

**Private and Confidential- For Private Circulation only**

(This Disclosure Document /Private Placement Offer Letter is neither a Prospectus nor a Statement in Lieu of Prospectus)  
 Dated: **11-Jul-16**

**Schedule – I Disclosures as per SEBI (Issue and Listing of Debt Securities) Regulation, 2008 as amended (including Securities And Exchange Board Of India (Issue And Listing Of Debt Securities) (Amendment) Regulations, 2012 through notification dated October 12, 2012) and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015 through notification dated March 24, 2015, SEBI (Listing obligation & Disclosure Requirements) Regulation, 2015 SEBI Circular CIR/IMD/DF/17/2011 dated September 28, 2011 and Form no. PAS-4 pursuant to Section 42 of the Companies Act, 2013 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014**

**EDELWEISS FINANCE & INVESTMENTS LIMITED**

Edelweiss Finance & Investments Limited was originally incorporated as a Private Limited company under the name and style of Crossborder Investments Private Limited on October 27, 1994 in the state of Maharashtra. Vide Order of the Company Law Board dated January 17, 2007, the Registered Office of the Company shifted from the state of Maharashtra to the state of Andhra Pradesh and the Registrar of Companies, Andhra Pradesh by giving the Corporate Identity Number U67120AP1994PLC052372.

**Registered Office:**

Regd Office: 2nd Floor, M. B. Towers,  
 Plot No. 5, Road No. 2, Banjara Hills,  
 Hyderabad - 500 034, Andhra Pradesh.  
 Tel: +91 40 4031 6900

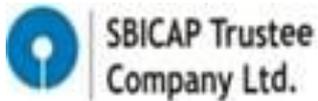
Corporate Office: Edelweiss House, Off.C.S.T. Road,  
 Kalina, Mumbai – 400098, Maharashtra, India,  
 Tel: +91 22 4009 4400/ +91 22 4088 6310; Fax: +91 22 4079 5062;  
 E-mail: spinvestor@edelweissfin.com; Website: www.edelweissfin.com

**ISSUE BY WAY OF PRIVATE PLACEMENT BY EDELWEISS FINANCE & INVESTMENTS LIMITED (THE “COMPANY” / “ISSUER”) OF 500 SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF Rs. 100,000/- EACH AGGREGATING TO RS 50,000,000/- ISSUED AS PER THE RESPECTIVE SUMMARY TERM SHEETS (THE “ISSUE”)**

<b>GENERAL RISKS</b>
Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. For taking an investment decision, the investors must rely on their own examination of the Company and the Issue including the risks involved. The Securities and Exchange Board of India (“SEBI”) does not take any responsibility for this Issue in any manner.
<b>GENERAL DISCLAIMER</b>
This Disclosure Document is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by Edelweiss Finance & Investments Limited. This Disclosure Document is for the exclusive use of the intended recipient(s) to whom it is addressed and delivered and it should not be circulated or distributed to third parties. It cannot be acted upon by any person other than to whom it has been specifically addressed. Multiple copies hereof given to the same person / entity shall be deemed to be offered to the same person.
<b>CREDIT RATING</b>
PP-MLD [ICRA] AA (pronounced “PP-MLD ICRA Double A”) by ICRA Limited for Rs. 800Crores Principal Protected Equity Linked Debenture issue. 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. ICRA’s rating of Market Linked Debentures is an assessment of the underlying credit risk of the instrument. The rating addresses only the credit risk associated with timely payment of obligations as per terms of the issuance. The rating does not address the market risks associated with the instrument on account of linking of coupon payment to external variables such as reference equity index, equity shares, commodity process/index. This could result in variability or absence of coupon payments because of adverse movement in value of the external variables.
<b>LISTING</b>
The Debentures are proposed to be listed on BSE Limited (“BSE” or the “Stock Exchange”).

**ISSUE PROGRAMME\***
**ISSUE OPENS ON:**
**11-Jul-16**
**ISSUE CLOSSES ON:**
**11-Jul-16**

\*The Company reserves the right to extend or close the Issue earlier from the aforesaid dates or change the Issue schedule including the Deemed Date of Allotment at its sole and absolute discretion, without giving any reasons or prior notice.

**DEBENTURE TRUSTEE**


SBICAP Trustee Company Limited  
 Apeejay House, 6th Floor,  
 3, Dinshaw Wachha Road, Churchgate,  
 Mumbai 400 020  
 Tel: +91 22 4302 5530  
 Fax: +91 22 4302 5500  
 E-mail: corporate@sbicaptrustee.com  
 Website: www.sbicaptrustee.com  
 Contact Person: Mr. Ajit Joshi, Compliance Officer

**REGISTRAR TO ISSUE**


**Link Intime India Private Limited**  
 C-13, Pannalal Silk Mills Compound  
 LBS Marg, Bhandup (W),  
 Mumbai 400 078, India  
 Tel: +91 22 2596 3838  
 Fax: +91 22 2594 6979  
 E-mail : ganesh.jadhav@linkintime.co.in  
 Website: www.linkintimeco.in  
 Contact Person: Mr. Ganesh Jadhav



Edelweiss  
 Ideas create, values protect

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13.	The names of the debenture trustee(s) and consent to the Issuer for his appointment under regulation 4 (4) and in all the subsequent periodical communications sent to the holders of debt securities.
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15.	If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.
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## 1. DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Disclosure Document.

Term	Description
<b>“Edelweiss Finance &amp; Investments Limited” or “EFIL” or the “Company” or the “Issuer”</b>	Edelweiss Finance & Investments Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at 2 <sup>nd</sup> Floor, M. B. Towers, Plot No. 5, Road No. 2, Banjara Hills, Hyderabad - 500 034, Andhra Pradesh, India
<b>Articles of Association</b>	Articles of association of the Company, as amended from time to time.
<b>Board of Directors/Board</b>	The Board of Directors of the Company and includes Committee thereof.
<b>Memorandum of Association</b>	The Memorandum of Association of the Company, as amended from time to time.
<b>Promoter(s) / Holding Company / Guarantor</b>	Edelweiss Financial Services Limited
<b>Disclosure Document</b>	Offer Document / Information Memorandum / Private Placement Offer Letter / Offer Letter as per Form no. PAS-4 pursuant to Section 42 of the Companies Act, 2013 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014

### Issue Related Terms

Term	Description
<b>Affiliate (s)</b>	Affiliate (s) shall mean with respect to any person, any other person directly or indirectly Controlling, Controlled by, or under direct, indirect or common Control with, such person.
<b>AGM</b>	Annual General Meeting
<b>Category I</b>	Refers to the programme of the Issuer to accept subscription of less than INR 1,00,00,000 (Rupees One Crore Only) from each Investor
<b>Category II</b>	Refers to the programme of the Issuer to accept subscription of more than INR 1,00,00,000 (Rupees One Crore Only) from each Investor
<b>Application Form</b>	The form in which an investor can apply for subscription to the Debentures.
<b>BSE / Stock Exchange</b>	BSE Limited
<b>Bankers to the Issue</b>	The banker to the Issue, in this case being Citi Bank N.A. or ICICI Bank Limited or HDFC Bank, as the case may be.
<b>Beneficial Owner(s)</b>	Holder(s) of the Debentures in dematerialized form as defined under section 2 of the Depositories Act.
<b>Calculation Agent</b>	Edelcap Securities Limited
<b>CDSL</b>	Central Depository Services (India) Limited.
<b>Credit Rating Agency</b>	ICRA Limited
<b>Events of Default</b>	The occurrence of any one of the events as mentioned in the Trust Deed shall constitute an Event of Default.
<b>Debentures</b>	<b>500 SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF RS. 100,000/- EACH AGGREGATING TO RS 50,000,000/- ISSUED AS PER THE RESPECTIVE SUMMARY TERM SHEETS (THE “ISSUE”)</b>
<b>Debenture Trust Deed</b>	Debenture Trust Deed between the Company and SBICAP Trustee Company Limited (the Debenture Trustees) as stated in the Summary Term Sheet
<b>Depository(ies)</b>	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL.

<b>Depositories Act</b>	The Depositories Act, 1996, as amended from time to time.
<b>DP-ID</b>	Depository Participant Identification Number.
<b>EGM</b>	Extra- ordinary General Meeting
<b>Equity Shares</b>	Equity Shares of the Company of face value of Re. 10 each.
<b>FII</b>	Foreign Institutional Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and amendments thereafter and registered with the SEBI under applicable laws in India.
<b>FPI</b>	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and registered with the SEBI under applicable laws in India.
<b>IISL</b>	India Index Services and Products Limited
<b>NBFC</b>	Non- Banking Financial Company
<b>Mutual Funds</b>	As per SEBI (Mutual Funds) Regulations, 1996 “mutual fund” means a fund established in the form of a trust to raise monies through the sale of units to the public or a section of the public under one or more schemes for investing in securities including money market instruments or gold or gold related instruments or real estate assets
<b>Gifts or Government Securities’</b>	Means securities created and issued by the Central Government and/or State Government (including treasury bill) or Government Securities as defined in the Public Debt Act, 1944 as amended from time to time.
<b>G-Sec</b>	Government security (G-Sec) means a security created and issued by the Government for the purpose of raising a public loan or any other purpose as notified by the Government in the Official Gazette and having one of the following forms. <ul style="list-style-type: none"> <li>i. a Government Promissory Note (GPN) payable to or to the order of a certain person; or</li> <li>ii. a bearer bond payable to a bearer; or</li> <li>iii. a stock; or</li> </ul> a bond held in a Bond Ledger Account (BLA).
<b>GLD</b>	G-Sec Linked Debenture
<b>IRF</b>	Interest Rate Futures means a standardized interest rate derivative contract traded on a recognized stock exchange to buy or sell a notional security or any other interest bearing instrument or an index of such instruments or interest rates at a specified future date, at a price determined at the time of the contract. <p>Eligible instruments for IRF: The Interest Rate Futures deriving value from the following underlying are permitted on the recognised stock exchanges:</p> <ul style="list-style-type: none"> <li>(i) 91-Day Treasury Bills;</li> <li>(ii) 2-year, 5-year and 10-year coupon bearing notional Government of India security, and</li> <li>(iii) Coupon bearing Government of India security.</li> </ul>
<b>IRFLD</b>	Interest Rate Futures Linked Debenture
<b>NSDL</b>	National Securities Depository Limited.
<b>NRI</b>	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the FEMA Regulations.
<b>NSE</b>	National Stock Exchange of India Limited.
<b>OCB</b>	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under FEMA Regulations. OCBs are not permitted to invest in this Issue.
<b>Disclosure Document</b>	This Disclosure Document /Private Placement Offer Letter through which the Debentures are

	offered on private placement basis
<b>NLD</b>	Nifty Linked Debentures
<b>PAN</b>	Permanent Account Number.
<b>RBI</b>	Reserve Bank of India
<b>Registered Debenture Holder</b>	The Debenture holder whose name appears in the Register of Debenture Holders or in the beneficial ownership record furnished by NSDL/CDSL for this purpose.
<b>Register of Debenture Holders</b>	The register maintained by the Company containing the name of Debenture holders entitled to receive coupon/redemption amount in respect of the Debentures on the Record Date.
<b>SCRA</b>	Securities Contracts (Regulations) Act, 1956.
<b>SEBI</b>	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
<b>SEBI Act</b>	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
<b>Valuation Agency</b>	Credit Analysis and Research Limited (“CARE”)
<b>Working Days</b>	All days except Saturday, Sunday and any public holiday.

#### Events for Early Redemption:

**Force Majeure Event** shall mean any war, strike, lock-out, natural disaster, act of terrorism, any restriction on trading in the underlying, an act of state or situations beyond the reasonable control of the Company occurring after an obligation under the Disclosure Document is entered into by the Company, or such obligation has become illegal or impossible, in whole or in part and includes any breakdown, failure or malfunction beyond the control of the Company of any telecommunication or computer system including, without limitation, unavailability or outages or breakdowns of any communication system(s), breach or effect of any virus in the processes or the ‘payment and delivery mechanism’, sabotage, fire, explosion(s), acts of God, civil commotion or industrial action of any kind, riots, insurrection, acts of Government, computer hacking, unauthorized access to computer data and storage devices and computer crashes.

**Market Suspension Event for Market Linked Debentures** means the event of any suspension of trading by the authorised body on any official trading day, whereby trading shall be halted for a certain period of the day or the day or for the remainder of the trading day.

**Issuer Tax Change Event** means that, on or after the Deemed Date of Allotment of the Debentures, the imposition of any withholding or deduction on any payments in respect of the Debentures by or on behalf of the Issuer if such withholding or deduction is required by law.

**Change in Law** means that, on or after the Deemed Date of Allotment of the Debentures (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole discretion that (X) it has become illegal for the Issuer to hold, acquire or dispose of the Underlying Security/Units/hedge positions relating to the Debentures, or (Y) the Issuer will incur a materially increased (as compared with the circumstances existing on the Deemed Date of Allotment) cost in relation to the performance of the Issuer’s obligations under the Debentures (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer).

**Hedging Disruption** means that the Issuer or any of its Affiliates or its Holding Company is unable, after using commercially reasonable efforts, to either (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the underlying price risk (or any other relevant price risk including, but not limited to, the currency risk) of issuing and performing its obligations with respect to the Debentures, or (B) freely realize, recover, receive, repatriate, remit or transfer the proceeds of hedge positions or the Debentures.

**Increased Cost of Hedging** means that the Issuer and/or any of its Affiliates or its Holding Company would incur a materially increased (as compared with circumstances existing on the Deemed Date of allotment) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the underlying price risk (or any other relevant price risk including, but

not limited to, the currency risk) of issuing and performing its obligations with respect to the Debentures, or (B) realize, recover or remit the proceeds of hedge positions or the Debentures.

**Reference Index Modification Event** means any material change in composition of index or the Mutual fund scheme /method of computation of index as determined by the calculation agent or calculation of NAV of the relevant scheme by the Mutual fund, which leads to substantially increased cost of hedging/ Hedging Disruption.

**Schedule – I as per SEBI (Issue and Listing of Debt Securities) Regulation, 2008 as amended (including Securities And Exchange Board Of India (Issue And Listing Of Debt Securities) (Amendment) Regulations, 2012 through notification dated October 12, 2012), and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015 through notification dated March 24, 2015, SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, SEBI Circular CIR/IMD/DF/17/2011 dated September 28, 2011 and Form no. PAS-4 pursuant to section 42 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014**

## 2. ISSUER INFORMATION

### (i) REGISTERED OFFICE & CORPORATE OFFICE OF THE ISSUER

#### **Edelweiss Finance & Investments Limited**

##### **Registered Office:**

2nd Floor, M. B. Towers,  
Plot No. 5, Road No. 2, Banjara Hills,  
Hyderabad - 500 034, Andhra Pradesh.  
Tel: +91 40 4031 6900

##### **Corporate Office:**

Edelweiss House, Off.C.S.T. Road,  
Kalina, Mumbai – 400098, Maharashtra, India,  
Tel: +91 22 4009 4400/ +91 22 4088 6310; Fax: +91 22 4079 5062;  
E-mail: [spinvestor@edelweissfin.com](mailto:spinvestor@edelweissfin.com); Website: [www.edelweissfin.com](http://www.edelweissfin.com)

### (ii) COMPANY SECRETARY OF THE ISSUER:

Ms. Nidhi Parekh  
Edelweiss House, Off C.S.T. Road, Kalina,  
Mumbai – 400 098,  
Maharashtra, India.  
Tel: +91 22 4009 4400; Fax: +91 22 4086 3759

### (iii) CHIEF FINANCIAL OFFICER OF THE ISSUER:

Mr. Manjeet Bijlani  
Edelweiss House, Off C.S.T. Road,  
Kalina, Mumbai – 400 098,  
Maharashtra, India.  
Tel: +91 22 4009 4400; Fax: +91 22 4086 3759

### (iv) DEBENTURE TRUSTEE

SBICAP Trustee Company Limited  
Apeejay House, 6th Floor,  
3, Dinshaw Wachha Road, Churchgate,  
Mumbai 400 020  
Tel: +91 22 4302 5530  
Fax: +91 22 4302 5500  
E-mail: [corporate@sbicaptrustee.com](mailto:corporate@sbicaptrustee.com)  
Website: [www.sbicaptrustee.com](http://www.sbicaptrustee.com)  
Contact Person: Mr. Ajit Joshi, Compliance Officer

**Product Code: F9G601**

**(v) REGISTRAR TO THE ISSUE**

Name: Link Intime India Private Limited  
Address: C-13, Pannalal Silk Mills Compound  
LBS Marg, Bhandup (W),  
Mumbai -400 078  
Maharashtra, India

**(vi) CREDIT RATING AGENCY TO THE ISSUE**

Name: ICRA Limited  
Address: Kailash Building,  
11th Floor, 26, Kasturba Gandhi Marg,  
New Delhi- 11

**(vii) AUDITORS OF THE ISSUER**

Name: B S R & Associates LLP, Chartered Accountants  
Address: Lodha Excelus,  
5<sup>th</sup> Floor, Apollo Mills Compound  
N. M. Joshi Marg,  
Mahalakshmi,  
Mumbai - 400 011  
Maharashtra, India

**3. A BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS****(a) Overview**

Edelweiss Finance & Investments Limited was originally incorporated as a Private Limited company under the name and style of Crossborder Investments Private Limited on October 27, 1994 in the state of Maharashtra.

The Company became the subsidiary of Edelweiss Financial Services Limited (EFSL) with effect from March 3, 2000. The Equity Shares of EFSL are listed on BSE Limited and National Stock Exchange of India Limited.

The name of the Company was changed to "Edelweiss Finance & Investments Private Limited" with effect from July 24, 2009.

With effect from August 20, 2009, the status of the Company changed from private limited company to public limited company and the name changed to Edelweiss Finance & Investments Limited.

Vide Order of the Company Law Board dated January 17, 2007, the Registered Office of the Company shifted from the state of Maharashtra to the state of Andhra Pradesh and the Registrar of Companies, Andhra Pradesh by giving the Corporate Identity Number U67120AP1994PLC052372.

The Company is registered as a Non-Banking Financial Institution not accepting public deposits with the Reserve Bank of India. The Company is engaged in the business of investments and lending. Over a period of time the Company has acquired the status of Systemically important Non-Banking Financial Company not accepting public deposits.

The Company offers various financial products and services to individuals and corporates to suit their requirements.

The Company is presently engaged in the business of an investment company, to invest in, acquire, subscribe for, mortgage or hold shares, bonds, stocks, debentures and all other securities issued or guaranteed by any company, Government or public body constituted in India or elsewhere and to carry on in India or abroad the business of financing such as money lending, bill discounting, factoring, corporate lending to advance money with or without securities and provide financing to industrial enterprises.

It possesses expertise in financing short and long term loan facility, risk analysis, transfer and assessment besides a broad spectrum of services.

### **Product Offering**

- **Promoter Finance**

Loans are offered to promoters against pledge of their shares. The funds so raised can be used by the promoters for the working capital requirement of their companies, for expansion and diversification of the business.

- **Structured Finance**

The Company offers various structured financing solutions to corporates for funding the companies in special situations like acquisition financing etc.

- **Loan Against Securities (LAS)**

LAS is a Loan Facility offered against collateral of Securities which inter alia includes Equity Shares, Debentures, Bonds, units of Mutual Funds, etc. With this product investors can borrow funds against their existing portfolio of investments.

- **IPO Financing**

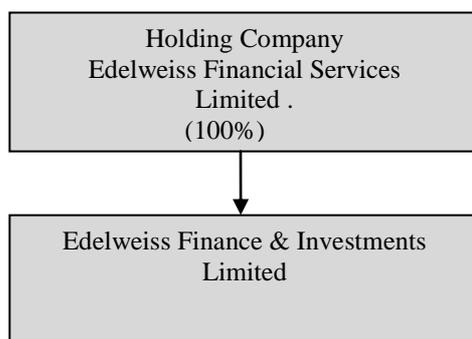
IPO funding product offers an opportunity to leverage one's fund in primary markets.

- **ESOP Financing**

Such loans are offered to employees to apply for the shares as an exercise of the options granted under ESOP by their company. The tenure of the loan ranges from one month to twelve months.

- **Loan Syndication Services**

Leveraging on the existing relationships and knowledge expertise of the Company has forayed into the business of loan syndication. The Company arranges various types of short term and long term loans and credit facility for companies. Depending on the nature of the deal the Company also act as a investor in the transaction.

**(b) Corporate Structure :**

**(c) Key Operational and Financial Parameters for the last three audited years (standalone) ended March 31, 2016.**

Parameters	(Rs in Crore)		
	Financial Year ended March 31, 2016	Financial Year ended March 31, 2015	Financial Year ended March 31, 2014
Networth #	300.81	329.30	324.01
Total Debt			
of which – Non Current Maturities of Long Term Borrowing	587.45	350.88	-
- Preference Share Capital (Including security premium received on preference shares)	47.07	47.07	31.38
- Short Term Borrowing	2,678.58	2870.94	1926.84
- Current Maturities of Long Term Borrowing	125.18	63.75	15.00
Net Fixed Assets	22.25	23.42	24.04
Non Current Assets	188.17	162.26	157.48
Cash and Cash Equivalents	165.32	32.77	10.08
Current Investments	29.18	29.51	29.66
Current Assets	2,636.57	2954.36	1937.00
Non Current Liabilities	22.34	4.88	4.87
Current Liabilities	80.22	134.39	32.31
Assets Under Management - Credit Financing	800.16	598.90	176.16
Off Balance Sheet Assets	-	-	-
Interest Income	336.09	329.61	226.03
Interest Expense	211.95	287.35	201.69
Provisioning & Write-offs	4.12	-0.33	5.25
PAT	52.26	50.76	42.05
Gross NPA (%)	0.00%	0.00%	3.33
Net NPA (%)	0.00%	0.00%	0.00%
Tier I Capital Adequacy Ratio (%)	20.59%	24.91%	57.21%
Tier II Capital Adequacy Ratio (%)	5.49%	5.11%	7.25%
<b>Gross Debt: Equity Ratio of the Company:-</b>			
Before the issue of debt securities *	3.5031		
After the issue of debt securities *	<b>3.5047</b>		

#Excluding preference share capital and securities premium on preference shares forming part of other Debt

\*Excluding asset specific borrowings

(d) Project cost and means of financing, in case of funding of new projects : **Not applicable**

#### 4. A BRIEF HISTORY OF THE ISSUER

##### (a) History:

Edelweiss Finance & Investments Limited was originally incorporated as a Private Limited company under the name and style of Crossborder Investments Private Limited on October 27, 1994 in the State of Maharashtra. The Company became the subsidiary of Edelweiss Financial Services Limited (EFSL) with effect from March 3, 2000. The Equity Shares of EFSL are listed on BSE Limited and National Stock Exchange of India Limited.

Presently, the Registered Office of the Company is situated at 2nd Floor, M. B. Towers, Plot No. 5, Road No. 2, Banjara Hills, Hyderabad - 500 034, Andhra Pradesh and the Corporate Office is at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400 098.

The Company got registered as a Non-Banking Financial Institution not accepting public deposits with the Reserve Bank of India on March 30, 2002. The Company is engaged in the business of investments and lending. The Company has 4 (four) Offices, which includes the Registered Office the Corporate Office, an Office and a Branch Office.

##### Our Subsidiary

As of date, the Company has 2 wholly owned subsidiaries namely EC Global Limited. and Olive Business Centre Limited, the details of which are given below:

##### **EC Global Limited (ECG)**

ECG is a Company incorporated in Mauritius. ECG holds the following licenses issued by the Financial Services Commission, Mauritius:

- Category 1 Global Business License and
- Investment Adviser (Unrestricted License)

ECG is licensed in Mauritius as a global business company to engage in investment holding activities and in providing consultancy and asset management services and trading in securities and derivatives in global market.

##### **Olive Business Centre Limited (Olive)**

Olive is a Company incorporated under the Companies Act, 2013 and it proposes to carry on business centre.

##### (b) Capital Structure of the Company as on March 31, 2016

##### Share Capital

Particulars	Amount (Rs. in crores)
<b>A. Authorised Capital</b>	
30, 00,000 (Previous year: 30, 00,000) Equity shares of Rs.. 10 each (Previous year: Rs. 10 each)	3
7,00,00,000 (Previous year: 7,00,00,000) Preference shares of Rs. 10 each (Previous year: Rs. 10 each)	70
<b>Total</b>	<b>73</b>
<b>B. Issued, Subscribed and Paid Up Capital</b>	
26,55,020 (Previous year: 26,55,020) Equity shares of Rs. 10 (Previous year: Rs.10) each, fully paid-up	2.65
3,13,80,000 (Previous year: Nil) 14.625% - Cumulative Redeemable Preference Shares of Rs. 10 (Previous year: Nil) each, fully paid-up	31.38
<b>Total</b>	<b>34.03</b>
Paid up capital (A) after the offer;.	There will be no

(B) after conversion of convertible instruments (if applicable) (d) share premium account (before and after the offer)	change in the Capital and Share Premium after the Offer.
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**(c) Change in share capital as on March 31, 2016 (for last five years) :**

**(i) Authorized Share Capital and the changes therein:**

Date of Change (AGM/EGM)	Amount in Rs.	Particulars / Remarks
June 18, 2013 (EGM)	Rs. 73,00,00,000/-	Authorised share capital was increased from Rs. 4,50,00,000/- to Rs. 73,00,00,000/- by creation of 6,85,00,000 Preference Shares of Rs. 10 each/-.

**(ii) Change in Equity Share Capital as on March 31, 2016 (for last five years) :**

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for Allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Share Capital (Rs. In Cr)	Cumulative Share Premium (Rs. In Cr)	Remarks
15.06.2010	5,25,000	10	1000	Cash	Allotment to the Holding Company	26,55,020	2.65502	227.02	----

**(d) Details of any acquisitions or amalgamation in the last one year : None**

**(e) Details of any reorganization or reconstruction in the last one year : None**

**5. DETAILS OF THE SHAREHOLDING PATTERN AS ON MARCH 31, 2016**

**(a) Shareholding pattern of the Company as on March 31, 2016:**

Sr. No.	Particulars	Total No. of Equity Shares	No. of Shares in Demat form	Total Shareholding as % of total no. of Equity Shares
1.	Promoter	26,55,020	6,00,000	100
	Total	26,55,020	6,00,000	100

Note: None of the shares are pledged by Promoters and Promoter Group.

**(b) List of Top 10 holders of Equity Shares of the Company as on March 31, 2016:**

Sr. No.	Name of Shareholder	No. of Equity Shares held	No of Shares in Demat form	% of Share Holding
1	Edelweiss Financial Services Limited(EFSL)*	*26,55,020	6,00,000	100
	Total	26,55,020	6,00,000	100

\*Note: None of the shares are pledged by Shareholders.

**6. OUR MANAGEMENT**

The Articles of Association of our Company require us to have not less than 3 (three) and not more than 15 (fifteen) Directors. As on March 31, 2016, we have 1 (one) Executive Directors, 3 (three) Non-executive Director and 2 (two) Independent Directors.

**Board of Directors**

The general superintendence, direction and management of our affairs and business are vested in the Board of Directors.

Currently, we have 6 (Six) Directors on the Board of Directors.

## DETAILS OF DIRECTORS

### (a) NAMES AND ADDRESSES OF THE DIRECTORS OF THE ISSUER AS ON MARCH 31, 2016

Sr. No.	Name, Designation, DIN, Nationality, Occupation and Address	Age (Years)	Date of Appointment	Other Directorships
1.	Mr. Venkat Ramaswamy Designation: Executive Director DIN: 00008509 Nationality: Indian Occupation: Service Address: 142, Beach Apt., 14th Floor, P. Balu Rd., Prabhadevi, Mumbai - 400025.	48	01/11/2013	1. Edelweiss Financial Services Limited 2. Edelweiss Tokio Life Insurance Company Limited 3. Prime Urban Development India Limited 4. Edelweiss Holdings Limited 5. Edelweiss Capital (Singapore) Pte. Ltd. 6. Edelweiss Alternative Asset Advisors Pte. Limited
2.	Mr. Raviprakash Bubna, Designation: Director DIN: 00090160 Nationality: Indian Occupation: Service Address: 1203, 'C' Wing, Lakshachandi Heights, Krishna Vatika Marg, Gokuldharm, Goregaon (East), Mumbai - 400 063	46	26/11/2009	ECL Finance Limited
3.	Mr. Subramanian Ranganathan, Designation: Director DIN: 00125493 Nationality: Indian Occupation: Service Address: A-407/408, 4TH Floor Golf Scaape, Sion Trombay, Chembur, Mumbai- 400071	51	24/01/2013	1. EFSL Commodities Limited 2. Edelweiss General Insurance Company Limited
4.	Mr. Pudugramam Narayanaswamy Venkatachalam Designation: Independent Director DIN: 00499442 Nationality: Indian Occupation: Professional Address: Flat no. 3C, Settlur Manor No.2, Sivaswamy Street, Opp Dr. Radhakrishnan Salai, Mylapore, Chennai – 600 004	70	14/07/2008	1. Khazana Jewellery Private Limited 2. Edelweiss Financial Services Limited 3. ECL Finance Limited 4. Edelweiss Commodities Services Limited 5. Sundaram Finance Limited 6. UTI Asset Management Company Limited 7. UTI Retirement Solutions Limited 8. Edelweiss Tokio Life Insurance Company Limited 9. Sundaram BNP Paribas Home Finance Limited 10. Edelweiss Housing Finance Limited
5.	Dr. Vinod Juneja Designation: Independent Director DIN: 00044311	65	21/01/2010	1. Shristi Infrastructure Development Corporation Limited

	Nationality: Indian Occupation: Service Address: 3A Quest End, 47 Cuffe Parade, Mumbai – 400005			2. Shyam Telecom Limited 3. Gal Aviation Solutions Private Limited 4. Damini Multitrade Private Limited 5. Edelweiss Securities Limited
6.	Ms. Shabnam Panjwani Designation: Non-Executive Director DIN: 02057371 Nationality: Indian Occupation: Service Address: 26,Hempradha Building, 7th Floor, Marine Drive, Mumbai –400020	50	20/03/2015	1. Island Investments Private Limited 2. Edelcap Securities Limited 3. Edelweiss Housing Finance Limited 4. Edelweiss Tokio Life Insurance Company Limited

**(b) Change in Directors since last three years (for the period January 1, 2013 to March 31, 2016) :**

Name, Designation	DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Mr. S Ranganathan	00125493	24/01/2013	-	Appointment
Mr. George Mathew	00010299	23/01/2013	01/04/2004	Cessation
Mr. Venkat Ramaswamy	00008509	01/11/2013	-	Appointment
Ms. Shabnam Panjwani	02057371	20/03/2015	-	Appointment
Mr. Gaurang Tailor	00010292	05/11/2015	08/02/2006	Cessation

**Confirmations**

Our Directors have not been identified as willful defaulters by the RBI, ECGC or any government authority.

**Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons**

NIL

**Debenture holding of Directors:**

As on date, none of our Directors hold any debentures in the Company.

**Remuneration of the Directors**

Sr. No.	Name of the Director	March 31, 2016 (Rs.)	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
1.	Mr. Venkat Ramaswamy	46,639,133	27,129,878	12,959,952
2.	Mr. Raviprakash Bubna	Nil	Nil	Nil
3.	Mr. P N Venkatachalam	2,00,000	240,000	1,20,000
4.	Mr. Subramanian Ranganathan	Nil	Nil	Nil
5.	Dr. Vinod Juneja	1,80,000	140,000	1,00,000
6.	Ms. Shabnam Panjwani	Nil	Nil	Nil

**7. DETAILS OF AUDITORS OF THE COMPANY**

**(a) Details of the auditor of the Company**

Name	Address	Auditor since
B S R & Associates LLP, Chartered Accountants	Lodha Excelus, 5 <sup>th</sup> Floor, Apollo Mills Compound, N. M. Joshi Marg, Mahalakshmi, Mumbai - 400 011, Maharashtra India.	September 22, 2006

(b) Details of changes in auditors since last three years : None

#### 8. DETAILS OF BORROWINGS AS ON MARCH 31, 2016

(a) Details of Secured Loan Facilities :

Lender's name	Type of facility	Amount sanctioned	Principal amount outstanding	Repayment Date / Schedule	Security
CBLO Borrowing	Collateralised borrowing and lending obligation	-	23,845,024,133		Government Securities
Non Convertible Debentures			7,463,815,370	Refer Annexure A	Financing Receivable
<b>Total</b>			<b>31,308,839,503</b>		

Net of unammortised discount on issue of NLDs amounts to Rs 7,360,829, Security premium on NLD amounting to Rs.2,923,800 and buy back of NLD amounting to Rs.243,200,000. Thus the gross secured outstanding borrowing as at 31 March 2016 is Rs 31,562,324,132.

(b) Details of Unsecured Loan Facilities :

Lender's name	Type of facility	Amount sanctioned	Principal amount outstanding	Repayment Date / Schedule
Edelweiss Financial Services Limited (Holding Company)	Working capital Loan	-	123,414,450	On demand
Edelweiss Commodity Services Limited	Working capital Loan	-	10,900,000	29-July-2025
Frugal Realty Private Limited	ICD	-	39,00,000	14-Dec-15
Commercial Paper		-	2,315,017,096	Refer point 8(f)(i) below
Edelweiss Tokio Life Insurance Company Limited	Non-convertible redeemable debentures –Subordinate Debt	-	150,000,000	
<b>Total</b>			<b>2,603,231,546</b>	

(c) Details of Non Convertible Debentures :

For details of Non Convertible Debentures refer Annexure A

(d) List of Top 10 Debenture holders as on March 31, 2016

Sr. No.	Name of Debenture holder	Amount (Rs. In lakhs)
1.	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE DYNAMIC BOND FUND	12,500.00
2.	ECAP EQUITIES LIMITED	10125.00
3.	LARSEN AND TOUBRO LIMITED	4875.00

4.	AZIM PREMJI TRUST	4000.00
5.	J K LAKSHMI CEMENT LIMITED	3500.00
6.	RAGHAV BAHL	3500.00
7.	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE CORPORATE BOND FUND	2500.00
8.	STYRAX COMMODITIES LTD	2142.00
9.	INTERNATIONAL TRACTORS LTD	1000.00
10.	ANCHOR INVESTMENTS PRIVATE LIMITED	1000.00

(e) The amount of corporate guarantee issued by the issuer along with name of the counter party (like name of the subsidiary, JV entity, group company, etc) on behalf of whom it has been issued : **NONE**

(f) Details of Commercial Paper :

The total face value of Commercial Papers outstanding as on March 31, 2016 is:

Maturity Date	Amount Outstanding (Rs.)
NIL	0

(g) Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on March 31, 2016:

Number of shares	Particulars	Amt in Rs
31,380,000.00	14.625% Cumulative Redeemable Preference Shares of Rs 10 fully paid up (Redeemable @ Rs. 5 per share at the time of redemption).	313,800,000.00

(h) Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, loans from any bank or financial institutions, deposits, debt securities and other financial indebtedness including corporate guarantee issued by the Company, Statutory dues : **NONE**

(i) Details of outstanding borrowings taken / debt securities issued where taken / issued (a) for consideration other than cash, whether in whole or part, (b) at premium or discount, or (c) in pursuance of an options

The Issuer has not issued any debt securities: (a) for consideration other than cash, whether in whole or part; (b) at premium or discount, or (ii) in pursuance of an option as on March 31, 2016.

As on March 31, 2016 the Issuer has issued debt securities at a discount as per the table below:

Date of Issue	Product Code	No. of Debentures	Face Value (in Rs.)	Discount Per Debenture (in Rs.)	Aggregate Discount (in Rs.)
11-Sep-14	H7L401	200	100000	2000	400000
31-Oct-14	J7D401	140	100000	2000	280000
03-Nov-14	J7D402	140	100000	1900	266000
05-Nov-14	J7C402	178	100000	2250	400500
17-Nov-14	A6K401	221	100000	1250	276250
03-Mar-15	B8E501	308	100000	1250	385000
19-Jun-15	E7K501A	346	100000	3500	1211000
12-Aug-15	D8A501A	207	100000	3750	776250
13-Oct-15	I8C501A	271	100000	3000	813000
19-Nov-15	J8D501A	104	100000	3000	312000
01-Dec-15	K8D501A	180	100000	2750	495000
11-Jan-16	L8A601A	383	100000	3000	1149000
25-Jan-16	A9A601A	932	100000	3000	2796000

12-Feb-16	A9B602A	426	100000	3000	1278000
29-Feb-16	B9B601A	599	100000	3000	1797000

As on March 31, 2016 the Issuer has issued debt securities at a premium as per the table below:

Date of Issue	Product Code	No. of Debentures	Face Value (in Rs.)	Premium per Debenture (in Rs.)	Aggregate Premium (in Rs.)
29-May-2012	E7E501A	378	100000	400	151200

## 9. DETAILS OF PROMOTERS OF THE COMPANY :

### Details of Promoter holding in the Company as on March 31, 2016

Sr. No.	Name of Shareholders	Total no. of Equity Shares	No. of shares in demat form	Total Shareholding as % if total no. of equity shares	No of shares pledged	% of shares pledged with respect to shares owned
1.	Edelweiss Financial Services Limited	26,55,020	6,00,000	100	Nil	Nil

10. Abridged version of Audited Consolidated (wherever available) and Standalone Financial information ( like Profit & Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications , if any.

Abridged version of Audited Standalone Financial information for last three years is enclosed as Annexure B

11. (a) Abridged version of Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement and Balance Sheet) and auditors qualifications, if any.

Refer Annexure B for Abridged version of financial results for the half year and year ended 31 March 2016.

- (b) Related party transactions entered during the last three financial years immediately preceding the year of circulation of Disclosure Document including with regard to loans made or, guarantees given or securities provided

Refer annexure C

- (c) Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of Disclosure Document and their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.

Nil

- (d) Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.

NONE

- (e) Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of Disclosure Document

Refer annexure D

- (f) Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)

Refer annexure D

12. **(a)** Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.

NONE

**(b)** Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the Disclosure Document and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

NONE

**(c)** Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of Disclosure Document in the case of Company and all of its subsidiaries.

NIL

**(d)** 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.

NIL

**(e)** Prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the Disclosure Document and if so, section-wise details thereof for the Company and all of its subsidiaries

NIL

13. **The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given his consent to the Issuer for his appointment under regulation 4 (4) and in all the subsequent periodical communications sent to the holders of debt securities.**

The Issuer has received the consent of SBICAP Trustee Company Limited to act as the Trustees on behalf of the Debenture Holders.

14. **The detailed rating rationale (s) adopted (not older than one year on the date of opening of the issue)/ credit rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies shall be disclosed.**

The rating rationale/letter adopted/issued by the Rating Agency is enclosed as Annexure E.

15. **If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.**

Edelweiss Financial Services Limited, the Holding Company has issued unconditional and irrevocable guarantee securing interest and principal of the Issuer under these Debentures.

16. **Copy of consent letter from the Debenture Trustee shall be disclosed.**

The copy of consent letter from Debenture Trustee is enclosed as Annexure G

17. **Names of all the recognised stock exchanges where the debt securities are proposed to be listed clearly indicating the designated stock exchange**

The Debentures are proposed to be listed on BSE. The designated stock exchange is the **BSE**.

## 18. Other details

### (a) Debenture Redemption Reserve

The Debenture Redemption Reserve shall be as per the provisions of the Companies Act, 2013 and the applicable Rules as amended from time to time specified for Non-banking Financial Companies.

(b) Name and address of the valuer who performed valuation of the security offered is not applicable in this case.

### (c) Issue/instrument specific regulations - relevant details (Companies Act, RBI guidelines, etc).

- The Companies Act, 2013 and the applicable Rules as amended from time to time
- SEBI (Issue and Listing of Debt Securities) Regulation, 2008 as amended (including Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 through notification dated October 12, 2012) and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015 through notification dated March 24, 2015.
- SEBI Circular CIR/IMD/DF/17/2011 dated September 28, 2011
- SEBI Circular CIR/IMD/DF/17/2013 dated October 22, 2013
- SEBI Circular CIR/IMD/DF/18/2013 dated October 29, 2013 to the extent applicable
- RBI Notification bearing no. RBI/2011-12/423 A.P. (DIR Series) Circular No. 89 dated March 1, 2012 issued by Reserve Bank of India, Foreign Exchange Department, Central Office, Mumbai – 400 001 in respect of FII investment in 'to be listed' debt securities - (Applicable to FPI/FII investors only)
- RBI Circular RBI/2013-14/402 IDMD.PCD. 08/14.03.01/2013-14 and RBI Notification No. IDMD.PCD.07/ED(RG) - 2013 dated December 5, 2013 and amendments thereafter
- SEBI Circular CIR/MRD/DRMNP/35/2013 dated December 05, 2013 and amendments thereafter
- RBI Circular RBI/2014-15/475/DNBR (PD) CC No.021/03.10.001/2014-15 dated February 20, 2015
- SEBI (Listing Obligation & Disclosure requirement) Regulations, 2015 and amendments thereafter

### (d) Application for the Debentures

#### How to Apply

Applications for the Debentures must be made in the Application Form and must be completed in block letters in English by investors. Application Forms must be accompanied by a cheque or electronic fund transfer instruction drawn or made payable in favour of "Edelweiss Finance and Investments Limited" and marked 'A/c Payee Only' in case of cheques. The full amount of the Debentures applied for has to be paid along with the delivery of the fully completed and executed Application Form together with other applicable documents described below.

Cheques/ electronic fund transfer instruction may be drawn on any bank which is situated and is a member or sub-member of the Bankers' clearing houses located at Mumbai. Investors are required to make payments only through cheques/ electronic transfer payable at Mumbai.

The Company assumes no responsibility for any applications/cheques/ lost in mail or in transit.

The payment by FPIs / FIIs shall be made through the payment modes permitted by Reserve Bank of India.

#### Who can Apply

Nothing in this Disclosure Document shall constitute and/or deem to constitute an offer or an invitation to an offer, to be made to the Indian public or any section thereof through this Disclosure Document, and this Disclosure Document and its contents should not be construed to be a prospectus under the Companies Act.

The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures

- Individuals
- Hindu Undivided Family
- Trust
- Limited Liability Partnerships
- Partnership Firm(s)
- Portfolio Managers registered with SEBI
- Association of Persons
- Companies and Bodies Corporate including Public Sector Undertakings.
- Commercial Banks
- Regional Rural Banks
- Financial Institutions
- Insurance Companies
- Mutual Funds
- FPIs /FII, /sub-accounts of FIIs
- Any other investor eligible to invest in these Debentures

All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

This Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed and only such recipients are eligible to apply for the Debentures. Furthermore, NRIs, OCBs, and other persons resident outside India (except as specifically provided in this Disclosure Document) are not eligible to apply for or hold the Debentures.

#### **Application by Banks/Corporate Bodies/Mutual Funds/FIs/Trusts/Statutory Corporations**

The applications must be accompanied by certified true copies of (i) memorandum and articles of association/constitution/bye-laws/trust deed; (ii) resolution authorizing investment and containing operating instructions; and (iii) specimen signatures of authorized signatories; Application made by an Asset Management Company or custodian of Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

#### **Application by FPIs / FIIs / sub accounts of FIIs**

The application should be accompanied by all documents required in case of investments to be made by such FPIs / FIIs / sub accounts of FIIs including (i) approval, if any from Reserve Bank of India / SEBI; (ii) self attested copy of PAN; (iii) SEBI registration certificate (including of the sub-account of FII); FPIs / FIIs / sub accounts of FIIs, (iv) tax residence certificate provided by the Income Tax authority of foreign country of which the FII is a tax resident, wherever applicable/Address Proof, (v) authorized signatories, (vi) Board resolution permitting investment in debentures/structured products, (vi) demat statement, (vii) financials for the past 2 years and (viii) the POA

#### **Application under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signatures of all authorised signatories must be lodged along with the submission of the completed Application Form. Further, modifications/additions in the power of attorney or authority should be delivered to the Company at its Office.

#### **PAN**

Each of the applicants should mention his/her/their PAN allotted under the IT Act. Applications without this will be considered incomplete and are liable to be rejected.

#### **Basis of Allotment**

The Company has the sole and absolute right to allot the Debentures to any applicant.

#### **Right to Accept or Reject Applications**

The Company is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason. Application Forms that are not complete in all respects shall be rejected at the sole and absolute

discretion of the Company.

### **Payment of Coupon**

Coupon will be paid only to the Debenture holders registered in the Register of Debenture holders or to the Beneficial Owners. Coupon on the Debentures, if any shall be payable on the Redemption Date. The determination of the persons entitled to receive Coupon in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture holders or the Depositories' record) shall be made on the Record Date. In the case of joint holders of Debentures, Coupon shall be payable to the first named Debenture holder.

### **Redemption**

The entire principal amount of the Debentures will be repaid, on or before the Redemption Date. No surrender of debentures by the debentureholders will be allowed prior to the redemption date.

The Debentures held in the dematerialised form shall be taken as discharged on payment of the redemption amount by the Company on maturity to the registered debentureholders whose name appears in the Register of debentureholders on the record date. Such payment will be a legal discharge of the liability of the Company towards the debentureholders. On the Company dispatching the amount as specified above in respect of the Debentures, the liability of the Company shall stand extinguished.

The Company's liability to the debentureholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due dates of redemption in all events. Further the Company will not be liable to pay any Coupon or compensation from the dates of such redemption.

### **Right to Re-purchase and Re-issue the Debentures**

The Company will have power, exercisable at its sole and absolute discretion from time to time, to re-purchase a part or all of its Debentures from the secondary markets or otherwise, at any time prior to the Redemption Date, subject to applicable law and in accordance with the applicable guidelines/regulations, if any.

In the event of a part or all of its Debentures being repurchased as aforesaid or redeemed under any circumstances whatsoever, the Company shall have, and shall be deemed always to have had, the power to reissue the Debentures either by reissuing the same Debentures or by issuing other debentures in their place.

Further the Company, in respect of such re-purchased/re-deemed Debentures shall have the power, exercisable either for a part or all of those Debentures, to cancel, keep alive, appoint nominee(s) to hold or reissue at such price and on such terms and conditions as it may deem fit and as permitted by law.

### **Place, Currency and Mode of Payment**

All obligations of the Company on the Debentures including Coupon, are payable at Mumbai in Indian rupees only. The payments will be made through cheques or RTGS/NEFT/Fund Transfer mode.

### **Issue of Debentures In Dematerialised Form**

The Debentures will be issued only in dematerialized form. The trading in Debentures will be in dematerialized mode only. The Company has made arrangements with the depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Depository Participant's name, DP-ID and beneficiary account number must be mentioned at the appropriate place in the Application Form. The Company shall take necessary steps to credit the Debentures allotted to the depository account of the investor.

### **Succession**

In the event of demise of a Registered Debenture holder of the Debentures, or the first holder in the case of joint holders, the Company will recognize the executor or administrator of the demised Debenture holder or the holder of succession certificate or other legal representative of the demised Debenture holder as the Registered Debentures holder of such Registered Holder's Debentures if such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter and delivers a copy of the same to the Company. The Company may in its absolute discretion, where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal representation, in order to

recognize such holder as being entitled to the Debentures standing in the name of the demised Debenture holder(s) on production of sufficient documentary proof or indemnity. In case a person other than individual holds the Debentures, the rights in the Debentures shall vest with the successor acquiring interest therein, including liquidator or such any person appointed as per the applicable law.

### **Notices**

The notices, communications and writings to the Debenture holder(s) required to be given by the Company shall be deemed to have been given if sent by registered post/courier to the Registered Debenture holder(s) at the address of the Debenture holder(s) registered with the Corporate Office.

All notices, communications and writings to be given by the Debenture holder(s) shall be sent by registered post or courier by hand delivery to the Company at its Corporate Office or to such persons at such address as may be notified by the Company from time to time and shall be deemed to have been received on actual receipt of the same.

### **Rights of Debenture holders**

The Debenture holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Companies Act. The Debenture shall not confer upon the holder the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Company.

### **Modifications of Rights**

The rights, privileges and conditions attached to the Debentures may be varied, modified or abrogated upon a Special Request or by a Special Resolution duly passed at the meeting of the Debentureholders convened in accordance with the provisions set out in the Fifth Schedule of the Debenture Trust Deed.

### **Future Borrowings**

Subject to the applicable regulations, the Company shall be entitled, from time to time, to make further issue of Debentures, other debt securities (whether *pari passu* or junior to the Debentures) and other instruments and securities to any person or persons including to the public or a section of the public and/or members of the Company and/or to raise further loans, advances and/or avail further financial and/or guarantee facilities from financial institutions, banks and/or any other person(s) without any further approval from or notice to the Debenture holders/Debenture Trustee.

### **Tax Benefits**

A debenture holder is advised to consider the tax implications in respect of subscription to the Debentures after consulting his tax advisor.

### **Coupon Cheques/Refund Cheques**

Loss of Coupon cheques/refund cheques should be intimated to the Company immediately. Upon receipt of request for issue of duplicate Coupon cheques/refund cheques, the Company shall consider the same and such issue of duplicate cheques shall be governed by applicable law and any other conditions as may be prescribed by the Company.

### **Debenture Trustee**

The Issuer has received the consent of SBICAP Trustee Company Limited to act as the Trustees on behalf of the Debenture Holders. All the rights and remedies of the Debenture holders shall vest in and shall be exercised by the Debenture Trustee without referring to the Debenture holders. All investors are deemed to have irrevocably given their authority and consent to SBICAP Trustee Company Limited to act as their debenture trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by the Company to the Debenture Trustee on behalf of the Debenture holders shall discharge the Company *pro tanto* to the Debenture holders. Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed executed between the Company and the Debenture Trustee. A notice in writing to the Debenture holders shall be provided for the same.

### Valuation Agency

The Company has appointed Credit Analysis and Research Limited (“CARE”) as the Valuation Agent to provide value for debentures. The Valuation Agent will publish the valuation on its website at least once every calendar week. The valuation of the Debentures shall be available at <http://www.edelweissfin.com/Home/Individuals.aspx> and on the website of the Valuation Agency at <https://researchreports.careratings.com/mld-valuation/> within 7 Working Days from Deemed Date of Allotment. Upon request by any Debenture Holder for the value of the Debentures, the Issuer shall arrange to provide the same. The Company reserves the right to change the Valuation Agent at its sole and absolute discretion, during the tenure of the Debentures without giving any reasons or prior notice to the Debenture holders. The Issuer shall inform about such change as and when it occurs to the Debenture holders.

### Anti Money Laundering

Since these debentures are issued in “compulsory demat mode” and the Company uses depository system for allotment of the debentures, KYC checks conducted by depository participants at the time of accepting the customer or transaction under the prevention of money laundering policy adopted by depositories or depository participant shall be considered adequate irrespective of risk level of the customer or transaction. However, as a matter of a good practice, Company may examine transactions/clients that may fall under “suspicious transactions” category as defined under Prevention of Money Laundering Act, 2002 and seek further information from the clients.

### 19. MANAGEMENT’S PERCEPTION OF RISK FACTORS

Potential investors should consider carefully all the risk factors in this Disclosure Document for evaluating the Issuer and its business and the Debentures before making any investment decision relating to the Debentures. Unless the context requires otherwise, the risk factors described below apply to the Issuer only. If any one of the following stated risks actually occurs, the Issuer’s business, financial conditions and results of operations could suffer and, therefore, the value of the Issuer’s Debentures could decline.

Unless specified or quantified in the relevant risk factors, the Issuer is not in a position to quantify the financial or other implications of any risk mentioned herein below:

**1. Early Termination for Extraordinary Reasons, Illegality and Force Majeure** If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Debentures has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Debentures for any reason, the Issuer may at its discretion and without obligation terminate early the Debentures. If the Issuer terminates early the Debentures, the Issuer will, if and to the extent permitted by applicable law, pay the holder of each such Debenture an amount determined by the Calculation Agent/Issuer.

**2. Interest Rate Risk (Company specific):** Since EFIL is engaged in lending and financing activities, its business and income will largely be dependent on interest income from its operations. Interest rates are highly sensitive to many factors, including the monetary policies of RBI, deregulation of the financial sector in India, domestic and International economic and political conditions, inflation and other factors beyond the control of EFIL. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility. There can be no assurance that significant interest rate movements will not have an effect on the results of its operations.

#### Interest Rate Risk on Bonds/ Government securities:

Bonds/ Government securities which are fixed return securities, run price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The level of interest rates is determined by the rates at which government raises new money through RBI, the price levels at which the market is already dealing in existing securities, rate of inflation etc. The extent of fall or rise in the prices is a function of the prevailing coupon rate, number of days to maturity of a security and the increase or decrease in the level of interest rates. The prices of Bonds/ Government securities are also influenced by the liquidity in the financial system and/or the open market operations (OMO) by RBI. Pressure on exchange rate of the rupee may also affect security prices. Such rise and fall in price of bonds/ government securities may influence valuations as and when such changes occur.

#### Risk associated in Mutual Fund Investment:

In accordance with the investment management strategies, major corpus of the NCDs will be predominately invested into Mutual Fund units which in turn will allocate its assets into Bonds/Government securities. Hence, all risks associated with NCDs investment into Mutual fund, including performance of their Underlying instruments will therefore be applicable. Investors who intend to invest in such NCDs are required to and deemed to have understood the risk factors of the Underlying, some of which are as follows:

- The NCDs will invest in a Bond/Government securities through Mutual Fund schemes. Hence, movements in the NAV of the Underlying schemes may impact the performance of the NCDs. Further, any change in the investment policies or fundamental attributes of the Underlying will affect the performance of such NCDs

The investment strategy of Mutual funds involves periodic asset allocation changes that entail investing into or redeeming out of the Underlying schemes. The performance may be impacted by exit loads or other redemption charges that may be charged at the time of redemption from the Underlying schemes.

- The Underlying Funds may suspend or restrict the purchase/ redemption of units due to occurrence of certain events as specified in the Scheme Information Document or other such documents. The periodic asset allocation changes could get delayed as a result of such suspension/restriction of purchase/redemption of units

- Re-investment Risk: The investment made by the funds is subject to reinvestment risk. This risk refers to the interest rate levels at which cash flows received from the securities are reinvested. The additional income from reinvestment is the “interest on interest” component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.

Risks associated with transaction in units through Stock Exchange mechanism: In respect of transactions in Units of the Mutual fund schemes through NSE and/or BSE or any other recognized stock exchange, allotment and redemption of Units on any Business Day will depend upon the order processing/settlement by NSE, BSE or such other exchange and their respective clearing corporations on which the Mutual Fund has no control. Further, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by NSE, BSE or such other recognized exchange in this regard.

- Market Liquidity Risk: The liquidity of NCD investments made in the Mutual Fund may be restricted by trading volumes, settlement periods and transfer procedures. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. There have been times in the past, when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct further transactions. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the fund are uninvested and no return is earned thereon. The inability of the Fund to make intended securities purchases, due to settlement problems, could cause this strategy to miss certain investment opportunities. By the same token, the inability to sell securities held in the portfolios, due to the absence of a well developed and liquid secondary market for debt securities, would result at times, in potential losses to such funds.

**3. Changes or discontinuance of the Underlying:** Changes in the Underlying and factors which either affect or may affect the value of the Underlying, may affect the return on an investment in the Debentures. In case of the regulators or the authorized bodies discontinuing or restricting the use of the benchmark/underlying, the Issuer will be bound to take necessary action as may be prescribed by the regulators or the authorized body or as may be required by the law or as may be required to accommodate the situation

**4. Credit Risk: Any lending and investment activity by the Issuer is exposed to credit risk arising from repayment default by borrowers and other counterparties. The Issuer has a systematic credit evaluation process to monitor the performance of its asset portfolio on a regular and continual basis to detect any material development, and constantly evaluate the changes and developments in sectors in which it has substantial exposure and to take timely appropriate remedial actions. The Issuer also undertakes periodic reviews of its entire asset portfolio with a view to determine the portfolio valuation identify potential areas of action and devise appropriate strategies thereon. Despite these efforts, there can be no assurance that repayment default will not occur and in such circumstances may have an effect on its results of operations. The principal amount is subject to the credit risk of the Issuer whereby the investor may or may not recover all or part of the funds in case of default by the Issuer.**

**5. Returns on Debentures are subject to Model Risk: Returns on the Debentures are based on complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the**

**Underlying / Reference Index selected for hedging may significantly differ from returns predicted by the mathematical models.**

**6. Increasing competition from banks, financial institutions and NBFCs:** The successful implementation of Issuers growth plans depends on its ability to face the competition. The main competitors of the Issuer are NBFCs, financial institutions and banks. The Issuer, being an NBFC, does not have access to large quantities of low cost deposits because of which it may become less competitive. Many of its competitors have significantly greater financial, technical, marketing and other resources. Many of them also offer a wider range of services and financial products than the Issuer does and have greater brand recognition and a larger client base. As the Issuer ventures into offering newer products, it is likely to face additional competition from those who may be better capitalised, have longer operating history and better management. If the Issuer is unable to manage its business and compete effectively with current or future competitors it might impede its competitive position and profitability.

#### **7. Downgrading in Credit Rating:**

ICRA Limited has assigned **PP-MLD [ICRA] AA (pronounced "PP-MLD ICRA Double A")** for long term borrowings through NCDs. The Issuer cannot guarantee that this rating will not be downgraded. In the event of deterioration in the financial health of the Issuer, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. Such a downgrade in the credit rating may lower the value of the Debentures and may also result in the Issuer having to withdraw this borrowing programme.

#### **EXTERNAL RISK FACTORS**

##### **1. The Debentures may be illiquid**

The Company intends to list the Debentures on the WDM segment of the BSE. The Company cannot provide any guarantee that the Debentures will be frequently traded on the Stock Exchange(s) and that there would be any market for the Debenture(s). It is not possible to predict if and to what extent a secondary market may develop in the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realise value for the Debentures prior to settlement of the Debentures.

##### **2. A slowdown in economic growth in India**

A slowdown in the Indian economy / GDP may adversely affect Company's business, including its ability to enhance its asset portfolio and the quality of its assets, and its ability to implement certain measures could be adversely affected by a movement in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or a general down trend in the economy. Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

##### **3. Material changes in regulations to which the Company is subject**

NBFCs in India are subject to detailed supervision and regulation by the RBI, though currently NBFCs not accepting public deposits are exempt from many provisions. In addition, the Company is generally subject to changes in Indian law, as well as to changes in regulations and policies and accounting principles. The RBI also requires the Company to make provisions in respect of NPAs. Any changes in the regulatory framework affecting NBFCs including the provisioning for NPAs or capital adequacy requirements could adversely affect the profitability of the Company or its future financial performance by requiring a restructuring of its activities, increasing costs or otherwise. The Company is subject to certain statutory, regulatory, exposure and prudential norms and this may limit the flexibility of the Company's loans, investments and other products.

**Conditions in the Indian Debt market may affect the coupon on the Debentures.**

**Applicable to Mutual fund product based on G-Sec:**

Even though the Government securities market is more liquid compared to other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through. The Central and State Governments are the issuers of the local currency debt. The Government raises money to meet its capital and revenue expenditure by issuing debt or discounted securities. Since these securities carry minimal risks, they may command lower yields.

The performance may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems

The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies.

**Conditions in the Indian Equity market may affect the coupon on the Debentures.**

**Applicable to Index Linked product:**

The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected, thereby affecting the indices.

**20. UNDERTAKINGS BY THE INVESTOR:**

The following risks associated to the Debentures, is subject to and pursuant to the terms of the Debentures as provided in this Disclosure Document, The initial subscriber by subscribing to, and any subsequent purchaser by purchasing the Debentures, shall be deemed to have agreed, and accordingly the Company shall be entitled to presume, that each of the initial subscriber, and any subsequent purchaser (Debenture holder, as also referred to hereinabove and hereinafter):

(A) has

- (1) sufficient knowledge (including of applicable laws, rules, regulations, circulars), experience and expertise as an investor, to make the investment in such Debentures;
- (2) not relied on either of the Company, or any of its affiliates, holding company, or any person acting on its behalf for any information, advice or recommendations of any sort except as regards the accuracy of the specific factual information about the terms of the Debentures as set out in the Disclosure Document;
- (3) understood that information contained in the Disclosure Document, or any other document issued by the Company is not being construed as business or investment advice; and
- (4) made an independent evaluation and judgment of all risks and merits before investing in the Debentures;

(B) has understood there may be delay in listing of the Debentures and even after being listed, may not be marketable or may not have a market at all;

(C) has understood that without prejudice to (A), and (B) above,

- (1) the method and manner of computation of, returns and calculations on the Debentures shall be solely determined by the Company, whose decision shall be final and binding; The valuation to be provided by the valuation agency is only an indicative value on the valuation date and can be different from the actual realizable value of the Debenture;
- (2) in the event of any discretions to be exercised, in relation to method and manner of any of the above computations including due to any disruptions in any of the financial markets or if for any other reason the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the Company and may include the use of estimates and approximations. All such computations shall be valid and binding on the Debenture holder, and no liability therefore will attach to the Company;

- (D) has understood that in the event that the Debenture holder suffers adverse consequences or loss, the Debenture holder shall be solely responsible for the same and the Company, or any of its affiliates, holding company, or any person acting on its behalf shall not be responsible, in any manner whatsoever, for any adverse consequences or loss suffered by the Debenture holder, including but not limited to, on the basis of any claim that no adequate disclosure regarding the risks involved was made or that the full risks involved were not explained or understood;
- (E) has reviewed the terms and conditions applicable to the Debentures as contained in the Disclosure Document, and understood the same, and, on an independent assessment thereof, confirmed the same to be correct and, found the same acceptable for the investment made and has also reviewed the risk disclosure with respect to the Debentures, and understood the risks, and determined that the Debentures are a suitable investment and that the Debenture holder can bear the economic risk of that investment, including the possibility of receiving lower than expected returns.
- (F) has received all the information believed to be necessary and appropriate or material in connection with, and for, the investment in the Debentures;
- (G) holds the Debentures as an investment and has not purchased the Debentures on a speculative basis;
- (H) as an investor, is knowledgeable about applicable laws, rules, regulations with respect to the Debentures and is experienced in making investments, including in debt instruments having variable or unpredictable returns or no returns and also investments similar to the Debentures;
- (I) in investing in the Debentures:
- (i) has obtained such independent and appropriate financial, tax, accounting and legal advice as required and/or deemed necessary, to enable the Debenture holder to independently evaluate, assess and understand the appropriateness, merits and risks associated with investing in the Debentures, and also as to the Debenture holders' legal competency and ability (including under applicable laws and regulations), to invest in the Debentures;
  - (ii) has assumed, on the Debenture holders' own account, all risk of loss that may occur or be suffered including as to the returns on and/or the sale value of the Debentures and shall not look directly or indirectly to the Company (or to any person acting on its behalf) to indemnify or otherwise hold the Debenture holder harmless in respect of any such loss and/or damage and confirms that the Debenture holder is aware that, as returns on the Debentures are primarily linked to the Securities and even otherwise, the Debenture holder may receive negligible returns or not receive any returns at all over the term and/or part thereof, of the Debentures or upon maturity;
- (J) has understood that, at any time during the term of the Debentures, the value of the Debentures may be substantially less than its redemption amount;
- (K) undertakes that, if the Debenture holder sells the Debentures to subsequent investors, the Debenture holder shall ensure, and it is the Debenture holder's obligation in that regard, that:
- (1) the subsequent investors receive the terms and conditions, risks and representations contained in the Disclosure Document and any other related document and fully understands the Debentures,
  - (2) sale to subsequent investors will be subject to such investors having confirmed the receipt of all of (1) above,
  - (3) the sale and transfer of the Debentures shall be effected only in the manner stipulated: by the Stock Exchange in accordance with the rules, regulations and bye-laws of the Stock Exchange;
- (L) has the legal ability to invest in the Debentures, and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture holder, or its assets;
- (M) where the Debenture holder is a partnership firm
- (i) its investing in the Debentures on its terms is within the scope of its investment policy and is not in conflict with the provisions of the partnership deed currently in force;
  - (ii) the investment in Debentures is being made by and on behalf of the partners (and binds all the partners jointly and severally), and that the partnership is in force and existing, and the investment has been ratified by all of the partners, jointly and severally;
  - (iii) the investment in Debentures has been duly authorised by all the partners, and does not contravene any provisions of the partnership deed, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the partnership or its assets or any of the partners or their respective assets;

- (iv) for any minor as may have been admitted to the benefits of the partnership, the legal guardian of the minor has confirmed that the above applies equally to the minor as if the minor were a partner; and
  - (v) for any Hindu Undivided Family (“HUF”) that may be partner, the Karta declares that the above equally binds each of the co-parcenors and beneficiaries of the HUF; and
- (N) where the Debenture holder is a company, also confirms that:
- (i) notwithstanding the variable nature of the return on the Debentures, the Debenture holder is not precluded under any law, rules, regulations and/ or circular/s issued by any statutory authority/ies including under the Companies Act, 2013 and its Rules, from investing in the Debentures;
  - (ii) all necessary corporate or other necessary action has been taken to authorize, and that the Debenture holder has corporate ability and authority, to invest in the Debentures; and
  - (iii) investment in the Debentures does not contravene any provisions of the memorandum and the articles of association, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture holder or the Debenture holder’s assets.
- (O) where there is an intermediary who sells the Debentures and/or invests in the Debentures on behalf of its Clients/investor(s) (“Intermediary”), it also confirms that :
- (i) it is registered with SEBI;
  - (ii) it is fully in compliance with the laws and regulations applicable to it including the SEBI Circular dated CIR/IMD/DF/17/2011 dated September 28, 2011 (“Structured Products Guidelines”), the Prevention of Money Laundering Act, 2002 (“PML Act”), the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 (“PML Rules”), the requirements of Circular dated 20th March 2006 “Guidelines on Anti-Money Laundering Standards” of the SEBI (“AML Guidelines”) together with the PML Act and the PML Rules, the “AML Laws & Rules”), all applicable know-your-client norms (“KYC Guidelines”) and all applicable rules, regulation and guidelines issued by any relevant regulator and the Intermediary has strictly complied with all applicable AML Laws & Rules and KYC Guidelines in relation to each of the Clients / investor(s);
  - (iii) the Intermediary is selling the Debentures, to appropriate Clients/the investor(s) or is investing on behalf of its Clients /the investor(s) appropriately and such sale / investment in the Debentures is within the scope of its authority and accordingly binds each of the Clients/ investor(s);
  - (iv) the intermediary has satisfied itself as to the capacity and authority of each of the Clients / investor(s) to invest in such Debentures;
  - (v) the Intermediary has conducted a risk profiling of each Client / Investor (s) pursuant to the Structured Products Guidelines and has satisfied itself that the Debentures are suitable to the risk profile of the Client / investor.
  - (vi) the Intermediary has fully advised each of its Clients / the investor(s) of the risks relating to investment in the Debentures and ensured that the Client / investor has understood the risks involved in investment in the Debentures and is capable of taking the risks posed by the Debentures;
  - (vii) the Intermediary in case of a Portfolio Manager as required under the SEBI (Portfolio Managers) Regulations, 1993 and in case of any other Intermediary under the regulations applicable to that Intermediary has fully advised each of its Clients / the investor(s) of the rights of such Clients / investor(s) against the Intermediary as its principal and accepts responsibility for such advice;
  - (viii) Should there be any dispute by the Clients / investor(s) as regards the investment in the Debentures including but not limited to the scope of its authority with regard to such investment the same shall be dealt with entirely by the Intermediary with each of the Clients / investor(s), with no reference to the Issuer;
  - (ix) the Intermediary hereby consents (including on the basis of any request made by the Issuer in this regard) to provide and/or to the disclose to the Issuer any information regarding any or all of the Client / investor and the investment in the Debenture, as required under applicable regulations and/or as requested by any governmental or regulatory authority or under a provision of law and agrees that such information shall be disclosed by the Issuer to any governmental and/or regulatory authorities.;
  - (x) The Intermediary shall provide its Clients / the investor(s) with a copy of the Offer Document;
  - (xi) The Intermediary shall guide the Clients / investor(s) as to where the valuations (of the Debentures) will be available;
  - (xii) The Intermediary shall guide the Clients / investor(s) as to the applicable exit loads/exit options/liquidity support, (if any) etc. being provided by the Issuer or through the secondary market;

(xiii) The Intermediary confirms and undertakes that it has not and will not use the name of the Issuer or any of its group entities in any of its advertisement or any marketing material other than for the selling the Debentures; and The Intermediary confirms that the marketing material shall only contain information that is provided in this Disclosure Document and should not contain any information that is extraneous to this Disclosure Document.

(P) where the Debenture holder is a FPI / FII / sub account, it also confirms that the investment by such FPI/ FII and on behalf of each sub-account shall not exceed individual debt limits allocated as per applicable rules, regulations, guidelines from time to time.

### **Potential Conflicts of Interest**

The Company has appointed Edelcap Securities Limited, its affiliate as its calculation agent for the purposes of calculating amounts payable or deliverable to holders under these Debentures. Under certain circumstances, the agent as an affiliate and its responsibilities as calculation agent for the Debentures could give rise to conflicts of interest. The calculation agent is required to carry out its duties in good faith and using its reasonable judgement. However, because the Company may control the affiliate, potential conflicts of interest could arise. The Issuer may enter into an arrangement with an affiliate to hedge market risks associated with its obligations under the Debentures. Such an affiliate would expect to make a profit in connection with this arrangement. The Company may not seek competitive bids for such arrangements from unaffiliated parties.

### **21. Disclaimers**

This Disclosure Document in relation to the Debentures is made available by the Company to the applicant on the further strict understanding that

- (i) the applicant other than FPI/FII is a “Person Resident in India” as defined under the Foreign Exchange Management Act, 1999,
- (ii) in providing this Disclosure Document to the applicant, the applicant confirms that there will be no violation of rules, regulations and byelaws issued by any applicable authority including those issued by the Securities and Exchange Board of India;
- (iii) the applicant has sufficient knowledge, experience, and professional advice to make his own evaluation of the merits and risks of a transaction of the type under this Disclosure Document; and
- (iv) the applicant is not relying on the Issuer nor on any of the affiliates or the Holding Company for information, advice or recommendations of any sort except for the accuracy of specific factual information about the possible terms of the transaction.

The Company is not acting as the advisor or agent of the applicant. This Disclosure Document does not purport to identify for the applicant, the risks (direct or indirect) or other material considerations, which may be associated with the applicant entering into the proposed transaction. Prior to entering into any proposed transaction, the applicant should independently determine, without reliance upon the Company or the affiliates of the Company or the Holding Company, the economic risks and merits, as well as the legal, tax, and accounting characterizations and consequences of the transaction and including that the applicant is able to assume these risks. The Company, and/or the affiliates of the Company or the Holding Company, may act as principal or agent in similar transactions and/or in transactions with respect to instruments underlying a proposed transaction. The Company, and/or the affiliates of the Company and / or the Holding Company may, from time to time, have a long or short proprietary position/s and/or actively trade, by making markets for its clients, in financial products identical to or economically related to those financial products described in this Disclosure Document. The Company may also undertake hedging transactions related to the initiation or termination of a transaction, that may adversely affect the market price, rate, index or other market factors(s) underlying the financial product and consequently its value. The Company may have a commercial relationship with and access to information of reference securities, financial products, or other interests underlying a transaction.

This Disclosure Document and its contents are the Company’s property, and are to be considered proprietary information and may not be reproduced or otherwise disseminated in whole or in part without the Issuer’s written consent unless required to by judicial or administrative proceeding, and then with prior notice to the Company.

Applicants must understand that while the Debentures would be listed, in view of the nature and complexity of the Debentures, marketability may be impacted in a manner that cannot be determined.

Past performance is not indicative of future performance. Investment in the Debentures may be subject to the risk of loss, meaning the Debenture holder may lose some or all of its investment especially where changes in the value of the transaction may be accentuated by leverage. Even where the Debentures are principal protected, there is a risk that any failure by a person including a counterparty to perform obligations when due may result in the loss of all or part of the investment. Applicants are not being offered any guaranteed or indicative returns through these Debentures.

No liability whatsoever is accepted for any loss arising (whether direct or consequential) from any use of the information contained in this Disclosure Document. The Company undertakes no obligation to effect any updates on information. Any opinions attributed to the Company, and/or the affiliates of the Company and / or the Holding Company constitute the Company's judgment as of the date of the material and are subject to change without notice. Provision of information may cease at any time without reason or notice being given.

Applicants must understand that while the issue and other dates are specified, with the change in any regulations by the SEBI or any other regulatory body or for any other reason, the issue itself / these dates can be cancelled / reformed at the discretion of the Issuer and shall be final and binding on the prospective holders /holders of those debentures.

**NOTE:**

This Disclosure Document is not intended for distribution and it is meant solely for the consideration of the person to whom it is addressed and should not be reproduced by the recipient. The Debentures mentioned herein are being issued on a private placement basis and this offer does not constitute nor should it be considered a public offer/invitation. Nothing in this Disclosure Document shall constitute and/or deem to constitute an offer or an invitation to an offer to the Indian public or any section thereof to subscribe for or otherwise acquire the Debentures. This Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by the Company and have been marked against the serial number provided herein and only such recipients are eligible to apply for the Debentures. Furthermore, NRIs, OCBs, and other persons resident outside India (except as specifically provided in this Disclosure Document) are not eligible to apply for or hold the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The Company or any other parties, whose names appear herein, shall not be liable for any statements made herein or any event or circumstance arising there from. Potential investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.

**Stock Exchange Disclaimer Clause**

It is to be distinctly understood that filing of this Disclosure Document with the Stock Exchange should not, in any way, be deemed or construed that the same has been cleared or approved by the Stock Exchange. The Stock Exchange 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 this Disclosure Document.

### Information in relation to Nifty 10 yr Benchmark G-Sec Clean Price Index

The Nifty 10 yr Benchmark G-Sec Clean Price Index is constructed using the clean price of a 10 year bond issued by the Government of India and declared as benchmark by FIMMDA. The index seeks to track the performance of the 10 year benchmark security on the basis of clean price. The index has a base date of Jan 03, 2011 and base value of 1000.

### Index Manufacturer – India Index Services & Products Limited (IISL) Background

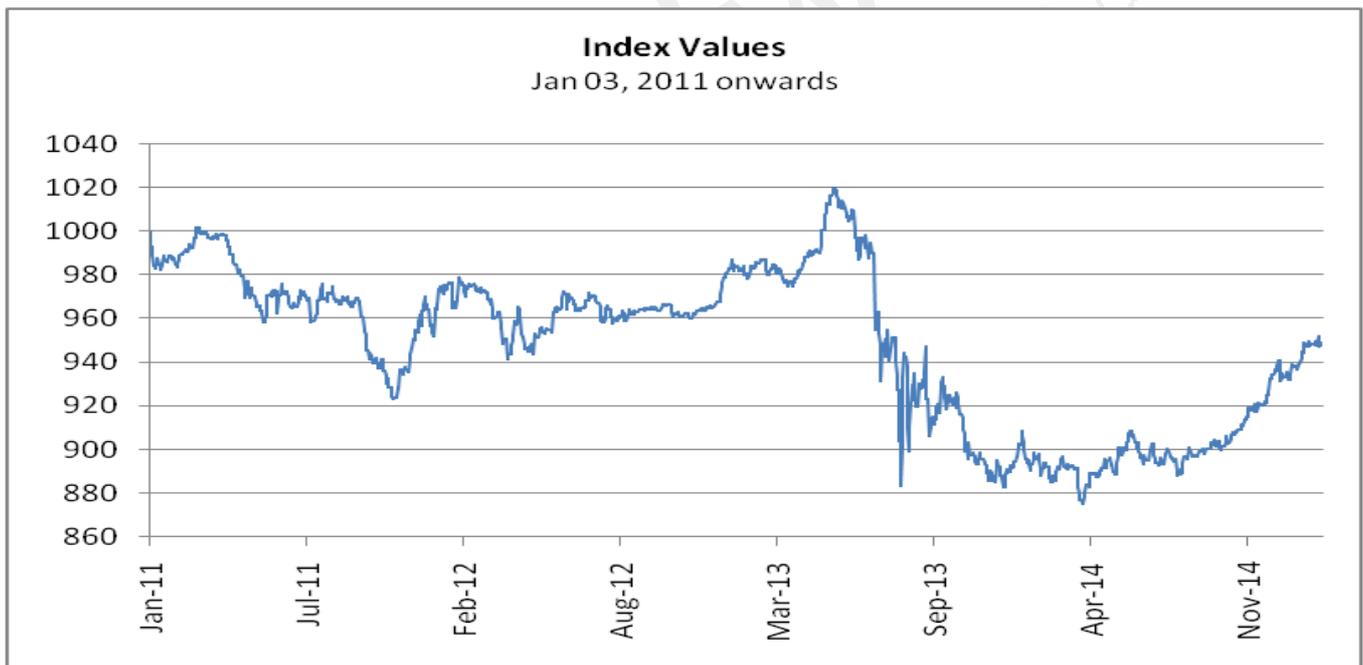
- IISL, a subsidiary of NSE was setup in May 1998 to create and manage indices for NSE and its participants
- IISL maintains over 80 equity indices comprising broad-based benchmark indices, sectoral indices
- They manage the most popular and most traded indices on Indian markets such as Nifty 50, Nifty Bank and all NSE sectoral indices
- This index is managed by IISL. The index is calculated on a daily basis by IISL.

### INDEX METHODOLOGY:

Index represents 10 year Government of India Bond identified as “Benchmark” security by FIMMDA.

- The Index will only consider the clean price of the 10 year on the run for index calculations
- The index is computed using the price returns methodology.
- The FIMMDA prices are used for valuation of the bonds in the index.
- The index values will be published at end of the day
- Index is reviewed on monthly basis.

### Historical Performance



**For Nifty 50 linked Debentures:****Disclaimer by IISL**

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(iii) An investor, by subscribing or purchasing an interest in the Debentures, will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.

**For Nifty 10 yr Benchmark G-Sec (Clean Price) Index:****Disclaimer by IISL**

The Product(s) are not sponsored, endorsed, sold or promoted by India Index Services & Products Limited ("IISL"). IISL does not make any representation or warranty, express or implied, to the owners of the Product(s) or any member of the public regarding the advisability of investing in securities generally or in the Product(s) particularly or the ability of the Nifty 10 yr Benchmark G-Sec Clean Price Index to track general Government Securities market performance in India. The relationship of IISL to the Licensee is only in respect of the licensing of certain trademarks and trade names of its Index which is determined, composed and calculated by IISL without regard to the Licensee or the Product(s). IISL does not have any obligation to take the needs of the Licensee or the owners of the Product(s) into consideration in determining, composing or calculating the Nifty 10 yr Benchmark G-Sec Clean Price Index. IISL is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Product(s) to be issued or in the determination or calculation of the equation by which the Product(s) is to be converted into cash. IISL has no obligation or liability in connection with the administration, marketing or trading of the Product(s).

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**Disclaimer on Valuation****(i) Disclaimer by the Issuer**

The Valuation reflects the independent views of the Valuation Agent. It is expressly stated that the valuation is not the view of the Issuer or its affiliates. The Issuer has not reviewed the Valuation and is not responsible for the accuracy of the Valuations. The Valuations provided by the Valuation Agent, and made available on the website of the Issuer and the Valuation Agent do not represent the actual price that may be received upon sale or redemption of the Debentures. They merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions. The Valuations provided by the Valuation Agent may include the use of models by the Valuation Agent (that may be different from the proprietary models used by the Issuer and / or the calculation agent) and consequently, valuations provided by other parties (including the Issuer and / or the calculation agent) may be significantly different.

**(ii) Disclaimer by the Valuation Agent**

"Market Linked Debenture Valuation provided by the Valuation Agent reflects the Valuation Agent's opinion on the value of the Market Linked Debenture on the valuation date and does not constitute an audit of the Issuer by the Valuation Agent. The Valuation is based on the information sought from and provided by the Issuer or obtained by the Valuation Agent from sources it considers reliable. The Valuation Agent does not guarantee the completeness or accuracy of the information on which the Valuation is based. The Valuation Agent specifically states that the Valuation is an indicative value of the Debenture on the valuation date and can be different from the actual realizable value of the Debenture. The Valuation does not comment on the market price of the Market Linked Debentures or suitability for a particular investor. In the event of early redemption/buy back/ any other premature exit, investors may choose to contact the Issuer directly or through their intermediaries (through whom investments in the Specified MLDs were made) or, in the alternative, follow the procedure as set out in the relevant Offer Document"

**22. A ) SUMMARY TERM SHEET FOR F9G601A**

<b>Security Name</b>	EFIL – Secured Market Linked Non Convertible Debentures
<b>Product Code</b>	F9G601
<b>Option Type</b>	Option A
<b>Issuer</b>	EDELWEISS FINANCE & INVESTMENTS LTD
<b>Type of Instrument</b>	Principal Protected - Market Linked Redeemable Non- convertible Debenture
<b>Nature of Instrument</b>	Secured
<b>Seniority</b>	Senior
<b>Principal Protection</b>	Principal is protected at maturity
<b>Underlying/ Reference Index</b>	Nifty 50 Index
<b>Mode of Issue</b>	Private Placement
<b>Option to retain oversubscription (Amount)</b>	Not Applicable
<b>Eligible Investors</b>	<p>The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures</p> <ul style="list-style-type: none"> <li>• Individuals</li> <li>• Hindu Undivided Family</li> <li>• Trust</li> <li>• Limited Liability Partnerships</li> <li>• Partnership Firm(s)</li> <li>• Portfolio Managers registered with SEBI</li> <li>• Association of Persons</li> <li>• Companies and Bodies Corporate including Public Sector Undertakings.</li> <li>• Commercial Banks</li> <li>• Regional Rural Banks</li> <li>• Financial Institutions</li> <li>• Insurance Companies</li> <li>• Mutual Funds</li> <li>• FPIs /FIIs,/sub-accounts of FIIs</li> <li>• Any other investor eligible to invest in these Debentures</li> </ul>
<b>Minimum application Size</b>	26 Debentures bearing face value of Rs. 100,000/- each and in multiples of 1 Debenture(s) thereafter.
<b>Investor Category I</b>	Subscription amount being <b>less than</b> Rs. 1,00,00,000/- (Rupees One Crore) after considering discount or premium, if any.
<b>Investor Category II</b>	Subscription amount being <b>equal to or greater than</b> Rs. 1,00,00,000/- (Rupees One Crore) after considering discount or premium, if any.
<b>Face Value</b>	Rs. 100,000/- Per Debenture
<b>Effective Price / Issue Price</b>	Rs. 97,250/- Per Debenture
<b>Justification of Issue Price</b>	Not Applicable
<b>The effective yield as a result of such discount</b>	Please refer Pt 23 Under Annualized Return
<b>Discount at which Debenture is issued</b>	2,750/- per debenture
<b>Tenor In Days</b>	1281 Days from the Deemed Date of Allotment
<b>Issue Opening Date</b>	11-Jul-16
<b>Issue Closing Date</b>	11-Jul-16

<b>Initial Fixing Date</b>	11-Jul-16	
<b>Initial Fixing Level</b>	Official Closing Level of Nifty 50 Index as on Initial Fixing Date	
<b>Final Fixing Date</b>	31-Jan-19,28-Feb-19,28-Mar-19,25-Apr-19,30-May-19,27-Jun-19	
<b>Final Fixing Level</b>	Average of Official Closing Levels of Nifty 50 Index as on Final Fixing Dates	
<b>Redemption Date *</b>	13-Jan-20	
<b>Redemption Value *</b>	Face Value*(1+Coupon)	
<b>Pay-in-Date</b>	11-Jul-16	
<b>Deemed Date of Allotment</b>	11-Jul-16	
<b>Underlying Performance</b>	(Final Fixing Level / Initial Fixing Level) – 1	
<b>Coupon *</b>	<b>Scenario</b>	<b>Coupon</b>
	If Final Fixing Level > 100% of Initial Fixing Level	37.95%
	If Final Fixing Level <= 100% of Initial Fixing Level	35.32%
<b>Step up/Step down coupon rate</b>	Not Applicable.	
<b>Coupon payment frequency</b>	Coupon, if any will be paid on Redemption Date	
<b>Coupon payment dates *</b>	Coupon, if any will be paid on Redemption Date	
<b>Coupon type</b>	Coupon linked to Underlying / Reference Index.	
<b>Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).</b>	Not Applicable	
<b>Day Count Basis</b>	Not Applicable	
<b>Default interest rate</b>	In case of default in payment of Coupon and/or principal redemption on the Redemption date, additional interest @ 2% p.a. over the Coupon will be payable by the Company for the defaulting period.	
<b>Proposed time schedule for which the Disclosure Document is valid</b>	Till redemption	
<b>Redemption Premium / Discount</b>	Not Applicable	
<b>Put Option</b>	None	
<b>Put Option Date</b>	Not Applicable	
<b>Put Option Price</b>	Not Applicable	
<b>Put Notification Time</b>	Not Applicable	
<b>Call Option</b>	None, except in the case of Early Redemption Option	
<b>Call Option Date</b>	Not Applicable	
<b>Call Option Price</b>	Not Applicable	
<b>Call Notification Time</b>	Not applicable	
<b>Listing</b>	<ul style="list-style-type: none"> <li>• <u>For FPIs /FIIIs./sub-accounts of FIIIs</u> The Company proposes to list these Debentures on the BSE WDM segment. The Issuer confirms that the Debentures would be listed within 15 days from the Deemed Date of Allotment.</li> <li>• <u>For applicants other than FPI/FIIIs/sub-accounts of FIIIs</u> The Company proposes to list these Debentures on the BSE WDM segment. The Issuer confirms that the Debentures would be listed within 20 days from the Deemed Date of Allotment</li> </ul>	

<b>Issuance mode of Debenture</b>	DEMAT form
<b>Trading mode of the Debenture</b>	DEMAT form only
<b>Depository</b>	NSDL and CDSL
<b>Security</b>	The Debentures shall be secured by way of a first pari passu mortgage and charge over the Mortgage Premises as defined in the Debenture Trust Deed; a charge on the receivables and stock in trade to the extent equal to the principal and interest amounts of the Debentures outstanding at any point of time and the unconditional and irrevocable guarantee issued by Edelweiss Financial Services Limited, the Holding Company guarantee in favour of the Debenture Trustee for the benefit of the Debenture holders as a security for the Debt in relation to the Debentures.
<b>Rating</b>	PP-MLD [ICRA] AA (pronounced “PP-MLD ICRA Double A”) by ICRA Limited for Rs. 800Crores Principal Protected Equity Linked Debenture issue. 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. ICRA’s rating of Market Linked Debentures is an assessment of the underlying credit risk of the instrument. The rating addresses only the credit risk associated with timely payment of obligations as per terms of the issuance. The rating does not address the market risks associated with the instrument on account of linking of coupon payment to external variables such as reference equity index, equity shares, commodity process/index. This could result in variability or absence of coupon payments because of adverse movement in value of the external variables.
<b>Purpose and objects of the Issue</b>	General corporate purposes, business operations and investments
<b>Contribution by Promoters or Director either as part of this offer or separately in furtherance of the objects of the Issue</b>	Nil
<b>Details of the Utilisation of the proceeds</b>	The Issuer proposes to augment its resources to meet its requirements of funds to carry on its business operations. The proceeds of the issue of Debentures would be utilized for general corporate purposes.
<b>Settlement</b>	Cheque / pay order will be dispatched by courier or registered post at the address provided in the Application Form / at the address as subsequently notified to the Issuer in writing by Debenture-holder(s) or at the address on the Depository’s record. Where applicable, settlement will be effected by account to account transfer vide Reserve Bank of India’s Real Time Gross Settlement System.
<b>Business Day Convention</b>	If any of the date(s), including the Record Date, as defined in the Disclosure Document fall on a Sunday or a public holiday, the next working day shall be considered as the effective date.  However, if any Initial Fixing Date, Final Fixing Date or Observation Date as defined in the Disclosure Document falls on an expiry day, which is thereafter declared as a public holiday/trading holiday, then the day notified by the Exchanges/Regulators as the new expiry day shall be considered as the effective date for the above mentioned dates.  However incase Redemption Date (for payment of Principal and Coupon, if any) falls on Sunday or a public holiday, the previous working day shall be considered as the effective date
<b>Interest on Application Money</b>	This issue does not contemplate any interest on application money till allotment of Debentures.
<b>Record Date</b>	The date, as may be fixed by the Company, which will be 15 days prior to the redemption date on which the determination of the persons entitled to receive coupon/redemption amount in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture Holders

	or NSDL/CDSL record) shall be made.
<b>Transaction Documents</b>	<ul style="list-style-type: none"> <li>• Letter appointing Link Intime India Private Limited as Registrar and Transfer Agents</li> <li>• MoU entered into between the Company and the Registrar.</li> <li>• Memorandum and Articles of Association of the Company.</li> <li>• Date of passing of Board Resolution: January 19, 2016</li> <li>• Date of passing of resolution in general meeting: April 25, 2016</li> <li>• Consent Letter from SBICAP Trustee Company Limited for acting as Debenture Trustee for and on behalf of the holder(s) of the Debentures.</li> <li>• Consent Letter from Link Intime India Private Limited for acting as Registrars to the Issue</li> <li>• Letter from ICRA Limited conveying the credit rating for the Debentures of the Company and the rating rationale pertaining thereto.</li> <li>• Tripartite Agreement between the Company, National Securities Depository Limited (“NSDL”) and the Registrar for the Issue of Debentures in dematerialised form.</li> <li>• Tripartite Agreement between the Company, Central Depository Services (India) Limited (“CDSL”) and the Registrar for the Issue of Debentures in dematerialised form.</li> <li>• Debenture Trust deed between Company and SBICAP Trustee Company Limited dated December 31, 2014.</li> <li>• License Agreement with IISL dated May 28, 2014 and amendments thereafter.</li> <li>• Valuation Agreement dated March 28, 2014 between Company and CRISIL Limited and Valuation Agreement dated March 28, 2014 between Company and ICRA Limited and Valuation Agreement dated March 27, 2014 between Company and Credit Analysis and Research Limited and amendments thereafter to the respective agreements, as may be applicable.</li> </ul>
<b>Conditions Precedent to Disbursement</b>	Nil
<b>Conditions Subsequent to Disbursement</b>	Nil
<b>Events of Default</b>	Please refer “Events of Default” under section Definitions and Abbreviations.
<b>Provisions related to Cross Default Clause</b>	Not Applicable
<b>Early Redemption Option</b>	<p>The Company has an option to redeem the Debentures (“Early Redemption Option”), to be exercised by the Company any time after the Deemed Date of Allotment on occurrence of any one or more than one of the following events-</p> <p>“Issuer Tax Change Event” and/or “Change in Law” and/or “Force Majeure Event” and/or “Hedging Disruption Event” and/or “Market Suspension Event” and/or “Increased Cost of Hedging” and/or “Reference Index Modification Event”.</p> <p>Further, notwithstanding anything contained in this Disclosure Document, the Company shall not be liable for any failure to perform any of its obligations under this Disclosure Document, if the performance is prevented, hindered or delayed by any one or more of the events mentioned above, its obligations shall be terminated with immediate effect. The decision of the Company about the occurrence of the events mentioned above shall be final and binding in respect of all Debenture holders.</p> <p>Intimation to Investor:</p> <p>If the Company opts to redeem the debentures on occurrence of the events mentioned above, it shall intimate the investor within reasonable time</p>

	<p>period from the occurrence of any of the events mentioned above that it has exercised the Early Redemption Option.</p> <p>Early Redemption Option Exercise Date:          The third Business Day from the date of Early Redemption Option intimation to the debenture holder</p> <p>Redemption Proceeds: In case the Early Redemption Option is exercised by the Company, the Debenture holder shall be paid the fair value of the Debenture calculated as on such Early Redemption Option Exercise Date.</p> <p>The fair value will be calculated by the [Calculation Agent] based on</p> <p>a. For the Principal Repayment: The present value of the Debenture will be calculated by the calculation agent based on the G-Sec yield one day prior to Early Redemption Option Exercise Date plus AA- spread over G-Sec yield, on the basis of a poll undertaken from three reference market-makers selected by the calculation agent at its sole discretion in good faith.</p> <p>b. For Coupon Payment: The value of the pay-out will be calculated using the standard 'Black and Scholes' option valuation model with input parameters as determined by the [Calculation Agent].</p> <p>The decision of the [Calculation Agent] in deciding the Coupon payment based on the 'Black and Scholes' option valuation model, shall be final and binding in respect of all the Debenture holders.</p>
<p><b>Roles and Responsibilities of Debenture Trustee</b></p>	<p>Regulation 15 of SEBI (Debenture Trustees) Regulation 1993, prescribes duties of the Debenture Trustees including following :</p> <ol style="list-style-type: none"> <li>1. Call for periodical reports from the issuer.</li> <li>2. To take possession of Trust property in accordance with the provisions of the Trust Deed.</li> <li>3. To enforce security in the interest of the debenture holders.</li> <li>4. To ensure on a continuous basis that the property charged to debentures is available and adequate at all times to discharge the interest and principal amount payable to debenture holders.</li> <li>5. To exercise due diligence to ensure compliance by the issuer with the provisions of the Companies Act, the listing agreement of the stock exchange or the trust deed.</li> <li>6. To take appropriate measures for protecting the interest of debenture holders as soon as there is a breach of Trust Deed.</li> <li>7. To ascertain that the debentures have been redeemed or converted in accordance to the provisions of the offer document.</li> <li>8. To inform SEBI immediately of any breach of trust deed or provision and law.</li> <li>9. To appoint a Nominee Director on the Board of Issuer in the event of             <ul style="list-style-type: none"> <li>• Two consecutive defaults in payment of interest to the debenture holders or</li> <li>• Default in creation of security for debentures</li> <li>• Default in redemption of debentures</li> </ul> </li> </ol> <p>As a Debenture Trustee it may have to take steps as he may deem fit –</p> <ol style="list-style-type: none"> <li>1. To ensure that the assets of the Company issuing debentures are sufficient to discharge the principal amount at all times.</li> <li>2. To satisfy himself that the prospectus does not contain any matter which is inconsistent with the terms of the Debentures.</li> <li>3. To ensure that the Company does not commit any breach of covenants of the Trust Deed or Terms of issue of Debentures.</li> <li>4. To take such reasonable steps to remedy any breach of the covenants of the Trust Deed.</li> <li>5. To take steps to call a meeting of holders of Debentures as and when</li> </ol>

	such meeting is required to be held.
<b>Distribution Fees/Commision</b>	NIL
<b>Valuation Agency Fees</b>	Fees paid to Valuation Agent by the Issuer shall be in the range of 5 bps p.a. to 15 bps p.a on the face value of the outstanding Debentures
<b>Governing Law and Jurisdiction</b>	The Debentures are governed by and will be construed in accordance with the Indian law. The Company, the Debentures and Company's obligations under the Debentures shall, at all times, be subject to the directions of the RBI and the SEBI. The Debenture holders, by purchasing the Debentures, agree that the Mumbai High Court shall have exclusive jurisdiction with respect to matters relating to the Debentures.
<b>Other Terms</b>	<p><b>Default in Payment:</b> In case of default in payment of Coupon and/or principal redemption on the Redemption Date, additional interest @ 2% p.a. over the Coupon will be payable by the Company for the defaulting period.</p> <p><b>Delay in Listing:</b> <u>For applicant other than FPI/FII/sub-accounts of FIIs</u> In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Company will pay penal interest @1 % p.a. over the Coupon from the expiry of 30 days from the Deemed Date of Allotment till the listing of such Debentures to the investor.</p> <p><u>For investments by FPIs / FII/sub-accounts of FIIs</u> In case of delay in listing of the Debentures beyond 15 days from the Deemed Date of Allotment, the Company will pay penal interest @1 % p.a. over the Coupon from the expiry of 30 days from the Deemed Date of Allotment till the listing of such Debentures to the investor.</p> <p>With reference to the Notification bearing no. RBI/2011-12/423 A.P. (DIR Series) Circular No. 89 dated March 1, 2012 issued by Reserve Bank of India, Foreign Exchange Department, Central Office, Mumbai – 400 001 in respect of FII investment in 'to be listed' debt securities, Issuer confirms that the Debentures would be listed within 15 days from the Deemed Date of Allotment. In case the Debentures issued to the FIIs / sub-accounts of FIIs are not listed within 15 days of Deemed Date of Allotment to the FIIs / sub-accounts of FIIs, for any reason, the FIIs/ sub-accounts of FIIs shall immediately dispose of the NCDs either by way of sale to domestic participants/investors until the Debentures are listed or if the FIIs / sub-accounts of FIIs approaches the Issuer, the Issuer shall immediately redeem / buyback the Debentures from the FIIs/sub-accounts of FIIs</p> <p>The interest rates mentioned in above are independent of each other.</p>

**Illustration of Cash Flows:**

<b>Company</b>	<b>EDELWEISS FINANCE &amp; INVESTMENTS LTD</b>	
<b>Face Value</b>	Rs. 100,000/- Per Debenture	
<b>Deemed Date of Allotment</b>	11-Jul-16	
<b>Redemption Date</b>	13-Jan-20	
<b>Coupon</b>	<b>Scenario</b>	<b>Coupon</b>

	If Final Fixing Level > 100% of Initial Fixing Level	37.95%
	If Final Fixing Level <= 100% of Initial Fixing Level	35.32%
<b>Coupon Payment Dates/Frequency</b>	Coupon if any, will be paid on Redemption Date	
<b>Day Count Convention</b>	Not Applicable	

Cash Flows	Date	No. of days in Coupon Period	Amount (in Rupees)
<b>Coupon on Redemption, if any</b>	13-Jan-20	1281	* Coupon linked to Underlying / Reference Index.
<b>Face Value</b>	13-Jan-20	1281	Rs. 100,000/- Per Debenture
<b>Total</b>	13-Jan-20	1281	Rs. 100,000 *(1+Coupon) /- Per Debenture

\* Coupon on the Debentures, if any shall be payable on the Redemption Date

***Company reserves the right to change the issue closing date and in such an event, the Deemed date of allotment may also be revised by the Company at its sole and absolute discretion. In the event of any change in the above issue dates, the investors shall be intimated of the revised schedule by the Company.***



### 23.A) SCENARIO ANALYSIS FOR F9G601A

The following table shows the value of the Debenture at maturity under different market conditions:

#### Scenario I

**Final Fixing Level is less than Initial Fixing Level**

Initial Level	Final Level	Underlying Performance	Coupon	*Annualized Return
7800	0	-100%	35.32%	9.87%
7800	780	-90%	35.32%	9.87%
7800	1560	-80%	35.32%	9.87%
7800	2340	-70%	35.32%	9.87%
7800	3120	-60%	35.32%	9.87%
7800	3900	-50%	35.32%	9.87%
7800	4680	-40%	35.32%	9.87%
7800	5460	-30%	35.32%	9.87%
7800	6240	-20%	35.32%	9.87%
7800	7020	-10%	35.32%	9.87%

\*Annualized Return is calculated at Effective Issue Price

#### Scenario II

**Final Fixing Level is equal to Initial Fixing Level**

Initial Level	Final Level	Underlying Performance	Coupon	*Annualized Return
7800	7800	0%	35.32%	9.87%

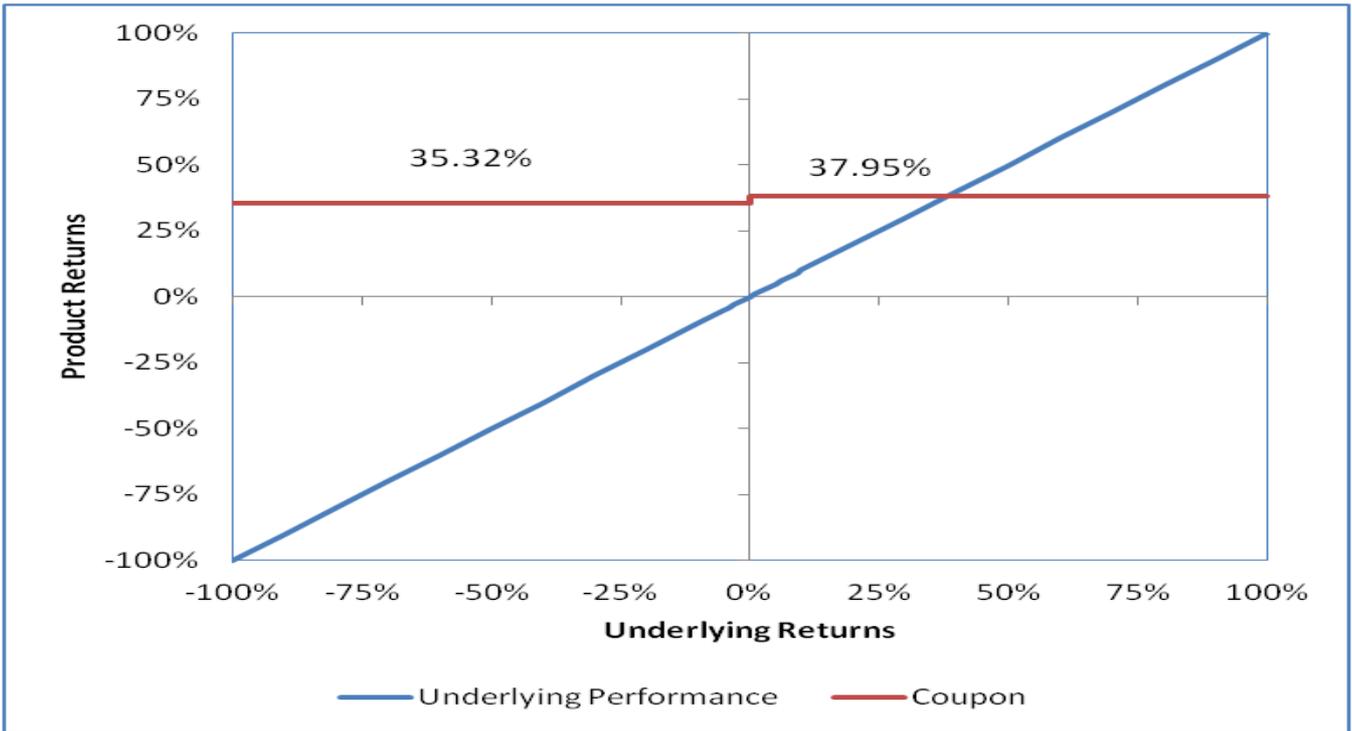
\*Annualized Return is calculated at Effective Issue Price

#### Scenario III

**Final Fixing Level is greater than Initial Fixing Level**

Initial Level	Final Level	Underlying Performance	Coupon	*Annualized Return
7800	7800.78	0.01%	37.95%	10.47%
7800	8580	10%	37.95%	10.47%
7800	9360	20%	37.95%	10.47%
7800	10140	30%	37.95%	10.47%
7800	10920	40%	37.95%	10.47%
7800	11700	50%	37.95%	10.47%
7800	12480	60%	37.95%	10.47%
7800	13260	70%	37.95%	10.47%
7800	14040	80%	37.95%	10.47%
7800	14820	90%	37.95%	10.47%
7800	15600	100%	37.95%	10.47%

\*Annualized Return is calculated at Effective Issue Price



*This scenario analysis is provided for illustrative purposes only and does not represent actual termination or unwind prices, nor does it present all possible outcomes or describe all factors that may affect the value of your investment.*



Edelweiss  
Ideas create, values protect

## 24) DECLARATION

It is hereby declared that this Disclosure Document contains full disclosure in accordance with Form no. PAS-4 pursuant to Section 42 of the Companies Act, 2013 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008 and as amended from time to time (including Securities Exchange Board Of India (Issue And Listing Of Debt Securities) (Amendment) Regulations, 2012 through notification dated October 12, 2012) and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015 through notification dated March 24, 2015, SEBI Circular CIR/IMD/DF/17/2011 dated September 28, 2011 and RBI Circular RBI/2014-15/475/DNBR (PD) CC No.021/03.10.001/2014-15 dated February 20, 2015. The Issuer also confirms that this Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in the light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement. The Issuer accepts no responsibility for the statements made otherwise than in this Disclosure Document or in any other material issued by or at the instance of the Issuer and any one placing reliance on any other source of information would be doing so at his own risk.

Further, the Directors declare that:

- a) the company has complied with the provisions of the Act and the rules made thereunder;
- b) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- c) the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter;

I am authorized by the Board of Directors of the Company vide resolution number 4 dated January 22, 2015 to sign this Disclosure Document and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this Disclosure Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **EDELWEISS FINANCE & INVESTMENTS LTD**

Name:

Designation:

Place: Mumbai

Date: 11/07/2016

- ❖ This is a digitally signed document and it is recommended to validate the signature before taking print out of the document.