pending.

4. GVK Energy and others ("**Plaintiffs**") have filed a suit for declaration and permanent injunction on the sale of shares of Alaknanda Hydro Power Company Limited ("**Alaknanda**") against EARC Trust SC 429, ECL Finance, Ecap Equities Limited, Edelweiss Finvest Limited (now merged with Edel Finance Company Limited), and others ("**Defendants**"). The Plaintiffs had taken various loans which they had secured by way of shares. The Plaintiffs committed default in repayment of loans and a settlement agreement was entered into, and thereafter an extension vide letter dated June 18, 2021, was also grated, however Plaintiffs defaulted in payments. After the default, ECL one of the Defendants in the suit invoked the shares. The Plaintiffs have prayed for reliefs including stay on the operation of the invocation notice dated May 17, 2022, pertaining to the pledge agreement and maintenance of status quo of the shares of the plaintiff and the security interest under the settlement agreement. It was agreed that the shares of the Alaknanda were to be sold at the best price. ECL Finance submitted that they are in process of selling the shares. The Delhi High Court, vide order dated May 31, 2022, has asked for it to be intimated of any good offers for selling shares. Further, if in the interim, another offer is received by the plaintiffs, they shall intimate the same to the Court and the Defendants. In the event the Plaintiffs are unable to match the offer of the Defendants, the Defendants would be eligible to sell the said shares at the best offer received by them. Further, it was ordered that the defendants shall not sell any other shares that have been pledged by the Plaintiffs with the Defendants until the impugned shares are sold. However, it was clarified that the defendants shall be free to invoke the pledged shares. The Plaintiffs have filed another interim application no. 9762/2022 ("**Interim Application**"), seeking restraining order against defendants for taking any action on the demand notices issued by them. EARC filed its written statement and its reply to the Interim Application on September 14, 2022. The matter is currently pending.

(ii) Criminal proceedings by EARC Trusts

1. Catalyst Trusteeship Limited ("**Debenture Trustee**"), on behalf of EARC Trust ("**Debenture Holder**") filed a criminal case on May 24, 2019 before the Metropolitan Magistrate's 28th Court ("**MMC**"), Esplanade, Mumbai (the "**Court**"), against Smaaash Entertainment Limited and its directors and officials (collectively referred to as "**Accused**") under Section 138 read with Section 141 of the Negotiable Instrument Act, 1881. The Accused issued and delivered a cheque for an amount

of ₹1,120 million drawn on HDFC Bank, Mumbai in favour of EARC Trust towards its liabilities in respect of non-convertible debentures. The said cheque was dishonoured on its presentation vide its order July 31, 2019. The Court issued summons against the Accused under Section 138 of Negotiable Instrument Act, 1881. Summons and warrant service reports awaited. The matter is currently pending.

(iii) Criminal proceedings against EARC

1. EARC acquired the Portfolio of 27 assets in March 2014 including the accounts of the Perfect group consisting of (i) Perfect Engineering Products Limited; (ii) Perfect Engine Components Private Limited; and (iii) Karla Engine Components Limited from State Bank of India.

   Post-acquisition, the promoters of Perfect Group approached EARC to restructure the dues of the Perfect Group accounts. The promoters introduced, the Chhatwal brothers ("**Investors**"), including Hitesh Chhatwal to EARC as strategic investors who were purportedly willing to make an equity infusion into the Perfect Group companies and provide working capital support. EARC approved the restructuring proposal/plan of Perfect Group companies on the basis of various representations made by the Promoters and the Investors.

   The Perfect Group companies failed to comply with the terms and conditions of the restructuring plan and EARC was compelled to revoke the same in 2016 and in 2018. EARC thereafter decided to move towards recovery from secured assets in accordance with law. To stall such recovery, dated February 26, 2019 there was a complaint filed by the Hitesh Chatwal (one of the Investors) with Economic Offences Wing against the Promoters and EARC. Subsequently, the said complaint was closed by Economic Offences Wing after investigations.

   EARC thereafter, received letter dated February 26, 2019 from inspector of Police G.C III, Economic Offences Wing Mumbai directing officials of EARC to attend his office regarding fresh complaint filed by Hitesh Chatwal in January 2020 along with the supporting documents namely, due diligence of Perfect Group Companies, ledger book maintained for business between Edelweiss and Perfect Group, balance sheet reports of Perfect Group between the Fiscal 2015 to Fiscal 2018. The matter is currently pending.

2. The Enforcement Director attached the Orissa plant of Bhushan Power and Steel Limited ("BPSL") in October 2019 while BPSL was in Corporate Insolvency Resolution Process ("CIRP") under Insolvency and Bankruptcy Code, 2016 ("IBC"). The charge over the plant was given to certain financial institutions in a consortium for the financial facilities extended to BPSL. EARC is a part of that consortium. The matter has been filed before Supreme Court of India by Committee of Creditors ("CoC") through Punjab National Bank, seeking clarification on retrospective applicability of Section 32A under IBC. The matter is currently pending.

(iv) Criminal proceedings against EARC Trust

1. Debt of Aqua Logistics Limited ("**Aqua**") was acquired by EARC from Bank of India. Post assignment, EARC, acting in its capacity as trustee, initiated action under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI**") with respect to an asset belonging to the guarantor being a residential premises at Mumbai and in the process filed an application before the Chief Magistrate Court ("**CMM Court**"), seeking possession orders. In the said proceedings, the third party filed an intervention application contesting the SARFAESI proceedings initiated by EARC, acting in its capacity as trustee. The said third party claimed to have a right over the secured asset on the basis of an arbitration award and an attachment warrant issued by the Bombay High Court over the secured asset in the execution proceedings initiated by the said third party for execution of the award passed in his favour. The said third party has also filed an application under Section 340 of CRPC against EARC Trust and its officers. EARC, acting in its capacity as trustee filed a chamber summons for vacating the attachment warrant passed by the High Court in the execution proceedings of the third party. The Bombay High Court passed an interim order in favour of EARC Trust staying the attachment warrant. After a series of litigation proceedings, EARC obtained possession orders from the CMM Court, and the Commissioner appointed by the CMM Court took possession of the mortgaged property and handed over the possession to the recognized officer of EARC. EARC, acting in its capacity as trustee put the mortgaged asset for auction under the SARFAESI Act and successfully auctioned the asset in March 2020. EARC, acting

in its capacity as trustee has simultaneously filed a recovery suit against Aqua Logistics Ltd, qua the principal borrower and Harish G. Uchil and Rajesh G. Uchil qua guarantors before Debt Recovery Tribunal – II, Mumbai and the same is pending adjudication and is currently at the stage of evidence. The principal borrower is undergoing liquidation under the orders of Bombay High Court. The matter is currently pending.

(b) Edelweiss Investment Adviser Limited ("EIAL")

(i) Civil proceedings by EIAL

1. EIAL ("**Plaintiff**") filed commercial Civil Suit (COMM) bearing No. 397 of 2020 before the Delhi High Court ("**DHC**") against Lily Realty Private Limited and another ("Defendants"), *inter-alia,* seeking a decree of specific performance of the Memorandum of Understanding dated October 29, 2015("MOU") and repayment of a sum of ₹ 103.32 million along with the pendente lite and future interest @ 28.25% per annum from the date of filing of the suit. EIAL has also sought a permanent injunction restraining the Defendants, agents etc. from creating any third-party rights on any movable and immovable assets of the Defendants. DHC, by its order dated September 29, 2020 restrained Defendant No.2 from creating any charge or liability on the three flats specified in the order. Further, by its order dated April 9, 2021, DHC has restrained the Defendants from selling or encumbering all their immovable properties till further orders. The matter is currently pending.

2. EIAL ("**Plaintiff**") filed a Commercial Suit bearing Lodging No. COMSL/12616/2021 on June 9, 2021, alongwith an application for interim injunction before the Bombay High Court against Wondervalue Realty Developers Pvt Ltd and 12 others. The Plaintiff *inter-alia* prayed for a declaration that the 15 Investment Agreements dated November 20, 2017, February 17, 2018, May 15, 2018 and June 27, 2018 ("**Investment Agreements**") in respect of redevelopment of the project 'HBS Towers', at Worli, Mumbai are valid, subsisting and binding upon the Defendants and for an order / direction that Defendants No 1 to 9 be directed to pay an aggregate sum of ₹ 2873.61 million as on May 24, 2021, along with interest thereon at the rate of 18% p.a. and for other reliefs more particularly mentioned in the plaint. The matter is currently pending at pre-admission stage.

(ii) Civil proceedings against EIAL

1. Ecstasy Realty Private Limited & Shobhit J Rajan ("**Plaintiffs**") have filed a Commercial Suit being No. COMS/20590 of 2022 on June 28, 2022 before Bombay High Court against i) Catalyst Trusteeship Private Limited, ii) ECL Finance Limited, iii) Edelweiss Investment Adviser Limited and iv) Edelweiss Rural and Corporate Services Limited ("**Defendants**") for specific performance inter-alia directing the Plaintiff No. 1 to perform its obligation under Debenture Trust Deed dated March 27, 2018 ("**DTD**") & its subsequent amendments vide its two emails dated March 16, 2022 and March 23 2022 and further declaration that the Defendants are not entitled to any repayment from the Plaintiffs under DTD as amended till September 2023. The Plaintiff further prayed for an order and decree against the Defendants to pay by way of damages namely, i) INR. 6711 million against the Catalyst Trusteeship Private Limited for unilaterally increasing interest rate under the issued NCD & failure to release security over additional property under terms of DTD, ii) aggregate INR 2870 million against the Defendant No. 2 inter-alia for having failure to disburse Rs. 109.80 million under unsecured loan agreement dated August 24, 2018, for having sold 11 flats in Project 1 at a under value, for failure to timely release of funds for IOD fees & for compensation for its failure to release towards purchase of 5 flats under sale agreement dated December 31, 2019, iii) Rs. 528 million for having failure to disburse Rs. 240 million, and iv) Rs. 158.70 million against all Defendants towards excess processing fees. The Plaintiffs further prayed for an interest on each of the above amounts at the rate of 18% from the date of filing of the present suit till payment.

   It is a Plaintiffs case of usurpation of Project land located at Four Bungalows, Andheri by the Defendants is in excess of Rs. 16,000 million and thereby causes damages amounting to Rs. 3594 million as detailed in Particulars of claim. Defendants have filed their respective defence statements. The Hon'ble High Court of Bombay vide its order dated September 13, 2022 ("**Impugned Order**") rejected the interim applications being no. 3618 of 2022 and 25486 of 2022 filed by the Plaintiffs seeking to restrain the Defendants from acting in breach of the amendments to the DTD. Being aggrieved by this, the Plaintiffs filed an appeal dated September 27, 2022, being (lodging) no.

COMAP/31058 of 2022 before the Hon'ble High Court of Bombay to set aside the Impugned Order. The matter is currently pending.

(iii) Criminal proceedings by EIAL

Nil

(iv) Criminal proceedings against EIAL

Nil

(c) ECL Finance Limited ("ECL Finance")

(i) Civil proceedings filed by ECL Finance

Except as disclosed below and under "*-Material litigations and regulatory actions involving our Company– Civil Litigation – By our Company",* and the ones mentioned below, there are no other civil proceedings filed by ECL Finance.

1. Pursuant to the Facility Agreement dated September 22, 2017 ("**Facility Agreement**") executed by and between (i) Saha Infratech Private Limited ("**Principal Borrower**"), (ii) Abet Buildcon Private Limited, (iii) Elicit Realtech Private Limited, (iv) Kalpataru Housing Private Limited, (v) Green Space Agro–Ventures Private Limited, (vi) Palm Developers Private Limited ("**Obligors/Corporate Debtors**") and ECL Finance ("**Lender**"), ECL Finance has granted the revolving credit facility to the Borrowers to the maximum extent of INR 900 million for the general corporate purpose. In furtherance to the terms of the Facility Agreement the Corporate Debtors including Obligor/Corporate Debtor Palm Developers Private Limited executed the Corporate Guarantee dated September 22, 2017 in favor of ECL Finance extending its obligations in making payment in the event of any default on part of the Principal Borrower under the Facility Agreement.

   The Principal Borrower Id various defaults In payment of principal, Interest & other monies and also in observance & performance of the other conditions of the Facility Agreement. ECL Finance vide its communications dated April 2, 2019 and September 26, 2019 pointed the defaults committed by the Principal Borrower and/or the Obligor/Corporate Debtor under the Facility Agreement.

   On January 27, 2020, the National Company Law Tribunal ("**NCLT**"), Bench – II New Delhi admitted the Corporate Insolvency Resolution Plan ("**CIRP**") filed by Ram Niwas and Sons, the petitioner under Company Petition (IB) – 894 (ND) 2019 against the Obligor/Corporate Debtor ("**Company Petition**"). Pursuant to the public announcement made by the Interim Resolution Professional ("**IRP**"), ECL Finance, as a lender submitted its Form C showing default from the year 2017 and claiming an approximate amount of INR 1269.69 million against the principal outstanding and interest due and payable as on January 27, 2020 and IDBI Trusteeship Services Limited as Debenture Trustee. On February 20, 2020, IRP constituted Committee of Creditors ("**COC**") and ECL Finance was duly made member thereof.

   One Mr. Abhinav Mukherji having 1.38% voting share filed Interim Application being IA no. 1610 of 2020 in Company Petition challenging the constitution of COC. The NCLT vide its Order February 20, 2020, directed erstwhile IRP to restrain from holding meeting of COC till constitution of COC is ascertained. ECL Finance filed its detailed reply on September 18, 2020 opposing the said application and placing on record all relevant documents. On September 23, 2020, ECL Finance filed IA no. 4130 of 2020 seeking substitution of Appellant no. 2 namely Assets Care & Reconstruction Enterprises Limited ("**ACRE**") in place of Appellant no. 1 in IA no. 1610 of 2020 in view of the Assignment of Loan by ECL Finance to ACRE pursuant to Deed of Assignment dated March 27, 2020. NCLT vide its Order dated March 14, 2022 allowed the IA no. 1610 of 2020 and held that ECL Finance is not a Financial Creditor to the Corporate Debtor namely Palm Developers Private Limited. NCLT also dismissed IA no. 4130 of 2020. Being aggrieved against the said Order and Judgement, ECL Finance filed Company Appeal (AT) (Insolvency) 358 of 2022 before NCLAT, New Delhi. By an Oder dated July 12, 2022, NCLAT dismissed the said Appeal. Being aggrieved ECL Finance has filed an Appeal being No. 6268 of 2022 against order passed by the NCLAT before the Hon'ble Supreme Court of

India. The Hon'ble Court by its order dated September 12, 2022 directed to issue notice in the matter and to maintain status quo until further orders. The matter is currently pending.

(ii) Civil proceedings against ECL Finance

Other than as mentioned below and under *"Material litigations or legal or regulatory actions involving our Promoter" "Civil proceedings against EARC", and "Civil proceedings against EIAL",* there are no other civil proceedings filed against ECL Finance.

1. A Rani ("**Plaintiff**") has filed suit against ECL Finance and others before for the Court of District Munsiff at Poonamalee for declaration and injunction that the deed of mortgage dated February 23, 2018 which was executed in favour of ECL Finance Limited is invalid and *inter-alia* claiming ownership with respect to the mortgaged property. The suit property is one of the properties forming part of the security for the loan of ₹1,450 million sanctioned by ECL Finance to Neptune Developers Private Limited. The Plaintiff has challenged the ownership right of Neptune Developers Private Limited with respect to the said property. Subsequently, ECL Finance has assigned the debt along with underlying securities (which includes mortgage of said property) to Assets Care and Reconstruction Enterprise Limited ("**ACRE ARC**") under deed of assignment dated March 27, 2020. The matter is currently pending.

2. ECL Finance granted secured credit facilities to Fortis Healthcare Holdings Private Limited ("**Fortis Holdings**") and RHC Holdings Private Limited ("RHC Holdings") during 2016 to 2018 amounting to about ₹4200 million against, inter alia, the pledge of certain equity shares of Fortis Healthcare Ltd. ("**Fortis'**) by Fortis Holdings as security towards repayment of loan amount (Fortis and RHC Holdings collectively referred to as the ("**Borrowers**").

   Daiichi Sankyo Company Limited ("**Daiichi**"), a creditor has obtained an arbitration award dated April 29 & 30, 2016 against Mr. Malvinder Singh & Mr. Shivendra Singh, promoters of Fortis and RHC Holdings and others ("**Respondents**") in Singapore whereby Daiichi was held entitled to receive ₹ 35000 million approximately from Respondents. Daiichi thereafter filed proceeding in Delhi High Court for enforcement of said award by way of execution Petition being OMP (EFA) (COMM.) No. 6 of 2016. During the proceedings before Delhi High Court, the Promoters and some of their companies had given certain undertakings and subsequently Delhi High court restraint them from pledging their respective shareholding in Fortis and other Companies. These proceedings happened during the period ECL Finance lent and advanced the loans to the Borrowers. Daiichi filed SLP No. 20417/2017 before Hon'ble Supreme Court against the Respondents. Hon'ble Supreme Courts vide its Order dated August 11, 2017 directed the Respondents to maintain status qua with respect to shareholding of Fortis. Hon'ble Supreme Court vide its order dated August 31, 2017 clarified that the interim order dated August 11, 2017 also apply to the encumbered shares of Fortis. ECL Finance being one of the secured creditors, as aggrieved from aforesaid orders, filed application for intervention no. 98913 of 2017 and application for directions being IA No. 98915 of 2017 before Hon'ble Supreme Court. Other secured creditors also filed similar applications. While disposing of the said applications of the secured creditors including that of ECL Finance Hon'ble Supreme Court on February 15, 2018 allowed the applications of the secured creditors and passed an order *inter-alia* clarifying that interim orders dated August 11, 2017 and August 31, 2017 to mean that the status quo granted shall not apply to shares of Fortis Healthcare Limited held by Fortis Healthcare Holdings Private Limited as may have been encumbered on or before the interim orders of this Court dated August 11, 2017 and August 31, 2017.

   ECL Finance thereafter, during the period from February 16, 2018 and February 26, 2018 sold 3,27,75,000 shares of Fortis pledged by Fortis Holdings as security for the loans to recover its dues.

   Subsequently Daiichi filed a Contempt Petition I No. 2120/2018 in the SLP I No. 20417/2017 before the Hon'ble Supreme Court of India ("**Court**"), against Indiabulls Housing Finance Limited ("**Indiabulls**") for violation of order dated August 11, 2017, and August 31, 2017, wherein Indiabulls was found guilty and directed to deposit the amount. ECL Finance was not a party to the contempt proceedings. *Suo motu* contempt proceedings were initiated by the Court in 2019 under Suo Motu Contempt Petition I No. 4 of 2019 and the Court vide Order dated February 18, 2021, directed all the banks / financial institutions to file an affidavit bringing on record the entire transactions and to inspect whether any violation of undertakings / status quo orders had taken place. ECL Finance filed the affidavit in compliance of this order. The Hon'ble Court vide its Order dated September 22, 2022, disposed of Suo Motu Contempt Petition (C) No. 4 of 2019 *inter-alia* with a direction to the High Court, before whom the proceedings in execution are pending, to consider appointment of forensic auditor(s) to analyse the transactions entered into by the banks and financial institutions and to look into whether such transactions were bona fide and entered into in commercial expediency.

In the interim, Daiichi has moved Execution Application No. 819 of 2020 before Delhi High Court against the Promoters, various Banks and Financial Institutions including ECL Finance, in whose favour the shares of Fortis were pledged by the Promoters and their Companies. Daiichi has claimed that the Promoters and their Companies had created pledge in violation of the undertakings given and order passed by the Delhi High Court. Daiichi has prayed for declaring the pledge as void and alternatively if the pledged shares are already sold then direction to Banks and NBFCs to deposit/refund the shares price of sold shares. Daiichi inter-alia prayed before the hon'ble Delhi High Court to either pass an order directing ECL Finance to set aside the creation of pledge on 3,09,55,000 Fortis Healthcare Limited shares held by Fortis Healthcare Holdings Private Limited ("**Shares**") and pass a consequential order of attachment and sale of such shares, or to direct ECL Finance to deposit a sum equivalent to the value of Shares as on June 21, 2017 before the hon'ble Delhi High Court. On December 18, 2020 ECL Finance filed its counter reply before the Delhi High Court. The matter is pending.

3. Bhumiraj Builders Private Limited ("**Plaintiff**") have filed a suit against ECL Finance, Edelweiss Asset Reconstruction Company Limited and Edelweiss Rural & Corporate Services Limited before the Bombay High Court. The Plaintiff has alleged that ECL Finance has malafidely and prematurely declared the loan as NPA, has illegally assigned the loan to Edelweiss Asset Reconstruction Company Limited, unilateral and incorrect imposition of interest rates, and mismanagement in the diversion of funds. Further, it has also been alleged that Edelweiss Asset Reconstruction Company Limited malafidely initiated a corporate insolvency resolution plan against the Plaintiff. The Plaintiff has prayed for an amount of ₹ 45,458.77 million along with interest, and a permanent injunction in order to restrain Edelweiss Asset Reconstruction Company Limited from acting up on the assignment of the loan. EARC filed its written statement dated 9th November 2022. The matter is currently pending.

4. Max Ventures Investment Holdings Private Limited, the Plaintiffs have filed a Civil Suit (Commercial) being No. 868 of 2022 alongwith applications for interim reliefs before Delhi High Court against the Defendants, (i) Catalyst Trusteeship Limited, the Debenture Trustee, (ii) ECL Finance Limited, a Debenture holder, (iii) ESOP III Investment Fund, a Debenture holder, (iv) Edelweiss Broking Limited (now known as Nuvama Wealth and Investment Limited), the Depository, and (v) Nuvama Wealth Management Limited, a broker of Debenture holders, inter-alia seeking urgent declaratory reliefs against the Defendants on account of sale of shares of INR 5.40 million (ought to be 54,00,000 shares) by the Defendants of Max Financial Services Limited ("MFSL") pledged by the Plaintiffs in favour of the Debenture Trustee (D1) pursuant to the Pledge Agreement dated March 07, 2021 ("Pledge Agreement") and recall notice dated November 17, 2022 as illegal and /or invalid and reliefs in the nature of Damages for fundamental breach of the terms of the Pledge Agreement, which are to be quantified at a subsequent stage. The Plaintiffs also filed an application under Section 154 of Code of Civil Procedure, 1908 for grant of injunction against any precipitative action arising from the Debenture Trust Deed ("DTA"), Pledge Agreement and Recall Notice dated or any other agreement, restraining credit information agencies from identifying a default regarding DTD, Pledge Agreement and Recall Notice and for other reliefs more particularly mentioned in the said application.

   It is a Defendants' case that Defendant No. 2 and 3 invested into NCD's aggregating to INR 4000 million issued by the Plaintiffs, which were secured by listed shares of MFSL. Upon commission of default of the terms of the DTD, entire NCDs were recalled and sold after invoking pledge. The Defendants 2 and 3 have already issued no due certificate to the plaintiff. The matter is pending.

5. Shripal Morakhia & others filed a commercial suit bearing diary no. 354/2022 on October 19, 2022 ("**Commercial Suit**") in Bombay High Court against EARC, ECL Finance, Catalyst Trusteeship Limited and Smaaash Entertainment Private Limited ("**Smaaash**") for the specific performance of the settlement emails addressed by Shripal Morakhia) to EARC with regards to settling the due's for the non-convertible debentures issued by Smaaash amounting to INR 2800 million ("**Smaash NCDs**"). ECL Finance was the original debenture holder of the Smaash NCDs and the account being

Non- Performing Asset ("**NPA")**, the said non-convertible debentures were transferred/assigned to EARC vide deed of assignment dated June 28, 2019 along with all rights, liabilities and obligations. EARC and ECL Finance have filed their reply to the commercial suit. The matter is currently pending.

6. ECL Finance and EBL have been served with the writ petition bearing (stamp) no. 6589 of 2021 along with summons filed by Yes Bank AT1 Bondholders Associations (398 bondholders) before the Bombay High Court against RBI & 15 others including union of India, SEBI, Yes Bank, CDSL, BSE *inter alia* seeking to quash and set aside the impugned letters dated March 14, 2020 and March 17, 2020 of Yes bank as it pertains to write off of Yes Bank AT1 Bonds holding of the individual retail investor and made a claim of ₹ 160 Cr against Yes Bank ("**Writ Petition**"). ECL Finance & EBL, have also been made a party as Respondent no. 11 and 15 respectively. Petitioner also filed an application for interim relief against ECL Finance and EBL, *inter alia* for orders against the Directors and Promoters of EBL and ECL Finance not to leave India, during the pendency of the proceeding. The Hon'ble High Court of Bombay vide its order dated October 20, 2022, pronounced on January 20, 2023, disposed of the Writ Petition and held that the impugned letter dated March 14, 2020 and the decision to write off AT-1 bonds are quashed and set aside ("**Order**"). Being aggrieved by the Order Yes Bank has filed special leave petition being nos. 4244 – 4253 of 2023 before the Hon'ble Supreme Court of India seeking special leave to appeal against the Order and interim relief by stay on the effect and operation of the Order. Additionally, RBI also filed a petition for special leave to appeal (civil) no(s). 3856-3865 of 2023, dated February 11, 2023, before the Hon'ble Supreme Court of India against the Order stating that the Order constituted an erroneous exercise of writ jurisdiction by the High Court of Bombay. Thereafter, the Hon'ble Supreme Court of India vide its order dated March 03, 2023 *inter alia* extended the stay granted by the High Court of Bombay for the operation of the Order pending further orders. The matter is currently pending.

(iii) Criminal proceedings by ECL Finance

1. A criminal complaint filed by ECL Finance against Prakash Patel, Kalpesh Padhya, Vyomesh Trivedi and Gaurav Davda (together referred to as "Accused No. 1") before the Joint Commissioner of Police, Economic Offences Wing, Unit – V, Crime Branch, Mumbai ("**EOW**") for criminal breach of trust and cheating amounting to ₹82.9 million. During the investigation, one more person, Mukesh Kanani was impleaded as an accused ("**Accused No. 2**"). FIR was registered against the Accused No. 1 and 2 for an offence under Section 420 and Section 34 of Indian Penal Code, 1860. EOW filed charge sheet against both the accused. The matter is currently pending.

2. ECL Finance has filed a criminal complaint before the BKC police station, Bandra against Mahesh Chavan, proprietor of Global Overseas, Kaushal *alias* Renu Menon, Deepali, Sandeep Kelkar and Rohit Paranjape, Deodhar Gholat ("**Accused**") for committing an act of cheating with respect to purchase of a car, for ECL Finance's employee, Ram Yadav. Subsequently, a first information report dated December 2, 2014 ("**FIR**") was filed with the BKC Police station for procurement of documents. The police filed a case on January 27, 2015 before the 9th Metropolitan Magistrate Court at Bandra ("**Court**"). The matter is currently pending.

3. ECL Finance, pursuant to the requirements under an RBI circular (No. RBI/2015-16/75DBS.CO.CFMC.BC. No. 1/23.04.001/2015-16) dated July 1, 2015, reported an instance of suspected fraud by its customer Shridhar Udhavrao Kolpe and Saraswati Bhimrao Shinde ("Borrowers") under the requisite form to RBI on July 7, 2016. The Borrowers were given a loan of ₹ 5.83 million by ECL Finance against their property. ECL Finance filed a complaint on August 12, 2016 against the Borrowers under various sections of IPC and relevant provisions of the Maharashtra Control of Organised Crime Act, 1999 for allegedly defrauding ECL Finance. Further, ECL Finance has submitted documents requested by EOW, Pune in relation to the complaint. The matter is currently pending.

4. A criminal complaint dated October 31, 2019 ("**Complaint**") was filed by ECL Finance before the Bandra Kurla Complex, Mumbai Police Station against JSK Marketing Limited, its directors, and others ("**Accused**") for having committed offence *inter-alia* criminal breach of trust, fraud, cheating punishable under various provisions of IPC and Maharashtra Control of Organized Crime. ECL Finance in its Complaint has alleged the Accused for wrongful loss of towards SME equipment Loan amounting to ₹20.9 million. BKC Police Station registered FIR bearing No. 300/2020 against Directors of JSK Marketing Limited under Section 403, 406, 420 read with Section 34 of IPC. Kunal

Jiwarajka, one of the Accused made an application before the Sessions Court at Mumbai for anticipatory bail being No. 27 of 2021, which was rejected by the by the Hon'ble Court vide its Order dated February 03, 2021. Being aggrieved, the said Accused preferred an Appeal before the Bombay High Court being No. ABA/385 /2021. ECL Finance filed an Intervention Application opposing the said anticipatory bail application. The Bombay High Court *vide* an order dated April 24, 2023, allowed the application bearing no. ABA/385 on certain terms and conditions and granted pre-arrest bail to the applicant. The matter is currently pending with BKC police station for further investigation.

(iv) Criminal proceedings against ECL Finance

Other than as mentioned below and under *"Criminal Proceedings filed against EBL"*, there are no other criminal proceedings against ECL Finance.

1. The Directorate of Enforcement ("**Complainant**") filed an original complaint dated September 3, 2016, with the Adjudicating Authority under the Section 5(5) of the Prevention of Money Laundering Act, 2002 against Kingfisher Airlines Limited, Vijay Mallya, and others for acquisition of property using proceeds of crime in terms of Section 2(1)(u) of Prevention of Money Laundering Act of 2002. Certain shares of Vijay Mallya and his associates were pledged with ECL as security ("**Pledged Securities**") for various loans availed by them. The Complainant has sought for attachment of the Pledged Securities. The Adjudicating Authority, (Prevention of Money Laundering Act), New Delhi has confirmed the provisional attachment *vide* an order dated February 22, 2017 and ECL has challenged the same *vide* an appeal before the Appellate Authority. The matter is currently pending.

2. Rajiv Shivram Rane, proprietor of Jankie Properties *vide* his letter dated August 18, 2020 filed a complaint with Economics Offences Wing, Mumbai against Sanghvi Gruha Nirman Private Limited ("**Mortgagor**") and ECL Finance *inter-alia* alleging cheating having deprived him of getting his percentage of area shares to be allotted under the development agreement executed between him and Sanghvi Gruha Nirman Private Limited and caused him to pay rentals to Maharashtra Housing & Area Development Authority of the tenants etc. Sanghvi Gruha Nirman Private Limited, thereafter in order to raise finance for construction of building mortgage the said properties with ECL Finance under mortgaged deed dated March 21, 2016, wherein complainant was confirming party. Pursuant thereto ECL Finance granted a loan of ₹1,500 million to Sanghvi Gruha Nirman Private Limited, however said Sanghvi Gruha Nirman Private Limited failed to utilize the loan amount towards constructions of building. Due to raising loans against the land properties and not doing construction, he could not deliver the flats to the original tenants and compelled to pay rents to the original tenants. On December 5, 2020 a representative of ECL Finance along with legal counsel had attended the office of Economics Offences Wing for recording of statement in the matter. The investigation is pending.

3. ECL Finance has received notices dated December 28, 2020 from Investigating Officer (IO), Mahanagar Police Station, Lucknow, UP issued under Section 41 (A) of Cr. PC addressed in the name of ECL Finance Limited, Ms. Madhur Bhatia, relationship manager, Romanshu Tandon, Himanshu Chhatrawal, Zonal Manager and Rashesh Shah, Chairman (the "**Accused**") *inter-alia* informing that FIR being No. 497 of 2020 has been registered against the Accused under Section 406 and 420 of IPC based on Complaint filed by one Amir Ahmad ('**Complainant**") and directed to appear before IO for investigation with respect to the said FIR. Complainant alleged that ECL Finance arbitrarily liquidated his 4383 equity shares of HDFC Bank Limited, pledged with ECL Finance as Security for repayment of ESOP loan facility amounting to ₹ 5.74 million and unsecured loan facility amounting to ₹ 2.35 million availed by the Complainant. ECL Finance limited vide its letter dated January 12, 2021, replied to the said notice along with relevant documents denying the allegations made by the Complainant. All addressees of notice dated December 28, 2020 filed their reply *vide* letter dated February 2, 2021. The investigation is currently pending.

4. ECL Finance received a notice dated January 12, 2021 from Station House Officer ("**SHO**"), Bhankrota Police Station, Jaipur (west) under Section 91 of Cr. P. C. inter-alia informing that he is investigating crime in FIR No. 371of 2020 registered under Sections 420, 467, 468, 471 read with Section 120 B of IPC filed by one Vinod Kumar Bothra ("**Complainant**") against Moolchand Bothra, Trilokchand Das Ahuja, Kamal Kumar Bothra, Sunil Jain, Saurabh

Khandelwal and Manager, ECL Finance. The Complainant alleged that accused made a forged mortgaged document, in respect of plot of land being No. F-69, Bindayaka Industrial Estate, RIICA, Jaipur belongs to his partnership firm Jain Industries without his knowledge and consent and availed a loan from ECL Finance. SHO requested to furnish certain mortgaged loan documents pertaining to Borrowers, Jain Industries such as Loan Agreement, statement of accounts etc. Subsequently, officials of ECL Finance attended investigation and submitted copies of required information and documents. SHO vide its notices dated December 15, 2021 and May 16, 2022 requested to furnish original loan agreement alongwith name and contact details of sanctioning authorities. The same request has been complied with by ECL Finance on May 20, 2022.The investigation is currently pending.

(d) Edel Finance Company Limited ("Edel Finance")

(i) Civil proceedings filed by Edel Finance.

Except as disclosed under "*-Material litigations and regulatory actions involving our Company – Civil Litigation – By our Company",* there are no other civil proceedings filed by Edel Finance.

(ii) Civil proceedings against Edel Finance

Except as disclosed under "Litigation involving Subsidiaries – Civil Proceedings against EARC " there are no other civil proceedings against Edel Finance

(iii) Criminal proceedings by Edel Finance

Nil

(e) Edelweiss Tokio Life Insurance Company Limited ("Edelweiss Tokio")

(i) Criminal proceedings against Edelweiss Tokio

An application was filed as a first information report dated March 13, 2018, under Section 420, 468, 470 and 471 before Chief Judicial Magistrate at Barasat by Sekhar Kumar Chanda ("**Petitioner**") alleging signature forgery and cheating vis-à-vis mis-selling against Edelweiss Tokio. The matter is currently pending.

f) Edelweiss Rural & Corporate Services Limited (erstwhile Edelweiss Commodities Services Limited) ("ERCSL")

(i) Civil proceedings against ERCSL

Other than as mentioned under "*Civil proceedings against EIAL"* and "*Civil proceedings against ECL Finance*", there are no other civil proceedings filed against ERCSL.

(ii) Criminal proceedings by ERCSL

Edelweiss Agri Value Chain Limited (now merged with Edelweiss Rural and Corporate Services Limited) registered FIR on September 19, 2017 in Jasdan Police Station, Rajkot against Mahendrabhai Gida-Guard, Ashokbhai Dhadhal- Gunman, Babubhai Bhayabhai Ramani, Sanjaybhai Khimjibhai, Shambhubhai Jivabhai Ramani, Mansukhbhai Khimjibhai Ramani, Ravjibhai Ramani, and Sanjaybhai Ramani (collectively the "**Accused**") under Sections 406,409,420,435, 120B and 114 of Indian Penal Code, 1960 for committing intentional act of fire at warehouse. The Investigating office, Jasdan Police Station registered criminal case on August 6, 2019 before Taluka Court, Jasdan against accused and filed the charge-sheet. The matter is currently pending.

(iii) Criminal proceedings against ERCSL

1. ECSL (formerly known as Comfort Project Limited/Edelweiss Trading and Holding Limited and now known as ERCSL) has been served with the notice dated February 15, 2019 from the Economic Offence Wing – National Spot Exchange Limited – Special Investigation Team, Mumbai ("**EOW**") issued under Section 91 of the Cr. PC *inter-alia* informing that department is investigating the

offences registered against National Spot Exchange Limited, its directors, FTIL, its directors, borrowers, brokers and others for committing serval acts of forgery and criminal breach trust. Further, Economic Offences Wing is investigating complaint of SEBI against 300 brokers for illegal trading on National Spot Exchange Limited. ECSL furnished all the information as called for by Economic Offences Wing. The matter is currently pending.

2. ERCSL received a notice under Section 91 of Cr. PC on February 3, 2020 ("**Notice**") from a Senior Police Inspector, Turbhe, *inter-alia* directing ERCSL to produce all the original documents listed therein, in respect of the criminal case registered against ERCSL under Sections 3, 7 and 8 of the Essential Commodities Act, 1955 and Maharashtra Scheduled Commodities Wholesale Dealers Licensing Order, 2015. The Notice emanates from a 2015 matter in which the Deputy Controller of Rationing, Civil Supply Department of Maharashtra ("**Authority**") issued show cause notices to ERCSL for alleged violation of applicable stock limits. Pursuant to the directions issued by the Authority, the ceased stock was released. Furthermore, ERCSL received a notice from the Office of the Deputy commissioner of Police, Cyber Crime Cell/Economic Offences Wing ("**Police**") dated August 16, 2016, received by the Police, regarding alleged hoarding of pulses. All information sought by the authorities has been duly provided. The matter is currently pending.

3. The Deputy Controller of Rationing, Civil Supply Department of Maharashtra ("**Authority**") issued a show cause notice dated October 23, 2015, dated October 30, 2015, October 31, 2015 and dated October 31, 2015 to ERCSL for violation of applicable stock limits on imported pulses under the Essential Commodities Act, 1955 ("**Act**") resulting in seizure of the stock stored at various warehouses by the Authority and registration of first information reports ("**FIR**") under the Act. ERCSL argued that the stock limits were not applicable to ERCSL as the stock was imported. Pursuant to the directions issued by the Authority, the ceased stock was released, subject to certain conditions. ERCSL, upon fulfilment of the specified conditions and execution of the undertakings, lifted and sold the released stock in the open market and subsequently informed the Authority. The matter is currently pending.

4. ERCSL received a notice from Office of the Deputy Commissioner of Police, Cyber Crime Cell / Economic Offences Wing ("**Police**") on August 16, 2016, in relation to a complaint received by the Police, regarding alleged cartelization and nexus of importers-traders causing artificial scarcity of pulses. The matter is currently pending.

5. Food Safety and Standards Authority of India filed a complaint before Additional Chief Judicial Magistrate, Kasganj ("**the Court**") against erstwhile Edelweiss Agri Value Chain Limited (now merged with ERCSL) and Neeresh Kumar, an employee of ERCSL, for alleged violation of Section 31(1) of the Food Safety and Standards Act, 2006 for storing of commodities in warehouse without having Food Safety and Standards Authority of India ("**FSSAI**") license. The matter is currently pending.

(iv) <u>Regulatory Proceedings involving ERCSL.</u>

1. Edelweiss Commodities Services Limited (now known as Edelweiss Rural & Corporate Services Limited, ("**ERCSL**") has been served with a letter from the Enforcement Directorate ('**ED**") on August 26, 2016, concerning an enquiry for an alleged violation of the provisions of the Foreign Exchange Management Act, 1999 in relation to import of pulses by commodities importer and advised to produce certain details like memorandum of association, annual report/balance sheet, bank accounts and details of pulses import since 2011. ERCSL duly complied with the requisitions in September 2016. ERCSL also furnished with additional information about the pulses business – listing of all suppliers, imports, local sales, bank statements, warehousing details and other information with last such request for information in June 2021. Personal appearances of the ERCSL's executives were sought and the same have been complied with. A show cause notice was issued by the authorities to the company and the then directors/key executives in this matter in August 2021 and the same has been responded in December 2021. Mr Venkat Ramaswamy & Mr Rujan Panjwani, both Executive Directors, Edelweiss Financial Services Ltd, received the said notice in their capacity as directors in ERCSL. No further information has been sought by the office of ED and the matter is pending before the authorities since then.

2. ERCSL has been served with a Show Cause Notice dated June 30, 2021 ("**SCN**") from the office of the Principal Commissioner of Customs, Hyderabad inter-alia alleging ₹ 3.1 million was erroneously refunded pertaining to eight consignments of bullion products imported during 2013-2014. ERCSL is in the process of submitting its reply on merit.

(f) Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) ("Nido")

(i) Civil litigation filed by Nido.

Except as disclosed under "*-Material litigations and regulatory actions involving our Company – Civil Litigation – By our Company",* there are no other civil proceedings filed by Nido.

(ii) Criminal proceedings by Nido

1. Nido filed a complaint before the Senior Police Inspector, Bandra Kurla Complex Police Station, Mumbai ("**Authority**") *vide* its letter dated November 19, 2014 against Sachin R. Jayswal and Ratan Ram Jayswal and others (collectively, the "**Accused**") for cheating and forgery in relation to a property situated at 4th Floor, Shree Samarth Ashirwad Apartment, Thane ("Secured Property"). Subsequently, Nido filed a first information report ("**FIR**") dated January 20, 2015 under Section 154 of the Criminal Procedure Code, 1973 against the Accused before the Authority under sections 420, 465, 468, 471, 120-B, 467 and 34 of the Indian Penal Code, 1860. Thereafter, Nido issued a notice dated January 20, 2016, under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI**") to the Accused for payment of the outstanding amount due to Nido. However, Nido did not receive any reply to such notice. Hence, Nido filed an application under Section 14 of the SARFAESI on September 22, 2016, before Court of District Magistrate, Thane ("**Court**") seeking possession of the Secured Property. An order dated November 19, 2016 was passed by the Court directing Tahsildar, Thane to take possession of the Secured Property and to handover the articles present in the Secured Property to Nido. Subsequently, Reshma Khan, alleged to be the real owner of the Secured Property, instituted a special civil suit dated April 19, 2017 before the Civil Judge, Senior Division, Thane against Nido and the Executive Magistrate, Thane Tahsildar Office Station, Thane ("**Defendants**") praying, *inter alia*, to declare Reshma Khan as the legal owner of the Secured Property, to restrain the Defendants from taking possession of the Secured Property. The matter is currently pending.

2. Nido filed a complaint before the Senior Police Inspector, Chaturshrungi Police Station, Pune against Sachin Yashwant Rananaware and Nilam Sachin Rananaware (collectively, the "**Accused**") *vide* its letter dated July 28, 2016 alleging fraud and cheating with reference to a property situated at flat No. 6, 2nd floor and flat No. 10 on 4th floor, Chaya Smruti, Suncity Road, Pune ("Secured Property"). Subsequently, Nido filed an application dated August 9, 2016, before District Magistrate, Pune ("**Authority**") under Section 14 of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI**") seeking possession of the Secured Property. Thereafter, an order dated March 20, 2017 was passed by the Authority directing authorised personnel to take physical possession of the Secured Property. Subsequently, Anil Kenjalkar, alleging to be the original owner of the Secured Property ("**Applicant**"), instituted a special civil suit dated April 13, 2017 before the Civil Judge, Junior Division, Pune ("**Court**") against Nido, Collector of Pune and other parties ("**Defendants**") praying, *inter alia*, to restrain the Defendants from creating any third party interest or taking possession of Flat No. 6 on 2nd floor, Chaya Smruti, Suncity Road, Pune and for an ad-interim injunction to be passed in favour of the Applicant ("Suit dated April 13, 2017"). Further, the Applicant has filed an application for condonation of delay dated May 19, 2017 before the Debt Recovery Tribunal, Pune, praying, *inter alia*, to restrain Nido from taking physical possession of the Secured Property. Thereafter, Anil Kenjalkar withdrew his case before the Debt Recovery Tribunal, Pune and filed a fresh case before DRT, Pune *inter-alia* challenging taking of symbolic possession and other incidental reliefs. Nido filed an application dated October 24, 2017 before the Court under Section 9A of the Civil Procedure Code, 1908 to set aside the Suit dated April 13, 2017. By an Order dated October 9, 2021, the Civil Judge, Pune rejected the Suit filed by Anil Kenjalkar. The matter is currently pending with DRT.

3. Nido issued a notice dated October 20, 2016 to P. Aravindan and A. Aruna (collectively, the "**Accused**") under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI**") for payment of the amount due to Nido

in relation to charge created on the property under a home loan dated August 30, 2014 entered between Nido and the Accused ("**Home Loan Agreement**"). Nido issued another notice dated January 3, 2017, under Section 13(4) of the SARFAESI to the Accused, on non-receipt of any payment under Section 13(2) notice, for taking possession of the charged property in relation to the Home Loan Agreement. The matter is currently pending. Thereafter, Nido filed a complaint against P. Aravindan, Tholkappian, J. Vinayagamoorthy, K. Babu and B. Saravanan before the Commissioner of Police, Egmore, Chennai *vide* its letter dated September 27, 2017 alleging that pursuant to an internal investigation conducted by Nido, it was found that P. Aravindan and Tholkappian along with the previous employees of Nido i.e. J. Vinayagamoorthy, K. Babu and B. Saravanan ("Ex-Employees") had, *interalia*, forged the 'Know Your Customer' ("**KYC**") documents and other transactional documents in relation to the Home Loan Agreement. The Accused are presently in judicial custody and the matter is currently pending.

4. Nido issued a notice dated October 20, 2016 to Prem Anand ("Accused") under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI**") for payment of the amount due to Nido in relation to charge created on the property under a home loan dated January 1, 2015 entered between Nido and the Accused ("**Home Loan Agreement**"). Nido issued another notice dated January 3, 2017, under Section 13(4) of the SARFAESI to the Accused, on non-receipt of any payment under section 13(2) notice, for taking possession of the charged property in relation to the Home Loan Agreement. Thereafter, Nido filed a complaint against the Accused, Tholkappian and J. Vinayagamoorthy before the Commissioner of Police, Egmore, Chennai *vide* its letter dated September 27, 2017 alleging that pursuant to an internal investigation conducted by Nido, it was found that the Accused along with Tholkappian and a previous employee of Nido i.e. J. Vinayagamoorthy, had, *inter alia*, forged the 'Know Your Customer' ("**KYC**") documents and other transactional documents in relation to the Home Loan Agreement. The matter is currently pending.

5. Nido disbursed a loan to Om Prakash Singh ("**Vendor**") on December 31, 2017, for an amount of ₹ 20.05 million for purchase of residential property in Jangpura Extension, Delhi. Om Prakash Singh owner of V3 Mobi Communication Private Limited ("**V3 Mobi**"), a company engaged in developing software and proving online platform for trading. V3 Mobi had been defaulting since March 2018 and was hence declared a non-performing asset ("**NPA**") in August 2018. Nido filed a complaint to the Police and Economic Offences Wing, New Delhi ("**EOW**") on June 29, 2018. Nido filed application before the Delhi High Court for seeking stay of sale proceeding and the Delhi High Court allowed the stay on sale proceeding and directed Punjab National Bank to file their reply on October 29, 2018. The Delhi High Court vide an order dated October 31, 2018 vacated the stay granted on the sale proceeding and dismissed all the pending applications. Further, Nido also tried to obtain a certified copy pertaining to the SARFAESI proceeding filed by Punjab National Bank. A securitization application under Section 17 of the SARFAESI Act was filed before DRT-II on September 6, 2018. The complaint has been registered after rigorous follow up with EOW and the FIR was lodged on dated September 28, 2018, by the Economic Offences Wing. Subsequently, both Vendor and Amarjeet Singh ("**Vendee**") were arrested by EOW. Vide orders dated June 16, 2022, and June 24, 2022, the Vendor and Vendee were released on conditional bail. The Vendor filed an application with EOW for cancellation of bail of the Vendee on account of non-compliance with the terms of the conditional bail granted on June 24, 2022, and subsequently, EOW vide its order dated December 12, 2022, cancelled the bail granted to the Vendee. The matter is currently pending.

6. Nido issued a notice dated January 20, 2016, against Somprashant M. Patil and Sonali S. Patil (collectively, the "**Accused**") under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**Act**"). Nido thereafter issued a notice dated March 29, 2016 under Section 13(4) of the Act to the Accused intimating them about the symbolic possession of the mortgaged property by Nido. Further, Nido received notices dated July 15, 2015 and April 25, 2016 from Chinchwad Police Station seeking certain documents in relation to the loan granted by Nido to the Accused, pursuant to a first information report filed by Ganpat Datta Salunkhe against the Accused, to which Nido has provided the relevant documents. The matter is currently pending.

7. Rayabarapu Ranapratap availed loan from Nido for purchase of Plot at Enumamula Location. In the year 2001, Kasarala Laxminarsimha Rao; Kasarala Ranga Rao; and (3) KodariSadanandam, executed the registered sale deed in favour of Betheli Santosh Kumar. In the year 2012, Betheli Santosh Kumar

executed the General Power of Attorney dated February 23, 2012, in favour of Masna Sampath Kumar and cancelled it in the year October 2015, in the same month Betheli Santosh Kumar executed self-declaration deed for change of boundaries. Nido has filed a criminal complaint on February 9, 2019, against Rayabarapu Ranaprathapunder various sections of Indian Penal Code ("**IPC**") for showing the non-existing property and obtained the loan amount fraudulently before PS Hanmakonda Warangal District. The matter is currently pending.

8. Nido has filed a criminal complaint on January 13, 2020, against Pawan Kumar Goel under various sectionsof IPC for showing the non-existing property and obtained the loan amount fraudulently on February 22, 2018 before Station Head Officer Barakhamba Road, New Delhi. The matter is currently pending for investigation.

9. Nido filed five separate criminal complaints against its borrowers, Amit Sesmal Jain and nine others before Economic Offences Wing, Pune under various sections of Criminal Procedure Code for fraudulently siphoning off Nido's money amounting to ₹14 million while availing home loan facility from the Pune Branch. These cases and matters are pending for inquiry.

10. Nido had provided a Home Loan of ₹1.6 million to Ajaykumar Ashokkumar Raut (Borrower). The Borrower turned delinquent and on carrying out further checks from the Maharashtra IGR portal, Department of Registration & Stamps it was found that borrower in connivance with seller submitted fraudulent registered property agreements to Nido towards Home Loan. The Borrower had also fraudulently obtained multiple financing from other financial institutions on the same property. Currently, the charge of other financial institutions including Nido is registered on subject property. Nido has filed an application under Section 14 of SARFAESI Act before District Magistrate Court, Nagpur on December 08, 2020, and said matter is pending for orders from District Magistrate.

11. Nido had provided Home Loan of ₹ 3.06 million to Amol Jalinder Phuge (Borrower). The Borrower turned delinquent and on carrying out further checks, it was found that Borrower had created multiple property documents and had availed loans from other financial institutions on the same property. Charge of other financial institutions is registered by virtue of Notice of Intimation (NOI) however charge of Nido Home Finance Limited (Nido) is first as Nido disbursement is prior to other financial institutions. Nido has filed application under Section 14 of SARFAESI Act before District Magistrate Court, Pune. The matter is currently pending before Tahsildar, Pune for fixation of appointment to take physical possession of property as per order passed by District Magistrate. The matter is pending.

12. Nido had provided Home Loan of ₹ 2 million to Bhausaheb Balasaheb Jahdav (Borrower). The Borrower turned delinquent and carrying out further checks, it was found that Borrower fraudulently opened account in builder's name, siphoned off the loan amount and registered Cancellation Sale Deed. Builder sold the subject property to another buyer without intimating to Nido. Though Nido yet to initiate SARFAESI proceedings, Nido reported this case as fraud to National Housing Board. Further, on July 29, 2022, Nido filed a criminal complaint with Khed Police Station, Pune against the Borrowers and one Mrs. Sunita Deepak Ghumatkar, Builder for criminal conspiracy and cheating. The matter is pending for investigation.

13. Nido had provided Home Loan of ₹ 2 million to Divya Flora Sundaram Gollapalli ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that borrower had submitted fraudulent property papers/registered agreements, unavailability of layout plan, mismatch in dimensions of property stated in Sale Deed, Technical report vis-à-vis property taken as collateral. The Borrower is not traceable, and property is in the possession of some third party who is claiming the owner of property. Nido has filed Criminal complaint with SR Nagar Police Station, Hyderabad City against Borrower on September 8, 2020. The matter is pending for investigation.

14. Nido had provided Home Loan of ₹7.4 million to M Hanumantha Rao ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that builder had done multiple transactions on the subject property and sold property to multiple buyers. Builder has provided fraudulent registered property agreement to Borrower which was submitted to Nido Home Finance Limited towards Home Loan. Builder is absconding and not traceable. Currently, subject property is occupied by third parties and claiming owner of the property. Nido has filed criminal complaint on September 24, 2020, against Borrower at Koramangala Police station, Bangalore. The matter pending for investigation.

15. Nido had provided Home Loan of ₹2 million to Menta Bhanuprakash ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that Borrower defrauded Nido by submitting colour xerox/fake property documents. Subject property falls under Prohibited Property List. Nido has filed application u/s 14 of SARFAESI Act before District Magistrate Court, Nellore on December 22, 2019 and said is pending for order from District Magistrate, Nellore. The matter is pending.

16. Nido had provided Home Loan of ₹ 4.99 million to Rajkumar Silarpur ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that Borrower had misrepresented the facts about seller and submitted invalid Sale Deed. General Power of Attorney (GPA) basis which Sale Deed was executed was not valid as Seller was not alive at the time of execution and consequently Sale Deed also becomes invalid. Property is in the possession of some third party, B. Karunakar, who is claiming the owner of property and alleging to be the original owner of the Secured Property, Third Party has filed application before DRT on October 06, 2020 against Nido, which pending for hearing. Nido has filed application under Section 14 of SARFAESI Act before District Magistrate Court, Secunderabad on January 08, 2021 and is pending for orders. The matter is pending.

17. Nido had provided Home Loan of ₹ 1.5 million to Yernamma Kommineni ("**Borrower**"). The Borrower turned delinquent on carrying out further checks, it was found that Borrower in connivance with seller defrauded Nido by misrepresenting the facts and creating false profile and submitted fake business and income documents. The Borrower is not traceable. Property was overvalued by more than ₹1.9 million. (at acquisition - ₹3 million and latest valuation - ₹1.08 million) Valued property (Near to highway/main road) and the property as per Sale Deed (lies in interiors) both are different. Subject property is into the interiors. Nido has sold the property in auction to third party. Nido is in process of filing OA (Original Application) for loss on sale before Debt Recovery Tribunal. Though Nido yet to initiate SARFAESI proceedings, Nido reported this case as fraud to National Housing Board.

18. Nido had provided home loan of ₹ 10.5 million to Jitendra Dalchand Jain and Kavita Jain ("**Borrowers**"). The Borrowers turned delinquent, and on carrying out further checks, it was found the Borrowers in connivance with the developer have defrauded Nido by misrepresenting the unit numbers being mortgaged with Nido, submitted forged approved plan and issuing NOC, Receipts and entering into a registered sale deed for non-existent properties by the developer. The developer fraudulently submitted a plan where the Permanent Transit Cam ("**PTC**") were shown as free sale units, and the Slum Redevelopment Authority ("**SRA**") stamp and correct approval number was put on the fabricated plan. On February 25, 2021, Nido filed criminal complaint against Borrowers, and Neeraj M Ved, Proprietor of Shreenath Corporation, Builders and Developers of Forgery, Criminal Breach of Trust and Cheating with BKC Police Station, Bandra, Mumbai. The Complaint is pending for investigation.

19. Nido had provided Home Loan of ₹ 14.2 million to Nikesh Mohan Gajara and Gitaben Mohanlal Gajara ("**Borrowers**"). The Borrowers turned delinquent, and on carrying out further checks, it was found that the Borrowers in connivance with the developer have defrauded Nido by misrepresenting the unit numbers being mortgaged with Nido, submitted forged approved plan and issuing NOC, Receipts and entering into a registered sale deed for non-existent properties by the developer. The developer fraudulently submitted a plan where the Permanent Transit Cam ("**PTC**") were shown as free sale units, and the Slum Redevelopment Authority ("**SRA**") stamp and correct approval number was put on the fabricated plan. On February 25, 2021, Nido filed criminal complaint against Borrowers, and Neeraj M Ved, Proprietor of Shreenath Corporation, Builders and Developers of Forgery, Criminal Breach of Trust and Cheating with BKC Police Station, Bandra, Mumbai. The Complaint is pending for investigation.

21. Nido had provided home loan of ₹ 1.96 million to Ganesh Shankar Rakshe and Rupali Ganesh Rakshe ("Borrowers"). The Borrowers turned delinquent and on carrying out further checks, it was found that the Borrowers have availed multiple loans against mortgaged home loan property from various other banks and financial institutions by submitting forged documents. Nido therefore, issued a demand notice dated April 30, 2019, to the Borrowers under Section 13(2) of SARFAESI for payment of outstanding amounts in relation to charge created on the property under a home loan agreement dated May 31, 2017 entered between Nido and the Borrowers ("**Home Loan Agreement**"). Subsequently,

Nido also filed a criminal complaint against the Borrowers ("**Accused**") vide its letter dated March 04, 2021 with reference to mortgage home loan property situated at the Flat No 703, 7^{th} floor, in the Building No.1 known as "California Heights S. No. 101/2, Rakshewadi, Tal. Khed, District Pune ("**Secured Property**") before the Senior Police Inspector, Chatursrungi Police Station, Pune for fraud and cheating committed by the Accused. The Complaint is pending for investigation.

22. Nido had provided home loan of ₹ 2.36 million to Aashish Nandkumar Gaikwad and Sonali Aashish Gaikwad ("**Borrowers**"). The Borrowers turned delinquent and on carrying out further checks, it was found that the Borrowers have availed multiple loans against mortgaged home loan property from various other Banks and Financial Institutions by submitting forged documents. Nido therefore, issued a demand notice dated September 29, 2019, to the Borrowers under Section 13(2) of SARFAESI for payment of the outstanding amount in relation to charge created on the property under a home loan agreement dated December 14, 2017 entered between Nido and the Borrowers ("**Home Loan Agreement**"). Nido issued a loan recall notice dated June 20, 2021, to the Borrowers. Subsequently, Nido filed a criminal complaint against the Borrowers ("Accused") vide its letter dated June 22,2021 with reference to mortgage home loan property situated at Flat no.102, first floor, Building A, Samarth residency, Gavane wasti, CTS No. 3308 P, Bhosari Pune ("Secured Property") before the Senior Police Inspector, Chatursrungi Police Station, Pune for fraud and cheating committed by the Accused. The Complaint is pending for investigation.

23. Nido, filed a criminal complaint dated December 4, 2021, before the Dy. Commissioner of Police-Central, Faridabad, Haryana against i) Manish Kumar Pandey, ii) Haribansh Kumari Pandey and iii) Raghav Sharma (collectively, the "**Accused**") for committing offence of criminal breach of trust, fraud, cheating punishable under various provisions of IPC while availing mortgage loan against the property situated at H/No. 2161, type MIG, Sec 28 HB Colony, Faridabad, Haryana. It is alleged that the accused persons have submitted the forged title and loan documents and availed a loan of ₹ 150 million. Subsequently, under detailed verification it was revealed that the original property owner was deceased much prior to executing sale deed/title deed and Accused persons obtained the loan against forged documents. Nido reported a fraud case to central fraud monitoring cell, RBI, Bengaluru and department of Non-Banking Supervision, RBI, Mumbai as well as National Housing Bank, Department of Supervision, New Delhi. The investigation is currently pending.

24. Nido filed a criminal complaint dated February 24, 2022 before the In-charge, Police chowki, Sector 28, Faridabad, Haryana against Renu Dialani, Vinay Kumar Bhatia, Vishal Pawar, DSA namely Pramod Agarwal, Rekha Agarwal, Mrs. Veena Pahwa, Kuldeep Arya alias Kuldeep Pundir (collectively, the "**Accused**") for committing offence of criminal breach of trust, fraud, cheating punishable under various provisions of IPC while availing mortgage loan against the property situated at House No. 2148, Type – MIG, Sector 28, Housing Board Colony, Faridabad – 121 008. Upon inspection of the mortgage property, Nido analysed that the Accused have submitted the forged title and loan documents pertaining to the mortgaged property, while availing mortgage loan of ₹ 118 million. Subsequently, upon detailed verification it was revealed that Accused Nos. 1 & 2 are not original owners of the mortgaged property and property has been claimed by the Accused Nos. 4 and 5 after purchasing from Accused No. 6. Nido reported this case as Fraud to Central Fraud Monitoring Cell, RBI, Bengaluru and Department of Non-Banking Supervision, RBI, Mumbai as well as National Housing Bank, Department of Supervision, New Delhi. The investigation is currently pending. Nido reported this case as fraud to Central Fraud Monitoring Cell, RBI, Bengaluru and Department of Non-Banking Supervision, RBI, Mumbai as well as National Housing Bank, Department of Supervision, New Delhi. Further as regards to recovery of outstanding amount Nido initiated arbitration proceedings at Mumbai claim amount Rs.8.62 million, pursuant to which an arbitration award dated September 24, 2022 was passed which entitled Nido to claim entire outstanding amount up to the date of termination of agreement. The matter is currently pending.

25. Nido filed a criminal complaint dated March 7, 2022 before the In-charge, Police chowki, Sector 28, Faridabad, Haryana against 1) Pramod Agarwal, 2) Vishal Pawar, DSA, 3) Ms. Smita Singh, 4) Abhishek Singh, 5) Smt. Kusum Praveen, 6) Kuldeep Arya alias Kuldeep Pundir, 7) Ms. Chetna Agarwal and 8) Gaurav Agarwal **(collectively, the "Accused")** for committing offence of criminal breach of trust, fraud, cheating punishable under various provisions of IPC while availing home loan against the property situated at Flat No. 406, Tower – D-5, KLJ Platinum Plus, Group Housing Project situated at Village Neemka, Sector – 77, Faridabad, Haryana. The Accused persons have submitted the forged title and loan documents, while availing mortgage loan of Rs. 2.95 million. Subsequently,

under detailed verification it is revealed that the Borrowers, Accused Nos. 3 & 4 are not original owners of the mortgaged property and property has been claimed by the Accused Nos. 7 and 8 i.e. the daughter and son-in-law of the Accused No. 1 under gift deed. Nido also reported this case as Fraud to Central Fraud Monitoring Cell, RBI, Bengaluru and Department of Non-Banking Supervision, RBI, Mumbai as well as National Housing Bank, Department of Supervision, New Delhi. The investigation is currently pending. Nido also initiated arbitration proceedings against the Borrowers, pursuant to which an arbitration award dated September 24, 2022, was passed which entitled Nido to claim entire outstanding amount up to the date of termination of agreement. The matter is currently pending.

(iii) Criminal proceedings against Nido

1. Nido sanctioned a loan for an amount of ₹31.10 million as a loan to N. K. Proteins Limited ("**Borrower**") *vide* a loan agreement dated January 27, 2012, to purchase a property being flat number 1203, Tower B, 12 Floor, Bhagtani Krishaang, Powai, Mumbai ("Suit Property") from Jaycee Homes Limited. A no-objection certificate for mortgage of suit property dated January 23, 2012 was issued by Jaycee Homes Limited in favour of Nido. A notice dated August 26, 2013 was issued to the Borrower for recall of the total loan amount sanctioned to which no reply was received by Nido. Thereafter, a first information report dated September 30, 2013, was registered against the National Spot Exchange Limited, its borrowers and trading members including the Borrower. Pursuant to the investigation conducted by the Economic Offences Wing, Mumbai Police, ("Authority") the proceeds of Suit Property fraud *vide* its provisional attachment order dated August 27, 2014, which was confirmed vide an order dated February 20, 2015 ("**Impugned Order**"). Nido received a show cause notice ("SCN") dated September 30, 2014 issued by the Authority seeking for confirmation of the provisional attachment through the Impugned Order. Subsequently, Nido filed a writ petition before the Delhi High Court **("High Court**") against the Impugned Order and the SCN. The High Court granted a stay on the Impugned Order vide its interim order dated December 18, 2014 and directed to file a petition before the Bombay High Court. The Bombay High Court disposed the writ petition filed by Nido *vide* its order dated November 28, 2016, granting liberty to Nido to approach the Appellate Tribunal, New Delhi ("**Tribunal**") under the Prevention of Money Laundering Act, 2002 ("Act"). Nido filed an appeal dated January 5, 2017 before the Tribunal under Section 26 of the Act for quashing of the Impugned Order passed by the Authority. The matter is currently pending.

(iv) Regulatory matters involving Nido.

1. Nido received a show cause notice ("SCN") dated June 30, 2020, issued by the National Housing Bank ("**NHB**") seeking reasons as to why the **penalty** of ₹0.01 million in terms of the provisions of the National Housing Bank Act, 1987, should not be imposed on Nido inter alia for having non- adherence of certain policy circular. The Company has submitted its reply on SCN on July 21, 2020. The NHB vide its email dated October 15, 2020, has sought for additional information. Nido has submitted its reply on October 19, 2020. No further information has been sought by the NHB.

2. Nido received a show cause notice ("**SCN**") dated September 01, 2022 issued by Reserve Bank of India, Enforcement Department, Mumbai ("**RBI**") for alleged acts of omissions & non-compliance with the directions issued by RBI under the National Housing Bank Act, 1987 with respect to change in shareholding of Nido and submits its reply before September 20, 2022. Nido filed its reply dated September 19, 2022 within specified timeline and requested for personal hearing in the matter. In furtherance to the said Notice on shareholding, National Housing Bank **(NHB)** requested for certain documents vide email dated September 24, 2022 & October 10, 2022, with respect to reasons for change, relevant agreement etc. Accordingly, Nido submitted its written reply vide email on October 10, 2022, and October 19, 2022, respectively. As requested by Nido, RBI scheduled a personal hearing on February 21, 2023, however, same has been postponed and next hearing date is awaited. The matter is currently pending.

(g) Edelweiss Asset Management Limited ("EAML")

(i) Criminal proceedings against EAML

Edelweiss Arbitrage Fund has been served with a Show Cause Notice ("**SCN**") dated January 10, 2019, from the office of Registrar / Adjudicating Authority (Prevention of Money Laundering Actto appear before Adjudicating Authority (Prevention of Money Laundering Act), New Delhi to show cause as to why Provisional Attachment Order dated December 8, 2018, in relation to the investment made by one of the client, Mainak Agency Private Limited and some of the directors of Edelweiss Mutual for a value of about

₹3.51 million for having alleged unethical dealing in the case of Agusta Westland, Italy VVIP Helicopter Case. On March 25, 2019, EAML, being Investment Manager filed its reply *inter-alia* conforming freeze of concern mutual fund account and fluctuation of value of units depending upon NAV at the time of redemption. The Adjudicating Authority *vide* an Order dated May 30, 2019 confirmed the provisional attachment Order dated December 8, 2018.Pursuant thereto, Edelweiss Arbitrage Fund received a notice dated June 8, 2019 from the Adjudicating Authority directing to handover the investments lying in Mutual Fund account of captioned clients. Accordingly, Edelweiss Arbitrage Fund liquidated the investments on June 26, 2019, and transferred the sale proceeds to bank accounts of the Adjudicating Authority. The matter is currently pending.

(ii) Criminal proceedings by EAML

A Complaint was filed before Additional Chief Metropolitan Magistrate, 71st Court, Bandra by EAML against Anil Nath ("**Accused**") *inter-alia* for the offences of criminal defamation, under Section 499 of the Indian Penal Code, 1860 for the defamation and loss of reputation caused to EAML, due to the acts and actions of the Accused. The matter is currently pending.

(h) Comtrade Commodities Services Limited (formerly known as Edelweiss Comtrade Limited) ("Comtrade Commodities")

(i) Criminal Proceedings filed against Comtrade Commodities

1. Comtrade Commodities has been served with the notice dated January 9, 2019 from the office of Economic Offence Wing Special Investigation Team, Mumbai ("**EOW**") issued under Section 91 of the Criminal Procedure Code *inter-alia* informing that department is investigating the offences registered against National Spot Exchange Limited, its directors, Financial Technology India Limited, its directors, borrowers, brokers and others for committing serval acts of forgery and criminal breach trust pursuant to criminal conspiracy hatched by them. Economic Offence Wing therefore, directed to provide the information along with supporting documents such as total year wise brokerage from AY-2009-10 till 2012-13, year wise volume of turnover executed in all pair trade contracts since AY-2009- 10 till 2012-13 with brokerage earn etc. more particularly mentioned therein. Edelweiss Comtrade *vide* its letter dated January 22, 2019 providing the required details as called for. The matter is currently pending.

2. Comtrade Commodities has been served with the Notice dated February 15, 2019 on March 16, 2019 from the office of Economic Offence Wing, National Spot Exchange Limited – Special Investigation Team *(*"**EOW**"), Mumbai issued under Section 91 of the Criminal Procedure Code inter-alia informing that department is investigating the offences registered against National Spot Exchange Limited ("**NSEL**"), its directors, FTIL, its directors, borrowers, brokers and others for committing serval acts of forgery and criminal breach trust pursuant to criminal conspiracy hatched by them. Economic Offence Wing is investigating the complaint of SEBI against 300 brokers for illegal trading on NSEL. Economic Offence Wing, directed to provide the information along with supporting documents like original membership form with agreement with NSEL, certified Registrars of Companies' documents, PAN card, volume of trades, brokerage etc. and attend the office of Economic Offence Wing to record statement. Edelweiss Comtrade *vide* its letter dated March 25, 2019 provided the required details as called for. The matter is currently pending.

3. The Economic Offences Wing ("**EOW**") is investigating a matter against National Spot Exchange Limited and others. Further to this, EOW has served a notice on Comtrade Commodities dated October 28, 2021 requiring submission of information and personal attendance for the further investigation of the matter. Comtrade Commodities vide its reply dated November 15, 2021 submitted various documents requested by EOW. Later, Comtrade Commodities provided additional documents vide

reply dated January 21, 2022 that were requisitioned by EOW vide its notice dated December 31, 2021.The investigation is currently pending.

(ii) Regulatory Proceedings involving Comtrade Commodities

1. On September 26, 2018, Comtrade Commodities has been served with show cause notice ("SCN") dated September 25, 2018 from SEBI (Designated Authority), Enquiries and Adjudication Department, Mumbai issued under Section 25(1) of SEBI (Intermediaries) Regulations, 2008. The SCN was issued with respect to paired contracts in National Spot Exchange Limited ("**NSEL**"). Comtrade Commodities *vide* its letter dated October 15, 2018 replied to the SCN along with supporting documents. Further to written submission, SEBI granted personal hearing to Comtrade Commodities on December 11, 2019. SEBI, thereafter, issued a supplementary show cause notice dated October 11, 2022 ("**SSCN**") and furnished certain additional documents in light of order passed by the Securities Appellant Tribunal ("**SAT**") dated June 09, 2022, in case of Geofin Comtrade Limited. Comtrade Commodities vide its letter dated October 31, 2022, replied to the said SSCN on merit. SEBI granted personal hearing on November 24, 2022, and thereafter as required by SEBI, written submissions dated December 6, 2022, have been filed with SEBI. Pursuant to this, SEBI vide its order dated March 28, 2023, cancelled the registration of Comtrade Commodities as stock broker in the securities market ("**Order**"). Comtrade Commodities filed an appeal dated April 5, 2023, bearing no. 352 of 2023, before SAT seeking the quashing and setting aside of the Order. SAT, vide its order dated April 13, 2023, granted a stay on the effect and operation of the Order and directed SEBI to file its reply to the appeal dated April 5, 2023 filed by Comtrade Commodities. Pursuant to this SEBI filed its reply on May 16, 2023. Comtrade Commodities filed its reply by way of an affidavit in rejoinder dated June 20, 2023. Thereafter, SAT *vide* its order dated June 21, 2023, adjourned the matter for hearing on August 8, 2023. The matter is currently pending.

(i) Edelweiss Global Wealth Management Limited ("EGWML")

(i) Criminal Proceedings filed against Edelweiss Global Wealth Management Limited

EGWML received notice dated September 4, 2020, from Economic Offence Wing, Gurugram in regard to the complaint dated August 20, 2020 filed by one of it's the client Parinidhi Minda against EGWML officials Anshul Kapoor, Amit Saxena and Ashish Gopal and directed to attend personally along with necessary papers and documents to record statements. Subsequently, the complaint stands transferred to Police Station, namely, SEC-7, IMT, MSR, Manesar, District – Gurugram. EGWML and its officials, thereafter, received a notice dated October 27, 2020 from said Police Station to appear before Investigating Officer along with supporting documents for the purpose of recording statements. The inquiry is currently pending.

(j) Edelweiss Retail Finance Limited ("Edelweiss Retail")

(i) Civil Proceedings involving Edelweiss Retail

Except as disclosed under "*-Material litigations and regulatory actions involving our Company – Civil Litigation – By our Company",* there are no other civil proceedings filed by Edelweiss Retail.

(ii) Criminal Proceedings involving Edelweiss Retail

Nil

(k) Ecap Equities Limited ("Ecap Equities")

(i) Civil Proceedings against Ecap Equities

Except as disclosed under "Litigation involving Subsidiaries – Civil Proceedings against EARC" there are no other civil proceedings against Ecap Equities Limited.

(ii) Criminal proceedings by and against Ecap Equities

Nil

(l) Edel Investments Limited ("Edel Investments")

(i) Civil proceedings against Edel Investments

Om Builders Private Limited ("**Plaintiff**") filed a suit against Orbit Abode Private Limited ("**Defendant no. 1**") and Edel Investments ("**Defendant no. 2**")before the Bombay High Court ("**Court**").The Plaintiff

has filed the suit for declaration of the sale deed executed in favour of Defendant no. 2for sale of 95% share in one fourth undivided share, right, title and interest in all that piece and parcel of land hereditaments and premises equivalent to 11,198 square yards equivalent to 9,363 square meters of Malabar Cumballa Hill Division together with the bungalow known as 'Kilachand House' by Defendant no.1, as null and void. The matter is currently pending.

(ii) Criminal proceedings involving Edel Investments

Nil

(m) Our Company and its Subsidiaries have filed numerous cases under Section 138 of the Negotiable Instruments Act, 1881, and under Section 25 of Payment and Settlement Systems Act, 2007 against their customers for dishonour of cheques. Further, in some of the cases, customers have filed appeal against our Company and its Subsidiaries. These cases are currently pending across different courts in India.

5. Litigation involving Group Companies.

Except as disclosed under "*-Material litigations and regulatory actions involving our Company – Civil Litigation – By our Company",* there are no litigations pending or taken against the group companies of our Company.

6. Taxation

As on the date of this Tranche III Prospectus, there are no tax matters wherein the amount involved is more than ₹1,000 million.

7. Details of acts of material frauds committed against our Company in the last three years immediately preceding the date of this Tranche III Prospectus, if any, and if so, the action taken by our Company

Nil

8. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon.

Nil

9. **Pending proceedings initiated against our Company for economic offences**.

Nil

10. Details of inquiries, inspections or investigations initiated or conducted under the Companies Act, 1956 or the Companies Act, 2013 or the securities law against our Company and its Subsidiaries in the last three years along with section wise details of prosecutions filed (whether pending or not), fines imposed or compounding of offences against our Company and its Subsidiaries in the last three years.

(i) On March 22, 2021, Edelweiss Asset Reconstruction Company Limited ("**EARC**") received, MCA letter dated March 18, 2021, regarding inspection of the books of accounts and other books and papers of EARC under Section 206(5) of the Companies Act, 2013. EARC has furnished all the required documents and information to MCA in April 2021. Further at the request of MCA, EARC re-submitted documents on December 03, 2021. MCA by its Letter dated November 1, 2022, informed EARC to provide its comments and reply to the letter dated October 15, 2022 addressed by Mr. Paras Kuhad **("Kuhad Letter")** to the MCA. In the Kuhad Letter, Mr. Kuhad has requested MCA to provide him with the response given by the Company along with the documents furnished in support thereof, and all other information/ documents which have come into the possession of MCA pursuant to the inspection of books initiated in March 2021. EARC vide its letter dated November 25, 2022 furnished its comments as requested by the MCA.

(ii) The Securities and Exchange Board of India ("**SEBI**") *vide* its letter dated July 27, 2020, addressed to our Company made certain observations relating to merchant banking activities of the Company during inspection carried out in the month of February 2020 and advised to be careful in future, thereby avoiding any lapses. Our company has submitted its response on August 26, 2020 dealing with all the observations on merit.

(iii) Securities and Exchange Board of India **("SEBI"),** vide its letter dated December 05, 2022 communicated to our Company certain findings of inspection conducted by SEBI officials relating to our Company's merchant banking activities for a period from April 01, 2021 to March 31, 2022 and advised our Company to submit its comments if any, along with supporting documents. Our Company has submitted its reply on December 12, 2022. SEBI vide its letter dated January 17, 2023 **("Advisory Letter")** issued advisory in relation to findings of inspection and advised our Company to ensure compliance with SEBI Circular dated November 26, 2021 on "Publishing Investor Charter and Disclosure of Complaints by Merchant Bankers on their Website–Debt Market" ("**Circular**") and to be careful in future and improve compliance standards to avoid recurrence of such instances in future. Our Company has submitted its response with SEBI to Advisory Letter on March 23, 2023, stating that the observation will be complied with henceforth. As on date, we have received no further communication from SEBI.

11. Any litigation or legal action pending or taken against the promoter of the company by a Government Department or a statutory body during the last three years immediately preceding the date of this Tranche III Prospectus:

Except as disclosed under "*Material litigation or legal or regulatory actions involving our Promoter as on the date of this Tranche III Prospectus*", there are no other litigation or legal action pending or taken against the promoter of the company by a Government Department or a statutory body during the last three years immediately preceding the date of this Tranche III Prospectus.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Issuer's Absolute Responsibility

"The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Tranche III Prospectus contains all information with regard to the Issuer and the Tranche III Issue which is material in the context of the Tranche III Issue, that the information contained in this Tranche III Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

Authority for the Tranche III Issue

At the meeting of the Board of Directors of our Company held on November 9, 2022, the Board of Directors approved the issuance of NCDs of the face value ₹ 1,000 each, for an amount up to ₹ 10,000 million.

Further, the present borrowing is within the borrowing limits of ₹ 100,000 million under Section 180(1)(c) of the Companies Act, 2013 duly approved by the members of our Company by way of postal ballot on September 10, 2014.

Prohibition by SEBI / Eligibility of our Company for the Tranche III Issue

Our Company, persons in control of our Company and/or the Promoters and/or our Promoter Group and/or the Directors have not been restrained or prohibited or debarred from accessing the securities market or dealing in securities by SEBI and no such order or direction is in force. Further, no member of our Company has been prohibited or debarred from accessing the securities market or dealing in securities by SEBI due to fraud.

None of the Promoters or Directors of our Company is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by the Board.

The Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchanges pending to be paid by the Company as on the date of this Tranche III Prospectus.

Our Company is eligible to file this Tranche III Prospectus under the Shelf Prospectus in terms of Regulation 41 of the SEBI NCS Regulations which is as follows:

i. Our Company has a net worth of at least 500 crores, as per the audited balance sheet of the preceding financial year;
ii. Our Company has consistent track record of operating profits for the last three years;
iii. Securities to be issued under the offer document have been assigned a rating of not less than "AA-" category or equivalent by a credit rating agency registered with SEBI;
iv. No regulatory action is pending against the issuer or directors before SEBI or the Reserve Bank of India; and
v. The Company, as on date of this Tranche III Prospectus, has not defaulted in:
    a) the repayment of deposits or interest payable thereon; or
    b) redemption of preference shares; or
    c) redemption of debt securities and interest payable thereon; or
    d) payment of dividend to any shareholder; or
    e) repayment of any term loan or interest payable thereon, in the last three financial years and the current financial year.

None of our Directors and/or our Promoter have been declared as fugitive economic offenders.

Wilful Defaulter

Our Company, and/or our Directors and/or our Promoters have not been categorised as a wilful defaulter by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued, for a period of more than six months. None of our Whole-time Directors and/or our Promoter, is a whole-time director or promoter of another company which is has been categorised as a wilful defaulter.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, EQUIRUS CAPITAL PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JUNE 28, 2023 WHICH READS AS FOLLOWS:

1. **WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE SHELF PROSPECTUS AND THIS TRANCHE III PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE TRANCHE III ISSUE OR RELATING TO THE TRANCHE III ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDs OFFERED THROUGH THIS TRANCHE III ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE TRANCHE III ISSUE WILL BE GIVEN.**

3. **WE CONFIRM THAT THE SHELF PROSPECTUS AND THIS TRANCHE III PROSPECTUS CONTAIN ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021.**

4. **WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 1956, COMPANIES ACT, 2013, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

5. **WE CONFIRM THAT NO COMMENTS/COMPLAINTS WERE RECEIVED ON THE DRAFT SHELF PROSPECTUS HOSTED ON THE WEBSITE OF THE STOCK EXCHANGE.**

DISCLAIMER CLAUSE OF BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS APPROVAL DATED DECEMBER 20, 2022 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

A. **WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE**

CONTENTS OF THIS OFFER DOCUMENT; OR

B. WARRANT THAT THIS COM'ANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR

C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR, OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY ANY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

DISCLAIMER STATEMENT OF ACUITÉ RATINGS & RESEARCH LIMITED

AN ACUITÉ RATING DOES NOT CONSTITUTE AN AUDIT OF THE RATED ENTITY AND SHOULD NOT BE TREATED AS A RECOMMENDATION OR OPINION THAT IS INTENDED TO SUBSTITUTE FOR A FINANCIAL ADVISER'S OR INVESTOR'S INDEPENDENT ASSESSMENT OF WHETHER TO BUY, SELL OR HOLD ANY SECURITY. ACUITÉ RATINGS ARE BASED ON THE DATA AND INFORMATION PROVIDED BY THE ISSUER AND OBTAINED FROM OTHER RELIABLE SOURCES. ALTHOUGH REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE DATA AND INFORMATION IS TRUE, ACUITÉ, IN PARTICULAR, MAKES NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED WITH RESPECT TO THE ADEQUACY, ACCURACY OR COMPLETENESS OF THE INFORMATION RELIED UPON. ACUITÉ IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS AND ESPECIALLY STATES THAT IT HAS NO FINANCIAL LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OF ANY KIND ARISING FROM THE USE OF ITS RATINGS.ACUITÉ RATINGS ARE SUBJECT TO A PROCESS OF SURVEILLANCE WHICH MAY LEAD TO A REVISION IN RATINGS AS AND WHEN THE CIRCUMSTANCES SO WARRANT. PLEASE VISIT OUR WEBSITE (WWW.ACUITE.IN) FOR THE LATEST INFORMATION ON ANY INSTRUMENT RATED BY ACUITÉ, ACUITÉ 'S RATING SCALE AND ITS DEFINITIONS.

DISCLAIMER STATEMENT OF CRISIL

A RATING BY CRISIL RATINGS REFLECTS CRISIL RATINGS' CURRENT OPINION ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT AND DOES NOT CONSTITUTE AN AUDIT OF THE RATED ENTITY BY CRISIL RATINGS. OUR RATINGS ARE BASED ON INFORMATION PROVIDED BY THE ISSUER OR OBTAINED BY CRISIL RATING S F ROM SOURCES IT CONSIDERS RELIABLE. CRISIL RATINGS DOES NOT GUARANTEE THE COMPLETENESS OR ACCURACY OF THE INFORMATION ON WHICH THE RATING IS BASED. A RATING BY CRISIL RATINGS IS NOT A RECOMMENDATION TO BUY / SELL OR HOLD THE RATED INSTRUMENT; IT DOES NOT COMMENT ON THE MARKET PRICE OR SUITABILITY FOR A PARTICULAR INVESTOR. CRISIL RATINGS HAS A PRACTICE OF KEEPING ALL ITS RATINGS UNDER SURVEILLANCE AND RATINGS ARE REVISED AS AND WHEN CIRCUMSTANCES SO WARRANT. CRISIL RATINGS IS NOT RESPONSIBLE FOR ANY ERRORS AND ESPECIALLY STATES THAT IT HAS NO FINANCIAL LIABILITY WHATSOEVER TO THE SUBSCRIBERS / USERS / TRANSMITTERS / DISTRIBUTORS OF ITS RATINGS. CRISIL RATINGS' CRITERIA ARE AVAILABLE WITHOUT CHARGE TO THE PUBLIC ON THE WEB SITE, WWW.CRISILRATINGS.COM. CRISIL RATINGS OR ITS ASSOCIATES MAY HAVE OTHER COMMERCIAL TRANSACTIONS WITH THE COMPANY/ENTITY.

DISCLAIMER CLAUSE OF CARE ADVISORY RESEARCH & TRAINING LIMITED

THE REPORT IS PREPARED BY CARE ADVISORY RESEARCH AND TRAINING LIMITED ("CART"). CART HAS TAKEN UTMOST CARE TO ENSURE ACCURACY AND OBJECTIVITY WHILE DEVELOPING THE REPORT BASED ON INFORMATION AVAILABLE IN CART'S PROPRIETARY DATABASE, AND OTHER SOURCES CONSIDERED BY CART AS ACCURATE AND RELIABLE

INCLUDING THE INFORMATION IN PUBLIC DOMAIN. THE VIEWS AND OPINIONS EXPRESSED HEREIN DO NOT CONSTITUTE THE OPINION OF CART TO BUY OR INVEST IN THIS INDUSTRY, SECTOR OR COMPANIES OPERATING IN THIS SECTOR OR INDUSTRY AND IS ALSO NOT A RECOMMENDATION TO ENTER INTO ANY TRANSACTION IN THIS INDUSTRY OR SECTOR IN ANY MANNER WHATSOEVER.

THE REPORT HAS TO BE SEEN IN ITS ENTIRETY; THE SELECTIVE REVIEW OF PORTIONS OF THE REPORT MAY LEAD TO INACCURATE ASSESSMENTS. ALL FORECASTS IN THE REPORT ARE BASED ON ASSUMPTIONS CONSIDERED TO BE REASONABLE BY CART; HOWEVER, THE ACTUAL OUTCOME MAY BE MATERIALLY AFFECTED BY CHANGES IN THE INDUSTRY AND ECONOMIC CIRCUMSTANCES, WHICH COULD BE DIFFERENT FROM THE PROJECTIONS.

NOTHING CONTAINED IN THE REPORT IS CAPABLE OR INTENDED TO CREATE ANY LEGALLY BINDING OBLIGATIONS ON THE SENDER OR CART WHICH ACCEPTS NO RESPONSIBILITY, WHATSOEVER, FOR LOSS OR DAMAGE FROM THE USE OF THE SAID INFORMATION. CART IS ALSO NOT RESPONSIBLE FOR ANY ERRORS IN TRANSMISSION AND SPECIFICALLY STATES THAT IT, OR ITS DIRECTORS, EMPLOYEES, PARENT COMPANY – CARE RATINGS LTD., OR ITS DIRECTORS, EMPLOYEES DO NOT HAVE ANY FINANCIAL LIABILITIES WHATSOEVER TO THE SUBSCRIBERS/USERS OF THE REPORT. THE SUBSCRIBER/USER ASSUMES THE ENTIRE RISK OF ANY USE MADE OF THE REPORT OR DATA HEREIN. THIS REPORT IS FOR THE INFORMATION OF THE AUTHORISED RECIPIENT IN INDIA ONLY AND ANY REPRODUCTION OF THE REPORT OR PART OF IT WOULD REQUIRE EXPLICIT WRITTEN PRIOR APPROVAL OF CART.

CART SHALL REVEAL THE REPORT TO THE EXTENT NECESSARY AND CALLED FOR BY APPROPRIATE REGULATORY AGENCIES, VIZ., SEBI, RBI, GOVERNMENT AUTHORITIES, ETC., IF IT IS REQUIRED TO DO SO. BY ACCEPTING A COPY OF THE REPORT, THE RECIPIENT ACCEPTS THE TERMS OF THIS DISCLAIMER, WHICH FORMS AN INTEGRAL PART OF THE REPORT.

DISCLAIMER STATEMENT FROM THE LEAD MANAGER

THE LEAD MANAGER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS TRANCHE III PROSPECTUS OR IN ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE COMPANY IN CONNECTION WITH THE ISSUE OF THE NCDS AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

DISCLAIMER IN RESPECT OF JURISDICTION

THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THE DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THIS TRANCHE III PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THIS TRANCHE III PROSPECTUS, THE SHELF PROSPECTUS AND RELEVANT TRANCHE PROSPECTUS(ES) COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

DISCLAIMER STATEMENT FROM THE ISSUER

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS TRANCHE III PROSPECTUS ISSUED BY OUR COMPANY IN CONNECTION WITH THIS TRANCHE III ISSUE OF THE NCDS AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS / HER / THEIR OWN RISK.

UNDERTAKING BY THE ISSUER

INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THE ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY

REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE "RISK FACTORS" ON PAGE 18 OF THIS TRANCHE III PROSPECTUS.

OUR COMPANY, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS TRANCHE III PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS TRANCHE III PROSPECTUS IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS AND IS NOT MISLEADING IN ANY MATERIAL RESPECT, THAT THE OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKE THIS TRANCHE III PROSPECTUS AS A WHOLE OR ANY OF SUCH INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT.

THE COMPANY HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S) DISCLOSED IN THE SHELF PROSPECTUS AND THIS TRANCHE III PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGE WEBSITE WHERE THE NCDs ARE PROPOSED TO BE LISTED.

OUR COMPANY DECLARES THAT NOTHING IN THIS TRANCHE III PROSPECTUS IS CONTRARY TO THE PROVISIONS OF COMPANIES ACT, 2013 (18 OF 2013), THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER.

Track record of past public issues handled by the Lead Manager

The track record of past issues handled by the Lead Manager, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of Lead Manager	Website
Equirus Capital Private Limited	www.equirus.com

Listing

An application will be made to the Stock Exchange for permission to deal in and for an official quotation of our NCDs. BSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Shelf Prospectus and this Tranche III Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within 6 Working Days from the date of closure of this Tranche III Issue.

For the avoidance of doubt, it is hereby clarified that in the event of zero subscription to any one or more of the series, such NCDs with series shall not be listed.

Our Company shall pay interest at 15% (fifteen) per annum if Allotment is not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within 5 Working Days of this Tranche III Issue Closing Date or date of refusal of the Stock Exchange, whichever is earlier. In case listing permission is not granted by the Stock Exchange to our Company and if such money is not repaid within the day our Company becomes liable to repay it on such account, our Company and every officer in default shall, on and from expiry of such date, be liable to repay the money with interest at the rate of 15% as prescribed under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 26 of the 2013 Act, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

Consents

Consents in writing of: (a) the Directors, (b) Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Manager (e) the Registrar to the Issue, (f) Legal Advisor to the Issue; (g) bankers to Company; (h) CRISIL Ratings Limited; (i) Acuité Ratings & Research Limited; (j) the Debenture Trustee; (k) CARE Advisory Research & Training Limited in relation to the CARE Research Report; (l) Public Issue Account Bank, Refund Bank and Sponsor Bank; (m) Consortium Members to the Issue have been obtained from them and and the same will be filed along with a copy of Tranche III Prospectus with the ROC as required under Section 26 of the Companies Act, 2013. Further, such consents have not been withdrawn up to the time of delivery of this Tranche III Prospectus with the RoC.

Our Company has received the written consent dated June 28, 2023 from S. R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Tranche III Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) the report on statement of possible tax benefits dated June 28, 2023 (ii) examination reports dated June 28, 2023 on the Reformatted Standalone Financial Information of the Company and (iii) examination reports dated June 28, 2023 on the Reformatted Consolidated Financial Information of the Group included in this Tranche III Prospectus, and such consent has not been withdrawn as on the date of this Tranche III Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1933.

Expert Opinion

Except for the following, our Company has not obtained any expert opinions in connection with this Tranche III Prospectus:

Our Company has received the written consent dated June 28, 2023, 2023 from S. R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Tranche III Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) the report on statement of possible tax benefits dated June 28, 2023 (ii) examination reports dated June 28, 2023 on the Reformatted Standalone Financial Information of the Company and (iii) examination reports dated June 28, 2023 on the Reformatted Consolidated Financial Information of the Group included in this Tranche III Prospectus, and such consent has not been withdrawn as on the date of this Tranche III Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1933.

Common form of Transfer

Our Company undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 applicable as on the date of this Tranche III Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to this Tranche III Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 Working Days from this Tranche III Issue Closing Date or such time as may be specified by SEBI provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 Working Days from this Tranche III Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including SEBI Operational Circular.

Filing of the Tranche III Prospectus

A copy of this Tranche III Prospectus will be filed with the Stock Exchange in terms of SEBI NCS Regulations for dissemination on their website. The Tranche III Prospectus was also displayed on the website of the Company and the Lead Manager.

Filing of the Draft Shelf Prospectus

A copy of the Draft Shelf Prospectus was filed with the Stock Exchange in terms of SEBI NCS Regulations for dissemination on their website. The Draft Shelf Prospectus was also displayed on the website of the Company and the Lead Manager.

Filing of the Shelf Prospectus

A copy of the Shelf Prospectus was filed with the Stock Exchange and the RoC, in terms of SEBI NCS Regulations and in accordance with section 26 and Section 31 of Companies Act, 2013.

Filing of Tranche III Prospectus with the RoC

A copy of this Tranche III Prospectus will be filed with the RoC, in accordance with section 26 and Section 31 of Companies Act, 2013.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with the SEBI NCS Regulations, a listed company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Tranche III Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with this Tranche III Issue. Our Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Recovery Expense Fund

Our Company has created a recovery expense fund in the manner as specified by SEBI in SEBI Debenture Trustee Operational Circular as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Kindly note, any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at each respective International Securities Identification Number level assigned to the respective Option(s) of NCDs issued under the Tranche III Issue.

Reservation

No portion of this Tranche III Issue has been reserved.

Underwriting

This Tranche III Issue is not underwritten.

Terms and Conditions of Debenture Trustee Agreement

Fees charged by Debenture Trustee

The Debenture Trustee has agreed for one time acceptance fees of 0.01 % of the Allotment Size payable one time on acceptance of Offer Letter and an annuity fee of ₹ 0.015 % of the allotment Size payable annually in advance from the date of execution till the debentures are redeemed and security is released, as disclosed in their offer letter bearing reference number 25947/CL/MUM/22-23/DEB/267dated November 16, 2022.

Terms of carrying out due diligence:

As per the SEBI Debenture Trustee Operational Circular, as amended and/ or supplemented from time to time, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer company are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our company has consented to.

(a) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document /disclosure document / information memorandum / private placement memorandum, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee. Prior to appointment of any agents, advisors, consultants, the Debenture Trustee shall obtain necessary confirmation from the said agents, advisors or consultants that they do not have any conflict-of-interest in conducting the diligence under the transaction.

(b) The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third party security provider are registered / disclosed.

(c) Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

(d) Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.

(e) The Debenture Trustee shall have the power to either independently appoint, or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.

Process of Due Diligence to be carried out by the Debenture Trustee

Due Diligence will be carried out as per DT regulations and circulars issued by SEBI from time to time. This would broadly include the following:

- A Chartered Accountant ("**CA**") appointed by Debenture Trustee will conduct independent due diligence as per scope provided, regarding security offered by the Issuer.

- CA will ascertain, verify, and ensure that the assets offered as security by the Issuer is free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.

- CA will conduct independent due diligence on the basis of data / information provided by the Issuer.

- CA will, periodically undertake due diligence as envisaged in SEBI circulars depending on the nature of security.

- On basis of the CA's report / finding Due Diligence certificate will be issued by Debenture Trustee and will be filed with the Stock Exchange.

- Due Diligence conducted is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission / commission on the part of the Issuer.

While the Debt Security is secured as per terms of the Offer Document and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

Other Confirmations

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI circulars titled (i) "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" dated November 3, 2020; and (ii) "Monitoring and Disclosures by Debenture Trustee(s)" dated November 12, 2020.

The Debenture Trustee undertakes that the NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and Registrar of Companies or CERSAI or depository, etc., as applicable, or is independently verifiable by the Debenture Trustee.

BEACON TRUSTEESHIP LIMITED HAVE FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED JUNE 28, 2023, AS PER THE FORMAT SPECIFIED IN ANNEXURE A TO THE SEBI DEBENTURE TRUSTEE OPERATIONAL CIRCULAR AND SCHEDULE IV OF THE SEBI NCS REGULATIONS WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.**

2. **ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS,**

   WE CONFIRM THAT:

   A. **THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED.**

   B. **THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).**

   C. **THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.**

D. **ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS/ PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN OFFER DOCUMENT AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.**

E. **ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), OFFER DOCUMENT AND GIVEN AN UNDERTAKING THAT DEBENTURE TRUST DEED WOULD BE EXECUTED BEFORE FILING OF LISTING APPLICATION.**

F. **ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.**

G. **ALL DISCLOSURES MADE IN THE OFFER DOCUMENT WITH RESPECT TO THE DEBT SECURITIES ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.**

WE HAVE SATISFIED OURSELVES ABOUT THE ABILITY OF THE ISSUER TO SERVICE THE DEBT SECURITIES.

Our Company has submitted the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annexure A of the SEBI Debenture Trustee Circular and Schedule IV of the SEBI NCS Regulations.

Debenture Trust Deed

Our Company and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us, as per the extant SEBI regulations applicable for the proposed NCD Issue.

Issue Related Expenses

The expenses of this Tranche III Issue include, inter alia, lead management fees and selling commission to the Lead Manager, Consortium Members, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Tranche III Issue expenses and listing fees will be paid by our Company.

For estimated breakdown of the total expenses for this Tranche III Issue please see, "*Objects to the Issue*" on page 69 of this Tranche III Prospectus.

Utilisation of Issue Proceeds

Our Board of Directors certifies that:

(i) all monies received out of this Tranche III Issue of the NCDs to the public shall be transferred to a separate bank account maintained with a scheduled bank, other than the bank account referred to in section 40(3) of the Companies Act;

(ii) details of all monies utilised out of this Tranche III Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;

(iii) details of all unutilised monies out of this Tranche III Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;

(iv) we shall utilize this Tranche III Issue proceeds only upon creation of security as stated in this Tranche III Prospectus in the section titled *"Issue Related Information"* on page 207 of this Tranche III Prospectus and after (a) permissions or consents for creation of specified charge have been obtained from the creditors who have specified charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue Size pertaining to each Tranche Issue; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from BSE;

(v) this Tranche III Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any property;

(vi) this Tranche III Issue proceeds shall not be utilized for providing loans to or acquisition of shares of any entity who is part of the Promoter Group or group companies

(vii) this Tranche III Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further this Tranche III Issue proceeds shall be utilised only for the purpose and objects stated in this Tranche III Prospectus and Tranche III Issue; and

(viii) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working Days from the Tranche III Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

Public / Rights Issues of Equity Shares in the last three years from the date of this Tranche III Prospectus

The Company has not undertaken any public/rights issue of equity shares in the last three years from the date of this Tranche III Prospectus

Public Issue:

Our Company has undertaken the following debenture public issue prior to the from the date of this Tranche III Prospectus:

Date of Opening	April 1, 2021
Date of Closing	April 23, 2021
Total Issue Size	₹4,000 million
Amount raised in the issue	₹ 2187. 03 million
Date of Allotment	29 April 2021
Net Utilisation of Proceeds	The funds raised through the above issue has been utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of our Company and general corporate purposes.

Date of Opening	December 23, 2020
Date of Closing	January 4, 2021
Total Issue Size	₹ 2,000 million
Amount raised in the issue	₹ 2,000 million
Date of Allotment	January 8, 2021
Net Utilisation of Proceeds	The funds raised through the above issue has been utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of our Company and general corporate purposes.

Date of Opening	August 17, 2021
Date of Closing	September 6, 2021
Total Issue Size	₹ 4,000 million
Amount raised in the issue	₹ 3,678.24 million
Date of Allotment	September 9, 2021
Net Utilisation of Proceeds	The funds raised through the above issue has been utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of our Company and general corporate purposes.

Date of Opening	December 06, 2021
Date of Closing	December 22, 2021

Total Issue Size	₹ 5,000 million
Amount raised in the issue	₹ 4,562.47 million
Date of Allotment	December 28, 2021
Net Utilisation of Proceeds	The funds raised through the above issue has been utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of our Company and general corporate purposes.

Date of Opening	October 03, 2022
Date of Closing	October 17, 2022
Total Issue Size	₹ 4,000 million
Amount raised in the issue	₹ 3,643.51 million
Date of Allotment	October 21, 2022
Net Utilisation of Proceeds	The funds raised through the above issue has been utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of our Company and general corporate purposes.

Date of Opening	January 03, 2023
Date of Closing	January 16, 2023
Total Issue Size	₹ 4,000 million
Amount raised in the issue	₹ 3,973.90 million
Date of Allotment	January 20, 2023
Net Utilisation of Proceeds	The funds raised through the above issue will be utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of our Company and general corporate purposes.

Date of Opening	April 6, 2023
Date of Closing	April 21, 2023
Total Issue Size	₹ 4,000 million
Amount raised in the issue	₹ 2,531.29 million
Date of Allotment	April 27, 2023
Net Utilisation of Proceeds	The funds raised through the above issue will be utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of our Company and general corporate purposes.

Rights

Our Company has not undertaken any rights issue of equity shares in the last three years.

Public Issue by our Subsidiaries in the last three years from the date of this Tranche III Prospectus:

Our Subsidiary, Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited), has undertaken one public issuance of debentures in the last three years, the particulars of such issuances are set out below:

Date of Opening	April 6, 2022
Date of Closing	April 26, 2022
Total Issue Size	₹ 3,000 million
Amount raised in the Issue	₹ 2,759.06 million
Date of Allotment	April 29, 2022
Net Utilisation of Proceeds	For the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) and for the general corporate purposes.

Delay in listing

There has been no delay in the listing of any non-convertible securities issued by our Company.

Refusal of listing of any security of the issuer during last three years by any of the stock exchanges in India or

abroad.

There has been no refusal of listing of any security of our Company during the last three years prior to the date of this Tranche III Prospectus by any Stock Exchange in India.

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

For further details see chapter titled "*Financial Indebtedness*" on page 155 of this Tranche III Prospectus.

Further, save and except as mentioned in this Tranche III Prospectus, our Company has not issued any preference shares as of March 31, 2023. For further details see chapter titled "*Capital Structure*" on page 61 of this Tranche III Prospectus.

Details of the use of proceeds for on-lending from previous public issue of debt securities

Details regarding lending out of issue proceeds of Previous Issues:

(i) Loan given by our Company: Except Public Issue 1, Public Issue 2, Public Issue 3, Public Issue 4, Public Issue 5, Public Issue 6, and Public Issue 7: Our Company has not undertaken any prior public issuance of debentures. Further, our Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoter or others out of proceeds from previous public issuance of debentures.

Dividend

Our Company has in place dividend distribution policy prepared in accordance with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended, approved by the Board of Directors of our Company. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

Dividend declared to the Equity Shareholders of our Company over the last three years ended March 31, 2023 on a standalone basis:

(₹ in million, unless otherwise stated)

Particulars		**For the year ended March 31,**		
		2023	**2022**	**2021**
Equity Share Capital (₹ in Million)		943.28	943.1	935.8
Face Value Per Equity Share (₹)	(a)	1	1	1
Interim Dividend on Equity Shares (₹ per Equity Share)	(b)	0.25	0.25	0.9
Interim dividend on Equity Shares (₹ in Million)		235.82	235.77	842.22
Interim Dividend Declared Rate (in %)	(c=b/a)	25%	25%	90%
Final Dividend on Equity Shares (₹ per Equity Share)	(d)	1.25	1.2	0.55
Final dividend on Equity Shares (₹ in million)		1179.09	1,131.72	515.23
Final Dividend Declared Rate (In %)	(e=d/a)	125%	120%	55%

Dividend declared to the Equity Shareholders of our Company over the last three years ended March 31, 2023 on a consolidated basis:

(₹ in million, unless otherwise stated)

Particulars		**For the year ended March 31,**		
		2023	**2022**	**2021**
Equity Share Capital (₹ in Million)		943.28	943.10	935.80
Face Value Per Equity Share (₹)	(a)	1	1.00	1.00
Interim Dividend on Equity Shares (₹ per Equity Share)	(b)	0.25	0.25	0.90
Interim dividend on Equity Shares (₹ in Million)		235.82	235.77	842.22

Particulars		For the year ended March 31,		
		2023	2022	2021
Interim Dividend Declared Rate (In %)	(c=b/a)	25%	25%	90%
Final Dividend on Equity Shares (₹ per Equity Share)	(d)	1.25	1.20	0.55
Final dividend on Equity Shares (₹ in million)		1179.09	1,131.72	515.23
Final Dividend Declared Rate (In %)	(e=d/a)	125%	120%	55%

Revaluation of assets

Our Company has not revalued its assets in the last three years.

Mechanism for redressal of investor grievances

The Registrar Agreement dated December 12, 2022 between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the Allotment Advice, demat credit and refund through unblocking to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to this Tranche III Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchanges, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchanges or through their Trading Members. The Intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

The contact details of Registrar to the Issue are as follows:

KFIN TECHNOLOGIES LIMITED
Selenium Tower-B,
Plot 31 & 32 Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032, Telangana
Tel: +91 40 6716 2222
Fax: +91 40 6716 1563
Email: efsl3.ncdipo@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
Compliance Offer: Anshul Jumar Jain
SEBI Registration Number: INR000000221
CIN: L72400TG2017PLC117649

The Registrar shall endeavour to redress complaints of the investors within three (3) days receipt of the complaint during the currency of this MoU and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed seven (7) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a quarterly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

The details of the person appointed to act as Company Secretary and Compliance Officer for the purposes of this Tranche III Issue are set out below:

Tarun Khurana
Company Secretary and Compliance Officer
Edelweiss House, Off C.S.T. Road
Kalina, Mumbai 400 098, Maharashtra, India
Tel: +91 22 4009 4400
Fax: +91 22 4086 3610
Email: efslncd@edelweissfin.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, etc.

Details of Auditor to the Issuer:

Name of the Auditor	Address	Auditor since
S. R. Batliboi & Co. LLP, Chartered Accountants	12th Floor, The Ruby, 29 Senapati Bapat Marg Dadar (West), Mumbai 400 028 Maharashtra, India	Appointment of S. R. Batliboi & Co. LLP. has been approved by the Board of Directors of our Company on May 23, 2018 and by the members of our Company at the annual general meeting held on July 26, 2018.

Change in auditors of our Company during the last three years

There has been no change in the auditors of our Company during the last three years from the date of this Tranche III Prospectus.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement in compliance with Regulation 30(1) of the SEBI NCS Regulations on or before this Tranche III Issue Opening Date of this Tranche III Issue. The Advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act. Material updates, if any, between the date of filing of this Tranche III Prospectus with the ROC and the date of the release of the statutory advertisement will be included in the statutory advertisement.

Auditors' Remarks

Other than as disclosed in the chapter titled "*Risk Factors*" on page 18 of this Tranche III Prospectus, there are no reservations or qualifications or adverse remarks in the financial statements of our company in the last three Fiscals immediately preceding this Tranche III Prospectus.

Trading

The Equity shares of our Company are listed on NSE and BSE.

Caution

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(a) *makes or abets making of an application in a fictitious name to a company for acquiring or subscribing for, its securities; or*

(b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or* *(c) otherwise induces directly or indirectly a company to allot, or register any transfer of securities to him, or any other person in a fictitious name shall be liable for action under section 447."*

Disclaimer in respect of Jurisdiction

Exclusive jurisdiction for the purpose of this Tranche III Issue is with the competent courts of jurisdiction in Mumbai, India.

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The key common terms and conditions of the NCDs / term sheet are as follows:

Issuer	Edelweiss Financial Services Limited
Type of instrument	Secured, redeemable, non-convertible debentures
Seniority	Senior
Nature of the Instrument	Secured, redeemable, non-convertible debentures
Mode of the Issue	Public Issue
Lead Manager	Equirus Capital Private Limited
Debenture Trustee	Beacon Trusteeship Limited
Depositories	NSDL and CDSL
Registrar	KFIN Technologies Limited
Tranche III Issue	Public issue by our Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount aggregating up to ₹ 10,000 million ("**Shelf Limit**").
Tranche III Issue Size	Public Issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 each ("**NCDs**") for an amount of ₹ 1,500 million ("**Base Issue Size**") with an option to retain oversubscription up to ₹ 1,500 million amounting to upto ₹ 3,000 million ("**Tranche III Issue Limit**") ("**Tranche III Issue**") which is within the Shelf Limit of ₹10,000 million and is being offered by way of this Tranche III Prospectus dated June 28, 2023 containing *inter alia* the terms and conditions of Tranche III Issue ("**Tranche III Prospectus**"), which should be read together with the Shelf Prospectus. The Shelf Prospectus and Tranche III Prospectus constitutes the prospectus "**Prospectus**").
Minimum Subscription	Minimum subscription is 75% of the Base Issue, i.e., ₹ 1,125 million.
Base Issue Size	₹ 1,500 million
Option to Retain Oversubscription Amount	Up to ₹ 1,500 million.
Eligible Investors	Please refer to the section titled "*Issue Procedure – Who can apply?*" on page 236 of this Tranche III Prospectus.
Objects of the Issue	Please refer to the section titled "*Objects of the Issue*" on page 69 of this Tranche III Prospectus
Details of Utilization of the Proceeds	Please refer to the section titled "*Objects of the Issue*" on page 69 of this Tranche III Prospectus.
Interest Rate on each categoryof investor	See "*Terms of the Issue - Interest and Payment of Interest*" on page 223 of this Tranche III Prospectus.
Step up/ Step Down Interest rates	NA
Interest type	Fixed
Interest reset process	NA
Frequency of interest payment	See "*Terms of the Issue - Interest and Payment of Interest*" on page 223 of this Tranche III Prospectus.
Interest payment date	See "*Terms of the Issue - Interest and Payment of Interest*" on page 223 of this Tranche III Prospectus.
Day count basis	Actual / Actual
Interest on application money	NA
Default Interest rate	Our Company shall pay interest, over and above the agreed coupon rate, in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws. Our Company shall pay at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed if our Company fails to execute the trust deed within such period as prescribed under applicable law.

Tenor	See "*Terms of the Issue - Interest and Payment of Interest*" on page 223 of this Tranche III Prospectus.
Redemption Date	See "Issue Structure - *Specific terms for NCDs*" beginning on page 212 of this Tranche III Prospectus.
Redemption Amount	See "Issue Structure - *Specific terms for NCDs*" beginning on page 212 of this Tranche III Prospectus.
Redemption Premium/Discount	See "Issue Structure - *Specific terms for NCDs*" beginning on page 212 of this Tranche III Prospectus.
Face Value	₹ 1,000 per NCD
Issue Price	₹ 1,000 per NCD
Discount at which security is issued and the effective yield as a result of such discount	NA
Put date	NA
Put price	NA
Call date	NA
Call price	NA
Put notification time	NA
Call notification time	NA
Minimum Application size and in multiples of NCD thereafter	₹ 10,000 (10 NCD) and in multiple of ₹ 1,000 (1 NCD) thereafter
Market Lot / Trading Lot	The market lot will be 1 Debenture ("**Market Lot**"). Since the Debentures are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of debentures.
Pay-in date	Application Date. The entire Application Amount is payable on Application
Credit Ratings	The NCDs proposed to be issued under this Tranche III Issue have been rated "CRISIL AA-/Negative (pronounced as CRISIL double A minus rating with Negative outlook)" for an amount of ₹ 10,000 million by CRISIL *vide* rating letter dated December 02, 2022, revalidated vide their letters dated February 6, 2023 and June 22, 2023 with rating rationale dated December 01, 2022 and June 22, 2023 and "ACUITE AA-/ Negative (pronounced as ACUITE double A minus)" for an amount of ₹ 10,000 million by Acuité vide their rating letter dated December 07, 2022, revalidated vide there letter dated February 13, 2023 and June 14, 2023 with rating rationale dated December 07, 2022.
Listing	The NCDs are proposed to be listed on BSE. The NCDs shall be listed within six Working Days from the date of Tranche III Issue Closure. BSE has been appointed as the Designated Stock Exchange.
Depository	NSDL and CDSL
Modes of payment	Please see "*Issue Structure – Terms of Payment*" on page 213 of this Tranche III Prospectus.
Issuance mode of the Instrument*	In dematerialised form only*
Trading mode of the instrument*	In dematerialised form only*
Tranche III Issue Opening Date	Tuesday July 4, 2023
Tranche III Issue Closing Date	Monday July 17, 2023
Issue Timing	This Tranche III Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that this Tranche III Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Debenture Fund Raising Committee, thereof, subject to relevant approvals. In the event of an early closure or extension of this Tranche III Issue; our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation and a regional daily at the place where the

	registered office of the Company is situated on or before such earlier or extended date of Tranche III Issue closure. Applications Forms for this Tranche III Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by BSE, on Working Days during the Tranche III Issue Period. On the Tranche III Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day after the Tranche III Issue Closing Date. Pursuant to Regulation 33A of the SEBI NCS Regulations, (i) the Tranche III Issue shall be kept open for a minimum of three working days and a maximum of ten working days ("**Issue Period**"), (ii) in case of a revision in the price band or yield, the Company shall extend the Tranche III Issue Period for a minimum period of three working days, provided that it shall not exceed the maximum number of days, as provided above in (i), and (iii) in case of force majeure, banking strike or similar circumstances, the Company may, for reasons to be recorded in writing, extend the Tranche III Issue Period, provided that it shall not exceed the maximum number of days, as provided above in (i).
Record date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under this Tranche III Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or holiday of Depositories, the succeeding working day or a date notified by the Company to the stock exchange shall be considered as Record Date.
Settlement mode of instrument	Redemption
All covenants of the Tranche III Issue (including side letters, accelerated payment clause, etc.)	As mentioned in the Debenture Trust Deed.
Description regarding security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Schedule 8 of the Deed and disclosed the Shelf Prospectus and this Tranche III Prospectus %	The principal amount of the NCDs to be issued in terms of this Tranche III Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of an exclusive and/or pari passu charge in favor of the Debenture Trustee on the assets of the entities permissible under applicable law and/or the Company including loans and advances, receivables, investments, stock in trade, current & other assets held by the entities permissible under applicable law and/or the Company, created in favour of the Debenture Trustee, and/or over the Pledged Securities in favour of the Debenture Trustee for the benefit of the Debenture holders, except those specifically and exclusively charged in favour of certain existing charge holders as specifically set out in and fully described in the Debenture Trust Deed and/or Securities Pledge Agreement, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date. For exclusive charge, we undertake that the assets and/or the Pledged Securities on which the charge is proposed to be created are free from any encumbrances. We have received necessary consents from the relevant debenture trustees for ceding pari-passu charge in favour of the Debenture Trustee in relation to the NCDs. The NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and/or RoC or CERSAI or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee. Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in this Tranche III Prospectus, till the execution of the Debenture Trust Deed. The security shall be created prior to making the listing application for the NCDs with the Stock Exchange. For further details on date of creation of security/likely date of creation of security, minimum security cover etc., please refer to the "*Terms of the Issue – Security*" on page 215 of this Tranche III Prospectus.

Issue/ Transaction documents	The Draft Shelf Prospectus, the Shelf Prospectus, the Tranche I Prospectus, Corrigendum to Tranche I Prospectus, Tranche II Prospectus and this Tranche III Prospectus read with any notices, corrigenda, addenda thereto, the Deed and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Manager and/or other intermediaries for the purpose of this Tranche III Issue including but not limited to the Issue Agreement, Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Public Issue Account and Sponsor Bank Agreement, the Registrar Agreement and the Consortium Agreement. For further details, please refer to "*Material Contracts and Documents for Inspection*" on page **273** of this Tranche III Prospectus.
Condition precedent to disbursement	Other than the conditions specified in the SEBI NCS Regulations, there are no conditions precedents to disbursement.
Condition subsequent to the disbursement	Other than the conditions specified in the SEBI NCS Regulations, there are no conditions subsequent to disbursement.
Events of default (including manner of voting/conditions of joining Inter Creditor Agreement)	Please refer to the section titled "*Terms of the Issue – Events of Default*" on page 217 of this Tranche III Prospectus.
Creation of recovery expense fund	Our Company has already created a recovery expense fund in the manner as specified by SEBI in SEBI Operational Circular for Debenture Trustees bearing reference no. SEBI/ HO/DDHS/P/CIR/2023/50 dated March 31, 2023, as amended from time to time and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by the Company under the terms of the Deed, for taking appropriate legal action to enforce the security.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in the summary term sheet, the Debenture Trustee shall take necessary actions as mentioned in this Debenture Trust Deed and this Tranche III Prospectus
Deemed date of Allotment	The date on which the Board of Directors/or the Debenture Fund Raising Committee approves the Allotment of the NCDs for this Tranche III Issue or such date as may be determined by the Board of Directors/ or the Debenture Fund Raising Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture holders from the Deemed Date of Allotment.
Roles and responsibilities of the Debenture Trustee	Please see section titled "*Terms of the Issue - Trustees for the NCD Holders*" on page 217 of this Tranche III Prospectus.
Risk factors pertaining to the Issue	Please see section titled "*Risk Factors*" on page 18 of this Tranche III Prospectus.
Provisions related to Cross Default Clause	NA
Governing law and Jurisdiction	The governing law and jurisdiction for the purpose of this Tranche III Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively
Working day convention	If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it failing on a non-Working Day. If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest /redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Notes:

** If there is any change in Coupon Rate pursuant to any event including elapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed to the Stock Exchange.*

**In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. Trading in NCDs shall be compulsorily in dematerialized form.*

***This Tranche III Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that this Tranche III Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Debenture Fund Raising Committee. Pursuant to Regulation 33A of the SEBI NCS Regulations, (i) the Tranche III Issue shall be kept open for a minimum of three working days and a maximum of ten working days,, (ii) in case of a revision in the price band or yield, the Company shall extend the Tranche III Issue Period for a minimum period of three working days, provided that the it shall not exceed the maximum number of days, as provided above in (i), and (iii) in case of force majeure, banking strike or similar circumstances, the Company may, for reasons to be recorded in writing, extend the Issue Period, provided that it shall not exceed the maximum number of days, as provided above in (i). In the event of an early closure or extension of this Tranche III Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Tranche III Issue closure. On this Tranche III Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange.*

*Applications Forms for this Tranche III Issue will be accepted only from 10:00 a.m. to 5:00 p.m.(Indian Standard Time) ("**Bidding Period**") or such extended time as may be permitted by the Stock Exchange, during this Tranche III Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On this Tranche III Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day after this Tranche III Issue Closing Date.*

Due to limitation of time available for uploading the Applications on this Tranche III Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to this Tranche III Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on this Tranche III Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on this Tranche III Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under this Tranche III Issue. Neither our Company, nor the Lead Manager, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under this Tranche III Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate. For further details please refer to the section titled "General Information" on page 51.

**For the list of documents executed/ to be executed, please see "Material Contracts and Documents for Inspection" on page* 273 *of this Tranche III Prospectus.*

While the NCDs are secured to the tune of 100% of the principal and interest thereon in favour of Debenture Trustee, it is it the duty of the Debenture Trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Please see "*Issue Procedure*" on page 235 of this Tranche III Prospectus for details of category wise eligibility and allotment in the Tranche III Issue.

Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

Please refer to Annexure D for details pertaining to the cash flows of the Company in accordance with the SEBI Operational Circular.

Specific terms for NCDs

Series	I	II	III	IV*	V	VI	VII	VIII	IX	X
Frequency of Interest Payment	**Annual**	**NA**	**Monthly**	**Annual**	**NA**	**Monthly**	**Annual**	**NA**	**Monthly**	**Annual**
Minimum Application	₹ 10,000 (10 NCDs) across all Series									
Face Value/ Issue Price of NCDs (₹/ NCD)	₹1,000									
In Multiples of thereafter (₹)	₹ 1,000 (1 NCD)									
Tenor	24 months	24 months	36 months	36 months	36 months	60 months	60 months	60 months	120 months	120 months
Coupon (% per annum) for NCD Holders in Category I, II, III & IV	8.95%	NA	9.20%	9.60%	NA	9.67%	10.10%	NA	10.00%	10.45%
Effective Yield (per annum) for NCD Holders in Category I, II, III & IV	8.94%	8.95%	9.59%	9.59%	9.60%	10.10%	10.09%	10.10%	10.46%	10.44%
Mode of Interest Payment			Through various mode available							
Amount (₹ / NCD) on Maturity for NCD Holders in Category I, II, III & IV	₹1,000	₹1,187. 30	₹1,000	₹1,000	₹1,317.00	₹1,000	₹1,000	₹1,618. 70	₹1,000	₹1,000
Maturity / Redemption Date (Months from the Deemed Date of Allotment)	24 months	24 months	36 months	36 months	36 months	60 months	60 months	60 months	120 months	120 months
Put and Call Option	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

**Our Company shall allocate and allot Series IV NCDs wherein the Applicants have not indicated the choice of the relevantNCD Series.*

1. With respect to Series where interest is to be paid on an annual basis, relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the NCDs. The last interest payment under annualSeries will be made at the time of redemption of the NCDs.

2. With respect to Series where interest is to be paid on monthly basis, relevant interest will be paid on the first date of every month on the face value of the NCDs. The last interest payment under annual Series will be made at the time of redemption of the NCDs.

3. Subject to applicable tax deducted at source, if any.

4. Please refer to Annexure D for details pertaining to the cash flows of the Company in accordance with the SEBI Operational circular.

All Category of Investors in the proposed Tranche III Issue who are also holders of NCD(s)/Bond(s) previously issued byour Company, and/ or ECL Finance Limited, Edelweiss Retail Finance Limited, and Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) as the case may be, and/or are equity shareholder(s) of the Company as the case may be, on the Deemed Date of Allotment and applying in Series I, Series III,Series IV, Series VI, Series VII, Series IX and/or Series X shall be eligible for additional incentive of 0.20% p.a. providedthe NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for paymentof respective coupons, in respect of Series I, Series III, Series IV, Series VI, Series VII, Series IX and/or Series X.

For all Category of Investors in the proposed Tranche III Issue who are also holders of NCD(s)/Bond(s) previously issued by our Company, and/ or ECL Finance Limited, Edelweiss Retail Finance Limited, and Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) as the case may be, and/or are equityshareholder(s) of the Company as the case may be, on the Deemed Date of Allotment applying in Series II, Series V and/or VIII, the maturity amount at redemption along with the additional yield would be ₹ 1,191.70 per NCD, ₹ 1,324.10per NCD and/or ₹ 1,633.50 per NCD respectively provided the NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for redemption in respect of Series II, Series V and/or Series VIII.

The additional incentive will be maximum of 0.20% p.a. for all Category of Investors in the proposed Tranche III Issue, who are also holders of NCD(s)/Bond(s) previously issued by our Company, and/ or ECL Finance Limited, Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited), and Edelweiss Retail Finance Limited as the case may be, and/or are equity shareholder(s) of the Company as the case may be, on thedeemed date of allotment.

On any relevant Record Date, the Registrar and/or our Company shall determine the list of the Primary holder(s) of this Tranche III Issue and identify such Investor/ NCD Holders, (based on their DP identification and /or PAN and/or entries in the Register of NCD Holders) and make the requisite payment of additional incentive. The additional incentive will be given only on the NCDs allotted in this Tranche III Issue i.e., to the Primary holder(s). In case if any NCD is bought/acquired from secondary market or from open market, additional incentive will not be paid on such bought/acquired NCD.

In case the Primary holder(s) sells/gifts/transfer any NCDs allotted in this Tranche III Issue, additional incentive will not be paid on such sold/gifted/transferred NCD except in case where NCDs are transferred to the Joint holder/Nominee in case of death of the primary holder.

Terms of payment

The entire face value per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms specified in "*Terms of the Issue – Manner of Payment of Interest/ Unblocking"* on page 228 of this Tranche III Prospectus.

Participation by any of the above-mentioned Investor classes in the Tranche III Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "**Securities Act**") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Tranche III Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form.

This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Day Count Convention

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Operational Circular.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory Permissions / consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

For further details, see the section titled "*Issue Procedure*" on page 235 of this Tranche III Prospectus.

TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company held on November 09, 2022, the Board of Directors approved the issuance of NCDs of the face value ₹ 1,000 each, for an amount up to ₹ 10,000 million. Further, the present borrowing is within the borrowing limits of ₹ 100,000 million under Section 180(1)(c) of the Companies Act, 2013 duly approved by the members of our Company by way of postal ballot on September 10, 2014.

The NCDs pursuant to this Tranche III Issue will be issued on terms and conditions as set out in this Tranche III Prospectus.

Principal Terms & Conditions of the Issue

The NCDs being offered as part of the Tranche III Issue are subject to the provisions of the SEBI NCS Regulations, the relevant provisions of the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Tranche III Prospectus, the Shelf Prospectus, the Abridged Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE/NSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs would constitute secured obligations of ours and shall rank *pari passu* inter se, and subject to any obligations utimes applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, thereof shall be secured by way of an exclusive and/or *pari passu* charge in favor of the Debenture Trustee on the assets of the entities permissible under applicable law and/or the Company including loans and advances, receivables, investments, stock in trade, current & other assets held by the entities permissible under applicable law and/or the Company, created in favour of the Debenture Trustee, and/or over the Pledged Securities in favour of the Debenture Trustee for the benefit of the Debenture holders, except those specifically and exclusively charged in favour of certain existing charge holders as specifically set out in and fully described in the Debenture Trust Deed and/or Securities Pledge Agreement, such that a security cover of atleast 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date. For exclusive charge, we undertake that the assets and/or the Pledged Securities on which the charge is proposed to be created are free from any encumbrances. We have received necessary consents from the relevant debenture trustees for ceding *pari- passu* charge in favour of the Debenture Trustee in relation to the NCDs. The NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and/or RoC or CERSAI or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee. Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in this Tranche III Prospectus, till the execution of the Debenture Trust Deed. The security shall be created prior to making the listing application for the NCDs with the Stock Exchange.

The NCDs proposed to be issued under this Tranche III Issue and all earlier issues of debentures outstanding in the books of our Company having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption.

Our Company has obtained permissions or consents from the debenture trustees /existing creditors for proceeding with this Tranche III Issue.

Security

The principal amount of the NCDs to be issued in terms of this Tranche III Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of an exclusive and/or pari passu charge in favor of the Debenture Trustee on the assets of the entities permissible under applicable law and/or the Company including loans and advances, receivables, investments, stock in trade, current & other assets held by the entities permissible under applicable law and/or the Company, created in favour of the Debenture Trustee, and/or over the Pledged Securities in favour of the Debenture Trustee for the benefit of the Debenture holders, except those specifically and exclusively charged in favour of certain existing charge holders as specifically set out in and fully described in the Debenture Trust Deed and/or Securities Pledge

Agreement, such that a security cover of atleast 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date. For exclusive charge, we undertake that the assets and/or the Pledged Securities on which the charge is proposed to be created are free from any encumbrances. We have received necessary consents from the relevant debenture trustees for ceding pari- passu charge in favour of the Debenture Trustee in relation to the NCDs. The NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and/or RoC or CERSAI or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee. Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in this Tranche III Prospectus, till the execution of the Debenture Trust Deed. The security shall be created prior to making the listing application for the NCDs with the Stock Exchange.

Our Company, pursuant to the SEBI Debenture Trustee Operational Circular has entered into the Debenture Trustee Agreement with the Debenture Trustee and in furtherance thereof intends to enter into a deed of agreement with the Debenture Trustee, ("**Debenture Trust Deed**"), terms of which will govern the powers, authorities and obligations of the Debenture Trustee. Our Company proposes to complete the execution and registration of the Debenture Trust Deed within the stipulated timeframe and shall utilize the funds only after the stipulated security has been created. Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in this Tranche III Prospectus and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value and shall ensure that the minimum security cover shall be maintained until the redemption of the NCDs.

Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18 of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in the relevant Tranche Prospectus, till the execution of the Debenture Trust Deed and in accordance with the applicable laws.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI NCS Regulations, a listed company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Tranche III Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. Our Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Face Value

The face value of each NCD shall be ₹1,000.

Trustees for the NCD Holders

Our Company has appointed Beacon Trusteeship Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. Our Company and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

We and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us pro tanto to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action.

Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed.

Indicative list of Events of Default:

(i) default in redemption of the debentures together with redemption premium, if any, interest accrued thereon as and when the same shall have become due and payable or payment of any other amounts in terms of the Debenture Trust Deed;

(ii) default is committed in payment of the principal amount of the NCDs on the due date(s);

(iii) default is committed in payment of any interest on the NCDs on the due date(s);

(iv) Default is committed in the performance of any other covenants, conditions or agreements on the part of the Company under the Debenture Trust Deed or the other Transaction Documents or deeds entered into between the Company and the Debenture Holder(s)/ Beneficial Owner(s)/ Debenture Trustee and such default shall have continued for a period of thirty (30) days after notice in writing thereof been given to the Company by the Debenture Holder(s)/ Beneficial Owner(s)/ Debenture Trustee for remedying such default;

(v) Default is committed if any information given to the Company in the Shelf Prospectus and relevant Tranche Prospectus(es), the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s)/ Beneficial Owner(s) for financial assistance by way of subscription to the Debenture is or proves to be misleading or incorrect in any material respect or is found to be incorrect;

(vi) Default is committed if the Company is unable to or admits in writing its inability to pay its debts as they mature or proceedings for taking it into liquidation have been admitted by any competent court;

(vii) The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law or suffered any action to be taken for its reorganisation, liquidation or dissolution;

(viii) Default is committed if any extraordinary circumstances have occurred which makes it impossible for the Company to fulfil its obligations under the Debenture Trust Deed and/or the Debentures; If the Company is unable to pay its debts;

(ix) The Company ceases to carry on its business or gives notice of its intention to do so;

(x) If it is certified by an accountant or a firm of accountants appointed by the Debenture Trustee that the liabilities of the Company exceed its assets;

(xi) Default is committed if any of the necessary clearances required or desirable in relation to the Company or the Debentures in accordance with any of the Transaction Documents is not received or is revoked or terminated, withdrawn, suspended, modified or withheld or shall cease to be in full force and effect which shall, in the reasonable opinion of Debenture Holder(s)/ Beneficial Owner(s), have material adverse effect on the Company or the Debentures;

(xii) Default is committed if the company enters into any arrangement or composition with its creditors or commits any acts of insolvency or winding up of the Company;

(xiii) If the Company files a petition for reorganisation, arrangement, adjustment, winding up or composition of debts of the Company or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding (other than a proceeding commenced voluntarily by the Company is not stayed, quashed or dismissed);

(xiv) If the Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors;

(xv) If it becomes unlawful for the company to perform any of its obligations under any transaction document;

(xvi) Default is committed if the occurrence of any event or condition which in the Debenture Trustee/ Beneficial Owner(s) reasonable opinion can constitute a material adverse effect;

(xvii) Any security created at any time, any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardize or endangers any hypothecated properties or any part thereof or any event occurs which causes the Debenture Deed or any related agreement to become ineffective;

(xviii) Any security created at any time, without prior written consent of the Debenture Trustee or unless otherwise provided for in the Debenture Trust Deed, the Company, attempts or purports to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over any of the hypothecated properties; and

Any other event described as an Event of Default in the Shelf Prospectus, this Tranche III and the Transaction Documents. In accordance with the SEBI Debenture Trustee Operational Circular, post the occurrence of a "default", the consent of the NCD Holders for entering into an inter-creditor agreement (the "ICA")/enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.

Regulation 51 read with the Explanation to Clause A (11) in Part B of Schedule III of the SEBI Listing Regulations, defines 'default' as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest or principal on debt.

It is hereby confirmed, in case of an occurrence of a "default", the Debenture Trustee shall abide and comply with the procedures mentioned in the abovementioned circular.

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration.

2. In terms of Section 136 (1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed at the Registered Office of our Company during business hours.

3. Subject to the above and the applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

4. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

5. The NCDs are subject to the provisions of the SEBI NCS Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the Tranche III ssue and listing, of securities and any other documents that may be executed in connection with the NCDs.

6. For the NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the NCDs in dematerialized Form. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD Holders for this purpose. The same shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD holders.

7. Subject to compliance with RBI requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing 15 days prior notice for such roll over and in accordance with the SEBI NCS Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over. The roll-over of NCDs shall be as per regulation 39 of the SEBI NCS Regulations.

The aforementioned rights of the NCD holders are merely indicative. The final rights of the NCD holders will be as per the terms of the Shelf Prospectus, this Tranche III Prospectus and the Debenture Trust Deed.

Nomination facility to NCD Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("**Rule 19**") read with the applicable provisions of the Companies Act, 2013, the sole NCD holder, or first NCD holder, along with other joint NCD

Holders' (being individual(s)), may nominate, in the **Form No. SH.13**, any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19 read with the applicable provisions of the Companies Act 2013, any person who becomes a nominee by virtue of the Rule 19 read with the applicable provisions of the Companies Act 2013, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

Since the allotment of NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Applicants who have opted for rematerialisation of NCDs and are holding the NCDs in the physical form should provide required details in connection with their nominee to our Company.

Jurisdiction

Exclusive jurisdiction for the purpose of the Tranche III Issue is with the competent courts of jurisdiction in Mumbai, India.

Application in the Issue

Applicants shall apply in the Tranche III Issue in dematerialised form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in the Tranche III Issue shall be made through the ASBA facility only (including Applications made by Retail Individual Investors under the UPI Mechanism).

In terms of Regulation 7 of the SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only. However, in the terms of Section 8(1) of the Depositories Act, our Company at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, trading of the NCDs shall be compulsorily in dematerialised form only.

Form of Allotment and Denomination of NCDs

As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD ("**Market Lot**"). Allotment in this Tranche III Issue to all Allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

For details of allotment see "*Issue Procedure*" beginning on page 235 of this Tranche III Prospectus.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Please see "*Terms of the Issue - Interest and Payment of Interest*" on page 223 of this Tranche III Prospectus for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non-Individual Investors on the Record Date.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 ("**SEBI LODR IV Amendment**"), NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018. However, any trading of the NCDs issued pursuant to this Tranche III Issue shall be compulsorily in dematerialized form only. The procedure for transmission of securities has been further simplified vide the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2022 ("**LODR Amendment Regulations**") Gazette Notification no. SEBI/LAD-NRO/GN/2022/80 dated April 25th, 2022).

Title

In case of:

- the NCDs held in the dematerialised form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and
- the NCD held in physical form, pursuant to any rematerialisation, the person for the time being appearing in the Register of NCD Holders as NCD Holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificate issued in respect of the NCDs and no person will be liable for so treating the NCD Holder.

Register of NCD Holders

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders (for re materialized NCDs) or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Redemption Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar.The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach our Company to register his name as successor of the deceased NCD Holder. The successor of the deceased NCD Holder shall approach the respective Depository Participant for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles of Association.

Procedure for rematerialisation of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of the NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the Depository Participant. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such re-materialisation.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Tranche III Issue. Pursuant to SEBI LODR IV Amendment, NCDs held in physical form, pursuant to any re-materialisation, as above, cannot be transferred except by way of transmission or transposition, from December 04, 2018. However, any trading of the NCDs issued pursuant to this Tranche III Issue shall be compulsorily in dematerialized form only.

Period of subscription

TRANCHE III ISSUE PROGRAMME**	
TRANCHE III ISSUE OPENS ON	Tuesday July 4, 2023
TRANCHE III ISSUE CLOSES ON	Monday July 17, 2023
PAY IN DATE	Application Date. The entire Application Amount is payable on Application.
DEEMED DATE OF ALLOTMENT	The date on which the Board of Directors/or the Debenture Fund Raising Committee approves the Allotment of the NCDs for this Tranche III Issue or such date as may be determined by the Board of Directors/ or the Debenture Fund Raising Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture holders from the Deemed Date of Allotment.

*** This Tranche III Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that this Tranche III Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Debenture Fund Raising Committee. Pursuant to Regulation 33A of the SEBI NCS Regulations, (i) the Tranche III Issue shall be kept open for a minimum of three* *working days and a maximum of ten working days,, (ii) in case of a revision in the price band or yield, the Company shall extend the Tranche III Issue Period for a minimum period of three working days, provided that it shall not exceed the maximum number of days, as provided above in (i), and (iii) in case of force majeure, banking strike or similar circumstances, the Company may, for reasons to be recorded in writing, extend the Issue Period, provided that it shall not exceed the maximum number of days, as provided above in (i). In the event of an early closure or extension of this Tranche III Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Tranche III Issue closure. On this Tranche III Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange.*

*Applications Forms for this Tranche III Issue will be accepted only from 10:00 a.m. to 5:00 p.m.(Indian Standard Time) ("**Bidding Period**") or such extended time as may be permitted by the Stock Exchange, during this Tranche III Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On this Tranche III Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day after this Tranche III Issue Closing Date.*

Due to limitation of time available for uploading the Applications on this Tranche III Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to this Tranche III Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on this Tranche III Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on this Tranche III Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under this Tranche III Issue. Neither our Company, nor the Lead Manager, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under this Tranche III Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate. For further details please refer to the section titled "General Information" on page 51.

Interest and Payment of Interest

Series I NCD

Interest/ Coupon on NCDs

In case of Series I NCDs, interest would be paid Annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series I NCD:

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III and IV	8.95%
For Category I, II, III and IV Investors eligible for additional incentive of 0.20% (p.a.)	9.15%

Series I NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 24 months from the Deemed Date of Allotment.

Series II NCD

In case of Series II NCDs, the NCDs shall be redeemed at the end of 24 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Category I, II, III and IV	1,000	1,187.30
For Category I, II, III and IV Investors eligible for additional incentive/premium amount (₹/ NCD)	1,000	1,191.70

Series III NCD

In case of Series III NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series III NCD

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III and IV	9.20%
For Category I, Category II, III and IV Investors eligible for additional incentive of 0.20% (p.a.)	9.40%

Series III NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 36 months from the Deemed Date of Allotment.

Series IV NCD

In case of Series IV NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series IV NCD:

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III and IV	9.60%
For Category I, II, III and IV Investors eligible for additional incentive of 0.20% (p.a.)	9.80%

Series IV NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 36 months from the Deemed Date of Allotment.

Series V NCD

In case of Series V NCDs, the NCDs shall be redeemed at the end of 36 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Category I, II, III and IV	1,000	1,317.00
For Category I, II, III and IV Investors eligible for additional incentive/ premium amount (₹/NCD)	1,000	1,324.10

Series VI NCD

In case of Series VI NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VI NCD:

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III and IV	9.67%
For Category I, Category II, III and IV Investors eligible for additional incentive of 0.20% (p.a.)	9.87%

Series VI NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Series VII NCD

In case of Series VII NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VII NCD:

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III and IV	10.10%
For Category I, Category II, III and IV Investors eligible for additional incentive of 0.20% (p.a.)	10.30%

Series VII NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Series VIII NCD

In case of Series VIII NCDs, the NCDs shall be redeemed at the end of 60 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Category I, II, III and IV	1,000	1,618.70
For Category I, II, III and IV Investors eligible for additional incentive/ premium amount (₹/NCD)	1,000	1,633.50

Series IX NCD

In case of Series IX NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series IX NCD:

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III and IV	10.00%
For Category I, Category II, III and IV Investors eligible for additional incentive of 0.20% (p.a.)	10.20%

Series IX NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 120 months from the Deemed Date of Allotment.

Series X NCD

In case of Series X NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series X NCD:

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III and IV	10.45%
For Category I, Category II, III and IV Investors eligible for additional incentive of 0.20% (p.a.)	10.65%

Series X NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 120 months from the Deemed Date of Allotment.

All Category of Investors in the proposed Tranche III Issue who are also holders of NCD(s)/Bond(s) previously issued by our Company, and/ or our group company, ECL Finance Limited, Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited), and Edelweiss Retail Finance Limited as the case may be, and/or are equity shareholder(s) of Edelweiss Financial Services Limited as the case may be, on the Deemed Date of Allotment and applying in Series I, Series III, Series IV, Series VI, Series VII, Series IX and/or Series X shall be eligible for additional incentive of 0.20% p.a. provided the NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for payment of respective coupons, in respect of Series I, Series III, Series IV, Series VI, Series VII, Series IX and/or Series X.

For all Category of Investors in the proposed Tranche III Issue who are also holders of NCD(s)/Bond(s) previously issued by our Company, and/ or our group company, ECL Finance Limited, Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited), and Edelweiss Retail Finance Limited as the case may be, and/or are equity shareholder(s) of Edelweiss Financial Services Limited as the case may be, on the Deemed Date of Allotment applying in Series II, Series V and/or VIII, the maturity amount at redemption along with the additional yield would be ₹ 1,191.70 per NCD, ₹ 1,324.10 per NCD and/or ₹ 1,633.50 per NCD respectively provided the NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for redemption in respect of Series II, Series V and/or Series VIII.

The additional incentive will be maximum of 0.20% p.a. for all Category of Investors in the proposed Tranche III Issue, who are also holders of NCD(s)/Bond(s) previously issued by our Company, and/ or our group company, ECL Finance Limited, Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited), and Edelweiss Retail Finance Limited as the case may be, and/or are equity shareholder(s) of Edelweiss Financial Services Limited as the case may be, on the deemed date of allotment.

On any relevant Record Date, the Registrar and/or our Company shall determine the list of the Primary holder(s) of this Tranche III Issue and identify such Investor/ NCD Holders, (based on their DP identification and /or PAN and/or entries in the Register of NCD Holders) and make the requisite payment of additional incentive.

The additional incentive will be given only on the NCDs allotted in this Tranche III Issue i.e. to the Primary holder(s). In case if any NCD is bought/acquired from secondary market or from open market, additional incentive will not be paid on such bought/acquired NCD.

In case the Primary holder(s) sells/gifts/transfer any NCDs allotted in this Tranche III Issue, additional incentive will not be paid on such sold/gifted/transferred NCD except in case where NCDs are transferred to the Joint holder/Nominee in case of death of the primary holder.

For the Series where interest is to be paid on an annual basis, relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the NCDs. The last interest payment under annual Series will be made at the time of redemption of the NCDs. For the Series where interest is to be paid on monthly basis, relevant interest will be calculated from the first day till the last date of every month during the tenor of such NCDs and paid on the first day of every subsequent month. For the first interest payment for NCDs under the monthly options, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month.

Basis of payment of Interest

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs pursuant to this Tranche III Prospectus. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such tenor, coupon/yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Please see "*Manner of Payment of Interest / Unblocking*" at page 228 of this Tranche III Prospectus.

Taxation

Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians (other than insurance companies), at the time of credit / payment, as per the provisions of Section 193 of the IT Act. I. Further, Tax will be deducted at source at reduced rate or no tax will be deducted at source in the following cases:

a) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest;

b) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of 236 Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL; and

d) In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act.

Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any withholding tax.

The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar to the Issue quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer for each Fiscal during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Please also see, "*Statement of Possible Tax Benefits*" on page 72 of this Tranche III Prospectus.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Tranche III Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated in the section titled "*Issue Procedure*" on page 235 of this Tranche III Prospectus. please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Tranche III Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the transferee of the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention

Interest shall be computed on an actual/actual basis on the principal outstanding on the NCDs as per the SEBI Operational Circular.

Effect of holidays on payments

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force, as applicable.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Illustration for guidance in respect of the day count convention and effect of holidays on payments:

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Operational Circular is disclosed in Annexure D to this Tranche III Prospectus.

Maturity and Redemption

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of interest / refund / redemption amounts to the Applicant at the Applicant's sole risk, and neither the Lead Manager our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

Application Size

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereafter. Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹ 1,000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of this Tranche III Prospectus.

Manner of Payment of Interest / Unblocking

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / unblocking / redemption as the case may be. Applicants are advised to keep their bank account details as appearing on the records of the depository participant updated at all points of time. Please note that failure to do so could result in delays in credit of Interest/ Redemption Amounts at the Applicant's sole risk, and the Lead Manager, our Company or the Registrar shall have no responsibility and undertake no liability for the same.

In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Company along with the rematerialisation request. For further details, please see "*Terms of The Issue – Procedure for Rematerialisation of NCDs*" on page 222 of this Tranche III Prospectus.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to unblocked for the Applicants.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. **Direct Credit**

   Investors having their bank account with the Refund Bank, shall be eligible to receive refunds/interest/ redemption amount, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

2. **NACH**

   National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

3. RTGS

Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. NEFT

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a Magnetic Ink Character Recognition ("**MICR**"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. Registered Post/Speed Post

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed/ available.

Please note that our Company shall not be responsible to the holder of NCDs, for any delay in receiving credit of interest/ refund / redemption so long as our Company has initiated the process of such request in time.

In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to unblock amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants

6. The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Tranche III Issue Closing Date.

Printing of Bank Particulars on Interest/redemption Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form either on account of rematerialisation or transfer, the investors are advised to submit their bank account details with our Company / Registrar at least 7 (seven) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCDs as available in the records of our Company. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Form and Denomination of NCDs

In case of NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the NCD Holder for the aggregate amount of the NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of NCD certificates in denomination of one NCD ("**Market Lot**"). In case of NCDs held under different Options, by an NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each Option.

It is, however, distinctly to be understood that the NCDs pursuant to this Tranche III Issue shall be traded only in dematerialized form.

In respect of Consolidated Certificates, only upon receipt of a request from the NCD Holder, the Consolidated Certificates would be split into smaller denominations, subject to the minimum of Market Lot. No fee would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate, which would then be treated as cancelled.

Procedure for redemption by NCD Holders

The procedure for redemption is set out below:

NCDs held in physical form on account of re-materialization:

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled.

NCDs held in electronic form:

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

Payment on redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of re-materialization:

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least seven days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

NCDs held in electronic form:

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹1,837.5, then the amount shall be rounded off to ₹1,838.*

Right to Reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Issue of duplicate NCD Certificate(s)

If any NCD certificate(s), issued pursuant to rematerialisation, if any, is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Sharing of Information

Our Company may, at its option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper at the place where the registered office of the Company is situated and/or will be sent by speed post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Future Borrowings

Our Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, pari passu or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, provided stipulated minimum security cover is maintained on the NCDs and the interest thereon and after obtaining the consent of the NCD Holders or the Debenture Trustee regarding the creation of a charge over such security, as per the statutory/regulatory requirement.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section(1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013.*"

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakh or with both.

Pre-closure

Our Company, in consultation with the Lead Manager reserves the right to close the Tranche III Issue at any time prior to the Tranche III Issue Closing Date, subject to receipt of minimum subscription or as may be specified in this Tranche III Prospectus and the Shelf Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Tranche III Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure is published on or before such early date of closure or the Tranche III Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the Tranche III Issue have been given.

Minimum subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Tranche III Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 Working Days from the Tranche III Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 Working Days from the Tranche III Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in the SEBI Operational Circular.

Utilisation of Application Amount

The sum received in respect of the Tranche III Issue will be kept in separate bank account(s) and we will have access to such funds only upon allotment of the NCDs, execution of Debenture Trust Deeds and on receipt of listing and trading approval from the Stock Exchange as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

(a) All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

(b) The allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

(c) Details of all monies utilised out of the Tranche III Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and

(d) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

(e) Our Company shall utilize the Tranche III Issue proceeds only up on (i) receipt of minimum subscription; (ii) completion of Allotment in compliance with Section 40 of the Companies Act, 2013; (iii) receipt of listing and trading approval from Stock Exchange and (iv) only upon execution of the documents for creation of security.

(f) The Tranche III Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

(g) Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

(h) The Tranche III Issue proceeds shall be utilised in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Tranche III Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and

(i) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working Days from the Tranche III Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Tranche III Issue Opening Date. This advertisement will be issued in compliance with the Regulation 30(1) of SEBI NCS Regulations and shall contain the information as prescribed in the SEBI NCS Regulations and Section 30 of the Companies Act, 2013.

Material updates, if any, between the date of filing of the Tranche III Prospectus with the ROC and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI NCS Regulations.

Payment of Interest

If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. For further details, see "*Issue Procedure - Rejection of Applications*" beginning on page 265 of this Tranche III Prospectus.

Listing

The NCDs offered through this Tranche III Prospectus are proposed to be listed on the BSE. Our Company has obtained an 'in-principle' approval for the Tranche III Issue from the BSE *vide* their letter dated December 20, 2022. For the purposes of the Issue, BSE is the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days of the Tranche III Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

Guarantee/Letter of Comfort

The Tranche III Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Arrangers

No arrangers have been appointed for this Tranche III Issue.

Monitoring and Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee shall monitor the utilization of the proceeds of the Tranche III Issue. For the relevant Fiscals commencing from the Fiscal 2024, our Company will disclose in our financial statements, the utilization of the net proceeds of the Tranche III Issue under a separate head along with details, if any, in relation to all such proceeds of this Tranche III Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Tranche III Issue.

Lien

Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, to the extent of all outstanding dues, if any by the NCD Holder to our Company.

Lien on Pledge of NCDs

Subject to applicable law, our Company, at its discretion, may record a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding

ISSUE PROCEDURE

*This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Operational Circular, which provides, inter-alia, that for all public issues of debt securities all Applicants shall mandatorily use the ASBA facility for participating in the Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. Further in terms of the SEBI Operational Circular retail individual investor may use the Unified Payment Interface ("**UPI**") to participate in the public issue for an amount up to ₹ 5,00,000 through the app/web interface of the Stock Exchange or through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).*

Applicants should note that they may submit their Applications to the Designated Intermediaries at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Tranche III Prospectus.

Please note that this section has been prepared based on the SEBI Operational Circular and the notifications issued by BSE, in relation to the UPI Mechanism dated December 28, 2020 as amended on April 13, 2022 and May 19, 2022.

Specific attention is drawn to the SEBI Operational Circular which provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Tranche III Prospectus. Investors are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws.

Further, the Company and the Lead Manager are not liable for any adverse occurrences consequent to the UPI Mechanism for application in the Issue.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THE TRANCHE III ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS TRANCHE III PROSPECTUS, THE TRANCHE III ISSUE OPENING DATE AND THE TRANCHE III ISSUE CLOSING DATE.

THE LEAD MANAGER, THE CONSORTIUM MEMBERS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN RESPECT OF THE TRANCHE III ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE WILL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS/DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term "Working Day" shall mean all days on which the commercial banks in Mumbai are open for business, except with reference to the Tranche III Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holidays on which commercial banks in Mumbai are open for business. Furthermore, for the purpose the time period between the bid/ issue closing date and the listing of the NCDs, Working Days shall mean all trading days of the Stock Exchange excluding Saturdays, Sundays and bank holidays as specified by SEBI.

Availability of the Tranche III Prospectus, the Shelf Prospectus, relevant Tranche Prospectus Abridged Prospectus, and Application Form

The copies of the Tranche III Prospectus, the Shelf Prospectus, this Tranche III Prospectus, Abridged Prospectus together with Application Forms may be obtained from our Registered Office, Lead Manager to the Issue, Consortium Members for marketing of the Tranche III Issue, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, the Shelf Prospectus and this Tranche III Prospectus and the Application Forms will be available

(i) for download on the website of BSE at www.bseindia.com.
(ii) at the designated branches of the SCSBs and the Syndicate Members at the Specified Locations.

A unique application number ("**UAN**") will be generated for every Application Form downloaded from the website of the Stock Exchange i.e. BSE at www.bseindia.com. Hyperlinks to the websites of the Stock Exchange for this facility will be provided on the websites of the Lead Manager and the SCSBs.

In addition, Application Forms would also be made available to all the recognised Stock Exchange. Further, Application Forms will also be provided to Trading Members at their request.

Our Company may provide Application Forms for being filled and downloaded at such websites as we may deem fit. The Issuer may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, online demat account portals may also provide the facility of submitting the Application Forms online to their account holders'.

Retail Individual Investors making an Application upto ₹ 5 lakhs, using the UPI Mechanism, must provide the UPI ID in the relevant t space provided in the Application Form. Application Forms that do not contain the UPI ID are liable to be rejected. UPI Investors applying using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

PROCEDURE FOR APPLICATION

Who can apply?

The following categories of persons are eligible to apply in the Tranche III Issue.

Category I

- Resident public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds each with a minimum corpus of ₹ 25 crores , superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 500 crores as per the last audited financial statements;
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

Category II

- Companies within the meaning of Section 2(20) of the Companies Act, 2013;
- Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;

- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment: which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue

Category IV (Retail Individual Investors)

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10,00,000 across all Options/ Series of NCDs in the Tranche III Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹5,00,000 in any of the bidding options in the Tranche III Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.

Note: Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Tranche III Issue.

The Lead Manager and their respective associates and affiliates are permitted to subscribe in the Tranche III Issue.

The information below is given for the benefit of Applicants. Our Company and the Lead Manager are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Tranche III Prospectus.

How to apply?

Availability of the Shelf Prospectus, this Tranche III Prospectus, Abridged Prospectus and Application Forms.

Please note that **there is a single Application Form for, persons resident in India.**

Copies of the Abridged Prospectus containing the salient features of the Tranche III Prospectus, the Shelf Prospectus, this TrancheI I Tranche Prospectus together with Application Forms and copies of this Tranche III Prospectus may be obtained from our Registered Office, the Lead Manager, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, the Tranche III Prospectus, the Shelf Prospectus, this Tranche III Prospectus and the Application Forms will be available

(iii) for download on the website of BSE at www.bseindia.com.
(iv) at the designated branches of the SCSBs and the Syndicate Members at the Specified Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Method of Application

In terms of the SEBI Operational Circular an eligible investor desirous of applying in this Tranche III Issue can make Applications through the ASBA mechanism only. Further, the Application may also be submitted through the app or web interface developed by Stock Exchanges wherein the Application is automatically uploaded onto the Stock Exchange bidding platforms and the amount is blocked using the UPI mechanism, as applicable.

Applicants are requested to note that in terms of the SEBI Operational Circular, SEBI has mandated issuers to provide, through a recognized Stock Exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the SEBI Operational Circular, directed the recognised stock exchanges in India to put in necessary systems and infrastructure for the implementation of the SEBI Operational Circular and the Direct Online Application Mechanism infrastructure. The Direct Online Application facility will be available for this Tranche III Issue as per mechanism provided in the SEBI Operational Circular.

All Applicants shall mandatorily apply in the Tranche III Issue through the ASBA process only. Applicants intending to subscribe in the Tranche III Issue shall submit a duly filled Application form to any of the Designated Intermediaries. Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a Retail Individual Investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

Applicants should submit the Application Form only at the Bidding Centres, i.e. to the respective Members of the Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at http://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB (except Application Form from RIBs using the UPI Mechanism) with whom the relevant ASBA Accounts are maintained.

For RIBs using UPI Mechanism, the Stock Exchange shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. An Applicant shall submit the Application Form, in physical form, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. Further, the Application may also be submitted through the app or web interface developed by Stock Exchange wherein the Application is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism, as applicable.

The Sponsor Bank shall provide details of the UPI linked bank account of the Bidders to the Registrar to the Issue for purpose of reconciliation.

RIBs using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

RIBs using UPI Mechanism, submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only the UPI ID is mentioned in the field for Payment Details in the Bid cum Application Form. Application Forms submitted by RIIs using UPI Mechanism to Designated Intermediary (other than SCSBs) with ASBA Account details, are liable to be rejected.

Further, such Bidders including RIBs using the UPI Mechanism, shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of the relevant Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms (except electronic Bid- cum-Application Forms) not bearing such specified stamp may be liable for rejection. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid. Designated Intermediaries (other than SCSBs) shall not accept any ASBA Form from a RIB who is not Bidding using the UPI Mechanism.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to the Tranche III Issue should be made by Applicants directly to the relevant Stock Exchange.

In terms of the SEBI Operational Circular, an eligible investor desirous of applying in this Tranche III Issue can make Applications through the following modes:

1. *Self-Certified Syndicate Bank (SCSB) or intermediaries (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)*

    a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.

    b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

    c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹ 5,00,000 or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.

2. *Through Stock Exchange*

    a. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchange (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism.

    b. The Stock Exchange have extended their web-based platforms i.e. 'BSE Direct' to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value upto ₹ 5,00,000. To place bid through 'BSEDirect' platform/ mobile app the eligible investor is required to register himself/ herself with BSE Direct.

    c. An investor may use the following links to access the web-based interface developed by the Stock Exchange to bid using the UPI Mechanism: BSE: https://www.bsedirect.com.

    d. The BSE Direct mobile application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' on Google Playstore for downloading mobile applications

    e. To further clarify the submission of bids through the App or web interface, the BSE has issued operational guidelines and circulars dated December 28, 2020 and May 19, 2022 available at https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228 60, https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228 61, and https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20220519 34.

Application Size

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereof.

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019 ("**SEBI Circular 2019**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme. Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees. A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in this Tranche III Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (iv) a letter of authorisation. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Operational Circular SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Application by Systemically Important Non-Banking Financial Companies

Systemically Important Non-Banking Financial Companies can apply in the Tranche III Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) their memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (ii) specimen signatures of authorised signatories.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Insurance Companies

Insurance companies registered with the IRDAI can apply in this Tranche III Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution;

(ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Indian Alternative Investments Funds

Applications made by 'alternative investment funds' eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Tranche III Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefore.

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Tranche III Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications made by companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs.

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008.

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications under a power of attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category III and Category IV, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form.

Failing this our Company, in consultation with the Lead Manager, reserves the right to reject such Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Manager may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his or her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Funds

Application made by a National Investment Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications cannot be made by:

a. Minors without a guardian name* (A guardian may apply on behalf of a minor. However, the name of the guardian will also need to be mentioned on the Application Form);
b. Foreign nationals, NRI inter-alia including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
c. Persons resident outside India and other foreign entities;
d. Foreign Institutional Investors;
e. Foreign Portfolio Investors;
f. Non-resident Indians;
g. Qualified Foreign Investors;
h. Overseas Corporate Bodies**;
i. Foreign Venture Capital Funds; and
j. Persons ineligible to contract under applicable statutory/ regulatory requirements.

** Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872.*

The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Designated Intermediaries.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

***The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in this Tranche III Issue.*

Payment instructions

Payment mechanism for Applicants

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form.

An Applicant may submit the completed Application Form to designated intermediaries along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Designated Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

An Applicant may submit the Application Form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹ 5,00,000 or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant in this case.

An Applicant may submit the Application Form through the App or web interface developed by Stock Exchange wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account and Sponsor Bank Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within 5 (five) Working Days of the Tranche III Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Tranche III Issue or until rejection of the Application, as the case may be.

For ASBA Applications submitted to the Lead Manager or Consortium Member or Trading Members of the Stock Exchange at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Manager or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Lead Manager or Consortium Member or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Tranche III Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to NCDs allotted to the successful Applicants to the Public Issue Account(s). The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 5 Working Days of the Tranche III Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Tranche III Issue or until rejection of the ASBA Application, as the case may be. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Payment mechanism for Direct Online Applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Tranche III Issue.

Additional Instructions for Retail Individual Investors using the UPI mechanism:

1. Before submission of the application form with the Designated Intermediary, a Retail Individual Investor shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.

2. The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchanges App/Web interface.

3. The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platform using appropriate protocols.

4. Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.

5. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to the Stock Exchanges which would be shared by the Stock Exchanges with the Designated Intermediaries through its platform, for corrections, if any.

6. Once the bid details are uploaded on the Stock Exchanges platform, the Stock Exchanges shall send an SMS to the investor regarding submission of his / her Application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next Working Day.

7. Post undertaking validation with the Depository, the Stock Exchanges shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Company.

8. The Sponsor Bank shall initiate a mandate request on the investor i.e. request the investor to authorise blocking of funds equivalent to the Application Amount and subsequent debit of funds in case of allotment.

9. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.

10. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorise the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the Issue.

11. The investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the Tranche III Issue Period or any other modified closure date of the Tranche III Issue Period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next Working Day.

12. The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.

13. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the Tranche III Issue Closing Date) modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 (T being the Tranche III Issue Closing Date) day till 1 pm.

14. The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5 pm on the day of bidding.

15. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

16. The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchanges. The block request status would also be displayed on the Stock Exchanges platform for information of the intermediary.

17. The information received from Sponsor Bank, would be shared by the Stock Exchanges with the Registrar to the Issue in the form of a file for the purpose of reconciliation.

18. Post closure of the Issue, the Stock Exchanges shall share the bid details with the Registrar to the Issue. Further, the Stock Exchanges shall also provide the Registrar to the Issue, the final file received from the Sponsor Bank,

containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.

2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

3. Applications should be submitted on the Application Form only. In the event that physical Application Form do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.

4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Filing of the Tranche III Prospectus with ROC

A copy of this Tranche III Prospectus will be filed with the ROC in accordance with section 26 and Section 31 of the Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the Tranche III Issue Opening Date. This advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of the Shelf Prospectus and this Tranche III Prospectus and the date of release of the statutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

1. Applications must be made in the prescribed Application Form.

2. Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Shelf Prospectus and this Tranche III Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.

3. Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in the Tranche III Issue Documents.

4. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

5. Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.

6. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.

7. Applicants applying for Allotment must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by the Designated Intermediaries, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment

of the NCDs.

8. Applicants must ensure that their Application Forms are made in a single name.

9. The minimum number of Applications and minimum application size shall be specified in the relevant Tranche Prospectus. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.

10. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.

11. Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.

12. All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.

13. Applications for all the series of the NCDs may be made in a single Application Form only.

Additional Instructions for Retail Individual Investors using the UPI mechanism:

1. Before submission of the application form with the Designated Intermediary, the Retail Individual Investor shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.

2. The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface.

3. The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platform using appropriate protocols.

4. Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.

5. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to Stock Exchange(s) which would be shared by the Stock Exchange(s) with the Designated Intermediaries through its platform, for corrections, if any.

6. Once the bid details are uploaded on the Stock Exchange(s) platform, the Stock Exchange(s) shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next Working Day.
7. Post undertaking validation with the Depository, the Stock Exchange(s) shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Company.

8. The Sponsor Bank shall initiate a mandate request on the investor i.e. request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.

9. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.

10. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the Tranche III Issue.

11. The investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the Tranche III Issue period or any other modified closure date of the Tranche III Issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next Working Day.

12. The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.

13. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the Tranche III Issue Closing Date) modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 (T being the Tranche III Issue Closing Date) day till 1 pm

14. The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5 pm on the day of bidding.

15. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

16. The information containing status of block request (e.g., accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange(s). The block request status would also be displayed on the Stock Exchange(s) platform for information of the intermediary.

17. The information received from Sponsor Bank, would be shared by Stock Exchange(s) with the Registrar to the Issue in the form of a file for the purpose of reconciliation.

18. Post closure of the Tranche III Issue, the Stock Exchange(s) shall share the bid details with the Registrar to the Issue. Further, the Stock Exchange(s) shall also provide the Registrar to the Issue, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

19. The allotment of debt securities shall be done as per SEBI Operational Circular.

20. The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

21. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.

22. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.

23. Thereafter, Stock Exchange will issue the listing and trading approval.

24. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSEDirect issued by BSE on December 28, 2020 and May 19, 2022 the investor shall also be responsible for the following:

    i. Investor shall check the Tranche III Issue details before placing desired bids;
    ii. Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;
    iii. The receipt of the SMS for mandate acceptance is dependent upon the system response/integration of UPI on Debt Public Issue System;
    iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;
    v. nvestor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;

vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and
vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.

The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in this Tranche III Prospectus for the Tranche III Issue to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID, PAN AND UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM) IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID PAN AND UPI ID GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID, PAN AND UPI ID AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID,PAN and UPI ID provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchanges by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for refunds (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Tranche III Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Allotment Advice would be mailed by post or e-mail at the address of the Applicants in accordance with the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the relevant Tranche Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Tranche III Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the four parameters, namely, DP ID, Client ID,PAN and UPI ID then such Applications are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for Retail Individual Investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM

Submission of Applications

Applicants can apply for NCDs only using the ASBA facility pursuant to SEBI Operational Circular. ASBA Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly register such ASBA Applications.

(b) Physically through the Consortium Member, Lead Manager, or Trading Members of the Stock Exchange only at the Specified Cities i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Consortium Member, Lead Manager or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Consortium Member, Lead Manager or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

(c) A UPI Investor making an Application in the Tranche III Issue under the UPI Mechanism, where the Application Amount is upto ₹ 5,00,000, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange' bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

A UPI Investor may also submit the Application Form for the Tranche III Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange' bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Designated Intermediaries (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Tranche III Issue or until withdrawal/ rejection of the Application Form, as the case may be.

In case of Application involving an Application by an RIB through UPI Mechanism, if an Applicant submits the Application Form with a Designated Intermediary and uses his/ her bank account linked UPI ID for the purpose of blocking of funds, where the application value is up to UPI Application Limit, the Application Amount will be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant and the Designated Intermediary shall upload the Application on the bidding platform developed by the Stock Exchange. If an Applicant submits the Application Form through the application or web interface developed by Stock Exchange, the bid will automatically be uploaded onto the Stock Exchange bidding platform and the amount will be blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Lead Manager and Trading Members of the Stock Exchange at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Tranche III Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Shelf Prospectus and this Tranche III Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.

(b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from Applicants only during the Tranche III Issue Period. The SCSB shall not accept any ASBA Applications directly from Applicants after the closing time of acceptance of Applications on the Tranche III Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Lead Manager or Trading Members of the Stock Exchange, as the case may be, after the closing time of acceptance of Applications on the Tranche III Issue Closing Date. For further information on the Tranche III Issue programme, please see section titled "*Issue Related Information*" on page 207 of this Tranche III Prospectus.

(c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Manager or Consortium Member or Trading Members of the Stock Exchange, as the case maybe, if not, the same shall be rejected. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

Submission of Direct Online Applications

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges. In the event the Direct Online Application facility is implemented by the Stock Exchanges, relevant "know your customer" details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number ("UAN") and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue. As per the SEBI Operational Circular, the availability of the Direct Online Applications facility is subject to the Stock Exchanges putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;

- Applicants should ensure that their Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities, and not directly to the escrow collecting banks (assuming that such bank is not a SCSB) or to the Company or the Registrar to the Issue.

- Applications through Syndicate ASBA, before submitting the physical Application Form to the Members of the Syndicate or Trading Members of the stock exchange(s), ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit ASBA Forms (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/ Recognised-Intermediaries)

- Application Forms must be completed in block letters in English, as per the instructions contained in the Shelf Prospectus and this Tranche III Prospectus, the Abridged Prospectus and the Application Form.

- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialised form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.

- Applicants must apply for Allotment in dematerialised form and must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.

- The minimum number of Applications and minimum application size shall be specified in the Shelf Prospectus and this Tranche III Prospectus. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.

- Applications must be for a minimum of 10 (Ten) NCDs and in multiples of 1 NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 (Ten) NCDs, an Applicant may choose to apply for 10 (Ten) NCDs or more in a single Application Form.

- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;

- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;

- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Lead Manager, Consortium Member, Trading Members of the Stock Exchange or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Manager, Consortium Member, Trading Member of the Stock Exchange or the Designated Branch of the SCSBs, as the case may be.

- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.

- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form and submit the same. Applicant without PAN is liable to be rejected, irrespective of the amount.

- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.
- ASBA will be the default "Mode of Application" as per the SEBI Operational Circular.

- Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected.

- Applicants must provide details of valid and active DP ID, UPI ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, UPI ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five Applications can be made from one single ASBA Account

- For Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the Stock Exchange on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account;

- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchange, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.

- Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Manager, Consortium Member, Trading Member of the Stock Exchange in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Designated Intermediaries nor SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot the series of NCDs, as specified in the relevant Tranche Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

B. Applicant's Beneficiary Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM), CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, UPI ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, UPI ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

Applicants applying for Allotment in dematerialized form must mention their DP ID ,Client ID, PAN and UPI ID (in case applying through UPI Mechanism) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("**MICR**") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Lead Manager, Trading Members of the Stock Exchange, Public Issue Account Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchange by the Consortium Member or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Consortium Member and the other Designated Intermediaries shall not be liable for losses, if any.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. **Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Lead Manager, Trading Members of the Stock Exchange, Public Issue Account Banks, SCSBs, Registrar to the Issue nor the Stock Exchange shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay**. In case of refunds through electronic modes as detailed in the relevant Tranche Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Tranche III Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for retail individual investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

C. Permanent Account Number (PAN)

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

D. Joint Applications

Applications can be made in joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to first named in the Application whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs, for the same or other Options of NCDs, subject to a minimum application size of ₹10,000 and in multiples of ₹1,000 thereafter as specified in the relevant Tranche Prospectus. Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹1,000,000 shall be deem such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN of the sole or the first Applicant is one and the same.

F. Unified Payments Interface (UPI)

Pursuant to the SEBI Operational Circular, the UPI Mechanism is an applicable payment mechanism for public debt issues (in addition to the mechanism of blocking funds maintained with SCSBs under ASBA) for applications by retail individual bidders through Designated Intermediaries. All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. The Company will be required to appoint one SCSB as a Sponsor Bank to act as a conduit between the Stock Exchange and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

Process for investor application submitted with UPI as mode of payment

a. Before submission of the application with the intermediary, the investor would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).
b. An investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the Stock Exchange App/ Web interfaces, or any other methods as may be permitted.
c. The intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platforms using appropriate protocols.
d. Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.
e. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to the Stock Exchange(s) which would be shared by the Stock Exchange(s) with the Designated Intermediaries through its platform, for corrections, if any.
f. Once the bid details are uploaded on the Stock Exchange(s) platforms, the Stock Exchange(s) shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next working day.
g. Post undertaking validation with the Depository, the Stock Exchange(s) shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Company.
h. The Sponsor Bank shall initiate a mandate request on the investor i.e. request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.
i. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.
j. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the public issue bid details submitted by investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorise the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the Issue.
k. An investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the Stock Exchange platforms except for the last day of the Tranche III Issue Period or any other modified closure date of the Tranche III Issue Period in which case, he / she is required to accept the UPI mandate latest by 362 5 pm the next working day.
l. An investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.
m. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 day till 1 PM.
n. The facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.
o. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.
p. The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange(s). The block request status would also be displayed on the Stock Exchange(s) platforms for information of the intermediary.
q. The information received from Sponsor Bank, would be shared by the Stock Exchange(s) with the RTA in the form of a file for the purpose of reconciliation.
r. Post Issue closure, the Stock Exchange(s) shall share the bid details with the RTA. Further, the Stock Exchange(s) shall also provide the RTA, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.
s. The allotment of debt securities shall be done as SEBI Operational Circular.
t. The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake

reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

u. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.

v. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.

w. Thereafter, Stock Exchanges will issue the listing and trading approval. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 the investor shall also be responsible for the following:

    i. Investor shall check the Tranche III Issue details before placing desired bids;
    ii. Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;
    iii. The receipt of the SMS for mandate acceptance is dependent upon the system response/ integration of UPI on Debt Public Issue System;
    iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;
    v. Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;
    vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and
    vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.

x. Further, in accordance with circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 05, 2021 the investor shall also be responsible for the following:

    i. After successful registration & log-in, the investors shall view and check the active Debt IPO's available from IPO dashboard.
    ii. Investors shall check the issue/series details. Existing registered users of NSE goBID shall also be able to access once they accept the updated terms and condition.
    iii. After successfully bidding on the platform, investors shall check the NSE goBID app/psp/sms for receipt of mandate & take necessary action.
    iv. UPI mandate can be accepted latest by 5 pm on the third working day from the day of bidding on the Stock Exchange platforms except for the last day of the Tranche III Issue Period or any other modified closure date of the Tranche III Issue Period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.
    v. For UPI bid the facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.
    vi. Investors can use the re-initiation/ resending facility only once in case of any issue in receipt/acceptance of mandate.

y. The Investors are advised to read the operational guidelines mentioned for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 and the circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 05, 2021 before investing through the through the app/ web interface of the Stock Exchange(s).

Kindly note, the Stock Exchange(s) shall be responsible for addressing investor grievances arising from Applications submitted online through the App based/ web interface platform of Stock Exchanges or through their Trading Members. Further, the collecting bank shall be responsible for addressing any investor grievances arising from non-confirmation of funds to the Registrar despite successful realization/blocking of funds, or any delay or operational lapse by the collecting bank in sending the Application forms to the Registrar.

Electronic registration of Applications

(a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchange. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchange. The Lead Manager, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (v) Applications accepted and uploaded by Trading members of the Stock Exchange or (vi) the Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Member, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms. In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for allotment/rejection of Application.

(b) The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Tranche III Issue Period. Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Tranche III Issue Closing Date. On the Tranche III Issue Closing Date, Designated Intermediaries and Designated Branches of SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Syndicate Members and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Tranche III Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Tranche III Issue programme, please see "*Issue Structure*" on page 207 of this Tranche III Prospectus.

(c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchange, would be made available at the Application centres as provided in the Application Form during the Tranche III Issue Period.

(d) At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchange.

(e) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, other than Direct Online Applications, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Number of NCDs applied for
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Application amount

(f) With respect to Applications submitted to the Designated Intermediaries at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Number of NCDs applied for
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Location
- Application amount

(g) A system generated Acknowledgement Slip will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the Acknowledgement Slip from the Syndicate Members or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.

(h) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Tranche III Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

(i) In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.

(j) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for Allotment. The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate, Designated Intermediaries will be given up to one Working Day after the Tranche III Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Tranche III Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

General Instructions

Do's and Don'ts Applicants are advised to take note of the following while filling and submitting the Application Form.

Do's

1. Check if you are eligible to apply as per the terms of the relevant Tranche Prospectus and applicable law;

2. Read all the instructions carefully and complete the Application Form in the prescribed form;

3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue;

4. Ensure that the DP ID and Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated. The requirement for providing Depository Participant details shall be mandatory for all Applicants;

5. Ensure that you have mentioned the correct ASBA Account number (i.e., bank account number or UPI ID, as applicable) in the Application Form;

6. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder;

7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Intermediaries, as the case may be;

8. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Bidding Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediaries/Designated branch of the SCSB as the case may be;

9. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Bidding Centre;

10. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;

11. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes;

12. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

13. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;

14. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange, match with the DP ID, Client ID and PAN available in the Depository database;

15. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN of the HUF should be mentioned in the Application Form and not that of the Karta;

16. Ensure that the Applications are submitted to the Lead Manager, Consortium Member, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Tranche III Issue Closing Date. For further information on the Tranche III Issue programme, please see the section titled "*Issue Related Information*" on page 207 of this Tranche III Prospectus;

17. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;

18. Ensure that you have correctly signed the authorisation /undertaking box in the Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form, as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

19. Permanent Account Number: Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the

courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;

20. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;

21. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and

22. Tick the series of NCDs in the Application Form that you wish to apply for.

23. Check if you are eligible to Apply under ASBA;

24. Retail individual investors using the UPI Mechanism to ensure that they submit bids upto the application value of ₹ 500,000;

25. Investor using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Bid cum Application Form;

26. Investors bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the Tranche III Issue and submit the application with any of the intermediaries or through the Stock Exchange' App/ Web interface

27. Ensure that you give the correct details of your ASBA Account including bank account number/ bank name and branch;

28. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment.

29. Retail Individual Investors submitting Application Form using the UPI Mechanism, should ensure that the: (a) bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid, are listed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40

30. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;

In terms of SEBI Operational Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Operational Circular stipulates the time between closure of the Tranche III Issue and listing at six Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts:

1. Do not apply for lower than the minimum application size;

2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest;

3. Do not send Application Forms by post; instead submit the same to the Consortium Member, sub-consortium member/sub brokers, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be;

4. Do not submit the Application Form to any non-SCSB bank or our Company;

5. Do not submit an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be;

6. Do not fill up the Application Form such that the NCDs applied for exceeds the Tranche III Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;

8. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

9. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;

10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;

11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;

12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;

13. Do not submit Application Forms to a Designated Intermediary at a location other than Collection Centers;

14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;

15. Do not apply if you are a person ineligible to apply for NCDs under the Tranche III Issue including Applications by Persons Resident Outside India, NRI (*inter*-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA); and

16. Do not make an application of the NCD on multiple copies taken of a single form.

17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;

18. Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Lead Manager or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities; and

19. Do not submit more than five Application Forms per ASBA Account.

20. If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID;

21. Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI;

22. Do not submit a bid using UPI ID, if you are not a Retail Individual Investor and if the Application is for an amount more than ₹ 5,00,000;

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
ASBA Applications	(i) If using physical Application Form, (a) to the Members of the Consortium or Trading Members of the Stock Exchanges only at the Specified Cities ("Syndicate ASBA"), or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or (ii) If using electronic Application Form, to the SCSBs, electronically through internet banking facility, if available. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Members of the Consortium/ Trading Members of Stock Exchanges will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants a TRS which will serve as a duplicate Application Form for the records of the Applicant.

OTHER INSTRUCTIONS

Depository Arrangements

Our Company has made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

1. Tripartite Agreements dated December 8, 2020 between us, the Registrar to the Issue and CDSL for offering depository option to the Applicants.

2. Tripartite Agreements dated December 17, 2020 between us, the Registrar to the Issue and NSDL for offering depository option to the Applicants.

3. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

4. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.

5. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

6. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to the Issue.

7. It may be noted that NCDs in electronic form can be traded only on Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange have connectivity with NSDL and CDSL.

8. Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

9. The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form in multiples of One NCD only.

Allottees will have the option to rematerialise the NCDs Allotted under the Tranche III Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, please see the section titled "*Issue Procedure*" on page 235 of this Tranche III Prospectus.

Communications

All future communications in connection with Applications made in the Tranche III Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue related problems and/or Post-Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository's beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchange in case of any Post-Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository's beneficiary account/ etc.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by our Company

(a) All monies received pursuant to the Tranche III Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.

(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;

(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

(d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;

(e) Undertaking by our Company for execution of Debenture Trust Deed. Further, as per Regulation 18 of SEBI NCS Regulations, in the event our Company fails to execute the Debenture Trust Deeds within a timeline specified under Regulation 18 of SEBI NCS Regulations, our Company shall pay interest of at least 2% p.a. over and above the agreed coupon rate, to each NCD Holder, till the execution of the Debenture Trust Deed;

(f) we shall utilize the Tranche III Issue proceeds only upon creation of security as stated in this Tranche III Prospectus in the section titled "*Terms of the Issue*" on page 215 of this Tranche III Prospectus and after (a) permissions or consents for creation of pari passu charge have been obtained from the creditors who have pari passu charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue amount; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from the Stock Exchange;

(g) The Tranche III Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property, dealing of equity of listed companies or lending/investment in group companies;

(h) The allotment letter shall be issued, or application money shall be unblocked within 15 days from the closure of the Tranche III Issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

(i) Application money shall be unblocked within six Working Days from the closure of this Tranche III Issue or such lesser time as may be specified by SEBI, or else the Application money shall be refunded to the Applicants in accordance with applicable law, failing which interest shall be due to be paid to the Applicants for the delayed period, if applicable in accordance with applicable law.

Investors are advised to read the Risk Factors carefully before taking an investment decision in this Tranche III Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Tranche III Issue including the risks involved. The Tranche III Prospectus has not been recommended or approved by any regulatory authority in India, including any registrar of companies, stock exchange or SEBI nor does SEBI guarantee the accuracy or adequacy of this Tranche III Prospectus. Specific attention of investors is invited to the section '*Risk Factors*' on page 18 of this Tranche III Prospectus.

Our Company has no side letter with any NCD holder. Any covenants later added shall be disclosed on the stock exchanges website where the NCDs are listed.

Other Undertakings by our Company

Our Company undertakes that:

(a) Complaints received in respect of the Tranche III Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) will be attended to by our Company expeditiously and satisfactorily.

(b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding.

(c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within six Working Days of the Tranche III Issue Closing Date.

(d) Funds required for dispatch of Allotment Advice will be made available by our Company to the Registrar to the Issue.

(e) Our Company will forward details of utilisation of the proceeds of the Tranche III Issue, duly certified by the Current Statutory Auditor, to the Debenture Trustee, as per the specified timelines.

(f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Tranche III Issue as contained in this Tranche III Prospectus.

(g) We shall make necessary disclosures/reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

(h) We undertake that the assets on which charge is created, are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor/ debenture trustees.

(i) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report and website.

(j) We shall create a recovery expense fund in the manner as maybe specified by SEBI from time to time and shall inform the Debenture Trustee about the same.

(k) The allotment of NCDs will be done on a first come, first serve basis. On the successful allotment of the NCDs, the Tranche III Issue proceeds will be released to the issuer to use in pursuance of the objects specified in this Tranche III Prospectus.

Rejection of Applications

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and/or any committee of our Company reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;
- Applications not being signed by the sole/joint Applicant(s);
- Applications not made through the ASBA facility;
- Number of NCDs applied for or Applications for an amount being less than the minimum Application size;
- Applications submitted without blocking of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- Investor Category in the Application Form not being ticked;
- Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum application size;
- ASBA Bank account details to block Application Amount not provided in the Application Form;
- Applications where a registered address in India is not provided for the Applicant;
- In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partners(s);
- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian when PAN of the Applicant is not mentioned;
- DP ID and Client ID not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications by OCBs;
- Applications for an amount below the minimum application size;
- Submission of more than five ASBA Forms per ASBA Account;
- Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;
- Applications accompanied by Stock invest/ cheque/ money order/ postal order/ cash;
- Signature of sole Applicant missing or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.
- Application Forms not being signed by the ASBA Account holder if the account holder is different from the Applicant.
- If the signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB Bank's records where the ASBA Account mentioned in the Application Form is maintained;

- Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;
- ASBA Applications not having details of the ASBA Account to be blocked;
- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- If an authorization to the SCSB or Sponsor Bank for blocking funds in the ASBA Account or acceptance of UPI Mandate Request raised has not been provided;
- The UPI Mandate Request is not approved by the Retail Individual Investor;
- SCSB making an ASBA application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- Authorization to the SCSB for blocking funds in the ASBA Account not provided or acceptance of UPI Mandate Request raised has not been provided;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by any person outside India;
- Applications by other persons who are not eligible to apply for NCDs under the Tranche III Issue under applicable Indian or foreign statutory/regulatory requirements;
- Applications not uploaded on the online platform of the Stock Exchange;
- Applications uploaded after the expiry of the allocated time on the Tranche III Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Tranche III Prospectus;
- Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;
- Applications providing an inoperative demat account number;
- ASBA Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Banker to the Issue (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- Category not ticked;
- Forms not uploaded on the electronic software of the Stock Exchange;
- In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Shelf Prospectus and this Tranche III Prospectus and as per the instructions in the Application Form;
- UPI Mandate Request is not approved by Retail Individual Investors.

Kindly note that ASBA Applications submitted to the Lead Manager, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Manager, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please see below "*Issue Procedure-Information for Applicants*".

Information for Applicants

In case of ASBA Applications submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of Applicants submitted to the Lead Manager, Consortium Members and Trading Members of the Stock Exchange at the Specified Cities, the basis of allotment will be based on the Registrar‘s validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Mode of making refunds

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Tranche III Issue Closing Date.

Our Company and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by registered post/speed post at the Applicant's sole risk, within six Working Days from the Tranche III Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further,

(a) Allotment of NCDs in this Tranche III Issue shall be made within the time period stipulated by SEBI;
(b) Credit to dematerialised accounts will be given within one Working Day from the Date of Allotment;
(c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund effected within five Working days from the Tranche III Issue Closing Date, for the delay beyond five Working days; and
(d) Our Company will provide adequate funds to the Registrar to the Issue for this purpose.

Retention of oversubscription

Our Company shall have an option to retain over-subscription up to the Tranche III Issue limit

Basis of Allotment

The Registrar will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchange and determine the valid Application for the purpose of drawing the valid Applications for the purpose of drawing the basis of allocation.

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

A. *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together, ("**Institutional Portion**");

B. *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together, ("**Non-Institutional Portion**").

C. *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together, ("**High Net-worth Individual Category Portion**").

D. *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together, ("**Retail Individual Category Portion**").

For removal of doubt, the terms "Institutional Portion", "Non-Institutional Portion", "High Net-worth Individual Category Portion" and "Retail Individual Category Portion" are individually referred to as "Portion" and collectively referred to as "Portions".

Allocation Ratio

Institutional Portion	Non-Institutional Portion	High Net Worth Individual Investors Portion	Retail Individual Investors Portion
10%	10%	40%	40%

(a) *Allotments in the first instance:*

i. Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to 10 % of Tranche III Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;

ii. Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs up to 10 % of Tranche III Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;

iii. Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated NCDs up to 40 % of Tranche III Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange; and

iv. Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated NCDs up to 40 % of Tranche III Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange.

Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application in to the Electronic Book with the Stock Exchange, in each Portion subject to the Allocation Ratio indicated at the section titled "*Issue Procedure – Basis of Allotment*" at page 269 of this Tranche III Prospectus.

As per the SEBI Operational Circular, the allotment in this Tranche III Issue is required to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, on the date of oversubscription and thereafter, the allotments should be made to the applicants on proportionate basis.

(b) *Under Subscription:* If there is any under subscription in any Category, priority in Allotments will be given to the

Retail Individual Investors Portion, High Net Worth Individual Investors Portion, and balance, if any, shall be first made to applicants of the Non-Institutional Portion, followed by the Institutional Portion on a first come first serve basis, on proportionate basis. If there is under subscription in the overall Tranche III Issue Limit due to undersubscription in each Portion, all valid Applications received till the end of last day of the Tranche III Issue Closure day shall be grouped together in each Portion and full and firm Allotments will be made to all valid Applications in each Portion.

(c) For each Category, all Applications uploaded on the same day onto the electronic platform of the Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where NCDs uploaded into the platform of the Stock Exchanges on a particular date exceeds NCDs to be Allotted for each portion respectively.

(d) Minimum Allotments of 1 (one) NCD and in multiples of 1 (one) NCD thereafter would be made in case of each valid Application to all Applicants.

(e) *Allotments in case of oversubscription:* In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the Applicants on the date of oversubscription and thereafter (based on the date of upload of each Application on the electronic platform of the Stock Exchange, in each Portion).

For the purpose of clarity, in case of oversubscription please see the below indicative scenarios:

In case of an oversubscription in all Portions resulting in an oversubscription in the Tranche III Issue Limit, Allotments to the maximum permissible limit, as possible, will be made on a first-come first serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription to respective Portion and proportionate allotment of NCDs to the Applicants on the date of oversubscription and thereafter in respective Portion (based on the date of upload of each Application on the electronic platform of the Stock Exchanges in each Portion).

In case there is oversubscription in Tranche III Issue Limit, however there is under subscription in one or more Portion(s) Allotments will be made in the following order:

(i) All valid Applications in the undersubscribed Portion(s) uploaded on the electronic platform of the Stock Exchanges till the end of the last day of the Tranche III Issue Period, shall receive full and firm allotment

(ii) In case of Portion(s) that are oversubscribed, allotment shall be made to valid Applications received on a first come first serve basis, based on the date of upload of each Application in to the electronic platform of the Stock Exchanges. Priority for allocation of the remaining undersubscribed Portion(s) shall be given to day wise Applications received in the Retail Individual Investors Portion followed by High Net Worth Individual Investors Portion, next Non-Institutional Portion and lastly Institutional Portion each according to the day of upload of Applications to the Electronic Book with Stock Exchange during the Tranche III Issue period.

(f) *Proportionate Allotments: For each Portion, on the date of oversubscription and thereafter:*

i. Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.

ii. If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Tranche III Issue Limit, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.

iii. In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

(g) *Applicant applying for more than one Series of NCDs*: If an Applicant has applied for more than one Series of NCDs and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for, the Series-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with the Lead Manager and the Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the 10 (ten) Series and in case such Applicant cannot be allotted all the 10 (ten) Series, then the Applicant would be allotted NCDs, at the discretion of the Company, the Registrar and the Lead Manager as may be decided at the time of Basis of Allotment.

(h) Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications: The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Tranche III Issue Closing Date.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Tranche III Issue shall be taken by our Company in consultation with the Lead Manager and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Tranche III Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Manager.

Our Company would allot Series IV NCDs to all valid applications, wherein the applicants have not indicated their choice of the relevant series of the NCDs.

Applications where the Application Amount received is greater than the minimum Application Amount, and the Application Amount paid does not tally with the number of NCDs applied for may be considered for Allotment, to the extent of the Application Amount paid rounded down to the nearest ₹ 1,000.

Payment of Refunds:

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within the applicable regulatory timelines.

Issuance of Allotment Advice

Our Company shall ensure dispatch of Allotment Advice as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 5 Working Days of the Tranche III Issue Closing Date

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities and approvals for the commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 5 Working Days from the Tranche III Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Tranche III Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be unblocked in the ASBA Accounts of the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

Investor Withdrawals and Pre-closure

Investor Withdrawal: *Applicants are allowed to withdraw their Applications at any time prior to the Tranche III Issue Closing Date.*

Withdrawal of Applications after the Tranche III Issue Period: In case an Applicant wishes to withdraw the Application after the Tranche III Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar prior to the finalization of the Basis of Allotment..

Pre-closure/ Early Closure: *Our Company, in consultation with the Lead Manager reserves the right to close the Tranche III Issue at any time prior to the Tranche III Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue before the Tranche III Issue Closing Date. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.*

In the event of such early closure of this Tranche III Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Tranche III Issue Closing Date of the Issue, as applicable, through advertisement(s) in all those newspapers in which pre-Issue advertisement of this Tranche III Issue have been given.

Further, the Tranche III Issue may also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue before the Tranche III Issue Closing Date.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount has not been subscribed or received, as applicable, within the specified period, the application money received is to be unblocked/credited only to the bank account in/from which the subscription was blocked/remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or the Registrar will follow the guidelines prescribed by SEBI in this regard.

If our Company does not receive the minimum subscription of 75% of Base Issue Size prior to the Tranche III Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 (eight) working days from the Tranche III Issue Closing Date, provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 5 (five) working days from the Tranche III Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Revision of Applications

As per the notice no: 20120831-22 dated August 31, 2012 issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Tranche III Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Tranche III Issue Period, as allowed/permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Tranche III Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day after the Tranche III Issue Closing Date (till 1:00 PM) to modify/ verify certain selected fields uploaded in the online system during the Tranche III Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of our Company situated at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098, Maharashtra, India between 10 am to 5 pm on any Working Days from the date of the filing of this Tranche III Prospectus with Stock Exchange.

MATERIAL CONTRACTS

1. Issue Agreement dated December 12, 2022, between our Company and the Lead Manager, including the amendment to the Issue Agreement dated March 28, 2023.

2. Registrar Agreement dated December 12, 2022, between our Company and the Registrar to the Issue.

3. Debenture Trustee Agreement dated December 09, 2022 executed between our Company and the Debenture Trustee.

4. Agreed form of Debenture Trust Deed to be executed between our Company and the Debenture Trustee.

5. Tripartite agreement dated December 8, 2020 among our Company, the Registrar to the Issuer and CDSL.

6. Tripartite agreement dated December 17, 2020 among our Company, the Registrar to the Issuer and NSDL.

7. Public Issue Account and Sponsor Bank Agreement dated June 23, 2023 between our Company, the Lead Manager, Registrar to the Issue and ICICI Bank Limited.

8. Consortium Agreement dated June 23, 2023 among our Company, Lead Manager and Consortium Members.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.

2. Certificate of Incorporation of our Company dated November 21, 1995 issued by the RoC.

3. Certificate of commencement of business dated January 16, 1996 issued by the RoC.

4. Fresh certificate of incorporation dated August 1, 2011 issued by the RoC.

5. Share Subscription Agreement dated November 12, 2019 between our Company, Sanaka Growth SPV I Limited and Edelweiss Securities Limited.

6. Shareholders Agreement dated November 12, 2019 between our Company, Sanaka Growth SPV I Limited and Edelweiss Securities Limited.

7. Share Subscription Agreement dated August 14, 2019 between our Company, Kora Master Fund LP and Edelweiss Securities Limited.

8. Shareholders Agreement dated August 14, 2019 between our Company, Kora Master Fund LP and Edelweiss Securities Limited.

9. Share Purchase Agreement dated May 19, 2021 between our Company, PAGAC Ecstasy Pte Ltd and Edelweiss Securities Limited.

10. Amended and Restated Share Purchase Agreement dated October 19, 2020 between our Company, ECAP Equities Limited and Edelweiss Global Wealth Management Limited.

11. Amended and Restated Securities Subscription Agreement dated October 19, 2020 between our Company, Edelweiss Global Wealth Management Limited, PAGAC Ecstasy Pte Ltd, Asia Pragati Strategic Investment

Fund and Edelweiss Securities Limited read with amendment agreement dated March 19, 2021.

12. Amended and Restated Investment Agreement dated March 18, 2021 between our Company, Edelweiss Global Wealth Management Limited, PAGAC Ecstasy Pte Ltd, Asia Pragati Strategic Investment Fund and Edelweiss Securities Limited.

13. Amended and Restated Implementation Agreement dated March 18, 2021 entered between our Company, Edelweiss Global Wealth Management Limited, PAGAC Ecstasy Pte Ltd, Asia Pragati Strategic Investment Fund, Edelweiss Securities Limited, Edelweiss Custodial Services Limited, Edelweiss Alternative Asset Advisors Limited and ECAP Equities Limited.

14. Amended and Restated Shareholders' Agreement dated March 18, 2021 entered between our Company, Edelweiss Global Wealth Management Limited, PAGAC Ecstasy Pte Ltd and Edelweiss Securities Limited.

15. Share Purchase Agreement dated March 12, 2021 between PAGAC Ecstasy Pte. Ltd., Kora Investments I LLC ("**Seller**") and Edelweiss Securities Limited.

16. Share Purchase Agreement dated March 17, 2021 between PAGAC Ecstasy Pte. Ltd., Sanaka Growth SPV I Limited and Edelweiss Securities Limited.

17. Transition Services Agreement dated 19 March, 2021 executed between our Company and Edelweiss Securities Limited.

18. Brand License Agreement dated March 19, 2021 between our Company and Edelweiss Securities Limited.

19. Share Purchase Agreement dated March 17, 2021 between Edelweiss Securities Limited, our Company and Edelweiss Capital Services Limited.

20. Shareholders' Agreement dated March 17, 2021 between Edelweiss Securities Limited, Edelweiss Capital Services Limited and our Company.

21. Share Purchase Agreement dated July 1, 2021 between our Company, Arthur J. Gallagher & Co and Edelweiss Gallagher Insurance Brokers Limited.

22. Amendment Agreement dated March 9, 2023 to the Amended and Restated Shareholders' Agreement dated March 18, 2021 between our Company, Edelweiss Global Wealth Management Limited, PAGAC Ecstasy Pte Ltd and Nuvama Wealth Management Limited (formerly Edelweiss Securities Limited)

23. Copy of shareholders' resolution passed by way of postal ballot on September 10, 2014 under Section 180(1)(c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.

24. Copy of the resolution passed by the Board of Directors dated November 9, 2022 approving the issue of NCDs.

25. Copy of the resolution passed by the Debenture Fund Raising Committee at its meeting held on December 12, 2022 approving the Draft Shelf Prospectus.

26. Copy of the resolution passed by the Debenture Fund Raising Committee at its meeting held on December 27, 2022 approving the Shelf Prospectus.

27. Copy of the resolution passed by the Debenture Fund Raising Committee at its meeting held on December 27, 2022 approving the Tranche I Prospectus.

28. Copy of the resolution passed by the Debenture Fund Raising Committee at its meeting held on March 31, 2023 approving the Tranche II Prospectus.

29. Copy of the resolution passed by the Debenture Fund Raising Committee at its meeting held on June 28, 2023 approving this Tranche III Prospectus.

30. Letter dated December 02, 2022 , by CRISIL Ratings Limited assigning a rating of "CRISIL AA-/Negative (pronounced as CRISIL double A minus rating with Negative outlook)", revalidated vide their letters dated

February 6, 2023 and June 22, 2023 for this Tranche III Issue, with rating rationale dated December 01, 2023 and June 22, 2023.

31. Letter dated December 07, 2022, by Acuité Ratings and Research Limited assigning a rating of "ACUITE AA- / Negative (pronounced as ACUITE double A minus)" for this Tranche III Issue, with rating rationale dated December 07, 2022, revalidated vide their letters dated February 13, 2023 and June 14, 2023.

32. Consents of the Directors, Chief Financial Officer, Chief Executive Officer, Company Secretary and Compliance Officer, Lead Manager, Legal Advisor to the Issue, Credit Rating Agencies, Registrar to the Issue, Bankers to the Company, Public Issue Account Bank, Refund Bank and Sponsor Bank, Consortium Members to the Issue and the Debenture Trustee for the NCDs, to include their names in this Tranche III Prospectus, in their respective capacities and the NOCs received from Lenders to our Company in relation to the Issue.

33. Consent of CARE Advisory Research & Training Limited dated June 26, 2023, as the agency issuing the industry report titled "*Industry Report on Financial Services*" dated June 23, 2023 forming part of the Industry Overview chapter.

34. Our Company has received the written consent dated June 28, 2023 from S. R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Tranche III Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) the report on statement of possible tax benefits dated June 28, 2023 (ii) examination reports dated June 28, 2023 on the Reformatted Standalone Financial Information of the Company and (iii) examination reports dated June 28, 2023 on the Reformatted Consolidated Financial Information of the Group included in this Tranche III Prospectus, and such consent has not been withdrawn as on the date of this Tranche III Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1933.

35. The report on statement of possible tax benefits dated June 28, 2023.

36. Annual Report of our Company for the last three Fiscals.

37. In-principle approval from BSE by its letter no. DCS/BM/PI-BOND/017/22-23 dated December 20, 2022.

38. Due Diligence Certificate dated June 28, 2023 filed by the Lead Manager with SEBI.

39. Due Diligence certificate dated June 28, 2023 filed by the Debenture Trustee to the Issue

DECLARATION

We, the Directors of the Company, hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, have been complied with and no statement made in this Tranche III Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements made in this Tranche III Prospectus are true, accurate and correct in all material respects, are in conformity with Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche III Prospectus does not contain any misstatements. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Tranche III Prospectus is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association. Furthermore, all the monies received under the Tranche III Issue shall be used only for the purposes and objects indicated in this Tranche III Prospectus.

Signed by the Directors of the Company

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Venkatchalam Ramaswamy
Vice Chairman & Executive Director
DIN: 00008509

Himanshu Kaji
Executive Director
DIN: 00009438

Ashok Kini
Independent Director
DIN: 00812946

Vidya Shah
Non-Executive, Non-Independent Director
DIN:00274831

Biswamohan Mahapatra
Independent Director
DIN: 06990345

Ashima Goyal
Independent Director
DIN: 00233635

Shiva Kumar
Independent Director
DIN: 06590343

Date: June 28, 2023
Place: Mumbai

ANNEXURE A – CRISIL RATING, RATING RATIONALE, PRESS RELEASE AND REVALIDATION LETTER

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CRISIL Ratings

CONFIDENTIAL

RL/EDELCAPLT/321826/NCD/0623/63498/131306409
June 22, 2023

Ms. Ananya Suneja
Chief Financial Officer
Edelweiss Financial Services Limited
Edelweiss House, 11th Floor,
Off C.S.T. Road, Kalina
Mumbai City - 400098
9833415417

Dear Ms. Ananya Suneja,

Re: Review of CRISIL Rating on the Rs.1000 Crore Non Convertible Debentures% of Edelweiss Financial Services Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed it's CRISIL AA-/Negative (pronounced as CRISIL double A minus rating with Negative outlook) rating to the captioned Debt instrument. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Subhasri Narayanan
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

% public Issue

Rating Rationale

June 22, 2023 | Mumbai

Edelweiss Financial Services Limited

'CRISIL AA- / Negative' assigned to Non Convertible Debentures

Rating Action

Rs.1500 Crore Non Convertible Debentures^	**CRISIL AA-/Negative (Assigned)**
Rs.300 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD AA-/Negative (Reaffirmed)**
Rs.1000 Crore Retail Bond&	**CRISIL AA-/Negative (Reaffirmed)**
Rs.1000 Crore Non Convertible Debentures%	**CRISIL AA-/Negative (Reaffirmed)**
Rs.500 Crore Non Convertible Debentures$	**CRISIL AA-/Negative (Reaffirmed)**
Rs.1500 Crore Non Convertible Debentures	**CRISIL AA-/Negative (Reaffirmed)**
Rs.500 Crore Commercial Paper	**CRISIL A1+ (Reaffirmed)**

& public issue
^ proposed public issue
% public Issue
$ public Issue
Note: None of the Directors on CRISIL Ratings Limited's 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.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its '**CRISIL AA-/Negative'** rating to the Rs. 1500 crore Non convertible debentures of Edelweiss Financial Services Limited (EFSL; part of Edelweiss group). CRISIL Ratings has also reaffirmed the rating on the existing debt instruments of the company.

The ratings continue to reflect the adequate capitalisation of the Edelweiss group, supported by multiple rounds of capital raising; its diversified business profile, with presence across lending, asset management, asset reconstruction and insurance segments; and demonstrated ability to build competitive presence in multiple lines of businesses, which should also support improvement in earnings going ahead. The group also maintains adequate liquidity on an ongoing basis.

The continuation of the 'Negative' outlook reflects the challenges that group is facing in profitability and asset quality on account of its wholesale lending book. Although profitability has seen some improvement and the group is also taking concerted efforts to arrest asset quality stress, improvement in profitability and asset quality will be a key monitorable over the medium term.

The group has raised capital of Rs 4400 crore since 2016 by part or full stake sale in some of its businesses to marquee global investors such as Caisse de depot et placement du Quebec (CDPQ), Kora Management (Kora; a US-based investment firm), Sanaka Growth SPV I Ltd (part of Sanaka Capital), Pacific Alliance Group and Arthur Gallagher. Of this, Rs 2500 crore was raised through 61% stake sale in the wealth management business in fiscals 2020 and 2021, and Rs 400 crore from full stake sale in insurance broking business in fiscal 2022. The group plans to raise further capital through stake sales in its wealth, housing finance company and the life insurance businesses over the medium term.

Networth stood at Rs 8581 crore as on March 31,2023 as against Rs 8,537 crore as on March 31, 2022 (Rs 8621 crore as on March 31, 2021). Gearing stood at 2.45 times as on March 31, 2023, from 2.5 times as on March 31, 2022(3.2 times as on March 31, 2021, and 4.3 times as on March 31, 2020). The debt reduction is on account of planned reduction in the wholesale loan book and shift towards an asset-light business model.

The group has diversified business interests in financial services domain and has demonstrated its ability to build competitive positions. Over the years, the group has significantly scaled up operations of its non-lending businesses, including the asset reconstruction company (ARC), asset management which houses mutual fund business and alternate assets businesses. The insurance businesses are in growth phase. The group has adopted an asset-light approach in the credit business and is looking at co-lending partnerships in the retail lending business; it is aiming for more than 80% of disbursements in the retail book (including housing) to be through the co-lending model. The group has been able to reduce its wholesale book through recoveries and sell-downs to alternative investment funds (AIFs) and ARCs.

Also, the group maintains adequate liquidity. As on May 31, 2023, the group (excluding Nuvama wealth) had overnight liquidable assets of Rs 2769 crore, undrawn bank lines of Rs 152 crore and other liquidable assets (includes short term loans and treasury assets) of Rs 633 crore. This is adequate to cover upcoming debt repayments of upto December 2023.

The group has raised Rs 7909 crore in fiscal 2023 as against Rs 8,569 crore in fiscal 2022 and Rs 7,565 crore in fiscal 2021, through bank loans, securitisation, structured non-convertible debentures (NCDs) and retail bonds.

Overall reported gross stage III assets in the lending business stood at Rs 945 crore (12.5%) as on March 31, 2023, as against Rs 930 crore (7.4%) as on March 31, 2022, and Rs 1182 crore (7.7%) as on March 31, 2021. Investments in securities receipts outstanding as on March 31, 2023, stood at Rs 5,296 crore (Rs 5,446 crore as on March 31, 2022). The group has adequate provisions on gross stage III assets, as a result, net stage III assets were lower at Rs 207 crore (3.1%) as on March 31, 2023, against Rs 214 crore (1.7%) and Rs 627 crore (4.1%) as on March 31, 2022, and March 31, 2021, respectively.

The wholesale book has run down to Rs 3,112 crore as on March 31, 2023, from Rs 10,130 crore as on March 31, 2020. This is driven by recoveries and sell down to AIFs and ARCs; however, the group continues to retain some credit risk on part of these exposures. Therefore, the overall stressed assets remain elevated and the group's ability to recover from these assets in a timely manner will be a key monitorable.

Decline in credit book, lower margins as well as high credit costs have impacted the overall profitability of the group. Furthermore, the insurance businesses are in the growth phase and are expected to break-even in fiscal 2026. The group reported ex-insurance profit of Rs 730 crore in fiscal 2023, as against Rs 523 crore in fiscal 2022 and Rs 552 crore in fiscal 2021. The net profit of the group was Rs 406 crore in fiscal 2023 as against Rs 212 crore in fiscal 2022 and Rs 254 crore fiscal 2021. These include fair value gain on Nuvama Investment of Rs 1241 crore in fiscal 2023, and capital gains of Rs 306 crore and Rs 1406 crore in FY22 and FY21 respectively.

Improvement in asset quality and profitability coupled with recoveries from wholesale exposure will be key rating monitorables.

Analytical Approach

CRISIL Ratings has combined the business and financial risk profiles of EFSL and its subsidiaries (excluding entities engaged in the wealth business). This is because these entities, collectively referred to as the Edelweiss group, have significant operational, financial and managerial linkages.

CRISIL Ratings has not consolidated entities in the wealth management business with the Edelweiss group because of the group's reduced shareholding, change in branding to Nuvama and fewer synergies.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

Adequate capitalisation, supported by multiple capital raises

The Edelweiss group has demonstrated its ability to raise capital from global investors across businesses, despite the tough macroeconomic environment. The group has raised Rs 4,400 crore since 2016 across lending, wealth management and asset management businesses. This has helped maintain the capital position, despite elevated credit cost and absorb the asset-side risks. The group's networth stood at Rs 8581 crore as on March 31, 2023 (Rs 8,537 crore as on March 31, 2022).

Furthermore, gearing reduced to 2.45 times as on March 31, 2023, from 2.6 times as on March 31, 2022 (3.2 times and 4.3 times as on March 31, 2021, and March 2020). This is driven by the adoption of asset-light model, wherein the credit business operates through the co-lending model, and increased focus on fee-based businesses such as mutual funds and alternate assets.

The group's capitalisation position will remain supported by the asset-light model and increased focus on fee-based businesses. Also, it has the flexibility to raise capital through dilution of stake in group entities.

Diversified financial services player, with demonstrated ability to build significant competitive position

The Edelweiss group is a diversified financial services player, with presence in four verticals i.e. credit (wholesale and retail), insurance (life and general), asset management, and asset reconstruction. The group has attained competitive positions in the alternate asset business and asset reconstruction and is focusing on building market position in other businesses too, which should lend greater stability to earnings over a period of time.

The asset management business comprises mutual fund and alternate asset businesses. The group is a leading player in the alternate asset segment and its mutual fund assets under management (AUM) has been growing steadily. The asset management AUM has grown over 4.5 times to Rs 1,51,500 crore as on March 31, 2023, as against Rs 37,100 crore as on March 31, 2019. Mutual fund AUM stood at Rs 1,05,000 crore and alternate asset AUM at Rs 46,500 crore as on March 31, 2023.

In the distressed assets segment, Edelweiss Asset Reconstruction Company Limited (Edelweiss ARC) is the largest ARC in India, with total securities receipts managed at Rs 37,100 crore as on March 31, 2023 (vis-à-vis Rs 40,200 crore as on March 31, 2022). From being largely corporate focused, the group has, in the recent past, started focusing on retail and micro, small and medium enterprises (MSME) segments. The share of retail is expected to grow, over the medium term.

In the lending business, while the wholesale book is under run down, the group is focusing on growth in retail through the asset-light model. The group has entered into agreements with various co-lending partners, which are large domestic and foreign banks, for both the priority and non-priority sector portfolios. Going forward, the group targets over 80% of its disbursements through the co-lending route. The key product offerings in retail credit book would be mortgage and MSME loans. Furthermore, the life and general insurance businesses are gaining scale and are expected to break even over the medium term.

Weaknesses:

Asset quality remains vulnerable

The overall gross stage III assets in the lending business stood at Rs 945 crore (12.5%) as on March 31, 2023, as on March 31, 2023, as against Rs 930 crore (7.4%) as on March 31, 2022, and Rs 1,182 crore (7.7%) as on March 31, 2021. The gross stage III assets in the wholesale credit book were Rs 679 crore as on March 31, 2023, while these were Rs 748 crore on March 31, 2022, and Rs 866 crore on March 31, 2021. The group's investments in securities receipts outstanding as on March 31, 2023, was Rs 5296 crore (Rs 5,446 crore as March 31, 2022). The retail book gross stage III assets were Rs 266 crore as on March 31, 2023 as against Rs 182 crore as of March 31, 2022 (Rs 134 crore a year earlier).

The group is carrying adequate provisions on gross stage III assets, as a result, the net stage III assets are lower at Rs 207 crore (3.1%) as on March 31, 2023, against Rs 201 crore (1.1%) as on March 31, 2022, and Rs 627 crore (4.1%) as on March 31, 2021, respectively.

The wholesale credit book remains vulnerable owing to exposure to the real estate segment and stressed mid-tier borrowers in structured credit. This book has substantially run down to Rs 3,112 crore as on March 31, 2023, from Rs 10,130 crore as on March 31, 2020; supported by recoveries and sell down to Alternate Investment Funds (AIFs) and ARCs; however, the group continues to retain some credit risk on part of these exposures. Therefore, ability to recover from these assets in a timely manner will be a key monitorable. Furthermore, the loan book remains concentrated with 10 largest loans constituting ~50% of the wholesale portfolio as on March 31, 2023. Nevertheless, the group has reasonable collateral cover for its wholesale loans.

Any sharp weakening of asset quality, specifically in the wholesale lending book, will impact profitability as well as capitalisation and remains a key rating monitorable.

Low profitability

Edelweiss Group's profitability has been lower compared to other large, financial sector groups. However, most of the businesses have been reporting profit from the last quarter of fiscal 2021.

The group reported ex-insurance profit of Rs 730 crore in fiscal 2023 against Rs 523 crore in fiscal 2022 and Rs 552 crore in fiscal 2021.

Also, the group's profitability remains subdued owing to the lower net interest margin (NIM) and substantial credit cost in lending business. The net profit of the group was Rs 406 crore in fiscal 2023 as against Rs 254 crore and loss of Rs 2,045 crore in fiscal 2021 and fiscal 2020, respectively. These include fair value gain on Nuvama Investment of Rs 1241 crore in fiscal 2023 and capital gains of Rs 306 crore and Rs 1406 crore in FY22 and FY21 respectively. Further, the insurance businesses are expected to breakeven in fiscal 2026.

With the asset-light model, the borrowing requirement and resultant cost are likely to reduce. Also, credit cost normalised to 0.2% in fiscal 2022 from 8.2% and 10.7% in fiscals 2021 and 2020, respectively.

Asset management, asset reconstruction and credit are key to driving the group's overall profitability going forward. The group aims at increasing the fee-paying AUM in asset management business, which would enhance the overall revenues and thereby profitability. Asset reconstruction business is expected to continue to provide a regular income stream. However, in the credit business, ability to scale-up retail lending and recover from wholesale book as well as breakeven in the insurance businesses, will be a monitorable.

Liquidity: Adequate

The group maintains adequate liquidity. As on May 31, 2023, the group (excluding Nuvama wealth) had overnight liquidable assets of Rs 2769 crore, undrawn bank lines of Rs 152 crore and other liquidable assets (includes short term loans and treasury assets) of Rs 633 crore. This is adequate to cover upcoming debt repayments of upto December 23.

ESG:

CRISIL Ratings believes that EFSL's Environment, Social, and Governance (ESG) profile supports its credit risk profile.

The ESG profile of financial institutions typically factors in governance as a key differentiator between them. The sector has reasonable social impact because of its substantial employee and customer base, and it can play a key role in promoting financial inclusion. While the sector does not have a direct adverse environmental impact, the lending decisions may have a bearing on environment and other sustainability related factors.

EFSL group has an evolving focus on strengthening various aspects of its ESG profile.

EFSL group's key ESG highlights:

- The group has an ESG Council in place since FY20 to provide effective governance on ESG parameters. The council is women led and comprises heads of various units including HR, admin, compliance and governance, marketing and investor relations.
- EFSL's Share of renewable sources in total electricity consumption increased to 38% in FY22 from 15% in FY21.
- The company has been doing CSR activities on a continuous basis to reach out to remote parts of rural India to build resilience among communities. In partnership with its philanthropic arm, EdelGive Foundation, it addresses developmental challenges in areas of gender equality, healthcare, education, livelihoods and climate action.
- 50% of the board members are independent directors as on March 31, 2023. A dedicated investor grievance redressal mechanism is in place and the disclosures put out by it are extensive.

There is growing importance of ESG among investors and lenders. EFSL group's commitment to ESG will play a key role in enhancing stakeholder confidence, given presence of foreign investors.

Outlook: Negative

The 'Negative' outlook factors in challenges faced by the Edelweiss group due to stressed assets in its credit business, especially in its wholesale lending book, and their impact on profitability.

Rating Sensitivity factors

Upward factors

- Significant improvement in the group's asset quality with stage III assets ratio less than 3% on sustained basis and reduction in level of stressed assets
- Demonstration of profitability across businesses

Downward factors

- Continued pressure on profitability, with sustained losses (negative PAT excluding one-off gains)
- Deterioration in asset quality of the Edelweiss group
- Funding access challenges with limited fundraising by the group
- Lack of progress on planned scale-down of wholesale portfolio

About the Company

EFSL was incorporated in 1995 as Edelweiss Capital Ltd. The company, on standalone basis, is primarily engaged in investment banking services and provides development, managerial and financial support to group entities.

On standalone basis, EFSL's networth stood at Rs 7255 crore as on March 31, 2023. The company reported PAT of Rs 2388 crore on total income of Rs 2786 crore in fiscal 2023, as against PAT of Rs 933 crore on total income of Rs 1,158 crore in fiscal 2022.

About the Group

The Edelweiss group comprised 30 subsidiaries and associates as on March 31, 2023. The number of companies has come down from 74 as on March 31, 2016, because of multiple factors such as sale, windup and merger among others. The group had 293 offices (including 10 international offices in 6 locations) in around 136 cities as on March 31, 2022. Furthermore, as part of streamlining its operating structure, the group has restructured the businesses into four verticals namely credit, insurance, asset management and asset reconstruction.

The group is present across various financial services businesses, including loans to corporates and 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.

On a consolidated basis, the group reported PAT of Rs 405 crore on a total income of Rs 6058 crore for fiscal 2023, as against PAT of Rs 212 crore on a total income of Rs 4320 crore for fiscal 2022.

Key Financial Indicators EFSL (consolidated)

As on/for the period ended		March 2023	March 2022
Total assets	Rs crore	44064	43188
Total income	Rs crore	6058	4320
PAT (ex-Insurance)	Rs crore	730	523
PAT	Rs crore	405	212
Gross stage III assets	Rs crore	945	930
Gross stage III assets	%	12.5	7.4
Net stage III assets	Rs crore	207	201
Net stage III assets	%	3.1	1.12
Gearing	Times	2.4	2.5
Return on assets (Ex-Ins)	%	1.7	1.2
Return on assets	%	0.9	0.5

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. 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	Complexity levels	Rating assigned with outlook

					(Rs crore)		
INE532F07BK7	Non-Convertible Debentures*	8-Jan-21	9.35%	8-Jan-24	58.4	Simple	CRISIL AA-/Negative
INE532F07BL5	Non-Convertible Debentures*	8-Jan-21	Zero Coupon	8-Jan-24	15.49	Simple	CRISIL AA-/Negative
INE532F07BM3	Non-Convertible Debentures*	8-Jan-21	9.39%	8-Jan-26	55.9	Simple	CRISIL AA-/Negative
INE532F07BN1	Non-Convertible Debentures*	8-Jan-21	9.80%	8-Jan-26	34.21	Simple	CRISIL AA-/Negative
INE532F07BO9	Non-Convertible Debentures*	8-Jan-21	Zero Coupon	8-Jan-26	10.8	Simple	CRISIL AA-/Negative
INE532F07BP6	Non-Convertible Debentures*	8-Jan-21	9.53%	8-Jan-31	18.07	Simple	CRISIL AA-/Negative
INE532F07BQ4	Non-Convertible Debentures*	8-Jan-21	9.95%	8-Jan-31	7.13	Simple	CRISIL AA-/Negative
INE532F07BV4	Non-Convertible Debentures*	29-Apr-21	9.10%	29-Apr-24	50.02	Simple	CRISIL AA-/Negative
INE532F07BW2	Non-Convertible Debentures*	29-Apr-21	Zero Coupon	29-Apr-24	12.5	Simple	CRISIL AA-/Negative
INE532F07BX0	Non-Convertible Debentures*	29-Apr-21	9.16%	29-Apr-26	81.92	Simple	CRISIL AA-/Negative
INE532F07BY8	Non-Convertible Debentures*	29-Apr-21	9.55%	29-Apr-26	30.11	Simple	CRISIL AA-/Negative
INE532F07BZ5	Non-Convertible Debentures*	29-Apr-21	Zero Coupon	29-Apr-26	9.3	Simple	CRISIL AA-/Negative
INE532F07CA6	Non-Convertible Debentures*	29-Apr-21	9.30%	29-Apr-31	19.13	Simple	CRISIL AA-/Negative
INE532F07CB4	Non-Convertible Debentures*	29-Apr-21	9.70%	29-Apr-31	15.72	Simple	CRISIL AA-/Negative
NA	Non-Convertible Debentures*^	NA	NA	NA	81.3	Simple	CRISIL AA-/Negative
INE532F07CL3	Retail Bonds*	28-Dec-21	8.75%	28-Dec-23	73.7	Simple	CRISIL AA-/Negative
INE532F07CM1	Retail Bonds*	28-Dec-21	zero interest	28-Dec-23	11.94	Simple	CRISIL AA-/Negative
INE532F07CN9	Retail Bonds*	28-Dec-21	8.75%	28-Dec-24	83.39	Simple	CRISIL AA-/Negative
INE532F07CO7	Retail Bonds*	28-Dec-21	9.10%	28-Dec-24	60.56	Simple	CRISIL AA-/Negative
INE532F07CP4	Retail Bonds*	28-Dec-21	Zero Interest	28-Dec-24	16.61	Simple	CRISIL AA-/Negative
INE532F07CQ2	Retail Bonds*	28-Dec-21	9.15%	28-Dec-26	77.76	Simple	CRISIL AA-/Negative
INE532F07CR0	Retail Bonds*	28-Dec-21	9.55%	28-Dec-26	75.8	Simple	CRISIL AA-/Negative
INE532F07CS8	Retail Bonds*	28-Dec-21	Zero Interest	28-Dec-26	12.17	Simple	CRISIL AA-/Negative
INE532F07CT6	Retail Bonds*	28-Dec-21	9.30%	28-Dec-31	31.1	Simple	CRISIL AA-/Negative
INE532F07CU4	Retail Bonds*	28-Dec-21	9.70%	28-Dec-31	13.22	Simple	CRISIL AA-/Negative
INE532F07CV2	Retail Bonds*	20-Oct-22	8.85%	20-Oct-24	22	Simple	CRISIL AA-/Negative
INE532F07CW0	Retail Bonds*	20-Oct-22	Zero Interest	20-Oct-24	11	Simple	CRISIL AA-/Negative
INE532F07CX8	Retail Bonds*	20-Oct-22	8.90%	20-Oct-25	58	Simple	CRISIL AA-/Negative
INE532F07CY6	Retail Bonds*	20-Oct-22	9.25%	20-Oct-25	42	Simple	CRISIL AA-/Negative
INE532F07CZ3	Retail Bonds*	20-Oct-22	Zero Interest	20-Oct-25	23	Simple	CRISIL AA-/Negative
INE532F07DB2	Retail Bonds*	20-Oct-22	9.35%	20-Oct-27	122	Simple	CRISIL AA-/Negative
INE532F07DC0	Retail Bonds*	20-Oct-22	9.75%	20-Oct-27	32	Simple	CRISIL AA-/Negative
INE532F07DA4	Retail Bonds*	20-Oct-22	Zero Interest	20-Oct-27	10	Simple	CRISIL AA-/Negative
INE532F07DD8	Retail Bonds*	20-Oct-22	9.65%	20-Oct-32	26	Simple	CRISIL AA-/Negative
INE532F07DE6	Retail Bonds*	20-Oct-22	10.10%	20-Oct-32	19	Simple	CRISIL AA-/Negative
INE532F07CK5	Non-Convertible Debentures	5-Oct-21	11.00%	5-Oct-23	650	Simple	CRISIL AA-/Negative
NA	Non-Convertible Debentures^	NA	NA	NA	850	Simple	CRISIL AA-/Negative
NA	Non-Convertible Debentures&^	NA	NA	NA	1500	Simple	CRISIL AA-/Negative
NA	Non-Convertible Debentures*^	NA	NA	NA	349.4	Simple	CRISIL AA-/Negative
INE532F07DQ0	Non-Convertible Debentures*	27-Apr-23	8.95%	27-Apr-25	13.3	Simple	CRISIL AA-/Negative
INE532F07DR8	Non-Convertible Debentures*	27-Apr-23	Zero Coupon	27-Apr-25	7.8	Simple	CRISIL AA-/Negative
INE532F07DP2	Non-Convertible Debentures*	27-Apr-23	9.20%	27-Apr-26	38.1	Simple	CRISIL AA-/Negative
INE532F07DS6	Non-Convertible Debentures*	27-Apr-23	9.60%	27-Apr-26	28.1	Simple	CRISIL AA-/Negative
INE532F07DU2	Non-Convertible Debentures*	27-Apr-23	Zero Coupon	27-Apr-26	10.7	Simple	CRISIL AA-/Negative
INE532F07DT4	Non-Convertible Debentures*	27-Apr-23	9.67%	27-Apr-28	68.7	Simple	CRISIL AA-/Negative
INE532F07DV0	Non-Convertible Debentures*	27-Apr-23	10.10%	27-Apr-28	29.8	Simple	CRISIL AA-/Negative
INE532F07DW8	Non-Convertible Debentures*	27-Apr-23	Zero Coupon	27-Apr-28	9.9	Simple	CRISIL AA-/Negative
INE532F07DX6	Non-Convertible Debentures*	27-Apr-23	10.00%	27-Apr-33	34.6	Simple	CRISIL AA-/Negative
INE532F07DY4	Non-Convertible Debentures*	27-Apr-23	10.45%	27-Apr-33	12.2	Simple	CRISIL AA-/Negative
INE532F07DF3	Non-Convertible Debentures*	20-Jan-23	9.00%	20-Jan-25	20	Simple	CRISIL AA-/Negative
INE532F07DO5	Non-Convertible Debentures*	20-Jan-23	Zero Interest	20-Jan-25	9.9	Simple	CRISIL AA-/Negative
INE532F07DM9	Non-Convertible Debentures*	20-Jan-23	9.20%	20-Jan-26	54.5	Simple	CRISIL AA-/Negative
INE532F07DN7	Non-Convertible Debentures*	20-Jan-23	9.60%	20-Jan-26	49.8	Simple	CRISIL AA-/Negative
INE532F07DL1	Non-Convertible Debentures*	20-Jan-23	Zero Interest	20-Jan-26	20.2	Simple	CRISIL AA-/Negative
INE532F07DK3	Non-Convertible Debentures*	20-Jan-23	9.67%	20-Jan-28	119.8	Simple	CRISIL AA-/Negative
INE532F07DJ5	Non-Convertible Debentures*	20-Jan-23	10.10%	20-Jan-28	36.7	Simple	CRISIL AA-/Negative

INE532F07DG1	Non-Convertible Debentures*	20-Jan-23	Zero Interest	20-Jan-28	15.5	Simple	CRISIL AA-/Negative
INE532F07DH9	Non-Convertible Debentures*	20-Jan-23	10.00%	20-Jan-33	47.2	Simple	CRISIL AA-/Negative
INE532F07DI7	Non-Convertible Debentures*	20-Jan-23	10.45%	20-Jan-33	23.8	Simple	CRISIL AA-/Negative
NA	Retail Bond^*	NA	NA	NA	178.75	Simple	CRISIL AA-/Negative
NA	Commercial Paper Programme	NA	NA	7-365 days	500	Simple	CRISIL A1+
NA	Long Term Principal Protected Market Linked Debentures^	NA	NA	NA	300	Highly Complex	CRISIL PPMLD AA-/Negative

^yet to be issue
**public issue*
&proposed public issue

Annexure – List of entities consolidated (as on March 31, 2023)

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
ECL Finance Ltd	Full	Subsidiary
Edelcap Securities Ltd	Full	Subsidiary
Edelweiss Asset Management Ltd	Full	Subsidiary
ECap Securities and Investments Limited (Formerly known as ECap Equities Limited)	Full	Subsidiary
Edelweiss Trusteeship Company Ltd	Full	Subsidiary
Edelweiss Housing Finance Ltd	Full	Subsidiary
Edelweiss Investment Adviser Ltd	Full	Subsidiary
Edel Land Limited	Full	Subsidiary
Edelweiss Investment Advisors Pvt Ltd	Proportionate	Associate
Edelweiss Rural & Corporate Services Ltd	Full	Subsidiary
Comtrade Commodities Services Limited (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
Edelweiss Resolution Advisors LLP	Full	Subsidiary
Edelweiss General Insurance Company Ltd	Full	Subsidiary
Edelweiss Securities and Investment Pvt Ltd	Full	Subsidiary
EC International Ltd	Full	Subsidiary
EAAA LLC	Full	Subsidiary
Edelweiss Alternative Asset Advisors Pte. Ltd	Full	Subsidiary
Edelweiss International (Singapore) Pte Ltd	Full	Subsidiary
Aster Commodities DMCC	Full	Subsidiary
EdelGive Foundation	Full	Subsidiary
Edelweiss Alternative Asset Advisors Ltd	Full	Subsidiary
Edelweiss Gallagher Insurance Brokers Ltd	Full	Subsidiary
Edelweiss Private Equity Tech Fund	Full	Subsidiary
Edelweiss Value and Growth Fund	Full	Subsidiary
Edelweiss Asset Reconstruction Company Ltd	Full	Subsidiary
EW Special Opportunities Advisors LLC	Full	Subsidiary
Edelweiss Tokio Life Insurance Company Ltd	Full	Subsidiary
Allium Finance Private Ltd	Full	Subsidiary
Edelweiss Global Wealth Management Limited	Full	Subsidiary
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
Edelweiss Securities Ltd	Proportionate	Associate

Annexure - Rating History for last 3 Years

	Current			2023 (History)		2022		2021		2020		Start of 2020
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Commercial Paper	ST	500.0	CRISIL A1+	03-02-23	CRISIL A1+	01-12-22	CRISIL A1+	22-10-21	CRISIL A1+	07-09-20	CRISIL A1+	CRISIL A1+
			--		--	21-10-22	CRISIL A1+	09-09-21	CRISIL A1+	25-05-20	CRISIL A1+	--

			--		--	04-03-22	CRISIL A1+	27-08-21	CRISIL A1+		--	--
			--		--		--	02-08-21	CRISIL A1+		--	--
Non Convertible Debentures	LT	4500.0	CRISIL AA-/Negative	03-02-23	CRISIL AA-/Negative	01-12-22	CRISIL AA-/Negative	22-10-21	CRISIL AA-/Negative		--	--
			--		--	21-10-22	CRISIL AA-/Negative	09-09-21	CRISIL AA-/Negative		--	--
			--		--	04-03-22	CRISIL AA-/Negative		--		--	--
Retail Bond	LT	1000.0	CRISIL AA-/Negative	03-02-23	CRISIL AA-/Negative	01-12-22	CRISIL AA-/Negative	22-10-21	CRISIL AA-/Negative		--	--
			--		--	21-10-22	CRISIL AA-/Negative	09-09-21	Withdrawn		--	--
			--		--	04-03-22	CRISIL AA-/Negative	27-08-21	CRISIL AA-/Negative		--	--
			--		--		--	02-08-21	CRISIL AA-/Negative		--	--
Long Term Principal Protected Market Linked Debentures	LT	300.0	CRISIL PPMLD AA-/Negative	03-02-23	CRISIL PPMLD AA-/Negative	01-12-22	CRISIL PPMLD AA-r /Negative	22-10-21	CRISIL PPMLD AA-r /Negative		--	--
			--		--	21-10-22	CRISIL PPMLD AA-r /Negative	09-09-21	CRISIL PPMLD AA-r /Negative		--	--
			--		--	04-03-22	CRISIL PPMLD AA-r /Negative	27-08-21	CRISIL PPMLD AA-r /Negative		--	--

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria
[Rating Criteria for Banks and Financial Institutions]
[CRISILs Criteria for rating short term debt]
[CRISILs Criteria for Consolidation]

Media Relations	Analytical Contacts	Customer Service Helpdesk
Aveek Datta Media Relations **CRISIL Limited** M: +91 99204 93912 B: +91 22 3342 3000 AVEEK.DATTA@crisil.com **Prakruti Jani** Media Relations **CRISIL Limited** M: +91 98678 68976 B: +91 22 3342 3000 PRAKRUTI.JANI@crisil.com **Rutuja Gaikwad** Media Relations **CRISIL Limited** B: +91 22 3342 3000 **Rutuja.Gaikwad@ext-crisil.com**	Ajit Velonie Senior Director **CRISIL Ratings Limited** B:+91 22 3342 3000 ajit.velonie@crisil.com Subhasri Narayanan Director **CRISIL Ratings Limited** B:+91 22 3342 3000 subhasri.narayanan@crisil.com Leena Gupta Manager **CRISIL Ratings Limited** B:+91 22 3342 3000 Leena.Gupta@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 For Analytical queries: ratingsinvestordesk@crisil.com

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Ratings

CRISIL

CONFIDENTIAL

RL/EDELCAPLT/311083/NCD/0223/52197/131306409
February 06, 2023

Ms. Ananya Suneja
Chief Financial Officer
Edelweiss Financial Services Limited
Edelweiss House, 11th Floor,
Off C.S.T. Road, Kalina
Mumbai City - 400098
9833415417

Dear Ms. Ananya Suneja,

Re: Review of CRISIL Rating on the Rs. 1000 Crore Non Convertible Debentures% of Edelweiss Financial Services Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL AA-/Negative (pronounced as CRISIL double A minus rating with Negative outlook) rating to the captioned Debt instrument. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Aesha Maru
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

% public Issue

CONFIDENTIAL

RL/EDELCAPLT/306715/NCD/1222/47757/131306409
December 02, 2022

Ms. Siddharth Kedia
Vice President
Edelweiss Financial Services Limited
Edelweiss House, 11th Floor,
Off C.S.T. Road, Kalina
Mumbai City - 400098

Dear Ms. Siddharth Kedia,

Re: CRISIL Rating on the Rs.1000 Crore Non Convertible Debentures^ of Edelweiss Financial Services Limited

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a CRISIL AA-/Negative (pronounced as CRISIL double A minus rating with Negative outlook) rating to the captioned Debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Further, in view of your decision to accept the CRISIL Ratings, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Aesha Maru
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

^ *public Issue*

Details of the Rs.1000 Crore Non Convertible Debentures of Edelweiss Financial Services Limited

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

Ratings
CRISIL Ratings Limited (A subsidiary of CRISIL Limited)

Rating Rationale

December 01, 2022 | Mumbai

Edelweiss Financial Services Limited

'CRISIL AA-/Negative' assigned to Non Convertible Debentures

Rating Action

Rs.1000 Crore Non Convertible Debentures^	**CRISIL AA-/Negative (Assigned)**
Rs.300 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD AA- r /Negative (Reaffirmed)**
Rs.1000 Crore Retail Bond&	**CRISIL AA-/Negative (Reaffirmed)**
Rs.1500 Crore Non Convertible Debentures	**CRISIL AA-/Negative (Reaffirmed)**
Rs.500 Crore Commercial Paper	**CRISIL A1+ (Reaffirmed)**

& public issue
^ public Issue
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1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its **'CRISIL AA-/Negative'** rating on the Non convertible debentures of Edelweiss Financial Services Limited (EFSL; part of Edelweiss group). CRISIL Ratings has also reaffirmed the rating on the existing debt instruments of the company.

The ratings continue to reflect the adequate capitalisation of the Edelweiss group, supported by multiple rounds of capital raising; its diversified business profile, with presence across lending, asset management, asset reconstruction and insurance segments; and demonstrated ability to build competitive presence in multiple lines of businesses, which should also support improvement in earnings going ahead. The group also maintains adequate liquidity on an ongoing basis.

The continuation of the 'Negative' outlook reflects the challenges that group is facing in profitability and asset quality on account of its wholesale lending book. Although profitability has seen some improvement and the group is also taking concerted efforts to arrest asset quality stress, improvement in profitability and asset quality will be a key monitorable over the medium term.

The group has raised capital of Rs 4400 crore since 2016 by part or full stake sale in some of its businesses to marquee global investors such as Caisse de depot et placement du Quebec (CDPQ), Kora Management (Kora; a US-based investment firm), Sanaka Growth SPV I Ltd (part of Sanaka Capital), Pacific Alliance Group and Arthur Gallagher. Of this, Rs 2500 crore was raised through 61% stake sale in the wealth management business in fiscals 2020 and 2021, and Rs 400 crore from full stake sale in insurance broking business in fiscal 2022. The group plans to raise further capital through stake sales in its wealth, housing finance company and the life insurance businesses over the medium term.

Networth stood at Rs 8499 crore as on September 30,2022 as against Rs 8,537 crore as on March 31, 2022 (Rs 8621 crore as on March 31, 2021). Gearing reduced to 2.4 times as on September 30,2022 from 2.5 times as on March 31, 2022(3.2 times as on March 31, 2021 and 4.3 times as on 4.3 times as on March 31, 2020).)The debt reduction is on account of planned reduction in the wholesale loan book and shift towards an asset-light business model.

The group has diversified business interests in financial services domain and has demonstrated its ability to build competitive positions. Over the years, the group has significantly scaled up operations of its non-lending businesses, including the asset reconstruction company (ARC), asset management which houses mutual fund business and alternate assets businesses. The insurance businesses are in growth phase. The group has adopted an asset-light approach in the credit business and is looking at co-lending partnerships in the retail lending business; it is aiming for more than 80% of disbursements in the retail book (including housing) to be through the co-lending model. The group has been able to reduce its wholesale book through recoveries and sell-downs to alternative investment funds (AIFs) and ARCs.

Also, the group maintains adequate liquidity. The on-balance sheet liquidity (excluding Nuvama wealth; including cash, liquid investments, treasury assets and other liquidable assets) and unutilised bank lines stood at around Rs 2540 croreas on October 31, 2022. The group has raised Rs 4372 crore in fiscal 2023 till date as against Rs 8,569 crore in fiscal 2022 and Rs 7,565 crore in fiscal 2021, through bank loans, securitisation, structured non-convertible debentures (NCDs) and retail bonds.

Ratings

CRISIL

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RL/EDELCAPLT/306715/NCD/1222/47757/131306409
December 02, 2022

Ms. Siddharth Kedia
Vice President
Edelweiss Financial Services Limited
Edelweiss House, 11th Floor,
Off C.S.T. Road, Kalina
Mumbai City - 400098

Dear Ms. Siddharth Kedia,

Re: CRISIL Rating on the Rs.1000 Crore Non Convertible Debentures^ of Edelweiss Financial Services Limited

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a CRISIL AA-/Negative (pronounced as CRISIL double A minus rating with Negative outlook) rating to the captioned Debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Further, in view of your decision to accept the CRISIL Ratings, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Aesha Maru	Nivedita Shibu
Associate Director - CRISIL Ratings	Associate Director - CRISIL Ratings

^ *public Issue*

Details of the Rs.1000 Crore Non Convertible Debentures of Edelweiss Financial Services Limited

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

As for asset quality, while further decline has been arrested, the stressed assets continue to be elevated. Overall reported gross stage III assets in the lending business stood at 944 crore (10%), (as against Rs 930 crore (7.4%) as on March 31, 2022, and Rs 1182 crore (7.7%) as on March 31, 2021. Investments in securities receipts outstanding as on September 30, 2022, stood at Rs 5,621 crore (Rs 5,446 crore as on March 31, 2022). The group has adequate provisions on gross stage III assets, as a result, net stage III assets were lower at Rs 336 crore (4.0%), Rs 214 crore (1.7%) and Rs 627 crore (4.1%) respectively.

The wholesale book has run down to Rs 4,710 crore as on September 30, 2022, from Rs 10,130 crore as on March 31, 2020. This is driven by recoveries and sell down to AIFs and ARCs; however, the group continues to retain some credit risk on part of these exposures. Therefore, the overall stressed assets remain elevated and the group's ability to recover from these assets in a timely manner will be a key monitorable.

Decline in credit book, lower margins as well as high credit costs have impacted the overall profitability of the group. Furthermore, the insurance businesses are in the growth phase and are expected to break-even in fiscal 2026. The group reported ex-insurance profit of Rs 523 crore in fiscal 2022, as against Rs 552 crore in fiscal 2021 and an ex-insurance loss of Rs 705 crore in fiscal 2020. The net profit of the group was Rs 212 crore in fiscal 2022 as against Rs 254 crore and loss of Rs 2045 crore in fiscal 2021 and fiscal 2021. These include capital gains of Rs 306 crore and Rs 1406 crore in FY22 and FY21 respectively. For 1HFY23, the group reported ex insurance PAT of Rs 236 crore and overall PAT of Rs 112 crore.

Improvement in asset quality and profitability coupled with recoveries from wholesale exposure will be key rating monitorables.

Analytical Approach

CRISIL Ratings has combined the business and financial risk profiles of EFSL and its subsidiaries (excluding entities engaged in the wealth business). This is because these entities, collectively referred to as the Edelweiss group, have significant operational, financial and managerial linkages, and operate under a common brand, Edelweiss.

CRISIL Ratings has not consolidated entities in the wealth management business with the Edelweiss group because of the group's reduced shareholding, change in branding to Nuvama and fewer synergies.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Adequate capitalisation, supported by multiple capital raises**
  The Edelweiss group has demonstrated its ability to raise capital from global investors across businesses, despite the tough macroeconomic environment. The group has raised Rs 4,400 crore since 2016 across lending, wealth management and asset management businesses. This has helped maintain the capital position, despite elevated credit cost and absorb the asset-side risks. The group's networth stood at Rs 8,499 crore as on September 30, 2022 (Rs 8,537 crore as on March 31, 2022).

  Furthermore, gearing reduced to 2.6 times as on March 31, 2022, as against 3.2 times and 4.3 times as on March 31, 2021, and March 2020, respectively. The gearing stood at 2.4 times as on September 30, 2022. This is driven by the adoption of asset-light model, wherein the credit business operates through the co-lending model, and increased focus on fee-based businesses such as mutual funds and alternate assets.

  The group's capitalisation position will remain supported by the asset-light model and increased focus on fee-based businesses. Also, it has the flexibility to raise capital through dilution of stake in group entities.

- **Diversified financial services player, with demonstrated ability to build significant competitive position**
  The Edelweiss group is a diversified financial services player, with presence in four verticals i.e.; credit (wholesale and retail), insurance (life and general), asset management, and asset reconstruction. The group has attained competitive positions in the alternate asset business and asset reconstruction and is focusing on building market position in other businesses too, which should lend greater stability to earnings over a period of time.

  The asset management business comprises mutual fund and alternate asset businesses. The group is a leading player in the alternate asset segment and its mutual fund assets under management (AUM) has been growing steadily. The asset management AUM has grown more than 3 times to Rs 1,32,000 crore as on September 30, 2022, as against Rs 37,100 crore as on March 31, 2019. Mutual fund AUM stood at Rs 92,000 crore and alternate asset AUM at Rs 40,000 crore as on September 30, 2022.

  In the distressed assets segment, Edelweiss ARC is the largest ARC in India, with total securities receipts managed at Rs 38,000 crore as on September 30, 2022 (vis-à-vis Rs 40,200 crore as on March 31, 2022). From being largely corporate focused, the group has, in the recent past, started focusing on retail and micro, small and medium enterprises (MSME) segments. The share of retail is expected to grow, over the medium term, from 14% as on September 30,2022.

  In the lending business, while the wholesale book is under run down, the group is focusing on growth in retail through the asset-light model. The group has entered into agreements with various co-lending partners, which are large domestic and foreign banks, for both the priority and non-priority sector portfolios. Going forward, the group targets over 80% of its disbursements through the co-lending route. The key product offerings in retail credit book would be mortgage and MSME loans. Furthermore, the life and general insurance businesses are gaining scale and are expected to break even over the medium term.

Weaknesses:

- **Asset quality remains vulnerable**
  The overall gross stage III assets in the lending business stood at Rs 944 crore (10%) as on September 30,2022 as against Rs 930 crore (7.4%) as on March 31, 2022, and Rs 1,182 crore (7.7%) as on March 31, 2021. Of the gross stage III assets, Rs 709 crore as on June 30, 2022, 748 crore and Rs 866 crore, respectively, are from wholesale credit book. The group's investments in securities receipts outstanding as on September 30, 2022 was Rs 5,621 crore (Rs 5,446 crore as March 31, 2022).

  The retail book asset quality saw an uptick as on March 31, 2021, with gross stage III assets increasing to Rs 316 crore (Rs 134 crore a year earlier), however, supported by recoveries and write offs, the retail stage III assets reduced to Rs 186 crore and Rs 165 crore as on March 31, 2022 and June 30,2022 respectively.

  The group is carrying adequate provisions on gross stage III assets, as a result, the net stage III assets is lower at Rs 336 crore (4%), Rs 214 crore (1.7%) and Rs 627 crore (4.1%) respectively.

  The wholesale credit book remains vulnerable owing to exposure to the real estate segment and stressed mid-tier borrowers in structured credit. This book has substantially run down to Rs 4,710 crore as on September 30, 2022, from Rs 10,130 crore as on March 2020; supported by recoveries and sell down to AIFs and ARCs; however, the group continues to retain some credit risk on part of these exposures. Therefore, ability to recover from these assets in a timely manner will be a key monitorable. Furthermore, the loan book remains concentrated with 10 largest loans constituting ~45% of the wholesale portfolio as on September 30, 2022. Nevertheless, the group has reasonable collateral cover for its wholesale loans.

  Any sharp weakening of asset quality, specifically in the wholesale lending book, will impact profitability as well as capitalisation and remains a key rating monitorable.

- **Low profitability**
  Edelweiss Group's profitability has been lower compared to other large, financial sector groups. However, most of the businesses have been reporting profit from the last quarter of fiscal 2021.

  The group reported ex insurance profit of Rs 523 crore in fiscal 2022 as against Rs 552 crore in fiscal 2021 and an ex-insurance loss of Rs 705 crore in fiscal 2020.

  Also, the group's profitability remains subdued owing to the lower net interest margin (NIM) and substantial credit cost in lending business. The net profit of the group was Rs 212 crore in fiscal 2022 as against Rs 254 crore and loss of Rs 2,045 crore in fiscal 2021 and fiscal 2020, respectively. These include capital gains of Rs 306 crore and Rs 1,406 crore in in fiscals 2022 and 2021, respectively. Further, the insurance businesses are expected to breakeven in fiscal 2026. The group reported ex insurance profit of Rs 133 crore and consolidated net profit of Rs 67 crore in first half of fiscal 2023.

  With the asset-light model, the borrowing requirement and resultant cost are likely to reduce. Also, credit cost normalised to 0.2% in fiscal 2022 from 8.2% and 10.7% in fiscals 2021 and 2020, respectively.

  Asset management, asset reconstruction and credit are key to driving the group's overall profitability. The group aims at increasing the fee-paying AUM in asset management business, which would enhance the overall revenues and thereby profitability. Asset reconstruction business is expected to continue to provide a regular income stream. However, in the credit business, ability to scale-up retail lending and recover from wholesale book as well as breakeven in the insurance businesses, will be a monitorable.

Liquidity: Adequate

As a policy, the group maintains liquidity cushion of 9-10% of the balance sheet. As on October 30,2022, the group had on-balance sheet liquidity (excluding Nuvama wealth; including cash, liquid investments, treasury assets and other liquidable assets) and unutilised bank lines of Rs 2540 crore. This is sufficient to cover the debt maturing over the next three to four months.

ESG:

CRISIL Ratings believes that EFSL's Environment, Social, and Governance (ESG) profile supports its credit risk profile.

The ESG profile of financial institutions typically factors in governance as a key differentiator between them. The sector has reasonable social impact because of its substantial employee and customer base, and it can play a key role in promoting financial inclusion. While the sector does not have a direct adverse environmental impact, the lending decisions may have a bearing on environment and other sustainability related factors.

EFSL group has an evolving focus on strengthening various aspects of its ESG profile.

EFSL group's key ESG highlights:

- The group has an ESG Council in place since FY20 to provide effective governance on ESG parameters. The council is women led and comprises heads of various units including HR, admin, compliance and governance, marketing and investor relations.
- EFSL's Share of renewable sources in total electricity consumption increased to 38% in FY22 from 15% in FY21.
- The company has been doing CSR activities on a continuous basis to reach out to remote parts of rural India to build resilience among communities. In partnership with its philanthropic arm, EdelGive Foundation, it addresses

developmental challenges in areas of gender equality, healthcare, education, livelihoods and climate action.
- 55% of the board members are independent directors as on March 31, 2022. A dedicated investor grievance redressal mechanism is in place and the disclosures put out by it are extensive.

There is growing importance of ESG among investors and lenders. EFSL group's commitment to ESG will play a key role in enhancing stakeholder confidence, given presence of foreign investors.

Outlook: Negative
The 'Negative' outlook factors in challenges faced by the Edelweiss group due to stressed assets in its credit business, especially in its wholesale lending book, and their impact on profitability.

Rating Sensitivity factors
Upward factors
- Significant improvement in the group's asset quality with stage III assets ratio less than 3% on sustained basis and reduction in level of stressed assets
- Demonstration of profitability across businesses

Downward factors
- Continued pressure on profitability, with sustained losses (negative PAT excluding one-off gains)
- Deterioration in asset quality of the Edelweiss group
- Funding access challenges with limited fundraising by the group
- Lack of progress on planned scale-down of wholesale portfolio

About the Company
EFSL was incorporated in 1995 as Edelweiss Capital Ltd. The company, on standalone basis, is primarily engaged in investment banking services and provides development, managerial and financial support to group entities.

On standalone basis, EFSL's networth stood at Rs 5,000 crore as on March 31, 2022. The company reported PAT of Rs 933 crore on total income of Rs 1,158 crore in fiscal 2022, as against PAT of Rs 716 crore on total income of Rs 1,624.6 crore in fiscal 2021.

As on September 30, 2022, PAT was Rs 112 crore on total income of Rs2121 crore, as against Rs 90.6 crore on Rs 1951 crore a year earlier.

About the Group
The Edelweiss group comprised 30 subsidiaries and associates as on March 31, 2022. The number of companies has come down from 74 as on March 31, 2016, because of multiple factors such as sale, windup and merger among others. The group had 293 offices (including 10 international offices in 6 locations) in around 136 cities as on March 31, 2022. Furthermore, as part of streamlining its operating structure, the group has restructured the businesses into four verticals namely credit, insurance, asset management and asset reconstruction.

The group is present across various financial services businesses, including loans to corporates and 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.

On a consolidated basis, the group reported PAT of Rs 212 crore on a total income of Rs 4320 crore for fiscal 2022, as against Rs 254 crore on total income of Rs 7015 crore for fiscal 2021.

For the half year ended September 2022, the group reported net profit of Rs 112 crore on total income of Rs 2121 crore, compared to profit of Rs 91 crore and total income of Rs 1952 crore during corresponding period in previous fiscal.

Key Financial Indicators EFSL (Consolidated)

As on/for the period ended		Sept 2022	March 2022	March 2021
Total assets	Rs crore	42521	43188	45975
Total income	Rs crore	2121	4320	7015
PAT (ex-Insurance)	Rs crore	236	523	552
PAT	Rs crore	112	212	254
Gross stage III assets	Rs crore	944	930	1182
Gross stage III assets	%	10.0	7.4	7.7
Net stage III assets	Rs crore	336	201	627
Net stage III assets	%	4.0	1.12	4.1
Gearing	Times	2.4	2.5	3.2
Return on assets (Ex-Ins)	%	0.6	1.2	1.1
Return on assets	%	0.5	0.5	0.4

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure – Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities – including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisil.com/complexity-levels. 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)	Complexity Level	Rating Assigned with Outlook
INE532F07CL3	Retail Bonds*	28-Dec-21	8.75%	28-Dec-23	73.7	Simple	CRISIL AA-/Negative
INE532F07CM1	Retail Bonds*	28-Dec-21	zero interest	28-Dec-23	11.94	Simple	CRISIL AA-/Negative
INE532F07CN9	Retail Bonds*	28-Dec-21	8.75%	28-Dec-24	83.39	Simple	CRISIL AA-/Negative
INE532F07CO7	Retail Bonds*	28-Dec-21	9.10%	28-Dec-24	60.56	Simple	CRISIL AA-/Negative
INE532F07CP4	Retail Bonds*	28-Dec-21	Zero Interest	28-Dec-24	16.61	Simple	CRISIL AA-/Negative
INE532F07CQ2	Retail Bonds*	28-Dec-21	9.15%	28-Dec-26	77.76	Simple	CRISIL AA-/Negative
INE532F07CR0	Retail Bonds*	28-Dec-21	9.55%	28-Dec-26	75.8	Simple	CRISIL AA-/Negative
INE532F07CS8	Retail Bonds*	28-Dec-21	Zero Interest	28-Dec-26	12.17	Simple	CRISIL AA-/Negative
INE532F07CT6	Retail Bonds*	28-Dec-21	9.30%	28-Dec-31	31.1	Simple	CRISIL AA-/Negative
INE532F07CU4	Retail Bonds*	28-Dec-21	9.70%	28-Dec-31	13.22	Simple	CRISIL AA-/Negative
INE532F07CV2	Retail Bonds*	20-Oct-22	8.85%	20-Oct-24	22	Simple	CRISIL AA-/Negative
INE532F07CW0	Retail Bonds*	20-Oct-22	NA	20-Oct-24	11	Simple	CRISIL AA-/Negative
INE532F07CX8	Retail Bonds*	20-Oct-22	8.90%	20-Oct-25	58	Simple	CRISIL AA-/Negative
INE532F07CY6	Retail Bonds*	20-Oct-22	9.25%	20-Oct-25	42	Simple	CRISIL AA-/Negative
INE532F07CZ3	Retail Bonds*	20-Oct-22	NA	20-Oct-25	23	Simple	CRISIL AA-/Negative
INE532F07DB2	Retail Bonds*	20-Oct-22	9.35%	20-Oct-27	122	Simple	CRISIL AA-/Negative
INE532F07DC0	Retail Bonds*	20-Oct-22	9.75%	20-Oct-27	32	Simple	CRISIL AA-/Negative
INE532F07DA4	Retail Bonds*	20-Oct-22	NA	20-Oct-27	10	Simple	CRISIL AA-/Negative
INE532F07DD8	Retail Bonds*	20-Oct-22	9.65%	20-Oct-32	26	Simple	CRISIL AA-/Negative
INE532F07DE6	Retail Bonds*	20-Oct-22	10.10%	20-Oct-32	19	Simple	CRISIL AA-/Negative
INE532F07CK5	Non-Convertible Debentures	5-Oct-21	11.00%	5-Oct-23	650	Simple	CRISIL AA-/Negative
NA	Non-Convertible Debentures^	NA	NA	NA	850	Simple	CRISIL AA-/Negative
NA	Non-Convertible Debentures^	NA	NA	NA	1000	Simple	CRISIL AA-/Negative
NA	Retail Bond^	NA	NA	NA	178.75	Simple	CRISIL AA-/Negative
NA	Commercial Paper Programme	NA	NA	7-365 days	500	Simple	CRISIL A1+
NA	Long Term Principal Protected Market Linked Debentures^	NA	NA	NA	300	Highly Complex	CRISIL PP-MLD AA-r/Negative

^yet to be issue
**Public issue*

Annexure – List of entities consolidated (as on March 31, 2022)

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
ECL Finance Ltd	Full	Subsidiary
Edelcap Securities Ltd	Full	Subsidiary
Edelweiss Asset Management Ltd	Full	Subsidiary
ECap Securities and Investments Limited (Formerly known as ECap Equities Limited)	Full	Subsidiary
Edelweiss Trusteeship Company Ltd	Full	Subsidiary
Edelweiss Housing Finance Ltd	Full	Subsidiary
Edelweiss Investment Adviser Ltd	Full	Subsidiary
Edel Land Limited	Full	Subsidiary
Edelweiss Investment Advisors Pvt Ltd	Proportionate	Associate
Edelweiss Rural & Corporate Services Ltd	Full	Subsidiary
Comtrade Commodities Services Limited (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
Edelweiss Resolution Advisors LLP	Full	Subsidiary
Edelweiss General Insurance Company Ltd	Full	Subsidiary
Edelweiss Securities and Investment Pvt Ltd	Full	Subsidiary
EC International Ltd	Full	Subsidiary
EAAA LLC	Full	Subsidiary
Edelweiss Alternative Asset Advisors Pte. Ltd	Full	Subsidiary
Edelweiss International (Singapore) Pte Ltd	Full	Subsidiary
Aster Commodities DMCC	Full	Subsidiary
EdelGive Foundation	Full	Subsidiary
Edelweiss Alternative Asset Advisors Ltd	Full	Subsidiary
Edelweiss Gallagher Insurance Brokers Ltd	Full	Subsidiary
Edelweiss Private Equity Tech Fund	Full	Subsidiary
Edelweiss Value and Growth Fund	Full	Subsidiary
Edelweiss Asset Reconstruction Company Ltd	Full	Subsidiary
EW Special Opportunities Advisors LLC	Full	Subsidiary
Edelweiss Tokio Life Insurance Company Ltd	Full	Subsidiary
Allium Finance Private Ltd	Full	Subsidiary
Edelweiss Global Wealth Management Limited	Full	Subsidiary
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
Edelweiss Securities Ltd	Proportionate	Associate

Annexure - Rating History for last 3 Years

	Current			2022 (History)		2021		2020		2019		Start of 2019
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Commercial Paper	ST	500.0	CRISIL A1+	21-10-22	CRISIL A1+	22-10-21	CRISIL A1+	07-09-20	CRISIL A1+	04-10-19	CRISIL A1+	CRISIL A1+
			--	04-03-22	CRISIL A1+	09-09-21	CRISIL A1+	25-05-20	CRISIL A1+	20-07-19	CRISIL A1+	--
			--		--	27-08-21	CRISIL A1+		--	29-03-19	CRISIL A1+	--
			--		--	02-08-21	CRISIL A1+		--		--	--
Non Convertible Debentures	LT	2500.0	CRISIL AA-/Negative	21-10-22	CRISIL AA-/Negative	22-10-21	CRISIL AA-/Negative		--		--	--
			--	04-03-22	CRISIL AA-/Negative	09-09-21	CRISIL AA-/Negative		--		--	--
Retail Bond	LT	1000.0	CRISIL AA-/Negative	21-10-22	CRISIL AA-/Negative	22-10-21	CRISIL AA-/Negative		--		--	--
			--	04-03-22	CRISIL AA-/Negative	09-09-21	Withdrawn		--		--	--
			--		--	27-08-21	CRISIL AA-/Negative		--		--	--
			--		--	02-08-21	CRISIL AA-/Negative		--		--	--
Short Term Debt	ST		--		--		--		--		--	CRISIL A1+

Short Term Debt Issue	ST		--		--		--		--		--	Withdrawn
Long Term Principal Protected Market Linked Debentures	LT	300.0	CRISIL PPMLD AA-r /Negative	21-10-22	CRISIL PPMLD AA-r /Negative	22-10-21	CRISIL PPMLD AA-r /Negative		--		--	--
			--	04-03-22	CRISIL PPMLD AA-r /Negative	09-09-21	CRISIL PPMLD AA-r /Negative		--		--	--
			--		--	27-08-21	CRISIL PPMLD AA-r /Negative		--		--	--

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria
[Rating Criteria for Banks and Financial Institutions]
[CRISILs Criteria for rating short term debt]
[CRISILs Criteria for Consolidation]

Media Relations	Analytical Contacts	Customer Service Helpdesk
Aveek Datta Media Relations **CRISIL Limited** M: +91 99204 93912 B: +91 22 3342 3000 AVEEK.DATTA@crisil.com **Prakruti Jani** Media Relations **CRISIL Limited** M: +91 98678 68976 B: +91 22 3342 3000 PRAKRUTI.JANI@crisil.com **Rutuja Gaikwad** Media Relations **CRISIL Limited** B: +91 22 3342 3000 **Rutuja.Gaikwad@ext-crisil.com**	Krishnan Sitaraman Senior Director and Deputy Chief Ratings Officer **CRISIL Ratings Limited** D:+91 22 3342 8070 krishnan.sitaraman@crisil.com Subhasri Narayanan Director **CRISIL Ratings Limited** D:+91 22 3342 3403 subhasri.narayanan@crisil.com Leena Gupta Senior Rating Analyst **CRISIL Ratings Limited** B:+91 22 3342 3000 Leena.Gupta@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 For Analytical queries: ratingsinvestordesk@crisil.com

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ANNEXURE B – ACUITE RATING, RATING RATIONALE, PRESS RELEASE AND REVALIDATION LETTER

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Rating Revalidation Letter

Scan this QR Code to verify authenticity of this rating

June 14, 2023

Vishal Goradia
Associate Director
EDELWEISS FINANCIAL SERVICES LIMITED
294/3, Edelweiss House,
Off CST Road
Mumbai 400098
MAHARASHTRA
Kind Attn.: - Vishal Goradia,Associate Director (Tel. No. 9619515971)

Sir / Madam,

Sub.: Credit Rating of Non-Convertible Debenture Issue by EDELWEISS FINANCIAL SERVICES LIMITED aggregating Rs. 1000.00 Cr

Acuité Ratings & Research Limited has an outstanding rating of **'ACUITE AA- (Negative) | Assigned'** read as [**ACUITE double A minus**] with a **'Negative'** outlook for the abovementioned debt instrument [see annexure 1].

Acuité reserves the right to revise the rating(s), along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the rating(s). Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité's policies. Hence lenders / investors are advised to visit https://www.acuite.in/ to confirm the current outstanding rating(s). Acuité ratings are not recommendations to buy, sell or hold any security.

Kindly inform us the details of the NCDs being issued by you, immediately, but not later than 7 days from the date of such issuances in the following format:

Type of Instrument	ISIN	Issue Size (Rs. cr.)	Date of issue	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Names of top 10 investors

Sd/-
Chief Rating Officer

This is a system generated document. No signature is required.

ANNEXURE - I

Instrument	Scale	Amt. (Rs. Cr)	Ratings
Proposed Secured Retail Non-Convertible Debentures	Long-term	1000.00	ACUITE AA- (Negative) | Assigned

- *Public issue of secured redeemable non convertible debentures.*

#Credit Enhancement on account of first charge of Debenture Trustee over specific identified Investments/Receivables (i.e., Business Assets) of the Company.

Rating Revalidation Letter

Private and Confidential

February 13, 2023

Scan this QR Code to verify authenticity of this rating

Edelweiss Financial Services Limited
Edelweiss House, OFF. C.S.T Road, Kalina,,
Mumbai, Maharashtra,
India, 400098

Kind Attn.: Mr. SIDDHARTH KEDIA, VICE PRESIDENT (Tel. No. 7045356350)

Dear Mr. KEDIA,

Sub.: Credit Rating of Proposed Secured Redeemable Non-Convertible Debenture Issue by Edelweiss Financial Services Limited Aggregating Rs. 2900 Cr

Acuité Ratings & Research Limited has an outstanding rating of 'ACUITE AA-' read as [ACUITE double A minus] with a 'Negative' outlook for the abovementioned debt instrument [see annexure 1]. As per Acuité's rating definition, instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Kindly inform us the details of the NCDs being issued by you, immediately, but not later than 7 days from the date of such issuances in the following format:

Type of Instrument	ISIN	Issue Size (Rs. cr.)	Date of issue	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Names of top 10 investors

Acuité reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité's policies. Hence lenders / investors are advised to visit https://www.acuite.in/ to confirm the current outstanding rating. Acuité ratings are not recommendations to buy, sell or hold any security.

Yours truly,
For Acuité Ratings & Research Limited

Suman Chowdhury
Chief Analytical Officer

Rating Revalidation Letter

ANNEXURE - I

Instrument	Scale	Amount(Rs. Cr)	Ratings
Secured NonConvert i ble Debentures	Long Term	50.02	ACUITE AA-/ Negative
Secured NonConvert i ble Debentures	Long Term	12.5	ACUITE AA-/ Negative
Secured NonConvert i ble Debentures	Long Term	81.92	ACUITE AA-/ Negative
Secured NonConvert i ble Debentures	Long Term	30.11	ACUITE AA-/ Negative
Secured NonConvert i ble Debentures	Long Term	9.3	ACUITE AA-/ Negative
Secured NonConvert i ble Debentures	Long Term	19.13	ACUITE AA-/ Negative
Secured NonConvert i ble Debentures	Long Term	15.72	ACUITE AA-/ Negative
Secured NonConvert i ble Debentures	Long Term	78.06	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentures	Long Term	13.22	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentures	Long Term	31.1	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentures	Long Term	12.17	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentures	Long Term	75.8	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentures	Long Term	77.76	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentures	Long Term	16.61	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentures	Long Term	60.56	ACUITE AA-/ Negative

Rating Revalidation Letter

Secured Retail NonConvert i ble Debentures	Long Term	83.39	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentures	Long Term	11.94	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentures	Long Term	80.9	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentures	Long Term	29.7	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentures	Long Term	73.7	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentures	Long Term	82.35	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentures	Long Term	44.52	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentures	Long Term	13.76	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentures	Long Term	28.4	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentures	Long Term	10.12	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentur es	Long Term	21.5	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentures	Long Term	10.73	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentur es	Long Term	57.71	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentur es	Long Term	42.1	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentur es	Long Term	22.53	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentur es	Long Term	122	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentur es	Long Term	32.36	ACUITE AA-/ Negative

Rating Revalidation Letter

Secured Retail NonConvert i ble Debentur es	Long Term	10.3	ACUITE AA-/ Negative
Secured Retail NonConvertible Debentures	Long Term	25.67	ACUITE AA-/ Negative
Secured Retail NonConvert i ble Debentur es	Long Term	19.44	ACUITE AA-/ Negative
Proposed Secured Retail NonConvert i ble Debentures	Long Term	1000*	ACUITE AA-/ Negative
Proposed Secured Retail NonConvert i ble Debentures	Long Term	492.9	ACUITE AA-/ Negative
Total Facilities		**2900.00**	

*public issue of secured redeemable non convertible debentures

Rating Revalidation Letter

Acuité Ratings & Research Limited
SEBI Registered | RBI Accredited

708,Lodha Supremus,LodhaiThink Techno Campus,Kanjurmarg (East),Mumbai - 400042 | +91 22 49294000 SMS:+919969898000 | www.acuite.in
| CIN: U74999MH2005PLC155683

Rating Revalidation Letter

Rating Letter - Intimation of Rating Action

Letter Issued on: December 07, 2022
Letter Expires on: March 31, 2023
Annual Fee valid till: March 31, 2023

Scan this QR Code to verify authenticity of this rating

Edelweiss Financial Services Limited
Edelweiss House, OFF. C.S.T Road, Kalina,,
Mumbai, Maharashtra,
India, 400098

Kind Attn.: Mr. SIDDHARTH KEDIA, VICE PRESIDENT (Tel. No. 7045356350)

Dear Mr. KEDIA,

Sub.: Rating(s) Reaffirmed - Non Convertible Debentures of Edelweiss Financial Services Limited

Please note that the current rating(s) and outlook, instrument details, and latest rating action for the aforementioned instrument are as under:

	Long Term Instruments	Short Term Instruments
Total Rated Quantum (Rs. Cr.)	2900.00	Not applicable
Quantum of Enhancement (Rs. Cr.)	1000.00	Not applicable
Rating	ACUITE AA-	Not applicable
Outlook	Negative	Not applicable
Most recent Rating Action	Reaffirmed	Not applicable
Date of most recent Rating Action	December 07, 2022	Not applicable
Rating Watch	Not applicable	Not applicable

Acuité reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité 's policies.

This letter will expire on March 31, 2023 or on the day when Acuité takes the next rating action, whichever is earlier. It may be noted that the rating is subject to change anytime even before the expiry date of this letter. Hence lenders / investors are advised to visit https://www.acuite.in/ OR scan the QR code given above to confirm the current outstanding rating.

Acuité will re-issue this rating letter on April 01, 2023 subject to receipt of surveillance fee as applicable. If the rating is reviewed before March 31, 2023, Acuité will issue a new rating letter.

Suman Chowdhury

Suman Chowdhury
Chief Analytical Officer

Annexures: A. Details of the Rated Instrument
B. Details of the rating prior to the above rating action

Press Release

Edelweiss Financial Services Limited

December 07, 2022

Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	1000.00	ACUITE AA- | Negative | Assigned	-
Non Convertible Debentures (NCD)	1900.00	ACUITE AA- | Negative | Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	2900.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long term rating of **'ACUITE AA-' (read as ACUITE double A minus)** on the Rs.1900.00 Cr. Secured Retail Non Convertible Debentures of Edelweiss Financial Services Limited (EFSL). The outlook on the ratings continues to remain **'Negative'.**

Acuité has assigned the long term rating of **'ACUITE AA-' (read as ACUITE double A minus)** on the Rs.1000.00 Cr. Proposed Secured Retail Non Convertible Debentures of Edelweiss Financial Services Limited (EFSL). The outlook on the rating is **'Negative'.**

Rationale for the rating

The rating revision factors in the continuing weakness in the business profile of Edelweiss Group and the consequent deterioration in its earnings profile over the last 2-3 years which is expected to persist over the medium term. Given the strategic intent of the management to focus on primarily fee based businesses, there has been a consistent decline in the group AUM along with ongoing concerns on the asset quality of the existing lending portfolio. Acuité believes that the decision to slow down on the fund based businesses will lead to a lesser diversity in its revenue streams and will have a significant bearing on the group's earnings quality. While the credit business has been recording losses for the last three years, the agency business which comprises of broking, advisory, product distribution and other fee based businesses has reported a steep decline in PBT from Rs. 256 Cr. in FY 2020 to Rs. 85 Cr. in FY 2022 with a YoY decline of ~50%, which further stood at Rs.127.27 Cr as on H1FY23, while there has been a sizeable growth in the asset management business with the mutual fund AUM growing from Rs. 28,000 Cr as on Mar-20 to Rs. 92000 Cr as on Sep-22. The group's share in the wealth management business has declined to 44 per cent and the long gestation insurance businesses continues to be in a loss situation. The ARC business, which currently is contributing significantly to the overall profitability of the group, will be subject to cyclicality and volatility in its earnings given the unpredictable recoveries from the acquired assets.
The Group reported moderate profitability for FY2022 with profit after tax of Rs.212.1 Cr. against Rs. 254 Cr. in FY2021. The PAT for H1FY23 stood at Rs.111.91 Cr. The group reported a modest ROA at 0.49 % for the FY2022 against 0.52% for the FY2021 Furthermore, NIMs declined to 0.26% of average earning assets in FY2022 as against 0.77% of average earning assets in FY2021.

There has been constant pressure on the asset quality of the group. The GNPA stood at 7.12 percent on March 31, 2022 (considering the fully provisioned accounts of Rs.558 Cr.) as compared to 7.73 percent on March 31, 2021 (4.89 percent on December 31, 2021). The asset quality further improved to 2.6 percent in H1FY23. The AUM declined to Rs. 8668 Cr. in H1FY23 from Rs.12447 Cr. on March 31, 2022 and Rs. 15279 Cr. as on March 31, 2021. The reduction in AUM is not only because of downsizing of wholesale sale books but is also on the account of the decline in the retail assets. The retail mortgage has reduced from Rs.4834 Cr. As on March 31,2021 to Rs.3670 Cr. As on March 31, 2022 and to Rs. 3190 Cr. as on September 30, 2022.
Nevertheless, the rating continues to take into account Edelweiss Group's established track record in financial services, adequate capitalization levels and comfortable liquidity profile. The rating takes cognizance of the Group's strategic intent on re-building its retail loan franchise with focus on the co-origination model, which will keep it asset light and provide granularity to loan portfolio. The rating factors in the growth of ~85 percent in the Mutual Fund AUM and the ~60 percent growth in number of policies issued in the general insurance business. The rating also takes into consideration the group's reducing debt and demonstrated resource raising ability.
Acuité believes demonstrating sustainable improvement in profitability and revenue streams in the evolving operating environment along with improvement in the asset quality would remain key rating monitorables.

About the Company and the Group

Headquartered in Mumbai, Edelweiss Financial Services Limited (EFSL), the holding company of Edelweiss Group, was incorporated in 1995 and has diversified its line of operations across various fund based and non-fund based businesses. Edelweiss Group is promoted by Mr. Rashesh Shah and Mr. Venkat Ramaswamy and offers a bouquet of financial services to a diversified client base across domestic and global geographies. Its key line of business includes Credit (retail and corporate), Asset Management, Asset Reconstruction, Insurance (life and general) and Wealth management including Capital Markets. The Edelweiss Group comprises Edelweiss Financial Services Limited, 30 subsidiaries and 10 associates as on March 31, 2022. Post divestment of significant stake in wealth management business, the number of subsidiaries and associate companies have changed. Edelweiss group has a pan India presence with a global footprint extending across geographies with offices in New York, Mauritius, Dubai, Singapore, Hong Kong and UK.

Analytical Approach

Acuité has adopted a consolidated approach on Edelweiss Financial Services Limited (EFSL) along with its 30 subsidiaries and 10 associates as on March 31, 2022 , collectively referred to as 'Edelweiss group'. The approach is driven by common promoters, shared brand name, significant operational and financial synergies between the companies. Acuité has rated secured NCDs as well as perpetual NCDs issued by Edelweiss group companies. It is pertinent to note that, Unsecured Subordinated Non-Convertible Debentures (i.e. Perpetual NCDs) are rated at a lower level vis-à-vis the regular secured debt instruments. This is in view of the significant loss absorption characteristics associated with these perpetual instruments. The issuer may be required to skip/defer the coupon/interest payment in case of certain events such as decline in CAR below regulatory thresholds.
Extent of consolidation: Full

Key Rating Drivers

Strength

Strong parentage
Edelweiss Group is promoted by Mr. Rashesh Shah and Mr. Venkat Ramaswamy, who are seasoned professionals in the financial services industry with over two decades of experience. The promoters are supported by experienced professionals who are into financing, wealth, and asset management businesses. The group has a diverse business profile in financial services with presence in segments such as retail credit (including agri-finance), wholesale lending, warehousing services, asset reconstruction, asset management, wealth management and capital market including stock broking and insurance business. The various verticals of the group as mentioned above are now under the following broad categories i.e.

Credit (retail and corporate), Asset Management, Asset Reconstruction, Insurance (life and general) and Wealth management including Capital Markets. The Group had consolidated loan book of Rs. 8,668 Cr. as on September 30,2022 as against Rs.12,447 Cr. as on March 31,2022 and Rs.15,279 Cr. as on March 31,2021, of which retail credit was Rs.3,958 Cr. (Rs.6,749 as on March 31,2022) and wholesale credit at Rs. 4,710 Cr. as on March 31,2022 (Rs.5,698 Cr. as on March 31,2021). The wholesale segment comprised loans to realtors and structured Credit. The Group has been attempting to gradually increase its exposure to retail segment and is in talks with multiple banks for lending under co-origination model. It has taken several steps to reduce its exposure to the wholesale segment and reorient the portfolio toward small and mid corporate lending segments. Besides the fund-based activities, Edelweiss Group also has an established franchise in the capital market related business across corporate finance and advisory domains including broking, investment banking, wealth management, and asset management. The group has completed sale of its majority stake in wealth management business to PAG. As on March 31, 2022, the group had customer assets of about Rs.357,700 Cr. (about Rs. 280,800 Cr. as on March 31,2021). Most of the businesses of the group present significant synergies amongst themselves and growth potential both on the assets and liabilities side. The access to a pool of HNIs can be leveraged to create fund based structures which can be utilized to support the AUM growth of the group. Acuité believes Edelweiss group's established position in financial services and diversified range of fee and fund-based product offerings will continue to support its business risk profile.

Diversified funding profile

The group's financial flexibility is supported by its demonstrated ability to mobilise resources from diversified set of investors across domestic banks, Institutional investors and lenders, foreign investors and domestic retail investors amongst others. The Group has attracted investments from reputed international investors such as CDPQ (Caisse de dépôt et placement du Québec), and PAG Asia. In the past, the Group also raised capital from KORA Management and Sanaka Capital. In July 2021, the Group announced stake sale of 70%, subject to regulatory approvals, in its insurance broking business to existing investor, Gallagher Insurance for consideration of ~Rs.308 Cr. Pursuant to this deal, Gallagher Insurance will have complete ownership of this business. As on March 31, 2022, borrowings stood at Rs.22,711 Cr. which further reduced to Rs. 21,188 Cr. as on September 30,2022. The Group's NCD issuances targeted at the retail investor have been well accepted in the markets The Group also has large institutional client base in its various its funds such as distressed Credit fund, Real estate Credit Fund, Structured debt fund and Infrastructure Fund. The group has also demonstrated its ability to support chunky real estate projects with a need for completion funding by setting up an AIF with South Korea based Meritz Group with a corpus of USD 425 million. Acuité expects the Group to continue to benefit from diversified funding mix across domestic banks, Institutional investors and lenders, foreign investors and domestic retail investors amongst others.

Adequate gearing levels and liquidity buffer

The Group's networth stood at Rs.6488 Cr. as on September 30, 2022 (Rs.6537 Cr. as on March 31,2021). Concomitantly, capital adequacy of the credit business stood at 31.7 percent as on March 31, 2022, which further stood at 34.1 percent as on September 30,2022. The group further reduced its borrowings to Rs. 21,188 Cr. as on September 30,2022 from Rs.22710.98 Cr. as on March 31,2022 and Rs.28436 Cr. as on March 31,20201 translating into improved gearing ratio (reported borrowings/networth) of 3.27 times as on September 30,2022 from 3.47 times as on March 31,2022 and 4.32 times as on March 31,2021. Further, the Group continued to maintain adequate liquidity buffer over this period and reported liquidity of Rs.5,873 Cr. as on October 31,2022 comprising Rs.3131 Cr. of overnight liquidable and treasury assets and Rs. 649 Cr. in bank lines.

Weakness

Reduced diversity of the group business

There is a shift from the fund based business model to non-fund based business by the group. This has impacted the revenue streams of the group. The stake in wealth business has been diluted to 44 percent and the insurance business has a long gestation period. The income streams from the credit business and agency business of the group have shown a continuous decline over the last three years. PBT from agency business declined to ~Rs.85 Cr. In March 31, 2022 from ~Rs. 172 Cr. In March 31, 2021(~Rs.256 Cr. In FY2020), which further stood at Rs.127.27 Cr. as on H1FY23 and the credit business has been generating losses during the same time. This provides less stability to the income profile of the group were the ARC business, which is the key driver, is susceptible to the cyclicity and volatility of the industry and regulatory environment.

Susceptibility in the earning profile

The Group reported moderate profitability for FY2022 with profit after tax of Rs.212.1 Cr. against Rs. 254 Cr. in FY2021. The PAT for H1FY23 stood at Rs.111.91 Cr. The group reported a modest ROA at 0.49 % for the FY2022 against 0.52% for the FY2021. Furthermore, NIMs declined to 0.26% of average earning assets in FY2022 as against 0.77% of average earning assets in FY2021 due to degrowth in loan book resulting in decline in interest income. The Group reported profit after tax (excluding minority interest and including share in associate's profit) of Rs.93 Cr. on total income of Rs. 2121 Cr. as against profit after tax (excluding minority interest and including share in associate's profit) of Rs.189 Cr. on total income of Rs.4,320.49 Cr. for FY2022 (Rs.252 Cr. and Rs.7014.82 Cr. In FY2021 respectively). Acuité also takes notes of several measures taken by the Group to rationalize cost and improve profitability including coorigination model for building retail portfolio, which is expected to reflect in coming quarters and focus on non-fund business streams. Acuité believes that Group's ability to sustain improvement in earnings profile in the current operating environment coupled with the intense competition in the retail segment will be key rating monitorable.

Continuous decline in AUM

Edelweiss Group's credit lending offerings are spread across two segments i.e. retail segments and wholesale segments. The retail segment (46% of the loan book as on September 30,2022) comprises housing finance, Loan against Property, Construction finance, SME loans, Loan against Securities while the wholesale segment (54% of the loan book as on September 30, 2022) comprises Structured Collateralized Credit and Real Estate financing. The Group's loan book decline~18.5% to Rs.12,447 Cr. as on March 31,2022 against Rs.15,279 Cr. as on March 31,2021 and Rs.21,032 Cr. as on March 31, 2020. The loan book further reduced to Rs. 8668 Cr. in H1FY23. The book has declined at a CAGR of ~23% from 2019. The retail mortgage has reduced from Rs.4834 Cr. as on March 31,2021 to Rs.3670 Cr. As on March 31, 2022 and Rs.3190 Cr. a on September 30,2022. The decline in the loan book is primarily driven by the management's strategic decision to consciously scale down the exposure to the wholesale segment and cautious sanctions in the retail sector.

Constant pressure on asset quality;albeit improving

While the decline in loan book continued, the asset quality witnessed with the Group's Gross NPAs (GNPAs) at Rs. 237 Cr (2.6%) as on September 30, 2022 as against GNPA of Rs.886 Cr. (7.12 % of loan assets) Including Rs.558 Cr. Of fully provisioned accounts as on March 31, 2022 and Rs.1182 Cr. (7.7% of loan assets) as on March 31, 2021. As on September 30, 2022 the loan book also contained restructured accounts amounting to Rs. 327 Cr. As on March 31, 2022, top 20 exposures accounted for ~25% of the overall loan book. The group's wholesale segment mostly comprises exposures to real estate developers for their projects. The cash flows of these realtors and the quality of these exposures is linked to the revival in the real estate cycle. The group has already initiated steps to prune its exposure to the wholesale segment through various initiatives such as slowing down fresh sanctions and sell down of existing assets to dedicated funds and ARCs. Acuité believes that the Group's ability to attain any significant improvement in asset quality amidst current economic environment will remain a key rating sensitivity.

ESG Factors Relevant for Rating

Edelweiss Group offers a bouquet of financial services to a diversified client base across domestic and global geographies. The Group has presence in segments such as retail credit (including agri-finance), wholesale lending, warehousing services, asset reconstruction, asset management, wealth management and capital market including stock broking and insurance business.Adoption and upkeep of strong business ethics is a sensitive material issue for the financial services business linked to capital markets to avoid fraud, insider trading and other anti-competitive behaviour. Other important governance issues relevant for the industry include management and board compensation, board independence as well as diversity, shareholder rights and role of audit committee. As regards the social factors, product or service quality has high materiality so as to minimise misinformation about the products to the customers and reduce reputational risks. For the industry, retention, and development of skilled manpower along with equal opportunity for employees is crucial. While data security is highly relevant due to company's access to confidential client information, social initiatives such as enhancing financial literacy and improving financial inclusion are fairly important for the financial services sector. The material of environmental factors is low for this industry. Edelweiss Group's board comprises of eight directors with two women directors. Of the total eight directors, four are independent directors. The Group maintains adequate disclosures for business ethics which can be inferred from its policies relating to code of conduct, whistle blower protection and related party transactions. The Group has formed a Risk Committee with four out of five members being independent directors for among other things, identifying and evaluating risks and development, implementing and tracking risk management efforts. All the members of Audit Committee are independent directors. For redressal of grievances of the security holders, it has constituted a Stakeholders' Relationship Committee. The Group also has a committee for appointment, remuneration and performance evaluation of the Board. On the social aspect, the Group has taken development and training initiatives towards career development of its employees. The Group has put in place data privacy policy to ensure adequate safeguards for collection, storage and processing of personal and sensitive information and data of customers and third parties. Further, the Group has set up EdelGive foundation, a grant-making foundation which is funding and supporting the growth of small to mid-sized grassroots NGOs committed to empowering vulnerable children, women, and communities. Over the last 13 years, EdelGive has supported over 150 organizations across 111 districts in 14 states of India.

Rating Sensitivity

- Movement in profitability as per the expectations
- Growth in AUM for retail lending
- Movement in the asset quality and collection efficiency
- Changes in Regulatory environment
- Significant capital infusion

Material Covenants

Edelweiss Group is subject to covenants stipulated by its lenders/investors in respect of various parameters like capital structure, asset quality among others. As per confirmation received from the Group vide mail dated July 01,2022, 'the Group is adhering to all terms and conditions stipulated as covenants by all its lenders/investors.

Liquidity Position

Adequate

EFSL's liquidity profile is supported by the group's centralised treasury operations and adequate liquidity position. The group has demonstrated the ability to raise medium to long term funding from banks/capital markets which should support the Group's ability to plug any possible mismatches. The Group's liquidity profile is supported by funding from diversified base i.e. banks and financial institutions along with capital market instruments like CBLO borrowings, Commercial Papers and NCDs. The Group's expected repayment obligations maturing during FY2023 are around Rs. 9,900 Cr. against expected inflows of Rs. 9,000 Cr. during the same period. The Group on a consolidated basis had maintained liquidity buffers of Rs.5,873 Cr. (includes bank lines of Rs.649 Cr.) as on October 31, 2022.

Outlook : Negative

Acuité believes that the Edelweiss Group's Credit profile will continue to face pressures over the near to medium term on account of the deterioration of asset quality and profitability. The decision to slow down on the fund based businesses is expected to lead to lesser diversity in its revenue streams and will have a significant bearing on the group's earnings quality.

Acuité will be closely monitoring the performance of the Group and any further impairment in asset quality or reduction of profitability will impart a strong negative bias to the rating. The outlook may be revised to Stable in case Edelweiss Group is able to demonstrate significant and sustained improvement in asset quality and profitability.

Other Factors affecting Rating

None

Key Financials - Standalone / Originator

Particulars	Unit	FY22 (Actual)	FY21 (Actual)
Total Assets	Rs. Cr.	7926.15	5943.13
Total Income*	Rs. Cr.	1158.22	1182.26
PAT	Rs. Cr.	933.36	716.22
Net Worth	Rs. Cr.	5000.22	4125.99
Return on Average Assets (RoAA)	(%)	13.46	14.93
Return on Average Net Worth(RoNW)	(%)	20.45	18.90
Total Debt/Tangible Net Worth (Gearing)	Times	0.49	0.20
Gross NPA	(%)	-	--
Net NPA	(%)	-	-

*Total income equals to Total Income net off interest expense
Ratios as per Acuité calculations

Key Financials - Consolidated

Particulars	Unit	FY22 (Actual)	FY21 (Actual)
Total Assets	Rs. Cr.	42123.22	45015.52
Total Income*	Rs. Cr.	4320.49	7014.82
PAT	Rs. Cr.	212.08	253.91
Net Worth	Rs. Cr.	6537.42	6577.16
Return on Average Assets (RoAA)	(%)	0.49	0.52
Return on Average Net Worth(RoNW)	(%)	3.23	4.01

Total Debt/Tangible Net Worth			

(Gearing)	Times	3.47	4.32
Gross NPA	(%)	7.12	7.73
Net NPA	(%)	1.62	4.10

*Total income equals to Total Income net off interest expense
Ratios as per Acuité calculations

Status of non-cooperation with previous CRA (if applicable):
None

Any other information
None

Applicable Criteria
• Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
• Consolidation Of Companies: https://www.acuite.in/view-rating-criteria-60.htm
• Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm
• Non-Banking Financing Entities: https://www.acuite.in/view-rating-criteria-44.htm

Note on complexity levels of the rated instrument
In order to inform the investors about complexity of instruments, Acuité has categorized suchinstruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on **www.acuite.in.**

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
	Non Convertible Debentures	Long Term	400.00	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	15.72	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Proposed Non Convertible Debentures	Long Term	181.30	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	81.92	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	60.56	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	10.12	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	9.30	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	73.70	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	50.02	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	28.40	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	16.61	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	83.39	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)

05 Aug 2022	Non Convertible Debentures	Long Term	13.22	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	13.76	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	30.11	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	12.50	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	44.52	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	82.35	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	12.17	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Proposed Non Convertible Debentures	Long Term	354.00	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	31.10	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	11.94	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	19.13	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	29.70	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	77.76	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	75.80	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
	Non Convertible Debentures	Long Term	80.90	ACUITE AA- | Negative (Downgraded from ACUITE AA | Negative)
04 Feb 2022	Non Convertible Debentures	Long Term	19.13	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	60.56	ACUITE AA | Negative (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	643.75	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	400.00	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	11.94	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	31.10	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	9.30	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	12.50	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	77.76	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	83.39	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	12.17	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	81.92	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	50.02	ACUITE AA | Negative (Reaffirmed)

	Non Convertible Debentures	Long Term	30.11	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	13.22	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	75.80	ACUITE AA | Negative (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	181.30	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	16.61	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	73.70	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	15.72	ACUITE AA | Negative (Reaffirmed)
04 Jan 2022	Non Convertible Debentures	Long Term	400.00	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	81.92	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	15.72	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	30.11	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	50.02	ACUITE AA | Negative (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	181.30	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	19.13	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	9.30	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	12.50	ACUITE AA | Negative (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	1100.00	ACUITE AA | Negative (Reaffirmed)
24 Sep 2021	Proposed Non Convertible Debentures	Long Term	181.30	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	50.02	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	9.30	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	30.11	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	19.13	ACUITE AA | Negative (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	1100.00	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	400.00	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	12.50	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	15.72	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	81.92	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	30.11	ACUITE AA | Negative (Reaffirmed)

31 Aug 2021	Non Convertible Debentures	Long Term	19.13	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	81.92	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	9.30	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	12.50	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	50.02	ACUITE AA | Negative (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	181.30	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	15.72	ACUITE AA | Negative (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	1500.00	ACUITE AA | Negative (Reaffirmed)
23 Jul 2021	Non Convertible Debentures	Long Term	82.00	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	9.00	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	50.00	ACUITE AA | Negative (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	1500.00	ACUITE AA | Negative (Assigned)
	Non Convertible Debentures	Long Term	13.00	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	19.00	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	30.00	ACUITE AA | Negative (Reaffirmed)
	Proposed Non	Long	181.00	ACUITE AA | Negative (Reaffirmed)

	Convertible Debentures	Term		
	Non Convertible Debentures	Long Term	16.00	ACUITE AA | Negative (Reaffirmed)
19 Jul 2021	Non Convertible Debentures	Long Term	50.00	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	9.00	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	82.00	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	30.00	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	19.00	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	13.00	ACUITE AA | Negative (Reaffirmed)
	Non Convertible Debentures	Long Term	16.00	ACUITE AA | Negative (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	1500.00	ACUITE AA | Negative (Assigned)
	Proposed Non Convertible Debentures	Long Term	181.00	ACUITE AA | Negative (Reaffirmed)
06 Apr 2021	Proposed Non Convertible Debentures	Long Term	400.00	ACUITE AA | Negative (Reaffirmed)
04 Mar 2021	Proposed Non Convertible Debentures	Long Term	400.00	ACUITE AA | Negative (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	Not Applicable	Proposed Secured Retail Non-Convertible Debentures	Not Applicable	Not Applicable	Not Applicable	Simple / Complex	492.90	ACUITE AA- | Negative | Reaffirmed
Not Applicable	Not Applicable	Proposed Secured Retail Non-Convertible Debentures	Not Applicable	Not Applicable	Not Applicable	Simple / Complex	1000.00	ACUITE AA- | Negative | Assigned
Not Applicable	INE532F07CE8	Secured Retail Non-Convertible Debentures	Sep 10 2021 12:00AM	Not Applicable	Sep 10 2024 12:00AM	Simple / Complex	29.70	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CD0	Secured Retail Non-Convertible Debentures	Sep 10 2021 12:00AM	Not Applicable	Sep 10 2024 12:00AM	Simple / Complex	80.90	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CF5	Secured Retail Non-Convertible Debentures	Sep 10 2021 12:00AM	Not Applicable	Sep 10 2026 12:00AM	Simple / Complex	82.35	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CG3	Secured Retail Non-Convertible Debentures	Sep 10 2021 12:00AM	Not Applicable	Sep 10 2026 12:00AM	Simple / Complex	44.52	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CH1	Secured Retail Non-Convertible Debentures	Sep 10 2021 12:00AM	Not Applicable	Sep 10 2026 12:00AM	Simple / Complex	13.76	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CI9	Secured Retail Non-Convertible Debentures	Sep 10 2021 12:00AM	Not Applicable	Sep 10 2031 12:00AM	Simple / Complex	28.40	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CJ7	Secured Retail Non-Convertible Debentures	Sep 10 2021 12:00AM	Not Applicable	Sep 10 2031 12:00AM	Simple / Complex	10.12	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CV2	Secured Retail Non-Convertible Debentures	Oct 20 2022 12:00AM	Not Applicable	Oct 20 2024 12:00AM	Simple / Complex	21.50	ACUITE AA- | Negative | Reaffirmed
Not		Secured Retail Non-	Oct 20	Not	Oct 20	Simple /		ACUITE AA- |

Applicable	INE532F07CW0	Convertible Debentures	2022 12:00AM	Applicable	2024 12:00AM	Complex	10.73	Negative | Reaffirmed
Not Applicable	INE532F07CX8	Secured Retail Non-Convertible Debentures	Oct 20 2022 12:00AM	Not Applicable	Oct 20 2025 12:00AM	Simple / Complex	57.71	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CY6	Secured Retail Non-Convertible Debentures	Oct 20 2022 12:00AM	Not Applicable	Oct 20 2025 12:00AM	Simple / Complex	42.10	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CZ3	Secured Retail Non-Convertible Debentures	Oct 20 2022 12:00AM	Not Applicable	Oct 20 2025 12:00AM	Simple / Complex	22.53	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07DB2	Secured Retail Non-Convertible Debentures	Oct 20 2022 12:00AM	Not Applicable	Oct 20 2027 12:00AM	Simple / Complex	122.00	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07DC0	Secured Retail Non-Convertible Debentures	Oct 20 2022 12:00AM	Not Applicable	Oct 20 2027 12:00AM	Simple / Complex	32.36	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07DA4	Secured Retail Non-Convertible Debentures	Oct 20 2022 12:00AM	Not Applicable	Oct 20 2027 12:00AM	Simple / Complex	10.30	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07DD8	Secured Retail Non-Convertible Debentures	Oct 20 2022 12:00AM	Not Applicable	Oct 20 2032 12:00AM	Simple / Complex	25.67	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07DE6	Secured Retail Non-Convertible Debentures	Oct 20 2022 12:00AM	Not Applicable	Oct 20 2032 12:00AM	Simple / Complex	19.44	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07BV4	Secured Retail Non-Convertible Debentures	Apr 29 2021 12:00AM	9.10	Apr 29 2024 12:00AM	Simple / Complex	50.02	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07BW2	Secured Retail Non-Convertible Debentures	Apr 29 2021 12:00AM	Not Applicable	Apr 29 2024 12:00AM	Simple / Complex	12.50	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07BX0	Secured Retail Non-Convertible	Apr 29 2021 12:00AM	9.16	Apr 29 2026 12:00AM	Simple / Complex	81.92	ACUITE AA- | Negative |

		Debentures						Reaffirmed
Not Applicable	INE532F07BY8	Secured Retail Non-Convertible Debentures	Apr 29 2021 12:00AM	9.55	Apr 29 2026 12:00AM	Simple / Complex	30.11	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07BZ5	Secured Retail Non-Convertible Debentures	Apr 29 2021 12:00AM	Not Applicable	Apr 29 2026 12:00AM	Simple / Complex	9.30	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CA6	Secured Retail Non-Convertible Debentures	Apr 29 2021 12:00AM	9.30	Apr 29 2031 12:00AM	Simple / Complex	19.13	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CB4	Secured Retail Non-Convertible Debentures	Apr 29 2021 12:00AM	9.70	Apr 29 2031 12:00AM	Simple / Complex	15.72	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CC2	Secured Retail Non-Convertible Debentures	Sep 10 2021 12:00AM	8.75	Sep 10 2024 12:00AM	Simple / Complex	78.06	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CU4	Secured Retail Non-Convertible Debentures	Dec 28 2021 12:00AM	9.70	Dec 28 2031 12:00AM	Simple / Complex	13.22	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CT6	Secured Retail Non-Convertible Debentures	Dec 28 2021 12:00AM	9.30	Dec 28 2031 12:00AM	Simple / Complex	31.10	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CS8	Secured Retail Non-Convertible Debentures	Dec 28 2021 12:00AM	Not Applicable	Dec 28 2026 12:00AM	Simple / Complex	12.17	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CR0	Secured Retail Non-Convertible Debentures	Dec 28 2021 12:00AM	9.55	Dec 28 2026 12:00AM	Simple / Complex	75.80	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CQ2	Secured Retail Non-Convertible Debentures	Dec 28 2021 12:00AM	9.15	Dec 28 2026 12:00AM	Simple / Complex	77.76	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CP4	Secured Retail Non-Convertible Debentures	Dec 28 2021 12:00AM	Not Applicable	Dec 28 2024 12:00AM	Simple / Complex	16.61	ACUITE AA- | Negative | Reaffirmed
		Secured						ACUITE

Not Applicable	INE532F07CO7	Retail Non-Convertible Debentures	Dec 28 2021 12:00AM	9.10	Dec 28 2024 12:00AM	Simple / Complex	60.56	AA- | Negative | Reaffirmed
Not Applicable	INE532F07CN9	Secured Retail Non-Convertible Debentures	Dec 28 2021 12:00AM	8.75	Dec 28 2024 12:00AM	Simple / Complex	83.39	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CM1	Secured Retail Non-Convertible Debentures	Dec 28 2021 12:00AM	Not Applicable	Dec 28 2023 12:00AM	Simple / Complex	11.94	ACUITE AA- | Negative | Reaffirmed
Not Applicable	INE532F07CL3	Secured Retail Non-Convertible Debentures	Dec 28 2021 12:00AM	8.75	Dec 28 2023 12:00AM	Simple / Complex	73.70	ACUITE AA- | Negative | Reaffirmed

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022–49294017 mohit.jain@acuite.in Basil Paul Manager-Rating Operations Tel: 022-49294065 basil.paul@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research
Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Annexure A. Details of the rated instrument

Bank	Facilities	Scale	Previous Amou nt (Rs. Crore)	Current Amount (Rs. Crore)	Ratings	Rating Action
NA	Secured NonConvert i ble Debentures	Long Term	50.02	50.02	ACUITE AA-/ Negative	Reaffirmed
NA	Secured NonConvert i ble Debentures	Long Term	12.5	12.5	ACUITE AA-/ Negative	Reaffirmed
NA	Secured NonConvert i ble Debentures	Long Term	81.92	81.92	ACUITE AA-/ Negative	Reaffirmed
NA	Secured NonConvert i ble Debentures	Long Term	30.11	30.11	ACUITE AA-/ Negative	Reaffirmed
NA	Secured NonConvert i ble Debentures	Long Term	9.3	9.3	ACUITE AA-/ Negative	Reaffirmed
NA	Secured NonConvert i ble Debentures	Long Term	19.13	19.13	ACUITE AA-/ Negative	Reaffirmed
NA	Secured NonConvert i ble Debentures	Long Term	15.72	15.72	ACUITE AA-/ Negative	Reaffirmed
NA	Secured NonConvert i ble Debentures	Long Term	78.06	78.06	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConvert i ble Debentures	Long Term	13.22	13.22	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConvert i ble Debentures	Long Term	31.1	31.1	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConvert i ble Debentures	Long Term	12.17	12.17	ACUITE AA-/ Negative	Reaffirmed
NA		Long Term		75.8	ACUITE AA-/	Reaffirmed

	Secured Retail NonConverti ble Debentures		75.8		Negative	
NA	Secured Retail NonConverti ble Debentures	Long Term	77.76	77.76	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConverti ble Debentures	Long Term	16.61	16.61	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConverti ble Debentures	Long Term	60.56	60.56	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConverti ble Debentures	Long Term	83.39	83.39	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConverti ble Debentures	Long Term	11.94	11.94	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConverti ble Debentures	Long Term	80.9	80.9	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConverti ble Debentures	Long Term	29.7	29.7	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConverti ble Debentures	Long Term	73.7	73.7	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConverti ble Debentures	Long Term	82.35	82.35	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConverti ble Debentures	Long Term	44.52	44.52	ACUITE AA-/ Negative	Reaffirmed
NA	Secured	Long		13.76	ACUITE AA-/ Negative	Reaffirmed

	Retail NonConverti ble Debentures	Term	13.76			
NA	Secured Retail NonConverti ble Debentures	Long Term	28.4	28.4	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConverti ble Debentures	Long Term	10.12	10.12	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConverti ble Debentures	Long Term	-	21.5	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConverti ble Debentures	Long Term	-	10.73	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConverti ble Debentures	Long Term	-	57.71	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConverti ble Debentures	Long Term	-	42.1	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConverti ble Debentures	Long Term	-	22.53	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConverti ble Debentures	Long Term	-	122	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConverti ble Debentures	Long Term	-	32.36	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail NonConverti ble Debentures	Long Term	-	10.3	ACUITE AA-/ Negative	Reaffirmed
NA	Secured Retail	Long Term		25.67	ACUITE AA-/ Negative	Reaffirmed

	NonConverti ble Debentures		-			
NA	Secured Retail NonConverti ble Debentures	Long Term	-	19.44	ACUITE AA-/ Negative	Reaffirmed
NA	Proposed Secured Retail NonConverti ble Debentures	Long Term	-	1000*	ACUITE AA-/ Negative	Assigned
NA	Proposed Secured Retail NonConverti ble Debentures	Long Term	354	492.9	ACUITE AA-/ Negative	Reaffirmed
			1900.00	**2900.00**		
Total Facilities Rated			**1900.00**	**2900.00**		

*public issue of secured redeemable non convertible debentures

Annexure B. Details of the rating prior to the above rating action

	Long Term Instruments	Short Term Instruments
Previous Rated Quantum	1900.00 Cr.	Not applicable
Rating	ACUITE AA-	Not applicable
Outlook	Negative	Not applicable

ANNEXURE C – DEBENTURE TRUSTEE CONSENT LETTER

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BEACON
TRUSTEESHIP

Ref No.: 26806/BTL/OPR/2022-23
Date: 09th December, 2022

Edelweiss Financial Services Limited
Edelweiss House,
Off C.S.T. Road,
Kalina, Mumbai - 400 098

Dear Ma'am/Sir

Sub: Proposed public issue of secured, rated, listed, redeemable, non-convertible debentures of face value ₹ 1,000 each ("Debentures or NCDs") for an amount aggregating up to ₹ 10,000 million ("Shelf Limit") (hereinafter referred to as the "Issue") by Edelweiss Financial Services Limited ("Company")

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus to be filed with the BSE Limited ("**Stock Exchange**") and to be forwarded to Securities and Exchange Board of India ("**SEBI**") and the Shelf Prospectus and relevant Tranche Prospectus to be filed with the Registrar of Companies, Mumbai ("**RoC**"), Stock Exchanges and to be forwarded to SEBI in respect of the Issue and also in all related advertisements and communications sent pursuant to the Issue. The following details with respect to us may be disclosed:

Name: Beacon Trusteeship Limited
Address: 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East), Mumbai – 400 051
Tel: 022-26558759
Fax: -
Email: compliance@beacontrustee.co.in
Website: www.beacontrustee.co.in
Contact Person: Mr. Kaustubh Kulkarni
SEBI Registration No: IND000000569
CIN U74999MH2015PLC271288

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B.**

We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues.

We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory/statutory authorities as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company; and (iii) any other information in connection thereto.

We confirm that we will immediately inform you and the Lead Managers of any change to the above information until the date when the NCDs commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

This letter may be relied upon by the Company, the Lead Managers and the legal advisors to the Issue in respect of the Issue.

Sincerely

For
Beacon Trusteeship Limited

Beacon Trusteeship Limited

Authorized Signatory
Name: Ms. Deepavali.Vankalu
Designation: AVP Operations

CC:

Equirus Capital Private Limited
12th Floor, C Wing,
Marathon Futurex,
N.M. Joshi Marg, Lower Parel,
Mumbai 400 013
Maharashtra, India

Khaitan & Co
One World Centre
13th Floor, Tower 1,
Senapati Bapat Marg,
Mumbai 400 013
Maharashtra, India

Annexure A

DEBENTURE TRUSTEE

SECURITIES AND EXCHANGE BOARD OF INDIA

(DEBENTURE TRUSTEE) REGULATIONS, 1993

000270

CERTIFICATE OF REGISTRATION

BEACON TRUSTEESHIP LIMITED
4C & D, SIDDHIVINAYAK CHAMBERS,
GANDHI NAGAR, OPP. MIG CRICKET CLUB,
BANDRA EAST, MUMBAI - 400051
MAHARASHTRA, INDIA

IND000000589

This Certificate of registration shall be valid for permanent, unless suspended or cancelled by the Board

Mumbai

February 12, 2021

ANUPMA CHADHA

Beacon Trusteeship Limited

Annexure B

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

1.	Registration Number	IND000000569
2.	Date of registration	April 11, 2016
	Renewal of registration	February 12, 2021
3.	Date of expiry of registration	NIL
4.	If applied for renewal, date of application	NIL
5.	Any communication from SEBI prohibiting the entity from acting as an intermediary	NIL
6.	Any enquiry/ investigation being conducted by SEBI	NIL
7.	Details of any penalty imposed by SEBI	NIL

Beacon Trusteeship Limited

ANNEXURE D – ILLUSTRATIVE CASHFLOWS

24 Months - Annual Coupon Payment

Company	**Edelweiss Financial Services Limited**	**Edelweiss Financial Services Limited**
	Pre-Incentive	**Post Incentive**
Face Value per NCD (in Rs.)	1000	1000
Number of NCDs held (assumed)	1	1
Date of Allotment (assumed)*	Friday, 21 July, 2023	Friday, 21 July, 2023
Tenor	2 years	2 years
Coupon Rate for all Categories of Investors	8.95%	9.15%
Redemption Date/Maturity Date (assumed)	Monday, 21 July, 2025	Monday, 21 July, 2025
Frequency of the interest payment with specified dates	First interest on July 21, 2024 and subsequently on July 21 every year	First interest on July 21, 2024 and subsequently on July 21 every year
Day Count Convention	Actual/Actual	Actual/Actual

Cash Flows	**Due Date**	**Date of Payment**	**No. of days in Coupon Period**	**Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)**	**Coupon For all Categories of Investors (in Rs.) (Post Incentive)**
Deemed date of allotment	Friday, 21 July, 2023	Friday, 21 July, 2023		-1000	-1000
1st Coupon	Sunday, 21 July, 2024	Monday, 22 July, 2024	366	89.50	91.50
2nd Coupon	Monday, 21 July, 2025	Monday, 21 July, 2025	365	89.50	91.50
Principal / Maturity value	Monday, 21 July, 2025	Monday, 21 July, 2025		1000	1000

24 Months - Cumulative Payment

Company	**Edelweiss Financial Services Limited**	**Edelweiss Financial Services Limited**
	Pre-Incentive	**Post-Incentive**
Face Value per NCD (in Rs.)	1000	1000
Number of NCDs held (assumed)	1	1
Date of Allotment (assumed)*	Friday, 21 July, 2023	Friday, 21 July, 2023
Tenor	2 Years	2 Years
Coupon Rate for all Categories of Investors	NA	NA
Redemption Date/Maturity Date (assumed)	Monday, 21 July, 2025	Monday, 21 July, 2025
Frequency of the interest payment with specified dates	NA	NA
Day Count Convention	Actual/Actual	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)	Coupon For all Categories of Investors (in Rs.) (Post Incentive)
Deemed date of allotment	Friday, 21 July, 2023	Friday, 21 July, 2023		-1000.00	-1000.00
Coupon/Interest Payment	Monday, 21 July, 2025	Monday, 21 July, 2025	731	187.30	191.70
Principal / Maturity value	Monday, 21 July, 2025	Monday, 21 July, 2025		1000.00	1000.00

36 Months - Monthly Coupon Payment

Company	Edelweiss Financial Services Limited	Edelweiss Financial Services Limited
	Pre-Incentive	**Post-Incentive**
Face Value per NCD (in Rs.)	1000	1000
Number of NCDs held (assumed)	1	1
Date of Allotment (assumed)*	Friday, 21 July, 2023	Friday, 21 July, 2023
Tenor	3 Years	3 Years
Coupon Rate for all Categories of Investors	9.20%	9.40%
Redemption Date/Maturity Date (assumed)	Tuesday, 21 July, 2026	Tuesday, 21 July, 2026
Frequency of the interest payment with specified dates	First interest on September 1, 2023 and subsequently on the 1st day of every month.	First interest on September 1, 2023 and subsequently on the 1st day of every month.
Day Count Convention	Actual/Actual	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)	Coupon For all Categories of Investors (in Rs.) (Post Incentive)
Deemed date of allotment	Friday, 21 July, 2023	Friday, 21 July, 2023		-1000	-1000
1st Coupon	Friday, 1 September, 2023	Friday, 1 September, 2023	42	10.59	10.82
2nd Coupon	Sunday, 1 October, 2023	Tuesday, 3 October, 2023	30	7.56	7.73
3rd Coupon	Wednesday, 1 November, 2023	Wednesday, 1 November, 2023	31	7.81	7.98
4th Coupon	Friday, 1 December, 2023	Friday, 1 December, 2023	30	7.56	7.73
5th Coupon	Monday, 1 January, 2024	Monday, 1 January, 2024	31	7.81	7.98
6th Coupon	Thursday, 1 February, 2024	Thursday, 1 February, 2024	31	7.81	7.98
7th Coupon	Friday, 1 March, 2024	Friday, 1 March, 2024	29	7.29	7.45
8th Coupon	Monday, 1 April, 2024	Monday, 1 April, 2024	31	7.79	7.96

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)	Coupon For all Categories of Investors (in Rs.) (Post Incentive)
9th Coupon	Wednesday, 1 May, 2024	Thursday, 2 May, 2024	30	7.54	7.70
10th Coupon	Saturday, 1 June, 2024	Monday, 3 June, 2024	31	7.79	7.96
11th Coupon	Monday, 1 July, 2024	Monday, 1 July, 2024	30	7.54	7.70
12th Coupon	Thursday, 1 August, 2024	Thursday, 1 August, 2024	31	7.79	7.96
13th Coupon	Sunday, 1 September, 2024	Monday, 2 September, 2024	31	7.79	7.96
14th Coupon	Tuesday, 1 October, 2024	Tuesday, 1 October, 2024	30	7.54	7.70
15th Coupon	Friday, 1 November, 2024	Friday, 1 November, 2024	31	7.79	7.96
16th Coupon	Sunday, 1 December, 2024	Monday, 2 December, 2024	30	7.54	7.70
17th Coupon	Wednesday, 1 January, 2025	Wednesday, 1 January, 2025	31	7.79	7.96
18th Coupon	Saturday, 1 February, 2025	Monday, 3 February, 2025	31	7.79	7.96
19th Coupon	Saturday, 1 March, 2025	Monday, 3 March, 2025	28	7.06	7.21
20th Coupon	Tuesday, 1 April, 2025	Tuesday, 1 April, 2025	31	7.81	7.98
21st Coupon	Thursday, 1 May, 2025	Friday, 2 May, 2025	30	7.56	7.73
22nd Coupon	Sunday, 1 June, 2025	Monday, 2 June, 2025	31	7.81	7.98
23rd Coupon	Tuesday, 1 July, 2025	Tuesday, 1 July, 2025	30	7.56	7.73
24th Coupon	Friday, 1 August, 2025	Friday, 1 August, 2025	31	7.81	7.98
25th Coupon	Monday, 1 September, 2025	Monday, 1 September, 2025	31	7.81	7.98
26th Coupon	Wednesday, 1 October, 2025	Wednesday, 1 October, 2025	30	7.56	7.73
27th Coupon	Saturday, 1 November, 2025	Monday, 3 November, 2025	31	7.81	7.98
28th Coupon	Monday, 1 December, 2025	Monday, 1 December, 2025	30	7.56	7.73
29th Coupon	Thursday, 1 January, 2026	Thursday, 1 January, 2026	31	7.81	7.98
30th Coupon	Sunday, 1 February, 2026	Monday, 2 February, 2026	31	7.81	7.98
31st Coupon	Sunday, 1 March, 2026	Monday, 2 March, 2026	28	7.06	7.21
32nd Coupon	Wednesday, 1 April, 2026	Wednesday, 1 April, 2026	31	7.81	7.98
33rd Coupon	Friday, 1 May, 2026	Monday, 4 May, 2026	30	7.56	7.73

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)	Coupon For all Categories of Investors (in Rs.) (Post Incentive)
34th Coupon	Monday, 1 June, 2026	Monday, 1 June, 2026	31	7.81	7.98
35th Coupon	Wednesday, 1 July, 2026	Wednesday, 1 July, 2026	30	7.56	7.73
36th Coupon	Tuesday, 21 July, 2026	Tuesday, 21 July, 2026	20	5.04	5.15
Principal / Maturity value	Tuesday, 21 July, 2026	Tuesday, 21 July, 2026		1000	1000

36 Months - Annual Coupon Payment

Company	Edelweiss Financial Services Limited	Edelweiss Financial Services Limited
	Pre-Incentive	Post Incentive
Face Value per NCD (in Rs.)	1000	1000
Number of NCDs held (assumed)	1	1
Date of Allotment (assumed)*	Friday, 21 July, 2023	Friday, 21 July, 2023
Tenor	3 years	3 years
Coupon Rate for all Categories of Investors	9.60%	9.80%
Redemption Date/Maturity Date (assumed)	Tuesday, 21 July, 2026	Tuesday, 21 July, 2026
Frequency of the interest payment with specified dates	First interest on July 21, 2024 and subsequently on July 21 every year	First interest on July 21, 2024 and subsequently on July 21 every year
Day Count Convention	Actual/Actual	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)	Coupon For all Categories of Investors (in Rs.) (Post Incentive)
Deemed date of allotment	Friday, 21 July, 2023	Friday, 21 July, 2023		-1000	-1000
1st Coupon	Sunday, 21 July, 2024	Monday, 22 July, 2024	366	96.00	98.00
2nd Coupon	Monday, 21 July, 2025	Monday, 21 July, 2025	365	96.00	98.00
3rd Coupon	Tuesday, 21 July, 2026	Tuesday, 21 July, 2026	365	96.00	98.00
Principal / Maturity value	Tuesday, 21 July, 2026	Tuesday, 21 July, 2026		1000	1000

3 Years - Cumulative Payment

Company	Edelweiss Financial Services Limited	Edelweiss Financial Services Limited
	Pre-Incentive	Post-Incentive
Face Value per NCD (in Rs.)	1000	1000

Company	Edelweiss Financial Services Limited	Edelweiss Financial Services Limited
	Pre-Incentive	Post-Incentive
Number of NCDs held (assumed)	1	1
Date of Allotment (assumed)*	Friday, 21 July, 2023	Friday, 21 July, 2023
Tenor	3 Years	3 Years
Coupon Rate for all Categories of Investors	NA	NA
Redemption Date/Maturity Date (assumed)	Tuesday, 21 July, 2026	Tuesday, 21 July, 2026
Frequency of the interest payment with specified dates	NA	NA
Day Count Convention	Actual/Actual	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)	Coupon For all Categories of Investors (in Rs.) (Post Incentive)
Deemed date of allotment	Friday, 21 July, 2023	Friday, 21 July, 2023		-1000.00	-1000.00
Coupon/Interest Payment	Tuesday, 21 July, 2026	Tuesday, 21 July, 2026	1096	317.00	324.10
Principal / Maturity value	Tuesday, 21 July, 2026	Tuesday, 21 July, 2026		1000.00	1000.00

60 Months - Monthly Coupon Payment

Company	Edelweiss Financial Services Limited	Edelweiss Financial Services Limited
	Pre-Incentive	Post-Incentive
Face Value per NCD (in Rs.)	1000	1000
Number of NCDs held (assumed)	1	1
Date of Allotment (assumed)*	Friday, 21 July, 2023	Friday, 21 July, 2023
Tenor	5 Years	5 Years
Coupon Rate for all Categories of Investors	9.67%	9.87%
Redemption Date/Maturity Date (assumed)	Friday, 21 July, 2028	Friday, 21 July, 2028
Frequency of the interest payment with specified dates	First interest on September 1, 2023 and subsequently on the 1st day of every month.	First interest on September 1, 2023 and subsequently on the 1st day of every month.
Day Count Convention	Actual/Actual	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)	Coupon For all Categories of Investors (in Rs.) (Post Incentive)
Deemed date of allotment	Friday, 21 July, 2023	Friday, 21 July, 2023		-1000	-1000
1st Coupon	Friday, 1 September, 2023	Friday, 1 September, 2023	42	11.13	11.36
2nd Coupon	Sunday, 1 October, 2023	Tuesday, 3 October, 2023	30	7.95	8.11

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)	Coupon For all Categories of Investors (in Rs.) (Post Incentive)
3rd Coupon	Wednesday, 1 November, 2023	Wednesday, 1 November, 2023	31	8.21	8.38
4th Coupon	Friday, 1 December, 2023	Friday, 1 December, 2023	30	7.95	8.11
5th Coupon	Monday, 1 January, 2024	Monday, 1 January, 2024	31	8.21	8.38
6th Coupon	Thursday, 1 February, 2024	Thursday, 1 February, 2024	31	8.21	8.38
7th Coupon	Friday, 1 March, 2024	Friday, 1 March, 2024	29	7.66	7.82
8th Coupon	Monday, 1 April, 2024	Monday, 1 April, 2024	31	8.19	8.38
9th Coupon	Wednesday, 1 May, 2024	Thursday, 2 May, 2024	30	7.93	8.11
10th Coupon	Saturday, 1 June, 2024	Monday, 3 June, 2024	31	8.19	8.38
11th Coupon	Monday, 1 July, 2024	Monday, 1 July, 2024	30	7.93	8.09
12th Coupon	Thursday, 1 August, 2024	Thursday, 1 August, 2024	31	8.19	8.36
13th Coupon	Sunday, 1 September, 2024	Monday, 2 September, 2024	31	8.19	8.36
14th Coupon	Tuesday, 1 October, 2024	Tuesday, 1 October, 2024	30	7.93	8.09
15th Coupon	Friday, 1 November, 2024	Friday, 1 November, 2024	31	8.19	8.36
16th Coupon	Sunday, 1 December, 2024	Monday, 2 December, 2024	30	7.93	8.09
17th Coupon	Wednesday, 1 January, 2025	Wednesday, 1 January, 2025	31	8.19	8.36
18th Coupon	Saturday, 1 February, 2025	Monday, 3 February, 2025	31	8.19	8.36
19th Coupon	Saturday, 1 March, 2025	Monday, 3 March, 2025	28	7.42	7.57
20th Coupon	Tuesday, 1 April, 2025	Tuesday, 1 April, 2025	31	8.21	8.38
21st Coupon	Thursday, 1 May, 2025	Friday, 2 May, 2025	30	7.95	8.11
22nd Coupon	Sunday, 1 June, 2025	Monday, 2 June, 2025	31	8.21	8.38
23rd Coupon	Tuesday, 1 July, 2025	Tuesday, 1 July, 2025	30	7.95	8.11
24th Coupon	Friday, 1 August, 2025	Friday, 1 August, 2025	31	8.21	8.38

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)	Coupon For all Categories of Investors (in Rs.) (Post Incentive)
25th Coupon	Monday, 1 September, 2025	Monday, 1 September, 2025	31	8.21	8.38
26th Coupon	Wednesday, 1 October, 2025	Wednesday, 1 October, 2025	30	7.95	8.11
27th Coupon	Saturday, 1 November, 2025	Monday, 3 November, 2025	31	8.21	8.38
28th Coupon	Monday, 1 December, 2025	Monday, 1 December, 2025	30	7.95	8.11
29th Coupon	Thursday, 1 January, 2026	Thursday, 1 January, 2026	31	8.21	8.38
30th Coupon	Sunday, 1 February, 2026	Monday, 2 February, 2026	31	8.21	8.38
31st Coupon	Sunday, 1 March, 2026	Monday, 2 March, 2026	28	7.42	7.57
32nd Coupon	Wednesday, 1 April, 2026	Wednesday, 1 April, 2026	31	8.21	8.38
33rd Coupon	Friday, 1 May, 2026	Monday, 4 May, 2026	30	7.95	8.11
34th Coupon	Monday, 1 June, 2026	Monday, 1 June, 2026	31	8.21	8.38
35th Coupon	Wednesday, 1 July, 2026	Wednesday, 1 July, 2026	30	7.95	8.11
36th Coupon	Saturday, 1 August, 2026	Monday, 3 August, 2026	31	8.21	8.38
37th Coupon	Tuesday, 1 September, 2026	Tuesday, 1 September, 2026	31	8.21	8.38
38th Coupon	Thursday, 1 October, 2026	Thursday, 1 October, 2026	30	7.95	8.11
39th Coupon	Sunday, 1 November, 2026	Monday, 2 November, 2026	31	8.21	8.38
40th Coupon	Tuesday, 1 December, 2026	Tuesday, 1 December, 2026	30	7.95	8.11
41st Coupon	Friday, 1 January, 2027	Friday, 1 January, 2027	31	8.21	8.38
42nd Coupon	Monday, 1 February, 2027	Monday, 1 February, 2027	31	8.21	8.38
43rd Coupon	Monday, 1 March, 2027	Monday, 1 March, 2027	28	7.42	7.57
44th Coupon	Thursday, 1 April, 2027	Thursday, 1 April, 2027	31	8.21	8.38
45th Coupon	Saturday, 1 May, 2027	Monday, 3 May, 2027	30	7.95	8.11
46th Coupon	Tuesday, 1 June, 2027	Tuesday, 1 June, 2027	31	8.21	8.38

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)	Coupon For all Categories of Investors (in Rs.) (Post Incentive)
47th Coupon	Thursday, 1 July, 2027	Thursday, 1 July, 2027	30	7.95	8.11
48th Coupon	Sunday, 1 August, 2027	Monday, 2 August, 2027	31	8.21	8.38
49th Coupon	Wednesday, 1 September, 2027	Wednesday, 1 September, 2027	31	8.21	8.38
50th Coupon	Friday, 1 October, 2027	Friday, 1 October, 2027	30	7.95	8.11
51st Coupon	Monday, 1 November, 2027	Monday, 1 November, 2027	31	8.21	8.38
52nd Coupon	Wednesday, 1 December, 2027	Wednesday, 1 December, 2027	30	7.95	8.11
53rd Coupon	Saturday, 1 January, 2028	Monday, 3 January, 2028	31	8.21	8.38
54th Coupon	Tuesday, 1 February, 2028	Tuesday, 1 February, 2028	31	8.21	8.38
55th Coupon	Wednesday, 1 March, 2028	Wednesday, 1 March, 2028	29	7.68	7.84
56th Coupon	Saturday, 1 April, 2028	Monday, 3 April, 2028	31	8.19	8.36
57th Coupon	Monday, 1 May, 2028	Tuesday, 2 May, 2028	30	7.93	8.09
58th Coupon	Thursday, 1 June, 2028	Thursday, 1 June, 2028	31	8.19	8.36
59th Coupon	Saturday, 1 July, 2028	Monday, 3 July, 2028	30	7.93	8.09
60th Coupon	Friday, 21 July, 2028	Friday, 21 July, 2028	20	5.28	5.39
Principal / Maturity value	Friday, 21 July, 2028	Friday, 21 July, 2028		1000	1000

60 Months - Annual Coupon Payment

Company	Edelweiss Financial Services Limited	Edelweiss Financial Services Limited
	Pre-Incentive	Post-Incentive
Face Value per NCD (in Rs.)	1000	1000
Number of NCDs held (assumed)	1	1
Date of Allotment (assumed)*	Friday, 21 July, 2023	Friday, 21 July, 2023
Tenor	5 Years	5 Years
Coupon Rate for all Categories of Investors	10.10%	10.30%
Redemption Date/Maturity Date (assumed)	Friday, 21 July, 2028	Friday, 21 July, 2028
Frequency of the interest payment with specified dates	First interest on July 21, 2024 and subsequently on July 21 every year	First interest on July 21, 2024 and subsequently on July 21 every year
Day Count Convention	Actual/Actual	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)	Coupon For all Categories of Investors (in Rs.) (Post Incentive)
Deemed date of allotment	Friday, 21 July, 2023	Friday, 21 July, 2023		-1000	-1000
1st Coupon	Sunday, 21 July, 2024	Monday, 22 July, 2024	366	101.00	103.00
2nd Coupon	Monday, 21 July, 2025	Monday, 21 July, 2025	365	101.00	103.00
3rd Coupon	Tuesday, 21 July, 2026	Tuesday, 21 July, 2026	365	101.00	103.00
4th Coupon	Wednesday, 21 July, 2027	Wednesday, 21 July, 2027	365	101.00	103.00
5th Coupon	Friday, 21 July, 2028	Friday, 21 July, 2028	366	101.00	103.00
Principal / Maturity value	Friday, 21 July, 2028	Friday, 21 July, 2028		1000	1000

60 Months - Cumulative Payment

Company	Edelweiss Financial Services Limited	Edelweiss Financial Services Limited
	Pre-Incentive	Post-Incentive
Face Value per NCD (in Rs.)	1000	1000
Number of NCDs held (assumed)	1	1
Date of Allotment (assumed)*	Friday, 21 July, 2023	Friday, 21 July, 2023
Tenor	5 Years	5 Years
Coupon Rate for all Categories of Investors	NA	NA
Redemption Date/Maturity Date (assumed)	Friday, 21 July, 2028	Friday, 21 July, 2028
Frequency of the interest payment with specified dates	NA	NA
Day Count Convention	Actual/Actual	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)	Coupon For all Categories of Investors (in Rs.) (Post Incentive)
Deemed date of allotment	Friday, 21 July, 2023	Friday, 21 July, 2023		-1000	-1000
Coupon/Interest Payment	Friday, 21 July, 2028	Friday, 21 July, 2028	1827	618.70	633.50
Principal / Maturity value	Friday, 21 July, 2028	Friday, 21 July, 2028		1000	1000

120 Months - Monthly Coupon Payment

Company	Edelweiss Financial Services Limited	Edelweiss Financial Services Limited
	Pre-Incentive	Post-Incentive
Face Value per NCD (in Rs.)	1000	1000
Number of NCDs held (assumed)	1	1
Date of Allotment (assumed)*	Friday, 21 July, 2023	Friday, 21 July, 2023
Tenor	10 years	10 years
Coupon Rate for all Categories of Investors	10.00%	10.20%
Redemption Date/Maturity Date (assumed)	Thursday, 21 July, 2033	Thursday, 21 July, 2033
Frequency of the interest payment with specified dates	First interest on September 1, 2023 and subsequently on the 1st day of every month.	First interest on September 1, 2023 and subsequently on the 1st day of every month.
Day Count Convention	Actual/Actual	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)	Coupon For all Categories of Investors (in Rs.) (Post Incentive)
Deemed date of allotment	Friday, 21 July, 2023	Friday, 21 July, 2023		-1000	-1000
1st Coupon	Friday, 1 September, 2023	Friday, 1 September, 2023	42	11.51	11.74
2nd Coupon	Sunday, 1 October, 2023	Tuesday, 3 October, 2023	30	8.22	8.38
3rd Coupon	Wednesday, 1 November, 2023	Wednesday, 1 November, 2023	31	8.49	8.66
4th Coupon	Friday, 1 December, 2023	Friday, 1 December, 2023	30	8.22	8.38
5th Coupon	Monday, 1 January, 2024	Monday, 1 January, 2024	31	8.49	8.66
6th Coupon	Thursday, 1 February, 2024	Thursday, 1 February, 2024	31	8.49	8.66
7th Coupon	Friday, 1 March, 2024	Friday, 1 March, 2024	29	7.92	8.08
8th Coupon	Monday, 1 April, 2024	Monday, 1 April, 2024	31	8.47	8.64
9th Coupon	Wednesday, 1 May, 2024	Thursday, 2 May, 2024	30	8.20	8.36
10th Coupon	Saturday, 1 June, 2024	Monday, 3 June, 2024	31	8.47	8.64
11th Coupon	Monday, 1 July, 2024	Monday, 1 July, 2024	30	8.20	8.36
12th Coupon	Thursday, 1 August, 2024	Thursday, 1 August, 2024	31	8.47	8.64
13th Coupon	Sunday, 1 September, 2024	Monday, 2 September, 2024	31	8.47	8.64
14th Coupon	Tuesday, 1 October, 2024	Tuesday, 1 October, 2024	30	8.20	8.36
15th Coupon	Friday, 1 November, 2024	Friday, 1 November, 2024	31	8.47	8.64
16th Coupon	Sunday, 1 December, 2024	Monday, 2 December, 2024	30	8.20	8.36

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)	Coupon For all Categories of Investors (in Rs.) (Post Incentive)
17th Coupon	Wednesday, 1 January, 2025	Wednesday, 1 January, 2025	31	8.47	8.64
18th Coupon	Saturday, 1 February, 2025	Monday, 3 February, 2025	31	8.47	8.64
19th Coupon	Saturday, 1 March, 2025	Monday, 3 March, 2025	28	7.67	7.82
20th Coupon	Tuesday, 1 April, 2025	Tuesday, 1 April, 2025	31	8.49	8.66
21st Coupon	Thursday, 1 May, 2025	Friday, 2 May, 2025	30	8.22	8.38
22nd Coupon	Sunday, 1 June, 2025	Monday, 2 June, 2025	31	8.49	8.66
23rd Coupon	Tuesday, 1 July, 2025	Tuesday, 1 July, 2025	30	8.22	8.38
24th Coupon	Friday, 1 August, 2025	Friday, 1 August, 2025	31	8.49	8.66
25th Coupon	Monday, 1 September, 2025	Monday, 1 September, 2025	31	8.49	8.66
26th Coupon	Wednesday, 1 October, 2025	Wednesday, 1 October, 2025	30	8.22	8.38
27th Coupon	Saturday, 1 November, 2025	Monday, 3 November, 2025	31	8.49	8.66
28th Coupon	Monday, 1 December, 2025	Monday, 1 December, 2025	30	8.22	8.38
29th Coupon	Thursday, 1 January, 2026	Thursday, 1 January, 2026	31	8.49	8.66
30th Coupon	Sunday, 1 February, 2026	Monday, 2 February, 2026	31	8.49	8.66
31st Coupon	Sunday, 1 March, 2026	Monday, 2 March, 2026	28	7.67	7.82
32nd Coupon	Wednesday, 1 April, 2026	Wednesday, 1 April, 2026	31	8.49	8.66
33rd Coupon	Friday, 1 May, 2026	Saturday, 2 May, 2026	30	8.22	8.38
34th Coupon	Monday, 1 June, 2026	Monday, 1 June, 2026	31	8.49	8.66
35th Coupon	Wednesday, 1 July, 2026	Wednesday, 1 July, 2026	30	8.22	8.38
36th Coupon	Saturday, 1 August, 2026	Monday, 3 August, 2026	31	8.49	8.66
37th Coupon	Tuesday, 1 September, 2026	Tuesday, 1 September, 2026	31	8.49	8.66
38th Coupon	Thursday, 1 October, 2026	Thursday, 1 October, 2026	30	8.22	8.38
39th Coupon	Sunday, 1 November, 2026	Monday, 2 November, 2026	31	8.49	8.66
40th Coupon	Tuesday, 1 December, 2026	Tuesday, 1 December, 2026	30	8.22	8.38
41st Coupon	Friday, 1 January, 2027	Friday, 1 January, 2027	31	8.49	8.66
42nd Coupon	Monday, 1 February, 2027	Monday, 1 February, 2027	31	8.49	8.66

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)	Coupon For all Categories of Investors (in Rs.) (Post Incentive)
43rd Coupon	Monday, 1 March, 2027	Monday, 1 March, 2027	28	7.67	7.82
44th Coupon	Thursday, 1 April, 2027	Thursday, 1 April, 2027	31	8.49	8.66
45th Coupon	Saturday, 1 May, 2027	Monday, 3 May, 2027	30	8.22	8.38
46th Coupon	Tuesday, 1 June, 2027	Tuesday, 1 June, 2027	31	8.49	8.66
47th Coupon	Thursday, 1 July, 2027	Thursday, 1 July, 2027	30	8.22	8.38
48th Coupon	Sunday, 1 August, 2027	Monday, 2 August, 2027	31	8.49	8.66
49th Coupon	Wednesday, 1 September, 2027	Wednesday, 1 September, 2027	31	8.49	8.66
50th Coupon	Friday, 1 October, 2027	Friday, 1 October, 2027	30	8.22	8.38
51st Coupon	Monday, 1 November, 2027	Monday, 1 November, 2027	31	8.49	8.66
52nd Coupon	Wednesday, 1 December, 2027	Wednesday, 1 December, 2027	30	8.22	8.38
53rd Coupon	Saturday, 1 January, 2028	Monday, 3 January, 2028	31	8.49	8.66
54th Coupon	Tuesday, 1 February, 2028	Tuesday, 1 February, 2028	31	8.49	8.66
55th Coupon	Wednesday, 1 March, 2028	Wednesday, 1 March, 2028	29	7.92	8.08
56th Coupon	Saturday, 1 April, 2028	Monday, 3 April, 2028	31	8.47	8.64
57th Coupon	Monday, 1 May, 2028	Tuesday, 2 May, 2028	30	8.20	8.36
58th Coupon	Thursday, 1 June, 2028	Thursday, 1 June, 2028	31	8.47	8.64
59th Coupon	Saturday, 1 July, 2028	Monday, 3 July, 2028	30	8.20	8.36
60th Coupon	Tuesday, 1 August, 2028	Tuesday, 1 August, 2028	31	8.47	8.64
61st Coupon	Friday, 1 September, 2028	Friday, 1 September, 2028	31	8.47	8.64
62nd Coupon	Sunday, 1 October, 2028	Monday, 2 October, 2028	30	8.20	8.36
63rd Coupon	Wednesday, 1 November, 2028	Wednesday, 1 November, 2028	31	8.47	8.64
64th Coupon	Friday, 1 December, 2028	Friday, 1 December, 2028	30	8.20	8.36
65th Coupon	Monday, 1 January, 2029	Monday, 1 January, 2029	31	8.47	8.64
66th Coupon	Thursday, 1 February, 2029	Thursday, 1 February, 2029	31	8.47	8.64
67th Coupon	Thursday, 1 March, 2029	Thursday, 1 March, 2029	28	7.67	7.82
68th Coupon	Sunday, 1 April, 2029	Monday, 2 April, 2029	31	8.49	8.66

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)	Coupon For all Categories of Investors (in Rs.) (Post Incentive)
69th Coupon	Tuesday, 1 May, 2029	Wednesday, 2 May, 2029	30	8.22	8.38
70th Coupon	Friday, 1 June, 2029	Friday, 1 June, 2029	31	8.49	8.66
71st Coupon	Sunday, 1 July, 2029	Monday, 2 July, 2029	30	8.22	8.38
72nd Coupon	Wednesday, 1 August, 2029	Wednesday, 1 August, 2029	31	8.49	8.66
73rd Coupon	Saturday, 1 September, 2029	Monday, 3 September, 2029	31	8.49	8.66
74th Coupon	Monday, 1 October, 2029	Monday, 1 October, 2029	30	8.22	8.38
75th Coupon	Thursday, 1 November, 2029	Thursday, 1 November, 2029	31	8.49	8.66
76th Coupon	Saturday, 1 December, 2029	Monday, 3 December, 2029	30	8.22	8.38
77th Coupon	Tuesday, 1 January, 2030	Tuesday, 1 January, 2030	31	8.49	8.66
78th Coupon	Friday, 1 February, 2030	Friday, 1 February, 2030	31	8.49	8.66
79th Coupon	Friday, 1 March, 2030	Friday, 1 March, 2030	28	7.67	7.82
80th Coupon	Monday, 1 April, 2030	Monday, 1 April, 2030	31	8.49	8.66
81st Coupon	Wednesday, 1 May, 2030	Thursday, 2 May, 2030	30	8.22	8.38
82nd Coupon	Saturday, 1 June, 2030	Monday, 3 June, 2030	31	8.49	8.66
83rd Coupon	Monday, 1 July, 2030	Monday, 1 July, 2030	30	8.22	8.38
84th Coupon	Thursday, 1 August, 2030	Thursday, 1 August, 2030	31	8.49	8.66
85th Coupon	Sunday, 1 September, 2030	Monday, 2 September, 2030	31	8.49	8.66
86th Coupon	Tuesday, 1 October, 2030	Tuesday, 1 October, 2030	30	8.22	8.38
87th Coupon	Friday, 1 November, 2030	Friday, 1 November, 2030	31	8.49	8.66
88th Coupon	Sunday, 1 December, 2030	Monday, 2 December, 2030	30	8.22	8.38
89th Coupon	Wednesday, 1 January, 2031	Wednesday, 1 January, 2031	31	8.49	8.66
90th Coupon	Saturday, 1 February, 2031	Monday, 3 February, 2031	31	8.49	8.66
91st Coupon	Saturday, 1 March, 2031	Monday, 3 March, 2031	28	7.67	7.82
92nd Coupon	Tuesday, 1 April, 2031	Tuesday, 1 April, 2031	31	8.49	8.66
93rd Coupon	Thursday, 1 May, 2031	Friday, 2 May, 2031	30	8.22	8.38
94th Coupon	Sunday, 1 June, 2031	Monday, 2 June, 2031	31	8.49	8.66

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)	Coupon For all Categories of Investors (in Rs.) (Post Incentive)
95th Coupon	Tuesday, 1 July, 2031	Tuesday, 1 July, 2031	30	8.22	8.38
96th Coupon	Friday, 1 August, 2031	Friday, 1 August, 2031	31	8.49	8.66
97th Coupon	Monday, 1 September, 2031	Monday, 1 September, 2031	31	8.49	8.66
98th Coupon	Wednesday, 1 October, 2031	Wednesday, 1 October, 2031	30	8.22	8.38
99th Coupon	Saturday, 1 November, 2031	Monday, 3 November, 2031	31	8.49	8.66
100th Coupon	Monday, 1 December, 2031	Monday, 1 December, 2031	30	8.22	8.38
101st Coupon	Thursday, 1 January, 2032	Thursday, 1 January, 2032	31	8.49	8.66
102nd Coupon	Sunday, 1 February, 2032	Monday, 2 February, 2032	31	8.49	8.66
103rd Coupon	Monday, 1 March, 2032	Monday, 1 March, 2032	29	7.92	8.08
104th Coupon	Thursday, 1 April, 2032	Thursday, 1 April, 2032	31	8.47	8.64
105th Coupon	Saturday, 1 May, 2032	Monday, 3 May, 2032	30	8.20	8.36
106th Coupon	Tuesday, 1 June, 2032	Tuesday, 1 June, 2032	31	8.47	8.64
107th Coupon	Thursday, 1 July, 2032	Thursday, 1 July, 2032	30	8.20	8.36
108th Coupon	Sunday, 1 August, 2032	Monday, 2 August, 2032	31	8.47	8.64
109th Coupon	Wednesday, 1 September, 2032	Wednesday, 1 September, 2032	31	8.47	8.64
110th Coupon	Friday, 1 October, 2032	Friday, 1 October, 2032	30	8.20	8.36
111th Coupon	Monday, 1 November, 2032	Monday, 1 November, 2032	31	8.47	8.64
112th Coupon	Wednesday, 1 December, 2032	Wednesday, 1 December, 2032	30	8.20	8.36
113th Coupon	Saturday, 1 January, 2033	Monday, 3 January, 2033	31	8.47	8.64
114th Coupon	Tuesday, 1 February, 2033	Tuesday, 1 February, 2033	31	8.47	8.64
115th Coupon	Tuesday, 1 March, 2033	Tuesday, 1 March, 2033	28	7.67	7.82
116th Coupon	Friday, 1 April, 2033	Friday, 1 April, 2033	31	8.49	8.66
117th Coupon	Sunday, 1 May, 2033	Monday, 2 May, 2033	30	8.22	8.38
118th Coupon	Wednesday, 1 June, 2033	Wednesday, 1 June, 2033	31	8.49	8.66
119th Coupon	Friday, 1 July, 2033	Friday, 1 July, 2033	30	8.22	8.38
120th Coupon	Thursday, 21 July, 2033	Thursday, 21 July, 2033	20	5.48	5.59

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)	Coupon For all Categories of Investors (in Rs.) (Post Incentive)
Maturity/Redemption	Thursday, 21 July, 2033	Thursday, 21 July, 2033		1000.00	1000.00

120 Months - Annual Coupon Payment

Company	Edelweiss Financial Services Limited	Edelweiss Financial Services Limited
	Pre-Incentive	Post-Incentive
Face Value per NCD (in Rs.)	1000	1000
Number of NCDs held (assumed)	1	1
Date of Allotment (assumed)*	Friday, 21 July, 2023	Friday, 21 July, 2023
Tenor	10 Years	10 Years
Coupon Rate for all Categories of Investors	10.45%	10.65%
Redemption Date/Maturity Date (assumed)	Thursday, 21 April, 2033	Thursday, 21 April, 2033
Frequency of the interest payment with specified dates	First interest on July 21, 2024 and subsequently on July 21 every year	First interest on July 21, 2024 and subsequently on July 21 every year
Day Count Convention	Actual/Actual	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)	Coupon For all Categories of Investors (in Rs.) (Post Incentive)
Deemed date of allotment	Friday, 21 July, 2023	Friday, 21 July, 2023		-1000	-1000
1st Coupon	Sunday, 21 July, 2024	Monday, 22 July, 2024	366	104.50	106.50
2nd Coupon	Monday, 21 July, 2025	Monday, 21 July, 2025	365	104.50	106.50
3rd Coupon	Tuesday, 21 July, 2026	Tuesday, 21 July, 2026	365	104.50	106.50
4th Coupon	Wednesday, 21 July, 2027	Wednesday, 21 July, 2027	365	104.50	106.50
5th Coupon	Friday, 21 July, 2028	Friday, 21 July, 2028	366	104.50	106.50
6th Coupon	Saturday, 21 July, 2029	Monday, 23 July, 2029	365	104.50	106.50
7th Coupon	Sunday, 21 July, 2030	Monday, 22 July, 2030	365	104.50	106.50
8th Coupon	Monday, 21 July, 2031	Monday, 21 July, 2031	365	104.50	106.50
9th Coupon	Wednesday, 21 July, 2032	Wednesday, 21 July, 2032	366	104.50	106.50
10th Coupon	Thursday, 21 July, 2033	Thursday, 21 July, 2033	365	104.50	106.50
Maturity/Redemption	Thursday, 21 July, 2033	Thursday, 21 July, 2033		1000.00	1000.00