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(Strictly Privileged &amp; Confidential)

(This Disclosure Document/Private Placement Offer cum application Letter is neither a Prospectus nor a Statement in Lieu of Prospectus)

**Dated: 05-Mar-20**

<b>Name of Company</b>	EDELWEISS FINANCE & INVESTMENTS LIMITED
<b>Description of Company</b>	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.
<b>Corporate Identity Number</b>	U67120MH1994PLC286057
<b>Registered Office</b>	Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400098, Maharashtra, India
<b>E-mail</b>	Tel: +91 22 4009 4400
<b>Website</b>	www.edelweissfin.com

**PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER FOR ISSUE BY WAY OF PRIVATE PLACEMENT BY EDELWEISS FINANCE & INVESTMENTS LIMITED (THE “COMPANY” / “ISSUER”) OF 800 SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF 100,000/- EACH AGGREGATING TO RS 80,000,000/- 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. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer, including the risks involved. Investors are advised to read the section on “ <i>Management’s Perception of Risk Factors</i> ” carefully before taking an investment decision on this offer. Investors are advised to take an informed decision and consult their tax, legal, financial and other advisers, regarding the suitability of the Debentures in the light of their particular financial circumstances, investment objectives and risk profile.
<b>MODEL RISK</b>
These Debentures principal protected, market linked debentures and are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the Debentures selected for hedging may significantly differ from the returns predicted by the mathematical models.
<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>SEBI DISCLAIMER</b>
It must be distinctly understood that this Information Memorandum should not in any way be deemed/construed to have been approved or vetted by SEBI and this issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum.
<b>RBI DISCLAIMER</b>
The Debentures have not been recommended or approved by the RBI nor does RBI guarantee the accuracy or adequacy of this document. It is to be distinctly understood that this document should not, in any way, be deemed or construed that the Debentures have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer, or the Debentures being issued by the Issuer or for the correctness of the statements

made or opinions expressed in this document. Potential investors may make investment decision in the Debentures offered in terms of this Information Memorandum solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/repayment of such investment. RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for discharge of liability by the Company. Neither is there any provision in law to keep, nor does the Company keep any part of the deposits with the RBI and by issuing the certificate of registration to the Company, the RBI neither accepts any responsibility nor guarantee for the payment of the deposit amount to any depositor.

#### **MEMORANDUM OF PRIVATE PLACEMENT**

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus. This is only an information brochure, in the form of a single initial disclosure document, intended for private use and should not be construed to be a prospectus and/or an invitation to the public for subscription to Debentures under any law for the time being in force. The Issuer however retains the right, at its sole and absolute discretion, to change the 'GENERAL TERMS AND CONDITIONS'.



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 Ideas create, values protect

#### CREDIT RATING

“CRISIL PP-MLD AA-r/Stable” (pronounced as “CRISIL PP-MLD double A minus r rating with Stable outlook”) by CRISIL Limited for Rs. 500 Crore Long Term Principal Protected Market 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.

A prefix of ‘PP-MLD’ indicates that the instrument is a principal-protected market linked debenture. The terms of such instruments indicate that while the issuer promises to pay back the face value/principal of the instrument, the coupon rates of these instruments will not be fixed, and could be linked to one or more external variables such as commodity prices, equity share prices, indices, or foreign exchange rates. The ‘r’ suffix indicates that payments on the rated instrument have significant risks other than credit risk. The terms of the instrument specify that the payments to investors will not be fixed, and could be linked to one or more external variables such as commodity prices, equity indices, or foreign exchange rates. This could result in variability in returns because of adverse movement in value of the external variables, and/or possible material loss of principal on early redemption of the instrument. The risk of such adverse movement in price/ value is not addressed by the rating.

CRISIL reserves the right to suspend, withdraw, or revise the rating / outlook assigned at any time, on the basis of new information, or unavailability of information or other circumstances which CRISIL believes may have impact on the rating.

#### LISTING

The Debentures are proposed to be listed on the BSE Limited (“BSE” or the “Stock Exchange”)

#### ISSUE PROGRAMME\*

**ISSUE OPENS ON:**

**05-Mar-20**

**ISSUE CLOSES ON:**

**05-Mar-20**

\*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



**Catalyst Trusteeship Limited**

Catalyst Trusteeship Limited  
 Windsor, 6th Floor, Office No.604,  
 C.S.T. Road, Kalina,  
 Santacruz (East),  
 Mumbai – 400098  
 Tel: +91 022 4922 0555  
 Fax: +91 022 4922 0505  
 E-mail: dt@cltrustee.com  
 Website: www.catalysttrustee.com  
 Contact Person: Mr. Umesh Salvi

#### REGISTRAR TO ISSUE



**KFin Technologies Private Limited**

**Karvy Selenium Tower B, Plot 31-32,**  
 Gachibowli, Financial District,  
 Nanakramguda,  
 Hyderabad - 500 032  
 Tel: +91 40 6716 2222  
 Fax: +91 40 2300 1153  
 E-mail: varghese@karvy.com  
 Website: https://karisma.karvy.com  
 Contact Person: Mr. P A Varghese, Zonal Head - Corporate  
 Registry

**DISCLOSURES AS PER FORM PAS-4**  
**[Pursuant to Section 42 of Companies Act, 2013 and Rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014]**

The table below sets out the disclosure requirements as provided in PAS-4 and the relevant reference in this Information Memorandum where these disclosures, to the extent applicable, have been provided.

Sr. No.	Particulars	Reference
<b>Part –A</b>	<b>PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER:</b>	
<b>1.</b>	<b>GENERAL INFORMATION:</b>	
i.	Name, address, website and other contact details of the company indicating both registered office and corporate office;	Serial No.2
ii.	Date of incorporation of the company;	Serial No.2
iii.	Business carried on by the company and its subsidiaries with the details of branches or units, if any;	Serial No.3
iv.	Brief particulars of the management of the company;	Serial No.6
v.	Names, addresses, DIN and occupations of the directors;	Serial No.6
vi.	Management's perception of risk factors;	Serial No.18
vii.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –  i) statutory dues; ii) debentures and interest thereon; iii) deposits and interest thereon; iv) loan from any bank or financial institution and interest thereon.	Serial No.8(h)
viii.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process;	Serial No.2
ix.	Any Default in Annual filing of the Company under the Companies Act, 2013, or the rules made thereunder.	No
<b>2</b>	<b>PARTICULARS OF THE OFFER:</b>	
i.	Financial position of the Company for the last 3 financial years;	Serial No.3 (c)
ii.	Date of passing of board resolution;	Refer Summary Termsheet
iii.	Date of passing of resolution in the general meeting, authorizing the offer of securities;	
iv.	Kinds of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued;	
v.	Price at which the security is being offered including the premium, if any, along with justification of the price;	
vi.	Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer;	Not Applicable
vii.	Relevant date with reference to which the price has been arrived at;	
viii.	The class or classes of persons to whom the allotment is proposed to be made;	Refer Summary Termsheet
ix.	Intention of Promoters, Directors or Key Managerial Personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer);	Not Applicable
x.	The proposed time within which the allotment shall be completed;	Refer Summary Termsheet
xi.	The names of the proposed allottees and the percentage of post private placement capital that may be held by them;	Not Applicable
xii.	The change in control, if any, in the company that would occur consequent to the private placement;	Not Applicable

Sr. No.	Particulars	Reference
xiii.	The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of number of securities as well as price;	Refer Annexure
xiv.	The allotment proposed to be made for consideration other than cash together with justification for the valuation report of the registered valuer;	Not applicable
xv.	Amount which the Company intends to raise by way of proposed offer of securities;	Refer Summary Termsheet
xvi.	Terms of raising of securities: (a) duration; if applicable (b) rate of dividend; (c) rate of interest; (d) mode of payment (e) repayment;	
xvii.	Proposed time schedule for which the private placement offer cum application letter is valid;	
xviii.	Purposes and objects of the offer;	
xix.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;	None
xx.	Principle terms of assets charged as security, if applicable;	Refer Summary Termsheet
xxi.	The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations;	None
xxii.	The pre-issue and post-issue shareholding pattern of the Company;	Not applicable
<b>3</b>	<b>MODE OF PAYMENT FOR SUBSCRIPTION:</b> • Cheque; or • Demand Draft; or • Other Banking Channels.	Serial No.17(c)
<b>4</b>	<b>DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC:</b>	
i.	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.	No
ii.	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 issue of the private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	Serial No.12(b)
iii.	Remuneration of directors (during the current year and last three financial years);	Serial No.6
iv.	Related party transactions entered during the last three financial years immediately preceding the year of issue of private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided;	Serial No.11(b)
v.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue of private placement offer cum application letter and of 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;	Serial No.11(c)

Sr. No.	Particulars	Reference
vi.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous Company law in the last three years immediately preceding the year of issue of private placement offer cum application letter in the case of Company and all of its subsidiaries, and if there were any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of the private placement offer cum application letter and if so, section-wise details thereof for the Company and all of its subsidiaries;	Serial No.12(c)
vii.	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.	Serial No.12(d)
<b>5</b>	<b>FINANCIAL POSITION OF THE COMPANY:</b>	
a	The capital structure of the company in the following manner in a tabular form-  a. the authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value); b. size of the present offer; c. Paid-up capital (i) after the offer (ii) after conversion of convertible instruments (if applicable) d. share premium account (before and after the offer)	Serial No.4(b)
b	the details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration	Serial No.4(c)
c	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application letter;	Serial No.11(e)
d	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)	Serial No.11(f)
e	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of private placement offer cum application letter;	Serial No.3(c)
f	Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter;	Serial No.10
g	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	Serial No.11(d)
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12.	Details of any material event/ development or change having implications on the financials/credit quality (which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.
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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 and 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 Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai- 400 098
<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</b>	Edelweiss Financial Services Limited
<b>Disclosure Document</b>	Offer Document / Information Memorandum / Private Placement Offer cum application Letter / Offer Letter as per Form no. PAS-4 pursuant to Section 42 of the Companies Act, 2013, Rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and SEBI regulations.

### 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>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>Business Day(s)</b>	means any day on which the money market is functioning in Mumbai, India and banks are open for general business in Mumbai (other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 at Mumbai, India, or a Saturday or Sunday.
<b>Calculation Agent</b>	Edelcap Securities Limited
<b>CDSL</b>	Central Depository Services (India) Limited.
<b>Companies Act</b>	Companies Act, 2013 and amendments made thereunder.
<b>Credit Rating Agency</b>	CRISIL Limited
<b>Events of Default</b>	The occurrence of any one of the events as mentioned in the Debenture Trust Deed shall constitute an Event of Default.
<b>Debentures</b>	<b>800 Secured, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF RS. 100,000/-EACH AGGREGATING TO RS 80,000,000/- ISSUED AS PER THE RESPECTIVE SUMMARY TERM SHEETS (THE “ISSUE”)</b>
<b>Debenture Holders</b>	Persons who are for the time being holders of the Debentures and whose names are last mentioned in the Debentures / Debenture Register and shall include Beneficiaries.
<b>Debenture Trust Deed</b>	Debenture Trust Deed between the Company and Catalyst Trusteeship Limited (the Debenture Trustees) setting out the terms and conditions of the Debentures.



<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>Disclosure Document</b>	This Disclosure Document/Information Memorandum/Private Placement Offer cum application Letter through which the Debentures are offered on private placement basis
<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 Rs. 10 each.
<b>FEMA</b>	Foreign Exchange Management Act, 1999, as amended, and the related rules and regulations framed thereunder
<b>FII</b>	Foreign Institutional Investor 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>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>Gilts 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.  i. a Government Promissory Note (GPN) payable to or to the order of a certain person; or ii. a bearer bond payable to a bearer; or iii. a stock; or a bond held in a Bond Ledger Account (BLA).
<b>GLD</b>	G-Sec Linked Debenture
<b>NSE INDICES LIMITED (erstwhile IISL)</b>	NSE Indices Limited (erstwhile India Index Services and Products Limited) - Reference Index Calculating Agent
<b>INR / Rs. / Rupees</b>	Currency of Republic of India
<b>Investors</b>	Persons who fall under the category of Eligible Investors (as detailed in the Summary Term Sheet) to whom this Information Memorandum may be sent with a view to offering the Debentures on Private Placement basis.
<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.  Eligible instruments for IRF: The Interest Rate Futures deriving value from the following underlying are permitted on the recognized stock exchanges:  (i) 91-Day Treasury Bills; (ii) 2-year, 5-year and 10-year coupon bearing notional Government of India security, and (iii) Coupon bearing Government of India security.
<b>IRFLD</b>	Interest Rate Futures Linked Debenture
<b>ISIN</b>	International Securities Identification Number

<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>NPA</b>	Non-Performing Asset
<b>NEFT</b>	National Electronic Fund Transfer
<b>NLD</b>	Nifty Linked Debenture
<b>NSDL</b>	National Securities Depository Limited.
<b>NSE</b>	National Stock Exchange of India 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>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>PAN</b>	Permanent Account Number.
<b>Preference Shares</b>	Preference shares of the Company of face value of Rs. 10 each.
<b>Private Placement</b>	Private Placement means any offer of securities or invitation to subscribe securities to a select group of persons by a Company (other than by way of public offer) through issue of a Private Placement Offer cum application Letter and which satisfies the conditions specified in the Section 42 of the Companies Act, 2013 read with Rules framed thereunder
<b>PAS</b>	Prospectus and Allotment of Securities
<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, which shall be maintained at the Corporate Office.
<b>Reference Index</b>	Reference Index is an Index prepared and managed by the Index Administrator which tracks the performance of a select portfolio of listed equity stocks, underlying securities / indices (as the case may be) that are available for trading on the Stock Exchange. This Index covers major sectors of the Indian economy and offers investors exposure to Indian market in one efficient portfolio. This index is not available for trading in the derivatives/cash segments directly.
<b>RTGS</b>	Real Time Gross Settlement
<b>SCRA</b>	Securities Contracts (Regulations) Act, 1956, as amended from time to time
<b>SEBI</b>	The Securities and Exchange Board of India constituted under the SEBI Act, 1992, as amended from time to time
<b>SEBI Act</b>	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
<b>Security Documents</b>	Security documents entered into for creation of security for the benefit of the Debenture Holders.
<b>Valuation Agency</b>	The Company has entered into valuation agreement(s) with SEBI registered credit rating agencies namely CRISIL Limited (“CRISIL”), ICRA Limited (“ICRA”) and Credit Analysis and Research Limited (“CARE”). The Issuer at its sole discretion shall appoint one of these agencies as a Valuation Agent to provide Valuation on Debentures. The details of Valuation Agent, once appointed, shall be communicated by the Issuer to the Debenture holder. Such communication shall form part of this Disclosure Document.
<b>Willful Defaulter</b>	Willful defaulter means an Issuer who is categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful

	defaulters issued by the Reserve Bank of India and includes an Issuer whose director or promoter is categorized as such.
<b>WDM</b>	Wholesale debt market



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## 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** 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.

**Regulatory Events for Investor:** Subject to regulatory requirements of applicable regulatory authorities, upon the occurrence of any one of the following events, the Company shall be entitled but not obliged to redeem the Debentures in the hands of the concerned investor:

- a) The representations/declarations of the investor being untrue or misleading when made or later found to be untrue during the tenure of his investment;
- b) Legal action/proceedings being initiated to suspend the investor's license by any regulatory authority, or its name being struck off in the records of the Ministry of Company Affairs;

- c) Any regulatory order passed against investor debarring investor from investments in stock market directly or indirectly etc.
- d) Proceedings for insolvency / bankruptcy or winding up being instituted against the investor;
- e) Company having reason to believe that any of the aforesaid events is likely to occur imminently.

**The disclosures below have been made by the Issuer in accordance with Form no. PAS-4 pursuant to section 42 of the Companies Act, 2013 and rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014, Schedule – I of SEBI (Issue and Listing of Debt Securities) Regulation, as amended (including Securities And Exchange Board Of India (Issue And Listing Of Debt Securities) (Amendment) Regulations, 2012 through notification dated October 12, 2012, SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015 through notification dated March 24, 2015), SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 and SEBI Circular CIR/IMD/DF/17/2011 dated September 28, 2011.**

## 2. ISSUER INFORMATION

<b>Date of incorporation of the company</b>	October 27, 1994
<b>Registered Office</b>	Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400098. Telephone: +91 22 4272 2200
<b>Corporate Office</b>	Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400098, Maharashtra, India. Tel: +91 22 4009 4400/ +91 22 4088 6310;
<b>Compliance Officer</b>	Ms. Pooja Doshi Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai 400098. Tel: +91 22 4009 4400
<b>Chief Financial Officer</b>	Mr. Shivaraman Iyer Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai 400098. Tel: +91 22 4009 4400
<b>Debenture Trustee of the Issue</b>	Catalyst Trusteeship Limited Windsor, 6th Floor, Office No.604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400098 Tel: +91 022 4922 0555 Fax: +91 022 4922 0505 E-mail: dt@cltrustee.com Website: www.catalysttrustee.com Contact Person: Mr. Umesh Salvi
<b>Registrar of the Issue</b>	<b>KFin Technologies Private Limited</b> Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032
<b>Credit Rating Agency(ies) of the Issue</b>	Name: CRISIL Limited Address: CRISIL House, Central Avenue, Hiranandani Business Park, Powai Mumbai- 400 076
<b>Auditors of the Issuer</b>	<b>S.R. Batliboi &amp; Co. LLP</b> Chartered Accountants 14th Floor, The Ruby, 29, Senapati Bapat Marg Dadar (West), Mumbai – 400 028, Maharashtra India.

## 3. A BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS

### (a) Overview:

## **Introduction**

[Our Company was incorporated in Mumbai, Maharashtra on October 27, 1994 as a private limited company under the provisions of the Companies Act, 1956 as Crossborder Investments Private Limited and was granted a certificate of incorporation by the Registrar of Companies, Maharashtra. Pursuant to a special resolution passed by the shareholders of our Company at an extra-ordinary general meeting held on July 16, 2009, the name of our Company was changed from Crossborder Investments Private Limited to Edelweiss Finance & Investments Private Limited and a fresh certificate of incorporation consequent upon change of name was issued on July 24, 2009 by the Registrar of Companies, Andhra Pradesh. Subsequently, pursuant to a special resolution passed by the shareholders of our Company at the extra ordinary general meeting held on July 16, 2009, our Company was converted into a public limited company and subsequently the name of our Company was changed to Edelweiss Finance & Investments Limited. The Registrar of Companies, Andhra Pradesh issued a fresh certificate of incorporation consequent upon change of name on conversion to public limited company on August 20, 2009 and our registered office was moved to Mumbai.

## **NBFC Registration**

Our Company originally obtained a certificate of registration dated September 11, 2009 bearing registration number B-09.00421 issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934, to commence/carry on the business of non-banking financial institution without accepting public deposits subject to the conditions mentioned in the certificate of registration. Consequent upon the change in situation of the registered office of our Company from the State of Telangana to the State of Maharashtra, the RBI has issued us the revised certificate of registration dated December 13, 2016 bearing registration no. B-13.02144 issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934, to commence/carry on the business of non-banking financial institution without accepting public deposits subject to the conditions mentioned in the certificate of registration.

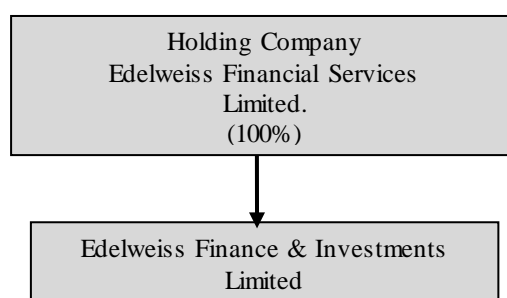
## **Business**

We are part of the Edelweiss group, which is one of India's diversified financial service conglomerate offering credit, wealth, asset management, asset reconstruction and capital market advisory services and life and general insurance. Our Company is presently engaged in the business of granting loans against securities, margin trade financing and IPO financing. Our company intends to grow into a leading NBFC of the Edelweiss group's advisory business. The Edelweiss group's advisory business presently includes wealth management, asset management, asset reconstruction and capital markets.

Our Company's product portfolio currently comprises of granting loans against securities, margin trade financing and IPO financing. We provide loans to our customers against the pledge of certain specified securities held by such customers. The product is offered to customers who require liquidity against their investments in certain specific marketable securities including equity shares, units of mutual funds, bonds, debentures and structured products. The tenure of such loans may be up to 30 months.

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.

### **(b) Corporate Structure:**



**(c) Key Operational and Financial Parameters for the half year ended September 30, 2019:**

Parameters	Ind AS
	Half Year ended
	30-Sep-19
	Unaudited
Networth #	198.30
Total Debt	<b>1,238.96</b>
(i) Borrowings (other than debt securities)	1,195.62
(ii) Subordinated Liabilities	32.54
(i) Debt Securities	10.80
Property, Plant and Equipment	0.71
Other Intangible assets	0.73
Cash and cash equivalents	4.89
Bank balances other than cash and cash equivalents	0.33
Securities held for trading	1401.18
Investments	-
Receivables	<b>1.10</b>
(i) Trade receivables	-
(ii) Other receivables	1.10
Other assets	<b>90.33</b>
(i) Derivative financial instruments	0.01
(ii) Other financial assets	52.29
(iii) Current tax assets (net)	33.07
(iv) Other non- financial assets	4.96
Trade Payable	20.69
<b>Other liability</b>	<b>41.32</b>
(i) Derivative financial instruments	22.68
(ii) Other financial liabilities	0.65

(iii) Current tax liabilities (net)	16.01
(iv) Provisions	1.06
(v) Other non-financial liabilities	0.92
<b>Assets Under Management - Credit Financing</b>	
Interest Income	99.87
Interest Expense	81.76
Provisioning & Write-offs	-
PAT	17.09
Total Comprehensive Income	17.10
Gross NPA (%)	0%
Net NPA (%)	0%
Tier I Capital Adequacy Ratio (%)	314.97%
Tier II Capital Adequacy Ratio (%)	51.16%
CRAR	366.13%
<b>Gross Debt: Equity Ratio of the Company: -</b>	
Before the issue of debt securities *	<b>3.5209</b>
Post issue of debt securities	<b>3.5597</b>

**(d) Key Operational and Financial Parameters for the last three audited years:**

			(Rs in Crore)
	Ind AS	Ind AS	Ind AS
	Financial Year ended	Financial Year ended	Financial Year ended
Parameters	31-Mar-19	31-Mar-18	March 31, 2017
	Audited	Audited	Audited
Networth #	177.37	180.75	131.08
Total Debt	<b>2,363.18</b>	<b>1,808.63</b>	<b>1,459.17</b>
(i) Borrowings (other than debt securities)	2,311.52	1,756.97	1,407.51
(ii) Subordinated Liabilities	51.66	51.66	51.66
Property, Plant and Equipment	0.66	0.98	1.05
Other Intangible assets	0.93	0.47	0.13
Cash and cash equivalents	105.02	15.30	74.32
Bank balances other than cash and cash equivalents	5.33	5.00	5.00
Securities held for trading	1,380.45	1,482.49	1,501.44
Investments	-	-	0.04
Receivables	<b>628.46</b>	<b>465.84</b>	<b>32.82</b>
(i) Trade receivables	628.38	456.31	22.30
(ii) Other receivables	0.08	9.53	10.52



Other assets	<b>464.62</b>	<b>64.53</b>	<b>24.11</b>
(i) Derivative financial instruments	0.10	2.64	-
(ii) Other financial assets	435.37	16.48	5.71
(iii) Current tax assets (net)	26.05	43.78	18.14
(iv) Other non- financial assets	3.10	1.63	0.26
Trade Payable	4.94	5.46	3.92
<b>Other liability</b>	<b>40.00</b>	<b>39.77</b>	<b>44.74</b>
(i) Derivative financial instruments	26.04	2.07	1.50
(ii) Other financial liabilities	3.26	4.88	5.88
(iii) Current tax liabilities (net)	8.02	19.40	19.51
(iv) Provisions	1.05	11.56	15.23
(v) Other non-financial liabilities	1.63	1.86	2.62
<b>Assets Under Management - Credit Financing</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interest Income	141.07	159.07	-
Interest Expense	120.45	135.35	-
Provisioning & Write-offs	-	-	-
PAT	(0.36)	12.69	-
Total Comprehensive Income	(0.35)	12.72	-
Gross NPA (%)	0%	0%	0%
Net NPA (%)	0%	0%	0%
Tier I Capital Adequacy Ratio (%)	24.86%	33.35%	149.99%
Tier II Capital Adequacy Ratio (%)	6.64%	8.72%	53.91%
CRAR	31.50%	42.07%	203.90%
<b>Gross Debt: Equity Ratio of the Company: -</b>			
Before the issue of debt securities *	<b>3.14</b>	<b>0.39</b>	<b>2.40</b>

\*Excluding asset specific borrowings

(e) **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 - 400098.

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.

As of date, the Company does not have any subsidiary

**(b) Capital Structure of the Company as on December 31, 2019:**

**Share Capital**

Particulars	Amount (Rs. in crores)
<b>A. Authorised Capital</b>	
4,16,20,000 Equity shares of Rs.. 10 each	41.6
3,13,80,000 Preference shares of Rs. 10 each	31.4
<b>Total</b>	<b>73</b>
<b>B. Issued, Subscribed and Paid Up Capital</b>	
3,435,332 (Equity shares of Rs. 10 each, fully paid-up)	3.43
2,06,92,000- 14.625% - Cumulative Redeemable Preference Shares of Rs.10 each, fully paid-up	20.69
<b>Total</b>	<b>24.12</b>
Paid up capital (A) after the offer; (B) after conversion of convertible instruments (if applicable) (d) share premium account (before and after the offer)	There will be no change in the Capital and Share Premium after the Offer.

**(c) Change in share capital as on December 31, 2019 (for last five years):**

**i. Authorized Share Capital and the changes therein:**

Date of Change (AGM/EGM)	Amount in Rs.	Particulars / Remarks
August 1, 2017 (EGM)	Rs. 73,00,00,000/-	Reclassification of 3,86,20,000 Preference Shares of Rs. 10 each into 3,86,20,000 Equity Shares of Rs.10 each.

**ii. Equity Share Capital and the changes therein:**

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
August 4, 2017	5,85,000	10	502	Cash	Allotment to the Holding Company	32,40,020	3.24002	256.387	----
February 28, 2018	1,95,312	10	502	Cash	Allotment to the Holding Company	34,35,332	3.435	266.192	----

**(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 DECEMBER 31, 2019

(a) Equity Shareholding pattern of the Company as on December 31, 2019:

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	3,435,332*	6,00,000	100
	Total	3,435,332	6,00,000	100

\* including shares held by nominees of Promoters.

(b) List of Top 10 holders of Equity Shares of the Company as on December 31, 2019:

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)*	3,435,332	6,00,000	100

\*Ashish Bansal, Amit Pandey, Dipakkumar K Shah, Vinit Agarwal, Tarun Khurana and Bashyam Renganathan each hold 1 Equity Share as nominees on behalf of Edelweiss Financial Services Limited.

## 6. BRIEF PARTICULARS OF THE MANAGEMENT OF THE COMPANY:

(a) NAMES AND ADDRESSES OF THE DIRECTORS OF THE ISSUER AS ON FEBRUARY 04, 2020:

Sr. No.	Name, Designation, DIN, Nationality, Occupation and Address	Age (Years)	Date of Appointment	Other Directorships
1.	Mr. Venkatchalam Ramaswamy Designation: Non-executive Director DIN: 00008509 Nationality: Indian Occupation: Service Address: 142, Beach Apt., 14th Floor, P. Balu Rd., Prabhadevi, Mumbai - 400025.	52	01/11/2013	1. Edelweiss Financial Services Limited 2. ECL Finance Limited 3. Edelweiss Asset Reconstruction Company Limited 4. Edelweiss Capital (Singapore) Pte. Ltd. 5. Edelweiss Alternative Asset Advisors Pte. Limited 6. Edelweiss Investment Advisors Private Limited 7. Kenai Advisors LLP
2.	Mr. Subramanian Ranganathan, Designation: Executive Director DIN: 00125493 Nationality: Indian Occupation: Service Address: A-407/408, 4TH Floor Golf Scape, Sion Trombay, Chembur, Mumbai- 400071	56	24/01/2013	1. Edel Finance Company Limited 2. Edelweiss General Insurance Company Limited
3.	Mr. Pudugramam Narayanaswamy Venkatachalam Designation: Independent Director DIN: 00499442 Nationality: Indian Occupation: Professional	75	14/07/2008	1. Edelweiss Financial Services Limited 2. ECL Finance Limited 3. Sundaram Finance Limited 4. Edelweiss Asset

	Address: Flat no. 3C, Settlur Manor No.2, Sivaswamy Street, Opp Dr. Radhakrishnan Salai, Mylapore, Chennai – 600 004			Reconstruction Company Limited 5. Edelweiss Tokio Life Insurance Company Limited 6. Sundaram Home Finance Limited 7. Edelweiss Housing Finance Limited
4.	Ms. Shabnam Panjwani Designation: Non-Executive Director DIN: 02057371 Nationality: Indian Occupation: Service Address: 26, Hempradha Building, 7th Floor, Marine Drive, Mumbai –400020	54	20/03/2015	1. Island Investments Private Limited
5.	Mr. Kunnasagaran Chinniah Designation: Independent Director DIN: 01590108 Nationality: Singaporean Occupation: Professional Address: 12, Countryside Grove, Singapore City 789967 SG	62	13/12/2019	1. Edelweiss Financial Services Limited; 2. Nirlon Limited; 3. Edelweiss Rural & Corporate Services Limited; 4. Edelweiss Capital (Singapore) Pte. Ltd.; 5. Changi Airport International Pte. Ltd.; 6. Keppel Infrastructure Fund Management Pte. Ltd.; 7. Azalea Asset Management Pte. Ltd.; 8. Astrea III Pte. Ltd.; 9. Azalea Investment Management Pte. Ltd.; 10. Hindu Endowments Board; 11. Greenko Energy Holdings; 12. Edelweiss Securities Limited; 13. ECL Finance Limited; and 14. Edelweiss Tokio Life Insurance Company Limited

**(a) Change in Directors since last three years (i.e.2016-17, 2017-18 and 2018-19 as on February 04, 2020):**

Name, Designation	DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Mr. Ajay Manglunia	02861202	April 11, 2019	July 5, 2017	Appointment and Resignation
Mr. Raviprakash R. Bubna	00090160	July 14, 2017	November 26, 2009	Resignation
Dr. Vinod Juneja	00044311	July 20, 2018	January 21, 2010	Resignation
Mr. Kunnasagaran Chinniah	01590108	December 13, 2019		Appointment

## Confirmations

- None of the Directors are identified as willful defaulters by the RBI, ECGC or any government authority.
- Neither the Issuer nor any of its Promoters or Directors has been declared as a willful defaulter.

**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

No remuneration has been paid to the Directors except sitting fees for attending Board and Committee meetings during the last three financial years:

Sr. No.	Name of the Director	March 31, 2019 (Rs.)	March 31, 2018 (Rs.)	March 31, 2017 (Rs.)
1.	Mr. Venkatchalam Ramaswamy	93,97,368	5,88,82,364	5,86,22,370
2.	Mr. Subramanian Ranganathan	-	-	-
3.	Mr. P N Venkatachalam	3,20,000	2,60,000	2,60,000
4.	Ms. Shabnam Panjwani	--	--	--

## 7. DETAILS OF AUDITORS OF THE COMPANY

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

Name	Address	Auditor since
S.R. Batliboi & Co. LLP Chartered Accountants	14th Floor, The Ruby, 29, Senapati Bapat Marg Dadar (West), Mumbai – 400 028, Maharashtra India.	July 20, 2018

### (b) Details of changes in auditors since last three years:

Name	Address	Tenure
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.	From September 22, 2006 till July 20, 2017
Price Waterhouse Chartered Accountants LLP	252 Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400 028, Maharashtra, India	From July 20, 2017 Till May 22, 2018
S. R. Batliboi & Co. LLP	14 <sup>th</sup> Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai - 400 028, Maharashtra, India	From May 23, 2018

## 8. DETAILS OF BORROWINGS AS ON December 31, 2019

### (a) Details of Secured Loan Facilities:

Lender's name	Type of facility	Amount Sanctioned (in Rs. Crore)	Principal amount outstanding (in Rs.) *	Repayment Date / Schedule	Security
Non-Convertible Debenture	Secured, redeemable, Non-Convertible Debentures	-----	32.02		The debentures are secured by way of a pari passu mortgage over the immovable property and a charge on the present and future receivables, loans, securities, investments and other financial assets to the extent equal to the principal and interest amounts of the Debentures outstanding.
<b>Total</b>			<b>32.02</b>		

**(b) Details of Unsecured Loan Facilities:**

Lender's Name	Type of Facility	Amount Sanctioned	Carrying Value (including accrued interest)	Repayment Date / Schedule
Loan from Fellow Subsidiary Company			5,052,265,001	Repayable on demand
Subordinated Liabilities- Preference Shares			516,593,250	The Preference Shares were allotted on July 19, 2013. The preference share will be compulsorily redeemed at the end of 10 years from the date of allotment.
Inter-corporate deposits		---	179.88	Repayable on demand
<b>Total</b>			<b>5,568,858,251</b>	

**(c) Details of Non-Convertible Debentures:** Refer Annexure

**(d) List of Top 10 Debenture Holders as on December 31, 2019**

SR No.	NAME	AMOUNT IN LAKH
1	Bhawarlal Jajoo	500
2	Vikas Kamlakar Phadnis	295
3	Ramamoorthy Jagadish	176
4	V.V. & Smt. K.V. Mariwala Charity Trust	137
5	Rekha Nayak	108
6	Bawa Jai Singh	100
7	Mohit Vijaykumar Gupta	100
8	Asha Satyawar Kriplani	98
9	Madgul Parks Pvt Ltd	98
10	Vinod Kapur HUF .	60

**(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: NIL.

(g) Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on December 31, 2019:

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).	470,700,000

(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, in the past five years: 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 option

The Issuer has not issued any debt securities or has any outstanding borrowings taken: (i) for consideration other than cash, whether in whole or part; or (ii) in pursuance of an option as on December 31, 2019.

As on December 31, 2019, the Issuer has issued debt securities at a premium as per the table below:

Date of Issue	Product Code	No. of Debentures	Face Value (INR)	Premium Per Debenture (INR)	Aggregate Premium (INR)
28-Aug-19	I2H901A11	34	100000	2965	102965
17-Sep-19	I2H901A12	28	100000	2898	102898
16-Sep-19	K1H901A07	10	100000	2894	102894
16-Sep-19	K1H901A08	75	100000	2596	102596
27-Sep-19	L0H901A15	123	100000	2562	102562
16-Sep-19	K1H901A06	117	100000	2423	102423
28-Nov-19	L0H901A12	125	100000	2394	102394
25-Sep-19	L0H901A11	129	100000	2369	102369
18-Oct-19	I2H901A09	48	100000	2141	102141
29-Oct-19	L0H901A13	30	100000	2086	102086
16-Oct-19	K1H901A05	137	100000	1848	101848
16-Oct-19	L0H901A10	100	100000	1822	101822
18-Oct-19	I2H901A08	10	100000	1709	101709
30-Oct-19	L0H901A09	25	100000	1638	101638
19-Nov-19	L0H901A06	87	100000	1633	101633
30-Oct-19	I2H901A07	13	100000	1390	101390
26-Nov-19	I2H901A06	81	100000	1337	101337
26-Nov-19	L0H901A04	181	100000	1280	101280
06-Dec-19	L0H901A07	25	100000	1088	101088
26-Nov-19	L0H901A05	25	100000	800	100800
28-Nov-19	I2H901A03	145	100000	783	100783
29-Nov-19	I2H901A10	146	100000	639	100639
28-Nov-19	I2H901A01	100	100000	547	100547
20-Dec-19	I2H901A05	127	100000	539	100539

20-Dec-19	K1H901A01	100	100000	535	100535
16-Dec-19	L0H901A02	100	100000	527	100527
20-Dec-19	I2H901A02	50	100000	274	100274

As on December 31, 2019, the Issuer has issued debt securities at a discount as per the table below:

Date of Issue	Product Code	No. of Debentures	Face Value (INR)	Discount Per Debenture (INR)	Aggregate Discount (INR)
28-Aug-19	L0H901A01	176	100000	520	91520

#### 9. Details of Promoters of the Company:

##### (a) Details of Promoter holding in the Company as on December 31, 2019:

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
Edelweiss Financial Services Limited*	3,435,332	6,00,000	100	Nil	Nil

\*Ashish Bansal, Amit Pandey, Dipakkumar K Shah, Vinit Agarwal, Tarun Khurana and Bashyam Renganathan each hold 1 Equity Share as nominees on behalf of Edelweiss Financial Services Limited.

#### 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. Refer Annexure

#### 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 auditor's qualifications, if any. Refer Annexure

(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) 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: The Company prepared financial statements as per Ind AS for the first time for the year ended March 31, 2019. The impact of first-time adoption of Ind AS on net-worth and profit and loss account is quantified in note 40 of the annual financial statements.

(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



**(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):** No dividend declared on equity share capital, Dividend paid on Preference share capital amounting Rs. 4.59Cr. (Dividend) and Rs. 0.93 Cr. dividend distribution tax thereon.

- 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.** Edelweiss Financial Services Limited, the Holding Company of the Issuer, and other merchant bankers in the matter of Initial Public Offer of Credit Analysis and Research Limited (together referred to as the "Appellants") have filed an appeal before the Securities Appellate Tribunal, Mumbai ("SAT") against the impugned order dated November 28, 2014 ("Order"). SEBI vide Order had imposed the maximum penalty prescribed under Section 15 HB of the SEBI Act amounting to INR 1,00,00,000/- jointly and severally on the Appellants for the violation of Clause 1 of Form C of Schedule VI of Regulation 8 (2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Regulation 13 read with clause 1, 4, 6, 7 and 20 of Code of Conduct for Merchant Bankers as specified in Schedule III of the SEBI (Merchant Bankers) Regulations 1992. Aggrieved, the Appellants have filed the Appeal *inter-alia* to set aside the order and to stay the Order. The Securities Appellate Tribunal by a majority order dated September 30, 2016 has set aside the order passed by SEBI as well as the penalty imposed on the merchant bankers.

Edelweiss Financial Services Limited, the Holding Company of the Issuer, Axis Capital Limited and SBI Capital Markets Limited ("Appellants"/ "Merchant Bankers") had filed an appeal before the Securities Appellate Tribunal, Mumbai ("SAT") on May 19, 2016 to, *inter alia*, set aside an order dated March 31, 2016 ("Order") passed by an adjudicating officer of SEBI ("Respondent") and to grant an interim stay on the Order. The Respondent *vide* the Order had imposed a penalty of Rs. 1,00,00,000/- jointly and severally on the Appellants for violation of Regulation 57(1), Regulation 57(2)(a)(ii) and Regulation 64(1) of the SEBI ICDR Regulations and Regulation 13 of the SEBI (Merchant Bankers) Regulations, 1992 ("MB Regulations") in relation to certain disclosure requirements set forth under the SEBI ICDR Regulations and adherence to the code of conduct set forth under the MB Regulations for the merchant bankers, respectively, in the initial public offer of Electrosteel Steels Limited. SAT *vide* its order dated November 14, 2019, has reduced the penalty amount from Rs. 1,00,00,000/- to Rs. 50,00,000/-. The penalty of Rs. 50,00,000/- imposed on the Merchant Bankers has been paid jointly.

**(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. Debenture Trustee:**

The Company has appointed Catalyst Trusteeship Limited as the Debenture Trustee to the Issue.

Catalyst Trusteeship Limited has given consent to act as the Debenture Trustee on behalf of the Debenture Holders.

A copy of the consent letter is enclosed as Annex A.

### **14. Credit Rating and Rating Rationale(s):**

The rating rationale/letter adopted/issued by the Rating Agency is enclosed as Annex B.

The rating rationale can be accessed from the website of the rating agency.

#### 15. Details of guarantee / letter of comfort or any other document / letter with similar intent

Not applicable

#### 16. Names of all the recognized stock exchanges where the debt securities are proposed to be listed and the designated stock exchange:

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

#### 17. Other details

##### (a) Debenture Redemption Reserve

- (ii) 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. The Company being RBI Licensed NBFC is exempted from creating the DRR.

##### (a) 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 from time to time;
- SEBI (Listing Obligation & Disclosure requirement) Regulations, 2015 and amendments thereafter;
- 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;
- SEBI Circular CIR/MRD/DRMNP/35/2013 dated December 05, 2013 and amendments thereafter;
- SEBI Circular CIR/IMD/DF-1/122/2016 dated November 11, 2016 and amendments thereafter.
- SEBI Circular CIR/IMD/DF-1/ 67 /2017 dated June 30, 2017 and SEBI Circular CIR/DDHS/P/59/2018 dated March 28, 2018.
- SEBI Circular SEBI/HO/DDHS/CIR/P/2018/05 dated January 05, 2018, and amendments thereafter;
- 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.

##### (b) 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 favor of "EDELWEISS FINANCE & 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 /sub-accounts of FPIs
- 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/debenture 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.

#### **Right to further issue the Debentures**

Company reserves right to make multiple issuances under the same ISIN with reference to SEBI Circular CIR/IMD/DF-1/67/2017 dated June 30, 2017 and SEBI Circular CIR/DDHS/P/59/2018 dated March 28, 2018.

Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium /par/discount as the case may be in line with SEBI Circular CIR/IMD/DF-1/67/2017 dated June 30, 2017 and SEBI Circular CIR/DDHS/P/59/2018 dated March 28, 2018.

#### **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 email/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 email or by registered post or 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 [Third] Schedule of the Debenture Trust Deed or with the consent of the Debenture Trustee in accordance with the provisions 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 Catalyst Trusteeship 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 Catalyst Trusteeship 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 debenture 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 entered into valuation agreement(s) with SEBI registered credit rating agencies namely CRISIL Limited ("CRISIL"), ICRA Limited ("ICRA") and Credit Analysis and Research Limited ("CARE"). The Issuer at its sole discretion shall appoint one of these agencies as a Valuation Agent to provide Valuation on Debentures. The details of Valuation Agent and the website link of the Valuation Agent where the Valuations shall be available will be communicated by the Issuer to the Debenture Holder. Such communication shall form part of this Disclosure Document. 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 <https://edelweissinvestment.edelweissfin.com/investorrelations#parentVerticalTab5> and on the website of the Valuation Agency within 7 Business 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.

## 18. 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:

#### a) 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.



**b) 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.

**c) 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

**d) 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.

**e) 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 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 capitalized, 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.

**f) Downgrading in Credit Rating:**

**CRISIL - CRISIL PP-MLD AA-r/Stable (pronounced as CRISIL PP-MLD double A minus r rating with Stable outlook)**

**g) Collateral Risk**

The value of the security/collateral granted in favour of the Company, as the case may be, may decline due to adverse market and economic conditions (both global and domestic), delays in insolvency, winding up and foreclosure proceedings, defects in title, difficulty in locating moveable assets, inadequate documentation in respect of assets secured and the necessity of obtaining regulatory approvals for the enforcement of the Company's security over the assets comprising its security and the Company may not be able to recover the estimated value of the assets, thus exposing it to potential losses.

**h) Security may be insufficient to redeem debentures:**

In the event that the company is unable to meet its payment and other obligations towards investors under the terms of the debentures, the Debenture Trustee may enforce the security as per the terms of security documents, and other related documents. The Debenture Holder(s)' recovery in relation to the debentures will be subject to (a) the market value of such secured property, (b) finding willing buyer for the security at a price sufficient to repay debenture holder(s)' amounts outstanding under the debentures. The value realized from the enforcement of the security may be insufficient to redeem the debentures.

**i) Repayment is subject to the credit risk of issuer:**

Potential investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that maybe due in respect of the debentures is subject to the credit risk of the Issuer. Potential investors acknowledge the risk that the issuer may not be able to satisfy their obligations under the debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the issuer, the payment of sums due on the debentures may not be made or may be substantially reduced or delayed.

**j) Security Cover and Testing Date**

The Security Cover shall be tested once a month on the Testing Date. The Investors may consider the fact that the Security Cover is not be met by the Company on other days. The investors realise the practical difficulty in testing the Security Cover everyday and acknowledge the fact that there may be shortfall in Security Cover on other days which are not the Testing Date(s).

**EXTERNAL RISK FACTORS**

**a) 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.

**b) 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.

**c) 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.



**d) Conditions in the Indian Debt market may affect the coupon on the Debentures:**

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.

**e) 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.

**f) No affiliation with issuers/publishers of underlying assets:**

The Issuer or its subsidiaries may presently or from time to time engage in business with any issuer of the underlying shares, or any specified entity, including entering into loans with, or making equity investments in, such issuer of the underlying shares, or specified entity, or its affiliates or subsidiaries or providing investment advisory services to the issuer of the underlying shares, or specified entity, including merger and acquisition advisory services. Moreover, the Issuer does not have the ability to control or predict the actions of the issuer of the underlying shares, index publisher, or specified entity, including any actions, or reconstitution of index components, of the type that would require an adjustment of the payout to the investor at maturity.

The issuer of the underlying shares, index publisher, or specified entity, for any issuance of Debentures is not involved in the offering of the Debentures in any way or has any obligation to consider the Debenture Holder's interest as an owner of the Debentures in taking any corporate actions that might affect the value of the Debentures. None of the money a Debenture Holder pays for the Debentures will go to the issuer of the underlying shares, or specified entity, for such Debentures.

**g) Volatility Risk:**

The equity markets and Derivative markets are volatile, and the value of Securities, Derivative contracts and other instruments correlated with the equity markets may fluctuate dramatically from day to day. This volatility may cause the value of investment in the Scheme to decrease.

**h) Risks Associated with Equity Investments:**

Equity and equity related securities are volatile and prone to price fluctuations on a daily basis. The liquidity of investments made in the Scheme may be restricted by trading volumes. Investments in equity and equity related securities involve a degree of risk.

**i) Investment in the Debentures which are linked to shares is not the same as investing directly in the shares:**

An investment in the Debentures which are linked to shares is not an investment directly in the shares themselves. An investment in the Debentures entitles the holder to certain cash payments calculated by reference to the shares to which the Debentures are linked.

The Debenture Holder will have no beneficial interest in the shares or basket of shares constituting the index to which the Debentures are linked and accordingly will not have voting rights in those shares.

The Debenture Holders will not have the right to receive the underlying shares or basket of shares and thus will not be able to dispose of some but not all of such shares at any point in time. Subject to the applicable conditions of the Debentures, the Debenture Holder may have no right to receive dividends or other distributions. The Debentures will not represent a claim against the company of any shares, and, in the event of any loss, a Debenture Holder will not have recourse under the Debentures against such companies, or against any securities issued by such companies.

Similarly, the Debenture Holders will not have the right to receive the stocks underlying the Debentures at any point in time.

In the case of Debentures relating to shares, no issuer of such shares will have participated in the preparation of the Disclosure Document or in establishing the terms of the Debentures and the Company will not make any investigation or enquiry in connection with such offering with respect to the information concerning any such Company contained in the Disclosure Document or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant Deemed Date of Allotment (including events that would affect the accuracy or completeness of the publicly available documents described in this paragraph that would affect the trading price of the share will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the Company of such share could affect the trading price of the share and therefore the trading price of the Debentures.

Moreover, the Company has no ability to control or predict any actions of the issuer of such shares, including any corporate actions of the type or redemption that would require the Company to adjust the payment to the Debenture Holders upon exercise of the Debentures. The issuer of such shares is not involved in the offering of the Debentures in any way and has no obligation to consider a Debenture Holder's interest in a Debenture in taking any corporate actions that might affect the value of the Debentures.

#### **19. 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 understand 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 byelaws 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.

(q) has understood that, Debenture Holder will not have any interest in or rights to the underlying securities to which Debentures relate.

#### Potential Conflicts of Interest

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

#### 20. 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. If any recipient of this information memorandum and or Private Placement Offer cum application Letter decides not to participate in the issue, that recipient must promptly return this information memorandum and or all private placement offer and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the issue to the issuer.

Information Memorandum and/or the Private Placement Offer cum application Letter does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer/solicitation. No action is being taken to permit an offering of the debentures or the distribution of this Information Memorandum and/or the Private Placement Offer cum application Letter in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum and/or the Private Placement Offer cum application Letter come are required to inform themselves of, and to observe, any such restrictions. This information memorandum is made available to potential investors in the issue on the strict understanding that it is confidential.

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 subsequent updates on the information after the date of Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer. 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.

Nor is any guarantee or express or implied warranty in respect of the selection of the Reference Stocks made nor is any assurance or guarantee as to the performance of the Reference Stocks given. Investors should not conclude that the sale by the Issuer is any form of investment recommendation by it or any of its affiliates, or agents acting on any of their behalf.



The Issuer accepts no responsibility for the accurate extraction, reproduction and summary of any information relating to Reference Stocks. No further or other responsibility in respect of such information is accepted by the Issuer.

Purchasers of the Debentures should ensure that they understand the nature of the Debentures and the fact that the performance of the Reference Stock will affect the nature and value of the investment return on the Debentures. Also, a relatively small movement in the value of the Reference Stock can result in a disproportionately large movement in the price of the Debentures. Purchasers should conduct their own investigations and, in deciding whether or not to purchase Debentures, purchasers of the Debentures should form their own views of the merits of an investment related to the Reference Stock based on such investigations and not in reliance on any information given in this Information Memorandum.

#### **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 therefrom. 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, Reference 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 – NSE Indices Limited [erstwhile India Index Services & Products Limited (IISL)] Background**

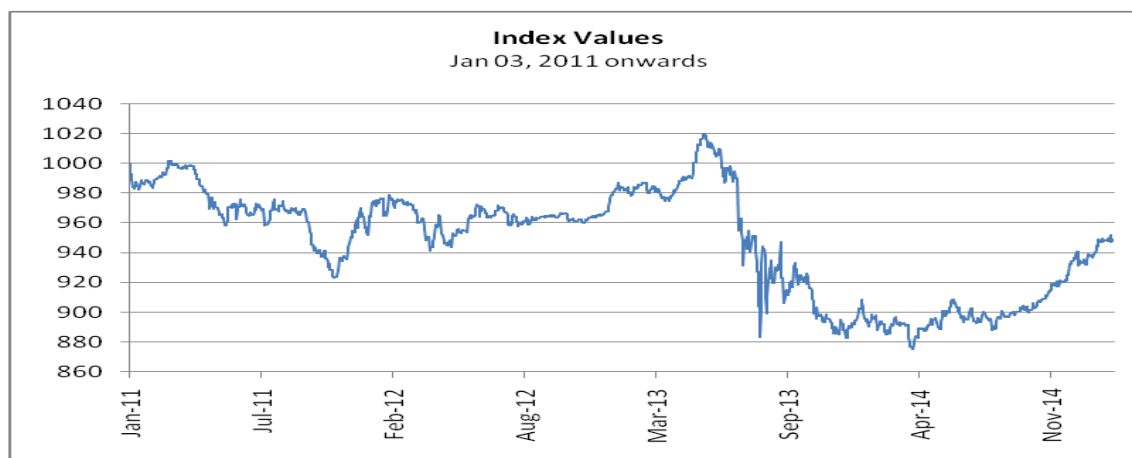
- NSE Indices Limited, a subsidiary of NSE was setup in May 1998 to create and manage indices for NSE and its participants
- NSE Indices Limited maintains over 80 equity indices comprising broad-based benchmark indices, sectoral indices
- They manage the most popular and most traded indices on Indian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

#### **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 BANK LINKED DEBENTURES:**

#### **Disclaimer by NSE Indices Limited**

- i. The Nifty Bank Index Linked Debentures ("Debentures") are not sponsored, endorsed, sold or promoted by NSE Indices Limited [erstwhile India Index Services & Products Limited ("IISL")]. NSE Indices Limited does not make any representation or warranty, express or implied, to the owners of the Debentures or any member of the public regarding the advisability of investing in securities generally or in the Debentures particularly or the ability of the Nifty Bank Index to track general stock market performance in India. The relationship of NSE INDICES LIMITED to ECap Equities Limited ("ECAP") is only in respect of the licensing of certain trademarks and trade names of its Index which is determined, composed and calculated by NSE INDICES LIMITED without regard to ECAP or the Debentures. NSE INDICES LIMITED does not have any obligation to take the needs of ECAP or the owners of the Debentures into consideration in determining, composing or calculating the Nifty Bank Index. NSE INDICES LIMITED is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Debentures to be issued or in the determination or calculation of the equation by which the Debentures are to be converted into cash. NSE INDICES LIMITED has no obligation or liability in connection with the administration, marketing or trading of the Debentures.
- ii. NSE INDICES LIMITED does not guarantee the accuracy and/or the completeness of the Nifty Bank Index or any data included therein, and they shall have no liability for any errors, omissions, or interruptions therein. NSE INDICES LIMITED does not make any warranty, express or implied, as to results to be obtained by ECAP, owners of the Debentures, or any other person or entity from the use of the Nifty Bank Index or any data included therein. NSE INDICES LIMITED makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, NSE INDICES LIMITED expressly disclaim any and all liability for any damages or losses arising out of or related to the Debentures, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.
- 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 50 LINKED DEBENTURES:**

#### **Disclaimer by NSE INDICES LIMITED**

The Product(s) are not sponsored, endorsed, sold or promoted by NSE Indices Limited (erstwhile India Index Services & Products Limited ("IISL")). NSE INDICES LIMITED 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 50 to track general stock market performance in India. The relationship of NSE



INDICES LIMITED to the Issuer is only in respect of the licensing of certain trademarks and trade names of its Index which is determined, composed and calculated by NSE INDICES LIMITED without regard to the Issuer or the Product(s). NSE INDICES LIMITED does not have any obligation to take the needs of the Issuer or the owners of the Product(s) into consideration in determining, composing or calculating the Nifty 50. NSE INDICES LIMITED 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. NSE INDICES LIMITED has no obligation or liability in connection with the administration, marketing or trading of the Product(s).

NSE INDICES LIMITED do not guarantee the accuracy and/or the completeness of the Nifty 50 or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. NSE INDICES LIMITED does not make any warranty, express or implied, as to results to be obtained by the Issuer, owners of the product(s), or any other person or entity from the use of the Nifty 50 or any data included therein. NSE INDICES LIMITED makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the index or any data included therein. Without limiting any of the foregoing, NSE INDICES LIMITED expressly disclaim any and all liability for any damages or losses arising out of or related to the Products, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

An investor, by subscribing or purchasing an interest in the Product(s), 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 NSE INDICES LIMITED**

The Product(s) are not sponsored, endorsed, sold or promoted by NSE Indices Limited (erstwhile India Index Services & Products Limited ("IISL")). NSE INDICES LIMITED 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 NSE INDICES LIMITED 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 NSE INDICES LIMITED without regard to the Licensee or the Product(s). NSE INDICES LIMITED 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. NSE INDICES LIMITED 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. NSE INDICES LIMITED has no obligation or liability in connection with the administration, marketing or trading of the Product(s).

NSE INDICES LIMITED does not guarantee the accuracy and/or the completeness of the Nifty 10 yr Benchmark G-Sec Clean Price Index or any data included therein, and they shall have no liability for any errors, omissions, or interruptions therein. NSE INDICES LIMITED does not make any warranty, express or implied, as to results to be obtained by the Licensee, owners of the product(s), or any other person or entity from the use of the Nifty 10 yr Benchmark G-Sec Clean Price Index or any data included therein. NSE INDICES LIMITED makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, NSE INDICES LIMITED expressly disclaim any and all liability for any damages or losses arising out of or related to the Products, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

##### **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.

No review of the Reference Stocks or the Stocks Issuers, including without limitation, any public filings made by the Stock Issuers have been made for the purposes of forming a view as to the merits of an investment linked to the Reference Index. Nor is any guarantee or express or implied warranty in respect of the selection of the Reference Index made nor is any assurance or guarantee as to the performance of the Reference Index given. Investors should not conclude that the sale by the Issuer is any form of investment recommendation by it or any of its affiliates, or agents acting on any of their behalf.

The Issuer accepts no responsibility for the accurate extraction, reproduction and summary of any information relating to Reference Index. No further or other responsibility in respect of such information is accepted by the Issuer.

Investors should ensure that they understand the nature of the Debentures and the fact that the performance of the Reference Index will affect the nature and value of the investment return on the Debentures. Also a relatively small movement in the value of the Reference Stock can result in a disproportionately large movement in the price of the Debentures. Investors should conduct their own investigations and, in deciding whether or not to purchase Debentures, purchasers of the Debentures should form their own views of the merits of an investment related to the Reference Index based on such investigations and not in reliance on any information given in this Information Memorandum.

ii. Disclaimer by the Valuation Agent

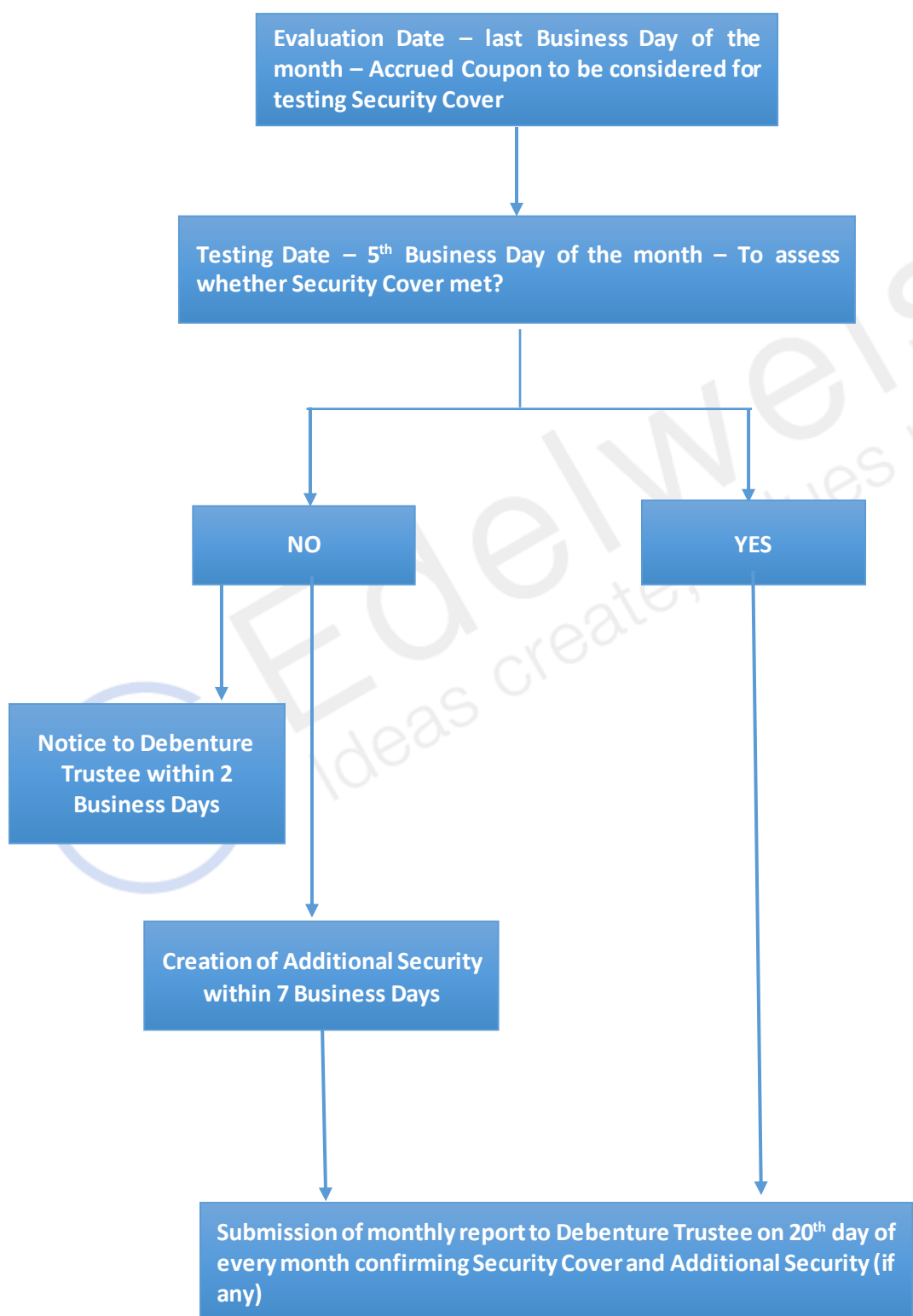
Post appointment of the Valuation Agent by the Issuer, the disclaimer clause of Valuation Agent shall be communicated to the Debenture Holder and the said disclaimer clause shall form part of this Disclosure Document.



## SCHEDULE

### SECURITY COVER CREATION FLOW – CHART

#### ILLUSTRATIVE FLOW CHART FOR SECURITY COVER



**21. ) SUMMARY TERM SHEET FOR LOB001A02**

<b>Issuer</b>	EDELWEISS FINANCE & INVESTMENTS LIMITED
<b>Security Name</b>	EFIL – Secured Market Linked Non-Convertible Debentures (" <b>Debentures</b> ")
<b>Product Code</b>	LOB001A02
<b>ISIN</b>	This is a further issuance under ISIN- INE918K07FY0
<b>Date of passing of Board Resolution</b>	February 14,2020
<b>Date of passing of resolution in general meeting</b>	February 17,2020
<b>Type of Instrument</b>	Principal Protected - Market Linked Redeemable Non- convertible Debenture
<b>Nature of Instrument</b>	Secured
<b>Seniority</b>	Senior
<b>Purpose and Object of the Issue</b>	The funds raised by the issue of the Debentures shall be utilized by the Company for general corporate purposes, onward lending and repayment of interest and principal with respect to the borrowings of the Company in compliance with the provisions of Applicable Law.
<b>Principal Protection</b>	Principal is protected at maturity.
<b>Underlying Stocks/ 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/sub-accounts</li> <li>• Any other investor eligible to invest in these Debentures as per applicable law</li> </ul>
<b>Issue Size</b>	RS 80,000,000/-
<b>Minimum application Size</b>	10 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 less than Rs. 1,00,00,000/- (Rupees One Crore) after considering discount or premium, if any.
<b>Investor Category II</b>	Subscription amount being equal to or greater than Rs. 1,00,00,000/- (Rupees One Crore) after considering discount or premium, if any.
<b>Face Value/Principal</b>	Rs. 100,000/- Per Debenture
<b>Issue Price</b>	Rs. 100,145/- Per Debenture

<b>Justification of Issue Price</b>	This is a further issuance under the ISIN- INE918K07FY0. The issue price is calculated basis fair value of ISIN on trade day.	
<b>Premium at which Debenture is issued</b>	145/- per debenture	
<b>Tenor In Days</b>	391 Days from the Deemed Date of Allotment	
<b>Issue Opening Date</b>	05-Mar-20	
<b>Issue Closing Date</b>	05-Mar-20	
<b>Initial Fixing Date</b>	28-Feb-20	
<b>Initial Fixing Level</b>	Level of 11201.75 of the Underlying	
<b>Final Fixing Date</b>	31-Dec-20	
<b>Final Fixing Level</b>	Official Closing Level of NIFTY 50 INDEX as on Final Fixing Date	
<b>Redemption Date *</b>	31-Mar-21	
<b>Redemption Value *</b>	[Face Value*(1+Coupon)]	
<b>Pay-in-Date</b>	05-Mar-20	
<b>Deemed Date of Allotment</b>	05-Mar-20	
<b>Underlying Performance</b>	(Final Fixing Level / Initial Fixing Level) – 1	
<b>Participation Rate: PR</b>	NA	
<b>Coupon *</b>	<b>Scenario</b>	<b>Coupon</b>
	If Final Fixing Level > 25% of Initial Fixing Level	10.37%
	If Final Fixing Level <= 25% of Initial Fixing Level	0.00%
<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 and above the Coupon will be payable by the Company from the date of the default till the actual payment is received for the same.	
<b>Proposed time schedule for which the Disclosure Document is valid</b>	Till redemption of Debentures	
<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 Time</b>	Not Applicable	

Call Option Price	Not Applicable
Call Notification Time	Not Applicable
Listing and consequence of Delay in Listing	<ul style="list-style-type: none"> <li><u>For FPIs /sub-accounts</u> The Company proposes to list these Debentures on the Bombay Stock Exchange Wholesale Debt Market (WDM) segment within 15 days from the Deemed Date of Allotment. 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.</li> <li><u>For applicants other than FPI/sub-accounts</u> The Company proposes to list these Debentures on the Bombay Stock Exchange WDM segment within 20 days from the Deemed Date of Allotment. 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.</li> </ul>
Issuance mode of Debenture	DEMAT form
Trading mode of the Debenture	DEMAT form only
Depository	NSDL and CDSL
Security	<p>The debentures shall be secured by way of exclusive charge on the Receivables from the Identified Loans.</p> <p>For the purpose of the above:</p> <p><b>Identified Loans</b> shall mean portfolio of loans in the nature of loans against shares (LAS), as may be identified by the Company from time to time and which shall form a part of the Hypothecated Properties at all points of time.</p> <p><b>Receivables</b> shall mean all monies receivable (whether evidenced as book debts or otherwise) due and to become due to the Issuer in relation to the Identified Loans or Additional Security, if any, under any contracts, deeds, or documents or otherwise or under Applicable Law, and any dividends, revenues, receivables, commissions, rentals, deposits, interest, or capital receipts of the Issuer of whatsoever nature and wherever arising from whatever source, present and future, in connection to the Identified Loans and Additional Security, if any.</p> <p>For avoidance of doubt, it is hereby clarified that the charge on the Receivables shall be in the nature of a floating charge and notwithstanding anything stated herein, the Company shall be entitled to deal with the Receivables in the ordinary course of its business, provided no Event of Default is subsisting.</p> <p>Further, the Company cannot remove hypothecated property unless it replaces it with Additional Security or cash collateral which provides sufficient security cover for the outstanding debt. Further, the Company cannot create any further charge on the Hypothecated Properties.</p>
Rating	<p>“CRISIL PP-MLD AA-r/Stable” (pronounced as “CRISIL PP-MLD double A minus r rating with Stable outlook”) by CRISIL Limited for Rs. 500 Crore Long Term Principal Protected Market 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. A prefix of ‘PP-MLD’ indicates that the instrument is a principal-</p>

	<p>protected market linked debenture. The terms of such instruments indicate that while the issuer promises to pay back the face value/principal of the instrument, the coupon rates of these instruments will not be fixed, and could be linked to one or more external variables such as commodity prices, equity share prices, indices, or foreign exchange rates. The 'r' suffix indicates that payments on the rated instrument have significant risks other than credit risk. The terms of the instrument specify that the payments to investors will not be fixed, and could be linked to one or more external variables such as commodity prices, equity indices, or foreign exchange rates. This could result in variability in returns because of adverse movement in value of the external variables, and/or possible material loss of principal on early redemption of the instrument. The risk of such adverse movement in price / value is not addressed by the rating. CRISIL reserves the right to suspend, withdraw, or revise the rating / outlook assigned at any time, on the basis of new information, or unavailability of information or other circumstances which CRISIL believes may have impact on the rating.</p>
<b>Security Cover</b>	<p>100% security cover for the principal and Accrued Coupon.          Accrued Coupon for the purpose of this clause shall mean the Coupon accrued on the outstanding Debentures as on the Evaluation Date. For avoidance of doubt, it is hereby clarified that the Coupon on the Debentures may be payable along with the Redemption Amount but for the purpose of calculation of the Security Cover, Accrued Coupon shall be construed as above.</p>
<b>Additional Security</b>	<p>On occurrence of shortfall in the Security Cover on the Testing Date, the Issuer shall provide the following additional securities in favour of the Trustee:</p> <ol style="list-style-type: none"> <li>Create charge on additional Identified Loans until to the extent of shortfall required to meet the Security Cover by executing a supplemental Deed of Hypothecation; and/or</li> <li>Create charge/mark lien on Investments (which shall include fixed deposits and/or mutual fund units and/or fixed income security instruments with issuer rating of minimum AA+ by any reputed SEBI registered rating agency ) to the extent of shortfall required to meet the Security Cover by executing a supplemental Deed of Hypothecation; and/or</li> <li>Provide cash collateral into the Escrow Account to the extent of shortfall required to meet the Security Cover and charge shall be created over such Escrow Account by way of Deed of Hypothecation.</li> </ol> <p>The process of testing the Security Cover and creation of Additional Security (if so required) are graphically represented in the form of a flow chart attached as Schedule to this Disclosure Document.</p>
<b>Escrow Account</b>	<p>Escrow Account shall mean the account opened by the Issuer with a designated bank (Escrow Bank), wherein all cash collateral to meet the required Security Cover shall be deposited and which account shall be charged in favour of the Trustee for the purpose of Additional Security.</p> <p>Issuer shall provide the Debenture Trustee a reconciliation of the Escrow Account in the event of Cash Collateral being provided as an Additional Security, within 20 Business Days from the end of each calendar month.</p>
<b>Demat Account</b>	<p>Demat Account shall mean a separate demat account opened by the Issuer with ICICI Bank Limited linked to the Escrow Account to be operated by the Issuer.</p> <p>Issuer shall execute a Demat Account Power of Attorney in favour of Debenture Trustee authorizing it to take over the control and operation of</p>

	such demat account upon occurrence of Event of Default and sell investments held in such demat account to enforce the security.
<b>Testing Date</b>	The date on which the Security Cover is tested based on the interest/coupon applicable to the Debentures as on the Evaluation Date. The Testing Date shall be 5th Business Day of every month (excluding the first month in which the allotment of Debentures takes place).
<b>Evaluation Date</b>	Shall mean the date for considering the Reference Index for calculation of the Accrued Coupon on the Testing Date, being last Business Day every month.
<b>Process for creation of Additional Security</b>	<p>The Issuer shall have the obligation to maintain the Security Cover. In the event of shortfall of the Security Cover as on the Testing Date, the Company shall send a notice to the Trustee about such a shortfall within 2 (two) Business Days from the Testing Date. Thereafter, within 7 (seven) Business Days from the Testing Date, the Issuer shall create the Additional Security in favour of the Trustee by execution of a supplemental Deed of Hypothecation and/or by providing cash collateral into the Escrow Account to the extent of shortfall required to meet the Security Cover, if any.</p> <p>In case of shortfall of Security Cover between the two Testing Dates, the Issuer shall create security/additional security on or before the 7 (seven) Business days from the Testing Date by execution of Supplemental Deed of Hypothecation.</p>
<b>Perfection of Security</b>	The Issuer shall perfect the Security/Additional Security by filing the particulars of the charge creation/modification with the concerned Registrar of Companies (ROC) or with any other authority as may be required under Applicable Law, within 30 Days from the date of creation of such Security/Additional Security.
<b>Release of the Security</b>	In the event the Security/Additional Security created in favour of the Trustee by execution of a supplemental Deed of Hypothecation and/or by providing cash collateral into the Escrow Account to the extent of shortfall required to meet the Security Cover exceeds the Security Cover on any Testing Date, the Issuer shall have the right to demand the release of the excess security/lien marked additional security/cash available in the escrow to the extent of such additional cover at any point. The Issuer may or may not decide to file the particulars of such release with the ROC.
<b>Reporting Requirements</b>	The Issuer shall provide a monthly report to the Trustee by 20 <sup>th</sup> of every month, confirming the Security Cover and any Additional Security (if any created) (" <b>Monthly Report</b> ").
<b>Representation and Warranties of the Issuer</b>	<p>The Issuer on the Deemed Date of Allotment and on each date of creation of the Security/Additional Security represents and warrants as follows:</p> <ol style="list-style-type: none"> <li>It has the power and the corporate authorizations to enter into the Transaction Documents;</li> <li>The assets offered as Security/Additional Security is free from any encumbrance, charge or lien of any nature;</li> <li>Execution of the Transaction Documents and creation of Security/Additional Security shall not contravene its constitutional documents or any other contractual obligations under any other contracts;</li> <li>Save and except for the no-objection certificate issued by SBICAP Trustee Company Limited dated January 9, 2020, no consents, waivers are required from any third party for the creation of the Security/Additional Security;</li> <li>The Security/Additional Security is free from any disputes or litigation or is not subject to any statutory/regulatory order;</li> <li>Any other representation and warranties as are customary to such transactions.</li> </ol>



<b>Issuers Covenants</b>	<p>The Issuer undertakes and confirms, till the Final Settlement Date it shall continue to be engaged in the business of lending which shall be in the nature of non-promoter LAS.</p> <p>The Issuer shall not exceed the debt to equity ratio of 6:1 from March 2020 onwards. Such debt to equity ratio shall be tested on 30<sup>th</sup> day of September of every fiscal year. For the purpose of clarification, treasury assets shall be netted off in the Debt to Equity Ratio Calculation.</p>
<b>Events of Default</b>	<p>The occurrence of any one of the following events shall constitute an <b>"Event of Default"</b>:</p> <ul style="list-style-type: none"> <li>(a) Default is committed in payment of any amount due and payable with respect to the Debentures under the Transaction Documents and such default is not cured by the Company within 7 Business Days from the date of the default;</li> <li>(b) Default is committed in the performance or observance of any covenant or undertaking contained in these presents and/or any other Transaction Documents;</li> <li>(c) Any information given by the Company in the Disclosure Documents / reports and other information furnished by the Company and the representations and warranties given/deemed to have been given by the Company to the Trustee under any Transaction Document is a misrepresentation in any material respect;</li> <li>(d) If without the prior consent of the Trustee and the Debentureholders any assets offered as security under the Security Documents or part thereof are sold, assigned, securitized, disposed of, or Encumbered;</li> <li>(e) It is or becomes unlawful for the Company to perform its obligations under any Transaction Documents or any obligation under any Transaction Document becomes invalid or unenforceable;</li> <li>(f) Failure of the Company to pay any sum pursuant to any final judgement or any final order passed by a court of competent jurisdiction and which has not been set aside within 30 Business Days of it being passed;</li> <li>(g) The Company being declared or adjudicated as insolvent or bankrupt or order for winding up being instituted against the Company in accordance with the Insolvency and Bankruptcy Code, 2016;</li> <li>(h) Any expropriation, attachment, sequestration, distress or execution or other process of similar nature that may adversely affect the performance of the Company under the Transaction Documents; and</li> <li>(i) When the company without the consent of debenture holders ceases to carry on its business or gives notice of its intention to do so</li> </ul>

	<p>The cure period for the Events of Default provided for in point (b), (c), (d), (e), (f), (h) (i) of this Deed shall be 30 days.</p> <p>The cure period for the Events of Default in point(g) shall be 90 days.</p>
<b>Consequence of an Event of Default</b>	<p>On occurrence of an EOD, the Trustee shall be entitled to the following:</p> <ol style="list-style-type: none"> <li>Accelerate the payment so that all monies in connection to the Debentures becomes immediately due and payable;</li> <li>Enforce the Security/Additional Security created in favour of the Trustee and recover the amount due and payable in relation to the Debentures.</li> </ol>
<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 Utilization of the proceeds</b>	The funds raised by the issue of the Debentures shall be utilized by the Company for general corporate purposes, onward lending and repayment of interest and principal with respect to the borrowings of the Company in compliance with the provisions of Applicable Law.
<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</b>	means any day on which the money market is functioning in Mumbai, India and banks are open for general business in Mumbai (other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 at Mumbai, India or a Saturday or Sunday).
<b>Business Day Convention</b>	<p>If any of the date(s), including the Record Date, as defined in the Transaction Document fall on a Sunday or a public holiday, the next working day shall be considered as the effective date.</p> <p>However, if any Initial Fixing Date, Final Fixing Date or Observation Date as defined in the Transaction 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.</p> <p>However, in case 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.</p>
<b>Response to Corporate Actions</b>	The Debenture Holder are hereby informed that the Underlying is subject to a Potential Adjustment Event (Corporate Action). On the occurrence of such an event, the Calculation Agent will determine the impact of such Potential Adjustment Event on the theoretical value of the relevant underlying and, if required, will make the corresponding adjustment(s), relevant to the payment or other terms of the Debentures as the Calculation Agent determines appropriate to account for the impact of the Potential Adjustment Event defined herein Potential Adjustment Event may be defined as any such Corporate Action including but not limited to issue of Bonus shares, Right Issue, Stock split, Consolidation, Open Offer, Demerger, Merger, Delisting, Buyback, Capital reduction etc. that may or may not have a direct effect on the underlying.

<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 day falling 15 (fifteen) calendar days prior to the Redemption Date of the Debentures
<b>Transaction Documents</b>	<ul style="list-style-type: none"> <li>a) Information Memorandum;</li> <li>b) Debenture Trust Deed dated February 7, 2020;</li> <li>c) Deed of Hypothecation and Power of Attorney dated February 7, 2020;</li> <li>d) Original Debenture Trustee Agreement dated February 7, 2020;</li> <li>e) Amended and Restated Debenture Trustee Agreement dated February 7, 2020</li> <li>f) Demat Account Special Power of Attorney (to be executed);</li> <li>g) Escrow Agreement (to be executed); and</li> <li>h) Any other document that may be so designated mutually by the Company and the Trustee;</li> </ul>
<b>Conditions Precedent</b>	As may be detailed in the Debenture Trust Deed
<b>Conditions Subsequent</b>	As may be detailed in the Debenture Trust Deed
<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" and/or "Regulatory events for Investor". Hereinafter collectively referred to as the <b>"Early Redemption Events"</b></p> <p>Further, notwithstanding anything contained in the Transaction Documents, the Company shall not be liable for any failure to perform any of its obligations under the Transaction Documents, if the performance is prevented, hindered or delayed by any one or more of the Early Redemption Events. 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 any of the Early Redemption Events, the Company shall intimate the Trustee prior to 7 (seven) Business Days from making any payment pursuant to such Early Redemption Option.</p> <p>Early Redemption Option Exercise Date:</p> <p>The date on which the Company makes the payment pursuant to the Early Redemption Option.</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</p>

	<p>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>
<b>Calculation Agent</b>	The calculation agent shall mean Edelcap Securities Limited.
<b>Roles and Responsibilities of Debenture Trustee</b>	The Trustee shall be bound by such duties as prescribed under Regulation 15 of SEBI (Debenture Trustees) Regulation 1993 and as mentioned in Debenture Trust Deed.
<b>Distribution Fees</b>	The Issuer will pay the distributor a distribution fee which shall not exceed 1.34 % of the Principal Amount
<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>	<p>The Debentures are governed by and will be construed in accordance with the Indian law.</p> <p>Courts and tribunals of Mumbai shall have exclusive jurisdiction to try any disputes in relation to the Transaction Documents.</p>
<b>Other Terms</b>	<p><b>Default in Payment:</b></p> <p>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 Registration of Debenture Trust Deed:</b></p> <p>Where an issuer fails to execute the debenture trust deed within the period specified in the sub-regulation (1) of Regulation 15, without prejudice to any liability arising on account of violation of the provisions of the Act and these Regulations, the issuer shall also pay interest of at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the debenture trust deed.</p> <p><b>Delay in Listing:</b></p> <p><u>For applicant other than FPI/FII/sub-accounts of FIIs</u></p> <p>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></p> <p>In case of delay in listing of the Debentures beyond 15 days from the Deemed Date of Allotment for any reason, then the FII/sub-account of FII shall immediately dispose of these Debentures either by way of sale to a third party or to the Company and the Company will be under an obligation to redeem the Debentures.</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 Debentures 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>
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#### Illustration of Cash Flows:

<b>Company</b>	<b>EDELWEISS FINANCE &amp; INVESTMENTS LIMITED</b>	
<b>Face Value</b>	Rs. 100,000/- Per Debenture	
<b>Deemed Date of Allotment</b>	05-Mar-20	
<b>Redemption Date</b>	31-Mar-21	
<b>Coupon</b>	<b>Scenario</b>	<b>Coupon</b>
	If Final Fixing Level > 25% of Initial Fixing Level	10.37%
	If Final Fixing Level <= 25% of Initial Fixing Level	0.00%
<b>Coupon Dates/Frequency</b>	<b>Payment</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)
Coupon on Redemption, if any	31-Mar-21	391	* Coupon linked to Underlying / Reference Index.
Face Value	31-Mar-21	391	Rs. 100,000/- Per Debenture
Total	31-Mar-21	391	Rs. 100,000 *(1+Coupon) /- Per Debenture

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

**#Principal Amount = (Face Value per debenture) \* (No. of Debentures subscribed)**

**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) SCENARIO ANALYSIS FOR LOB001A02

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
11201.75	0.00	-100%	0.00%	-0.14%
11201.75	1120.18	-90%	0.00%	-0.14%
11201.75	2240.35	-80%	0.00%	-0.14%
11201.75	2800.44	-75%	0.00%	-0.14%
11201.75	2801.56	-74.99%	10.37%	9.50%
11201.75	3360.53	-70%	10.37%	9.50%
11201.75	4480.70	-60%	10.37%	9.50%
11201.75	5600.88	-50%	10.37%	9.50%
11201.75	6721.05	-40%	10.37%	9.50%
11201.75	7841.23	-30%	10.37%	9.50%
11201.75	8961.40	-20%	10.37%	9.50%
11201.75	10081.58	-10%	10.37%	9.50%

#### Scenario II

##### Final Fixing Level is equal to Initial Fixing Level

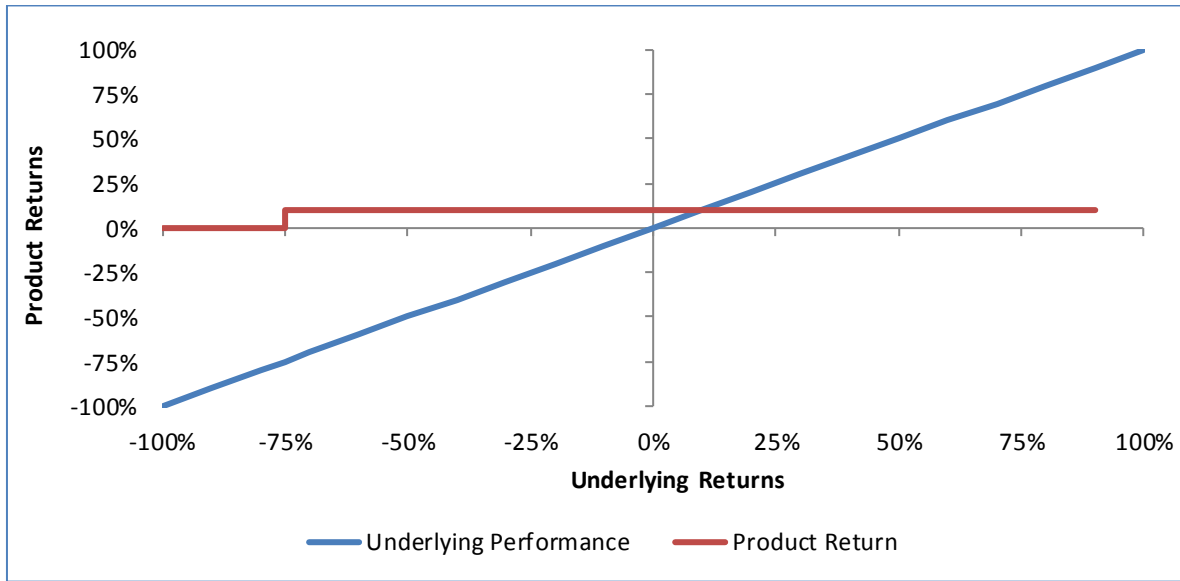
Initial Level	Final Level	Underlying Performance	Coupon	*Annualized Return
11201.75	11201.75	0%	10.37%	9.50%

#### Scenario III

##### Final Fixing Level is greater than Initial Fixing Level

Initial Level	Final Level	Underlying Performance	Coupon	*Annualized Return
11201.75	12321.93	10%	10.37%	9.50%
11201.75	13442.10	20%	10.37%	9.50%
11201.75	14562.27	30%	10.37%	9.50%
11201.75	15682.45	40%	10.37%	9.50%
11201.75	16802.63	50%	10.37%	9.50%
11201.75	17922.80	60%	10.37%	9.50%
11201.75	19042.98	70%	10.37%	9.50%
11201.75	20163.15	80%	10.37%	9.50%
11201.75	21283.33	90%	10.37%	9.50%
11201.75	22403.50	100%	10.37%	9.50%

*\*Effective annualized returns are basis 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.*