

## TERMS OF THE ISSUE

The terms contained herein shall be read with the terms and conditions contained under Debenture Trust Deed. In case of inconsistency, terms of the Debenture Trust Deed will prevail.

1.	Issuer	Edelweiss Finance and Services Limited (“EFSL” or the “Company”)	
2.	Security Name	Secured, Unlisted, Unrated, Redeemable, Non-Convertible Debentures	
3.	Private Placement Letter	PPOL/01/2020-21	
4.	Date of resolution passed by the Board / Committee	The resolution passed by the Operations Committee in their meeting held on August 27, 2020 & August 21, 2020 read with the resolution passed by the board of directors in their meetings held on May 13, 2016 and July 4, 2020	
5.	Date of special resolution passed by the shareholders,	N.A.	
6.	Option Entity	ECAP Equities Limited and Edelweiss Securities Limited (“ESL”)	
7.	Type of Instrument	10,000 Secured, Unlisted, Non-Convertible Redeemable Debentures of the face value of INR. 10,00,000 each aggregating to INR. 1,000 crores issued as per the Debenture Trust Deed	
8.	Nature of Instrument	Secured	
9.	Mode of Issue	Private Placement	
10.	Option to retain oversubscription (Amount)	Not Applicable	
11.	Eligible Investors	The Offer is proposed to be made to Asia Pragati Strategic Investment Fund, registered with the Securities and Exchange Board of India (SEBI) as a Category II alternative investment fund (AIF).  The allottees would not hold any capital post offer.	
12.	Issue Size	INR 1,000 crores	
13.	Minimum Application and multiples thereafter	10,000 Debenture	
14.	Face Value	INR 10,00,000 each	
15.	Issue Price	INR 10,00,000 each	
16.	Justification of Issue Price	N.A.	
17.	Discount at which security is issued and the effective Yield as a result of such discount.	Not applicable	
18.	Tenor in days	36 months from the Deemed Date of Allotment – 1094 days	
19.	Issue Timings		
	1.	Issue Opening Date	August 27, 2020
	2.	Issue Closing Date	August 31, 2020
	3.	Pay-in date	August 31, 2020
	4.	Deemed Date of Allotment	August 31, 2020
20.	Final Redemption Date / Final Settlement Date	36 Months from the Deemed Date of Allotment	

21.	Redemption Schedule	Bullet payment on final maturity date - Rs. 1,000 Cr.
22.	Redemption Date	Date falling at the end of 36 (thirty-six) months from the Deemed Date of Allotment
23.	Coupon Rate	8.00% per annum payable quarterly on the face value of each of the Debentures
24.	Coupon Payment Date	First day of each Financial Quarter, provided that the first Coupon Payment Date shall be the first day of the Financial Quarter immediately succeeding the Financial Quarter in which the Deemed Date of Allotment occurs (each a "Coupon Payment Date")
25.	Redemption Premium	A sum that shall accrue and shall be payable on the repayment of the face value of the Debentures, whether at scheduled maturity or acceleration or otherwise, such that on such monies, including the amounts paid as Coupon, an IRR equal to the Yield is received by the relevant Debenture Holder for the period commencing on the Deemed Date of Allotment and ending on the date on which the Redemption Amounts are paid in full, assuming all Coupon was proportionally applied to all principal amounts of the Debentures. For the avoidance of doubt, it is hereby clarified that while calculating the IRR received by the Debenture Holders only payments of Coupon which was applied towards Redemption Premium or any part thereof shall be considered. Any other payments such as reimbursements, indemnity payments, remuneration or fees of Debenture Trustee or any other advisor or agent or trustee, upfront fees, commitment fees, prepayment premium, Additional Interest paid or payable to the Debenture Holders and/or the Debenture Trustee, shall not be considered as amounts received by the Debenture Holders while calculating the Redemption Premium.
26.	Yield	An IRR of 15% (Fifteen per cent) per annum
27.	Additional Interest	If payment of any amount due to a Debenture Holder is not made in accordance with the Transaction Documents (and where such non-payment is caused due to a Disruption Event, then upon expiry of the applicable cure period set out in Clause 10.1 of the Debenture Trust Deed ), the Issuer shall unconditionally pay to each Debenture Holder, an additional interest at 4% per annum on the amount in respect of which a default has been committed, over and above the Coupon Rate and Redemption Premium that is payable, calculated on a daily basis for the period from (and including) the relevant Redemption Date or the relevant Coupon Payment Date or other due date to (but excluding) the date of actual payment of such amount, in accordance with the terms and conditions and other provisions of Debenture Trust Deed.
28.	Additional Premium	As set out in the Debenture Trust Deed

29.	Security	The Debentures will be secured on an exclusive basis by 1) Pledge over 51 % of the total issued and paid up equity share capital of Edelweiss Securities Limited on fully diluted basis at all times 2) Any other security created in accordance with the Debenture Trust Deed, from time to time	
30.	Day Count Basis	365 days	
31.	Listing (including name of stock exchange where it will be listed and timeline for listing)	Unlisted	
32.	Rating of the instrument	Unrated	
33.	Purpose and Objects of the Issue	For repayment of existing external borrowings and/or general corporate purposes of EFSL Group, in the manner set out in the Debenture Trust Deed.	
34.	Mode of redemption	Bank Transfer	
35.	Put Option Date	Date(s) falling at the expiry of a period of 350 (three hundred fifty) days from the Deemed Date of Allotment and/or any time thereafter.	
36.	Put Option Price	As provided in the Debenture Trust Deed	
	Call Option Date	Date(s) falling at the expiry of a period of 13 months from the Deemed Date of Allotment and/or any time thereafter	
37.	Call Option Price	As provided in the Debenture Trust Deed	
38.	Put Option Closing Period	6 calendar months from the date of issue of the Put Option Notice	
39.	Call Option Closing Period	15 Business Days from the date of issue of the Call Option Notice	
40.	Early Put/Call Option	Upon occurrence of Option Trigger Event as per the Debenture Trust Deed and in accordance with the Option Agreement	
41.	Issuance mode of the Debentures	Demat only	
42.	Trading mode of the Debentures	Demat only	
43.	Mode of Payment	<b>Mode</b>	<b>Time Period for Payment</b>
44.		RTGS/NEFT/Direct Credit	From the Issue Opening Date till the Issue Closing Date, during banking hours.
45.	Settlement mode of the Instrument	Bank Transfer	
46.	Depository	National Securities Depository Limited "NSDL" Central Depository Services (India) Limited "CDSL"	
47.	Business Day Convention	<ul style="list-style-type: none"> <li>Business Day" means a day (other than a Saturday or Sunday or a public holiday notified by the Central Government under Section 25 of the Negotiable Instruments Act, 1881) on which banks are open for general business in Mumbai, and for the purposes of making any payment as contemplated under Debenture Trust Deed or any of the other Transaction Documents, shall also include Singapore.</li> <li>If any Redemption Date and/or Coupon Payment Date or any other date on which any</li> </ul>	

		payment under the Transaction Documents are due, falls on a day which is not a Business Day, then payment of: (i) Coupon amount (except last Coupon amount) will be made on the immediately succeeding Business Day, and (ii) the Redemption Amount and last Coupon amount will be made on the immediately preceding Business Day.
48.	Transaction Documents	<ul style="list-style-type: none"> <li>- Debenture Trust Deed;</li> <li>- this Offer Letter;</li> <li>- the Option Agreement;</li> <li>- the Security Documents;</li> <li>- the Debenture Trustee Agreement;</li> <li>- ESL Undertaking; and</li> <li>- all such agreements, instruments, undertakings, indentures, deeds, writings and other documents executed or entered into, by the Issuer or any other person, in relation to, or pertaining to, the Debentures, as amended from time to time and/or designated as such by the Debenture Trustee</li> </ul>
49.	Security Documents	<ul style="list-style-type: none"> <li>- the Pledge Agreement;</li> <li>- the power of attorney issued pursuant to the Pledge Agreement;</li> <li>- pledge agreement to be executed by Edelweiss Global Wealth Management Limited to create pledge over the Pledged Securities; and</li> <li>- any other document entered into from time to time for creation of, or evidencing the creation of, any Security Interest for the benefit of the Secured Parties.</li> </ul>
50.	Record Date	Day falling 15 (fifteen) days prior to its Coupon Payment Date or the Redemption Date, as the case may be
51.	Conditions Precedents to Subscription	As set out in the Debenture Trust Deed
52.	Conditions Subsequent to Subscription	As set out in the Debenture Trust Deed
53.	Special Conditions	As set out in the Debenture Trust Deed
54.	Event of Default	As set out in the Debenture Trust Deed
55.	Consequence of Event of Default	As set out in the Debenture Trust Deed
56.	Representations and Warranties	As set out in the Debenture Trust Deed
57.	Covenants and Undertakings	As set out in the Debenture Trust Deed
58.	Transferability	As set out in the Debenture Trust Deed
59.	Expenses:	As set out in the Debenture Trust Deed
60.	Role and Responsibilities of the Debenture Trustee	As set out in the Debenture Trust Deed and the Debenture Trustee Agreement
61.	Governing Law and Jurisdiction	Definitive documentation shall be governed by Indian law.
62.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects.	Not applicable

63.	Confidentiality	As set out in the Debenture Trust Deed
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Signature :  
Name : B. Renganathan  
Designation : Executive Vice President & Company Secretary  
Date : August 27, 2020