



EDELWEISS FINANCIAL SERVICES LIMITED

Edelweiss Financial Services Limited (the “Company” or “Issuer”) was incorporated at Mumbai on November 21, 1995 as a public limited company with the name Edelweiss Capital Limited under the provisions of the Companies Act, 1956. Thereafter, a certificate of commencement of business was issued to our Company by the RoC, on January 16, 1996. Subsequently, the name of our Company was changed to ‘Edelweiss Financial Services Limited’ pursuant to a fresh certificate of incorporation issued by the RoC on August 1, 2011. For more information about our Company, please refer “General Information” and “History and Main Objects” on pages 57 and 161 of this Prospectus.

Registered and Corporate Office: Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400 098, Maharashtra, India

Tel.: +91 22 4009 4400; **Fax:** +91 22 4086 3610

Company Secretary and Compliance Officer: B. Renganathan; **Tel.:** +91 22 4009 4400; **Fax:** +91 22 4086 3610

CIN: L99999MH1995PLC094641; **Website:** www.edelweissfin.com; **Email:** efslncd@edelweissfin.com

PUBLIC ISSUE BY THE COMPANY OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹1,000 EACH (“NCDs”) FOR AN AMOUNT OF ₹2,000 MILLION (“BASE ISSUE SIZE”) WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹2,000 MILLION AGGREGATING UP TO ₹4,000 MILLION (“LIMIT”) (“ISSUE”). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED (THE “SEBI DEBT REGULATIONS”), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED.

OUR PROMOTERS

Our Promoters are Rashesh Shah, Venkatchalam Ramaswamy, Vidya Shah and Aparna T.C. For details of our Promoters, please refer to the section “Our Promoter and Promoter Group” on page 189 of this Prospectus.

GENERAL RISKS

For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the Investors is invited to the chapter titled “Risk Factors” beginning on page 17 of this Prospectus before making an investment in such Issue. This Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), any registrar of companies or any stock exchange in India or do they guarantee the accuracy or adequacy of this document.

ISSUER ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Prospectus does contain and will contain all information regarding the Issuer and the relevant Issue, which is material in the context of the Issue. The information contained in this Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

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

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the NCDs, please refer to the section titled “Issue Related Information” on page 264 of this Prospectus.

CREDIT RATING

The NCDs proposed to be issued under the Issue have been rated “Acuite AA (read as ACUTE double A) (Outlook: Negative)” for an amount of ₹4,000 million by Acuite Ratings & Research Limited vide their rating letter dated March 4, 2021 and “BWR AA-/Stable (Assigned)” for an amount of ₹4,000 million by Brickwork Ratings India Private Limited vide their rating letter dated March 5, 2021. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. Please refer to Annexure A and Annexure B of this Prospectus for the rationale of the above rating.

LISTING

The NCDs offered through this Prospectus are proposed to be listed on BSE Limited (“BSE”) and BSE shall be the Designated Stock Exchange. Our Company has received an ‘in-principle’ approval from BSE vide their letter no. DCS/BM/PI-BOND/014/20-21 dated March 17, 2021.

PUBLIC COMMENTS

The Draft Prospectus dated March 8, 2021 was filed with the BSE, pursuant to the provisions of the SEBI Debt Regulations to be kept open for public comments for a period of seven Working Days (i.e., until 5 p.m.) on March 17, 2021. No comments were received on the Draft Prospectus until 5 p.m. on March 17, 2021.

LEAD MANAGER TO THE ISSUE



Equirus Capital Private Limited
12th Floor, C Wing, Marathon Futurex,
N.M. Joshi Marg, Lower Parel, Mumbai 400 013
Tel.: +91 (22) 4332 0700
Fax: +91-(22) 4332-0750
Email: efslncd@equirus.com
Investor Grievance Email: investorsgrievance@equirus.com
Website: www.equirus.com
Contact person: Ankit Jain
Compliance Officer: Jyot Bhat
SEBI Registration Number: INM000011286
CIN: U65910MH2007PTC172599

REGISTRAR TO THE ISSUE



Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai 400 083, Maharashtra, India
Tel.: +91 22 4918 6200
Fax: +91 22 4918 6195
Email: ncd2.efsl@linkintime.co.in
Investor Grievance Email: ncd2.efsl@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
Compliance Officer: B.N. Ramakrishnan
SEBI Registration No: INR000004058
CIN: U67190MH1999PTC118368

DEBENTURE TRUSTEE TO THE ISSUE



Beacon Trusteeship Limited*
4 C&D, Siddhivinayak Chambers,
Gandhi Nagar, Opp. MIG Cricket Club
Bandra (East), Mumbai 400 051
Tel.: +91 22 26558759
Email: compliance@beacontrustee.co.in
Investor Grievance e-mail:
investorgrievances@beacontrustee.co.in
Website: www.beacontrustee.co.in
Contact Person: Kaustubh Kulkarni
SEBI Registration Number: IND000000569
CIN: U74999MH2015PLC271288

ISSUE PROGRAMME**

ISSUE OPENS ON: THURSDAY, APRIL 1, 2021

ISSUE CLOSURES ON: FRIDAY, APRIL 23, 2021

* Beacon Trusteeship Limited under regulation 4(4) of SEBI Debt Regulations has by its letter dated March 4, 2021 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to the Issue and the same is annexed as Annexure C in this Prospectus.

** The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Debenture Fund Raising Committee, subject to relevant approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day post the Issue Closing Date. For further details please refer to our section titled “General Information” on page 57 of this Prospectus.

A copy of this Prospectus shall be filed with the Registrar of Companies, Maharashtra at Mumbai in terms of Section 26 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please refer to the section titled “Material Contracts and Documents for Inspection” on page 333 of this Prospectus

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SECTION I – GENERAL DEFINITIONS AND ABBREVIATIONS

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

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

General Terms

| Term | Description |
|-------------------------------------|--|
| Associates | Associate would mean associates of our Company as at and for the year end of the relevant period. |
| “EFSL” or “Company” or “the Issuer” | Edelweiss Financial Services Limited, a public limited company incorporated under the Companies Act, 1956, and having its Registered and Corporate Office at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400 098, Maharashtra, India. |
| “we” or “us” or “our” | Unless the context otherwise requires, Edelweiss Financial Services Limited together with its Subsidiaries, associates and trusts for the relevant financial year/period as applicable. |
| Subsidiaries | Subsidiary would mean subsidiaries of our Company as at and for the end of relevant period. For the details of the subsidiaries of our Company, as on December 31, 2020, see “ <i>History and Main Objects</i> ” on page 161. |
| Trusts | For the details of the trusts of our Company, as on December 31, 2020, see “ <i>History and Main Objects</i> ” on page 161. |

Company Related Terms

| Term | Description |
|--|--|
| Articles or Articles of Association or AOA | Articles of Association of our Company |
| Audit Committee | Audit committee of the Board of Directors |
| Auditors or Statutory Auditors | The current statutory auditors of our Company, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants |
| Board or Board of Directors or our Board or our Board of Directors | Board of Directors of our Company or any duly constituted committee thereof. |
| Corporate Social Responsibility Committee | Corporate Social Responsibility Committee of the Board of Directors |
| Credit Committee | Credit Committee as constituted by the Board of Directors |
| Directors | Directors of the Company |
| Equity Shares | Equity shares of the Company of face value of Re. 1 each |
| ESOPs | Employee Stock Options |
| Debenture Fund Raising Committee | Debenture fund raising committee as constituted by the Board of Directors |
| Independent Director(s) | The independent Director(s) on our Board, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013 |
| IT Strategy Committee | IT strategy committee as constituted by the Board of Directors |
| KMP / Key Managerial Personnel | Key managerial personnel of our Company as disclosed in this Prospectus and appointed in accordance with Key Managerial Personnel, as defined under Section 2(51) of the Companies Act, 2013, as under: “key managerial personnel”, in relation to a company, means – i. the chief executive officer or the managing director or the manager; ii. the company secretary; iii. the whole-time director; iv. the chief financial officer; and |

| Term | Description |
|---|---|
| | <i>v. such other officer not more than one level below the directors who is in whole-time employment designated as key managerial personnel by the Board; and such other officer as may be prescribed”</i> |
| LAP | Loan Against Property |
| Q2 2020 Unaudited financial results | Q2 2020 Unaudited Consolidated Financial Results and Q2 2020 Unaudited Standalone Financial Results |
| Q3 2020 Unaudited financial results | Q3 2020 Unaudited Consolidated Financial Results and Q3 2020 Unaudited Standalone Financial Results |
| Loan Book | Loan book of the Company recording relevant entries of the secured and/or unsecured loans advanced by the Company |
| “Memorandum” or “Memorandum of Association” or “MoA” | Memorandum of Association of our Company |
| Nomination and Remuneration Committee | Nomination and remuneration committee of the Board of Directors |
| Networth | As defined in Sec 2(57) of the Companies Act, 2013, as follows: <i>“Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.”</i> |
| Preference Shares | Preference shares of the Company having a face value of ₹5 each. |
| Promoter Group | Includes such persons and entities constituting the promoter group of our Company pursuant to Regulation 2 (1) (pp) of the SEBI ICDR Regulations, 2018. |
| Promoters or our Promoter | The promoters of our Company are Rashesh Shah, Venkatchalam Ramaswamy, Vidya Shah and Aparna T.C |
| Q2 2020 Unaudited Standalone Financial Results | The unaudited standalone financial information of the Company for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020 prepared in the manner and format required by the SEBI Listing Regulations 33. |
| Q2 2020 Unaudited Consolidated Financial Results | The unaudited consolidated financial information of the Company for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020 prepared by our Company in the manner and format required by the SEBI Listing Regulations 33. |
| Q3 2020 Unaudited Standalone Financial Results | The unaudited standalone financial information of the Company for the quarter ended December 31, 2020 and year to date from April 1, 2020 to December 31, 2020 prepared in the manner and format required by the SEBI Listing Regulations 33. |
| Q3 2020 Unaudited Consolidated Financial Results | The unaudited consolidated financial information of the Company for the quarter ended December 31, 2020 and year to date from April 1, 2020 to December 31, 2020 prepared by our Company in the manner and format required by the SEBI Listing Regulations 33. |
| Reformatted Financial Information | Reformatted Ind AS Financial Information and Reformatted Indian GAAP Financial Information |
| Reformatted Ind AS Financial Information | Reformatted Ind AS Consolidated Financial Information and Reformatted Ind AS Standalone Financial Information |
| Reformatted Ind AS Consolidated Financial Information | The reformatted consolidated statement of Assets and Liabilities as at March 31, 2020 and March 31, 2019 and the reformatted consolidated Statement of Profit and Loss for the year ended 2020 and 2019 and the reformatted consolidated Statement of cash flows for the year ended 2020 and 2019 and the reformatted consolidated statement of Changes in Equity for the year ended 2020 and 2019. Our audited consolidated financial statements as at and for the year ended March 31, 2020 and March 31, 2019 form the basis for such Reformatted Ind AS Consolidated Financial Information |
| Reformatted Ind AS Standalone Financial Information | The reformatted standalone statement of Assets and Liabilities of our Company as at March 31, 2020 and March 31, 2019 and the reformatted standalone statement of profit and loss for the year ended 2020 and 2019 and the reformatted standalone statement of cash flows for the year ended 2020 and 2019 and the reformatted standalone statement of changes in equity for the year ended 2020 and 2019. |

| Term | Description |
|--|---|
| | Our audited standalone financial statements as at and for the year ended March 31, 2020 and March 31, 2019 form the basis for such Reformatted Ind AS Standalone Financial Information |
| Reformatted Indian GAAP Standalone Financial Information | <p>The reformatted standalone statement of assets and liabilities of our Company as at March 31, 2018, March 31, 2017 and March 31, 2016 and the reformatted standalone statement of profit and loss for the year ended 2018, 2017 and 2016 and the reformatted standalone statement of cash flows for the year ended 2018, 2017 and 2016.</p> <p>Our audited standalone financial statements as at and for the year ended March 31, 2018, March 31, 2017 and March 31, 2016 form the basis for such Reformatted Indian GAAP Standalone Financial Information</p> |
| Reformatted Indian GAAP Financial Information | Reformatted Indian GAAP Consolidated Financial Information and Reformatted Indian GAAP Standalone Financial Information |
| Reformatted Indian GAAP Consolidated Financial Information | <p>The reformatted consolidated statement of assets and liabilities as at March 31, 2018, March 31, 2017 and March 31, 2016 and the reformatted consolidated statement of profit and loss for the year ended 2018, 2017 and 2016 and the reformatted consolidated statement of cash flows for the year ended 2018, 2017 and 2016.</p> <p>Our audited consolidated financial statements as at and for the year ended at March 31, 2018, March 31, 2017 and March 31, 2016 form the basis for such Reformatted Indian GAAP Consolidated Financial Information</p> |
| Registered Office | The registered office of our Company is at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098, Maharashtra, India |
| Risk Committee | Risk committee of the Board of Directors |
| RoC/Registrar of Companies | Registrar of Companies, Maharashtra at Mumbai |
| Shareholders | The holders of the Equity Shares from time to time |
| Stakeholders Relationship Committee | Stakeholders Relationship Committee as constituted by the Board of Directors |
| Total Borrowing(s)/Total Debt | Debt securities plus borrowings (other than debt securities), subordinated liabilities and deposits |

Issue Related Terms

| Term | Description |
|--|--|
| Abridged Prospectus | A memorandum containing the salient features of this Prospectus |
| Acknowledgement Slip/ Transaction Registration Slip/ TRS | The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form |
| Acuité/Acuíte | Acuité Ratings & Research Limited |
| Allotment Advice | The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment |
| “Allotment”, “Allot” or Allotted | Unless the context otherwise requires, the allotment of NCDs to the successful Applicants pursuant to the Issue |
| Allottee(s) | The successful Applicant to whom the NCDs are Allotted either in full or part, pursuant to the Issue |
| “Applicant” or “Investor” | Any person who applies for issuance of NCDs pursuant to the terms of this Prospectus, Abridged Prospectus and the Application Form |
| “Application” or “ASBA Application” | An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail investors for an Application Amount of upto Rs. 2,00,000 which will be considered as the application for Allotment in terms of this Prospectus. |
| Application Amount | The aggregate value of the NCDs applied for, as indicated in the Application Form for the Issue |
| Application Form / ASBA Form | Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs in terms of this Prospectus |
| ASBA Account | An account maintained with a SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the Application Amount mentioned in the Application Form by an Applicant and will include a bank account of a |

| Term | Description |
|--|---|
| | retail individual investor linked with UPI, for retail individual investors submitting application value upto INR 2,00,000 |
| ASBA Circular | Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018 |
| Banker(s) to the Issue | Collectively Public Issue Account Bank(s), Refund Account(s) and Sponsor Bank |
| Base Issue Size | 2,000 million |
| Basis of Allotment | The basis on which NCDs will be allotted to successful applicants under the Issue and which is described in “ <i>Issue Procedure – Basis of Allotment</i> ” on page 316. |
| Bidding Centres | Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs |
| Broker Centres | Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the websites of the Stock Exchange at www.bseindia.com . |
| Brickwork/BWR | Brickwork Ratings India Private Limited |
| Broker Centres | Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Brokers are available on the website of the Stock Exchange i.e. www.bseindia.com . |
| CARE | CARE Ratings Limited |
| Category I (Institutional Investors) | <ul style="list-style-type: none"> Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; Provident funds and pension funds each with a minimum corpus of ₹250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; Resident Venture Capital Funds registered with SEBI; Insurance companies registered with the IRDAI; State industrial development corporations; Insurance funds set up and managed by the army, navy, or air force of the Union of India; Insurance funds set up and managed by the Department of Posts, the Union of India; Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements; National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and Mutual funds registered with SEBI. |
| Category II (Non Institutional Investors) | <ul style="list-style-type: none"> Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; Co-operative banks and regional rural banks; Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs; Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; Partnership firms in the name of the partners; and Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009). Association of Persons; and Any other incorporated and/ or unincorporated body of persons |
| Category III (High Net Worth Individual Investors) | Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue |
| Category IV (Retail Individual Investors) | Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all |

| Term | Description |
|--|---|
| | options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism. |
| CIBIL | TransUnion CIBIL Limited |
| Client ID | Client identification number maintained with one of the Depositories in relation to the demat account |
| “Collecting Depository Participant” or “CDP” | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications in the Issue, at the Designated CDP Locations in terms of the Debt ASBA Circular and Debt UPI Circular |
| Credit Rating Agencies | Acuite and Brickwork |
| Lead Broker Agreement | The agreement entered into between our Company, Lead Manager and Lead Brokers dated March 23, 2021 |
| Debentures / NCDs | Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000 each |
| Debenture Holder(s)/ NCD Holder(s) | The holders of the NCDs whose name appears in the database of the Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law. |
| Debenture Trust Deed | The trust deed to be entered between the Debenture Trustee and our Company which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs and the interest due thereon issued pursuant to the Issue. The contents of the Debenture Trust Deed shall be as prescribed by SEBI or any other applicable statutory/regulatory body from time to time. |
| Debenture Trustee/ Trustee | Trustees for the NCD holders in this case being Beacon Trusteeship Limited |
| Debenture Trustee Agreement | Agreement dated March 5, 2021 entered into between the Debenture Trustee and the Company wherein the appointment of the Debenture Trustee to the Issue, is agreed as between our Company and the Debenture Trustee |
| Debt Application Circular(s) | Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018 |
| Deemed Date of Allotment | The date on which the Board/or the Debenture Fund Raising Committee approves the Allotment of NCDs or such date as may be determined by the Board of Directors/or the Debenture Fund Raising Committee and notified to the Designated Stock Exchange. All benefits relating to the NCDs including interest on the NCDs shall be available to the investors from the Deemed Date of Allotment. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment |
| Demographic Details | The demographic details of the Applicants such as their respective addresses, email, PAN, investor status, MICR Code and bank account detail |
| Designated Branches | Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or at such other websites as may be prescribed by SEBI from time to time |
| Designated CDP Locations | Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange at www.bseindia.com |
| Designated Date | The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/or the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of this Prospectus following which the NCDs will be Allotted in the Issue |
| Designated Intermediaries | Collectively, the Lead Manager, the Lead Brokers, Trading Members, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue |
| Designated RTA Locations | Such locations of the CRTAs where Applicants can submit the ASBA Forms to CRTAs, a list of which, along with names and contact details of the CRTAs eligible to accept ASBA Forms are available on the website of the Stock Exchange. |
| Designated Stock Exchange | The designated stock exchange for the Issue, being the BSE Limited |
| Direct Online Application | An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility |

| Term | Description |
|---|---|
| Draft Prospectus | The draft prospectus dated March 8, 2021 filed with the Designated Stock Exchange for receiving public comments and with, SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations |
| Interest / Coupon Payment Date | Please see the section titled “ <i>Terms of the Issue</i> ” on page 270 of this Prospectus. |
| Issue | Public issue by our Company of secured redeemable non-convertible debentures of face value of ₹1,000 each for an amount of ₹2,000 million with an option to retain oversubscription up to ₹2,000 million for an amount aggregating upto ₹4,000 million. |
| Issue Agreement | The Issue Agreement dated March 6, 2021 entered between the Company and Equirus Capital Private Limited, the Lead Manager to the Issue |
| Issue Closing Date | April 23, 2021 |
| Issue Opening Date | April 1, 2021 |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms |
| Lead Brokers/ Syndicate Member(s) | Edelweiss Broking Limited, JM Financial Services Limited, Axis Capital Limited, Equirus Securities Private Limited, ICICI Securities Limited, SMC Global Securities Limited, IIFL Securities Limited, Kotak Securities Limited and HDFC Securities Limited |
| Lead Manager | Equirus Capital Private Limited |
| Market Lot | 1 (One) NCD |
| Members of the Syndicate | Members of the Syndicate includes Lead Manager and Syndicate Member(s) |
| Mobile App(s) | The mobile applications listed on the website of Stock Exchanges as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism |
| Redemption Amount | Please see the section titled “ <i>Terms of the Issue</i> ” on page 270 of this Prospectus |
| “Maturity Date” or “Redemption Date” | Please see the section titled “ <i>Terms of the Issue</i> ” on page 270 of this Prospectus |
| OCB or Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue |
| Offer Document | The Draft Prospectus, this Prospectus, the Abridged Prospectus and Application Form |
| Public Issue Account | A bank account opened with the Bankers to the Issue to receive money from the ASBA Accounts on the Designated Date |
| Public Issue Account and Sponsor Bank Agreement | Agreement dated March 23, 2021 entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and Sponsor Bank, and the Lead Manager for the appointment of the Sponsor Bank in accordance with the UPI Mechanism Circular and for collection of the Application Amounts from ASBA Accounts from the Applicants on the terms and conditions thereof |
| Public Issue Account Bank(s) | ICICI Bank Limited |
| Record Date | The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors or the Debenture Fund Raising Committee from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date |
| Recovery Expense Fund | An amount which would be deposited by our Company with the Designated Stock Exchange, equal to 0.01% of the issue size, subject to a maximum of deposit of ₹25,00,000 at the time of making the application for listing of NCDs. |
| Refund Account | Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made as specified in this Prospectus |
| Refund Bank | ICICI Bank Limited |
| Register of NCD holders | The register of NCD holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013 and by the Depositories in case of NCDs |

| Term | Description |
|---|---|
| | held in dematerialised form, and/or the register of NCD holders maintained by the Registrar |
| Registrar Agreement | Agreement dated March 6, 2021 entered into between the Issuer and the Registrar under the terms of which the Registrar has agreed to act as the Registrar to the Issue |
| Registered Brokers | Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulation, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Applications from Applicants |
| Registrar to the Issue or Registrar | Link Intime India Private Limited |
| Resident Individual | An individual who is a person resident in India as defined in the FEMA |
| “Registrar and Share Transfer Agents” or “RTAs” | Registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue |
| Security | The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of a first ranking exclusive charge over identified receivables, in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date. For further details on date of creation of security/likely date of creation of security, minimum security cover etc, please refer to the “ <i>Terms of the Issue – Security</i> ” on page 270 of this Prospectus. |
| “Self-Certified Syndicate Banks” or “SCSBs” | The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time |
| Series/Option | Collectively the series/options of NCDs being offered to the Applicants as stated in the section titled “ <i>Issue Related Information</i> ” beginning on page 264 of this Prospectus |
| “Specified Cities” or “Specified Locations” | Bidding centres where the Members of the Syndicate shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time |
| Sponsor Bank | A Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value upto INR 2,00,000 and carry out any other responsibilities in terms of the UPI Mechanism Circular |
| Stock Exchange | BSE |
| Syndicate ASBA | Applications through the Syndicate or the Designated Intermediaries |
| Syndicate ASBA Application Locations | ASBA Applications through the Lead Manager, Lead Brokers, the Trading Members of the Stock Exchange or the Designated Intermediaries |
| Syndicate Bidding Centres | Syndicate Bidding Centres established for acceptance of Application Forms |
| Syndicate SCSB Branches | In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised Intermediaries or at such other website as may be prescribed by SEBI from time to time |
| Tenor | Tenor shall mean the tenor of the NCDs as specified in this Prospectus. |
| Trading Members | Intermediaries registered with a Lead Broker or a sub-broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchange. |
| Transaction Documents | Transaction documents shall mean the Draft Prospectus, this Prospectus, read with any notices, corrigenda, addenda thereto, Issue Agreement, Registrar Agreement, Debenture Trustee Agreement, Debenture Trust Deed, Tripartite Agreements executed or to be executed by our Company, as the case may be. For further details |

| Term | Description |
|--|--|
| | please see the section titled, " <i>Material Contracts and Documents for Inspection</i> " on page 333 of this Prospectus |
| Tripartite Agreements | Tripartite Agreement dated October 9, 2007 entered into between our Company, the Registrar to the Issue and NSDL and Tripartite Agreement dated September 25, 2007 entered into between our Company, the Registrar to the Issue and CDSL for offering demat option to the NCD Holders. |
| “UPI” or “UPI Mechanism” | Unified Payments Interface mechanism in accordance with SEBI Circular no. SEBI/HO/DDHS/CIR/P/2020/233 dated November 23, 2020 as amended from time to time, to block funds for application value upto Rs. 2,00,000 submitted through intermediaries, namely the Registered Stock brokers, Lead Brokers, Registrar and Transfer Agent and Depository Participants. |
| UPI ID | Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India. |
| “UPI Mandate Request” or “Mandate Request” | A request initiated by the Sponsor Bank on the Retail Individual Investor to authorise blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount and subsequent debit of funds in case of allotment. |
| UPI Mechanism Circular | Circular issued by SEBI on November 23, 2020 titled “Introduction of Unified Payments Interface (UPI) mechanism and Application through Online interface and Streamlining the process of Public issues of securities under - SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 and SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015” bearing reference number SEBI/HO/DDHC/CIR/P/2020/233 as amended from time-to-time. |
| Wilful Defaulter(s) | Wilful defaulter means an issuer who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such. |
| Working Days | Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai, as per the SEBI Circular CIR/DDHS/P/121/2018 dated August 16, 2018, however, with reference to payment of interest/redemption amount of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai. |

Conventional and General Terms or Abbreviations

| Term/Abbreviation | Description/Full Form |
|--|--|
| “₹”, “Rupees”, “Indian Rupees” or “INR” | The lawful currency of the Republic of India |
| “US\$”, “USD”, and “U.S. Dollars” | The lawful currency of the United States of America |
| ACH | Automated Clearing House |
| AGM | Annual General Meeting |
| ALM | Asset Liability Management |
| ALM Guidelines | Guidelines for ALM system in relation to NBFCs |
| AMC | Asset Management Company |
| AS or Accounting Standards or Indian GAAP | Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time |
| AIF | An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time |
| ASBA | Application supported by blocked amounts |
| AUM | Assets Under Management |
| Bankruptcy Code | The Insolvency and Bankruptcy Code, 2016 |
| BSE | BSE Limited |
| CAGR | Compounded annual growth rate over a specified period of time of a given value (the year-over-year growth rate) |
| CARE Report | Research Report on BFSI Services Sector - October 2020 prepared by CARE Advisory Research & Training Limited (“CART”) |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identification Number |
| Companies Act/ Companies Act, 2013 | Companies Act, 2013 and the rules made thereunder |
| CPC | Code of Civil Procedure, 1908 |
| CRAR | Capital to risk-weighted assets ratio means (Tier I Capital + Tier II Capital)/ Total Risk Weighted Assets *100 |
| Depositories | CDSL and NSDL |
| Depositories Act | Depositories Act, 1996 |
| Depository(ies) | NSDL and /or CDSL |
| DIN | Director Identification Number |
| “DP” or “Depository Participant” | Depository Participant as defined under the Depositories Act, 1996 |
| DRR | Debenture Redemption Reserve |
| EGM | Extraordinary General Meeting |
| FDI | Foreign Direct Investment |
| FEMA | Foreign Exchange Management Act, 1999, as amended from time to time |
| FEMA Regulations / FEMA20 (R) | FEMA (Non-debt Instruments) Rules, 2019, as amended from time to time |
| FII | Foreign Institutional Investor(s) |
| FPI | Foreign Portfolio Investor as defined and registered under the SEBI (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time. |
| “Financial Year”, “Fiscal” or “FY” or “for the year ended” | Period of 12 months ended March 31 of that particular year |
| GAAP | Generally Accepted Accounting Principles |
| GDP | Gross Domestic Product |
| “Government” | Government of India |
| G-Sec | Government Securities |
| GST | Goods and Services Tax |
| HNI | High Net worth Individual |
| HFC | Housing Finance Company |
| HUF | Hindu Undivided Family |
| ICAI | Institute of Chartered Accountants of India |
| IEPF | Investor Education and Protection Fund |
| IFRS | International Financial Reporting Standards |
| “Income Tax Act” or “IT Act” | Income Tax Act, 1961 |
| Ind AS | Indian Accounting Standards as prescribed by Section 133 of the Companies Act, 2013 and notified by the Ind AS Rules |
| Ind AS Rules | Indian Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended from time to time |

| Term/Abbreviation | Description/Full Form |
|----------------------------------|---|
| India | Republic of India |
| Indian GAAP | Accounting Standards as per the Companies (Accounting standards) Rules, 2014 as amended, notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 |
| IRDAI | Insurance Regulatory and Development Authority of India |
| IT | Information Technology |
| ITR | Income Tax Returns |
| KYC | Know Your Customer |
| LLP | Limited Liability Partnership |
| LLP Act | Limited Liability Partnership Act, 2008 |
| MCA | Ministry of Corporate Affairs, Government of India |
| MICR | Magnetic Ink Character Recognition |
| MLD | Market Linked Debentures |
| Mutual Funds | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996 |
| NACH | National Automated Clearing House |
| NHB | National Housing Bank |
| NHB Act | National Housing Bank Act, 1987 |
| NAV | Net Asset Value |
| NBFC | Non-Banking Financial Company, as defined under Section 45-IA of the RBI Act |
| NEFT | National Electronic Fund Transfer |
| NRI | Non-resident Indian |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| p.a. | Per annum |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PCR | Provisioning Coverage Ratio |
| PP MLD | Principal Protected Market Linked Debentures |
| RBI | Reserve Bank of India |
| RBI Act | Reserve Bank of India Act, 1934 |
| RBI Master Directions | Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 |
| RERA | Real Estate Regulatory Authority |
| RERAD Act | Real Estate Regulation and Development Act, 2016 |
| RTGS | Real Time Gross Settlement |
| SARFAESI Act | Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 |
| SBI | State Bank of India Limited |
| SCRA | Securities Contracts Regulation Act, 1956, as amended |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended |
| SEBI Debt Regulations | Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended and circulars issued thereunder |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended |
| SEBI Merchant Banker Regulations | Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended |
| Stage 1 Assets | Stage 1 Assets includes financial instruments that have not had a significant increase in credit risk (SICR) since initial recognition or that have low credit risk at the reporting date as defined under Ind AS |
| Stage 1 Provision | Stage 1 provision are 12-month ECL resulting from default events that are possible within 12 months after the reporting date as defined under Ind AS |
| Stage 2 Assets | Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment as defined under Ind AS |

| Term/Abbreviation | Description/Full Form |
|-------------------|---|
| Stage 2 Provision | Stage 2 provision are lifetime ECL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS |
| Stage 3 Assets | Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS |
| Stage 3 Provision | Stage 3 provision are lifetime ECL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS |
| TDS | Tax Deducted at Source |
| Trademarks Act | Indian Trademarks Act, 1999 |

Technical and Industry Related Terms

| Term/Abbreviation | Description/Full Form |
|-------------------|---|
| BBA | Indian Bullion and Jewellers Association Limited, formerly known as Bombay Bullion Association Limited |
| Hybrid Debt | A capital instrument, which possesses certain characteristics of equity as well as debt |
| LTV | Ratio of loan to the collateral value |
| MFI | Microfinance institutions |
| NPA | Non-Performing Assets |
| NBFC-D | NBFC registered as a deposit accepting NBFC |
| NBFC-MFI | An NBFC-MFI is defined as a non-deposit taking NBFC which extends loans to Micro Finance Sector |
| NBFC-ND | NBFC registered as a non-deposit accepting NBFC |
| NBFC-ND-SI | Systemically important Non-Deposit taking NBFC |
| Owned Funds | Paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any |
| Prudential Norms | Prudential norms as provided under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 |
| MSME | Micro, Small and Medium Enterprises |
| Tier I Capital | Tier I capital means, owned fund as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by a non-deposit taking NBFC in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year |
| Tier II Capital | Tier-II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier-I capital |

Notwithstanding the foregoing, the terms defined as part of “General Information”, “Risk Factors” “Industry Overview”, “Regulations and Policies”, “Statement of Possible Tax Benefits”, “Summary of Key Provisions of Articles of Association”, “Financial Information” and “Other Regulatory and Statutory Disclosures” on pages 57, 17, 105, 192, 91, 213, 210 and 251 of this Prospectus, respectively shall have the meaning ascribed to them as part of the aforementioned sections. Terms not defined as part of the sections “Our Business”, “Risk Factors” “Industry Overview” and “Regulations and Policies”, on pages 132, 17, 105 and 193 respectively of this Prospectus, shall have the meaning ascribed to them hereunder.

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

Certain Conventions

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

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

Presentation of Financial Information

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

Our Company publishes its financial statements in Rupees million. Our Company’s audited standalone financial statements for the years ended March 31, 2018, March 31, 2017 and March 31, 2016 and our Company’s audited consolidated financial statements for the years ended March 31, 2018, March 31, 2017 and March 31, 2016 have been prepared in accordance with Indian GAAP including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. Our audited standalone and consolidated financial statement for the year ended March 31, 2018 have been audited by M/s Price Waterhouse Chartered Accountants LLP. Our audited standalone and consolidated financial statements for the years ended March 31, 2017, and March 31, 2016 have been audited by M/s B S R & Associates LLP, Chartered Accountants.

In accordance with the Road Map for Ind AS implementation, issued by MCA, our Company is required to prepare its financial statements in accordance with Ind AS for periods beginning on or after April 1, 2018. For the purposes of disclosure in this Prospectus, we have prepared and presented our reformatted Ind AS financial information for the latest Fiscals (in this case, for Fiscal 2020 and Fiscal 2019) and presented our reformatted Indian GAAP financial information for the earlier three Fiscals (in this case, Fiscals 2018, 2017, 2016).

Accordingly, our Company’s audited standalone financial statements for the years ended March 31, 2020 and March 31, 2019 and our Company’s audited consolidated financial statement for the year ended March 31, 2020 and March 31, 2019 have been prepared in accordance with IndAS. Our audited standalone financial statements for the years ended March 31, 2020 and March 31, 2019 and our Company’s audited consolidated financial statement for the year ended March 31, 2020 and March 31, 2019 have been audited by M/s. S. R. Batliboi & Co. LLP, Chartered Accountants.

The Q2 2020 Unaudited financial results of our Company for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020 have been prepared in accordance with recognition and measurement principles laid down in the aforesaid Ind AS 34 specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and Regulation 33 of the SEBI Listing Regulations. The limited review reports on the Q2 2020 Unaudited Standalone Financial Results and Q2 2020 Unaudited Consolidated Financial Results have been issued by M/s. S. R. Batliboi & Co. LLP, Chartered Accountants.

The Q3 2020 Unaudited financial results of our Company for the quarter ended December 31, 2020 and year to date from April 1, 2020 to December 31, 2020 have been prepared in accordance with recognition and measurement principles laid down in the aforesaid Ind AS 34 specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and Regulation 33 of the SEBI Listing Regulations. The limited review reports on the Q3 2020 Unaudited Standalone Financial Results and Q3 2020 Unaudited Consolidated Financial Results have been issued by M/s. S. R. Batliboi & Co. LLP, Chartered Accountants.

The Reformatted Ind AS Financial Information and the Reformatted Indian GAAP Financial Information are included in this Prospectus and collectively referred to hereinafter as the “**Reformatted Financial Information**”. The examination reports on the Reformatted Financial Information along with the Limited Review Report on the Q2 2020 Unaudited financial results of our Company and the Q3 2020 Unaudited financial results of our Company as issued by our Company’s Statutory Auditor, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, are included in this Prospectus in the section titled “*Financial Information*” beginning at page 210 of this Prospectus.

Unless stated otherwise or unless the context requires otherwise, the financial data on standalone and consolidated basis: (a) as at and for the year ended March 31, 2020 and March 31, 2019 used in this Prospectus is derived from our Reformatted Financial Information under Ind AS; (b) as at and for the years ended March 31, 2018, March 31, 2017, and March 31, 2016 used in this Prospectus is derived from our Company’s Reformatted Financial Information under IGAAP. Further, unless stated otherwise or unless the context requires otherwise, the financial data as at and for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020 used in this Prospectus, is derived from our Company’s Q2 2020 Unaudited financial results. Additionally, unless stated otherwise or unless the context requires otherwise, the financial data as at and for the quarter ended December 31, 2020 and year to date from April 1, 2020 to December 31, 2020 used in this Prospectus, is derived from our Company’s Q3 2020 Unaudited financial results.

The financial data and numbers used in this Prospectus are derived from the reformatted financial information which are based on audited financial statements prepared under Ind AS and IGAAP, as specifically mentioned in this Prospectus and is not strictly comparable.

Unless stated otherwise or unless context requires otherwise, the financial data used in this Prospectus as at March 31, 2020 and March 31, 2019 is derived from Reformatted Ind AS Standalone Financial Information and Reformatted Ind AS Consolidated Financial Information.

Unless stated otherwise or unless context requires otherwise, the financial data used in this Prospectus as at and for the year ended March 31, 2018, March 31, 2017 and March 31, 2016, is derived from Reformatted Indian GAAP Standalone Financial Information and Reformatted Indian GAAP Consolidated Financial Information.

Unless stated otherwise and unless the context requires otherwise, the financial data used in this Prospectus is on a consolidated basis.

Further, the financial data and numbers used in this Prospectus are under Ind AS and IGAAP, as specifically mentioned in this Prospectus and is not strictly comparable.

Further, financial information for quarter and nine months ended December 31, 2020 is not indicative of full year results and are not comparable with annual financial information.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

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

Currency and Unit of Presentation

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

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

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

There are significant differences between Indian GAAP and Ind AS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

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

Industry and Market Data

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

FORWARD LOOKING STATEMENTS

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

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

For further discussion of factors that could cause our actual results to differ, see “*Risk Factors*” on page 17 of this Prospectus.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled “*Industry Overview*”, “*Our Business*” and “*Legal and Other Information*” on pages 105, 132 and 218 respectively of this Prospectus. The forward-looking statements contained in this Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, our Company’s actual results of operations

or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

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

SECTION II – RISK FACTORS

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

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

Unless otherwise stated or unless context requires otherwise, the financial information used in this section is derived from and should be read in conjunction with the Reformatted Financial Information, the Q2 2020 Unaudited financial results and the Q3 2020 Unaudited financial results as included in this Prospectus. In this section, unless the context otherwise requires, a reference to “our Company” is a reference to Edelweiss Financial Services Limited on a standalone basis, while any reference to “we”, “us”, “our” or “our Group” is a reference to Edelweiss Financial Services Limited on a consolidated basis.

Risk factors relating to our business

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

Our business operates in a highly competitive market and we face significant competition from other players in the financing industry. Many of our competitors are large institutions, which may have a larger customer base, funding sources, branch networks and capital base compared to us. Some of our competitors may be more flexible and better positioned to take advantage of market opportunities. This competition is likely to further intensify as a result of liberalisation and regulatory changes. Our future success will depend, to a large extent, on our ability to respond in a timely and effective manner to these competitive pressures. Particularly in light of the COVID-19 pandemic, there has been a significant decline in economic activities and by the end of March, 2020, the macroeconomic impacts became significant, exhibited by, among other things, a rise in unemployment and market volatility. The COVID related lockdown is being gradually lifted across India and the economic activity is still expected to take some more time before it returns to its earlier growth path.

According to CARE report, global growth for the year 2019 was at 2.9%. As a result of Covid-19 pandemic, the same is expected to contract sharply to -4.9% in 2020. (Source: CARE Report). India has not been spared from the exponential spread of COVID-19. As per IMF, growth in India is projected to be -4.5% in 2020 and “V” shape recovery with 6.0% growth in 2021 (source; CARE Report). CARE report expects that HFCs’ overdues and credit losses could go up over the next few quarters and could increase further if the impact of Covid-19 on business activities persists for a longer than-expected period (source : CARE Report). Further, the recovery for the ARCs are getting affected due to deferment or failure of auctions due to unsatisfactory bids or absence of any bidders, default or delay in payment as per the agreed settlement plan or agreed restructuring terms (source: CARE Report).

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

Our advisory business includes wealth management including capital markets, asset management and asset reconstruction businesses. We compete based on a number of factors, including client relationships, reputation, the abilities and past performance of our professionals, market focus and the relative quality and price of our services and products. We have experienced intense price competition with respect to

our brokerage business, including large block trades, spreads and trading commissions. Trends toward multiple book runners, co-managers and multiple financial advisors handling transactions, have continued and could adversely affect our revenues, even during periods where the volume and number of investment banking transactions are increasing. Competitive factors with respect to our asset management activities include the amount of firm capital we can invest in new products and our ability to increase assets under management, including our ability to attract capital for new investment funds.

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

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

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

We have reported growth in the past for instance, our consolidated profit/(loss) for the year attributable to owners of the parent was ₹9,951.66 million for Fiscal 2019 registering a compounded annual growth rate of 33.92% since Fiscal 2016. During this period, our credit book grew to ₹3,61,294.67 million growing at compounded annual growth rate of 25.87%. Our consolidated profit/(loss) for the year attributable to owners of the parent was ₹ (20,452.45) million for Fiscal 2020 and ₹ (2,935.90) million and ₹ (3,633.00) million in the half year ended September 30, 2020 and in the nine month ended December 31, 2020 respectively.

Our growth strategy includes growing our wealth management, asset management, asset reconstruction and insurance businesses and expanding our retail customer base. A principal component of our strategy is to continue diversifying the development of our new portfolio of products to suit our customers' needs and increase the scale of our businesses. This growth strategy will place significant demands on our management, financial and other resources and will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment as well as developing and improving our internal administrative infrastructure. We also face a number of operational risks in executing our growth strategy. Any rapid growth in our credit book exposes us to a wide range of increased risks, including business and operational risks, such as the possibility of increased NPA, fraud risks as well as regulatory and legal risks. Dealing with a large base of retail clients in businesses like insurance, asset management and brokerage also exposes us to a wide range of increased risks, including business, regulatory, legal, fraud, compliance and reputation risks.

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

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

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

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

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

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

As a financial services firm, our businesses are materially affected by conditions in the domestic and global financial markets, as well as economic conditions in India. We provide a variety of services and products to participants in the Indian capital markets, including working capital funding and margin funding to share brokers, personal loans secured by shares, initial public offering finance for retail customers, stock exchange clearing services, and depository accounts. We also offer capital markets financing, broking services, distribution of initial public offerings, mutual funds, and investment banking services. If there is a prolonged or significant downturn or extreme volatility in the Indian capital markets, our revenue generated from these products and services, as well as our net investment income and fund management fees, could decrease, which would have a material adverse effect on our business, financial condition and results of operations.

We also offer capital markets products and services to foreign institutional investors. During periods of unfavourable market or economic conditions, the volume and value of primary and secondary market transactions may decrease, thereby reducing the demand for our broking, investment banking and advisory services and increasing price competition among financial services companies seeking such engagements. A market downturn would likely lead to a decline in the volume of transactions that we execute for our customers as well as a decrease in prices. Any decline in transaction volumes would lead to a decline in our revenues received from commissions.

We have in the past incurred trading losses in certain of the equity investments, derivatives, fixed income securities and commodities in our portfolio. Any significant or sustained trading losses could place the capital invested by us at risk, thereby adversely affecting our consolidated business, financial condition and results of operations.

Our results of operations would be adversely affected by any reduction in the volume or value of investment banking and broking transactions. In addition, in the event of a market downturn, the private equity funds for which we act as investment advisors also may be impacted by reduced opportunities to exit and realise value from their investments. Our profitability may also be adversely affected by our fixed costs and the possibility that we would be unable to scale back other costs within a time frame sufficient to match any decreases in revenue relating to changes in market and economic conditions. Market and economic climate may deteriorate in the future because of many factors beyond our control, including rising interest rates or inflation, terrorism or political uncertainty, any adverse global or domestic events, including events that may negatively impact liquidity and investment inflows from foreign and domestic investors.

Our ability to grow relatively recent business ventures such as retail financing, insurance, wealth management and asset management and investment advisory services may also be limited in difficult market conditions. Performance of our capital businesses such as investment of our excess liquidity through our internal liability management operations may be affected due to conditions in the financial markets and economic conditions. A credit crunch in the markets or a liquidity squeeze as being experienced by NBFC industry since September 2018 after the collapse of a AAA rated entity, have increased the cost of borrowings for NBFC industry which may aggravate in future. A downturn in global market conditions can also adversely affect the demand for credit funds, which may adversely affect not only our asset management business but also our corporate credit business. A downturn in global or domestic economic conditions as is being experienced now for the past two or three years, exacerbated by the COVID-19 pandemic impact have worsened the financial performance of companies like ours in Fiscal 2020 and may continue to impact our performance going forward too.

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

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

Our investment banking clients generally retain us on a short-term, engagement-by-engagement basis in connection with investment banking services by offering equity capital markets services, corporate finance services, mergers and acquisitions advisory and private equity syndication services to corporate clients and financial sponsors, rather than on a recurring basis under long-term contracts. As these transactions are typically singular in nature and our engagements with these clients may not recur, we must seek out new engagements when our current engagements are successfully completed or are terminated. As a result, high activity levels in any period are not necessarily indicative of continued high levels of activity in any subsequent period. If we are unable to generate a substantial number of new engagements and generate fees from the successful completion of transactions, our business and results of operations would likely be adversely affected.

The fees earned by our financial advisory business are typically payable upon the successful completion of a particular transaction or financial advisory assignment. A decline in our financial advisory engagements or the market for advisory services would adversely affect our business. Our financial advisory business operates in a highly competitive environment where typically there are no long-term contracted sources of revenue. Each revenue-generating engagement typically is separately solicited, awarded and negotiated. In addition, many businesses do not routinely engage in transactions requiring our services. As a consequence, our fee-paying engagements with many clients are not predictable and high levels of financial advisory revenue in one quarter are not necessarily predictive of continued high levels of financial advisory revenue in future periods. In addition to the fact that most of our financial advisory engagements are single, non-recurring engagements, we lose clients each year as a result of a client's decision to retain other financial advisors, the sale, merger or restructuring of a client, a change in a client's senior management and various other causes. As a result, our financial advisory revenue could decline materially due to such changes in the volume, nature and scope of our engagements.

In addition, we have client concentrations in some of our lines of business such as institutional equities. There can be no assurance that we will be able to attract large new clients to avoid an adverse effect on our business and results of operations.

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

We provide investment banking services by offering equity capital markets services, corporate finance services, mergers and acquisitions advisory and private equity syndication services to corporate clients and financial sponsors. In the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, our investment banking business from equity capital markets contributed 14.25%, 27.84%, 26.55% and 27.06% of the revenue from operations of our Company, respectively. Our investment banking revenue depends on numerous factors, including, macroeconomic factors, the general capital markets environment, and the market appetite for mergers and acquisitions. As a result, our investment banking income has historically varied significantly from period to period, and we expect it to continue to do so.

Our investment banking business exposes us to various risks including the failure to obtain necessary regulatory approvals or failure to timely execute a mandate, which may subject us to regulatory penalties and adversely affect our business. Moreover, the offering of securities of listed companies, are subject to a review process conducted by SEBI, making the result and timing of these reviews beyond our control, and may cause substantial delays to, or the termination of, securities offerings. Accordingly, there can be no assurance that regulatory approvals on securities offerings will be granted in a timely manner or at all in the future and a significant decline in the approval rate of the securities offerings advised by us could reduce our revenue from investment banking as typically our fees is received only upon the completion of a transaction.

We depend on the accuracy and completeness of information provided by or on behalf of our investment banking clients and any incomplete or inaccurate information furnished by our clients may lead to regulatory authorities issuing adverse observations in relation to public issues managed by us, resulting in loss of reputation. We are subject to regulatory sanctions, fines, penalties, investor compensation or other disciplinary actions or other legal liabilities for conducting inadequate due diligence in connection with an offering or the post transaction compliance supervision, fraud or misconduct committed by issuers, their agents, other sponsors or ourselves, misstatements and omissions in disclosure documents, or other illegal or improper activities that occurred during the course of the merchant banking or advisory process, or be subject to litigation and/ or regulatory action, in and outside India, arising from facilitating the sale of securities to investors.

As part of our investment banking business, our employees are exposed to sensitive data in relation to companies, including material non-public information and any unauthorized dissemination of such information, or its use for illicit trading purposes, by our employees could subject us to fines and regulatory actions, damage our client relationships and harm our reputation. Further, if our valuation and pricing for various investment banking mandates, which are based on estimates as to future growth prospects of the clients, the industry and the likely economic and political scenario, are inadequate, it could impact our reputation, client relationships and prospects.

Further, unfavourable market conditions and capital markets volatility including cyclicity of business, have caused or may also cause delays to, or the termination of, securities offerings advised by us, or may result in fewer mandates, which may in turn materially adversely affect our revenue from the investment banking business.

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

Our credit business involves lending money and accordingly, we are subject to risks of customer default, which includes default or delays in repayment of principal and/or interest on the loans we provide to customers. Customers may default on their obligations as a result of various factors, including certain external factors, which may not be within our control such as developments in the Indian economy and the real estate market, movements in global markets, changes in interest rates, changes in regulations, government policies. Any negative trends or financial difficulties affecting our customers could increase the risk of their default. Our customers could also be adversely affected by factors such as, bankruptcy,

lack of liquidity, lack of business and operational failure. If our customers fail to repay loans in a timely manner or at all, then our financial condition and results of operations will be adversely impacted. If we are not able to successfully manage the risks associated with lending to these customers, then it may become difficult for us to make recoveries on these loans. We may also experience higher delinquency rates due to prolonged adverse economic conditions or a sharp increase in interest rates. Any increase in delinquency rates could result in a reduction in our total interest income (i.e., our accrued interest income from loans, including any interest income from credit substitutes) and as a result, lower revenue from our operations, while increasing our costs due to increased expenses associated with the servicing and collection of delinquent loans. We may also be required to make loss provisions in respect of loans to such customers in accordance with applicable regulations and, in certain cases, may be required to write-off such loans.

We have previously faced certain instances of customers defaulting and/or failing to repay dues in connection with loans or finance provided by us. We have, in certain instances, initiated legal proceedings to recover amounts due from delinquent customers. For further details in relation to some of such litigations, see “*Outstanding Litigations*” on page 218. Customer defaults could also adversely affect our levels of NPA and increase our provisions made for our NPA, which could in turn adversely affect our operations, cash flows and profitability. Our Gross NPA were 5.46%, 5.30%, 1.87%, 1.75%, 1.59% and 1.40% of our gross advances as at September 30, 2020 and March 31, 2020, 2019, 2018, 2017 and 2016, respectively. Our Net NPA were 3.80%, 4.10%, 0.83%, 0.70%, 0.60% and 0.47% of our gross advances as at September 30, 2020 and March 31, 2020, 2019, 2018, 2017 and 2016, respectively. As our loan portfolio matures, we may experience increased defaults in principal or interest repayments. If we are not able to control or reduce our level of NPA, the overall quality of our loan portfolio may deteriorate, and our results of operations may be adversely affected. Our provision coverage ratio was 30.37%, 22.77%, 55.66%, 60.11%, 62.16% and 66.67% as at September 30, 2020 and March 31, 2020, 2019, 2018, 2017 and 2016, respectively. Our loan loss provisions may not be comparable to that of other similar financial institutions. There can be no assurance that there will be no further deterioration in our provisioning coverage ratio or that the percentage of NPA that we will be able to recover will be similar to our past experience in recovering our NPA. In the event of any deterioration in the quality of our loan portfolio, there could be further adverse impact on our results of operations. If we are unable to effectively perform credit appraisal, portfolio monitoring and recovery processes and the related deterioration in the credit quality of our loan portfolio, the proportion of NPA in our loan portfolio could increase, which would, in turn, have a material adverse effect on our business, financial condition and results of operations.

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

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

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

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

Any default in the repayment of outstanding credit obligations by our customers may also expose us to losses. A failure or delay to recover the loan value from sale of collateral security could expose us to potential losses. Any such losses could adversely affect our financial condition and results of operations.

Furthermore, the process of litigation to enforce our legal rights against defaulting customers in India is generally a slow and potentially expensive process. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

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

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

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

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

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

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

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

10. *We extend margin funding loans or loans against securities to our clients and any default by a client coupled with a downturn in the stock markets could result in substantial losses for us.*

We extend ESOP loans and margin funding loans. ESOP and margin funding loans outstanding were ₹13,554.43 million, ₹19,742.76 million, ₹40,894.77 million, ₹ 46,398.76 million, ₹23,281.87 million and ₹11,993.12 million as at September 30, 2020, March 31, 2020, 2019, 2018, 2017 and 2016, respectively. As at September 30, 2020 and March 31, 2020, 2019, 2018, 2017 and 2016, ESOP and margin funding loans as a percentage of our credit book were 7.42%, 9.40%, 11.32%, 12.99%, 10.20% and 6.62%, respectively. These loans are secured by liquid, marketable securities at predetermined margin levels. Volatile stock markets or adverse movements in stock prices may cause the collateral securing these loans to decrease significantly in value. Customers may also default on their obligations to us due to various other factors, including but not limited to bankruptcy, lack of liquidity, lack of business and operational failure. As a result, it may be difficult to carry out a precise credit risk analysis on such clients. Although we use a technology-based risk management system and follow strict internal risk management guidelines on portfolio monitoring, including margin limits, collateral quality assessment and pre-determined margin call thresholds, a significant adverse event or downturn in the securities market could have a material and adverse effect on our financial condition and results of operations.

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

We provide loans to SMEs against their assets and profits where we expect business growth. Our SME & other business loan portfolio aggregated to ₹ 24,569.90 million, ₹ 23,370.38 million, ₹ 45,911.14 million, ₹36,771.49 million, ₹21,379.34 million and ₹ 14,642.58 million as at September 30, 2020, March 31, 2020, 2019, 2018, 2017 and 2016, respectively. As at September 30, 2020 and March 31, 2020, 2019, 2018, 2017 and 2016, the SME & other business loans as a percentage of our credit book were 13.44%, 11.13%, 12.71%, 10.30%, 9.37% and 8.08%, respectively. Some of our SME loans are also unsecured. We do not manage, operate or control such SME businesses or entities and have no control over those businesses' functions or operations. Such SME businesses may make business, financial or management decisions with which we do not agree, or the majority shareholders or the management of such companies may make business, financial or management decisions that may be adverse to, or otherwise act in a manner that does not serve, our best interests. The repayment of the loans extended to such SME businesses will depend to a significant extent on the specific management team of the relevant borrower entity. The actions taken by the management of our SME customers may lead to significant losses and affect their ability to repay our loans, and this may adversely affect our financial performance.

12. *Any material errors in our research or advice could have a material adverse effect on our business, financial condition or results of operations.*

Our equity brokerage group offers research based equity advisory and our institutional research team maintains an extensive coverage of Indian stocks across sectors, and also provided macroeconomic and industry-related research. Our research is based on information obtained from reliable sources, however, there can be no guarantee in the accuracy, adequacy or completeness of the information. Any error or omission in the information or for the results obtained from the use of such information may cause our research findings to be incorrect. Further, certain industry and market data may be subject to assumptions and methodologies and assumptions vary widely among different data sources and such assumptions may change based on various factors. There can be no assurance that the assumptions are correct or will not change and, accordingly our research findings may be incorrect. We also provide investment advisory services to our customers and our advice is based on various factors, including, information provided to us by the customer or collected by us, our analysis of the risk profile of the customers, market assumptions and our methodologies. Any errors in the factors that our advice depends on can lead to us to providing incorrect advice, which can further lead to customer complaints and have an adverse effect on our business prospects and harm our reputation.

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

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

(in ₹ million)

| Name of entity | For the six months ended September 30, 2020 | Fiscal 2020 | Fiscal 2019 | Fiscal 2018 | Fiscal 2017 | Fiscal 2016 |
|-----------------------------------|---|-------------|-------------|-------------|-------------|-------------|
| ECL Finance Limited | 1,162.61 | 9,464.93 | 13,196.23 | 11,869.70 | 9,427.39 | 8,551.73 |
| Edelweiss Retail Finance Limited | 393.87 | 738.03 | 1,705.87 | 1,779.98 | 1,176.97 | 739.41 |
| Edelweiss Housing Finance Limited | 763.29 | 1,461.05 | 2,236.23 | 1,924.93 | 2,102.33 | 1,146.29 |

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

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

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

Our liquidity and ongoing profitability are, to a large extent, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements have historically been met through a combination of borrowings such as term loans, working capital limits from banks, issuance of commercial papers and non-convertible debentures as well as retained earnings. We are also in the process of diversifying our sources of funding by securitising some of our loan portfolio. Our finance costs were ₹ 19,510.54 million, ₹ 47,930.39 million, ₹ 47,832.25 million and ₹ 35,295.22 million for the six months ended September 30, 2020 and for the financial years ended March 31, 2020, 2019, 2018, respectively. Our business growth, liquidity and profitability depends and will continue to depend on our ability to access diversified, relatively stable and low-cost funding sources as well as our financial performance, capital adequacy levels, credit ratings and relationships with lenders. As a financial

services company, we face certain additional regulatory restrictions on our ability to obtain financing. For example, recent regulatory developments have affected NBFCs' access to select funding sources and have affected costs of borrowings. Any adverse developments or changes in applicable laws and regulations, which limit our ability to raise funds through securitisation or direct assignment transactions or through private placements of non-convertible debentures can disrupt our sources of funding and as a consequence, could have a material adverse effect on our liquidity and financial condition.

Our Total Borrowings was ₹ 366,573.39 million as at March 31, 2020 out of which ₹ 111, 768.75 million were to mature in less than a year. In order to meet these debt obligations, we will either need to refinance, which may prove to be difficult in the event of volatility in the credit markets, or alternatively, raise additional retained earnings or generate sufficient operating cash flows to retire the debt. There can be no assurance that our business will generate sufficient cash to enable it to service its existing debt or to fund its other liquidity needs.

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

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

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

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

The NCDs proposed to be issued under the Issue have been rated "Acuite AA (read as ACUITE double A) (Outlook: Negative)" for an amount of ₹ 4,000 million by Acuité Ratings & Research Limited vide their rating letter dated March 4, 2021 and "BWR AA-/Stable (Assigned)" for an amount of ₹4,000 million, by Brickwork Ratings India Private Limited vide their letter dated March 5, 2021. For rating letter and rationale, including the risk and key drivers mentioned therein, please refer to "Annexure A" and "Annexure B" of this Prospectus.

Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position and ability to meet our obligations. As a diversified set of businesses, many of whom are dependent upon our ability to access capital, our liquidity and ongoing profitability are primarily dependent upon our timely access to, and the costs associated with raising capital. Our business is

significantly dependent on funding from the debt capital markets and commercial borrowings. The demand for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors, including our ability to maintain positive credit ratings. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets. A reduction or withdrawal of the ratings may also adversely affect the market price and liquidity of the non-convertible debentures and our ability to access the debt capital markets. This would negatively affect our net interest margin and our business. Any downgrade of our credit ratings could also increase the possibility of additional terms and conditions being imposed upon future financing or refinancing arrangements. Any downgrade of our credit ratings could also accelerate the repayment of certain of our borrowings in accordance with the applicable covenants of our borrowing arrangements. Any such adverse development could adversely affect our business, financial condition and results of operations.

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

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

We entered the life insurance business in 2011 through a joint venture with Tokio Marine of Japan established. Our joint venture, Edelweiss Tokyo Life Insurance Company Limited (“ETLI”) incurred a loss after tax after minority interest flowing through our consolidated profit & loss account was ₹ 1,392.36 million, ₹ 1,376.24 million, ₹ 1,186.75 million, ₹ 1,100.74 million and ₹ 1,044.38 million for Fiscals 2020, 2019, 2018, 2017 and 2016, respectively. ETLI’s loss after tax after non-controlling interest (minority interest) flowing through our consolidated profit and loss account was ₹644.96 million for the six months ended September 30, 2020.

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

Further, Edelweiss General Insurance Company Limited (“EGICL”), a wholly owned subsidiary of the Group, is an IRDAI registered general insurance company. EGICL’s loss after tax was ₹940.12 million, ₹595.05 million and ₹ 272.93 million, for Fiscals 2020, 2019 and 2018 respectively. EGICL’s loss after tax was ₹ 414.92 million and ₹ 261.52 million for the six months ended September 30, 2020 and 2019, respectively. Like our life insurance business, our general insurance business is also a long gestation period business.

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

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

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

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

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

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

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

We maintain reserves to cover amounts we estimate will be required to settle insured losses as well as for any expenses incurred to settle claims. However, our reserves do not, and will not in the future, represent any precise calculation of liability, but rather are estimates of the anticipated net future policy benefits and claims payments, and are consequently inherently uncertain. An estimation of the loss and loss expense reserves is an arduous and complex process that involves a number of variables and is subject to the subjective assumptions, estimates and judgment of senior management of insurance

business. Consequently, in the event that our claim payments vary significantly from the assumptions used in the pricing of, or maintaining reserves for, our insurance products, it could have a material adverse effect on our insurance business and our financial condition and results of operations.

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

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

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

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

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

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

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

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

Our NBFC subsidiaries are subject to regulations relating to the capital adequacy of NBFCs, which determine the minimum amount of capital that must be held as a percentage of the risk-weighted assets on the portfolio, or CRAR. Under the RBI's Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time, such NBFCs are required to have a regulatory minimum CRAR of 15.00%, with a minimum Tier 1 capital of 10.00%. Our CRAR for ECL Finance Limited, which is the key NBFC in our Group – calculated on the basis of the RBI norms applicable to NBFCs – was 23.49%, 21.02%, 19.27%, and 17.15% as at September 30, 2020 and March 31, 2020, 2019 and 2018 respectively, while its Tier 1 Capital as at September 30, 2020 was 12.16%.

In respect of Edelweiss Housing Finance Limited, our HFC subsidiary, The Housing Finance Companies (National Housing Bank) Directions, 2010, as amended from time to time ("**NHB Directions**") *inter alia* require HFCs to comply with a specified capital (consisting of Tier I and Tier II capital) to aggregate risk (weighted) assets and risk adjusted value of off- balance sheet items ratio, or capital adequacy ratio ("**CRAR**"). From March 31, 2020, in terms\ of the NHB Directions, HFCs are required to maintain a CRAR of at least 13%. The minimum required CRAR as on March 31, 2021 and March 31, 2022 is 14% and 15% respectively. The CRAR of Edelweiss Housing Finance Limited as at September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018 was 28.94%, 28.57%, 21.40% and 16.85%.

As we have an insurance business, IRDAI requires us to maintain a minimum Solvency Ratio of 150%. ETLI's Solvency Ratio – calculated on the basis of IRDAI norms applicable to insurance companies – was 216%, 232%, 229%, and 219% as at September 30, 2020, March 31, 2020, 2019 and 2018 respectively. Meanwhile, EGICL's Solvency Ratio – calculated on the basis of IRDAI norms applicable to insurance companies – was 202%, 236% and 240% as at September 30, 2020, March 31, 2020 and 2019 respectively. EGICL commenced operations in February 2018.

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

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

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

Asset reconstruction business typically involves resolution of distressed assets sold by banks or financial institutions. The RBI guidelines and directions prescribe *inter alia* certain compliances in relation to the

issuance of security receipts and presently require an asset reconstruction company to invest a minimum of 15% of the face value of the security receipts (“SRs”) issued by them under each scheme on an ongoing basis till the redemption of all the security receipts under each scheme, while the remaining 85.00% of the face value of SRs may be subscribed by the selling banks and financial institutions. SRs issued by ARCs are valued at a net asset value based on recovery rating range assigned by an independent credit rating agency.

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

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

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

23. *Our significant indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to conduct our business and operations in the manner we desire.*

As at March 31, 2020 our Total Borrowings were ₹ 366,573.39 million. We have in the past incurred significant indebtedness and will continue to incur additional indebtedness in the future. Certain of our financing agreements also include certain conditions and covenants that require us to maintain certain financial ratios, and obtain consents from lenders prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or to obtain these consents could have significant adverse consequences on our business and operations. Under certain of our financing agreements, for example we are required, but may be unable to obtain lender consents for, among others, the following matters:

- to effect any change in control in our Group;
- Permit any transfer of the controlling interest or make any drastic change in the management set-up;
- to effect any change in the capital structure;
- to undertake or permit any merger, amalgamation or compromise with our shareholders, creditors or effect any scheme of amalgamation or reconstruction;

- implement a new scheme of expansion or take up an allied line of business or manufacture;
- permit any transfer of the controlling interest or make any drastic change in the management set-up; and
- to amend the constituent documents of certain companies in our Group.

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

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

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

The contingent liability amounts disclosed in our audited consolidated financial statements represent estimates and assumptions of our management based on advice received. As at March 31, 2020, our contingent liabilities not provided for, as per Ind AS 37 issued by MCA, were amounting to ₹ 1,775.03 million which included taxation matters in respect of which appeal is pending amounting to ₹ 1,488.26 million, litigation pending against group amounting to ₹ 194.78 million and claims not acknowledged as debt amounting to ₹ 91.99 million. If, for any reason, these consolidated contingent liabilities materialise, it may adversely affect our financial condition. For more details of contingent liability as at March 31, 2020 as per Ind AS 37, see “Financial Information” on page 210.

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

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

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

Our systemic and operational controls may not be adequate to prevent adverse impact from cyber fraud, errors, hacking and system failures in future. Further, our mobile and internet-based customer applications and interfaces may be open to being hacked or compromised by third parties, resulting in thefts and losses to our customers and us. Some of these cyber threats from third parties include: (a) phishing and trojans – targeting our customers, wherein fraudsters send unsolicited mails to our customers seeking account sensitive information or to infect customer machines to search and attempt ex-filtration of account sensitive information; (b) hacking - where attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting services; (c) data theft – where cyber criminals may attempt to intrude into our network with the intention of stealing our

data or information; and (d) advanced persistency threat – network attack in which an unauthorised person gains access to our network and remains undetected for a long period of time. The intention of this attack is to steal our data or information rather than to cause damage to our network or organisation. Attempted cyber threats fluctuate in frequency and are generally increasing in frequency. If we suffer from any of such cyber threats, it could materially and adversely affect our business, financial condition and results of operations.

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

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

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

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

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

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

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

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

28. ***Our Statutory Auditors have included an emphasis of matter in our audited standalone financial statements and audited consolidated financial statements as at and for year ended March 31, 2020 as well as in the Q2 2020 Unaudited Standalone Financial Results and Q2 2020 Unaudited Consolidated Financial Results and as well as in the Q3 2020 Unaudited Standalone Financial Results and Q3 2020 Unaudited Consolidated Financial Results . Further, our erstwhile statutory auditors, B S R & Associates LLP had included an emphasis of matter in our audited standalone financial statements for Fiscals 2017 and 2016.***

Our Statutory Auditors, have included an emphasis of matter in their reports on our audited consolidated financial statements as at and for year ended March 31, 2020 with respect to the note included in such audited consolidated financial statements on the economic and social disruption as a result of COVID-19 pandemic of the Group's business and financial metrics including the Group's estimates of impairment of loans, financial assets, investments, investment in properties, intangible assets (including goodwill) which are highly dependent on uncertain future developments. Our Statutory Auditors have not modified their opinion in respect of this matter. For details of such note see “*Financial Information*” on page 210.

Our Statutory Auditors, have also included an emphasis of matter in their reports on our audited standalone financial statements as at and for year ended March 31, 2020 with respect to the note included in such audited standalone financial statements on the economic and social disruption as a result of COVID-19 pandemic of our Company's business and financial metrics including our Company's estimates of impairment of investments and other assets, which are highly dependent on uncertain future developments. Our Statutory Auditors have not modified their opinion in respect of this matter. For details of such note see “*Financial Information*” on page 210.

Our Statutory Auditors, have included an emphasis of matter in their reports on our Q2 2020 Unaudited Consolidated Financial Result with respect to the note included in such Q2 2020 Unaudited Consolidated Financial Result on the economic and social disruption as a result of COVID-19 pandemic of the Group's business and financial metrics including the Group's estimates of impairment of loans, financial assets, investments, investment in properties, intangible assets (including goodwill) which are highly dependent on uncertain future developments. Our Statutory Auditors have not modified their conclusion in respect of this matter. For details of such note see “*Financial Information*” on page 210.

Our Statutory Auditors, have also included an emphasis of matter in their reports on our Q2 2020 Unaudited Standalone Financial Result with respect to the note included in such Q2 2020 Unaudited Standalone Financial Results with respect to economic and social disruption as a result of COVID-19 pandemic of our Company's business and financial metrics including our Company's estimates of impairment of investments and other assets, which are highly dependent on uncertain future developments. Our Statutory Auditors have not modified their conclusion in respect of this matter. For details of such note see “*Financial Information*” on page 210.

Our Statutory Auditors, have included an emphasis of matter in their reports on our Q3 2020 Unaudited Consolidated Financial Result with respect to the note included in such Q3 2020 Unaudited Consolidated Financial Result on the economic and social disruption as a result of COVID-19 pandemic of the Group's business and financial metrics including the Group's estimates of impairment of loans, financial assets, investments, investment in properties, intangible assets (including goodwill) which are highly dependent on uncertain future developments. Our Statutory Auditors have not modified their conclusion in respect of this matter. For details of such note see “*Financial Information*” on page 210.

Our Statutory Auditors, have also included an emphasis of matter in their reports on our Q3 2020 Unaudited Standalone Financial Result with respect to the note included in such Q3 2020 Unaudited Standalone Financial Results with respect to economic and social disruption as a result of COVID-19 pandemic of our Company's business and financial metrics including our Company's estimates of impairment of investments and other assets, which are highly dependent on uncertain future developments. Our Statutory Auditors have not modified their conclusion in respect of this matter. For details of such note see “*Financial Information*” on page 210.

Further, our erstwhile statutory auditors, B S R & Associates LLP (the “**Erstwhile Auditors**”) had included an emphasis of matter in our audited standalone financial statements for Fiscal 2016, which reads as, “*We draw attention to paragraph 8 to examination report submitted by BSR dated November 10, 2020 on the Reformatted Standalone Financial Information under Indian GAAP of the Company as at and for the year ended March 31, 2016 which draw attention to Note 2.39 to the reformatted standalone Financial Information under Indian GAAP where the Company continues its existing practice of presenting interest income and finance cost, net of recovery from the group companies, pending disposal of reference made to Expert Advisory Committee of the Institute of Chartered Accountants of India for review its opinion on the subject matter.*” However, the erstwhile statutory auditors had not qualified their opinion in respect of this matter for the year ended March 31, 2016. For details see “*Financial Information*” on page 210.

Further, our erstwhile statutory auditors, B S R & Associates LLP (the “**Erstwhile Auditors**”) had included an emphasis of matter in our audited standalone financial statements for Fiscals 2017, which reads as, “*We draw attention to paragraph 9 to examination report submitted by BSR dated November 10, 2020 on the Reformatted Standalone Financial Information under Indian GAAP of the Company as at and for the year ended March 31, 2017 which draw attention to Note 2.39 to the Reformatted Standalone Financial Information under Indian GAAP which describes that from quarter ended 30 June 2016, the Company is presenting interest income recovered from the group companies on a gross basis under the head interest income based on the opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India. Till before that date, the same was reflected on a net basis*”. However, the erstwhile statutory auditors had not qualified their opinion in respect of this matter for the year ended March 31, 2017. For details see “*Financial Information*” on page 210.

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

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

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

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

expectations. If we are unable to expand our current operations it may adversely affect our business prospects, financial condition and results of operations.

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

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

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

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

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

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

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

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

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

RBI has issued a Discussion Paper on January 22, 2021 proposing a revised scale-based framework for NBFCs with increasing level of supervision and regulations with the scale. While the proposed changes

are still under discussion, any of these changes, if finally implemented, may require NBFCs to adopt stricter norms for conducting their business which may affect their profitability and results of operations.

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

We are also subject to periodic inspections by RBI, NHB, SEBI, IRDAI and other regulators. In the past certain observations were made by the regulators during such inspections regarding our business and operations. These observations relate to, amongst others, financial aspects such as calculation of CRAR in our NBFC, operational aspects such as data errors and use of customer data, and governance aspects such as formulation of fit and proper criteria for appointment of directors on one of the Subsidiaries. While we generally respond to the observations issued by the regulators in the inspection reports, we cannot assure you that such responses would be found to be acceptable by the regulators in all cases. For instance, Edelweiss Rural and Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited) has, in the past, been subject to penalties arising out of inspections carried out by the FMC and the MCX. While we attempt to be in compliance with all regulatory provisions applicable to us, in the event we are not able to comply with the observations made by the regulators, we could be subject to supervisory actions, which may have a material adverse effect on our reputation, financial condition and results of operations. For details of outstanding proceedings in this respect, see “*Outstanding Litigations*” on page 218.

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

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

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

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

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

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

35. ***We may experience negative cash flows in the future***

We have and may, in the future, experience negative cash flows, including negative cash flow from operating activities.

The following table sets forth certain information relating to our cash flows for the periods indicated below:

(in ₹ million)

| Particulars | For the six months ended September 30, 2020 | Fiscal 2020 | Fiscal 2019 | Fiscal 2018 |
|--|---|------------------|-----------------|------------------|
| Net cash generated from / (used in) operating activities | 32,218.20 | 120,984.10 | 56,852.96 | (111,554.28) |
| Net cash generated from / (used in) investing activities | (9,656.30) | 1,992.49 | (13,124.46) | (23,283.49) |
| Net cash generated from / (used in) financing activities | (30,626.70) | (104,709.61) | (36,651.25) | 148,346.29 |
| Total net (decrease)/ increase in cash and cash equivalents | (8,064.80) | 18,266.98 | 7,077.25 | 13,508.52 |

**Fiscal 2018 is not strictly comparable with Fiscal 2020 and Fiscal 2019 and six months period ended September 30, 2020, since Fiscal 2018 is derived from Reformatted Indian GAAP Financial Information to be included and other periods are derived from Reformatted Ind AS Financial Information and Q2 2020 Unaudited financial results.*

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our business, financial condition and results of operations could be materially and adversely affected.

36. ***Our borrowers may continue to experience stress due to Covid-19 related economic downturn and may find it difficult to service their loans despite moratorium and other relief measures extended by the RBI, Government of India and us and thus affect asset quality and lead to credit losses***

Due to the outbreak of COVID-19 pandemic and the resultant lockdowns and quarantine measures economic activities in India have been severely impacted during the current financial year. Reserve Bank of India (RBI) though various regulatory measures and package announced during the current financial year sought lenders to grant a moratorium for the payment of all instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers that have opted to avail the same. The Supreme Court of India also has taken note of the moratorium guidelines and may direct changes in the way interest is to be applied and recovered from the borrowers for the period of the moratorium; matter is pending currently. The Supreme Court of India in a public interest litigation (Gajendra Sharma vs. Union of India & Anr), vide an interim order dated September 3, 2020 has directed that borrowers who were not declared non-performing assets till August 31, 2020 shall not be declared as NPA till further orders. Further, Government of India on October 23, 2020 announced waiver of interest on interest for loans up to ₹ 20 million for specified loan accounts for a period from March 1 to August 31, 2020. The situation is still evolving and we are unable to quantify the impact, if any, at this stage, these developments will have on our operations or financial position. Since the economic situation continues to be stressed and some of the borrowers continue to be impacted by the downturn in the economic activities, their capacity and ability to service the loans after the end of the regulatory moratorium period may still remain compromised. This may lead to a deterioration in asset quality and eventual losses on recoveries and may also lead to lower interest income and may necessitate incremental provisions and mark-down on our loan portfolio thus affecting the profitability and cash flows.

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

We have announced divestment of our stake in our wealth management business recently subject to regulatory approvals and entered into partnerships with the aim of growing the business by building strong capabilities with the help of partners. We continue to explore various fund-raising opportunities, including the option to raise capital from the strategic investor(s) and we may consider divesting certain or all of our existing investments and businesses. To this effect, subject to receipt of requisite regulatory and customary approvals and compliance with applicable law, our Board has approved a restructuring exercise involving the sale of investments by our Company (either in part or whole) in our Subsidiaries by transferring, hiving off, demerging, selling etc, whole or part of our wealth management business, asset management business and general insurance business to any strategic investor(s)/person, in one or more tranches, at an appropriate time, including by listing the equity shares of the holding company of the respective businesses or one or more of the identified subsidiaries. Timing of outcomes and impact thereof of these initiatives cannot be predicted or assessed accurately at this juncture and our Company may have a lower stake in these businesses in the future. For details in relation to the various agreements entered into by our Company and our Subsidiaries, please refer to “History and Main Objects-Key terms of Material Agreements and Material Contracts” on page 162 of this Prospectus.

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

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

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

Bankruptcy Code. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it.

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

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

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

Pursuant to the Insolvency and Bankruptcy Code (Second Amendment) Act, 2020, the Central Government has inserted 10A to the Bankruptcy Code, pursuant to which no application for initiation of corporate insolvency resolution process of a corporate debtor shall be filed under Sections 7, 9 and 10 of the Bankruptcy Code, for any default arising on or after March 25, 2020 for a period of six months or such further period, not exceeding one year from such date, as may be notified in this behalf (the "**Exempted Period**"). Subsequently in exercise of the powers conferred by the said section 10A of the Bankruptcy Code, the Central Government has vide its notification dated September 24, 2020 has extended the Exempted Period by an additional period of three months from the September 25, 2020 for the purposes of the said section. After another extension for three months from September 25, 2020, recently IBC suspension has been extended for a further period of three months from December 25, 2020 under Section 10A vide MCA Notification dated December 22, 2020.

Therefore, the ability of our Company to initiate insolvency proceedings against the defaulters with respect to the defaults during the above mentioned periods may impact the recovery of outstanding loans and profitability of our Company.

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

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

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

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

We are involved in certain legal proceedings, including civil suits, criminal proceedings, and tax disputes. These legal proceedings are pending at different levels of adjudication before various courts, authorities and tribunals. Some of our Promoters and Directors have been named as parties to criminal

and regulatory proceedings, which are currently pending. For further details in relation to legal proceedings, among other things, involving us and certain of our Promoters and Directors, see “*Outstanding Litigations*” on page 218, respectively.

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

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

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

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

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

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

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

Our ability to operate and remain competitive depends in part on our ability to maintain and upgrade our information technology systems and infrastructure on a timely and cost-effective basis, including our ability to process a large number of transactions on a daily basis. Our operations also rely on the secure

processing, storage and transmission of confidential and other information in our computer systems and networks. Our financial, accounting or other data processing systems and management information systems or our corporate website may fail to operate adequately or become disabled as a result of events that may be beyond our control, including a disruption of electrical or communications services. Further, the information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. If any of these systems are disabled or if there are other shortcomings or failures in our internal processes or systems, it may disrupt our business or impact our operational efficiencies and render us liable to regulatory intervention or damage to our reputation. The occurrence of any such events may adversely affect our business, results of operations and financial condition.

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

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

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

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

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

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

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

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

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

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

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

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

We may utilise a variety of financial instruments, such as derivatives, options, interest rate swaps, caps and floors, futures and forward contracts to seek to hedge against any decline in value of our assets as a result of changes in currency exchange rates, certain changes in the equity markets and market interest rates and other events. Hedging transactions may also limit the opportunity for gain if the value of the hedged positions should increase, it may not be possible for us to hedge against a change or event at a

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

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

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

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

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

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

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

Our activities may subject us to the risk of significant legal liabilities to our clients and aggrieved third parties, including shareholders of our clients who could initiate securities class actions against us. These risks often may be difficult to assess or quantify and their existence and magnitude often remain unknown

for substantial periods of time. Our engagements typically include broad indemnities from our clients and provisions to limit our exposure to legal claims relating to our services, but these provisions may not protect us or may not be enforceable in all cases. As a result, we may incur significant legal expenses in defending against litigation. Substantial legal liability or significant regulatory action against us could have material adverse financial effects or cause significant harm to our reputation, which could seriously harm our business prospects.

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

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

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

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

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

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

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

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including financial statements and other financial information. We may also rely on certain representations in relation to the accuracy and completeness of that information as well as independent valuation reports and title reports with respect to the collateral. In addition, we may rely on reports of the independent auditors in relation to the financial statements of the customers. For example, in deciding whether to extend credit, we may assume that a customer's audited financial statements conform to GAAP and the financial condition, results of operations and cash flows of the customer are presented fairly in all

material respects. Our financial condition and results of operations may be adversely affected by relying on financial statements that do not comply with GAAP or other information that may be materially misleading. Moreover, we have implemented a KYC checklist and other measures to prevent money laundering. There can be no assurance that information furnished to us by potential customers and any analysis of such information or the independent checks and searches will return accurate results, and our reliance on such information may affect our judgment of the potential customers' credit worthiness, as well as the value of and title to the collateral, which may result in us having to bear the risk of loss associated with such misrepresentations. In the event of the ineffectiveness of these systems, our reputation, business and results of operations may be adversely affected.

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

51. *Significant differences exist between Indian GAAP and Ind AS, used to prepare our Company's financial statements and other accounting principles, such as IFRS, with which investors may be more familiar.*

The Reformatted Indian GAAP Standalone Financial Information and Reformatted Indian GAAP Consolidated Financial Information upto and for the year ended March 31, 2018 included in this Prospectus are derived from the financial statements prepared in conformity with relevant audited financial statements prepared in accordance with Indian GAAP, while the Reformatted Ind AS Standalone Financial Information and Reformatted Ind AS Consolidated Financial Information as at the end of and for the financial years ended March 31, 2020 and March 31, 2019 included in this Prospectus are derived from the relevant audited financial statements prepared in accordance Ind AS. The Q3 2020 Unaudited financial results of our Company for the half year ended September 30, 2020 have been prepared in accordance with the recognition and measurement principle laid down in the aforesaid Indian Accounting Standards 34 specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and complied by our Company in the manner and format required by Regulation 33 of the SEBI Listing Regulations.

The degree to which the financial statements included in this Prospectus will provide meaningful information is entirely dependent on the investor's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited. Prospective investors should review the accounting policies and "Summary of Significant Differences between Indian GAAP and Ind AS" and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. However, this summary may not contain all the differences between Indian GAAP and Ind AS applicable to our Company and reliance by prospective investors on this summary should be limited. Accordingly, our financial statements for the period commencing from April 1, 2018 are not be comparable to our historical financial statements.

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

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

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

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

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

We have entered into related party transactions. While we believe that all related party transactions entered into are conducted on an arm's length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. For more details, see "Related Party Transactions" on page 192.

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

We have not independently verified data obtained from industry publications and other external sources referred to herein and therefore, while we believe them to be accurate, complete and reliable, we cannot assure you that they are accurate, complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. Therefore, discussions of matters relating to India, its economy, the financial services industry and the life and general insurance industry are subject to the caveat that the statistical and other data upon which such discussions are based may be inaccurate, incomplete or unreliable. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. The data and other information sourced from the CARE Research Report is subject to CARE Research's disclaimer set forth in "Industry Overview" on page 105. Industry and government sources and publications are also prepared on the basis of information as at specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions that may prove to be incorrect. Accordingly, no investment decision should be made on the basis of such information. For more details, see "Industry Overview" on page 105.

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

At present, we do not own the premises of almost all of our branch offices. All such non-owned properties are leased or licensed to us. If the owners of these properties do not renew the agreements under which we occupy the premises or only agree to renew such agreements on terms and conditions

that are unacceptable to us, or if the owners of such premises withdraw their consent to our occupancy, our operations may be disrupted. We may be unable to locate suitable alternative facilities on favourable terms, or at all, and this may have a material adverse effect on our business, results of operations and financial condition.

57. *Our Promoters, have pledged a total of 35,608,000 Equity Shares, representing 3.81% of our Equity Shares outstanding as on December 31, 2020, for securing certain personal loans availed by them.*

Our Promoters, have pledged a total of 35,608,000[^] Equity Shares, representing 3.81% of our Equity Shares outstanding as at December 31, 2020. Any default on these loans may lead to invocation of the pledge on these Equity Shares and the sale of those Equity Shares to third parties. This could lead to a dilution of the Promoters' holding in us, thereby adversely affecting these Promoters' ability to manage our affairs.

[^](On March 18, 2021, 50,00,000 equity shares, held by one of our Promoters, Mr. Venkatchalam Ramaswamy, were released from pledge.)

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

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

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

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

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

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

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

Cases of mis-selling, or recurring cases of mis-selling, which are sub-judice or initiated against us, could result in substantial claims and fines. We establish reserves for legal claims when payments associated with claims become probable and the costs can be reasonably estimated. We may still incur legal costs

for a matter even if we have not established a reserve. In addition, the actual cost of resolving a suit, proceeding or a legal claim may be substantially higher than any amounts reserved for that matter. The final outcome of any pending or future legal proceeding, depending on the remedy sought and granted, could materially adversely affect our results of operations and financial condition. For more details see “*Outstanding Litigations*” on page 218.

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

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

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

As of December 31, 2020, we employed approximately 8,844 full-time employees on a consolidated basis. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

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

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

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

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

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

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

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

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

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

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

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

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

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

Disruption from digital platforms could have an adverse effect on the fees that we have traditionally received on many of our financial services. We also face threat to our loan market and other financial services market from newer business models that leverage technology to bring together savers and borrowers. We may not be competitive in facing up to the challenges from such newer entrants. This may, accordingly, have an adverse impact on our business and growth strategy.

68. *We may breach third-party intellectual property rights.*

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

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

69. ***This Prospectus includes certain unaudited financial information, which has been subjected to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited. Additionally, our Company may publish additional unaudited financial information during the Issue Period.***

This Prospectus includes the (i) Q2 2020 Unaudited Financial Results, for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020, in respect of which the Auditors have issued their review report dated October 30, 2020 and (ii) Q3 2020 Unaudited Financial Results, for the quarter ended December 31, 2020 and year to date from April 1, 2020 to December 31, 2020, in respect of which the Auditors have issued their review report dated February 13, 2021. For further details in relation to Q2 2020 Unaudited Financial Results and Q3 2020 Unaudited Financial Results, see the chapter titled "*Financial Information*" beginning on page 210 of this Prospectus. Any financial results published in the future may not be consistent with past performance. Accordingly, prospective investors should rely on their independent examination of our financial position and results of operations, and should not place undue reliance on, or base their investment decision solely on the financial information included in this Prospectus.

External Risk Factors

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

Our business could be materially and adversely affected by the outbreak of public health epidemics, or the fear of such an outbreak, in India or elsewhere. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and have confirmed cases of diseases including the highly pathogenic ones such as H7N9, H5N1 and H1N1 strains of influenza in birds and swines and more recently, the COVID-19 virus. Certain countries in Southeast Asia have reported cases of bird-to-human transmission of avian and swine influenza, resulting in numerous human deaths. The World Health Organization and other agencies have recently issued warnings on the COVID-19 virus and on a potential avian or swine influenza pandemic if there is sustained human-to-human transmission. While, on January 30, 2020, the World Health Organization declared the COVID-19 outbreak a health emergency of international concern, on March 11, 2020, the World Health Organization has categorised the COVID-19 virus outbreak as a pandemic (the "**pandemic**"). Further, certain state governments in India have also declared the outbreak of the COVID-19 virus to be an epidemic. Governments around the world have imposed a number of measures designed to contain the outbreak, including lockdown, curfew, business closures, travel restrictions, quarantines and cancellations of gatherings and events. This in turn has impacted the operation of businesses, such as travel and tourism, hospitality industry and trade and lowered industrial production and consumption demand in various parts of the world. A national lockdown was declared by Government of India with effect from March 24, 2020 as a result of the recent outbreak of COVID-19 virus, which is spreading in various jurisdictions across the world. Although some restrictions have been eased and COVID-19 vaccination programme is being undertaken in India, it is not yet clear when the remaining lockdown conditions will be fully lifted.

The Indian economy would be impacted by this pandemic and the resultant lockdown, due to the contraction in industrial and services output across small and large businesses. The impact of the COVID-19 pandemic on the Group's results, including credit quality and provisions, remains uncertain and dependent on the current and further spread of COVID-19, steps taken by the government and the RBI

to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels. While the markets have initially taken the roll out news positively, any unexpected adverse developments on this front may again impact the global economy and the markets.

The rapid shift to a remote working environment creates inherent productivity, connectivity, and oversight challenges. For example, governmental lockdowns, restrictions or new regulations could significantly impact the ability of our employees to work productively. Governmental restrictions are being continuously revised and it is not clear when a return to worksite locations or travel will be completely permitted or what restrictions will be in place in those environments. The extent and/or duration of ongoing workforce restrictions and limitations could impact our ability to successfully introduce and grow our new products and services, and cause delays in transactions, proceeds of which were to be applied for repayment of loans. Further, such restrictions have impacted and are likely to continue to impact our ability to formally execute and register (where required) certain agreements in connection with our operations, including the renewal of lease agreements with respect to our branch offices. Additionally, the process of obtaining and/or renewing necessary registrations, approvals, licenses and permits from statutory/ regulatory authorities is also likely to be impacted by such restrictions. Further, such restrictions are likely to impact the ability of our customers to avail our products and services. In addition, the changed environment under which we are operating is likely to have an impact on our internal controls over financial reporting as well as our ability to meet a number of our compliance and reporting requirements in a timely or quality manner and may give rise to risks that we may not have anticipated, including an increase in cyber-security risks with a large proportion of our employees working from home.

Amongst various measures announced to mitigate the economic impact from that pandemic, the Reserve Bank of India issued circulars dated March 27, 2020, April 17, 2020 and May 23, 2020 (the “**RBI circulars**”) allowing lending institutions to offer a moratorium to customers on payment of instalments falling due between March 1, 2020 and May 31, 2020 and further extension from June 1, 2020 to August 31, 2020.

In an effort to contain the spread of such contagious diseases, various state governments in India have ordered complete or partial shutdown of corporate offices and businesses. This has led to companies like ours asking our employees to work from home. While every effort is being made to ensure normal operations of our company, no assurance can be made that our technological systems will function smoothly while our employees work from home. If such a situation continues for an extended period of time in future, reduced physical contact with customers and/or inadequacy of technological systems to support all normal operations under work from home situation may adversely impact our business operations. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people. Further in case the partial lockdown/restrictions are extended, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events.

As of the date of this Prospectus, there is significant uncertainty relating to the severity of the near and long term adverse impact of the COVID-19 pandemic on the global economy, global financial markets and the Indian economy, and we are unable to accurately predict the near-term or long-term impact of the COVID-19 pandemic on our business. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this section.

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

Our business is highly dependent on Indian and international markets and economic conditions. Such conditions in India include fluctuations in interest rates; changes in consumer spending; the level of consumer confidence; housing prices; corporate or other scandals that reduce confidence in the financial markets, among others. International markets and economic conditions include the liquidity of global financial markets, the level and volatility of debt and equity prices and interest rates, investor sentiment, inflation, the availability and cost of capital and credit, and the degree to which international economies are expanding or experiencing recessionary pressures. The independent and/or collective fluctuation of

these conditions can directly and indirectly affect demand for our lending finance and other financial products or increase the cost to provide such products. In addition, adverse economic conditions, such as declines in housing values, could lead to an increase in mortgage and other home loan delinquencies and higher write offs, which can adversely affect our earnings.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Tax and other levies including stamp duty imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India (as applicable to us), which includes a surcharge on the tax and a health and education cess on the tax and the surcharge. The central or state government may in the future increase the corporate income tax or surcharge/cess it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations and profitability.

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

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

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

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

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

Risks relating to the Issue and NCDs.

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

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

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

Sale of NCDs by any holder may give rise to tax liability, as discussed in section entitled “*Statement of Possible Tax Benefits*” on page 91 of this Prospectus.

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

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

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

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

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

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

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

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company’s assets will be

available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid in accordance with the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

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

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of repayment /prepayment of interest and principal of existing borrowings of our Company and general corporate purposes. For further details, see the section “*Issue Related Information*” on page 264 of this Prospectus. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. The utilization details of the proceeds of the Issue shall be adequately disclosed as per applicable law. Further, as per the provisions of the SEBI Debt Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

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

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

SECTION III - INTRODUCTION

GENERAL INFORMATION

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

For details of the business of our Company, see "*Our Business*" beginning on page 132 of this Prospectus.

Registration:

Company Registration No.: 094641

CIN: L99999MH1995PLC094641

LEI: 335800GA1YN8NAGS8V55

Permanent Account Number: AAACE1461E

Registered and Corporate Office:

Edelweiss Financial Services Limited

Edelweiss House,

Off C.S.T. Road,

Kalina, Mumbai - 400 098,

Maharashtra, India

Tel: +91 22 4009 4400

Fax: +91 22 4086 3610

Website: www.edelweissfin.com

Email: efslncd@edelweissfin.com

For further details regarding changes to our Registered Office, see "*History and Main Objects*" beginning on page 161 of this Prospectus.

Registrar of Companies, Maharashtra at Mumbai

100, Everest House

Marine Lines

Mumbai 400 002

Maharashtra, India

Chief Financial Officer:

Sarju Simaria

Edelweiss House,

Off C.S.T. Road,

Kalina, Mumbai - 400 098,

Maharashtra, India

Tel: +91 22 4009 4400

Email: efslncd@edelweissfin.com

Company Secretary and Compliance Officer:

B. Renganathan

Company Secretary and Compliance Officer

Edelweiss House, Off C.S.T. Road

Kalina, Mumbai - 400 098

Maharashtra, India
Tel: +91 22 4009 4400
Fax: +91 22 4086 3610
Email: efslncd@edelweissfin.com

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

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

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

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

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

Lead Manager

Equirus Capital Private Limited
12th Floor, C Wing, Marathon Futurex
N.M. Joshi Marg, Lower Parel
Mumbai 400 013
Tel: +91 (22) 4332 0700
Fax: +91-(22)4332-0750
Email: efslncd@equirus.com
Investor Grievance Email: investorsgrievance@equirus.com
Website: www.equirus.com
Contact person: Ankit Jain
Compliance Officer: Jyot Bhat
SEBI Registration Number: INM000011286
CIN: U65910MH2007PTC172599

Debenture Trustee:

Beacon Trusteeship Limited
4 C&D, Siddhivinayak Chambers,
Gandhi Nagar, Opp. MIG Cricket Club
Bandra (East), Mumbai 400 051
Tel: +91 22 26558759
Email: compliance@beacontrustee.co.in
Investor Grievance Email: investorgrievances@beacontrustee.co.in
Website: www.beacontrustee.co.in

Contact Person: Kaustubh Kulkarni
SEBI Registration No: IND000000569
CIN: U74999MH2015PLC271288

Beacon Trusteeship Limited has, pursuant to regulation 4(4) of SEBI Debt Regulations, by its letter dated March 4, 2021 given its consent for its appointment as Debenture Trustee to the Issue (hereinafter referred to as “Trustees”). A copy of letter from Beacon Trusteeship Limited conveying their consent to act as Trustees for the Debenture holders is annexed as *Annexure C* to this Prospectus.

All the rights and remedies of the Debenture Holders under the Issue shall vest in and shall be exercised by the appointed Debenture Trustee for the Issue without having it referred to the Debenture Holders. All investors under the Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for the Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by our Company to the Debenture Holders/Debenture Trustee, as the case maybe, shall, from the time of making such payment, completely and irrevocably discharge our Company from any liability to the Debenture Holders to that extent. For details on the terms of the Debenture Trust Deed, please see “*Issue Related Information*” on page 264 of this Prospectus.

For details on the terms of the Debenture Trust Deed see, “*Issue Related Information*” beginning on page 264 of this Prospectus.

Lead Brokers to the Issue

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|--|--|
| IIFL Securities Limited 6 th and 7 th Floor, Ackruti Centre Point Central Road, MIDC Andheri (E), Mumbai 400 093 Tel.: + 91 22 3929 4000/4103 5000 Fax: + 91 22 2580 6654 Email: cs@indiainfoline.com Investor Grievance Email: customergrievances@indianinfoline.com Website: www.indainfoline.com Contact Person: Prasad Umarale SEBI Registration No: INZ000164132 | ICICI Securities Limited ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai 400 020 Tel.: + 91 22 2277 7626 Email: rajat.rawal@icicisecurities.com Investor Grievance Email: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Rajat Rawal SEBI Registration No: INZ000183631 |
| Equirus Securities Private Limited A2102 B, 21 st Floor, A Wing, Marathon Futurex N.M. Joshi Marg, Lower Parel, Mumbai 400 013 Tel.: + 91 079 6190 9561 Fax: +91 079 6190 0560 Email: jay.soni@equirus.com Investor Grievance Email: admin_equities@equirus.com Website: www.equirus.com Contact Person: Jay Soni SEBI Registration No: INZ000251536 | Kotak Securities Limited 4 th Floor, 12BKC, G Block Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Tel.: + 91 22 6218 5470 Email: umesh.gupta@kotak.com Website: www.kotak.com Contact Person: Umesh Gupta SEBI Registration No: INZ000200137 |
| SMC Global Securities Ltd. 17, Netaji Subhash Marg Daryaganj, Delhi 110 002 Tel.: + 91 66 623 300/ 99106 44949/ 8595 851823 Email: skj@smcindiaonline.com, neerajkhanna@smcindiaonline.com Investor Grievance Email: neerajkhanna@smcindiaonline.com Website: www.smctradeonline.com Contact Person: Sushil Joshi, Neeraj Khanna SEBI Registration No: INZ000199438 | JM Financial Services Limited 2, 3&4 Kamanwala Chambers, Ground Floor Sir PM Road, Fort, Mumbai 400 001 Tel.: + 91 022 6136 3400 Email: surajit.misra@jmfl.com/ deepak.vaidya@jmfl.com/sona.verghese@jmfl.com Investor Grievance Email: ig.distribution@jmfl.com Website: www.jmfinancialservices.in Contact Person: Surajit Misra, Deepak Vaidya and T N Kumar and Sona Verghese SEBI Registration No: INZ000195834 |
| HDFC Securities Limited HDFC Securities Limited, I Think techno Campus | Edelweiss Broking Limited |

| | |
|---|---|
| Building – B, Alpha, 8 th Floor, Opp. Crompton Greaves, Near Kanjurmarg Station, Kanjurmarg (East), Mumbai 400 042 Tel.: + 91 22 3075 3400 Fax: +91 22 3075 3435 Email: DipeshA.kale@hdfc.com Website: www.hdfsec.com Contact Person: Dipesh Kale/ Dattatray Anpat SEBI Registration No: INM000186937 | 2nd Floor, Office No. 201-203, Zodiac Plaza, Xavier College Road, Off C G Road, Ahemdabad 380009 Tel.: +91 22 4009 4400 E-mail: amit.dalvi@edelweissfin.com; prakash.boricha@edelweissfin.com Investor Grievance E-mail Id: helpdesk@edelweiss.in Website: www.edelweissfin.com Contact Person: Amit Dalvi / Prakash Boricha SEBI Number No.: INZ000005231 |
| Axis Capital Limited Axis House, Wadia International Centre P.B. Marg, Worli, Mumbai 400 025 Tel.: + 91 22 4325 3110 Fax: +91 22 4325 3000 Email: ajay.sheth@axiscap.in/ vinayak.ketkar@axiscap.in Website: www.axiscapital.co.in Contact Person: Ajay Sheth/Vinayak Ketkar SEBI Registration No: INM000012029 | |

Bankers to the Issue

Public Issue Account Bank, Sponsor Bank and Refund Bank:

ICICI Bank Limited

Capital Market Division, 1st Floor,
 122, Mistry Bhavan, Dinshaw Vachha Road,
 Backbay Reclamation, Churchgate,
 Mumbai – 400020

Telephone: 022- 66818911/23/24

Fax: 022- 22611138

Email: kmr.saurabh@icicibank.com

Website: www.icicibank.com

Contact Person: Mr. Saurabh Kumar

SEBI Registration Number: INBI000000004

Registrar to the Issue

Link Intime India Private Limited

C-101, 247 Park, L.B.S. Marg,
 Vikhroli (West), Mumbai 400 083

Tel.: + 91 22 4918 6200

Fax: + 91 22 4918 6195

Email: ncd2.efsl@linkintime.co.in

Investor Grievance Email: ncd2.efsl@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Shanti Gopalkrishnan

Compliance Officer: B N Ramakrishnan

SEBI Registration No: INR000004058

CIN: U67190MH1999PTC118368

Link Intime India Private Limited, has by its letter dated February 24, 2021, given its consent for its appointment as Registrar to the Issue and for its name to be included in this Prospectus and Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to the Issue.

Statutory Auditors

M/s. S. R. Batliboi & Co. LLP

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West), Mumbai –400028
Maharashtra, India
Tel: + 91 22 68198000

Email: srbc@srb.in

Firm Registration Number: 301003E/E300005

Credit Rating Agency

Acuite Ratings & Research Limited

A - 812, The Capital,
G - Block, BKC,
Bandra (East),
Mumbai - 400 051

Tel: 91-22- 49294000

Email: chitra.mohan@acuite.in

Website: www.acuite.in

Contact Person: Chitra Mohan

SEBI Registration No: IN/CRA/006/2011

Brickwork Ratings India Private Limited

3rd Floor, Raj Alkaa Park, Kalena Agahara
Bannerghatta Road, Bengaluru – 560 076

Tel: +91 8040409940

Fax: +91 8040409941

Email: info@brickworkratings.com

Website: www.brickworkratings.com

Contact Person: Jatin Vyas

SEBI Registration No: IN/CRA/005/2008

Credit Rating and Rationale

The NCDs proposed to be issued under the Issue have been rated “Acuite AA (read as ACUITE double A) (Outlook: Negative)” for an amount of ₹ 4,000 million by Acuite Ratings & Research Limited vide their rating letter dated March 4, 2021 and “BWR AA-/Stable (Assigned)” for an amount of ₹4,000 million, by Brickwork Ratings India Private Limited vide their letter dated March 5, 2021. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. Please refer to *Annexures A and B* of this Prospectus for the rationale of the above ratings.

Disclaimer Statement of Acuite Ratings & Research Limited

An Acuite rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuite ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuite, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuite is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuite ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuite.

Disclaimer clause of Brickwork Ratings India Private Limited

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons

Legal Counsel to the Issue

Khaitan & Co

One World Centre
13th & 10th Floor, Tower 1C,
Senapati Bapat Marg,
Mumbai – 400013,
Maharashtra, India
Tel: +91 22 6636 5000
Website: www.khaitanco.com

Bankers to our Company

ICICI Bank Limited

ICICI Bank Ltd., ICICI Bank Tower
BKC , Bandra (E)
Mumbai 400 051
Telephone: +91 -22-6681 8906
Fax: +91 -22-6681 8844
Email: pritesh.shah@icicibank.com
Website: www.icicibank.com
Contact Person: Pritesh Shah

Impersonation

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

“Any person who —

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

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

such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 0.50 crore or with both.

Underwriting

The Issue is not underwritten.

Arrangers to the Issue

There are no arrangers to the Issue.

Minimum subscription

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

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Designated Intermediaries

Self-Certified Syndicate Bank

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

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

Syndicate SCSB Branches

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

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

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

CRTAs / CDPs

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

Utilisation of Issue proceeds

For details on utilisation of Issue proceeds see, “*Terms of the Issue*” beginning on page 270 of this Prospectus.

Issue Programme*

| | |
|-----------------|-------------------------|
| ISSUE OPENS ON | Thursday, April 1, 2021 |
| ISSUE CLOSES ON | Friday, April 23, 2021 |

**The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Debenture Fund Raising Committee, subject to relevant approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange.*

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

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

CAPITAL STRUCTURE

Details of share capital

The share capital of our Company as on December 31, 2020 is set forth below:

| Share Capital | (in ₹) |
|---|-----------------------|
| AUTHORISED SHARE CAPITAL | |
| 1,23,00,00,000 Equity Shares of ₹ 1 each | 1,230,000,000 |
| 40,00,000 Preference Shares of ₹5 each | 20,000,000 |
| TOTAL AUTHORISED SHARE CAPITAL | 1,250,000,000 |
| ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL | |
| 93,49,94,652 Equity Shares of ₹1 each fully paid up | 934,994,652 |
| SECURITIES PREMIUM ACCOUNT | 30,202,787,272 |

Changes in capital structure

There have been no changes in authorised share capital of our Company in the last five years preceding December 31, 2020.

Changes in the Equity Share capital of our Company in the five years preceding December 31, 2020:

| Date of allotment | Nature of allotment | Number of Equity Shares allotted | Face value (₹) | Issue price per Equity Share (₹) | Consideration | Cumulative No. of Shares | Cumulative Equity Share Capital (₹) | Cumulative Equity Share Premium (in |
|----------------------------------|-----------------------------------|----------------------------------|----------------|----------------------------------|---------------|--------------------------|-------------------------------------|-------------------------------------|
| Balance as on September 30, 2015 | | | | | | 81,12,42,093 | 81,12,42,093 | 13,586,405,140.00 |
| October 13, 2015 | Allotment pursuant to ESOP scheme | 45,000 | 1 | 27.35 | Cash | 81,12,87,093 | 81,12,87,093 | 13,58,75,90,890.00 |
| | | 93,625 | | 28.85 | | 81,13,80,718 | 81,13,80,718 | 13,59,01,98,346.25 |
| | | 75,500 | | 30.00 | | 81,14,56,218 | 81,14,56,218 | 13,59,23,87,846.25 |
| | | 41,575 | | 30.45 | | 81,14,97,793 | 81,14,97,793 | 13,59,36,12,230.00 |
| | | 1,250 | | 30.60 | | 81,14,99,043 | 81,14,99,043 | 13,59,36,49,230.00 |
| | | 51,975 | | 34.60 | | 81,15,51,018 | 81,15,51,018 | 13,59,53,95,590.00 |
| | | 114,625 | | 37.80 | | 81,16,65,643 | 81,16,65,643 | 13,59,96,13,790.00 |
| | | 64,500 | | 39.44 | | 81,17,30,143 | 81,17,30,143 | 13,60,20,93,170.00 |
| November 16, 2015 | Allotment pursuant to ESOP scheme | 53,750 | 1 | 48.56 | Cash | 81,17,83,893 | 81,17,83,893 | 13,60,46,49,520.00 |
| | | 50,875 | | 28.85 | | 81,18,34,768 | 81,18,34,768 | 13,60,60,66,388.75 |
| | | 40,125 | | 30.00 | | 81,18,74,893 | 81,18,74,893 | 13,60,72,30,013.75 |
| | | 68,950 | | 30.45 | | 81,19,43,843 | 81,19,43,843 | 13,60,92,60,591.25 |
| | | 5,000 | | 30.60 | | 81,19,48,843 | 81,19,48,843 | 13,60,94,08,591.25 |
| | | 96,325 | | 34.60 | | 81,20,45,168 | 81,20,45,168 | 13,61,26,45,111.25 |
| | | 58,500 | | 37.80 | | 81,21,03,668 | 81,21,03,668 | 13,61,47,97,911.25 |
| | | 345,125 | | 48.56 | | 81,24,48,793 | 81,24,48,793 | 13,63,12,12,056.25 |
| December 16, 2015 | Allotment pursuant to ESOP scheme | 300,000 | 1 | 50.26 | Cash | 81,27,48,793 | 81,27,48,793 | 13,64,59,90,056.25 |
| | | 15,750 | | 28.85 | | 81,27,64,543 | 81,27,64,543 | 13,64,64,28,693.75 |
| | | 21,500 | | 30.00 | | 81,27,86,043 | 81,27,86,043 | 13,64,70,52,193.75 |
| | | 11,050 | | 30.45 | | 81,27,97,093 | 81,27,97,093 | 13,64,73,77,616.25 |
| | | 23,750 | | 30.60 | | 81,28,20,843 | 81,28,20,843 | 13,64,80,80,616.25 |
| | | 11,200 | | 34.60 | | 81,28,32,043 | 81,28,32,043 | 13,64,84,56,936.25 |
| | | 16,500 | | 37.80 | | 81,28,48,543 | 81,28,48,543 | 13,64,90,64,136.25 |
| | | 12,000 | | 39.44 | | 81,28,60,543 | 81,28,60,543 | 13,64,95,25,416.25 |
| January 13, 2016 | Allotment pursuant to ESOP scheme | 48,750 | 1 | 48.56 | Cash | 81,29,09,293 | 81,29,09,293 | 13,65,18,43,966.25 |
| | | 33,125 | | 28.85 | | 81,29,42,418 | 81,29,42,418 | 13,65,27,66,497.50 |
| | | 55,625 | | 30.00 | | 81,29,98,043 | 81,29,98,043 | 13,65,43,79,622.50 |
| | | 52,500 | | 30.05 | | 81,30,50,543 | 81,30,50,543 | 13,65,59,04,747.50 |
| | | 13,475 | | 30.45 | | 81,30,64,018 | 81,30,64,018 | 13,65,63,01,586.25 |
| | | 32,500 | | 30.60 | | 81,30,96,518 | 81,30,96,518 | 13,65,72,63,586.25 |

| Date of allotment | Nature of allotment | Number of Equity Shares allotted | Face value (₹) | Issue price per Equity Share (₹) | Consideration | Cumulative No. of Shares | Cumulative Equity Share Capital (₹) | Cumulative Equity Share Premium (in |
|-------------------|-----------------------------------|----------------------------------|----------------|----------------------------------|---------------|--------------------------|-------------------------------------|-------------------------------------|
| | | 10,900 | | 34.60 | | 81,31,07,418 | 81,31,07,418 | 13,65,76,29,826.25 |
| | | 25,600 | | 37.80 | | 81,31,33,018 | 81,31,33,018 | 13,65,85,71,906.25 |
| | | 36,000 | | 39.44 | | 81,31,69,018 | 81,31,69,018 | 13,65,99,55,746.25 |
| | | 43,750 | | 48.56 | | 81,32,12,768 | 81,32,12,768 | 13,66,20,36,496.25 |
| February 18, 2016 | Allotment pursuant to ESOP scheme | 109,687 | 1 | 28.85 | Cash | 81,33,22,455 | 81,33,22,455 | 13,66,50,91,279.20 |
| | | 104,125 | | 30.00 | | 81,34,26,580 | 81,34,26,580 | 13,66,81,10,904.20 |
| | | 5,000 | | 30.30 | | 81,34,31,580 | 81,34,31,580 | 13,66,82,57,404.20 |
| | | 10,100 | | 30.45 | | 81,34,41,680 | 81,34,41,680 | 13,66,85,54,849.20 |
| | | 6,250 | | 30.60 | | 81,34,47,930 | 81,34,47,930 | 13,66,87,39,849.20 |
| | | 65,000 | | 34.05 | | 81,35,12,930 | 81,35,12,930 | 13,67,08,88,099.20 |
| | | 8,950 | | 34.60 | | 81,35,21,880 | 81,35,21,880 | 13,67,11,88,819.20 |
| | | 158,400 | | 37.80 | | 81,36,80,280 | 81,36,80,280 | 13,67,70,17,939.20 |
| | | 86,500 | | 39.44 | | 81,37,66,780 | 81,37,66,780 | 13,68,03,42,999.20 |
| | | 50,000 | | 41.40 | | 81,38,16,780 | 81,38,16,780 | 13,68,23,62,999.20 |
| | | 12,500 | | 46.89 | | 81,38,29,280 | 81,38,29,280 | 13,68,29,36,624.20 |
| March 11, 2016 | Allotment pursuant to ESOP scheme | 34,675 | 1 | 28.85 | Cash | 81,38,63,955 | 81,38,63,955 | 13,68,39,02,322.95 |
| | | 55,375 | | 30.00 | | 81,39,19,330 | 81,39,19,330 | 13,68,55,08,197.95 |
| | | 10,000 | | 30.30 | | 81,39,29,330 | 81,39,29,330 | 13,68,58,01,197.95 |
| | | 20,400 | | 30.45 | | 81,39,49,730 | 81,39,49,730 | 13,68,64,01,977.95 |
| | | 7,500 | | 30.60 | | 81,39,57,230 | 81,39,57,230 | 13,68,66,23,977.95 |
| | | 8,425 | | 34.60 | | 81,39,65,655 | 81,39,65,655 | 13,68,69,07,057.95 |
| | | 50,975 | | 37.80 | | 81,40,16,630 | 81,40,16,630 | 13,68,87,82,937.95 |
| | | 20,000 | | 39.44 | | 81,40,36,630 | 81,40,36,630 | 13,68,95,51,737.95 |
| April 18, 2016 | Allotment pursuant to ESOP scheme | 243,875 | 1 | 28.85 | Cash | 81,42,80,505 | 81,42,80,505 | 13,69,63,43,656.70 |
| | | 156,650 | | 30.00 | | 81,44,37,155 | 81,44,37,155 | 13,70,08,86,506.70 |
| | | 33,475 | | 30.45 | | 81,44,70,630 | 81,44,70,630 | 13,70,18,72,345.45 |
| | | 3,750 | | 30.60 | | 81,44,74,380 | 81,44,74,380 | 13,70,19,83,345.45 |
| | | 10,500 | | 34.05 | | 81,44,84,880 | 81,44,84,880 | 13,70,23,30,370.45 |
| | | 28,825 | | 34.60 | | 81,45,13,705 | 81,45,13,705 | 13,70,32,98,890.45 |
| | | 90,300 | | 37.80 | | 81,46,04,005 | 81,46,04,005 | 13,70,66,21,930.45 |
| | | 35,000 | | 39.44 | | 81,46,39,005 | 81,46,39,005 | 13,70,79,67,330.45 |
| | | 32,250 | | 48.56 | | 81,46,71,255 | 81,46,71,255 | 13,70,95,01,140.45 |
| May 16, 2016 | Allotment pursuant to ESOP scheme | 406,200 | 1 | 28.85 | Cash | 81,50,77,455 | 81,50,77,455 | 13,72,08,13,810.45 |
| | | 323,600 | | 30.00 | | 81,54,01,055 | 81,54,01,055 | 13,73,01,98,210.45 |
| | | 5,000 | | 30.30 | | 81,54,06,055 | 81,54,06,055 | 13,73,03,44,710.45 |
| | | 136,925 | | 30.45 | | 81,55,42,980 | 81,55,42,980 | 13,73,43,77,151.70 |
| | | 20,000 | | 30.60 | | 81,55,62,980 | 81,55,62,980 | 13,73,49,69,151.70 |
| | | 25,000 | | 33.80 | | 81,55,87,980 | 81,55,87,980 | 13,73,57,89,151.70 |
| | | 92,425 | | 34.60 | | 81,56,80,405 | 81,56,80,405 | 13,73,88,94,631.70 |
| | | 176,125 | | 37.80 | | 81,58,56,530 | 81,58,56,530 | 13,74,53,76,031.70 |
| | | 120,000 | | 39.44 | | 81,59,76,530 | 81,59,76,530 | 13,74,99,88,831.70 |
| | | 18,750 | | 48.56 | | 81,59,95,280 | 81,59,95,280 | 13,75,08,80,581.70 |
| June 15, 2016 | Allotment pursuant to ESOP scheme | 50,000 | 1 | 24.60 | Cash | 81,60,45,280 | 81,60,45,280 | 13,75,20,60,581.70 |
| | | 1,286,126 | | 28.85 | | 81,73,31,406 | 81,73,31,406 | 13,78,78,79,190.80 |
| | | 1,331,350 | | 30.00 | | 81,86,62,756 | 81,86,62,756 | 13,82,64,88,340.80 |
| | | 5,000 | | 30.30 | | 81,86,67,756 | 81,86,67,756 | 13,82,66,34,840.80 |
| | | 376,975 | | 30.45 | | 81,90,44,731 | 81,90,44,731 | 13,83,77,36,754.55 |
| | | 157,500 | | 30.60 | | 81,92,02,231 | 81,92,02,231 | 13,84,23,98,754.55 |
| | | 12,500 | | 34.05 | | 81,92,14,731 | 81,92,14,731 | 13,84,28,11,879.55 |
| | | 239,250 | | 34.60 | | 81,94,53,981 | 81,94,53,981 | 13,85,08,50,679.55 |
| | | 1,097,172 | | 37.80 | | 82,05,51,153 | 82,05,51,153 | 13,89,12,26,609.15 |
| | | 1,622,500 | | 39.44 | | 82,21,73,653 | 82,21,73,653 | 13,95,35,95,509.15 |
| | | 10,000 | | 48.10 | | 82,21,83,653 | 82,21,83,653 | 13,95,40,66,509.15 |
| | | 940,000 | | 48.56 | | 82,31,23,653 | 82,31,23,653 | 13,99,87,72,909.15 |
| | | 36,062 | | 57.10 | | 82,31,59,715 | 82,31,59,715 | 14,00,07,95,987.35 |
| July 18, 2016 | Allotment pursuant to ESOP scheme | 607,625 | 1 | 28.85 | Cash | 82,37,67,340 | 82,37,67,340 | 14,01,77,18,343.60 |
| | | 528,250 | | 30.00 | | 82,42,95,590 | 82,42,95,590 | 14,03,30,37,593.60 |
| | | 324,250 | | 30.45 | | 82,46,19,840 | 82,46,19,840 | 14,04,25,86,756.10 |
| | | 31,250 | | 30.60 | | 82,46,51,090 | 82,46,51,090 | 14,04,35,11,756.10 |
| | | 188,500 | | 34.60 | | 82,48,39,590 | 82,48,39,590 | 14,04,98,45,356.10 |

| Date of allotment | Nature of allotment | Number of Equity Shares allotted | Face value (₹) | Issue price per Equity Share (₹) | Consideration | Cumulative No. of Shares | Cumulative Equity Share Capital (₹) | Cumulative Equity Share Premium (in |
|--------------------|-----------------------------------|----------------------------------|----------------|----------------------------------|---------------|--------------------------|-------------------------------------|-------------------------------------|
| | | 104,700 | | 37.80 | | 82,49,44,290 | 82,49,44,290 | 14,05,36,98,316.10 |
| | | 414,125 | | 48.56 | | 82,53,58,415 | 82,53,58,415 | 14,07,33,94,101.10 |
| | | 63,425 | | 57.10 | | 82,54,21,840 | 82,54,21,840 | 14,07,69,52,243.60 |
| August 17, 2016 | Allotment pursuant to ESOP scheme | 132,625 | 1 | 28.85 | Cash | 82,55,54,465 | 82,55,54,465 | 14,08,06,45,849.85 |
| | | 103,750 | | 30.00 | | 82,56,58,215 | 82,56,58,215 | 14,08,36,54,599.85 |
| | | 25,000 | | 30.05 | | 82,56,83,215 | 82,56,83,215 | 14,08,43,80,849.85 |
| | | 108,550 | | 30.45 | | 82,57,91,765 | 82,57,91,765 | 14,08,75,77,647.35 |
| | | 12,500 | | 33.80 | | 82,58,04,265 | 82,58,04,265 | 14,08,79,87,647.35 |
| | | 97,475 | | 34.60 | | 82,59,01,740 | 82,59,01,740 | 14,09,12,62,807.35 |
| | | 16,275 | | 37.80 | | 82,59,18,015 | 82,59,18,015 | 14,09,18,61,727.35 |
| | | 37,500 | | 48.55 | | 82,59,55,515 | 82,59,55,515 | 14,09,36,44,852.35 |
| | | 823,375 | | 48.56 | | 82,67,78,890 | 82,67,78,890 | 14,13,28,04,567.35 |
| | | 100,000 | | 53.95 | | 82,68,78,890 | 82,68,78,890 | 14,13,80,99,567.35 |
| | | 66,750 | | 57.10 | | 82,69,45,640 | 82,69,45,640 | 14,14,18,44,242.35 |
| | | 20,000 | | 61.00 | | 82,69,65,640 | 82,69,65,640 | 14,14,30,44,242.35 |
| | | 125,000 | | 64.70 | | 82,70,90,640 | 82,70,90,640 | 14,15,10,06,742.35 |
| | | 5,000 | | 70.05 | | 82,70,95,640 | 82,70,95,640 | 14,15,13,51,992.35 |
| September 14, 2016 | Allotment pursuant to ESOP scheme | 2,500 | 1 | 24.60 | Cash | 82,70,98,140 | 82,70,98,140 | 14,15,14,10,992.35 |
| | | 262,500 | | 28.85 | | 82,73,60,640 | 82,73,60,640 | 14,15,87,21,617.35 |
| | | 37,500 | | 29.90 | | 82,73,98,140 | 82,73,98,140 | 14,15,98,05,367.35 |
| | | 308,150 | | 30.00 | | 82,77,06,290 | 82,77,06,290 | 14,16,87,41,717.35 |
| | | 147,525 | | 30.45 | | 82,78,53,815 | 82,78,53,815 | 14,17,30,86,328.60 |
| | | 18,750 | | 30.60 | | 82,78,72,565 | 82,78,72,565 | 14,17,36,41,328.60 |
| | | 120,875 | | 34.60 | | 82,79,93,440 | 82,79,93,440 | 14,17,77,02,728.60 |
| | | 188,250 | | 37.80 | | 82,81,81,690 | 82,81,81,690 | 14,18,46,30,328.60 |
| | | 89,500 | | 48.56 | | 82,82,71,190 | 82,82,71,190 | 14,18,88,86,948.60 |
| | | 10,500 | | 55.10 | | 82,82,81,690 | 82,82,81,690 | 14,18,94,54,998.60 |
| | | 75,512 | | 57.10 | | 82,83,57,202 | 82,83,57,202 | 14,19,36,91,221.80 |
| October 17, 2016 | Allotment pursuant to ESOP scheme | 84,275 | 1 | 28.85 | Cash | 82,84,41,477 | 82,84,41,477 | 14,19,60,38,280.55 |
| | | 61,500 | | 30.00 | | 82,85,02,977 | 82,85,02,977 | 14,19,78,21,780.55 |
| | | 86,275 | | 30.45 | | 82,85,89,252 | 82,85,89,252 | 14,20,03,62,579.30 |
| | | 8,750 | | 30.60 | | 82,85,98,002 | 82,85,98,002 | 14,20,06,21,579.30 |
| | | 69,675 | | 34.60 | | 82,86,67,677 | 82,86,67,677 | 14,20,29,62,659.30 |
| | | 29,250 | | 37.80 | | 82,86,96,927 | 82,86,96,927 | 14,20,40,39,059.30 |
| | | 79,375 | | 48.56 | | 82,87,76,302 | 82,87,76,302 | 14,20,78,14,134.30 |
| | | 12,500 | | 55.10 | | 82,87,88,802 | 82,87,88,802 | 14,20,84,90,384.30 |
| | | 63,550 | | 57.10 | | 82,88,52,352 | 82,88,52,352 | 14,21,20,55,539.30 |
| | | 25,000 | | 65.15 | | 82,88,77,352 | 82,88,77,352 | 14,21,36,59,289.30 |
| November 15, 2016 | Allotment pursuant to ESOP scheme | 203,350 | 1 | 28.85 | Cash | 82,90,80,702 | 82,90,80,702 | 14,21,93,22,586.80 |
| | | 178,300 | | 30.00 | | 82,92,59,002 | 82,92,59,002 | 14,22,44,93,286.80 |
| | | 25,000 | | 30.30 | | 82,92,84,002 | 82,92,84,002 | 14,22,52,25,786.80 |
| | | 65,000 | | 30.45 | | 82,93,49,002 | 82,93,49,002 | 14,22,71,40,036.80 |
| | | 91,250 | | 30.60 | | 82,94,40,252 | 82,94,40,252 | 14,22,98,41,036.80 |
| | | 129,425 | | 34.60 | | 82,95,69,677 | 82,95,69,677 | 14,23,41,89,716.80 |
| | | 50,000 | | 37.80 | | 82,96,19,677 | 82,96,19,677 | 14,23,60,29,716.80 |
| | | 73,750 | | 48.56 | | 82,96,93,427 | 82,96,93,427 | 14,23,95,37,266.80 |
| | | 400,000 | | 50.26 | | 83,00,93,427 | 83,00,93,427 | 14,25,92,41,266.80 |
| | | 79,650 | | 57.10 | | 83,01,73,077 | 83,01,73,077 | 14,26,37,09,631.80 |
| | | 40,000 | | 61.00 | | 83,02,13,077 | 83,02,13,077 | 14,26,61,09,631.80 |
| December 14, 2016 | Allotment pursuant to ESOP scheme | 134,313 | 1 | 28.85 | Cash | 83,03,47,390 | 83,03,47,390 | 14,26,98,50,248.85 |
| | | 277,875 | | 30.00 | | 83,06,25,265 | 83,06,25,265 | 14,27,79,08,623.85 |
| | | 149,475 | | 30.45 | | 83,07,74,740 | 83,07,74,740 | 14,28,23,10,662.60 |
| | | 30,375 | | 30.60 | | 83,08,05,115 | 83,08,05,115 | 14,28,32,09,762.60 |
| | | 92,050 | | 34.60 | | 83,08,97,165 | 83,08,97,165 | 14,28,63,02,642.60 |
| | | 48,850 | | 37.80 | | 83,09,46,015 | 83,09,46,015 | 14,28,81,00,322.60 |
| | | 55,000 | | 41.40 | | 83,10,01,015 | 83,10,01,015 | 14,29,03,22,322.60 |
| | | 33,375 | | 48.56 | | 83,10,34,390 | 83,10,34,390 | 14,29,19,09,637.60 |
| | | 7,500 | | 55.10 | | 83,10,41,890 | 83,10,41,890 | 14,29,23,15,387.60 |
| | | 43,124 | | 57.10 | | 83,10,85,014 | 83,10,85,014 | 14,29,47,34,644.00 |
| | | 134,250 | | 70.05 | | 83,12,19,264 | 83,12,19,264 | 14,30,40,04,606.50 |

| Date of allotment | Nature of allotment | Number of Equity Shares allotted | Face value (₹) | Issue price per Equity Share (₹) | Consideration | Cumulative No. of Shares | Cumulative Equity Share Capital (₹) | Cumulative Equity Share Premium (in |
|-------------------|-----------------------------------|----------------------------------|----------------|----------------------------------|---------------|--------------------------|-------------------------------------|-------------------------------------|
| January 17, 2017 | Allotment pursuant to ESOP scheme | 12,500 | 1 | 24.60 | Cash | 83,12,31,764 | 83,12,31,764 | 14,30,42,99,606.50 |
| | | 55,375 | | 28.85 | | 83,12,87,139 | 83,12,87,139 | 14,30,58,41,800.25 |
| | | 88,650 | | 30.00 | | 83,13,75,789 | 83,13,75,789 | 14,30,84,12,650.25 |
| | | 235,950 | | 30.45 | | 83,16,11,739 | 83,16,11,739 | 14,31,53,61,377.75 |
| | | 15,000 | | 30.60 | | 83,16,26,739 | 83,16,26,739 | 14,31,58,05,377.75 |
| | | 35,250 | | 34.60 | | 83,16,61,989 | 83,16,61,989 | 14,31,69,89,777.75 |
| | | 25,000 | | 37.30 | | 83,16,86,989 | 83,16,86,989 | 14,31,78,97,277.75 |
| | | 15,250 | | 37.80 | | 83,17,02,239 | 83,17,02,239 | 14,31,84,58,477.75 |
| | | 132,500 | | 41.40 | | 83,18,34,739 | 83,18,34,739 | 14,32,38,11,477.75 |
| | | 78,750 | | 48.56 | | 83,19,13,489 | 83,19,13,489 | 14,32,75,56,827.75 |
| | | 3,000 | | 55.10 | | 83,19,16,489 | 83,19,16,489 | 14,32,77,19,127.75 |
| | | 38,725 | | 57.10 | | 83,19,55,214 | 83,19,55,214 | 14,32,98,91,600.25 |
| | | 6,300 | | 70.05 | | 83,19,61,514 | 83,19,61,514 | 14,33,03,26,615.25 |
| February 13, 2017 | Allotment pursuant to ESOP scheme | 2,500 | 1 | 28.85 | Cash | 83,19,64,014 | 83,19,64,014 | 14,33,03,96,240.25 |
| | | 12,500 | | 30.00 | | 83,19,76,514 | 83,19,76,514 | 14,33,07,58,740.25 |
| | | 17,325 | | 30.45 | | 83,19,93,839 | 83,19,93,839 | 14,33,12,68,961.50 |
| | | 72,500 | | 34.05 | | 83,20,66,339 | 83,20,66,339 | 14,33,36,65,086.50 |
| | | 17,925 | | 34.60 | | 83,20,84,264 | 83,20,84,264 | 14,33,42,67,366.50 |
| | | 25,000 | | 37.30 | | 83,21,09,264 | 83,21,09,264 | 14,33,51,74,866.50 |
| | | 1,000 | | 37.80 | | 83,21,10,264 | 83,21,10,264 | 14,33,52,11,666.50 |
| | | 52,500 | | 41.40 | | 83,21,62,764 | 83,21,62,764 | 14,33,73,32,666.50 |
| | | 20,000 | | 46.89 | | 83,21,82,764 | 83,21,82,764 | 14,33,82,50,466.50 |
| | | 18,750 | | 48.56 | | 83,22,01,514 | 83,22,01,514 | 14,33,91,42,216.50 |
| | | 11,500 | | 57.10 | | 83,22,13,014 | 83,22,13,014 | 14,33,97,87,366.50 |
| March 2017 | Allotment pursuant to ESOP scheme | 59,125 | 1 | 28.85 | Cash | 83,22,72,139 | 83,22,72,139 | 14,34,14,33,997.75 |
| | | 58,625 | | 30.00 | | 83,23,30,764 | 83,23,30,764 | 14,34,31,34,122.75 |
| | | 45,225 | | 30.45 | | 83,23,75,989 | 83,23,75,989 | 14,34,44,65,999.00 |
| | | 1,000 | | 30.60 | | 83,23,76,989 | 83,23,76,989 | 14,34,44,95,599.00 |
| | | 10,500 | | 34.05 | | 83,23,87,489 | 83,23,87,489 | 14,34,48,42,624.00 |
| | | 42,475 | | 34.60 | | 83,24,29,964 | 83,24,29,964 | 14,34,62,69,784.00 |
| | | 17,500 | | 37.30 | | 83,24,47,464 | 83,24,47,464 | 14,34,69,05,034.00 |
| | | 8,500 | | 37.80 | | 83,24,55,964 | 83,24,55,964 | 14,34,72,17,834.00 |
| | | 86,250 | | 48.56 | | 83,25,42,214 | 83,25,42,214 | 14,35,13,19,884.00 |
| | | 26,875 | | 57.10 | | 83,25,69,089 | 83,25,69,089 | 14,35,28,27,571.50 |
| April 18, 2017 | Allotment pursuant to ESOP scheme | 96,750 | 1 | 28.85 | Cash | 83,26,65,839 | 83,26,65,839 | 14,35,55,22,059.00 |
| | | 102,875 | | 30.00 | | 83,27,68,714 | 83,27,68,714 | 14,35,85,05,434.00 |
| | | 339,800 | | 30.45 | | 83,31,08,514 | 83,31,08,514 | 14,36,85,12,544.00 |
| | | 37,500 | | 30.60 | | 83,31,46,014 | 83,31,46,014 | 14,36,96,22,544.00 |
| | | 235,500 | | 34.60 | | 83,33,81,514 | 83,33,81,514 | 14,37,75,35,344.00 |
| | | 20,000 | | 37.30 | | 83,34,01,514 | 83,34,01,514 | 14,37,82,61,344.00 |
| | | 74,050 | | 37.80 | | 83,34,75,564 | 83,34,75,564 | 14,38,09,86,384.00 |
| | | 147,500 | | 48.56 | | 83,36,23,064 | 83,36,23,064 | 14,38,80,01,484.00 |
| | | 12,500 | | 55.10 | | 83,36,35,564 | 83,36,35,564 | 14,38,86,77,734.00 |
| | | 35,375 | | 57.10 | | 83,36,70,939 | 83,36,70,939 | 14,39,06,62,271.50 |
| | | 6,250 | | 59.00 | | 83,36,77,189 | 83,36,77,189 | 14,39,10,24,771.50 |
| | | 25,000 | | 65.15 | | 83,37,02,189 | 83,37,02,189 | 14,39,26,28,521.50 |
| May 16, 2017 | Allotment pursuant to ESOP scheme | 195,875 | 1 | 28.85 | Cash | 83,38,98,064 | 83,38,98,064 | 14,39,80,83,640.25 |
| | | 447,500 | | 30.00 | | 83,43,45,564 | 83,43,45,564 | 14,41,10,61,140.25 |
| | | 500,325 | | 30.45 | | 83,48,45,889 | 83,48,45,889 | 14,42,57,95,711.50 |
| | | 25,000 | | 33.80 | | 83,48,70,889 | 83,48,70,889 | 14,42,66,15,711.50 |
| | | 308,025 | | 34.60 | | 83,51,78,914 | 83,51,78,914 | 14,43,69,65,351.50 |
| | | 27,500 | | 37.30 | | 83,52,06,414 | 83,52,06,414 | 14,43,79,63,601.50 |
| | | 84,625 | | 37.80 | | 83,52,91,039 | 83,52,91,039 | 14,44,10,77,801.50 |
| | | 50,000 | | 48.10 | | 83,53,41,039 | 83,53,41,039 | 14,44,34,32,801.50 |
| | | 86,750 | | 48.56 | | 83,54,27,789 | 83,54,27,789 | 14,44,75,58,631.50 |
| | | 63,125 | | 57.10 | | 83,54,90,914 | 83,54,90,914 | 14,45,10,99,944.00 |
| | | 5,400 | | 70.05 | | 83,54,96,314 | 83,54,96,314 | 14,45,14,72,814.00 |
| June 16, 2017 | Allotment pursuant to | 1,407,586 | 1 | 28.85 | Cash | 83,69,03,900 | 83,69,03,900 | 14,49,06,74,084.10 |
| | | 2,171,125 | | 30.00 | | 83,90,75,025 | 83,90,75,025 | 14,55,36,36,709.10 |
| | | 18,750 | | 30.05 | | 83,90,93,775 | 83,90,93,775 | 14,55,41,81,396.60 |

| Date of allotment | Nature of allotment | Number of Equity Shares allotted | Face value (₹) | Issue price per Equity Share (₹) | Consideration | Cumulative No. of Shares | Cumulative Equity Share Capital (₹) | Cumulative Equity Share Premium (in |
|--------------------|-----------------------------------|----------------------------------|----------------|----------------------------------|---------------|--------------------------|-------------------------------------|-------------------------------------|
| | ESOP scheme | 1,656,650 | | 30.45 | | 84,07,50,425 | 84,07,50,425 | 14,60,29,69,739.10 |
| | | 1,500 | | 30.60 | | 84,07,51,925 | 84,07,51,925 | 14,60,30,14,139.10 |
| | | 37,500 | | 33.80 | | 84,07,89,425 | 84,07,89,425 | 14,60,42,44,139.10 |
| | | 1,705,350 | | 34.60 | | 84,24,94,775 | 84,24,94,775 | 14,66,15,43,899.10 |
| | | 20,000 | | 37.30 | | 84,25,14,775 | 84,25,14,775 | 14,66,22,69,899.10 |
| | | 1,222,375 | | 37.80 | | 84,37,37,150 | 84,37,37,150 | 14,70,72,53,299.10 |
| | | 25,000 | | 48.55 | | 84,37,62,150 | 84,37,62,150 | 14,70,84,42,049.10 |
| | | 443,750 | | 48.56 | | 84,42,05,900 | 84,42,05,900 | 14,72,95,46,799.10 |
| | | 50,000 | | 53.95 | | 84,42,55,900 | 84,42,55,900 | 14,73,21,94,299.10 |
| | | 484,663 | | 57.10 | | 84,47,40,563 | 84,47,40,563 | 14,75,93,83,893.40 |
| | | 1,250 | | 59.00 | | 84,47,41,813 | 84,47,41,813 | 14,75,94,56,393.40 |
| | | 146,625 | | 59.05 | | 84,48,88,438 | 84,48,88,438 | 14,76,79,67,974.65 |
| | | 33,050 | | 70.05 | | 84,49,21,488 | 84,49,21,488 | 14,77,02,50,077.15 |
| June 28, 2017 | Allotment pursuant to ESOP scheme | 950,000 | 1 | 28.85 | Cash | 84,58,71,488 | 84,58,71,488 | 14,79,67,07,577.15 |
| | | 1,301,250 | | 30.00 | | 84,71,72,738 | 84,71,72,738 | 14,83,44,43,827.15 |
| | | 1,429,050 | | 30.45 | | 84,86,01,788 | 84,86,01,788 | 14,87,65,29,349.65 |
| | | 1,165,475 | | 34.60 | | 84,97,67,263 | 84,97,67,263 | 14,91,56,89,309.65 |
| | | 640,000 | | 37.80 | | 85,04,07,263 | 85,04,07,263 | 14,93,92,41,309.65 |
| | | 737,500 | | 48.56 | | 85,11,44,763 | 85,11,44,763 | 14,97,43,16,809.65 |
| | | 195,000 | | 57.10 | | 85,13,39,763 | 85,13,39,763 | 14,98,52,56,309.65 |
| | | 50,000 | | 59.05 | | 85,13,89,763 | 85,13,89,763 | 14,98,81,58,809.65 |
| July 13, 2017 | Allotment pursuant to ESOP scheme | 106,250 | 1 | 28.85 | Cash | 85,14,96,013 | 85,14,96,013 | 14,99,11,17,872.15 |
| | | 291,250 | | 30.00 | | 85,17,87,263 | 85,17,87,263 | 14,99,95,64,122.15 |
| | | 25,000 | | 30.30 | | 85,18,12,263 | 85,18,12,263 | 15,00,02,96,622.15 |
| | | 302,850 | | 30.45 | | 85,21,15,113 | 85,21,15,113 | 15,00,92,15,554.65 |
| | | 16,800 | | 30.60 | | 85,21,31,913 | 85,21,31,913 | 15,00,97,12,834.65 |
| | | 60,000 | | 34.05 | | 85,21,91,913 | 85,21,91,913 | 15,01,16,95,834.65 |
| | | 220,100 | | 34.60 | | 85,24,12,013 | 85,24,12,013 | 15,01,90,91,194.65 |
| | | 5,000 | | 37.30 | | 85,24,17,013 | 85,24,17,013 | 15,01,92,72,694.65 |
| | | 56,250 | | 37.80 | | 85,24,73,263 | 85,24,73,263 | 15,02,13,42,694.65 |
| | | 264,000 | | 48.56 | | 85,27,37,263 | 85,27,37,263 | 15,03,38,98,534.65 |
| | | 12,500 | | 51.60 | | 85,27,49,763 | 85,27,49,763 | 15,03,45,31,034.65 |
| | | 50,000 | | 53.95 | | 85,27,99,763 | 85,27,99,763 | 15,03,71,78,534.65 |
| | | 189,888 | | 57.10 | | 85,29,89,651 | 85,29,89,651 | 15,04,78,31,251.45 |
| | | 39,750 | | 59.05 | | 85,30,29,401 | 85,30,29,401 | 15,05,01,38,738.95 |
| | | 12,500 | | 64.70 | | 85,30,41,901 | 85,30,41,901 | 15,05,09,34,988.95 |
| | | 12,500 | | 70.05 | | 85,30,54,401 | 85,30,54,401 | 15,05,17,98,113.95 |
| August 18, 2017 | Allotment pursuant to ESOP scheme | 24,000 | 1 | 28.85 | Cash | 85,30,78,401 | 85,30,78,401 | 15,05,24,66,513.95 |
| | | 75,000 | | 29.90 | | 85,31,53,401 | 85,31,53,401 | 15,05,46,34,013.95 |
| | | 72,450 | | 30.00 | | 85,32,25,851 | 85,32,25,851 | 15,05,67,35,063.95 |
| | | 6,250 | | 30.05 | | 85,32,32,101 | 85,32,32,101 | 15,05,69,16,626.45 |
| | | 84,575 | | 30.45 | | 85,33,16,676 | 85,33,16,676 | 15,05,94,07,360.20 |
| | | 4,250 | | 30.60 | | 85,33,20,926 | 85,33,20,926 | 15,05,95,33,160.20 |
| | | 31,650 | | 34.60 | | 85,33,52,576 | 85,33,52,576 | 15,06,05,96,600.20 |
| | | 5,000 | | 37.30 | | 85,33,57,576 | 85,33,57,576 | 15,06,07,78,100.20 |
| | | 12,500 | | 48.55 | | 85,33,70,076 | 85,33,70,076 | 15,06,13,72,475.20 |
| | | 768,125 | | 48.56 | | 85,41,38,201 | 85,41,38,201 | 15,09,79,04,500.20 |
| | | 25,000 | | 53.95 | | 85,41,63,201 | 85,41,63,201 | 15,09,92,28,250.20 |
| | | 2,500 | | 55.10 | | 85,41,65,701 | 85,41,65,701 | 15,09,93,63,500.20 |
| | | 37,688 | | 57.10 | | 85,42,03,389 | 85,42,03,389 | 15,10,14,77,797.00 |
| | | 9,125 | | 59.05 | | 85,42,12,514 | 85,42,12,514 | 15,10,20,07,503.25 |
| | | 48,750 | | 65.15 | | 85,42,61,264 | 85,42,61,264 | 15,10,51,34,815.75 |
| | | 8,000 | | 70.05 | | 85,42,69,264 | 85,42,69,264 | 15,10,56,87,215.75 |
| September 18, 2017 | Allotment pursuant to ESOP scheme | 46,300 | 1 | 28.85 | Cash | 85,43,15,564 | 85,43,15,564 | 15,10,69,76,670.75 |
| | | 133,325 | | 30.00 | | 85,44,48,889 | 85,44,48,889 | 15,11,08,43,095.75 |
| | | 18,750 | | 30.05 | | 85,44,67,639 | 85,44,67,639 | 15,11,13,87,783.25 |
| | | 121,875 | | 30.45 | | 85,45,89,514 | 85,45,89,514 | 15,11,49,77,002.00 |
| | | 121,250 | | 34.60 | | 85,47,10,764 | 85,47,10,764 | 15,11,90,51,002.00 |
| | | 8,000 | | 37.30 | | 85,47,18,764 | 85,47,18,764 | 15,11,93,41,402.00 |
| | | 51,250 | | 48.10 | | 85,47,70,014 | 85,47,70,014 | 15,12,17,55,277.00 |

| Date of allotment | Nature of allotment | Number of Equity Shares allotted | Face value (₹) | Issue price per Equity Share (₹) | Consideration | Cumulative No. of Shares | Cumulative Equity Share Capital (₹) | Cumulative Equity Share Premium (in |
|-------------------|-----------------------------------|----------------------------------|----------------|----------------------------------|---------------|--------------------------|-------------------------------------|-------------------------------------|
| | | 81,000 | | 48.56 | | 85,48,51,014 | 85,48,51,014 | 15,12,56,07,637.00 |
| | | 27,500 | | 55.10 | | 85,48,78,514 | 85,48,78,514 | 15,12,70,95,387.00 |
| | | 132,000 | | 57.10 | | 85,50,10,514 | 85,50,10,514 | 15,13,45,00,587.00 |
| | | 35,125 | | 59.05 | | 85,50,45,639 | 85,50,45,639 | 15,13,65,39,593.25 |
| | | 37,500 | | 64.70 | | 85,50,83,139 | 85,50,83,139 | 15,13,89,28,343.25 |
| | | 11,250 | | 108.30 | | 85,50,94,389 | 85,50,94,389 | 15,14,01,35,468.25 |
| | | 6,250 | | 112.05 | | 85,51,00,639 | 85,51,00,639 | 15,14,08,29,530.75 |
| October 18, 2017 | Allotment pursuant to ESOP scheme | 45,000 | 1 | 27.35 | Cash | 85,51,45,639 | 85,51,45,639 | 15,14,20,15,280.75 |
| | | 46,625 | | 28.85 | | 85,51,92,264 | 85,51,92,264 | 15,14,33,13,787.00 |
| | | 142,775 | | 30.00 | | 85,53,35,039 | 85,53,35,039 | 15,14,74,54,262.00 |
| | | 277,375 | | 30.45 | | 85,56,12,414 | 85,56,12,414 | 15,15,56,22,955.75 |
| | | 9,650 | | 30.60 | | 85,56,22,064 | 85,56,22,064 | 15,15,59,08,595.75 |
| | | 186,750 | | 34.60 | | 85,58,08,814 | 85,58,08,814 | 15,16,21,83,395.75 |
| | | 10,000 | | 37.30 | | 85,58,18,814 | 85,58,18,814 | 15,16,25,46,395.75 |
| | | 35,125 | | 48.56 | | 85,58,53,939 | 85,58,53,939 | 15,16,42,16,940.75 |
| | | 6,250 | | 55.10 | | 85,58,60,189 | 85,58,60,189 | 15,16,45,55,065.75 |
| | | 145,275 | | 57.10 | | 85,60,05,464 | 85,60,05,464 | 15,17,27,04,993.25 |
| | | 103,125 | | 59.05 | | 85,61,08,589 | 85,61,08,589 | 15,17,86,91,399.50 |
| | | 25,000 | | 61.00 | | 85,61,33,589 | 85,61,33,589 | 15,18,01,91,399.50 |
| | | 6,250 | | 64.70 | | 85,61,39,839 | 85,61,39,839 | 15,18,05,89,524.50 |
| | | 2,500 | | 108.30 | | 85,61,42,339 | 85,61,42,339 | 15,18,08,57,774.50 |
| November 23, 2017 | QIP | 5,45,62,488 | 1 | 280.00 | Cash | 91,07,04,827 | 91,07,04,827 | 30,40,37,91,926.50 |
| November 29, 2017 | Allotment pursuant to ESOP scheme | 18,750 | 1 | 24.60 | Cash | 91,07,23,577 | 91,07,23,577 | 30,40,42,34,426.50 |
| | | 57,500 | | 28.85 | | 91,07,81,077 | 91,07,81,077 | 30,40,58,35,801.50 |
| | | 11,225 | | 30.00 | | 91,07,92,302 | 91,07,92,302 | 30,40,61,61,326.50 |
| | | 1,62,925 | | 30.45 | | 91,09,55,227 | 91,09,55,227 | 30,41,09,59,467.75 |
| | | 75,625 | | 30.60 | | 91,10,30,852 | 91,10,30,852 | 30,41,31,97,967.75 |
| | | 18,425 | | 34.60 | | 91,10,49,277 | 91,10,49,277 | 30,41,38,17,047.75 |
| | | 5,000 | | 37.30 | | 91,10,54,277 | 91,10,54,277 | 30,41,39,98,547.75 |
| | | 17,500 | | 41.40 | | 91,10,71,777 | 91,10,71,777 | 30,41,47,05,547.75 |
| | | 37,500 | | 48.10 | | 91,11,09,277 | 91,11,09,277 | 30,41,64,71,797.75 |
| | | 2,375 | | 48.56 | | 91,11,11,652 | 91,11,11,652 | 30,41,65,84,752.75 |
| | | 5,000 | | 55.10 | | 91,11,16,652 | 91,11,16,652 | 30,41,68,55,252.75 |
| | | 32,890 | | 57.10 | | 91,11,49,542 | 91,11,49,542 | 30,41,87,00,381.75 |
| | | 7,750 | | 59.05 | | 91,11,57,292 | 91,11,57,292 | 30,41,91,50,269.25 |
| | | 1,25,000 | | 61.00 | | 91,12,82,292 | 91,12,82,292 | 30,42,66,50,269.25 |
| | | 4,000 | | 70.05 | | 91,12,86,292 | 91,12,86,292 | 30,42,69,26,469.25 |
| | | 1,250 | | 108.30 | | 91,12,87,542 | 91,12,87,542 | 30,42,70,60,594.25 |
| December 18, 2017 | Allotment pursuant to ESOP scheme | 3,550 | 1 | 30.00 | Cash | 91,12,91,092 | 91,12,91,092 | 30,42,71,63,544.25 |
| | | 18,085 | | 30.45 | | 91,13,09,177 | 91,13,09,177 | 30,42,76,96,147.50 |
| | | 2,050 | | 30.60 | | 91,13,11,227 | 91,13,11,227 | 30,42,77,56,827.50 |
| | | 41,725 | | 34.60 | | 91,13,52,952 | 91,13,52,952 | 30,42,91,58,787.50 |
| | | 10,000 | | 37.30 | | 91,13,62,952 | 91,13,62,952 | 30,42,95,21,787.50 |
| | | 4,500 | | 48.56 | | 91,13,67,452 | 91,13,67,452 | 30,42,97,35,807.50 |
| | | 22,250 | | 57.10 | | 91,13,89,702 | 91,13,89,702 | 30,43,09,84,032.50 |
| | | 7,000 | | 59.05 | | 91,13,96,702 | 91,13,96,702 | 30,43,13,90,382.50 |
| | | 3,000 | | 65.15 | | 91,13,99,702 | 91,13,99,702 | 30,43,15,82,832.50 |
| | | 20,000 | | 70.05 | | 91,14,19,702 | 91,14,19,702 | 30,43,29,63,832.50 |
| January 16, 2018 | Allotment pursuant to ESOP scheme | 40,750 | 1 | 28.85 | Cash | 91,14,60,452 | 91,14,60,452 | 30,43,40,98,720.00 |
| | | 34,550 | | 30.00 | | 91,14,95,002 | 91,14,95,002 | 30,43,51,00,670.00 |
| | | 23,500 | | 30.45 | | 91,15,18,502 | 91,15,18,502 | 30,43,57,92,745.00 |
| | | 2,500 | | 30.60 | | 91,15,21,002 | 91,15,21,002 | 30,43,58,66,745.00 |
| | | 50,800 | | 34.60 | | 91,15,71,802 | 91,15,71,802 | 30,43,75,73,625.00 |
| | | 17,500 | | 37.30 | | 91,15,89,302 | 91,15,89,302 | 30,43,82,08,875.00 |
| | | 30,000 | | 48.10 | | 91,16,19,302 | 91,16,19,302 | 30,43,96,21,875.00 |
| | | 11,875 | | 48.56 | | 91,16,31,177 | 91,16,31,177 | 30,44,01,86,650.00 |
| | | 36,425 | | 57.10 | | 91,16,67,602 | 91,16,67,602 | 30,44,22,30,092.50 |
| | | 9,375 | | 59.05 | | 91,16,76,977 | 91,16,76,977 | 30,44,27,74,311.25 |
| | | 5,500 | | 65.15 | | 91,16,82,477 | 91,16,82,477 | 30,44,31,27,136.25 |

| Date of allotment | Nature of allotment | Number of Equity Shares allotted | Face value (₹) | Issue price per Equity Share (₹) | Consideration | Cumulative No. of Shares | Cumulative Equity Share Capital (₹) | Cumulative Equity Share Premium (in |
|-------------------|-----------------------------------|----------------------------------|----------------|----------------------------------|---------------|--------------------------|-------------------------------------|-------------------------------------|
| February 16, 2018 | Allotment pursuant to ESOP scheme | 11,250 | 1 | 70.05 | Cash | 91,16,93,727 | 91,16,93,727 | 30,44,39,03,948.75 |
| | | 2,69,400 | | 28.85 | | 91,19,63,127 | 91,19,63,127 | 30,45,14,06,738.75 |
| | | 5,90,550 | | 30.00 | | 91,25,53,677 | 91,25,53,677 | 30,46,85,32,688.75 |
| | | 3,62,450 | | 30.45 | | 91,29,16,127 | 91,29,16,127 | 30,47,92,06,841.25 |
| | | 2,500 | | 34.05 | | 91,29,18,627 | 91,29,18,627 | 30,47,92,89,466.25 |
| | | 3,94,375 | | 34.60 | | 91,33,13,002 | 91,33,13,002 | 30,49,25,40,466.25 |
| | | 24,500 | | 37.30 | | 91,33,37,502 | 91,33,37,502 | 30,49,34,29,816.25 |
| | | 37,500 | | 41.40 | | 91,33,75,002 | 91,33,75,002 | 30,49,49,44,816.25 |
| | | 42,500 | | 48.10 | | 91,34,17,502 | 91,34,17,502 | 30,49,69,46,566.25 |
| | | 71,000 | | 48.56 | | 91,34,88,502 | 91,34,88,502 | 30,50,03,23,326.25 |
| | | 99,600 | | 57.10 | | 91,35,88,102 | 91,35,88,102 | 30,50,59,10,886.25 |
| | | 47,500 | | 59.05 | | 91,36,35,602 | 91,36,35,602 | 30,50,86,68,261.25 |
| | | 16,500 | | 65.15 | | 91,36,52,102 | 91,36,52,102 | 30,50,97,26,736.25 |
| March 20, 2018 | Allotment pursuant to ESOP scheme | 3,10,950 | 1 | 28.85 | Cash | 91,39,63,052 | 91,39,63,052 | 30,51,83,86,693.75 |
| | | 3,36,650 | | 30.00 | | 91,42,99,702 | 91,42,99,702 | 30,52,81,49,543.75 |
| | | 6,40,550 | | 30.45 | | 91,49,40,252 | 91,49,40,252 | 30,54,70,13,741.25 |
| | | 7,500 | | 30.60 | | 91,49,47,752 | 91,49,47,752 | 30,54,72,35,741.25 |
| | | 1,04,150 | | 34.60 | | 91,50,51,902 | 91,50,51,902 | 30,55,07,35,181.25 |
| | | 12,500 | | 37.30 | | 91,50,64,402 | 91,50,64,402 | 30,55,11,88,931.25 |
| | | 32,500 | | 48.10 | | 91,50,96,902 | 91,50,96,902 | 30,55,27,19,681.25 |
| | | 15,000 | | 48.56 | | 91,51,11,902 | 91,51,11,902 | 30,55,34,33,081.25 |
| | | 5,000 | | 55.10 | | 91,51,16,902 | 91,51,16,902 | 30,55,37,03,581.25 |
| | | 2,68,150 | | 57.10 | | 91,53,85,052 | 91,53,85,052 | 30,56,87,46,796.25 |
| | | 25,125 | | 59.05 | | 91,54,10,177 | 91,54,10,177 | 30,57,02,05,302.50 |
| | | 42,500 | | 70.05 | | 91,54,52,677 | 91,54,52,677 | 30,57,31,39,927.50 |
| | | 10,000 | | 108.30 | | 91,54,62,677 | 91,54,62,677 | 30,57,42,12,927.50 |
| | | 11,250 | | 112.05 | | 91,54,73,927 | 91,54,73,927 | 30,57,54,62,240.00 |
| | | 25,000 | | 118.00 | | 91,54,98,927 | 91,54,98,927 | 30,57,83,87,240.00 |
| | | | | | | | | |
| April 13, 2018 | Allotment pursuant to ESOP scheme | 46,500 | 1 | 28.85 | Cash | 91,55,45,427 | 91,55,45,427 | 30,57,96,82,265.00 |
| | | 70,750 | | 30.00 | | 91,56,16,177 | 91,56,16,177 | 30,58,17,34,015.00 |
| | | 92,700 | | 30.45 | | 91,57,08,877 | 91,57,08,877 | 30,58,44,64,030.00 |
| | | 62,500 | | 34.05 | | 91,57,71,377 | 91,57,71,377 | 30,58,65,29,655.00 |
| | | 97,350 | | 34.60 | | 91,58,68,727 | 91,58,68,727 | 30,58,98,00,615.00 |
| | | 10,000 | | 37.30 | | 91,58,78,727 | 91,58,78,727 | 30,59,01,63,615.00 |
| | | 6,250 | | 48.56 | | 91,58,84,977 | 91,58,84,977 | 30,59,04,60,865.00 |
| | | 5,000 | | 55.10 | | 91,58,89,977 | 91,58,89,977 | 30,59,07,31,365.00 |
| | | 82,265 | | 57.10 | | 91,59,72,242 | 91,59,72,242 | 30,59,53,46,431.50 |
| | | 6,250 | | 59.00 | | 91,59,78,492 | 91,59,78,492 | 30,59,57,08,931.50 |
| | | 5,625 | | 59.05 | | 91,59,84,117 | 91,59,84,117 | 30,59,60,35,462.75 |
| | | 17,500 | | 65.15 | | 91,60,01,617 | 91,60,01,617 | 30,59,71,58,087.75 |
| | | 79,000 | | 70.05 | | 91,60,80,617 | 91,60,80,617 | 30,60,26,13,037.75 |
| | | 2,500 | | 108.30 | | 91,60,83,117 | 91,60,83,117 | 30,60,28,81,287.75 |
| | | | | | | | | |
| May 21, 2018 | Allotment pursuant to ESOP scheme | 6,125 | 1 | 28.85 | Cash | 91,60,89,242 | 91,60,89,242 | 30,60,30,51,869.00 |
| | | 27,650 | | 30.00 | | 91,61,16,892 | 91,61,16,892 | 30,60,38,53,719.00 |
| | | 3,77,940 | | 30.45 | | 91,64,94,832 | 91,64,94,832 | 30,61,49,84,052.00 |
| | | 2,16,300 | | 34.60 | | 91,67,11,132 | 91,67,11,132 | 30,62,22,51,732.00 |
| | | 80,000 | | 48.56 | | 91,67,91,132 | 91,67,91,132 | 30,62,60,56,532.00 |
| | | 2,500 | | 55.10 | | 91,67,93,632 | 91,67,93,632 | 30,62,61,91,782.00 |
| | | 64,250 | | 57.10 | | 91,68,57,882 | 91,68,57,882 | 30,62,97,96,207.00 |
| | | 15,625 | | 59.05 | | 91,68,73,507 | 91,68,73,507 | 30,63,07,03,238.25 |
| | | 8,000 | | 65.15 | | 91,68,81,507 | 91,68,81,507 | 30,63,12,16,438.25 |
| | | | | | | | | |
| June 19, 2018 | Allotment pursuant to ESOP scheme | 4,94,750 | 1 | 28.85 | Cash | 91,73,76,257 | 91,73,76,257 | 30,64,49,95,225.75 |
| | | 9,63,500 | | 30.00 | | 91,83,39,757 | 91,83,39,757 | 30,67,29,36,725.75 |
| | | 19,73,950 | | 30.45 | | 92,03,13,707 | 92,03,13,707 | 30,73,10,69,553.25 |
| | | 3,750 | | 30.60 | | 92,03,17,457 | 92,03,17,457 | 30,73,11,80,553.25 |
| | | 16,81,495 | | 34.60 | | 92,19,98,952 | 92,19,98,952 | 30,78,76,78,785.25 |
| | | 4,62,500 | | 48.56 | | 92,24,61,452 | 92,24,61,452 | 30,80,96,75,285.25 |
| | | 7,70,975 | | 57.10 | | 92,32,32,427 | 92,32,32,427 | 30,85,29,26,982.75 |
| | | 3,02,500 | | 59.05 | | 92,35,34,927 | 92,35,34,927 | 30,87,04,87,107.75 |
| | | 77,275 | | 189.85 | | 92,36,12,202 | 92,36,12,202 | 30,88,50,80,491.50 |
| | | | | | | | | |

| Date of allotment | Nature of allotment | Number of Equity Shares allotted | Face value (₹) | Issue price per Equity Share (₹) | Consideration | Cumulative No. of Shares | Cumulative Equity Share Capital (₹) | Cumulative Equity Share Premium (in |
|--------------------|-----------------------------------|----------------------------------|----------------|----------------------------------|---------------|--------------------------|-------------------------------------|-------------------------------------|
| July 13, 2018 | Allotment pursuant to ESOP scheme | 7,66,439 | 1 | 28.85 | Cash | 92,43,78,641 | 92,43,78,641 | 30,90,64,25,817.65 |
| | | 9,87,275 | | 30.00 | | 92,53,65,916 | 92,53,65,916 | 30,93,50,56,792.65 |
| | | 10,85,650 | | 30.45 | | 92,64,51,566 | 92,64,51,566 | 30,96,70,29,185.15 |
| | | 11,26,200 | | 34.60 | | 92,75,77,766 | 92,75,77,766 | 31,00,48,69,505.15 |
| | | 30,000 | | 37.30 | | 92,76,07,766 | 92,76,07,766 | 31,00,59,58,505.15 |
| | | 12,500 | | 48.55 | | 92,76,20,266 | 92,76,20,266 | 31,00,65,52,880.15 |
| | | 2,47,125 | | 48.56 | | 92,78,67,391 | 92,78,67,391 | 31,01,83,06,145.15 |
| | | 75,000 | | 53.95 | | 92,79,42,391 | 92,79,42,391 | 31,02,22,77,395.15 |
| | | 8,51,921 | | 57.10 | | 92,87,94,312 | 92,87,94,312 | 31,07,00,70,163.25 |
| | | 1,61,000 | | 59.05 | | 92,89,55,312 | 92,89,55,312 | 31,07,94,16,213.25 |
| | | 1,25,000 | | 61.00 | | 92,90,80,312 | 92,90,80,312 | 31,08,69,16,213.25 |
| | | 7,500 | | 65.15 | | 92,90,87,812 | 92,90,87,812 | 31,08,73,97,338.25 |
| | | 31,250 | | 70.05 | | 92,91,19,062 | 92,91,19,062 | 31,08,95,55,150.75 |
| | | 2,500 | | 108.30 | | 92,91,21,562 | 92,91,21,562 | 31,08,98,23,400.75 |
| | | 53,250 | | 189.85 | | 92,91,74,812 | 92,91,74,812 | 31,09,98,79,663.25 |
| August 17, 2018 | Allotment pursuant to ESOP scheme | 37,500 | 1 | 29.90 | Cash | 92,92,12,312 | 92,92,12,312 | 31,10,09,63,413.25 |
| | | 25,250 | | 30.00 | | 92,92,37,562 | 92,92,37,562 | 31,10,16,95,663.25 |
| | | 6,250 | | 30.05 | | 92,92,43,812 | 92,92,43,812 | 31,10,18,77,225.75 |
| | | 83,000 | | 30.45 | | 92,93,26,812 | 92,93,26,812 | 31,10,43,21,575.75 |
| | | 1,15,275 | | 34.60 | | 92,94,42,087 | 92,94,42,087 | 31,10,81,94,815.75 |
| | | 12,500 | | 37.30 | | 92,94,54,587 | 92,94,54,587 | 31,10,86,48,565.75 |
| | | 37,500 | | 48.10 | | 92,94,92,087 | 92,94,92,087 | 31,11,04,14,815.75 |
| | | 12,500 | | 48.55 | | 92,95,04,587 | 92,95,04,587 | 31,11,10,09,190.75 |
| | | 4,80,725 | | 48.56 | | 92,99,85,312 | 92,99,85,312 | 31,13,38,72,471.75 |
| | | 10,000 | | 55.10 | | 92,99,95,312 | 92,99,95,312 | 31,13,44,13,471.75 |
| | | 58,950 | | 57.10 | | 93,00,54,262 | 93,00,54,262 | 31,13,77,20,566.75 |
| | | 1,250 | | 59.00 | | 93,00,55,512 | 93,00,55,512 | 31,13,77,93,066.75 |
| | | 20,875 | | 59.05 | | 93,00,76,387 | 93,00,76,387 | 31,13,90,04,860.50 |
| | | 42,500 | | 65.15 | | 93,01,18,887 | 93,01,18,887 | 31,14,17,31,235.50 |
| | | 9,175 | | 189.85 | | 93,01,28,062 | 93,01,28,062 | 31,14,34,63,934.25 |
| September 14, 2018 | Allotment pursuant to ESOP scheme | 62,950 | 1 | 30.00 | Cash | 93,01,91,012 | 93,01,91,012 | 31,14,52,89,484.25 |
| | | 88,635 | | 30.45 | | 93,02,79,647 | 93,02,79,647 | 31,14,78,99,785.00 |
| | | 5,625 | | 30.60 | | 93,02,85,272 | 93,02,85,272 | 31,14,80,66,285.00 |
| | | 93,775 | | 34.60 | | 93,03,79,047 | 93,03,79,047 | 31,15,12,17,125.00 |
| | | 17,500 | | 37.30 | | 93,03,96,547 | 93,03,96,547 | 31,15,18,52,375.00 |
| | | 5,000 | | 48.10 | | 93,04,01,547 | 93,04,01,547 | 31,15,20,87,875.00 |
| | | 28,750 | | 55.10 | | 93,04,30,297 | 93,04,30,297 | 31,15,36,43,250.00 |
| | | 69,250 | | 57.10 | | 93,04,99,547 | 93,04,99,547 | 31,15,75,28,175.00 |
| | | 37,500 | | 59.00 | | 93,05,37,047 | 93,05,37,047 | 31,15,97,03,175.00 |
| | | 44,375 | | 59.05 | | 93,05,81,422 | 93,05,81,422 | 31,16,22,79,143.75 |
| | | 43,750 | | 64.70 | | 93,06,25,172 | 93,06,25,172 | 31,16,50,66,018.75 |
| | | 6,250 | | 65.15 | | 93,06,31,422 | 93,06,31,422 | 31,16,54,66,956.25 |
| | | 11,250 | | 112.05 | | 93,06,42,672 | 93,06,42,672 | 31,16,67,16,268.75 |
| | | 13,250 | | 189.85 | | 93,06,55,922 | 93,06,55,922 | 31,16,92,18,531.25 |
| October 22, 2018 | Allotment pursuant to ESOP scheme | 12,000 | 1 | 30.00 | Cash | 93,06,67,922 | 93,06,67,922 | 31,16,95,66,531.25 |
| | | 1,12,325 | | 30.45 | | 93,07,80,247 | 93,07,80,247 | 31,17,28,74,502.50 |
| | | 1,000 | | 30.60 | | 93,07,81,247 | 93,07,81,247 | 31,17,29,04,102.50 |
| | | 29,920 | | 34.60 | | 93,08,11,167 | 93,08,11,167 | 31,17,39,09,414.50 |
| | | 30,000 | | 37.30 | | 93,08,41,167 | 93,08,41,167 | 31,17,49,98,414.50 |
| | | 17,500 | | 41.40 | | 93,08,58,667 | 93,08,58,667 | 31,17,57,05,414.50 |
| | | 13,000 | | 48.10 | | 93,08,71,667 | 93,08,71,667 | 31,17,63,17,714.50 |
| | | 12,500 | | 51.60 | | 93,08,84,167 | 93,08,84,167 | 31,17,69,50,214.50 |
| | | 7,500 | | 55.10 | | 93,08,91,667 | 93,08,91,667 | 31,17,73,55,964.50 |
| | | 46,097 | | 57.10 | | 93,09,37,764 | 93,09,37,764 | 31,17,99,42,006.20 |
| | | 20,250 | | 59.05 | | 93,09,58,014 | 93,09,58,014 | 31,18,11,17,518.70 |
| | | 18,500 | | 65.15 | | 93,09,76,514 | 93,09,76,514 | 31,18,23,04,293.70 |
| | | 10,000 | | 70.05 | | 93,09,86,514 | 93,09,86,514 | 31,18,29,94,793.70 |
| | | 12,250 | | 108.30 | | 93,09,98,764 | 93,09,98,764 | 31,18,43,09,218.70 |
| | | 18,750 | | 112.05 | | 93,10,17,514 | 93,10,17,514 | 31,18,63,91,406.20 |

| Date of allotment | Nature of allotment | Number of Equity Shares allotted | Face value (₹) | Issue price per Equity Share (₹) | Consideration | Cumulative No. of Shares | Cumulative Equity Share Capital (₹) | Cumulative Equity Share Premium (in |
|-------------------|-----------------------------------|----------------------------------|----------------|----------------------------------|---------------|--------------------------|-------------------------------------|-------------------------------------|
| | | 15,750 | | 189.85 | | 93,10,33,264 | 93,10,33,264 | 31,18,93,65,793.70 |
| November 19, 2018 | Allotment pursuant to ESOP scheme | 63,050 | 1 | 30.00 | Cash | 93,10,96,314 | 93,10,96,314 | 31,19,11,94,243.70 |
| | | 2,90,665 | | 30.45 | | 93,13,86,979 | 93,13,86,979 | 31,19,97,54,327.95 |
| | | 32,125 | | 30.60 | | 93,14,19,104 | 93,14,19,104 | 31,20,07,05,227.95 |
| | | 1,17,910 | | 34.60 | | 93,15,37,014 | 93,15,37,014 | 31,20,46,67,003.95 |
| | | 32,500 | | 37.30 | | 93,15,69,514 | 93,15,69,514 | 31,20,58,46,753.95 |
| | | 28,250 | | 48.10 | | 93,15,97,764 | 93,15,97,764 | 31,20,71,77,328.95 |
| | | 5,000 | | 55.10 | | 93,16,02,764 | 93,16,02,764 | 31,20,74,47,828.95 |
| | | 1,52,350 | | 57.10 | | 93,17,55,114 | 93,17,55,114 | 31,21,59,94,663.95 |
| | | 75,000 | | 59.00 | | 93,18,30,114 | 93,18,30,114 | 31,22,03,44,663.95 |
| | | 58,375 | | 59.05 | | 93,18,88,489 | 93,18,88,489 | 31,22,37,33,332.70 |
| | | 4,000 | | 65.15 | | 93,18,92,489 | 93,18,92,489 | 31,22,39,89,932.70 |
| | | 4,000 | | 108.30 | | 93,18,96,489 | 93,18,96,489 | 31,22,44,19,132.70 |
| | | 10,000 | | 189.85 | | 93,19,06,489 | 93,19,06,489 | 31,22,63,07,632.70 |
| December 11, 2018 | Allotment pursuant to ESOP scheme | 22,500 | 1 | 30.00 | Cash | 93,19,28,989 | 93,19,28,989 | 31,22,69,60,132.70 |
| | | 28,750 | | 30.45 | | 93,19,57,739 | 93,19,57,739 | 31,22,78,06,820.20 |
| | | 31,250 | | 34.60 | | 93,19,88,989 | 93,19,88,989 | 31,22,88,56,820.20 |
| January 14, 2019 | Allotment pursuant to ESOP scheme | 13,500 | 1 | 30.00 | Cash | 93,20,02,489 | 93,20,02,489 | 31,22,92,48,320.20 |
| | | 12,925 | | 30.45 | | 93,20,15,414 | 93,20,15,414 | 31,22,96,28,961.45 |
| | | 9,825 | | 34.60 | | 93,20,25,239 | 93,20,25,239 | 31,22,99,59,081.45 |
| | | 17,500 | | 37.30 | | 93,20,42,739 | 93,20,42,739 | 31,23,05,94,331.45 |
| | | 5,000 | | 48.10 | | 93,20,47,739 | 93,20,47,739 | 31,23,08,29,831.45 |
| | | 6,250 | | 57.10 | | 93,20,53,989 | 93,20,53,989 | 31,23,11,80,456.45 |
| February 15, 2019 | Allotment pursuant to ESOP scheme | 3,000 | 1 | 59.05 | Cash | 93,20,56,989 | 93,20,56,989 | 31,23,13,54,606.45 |
| | | 56,500 | | 30.00 | | 93,21,13,489 | 93,21,13,489 | 31,23,29,93,106.45 |
| | | 1,09,025 | | 30.45 | | 93,22,22,514 | 93,22,22,514 | 31,23,62,03,892.70 |
| | | 85,900 | | 34.60 | | 93,23,08,414 | 93,23,08,414 | 31,23,90,90,132.70 |
| | | 7,500 | | 37.30 | | 93,23,15,914 | 93,23,15,914 | 31,23,93,62,382.70 |
| | | 25,000 | | 41.40 | | 93,23,40,914 | 93,23,40,914 | 31,24,03,72,382.70 |
| | | 62,500 | | 51.60 | | 93,24,03,414 | 93,24,03,414 | 31,24,35,34,882.70 |
| | | 4,000 | | 57.10 | | 93,24,07,414 | 93,24,07,414 | 31,24,37,59,282.70 |
| | | 5,500 | | 59.05 | | 93,24,12,914 | 93,24,12,914 | 31,24,40,78,557.70 |
| | | 30,000 | | 70.05 | | 93,24,42,914 | 93,24,42,914 | 31,24,61,50,057.70 |
| March 19, 2019 | Allotment pursuant to ESOP scheme | 45,000 | 1 | 27.35 | Cash | 93,24,87,914 | 93,24,87,914 | 31,24,73,35,807.70 |
| | | 28,000 | | 30.00 | | 93,25,15,914 | 93,25,15,914 | 31,24,81,47,807.70 |
| | | 29,350 | | 30.45 | | 93,25,45,264 | 93,25,45,264 | 31,24,90,12,165.20 |
| | | 1,875 | | 30.60 | | 93,25,47,139 | 93,25,47,139 | 31,24,90,67,665.20 |
| | | 3,050 | | 34.60 | | 93,25,50,189 | 93,25,50,189 | 31,24,91,70,145.20 |
| | | 7,500 | | 37.30 | | 93,25,57,689 | 93,25,57,689 | 31,24,94,42,395.20 |
| | | 32,500 | | 48.10 | | 93,25,90,189 | 93,25,90,189 | 31,25,09,73,145.20 |
| | | 63,625 | | 57.10 | | 93,26,53,814 | 93,26,53,814 | 31,25,45,42,507.70 |
| | | 13,750 | | 59.05 | | 93,26,67,564 | 93,26,67,564 | 31,25,53,40,695.20 |
| | | 2,000 | | 65.15 | | 93,26,69,564 | 93,26,69,564 | 31,25,54,68,995.20 |
| April 9, 2019 | Allotment pursuant to ESOP scheme | 6,175 | 1 | 30.45 | Cash | 93,26,75,739 | 93,26,75,739 | 31,25,56,50,848.95 |
| | | 5,125 | | 34.60 | | 93,26,80,864 | 93,26,80,864 | 31,25,58,23,048.95 |
| | | 7,500 | | 37.30 | | 93,26,88,364 | 93,26,88,364 | 31,25,60,95,298.95 |
| | | 8,425 | | 57.10 | | 93,26,96,789 | 93,26,96,789 | 31,25,65,67,941.45 |
| | | 2,500 | | 59.05 | | 93,26,99,289 | 93,26,99,289 | 31,25,67,13,066.45 |
| | | 29,500 | | 65.15 | | 93,27,28,789 | 93,27,28,789 | 31,25,86,05,491.45 |
| | | 25,000 | | 118.00 | | 93,27,53,789 | 93,27,53,789 | 31,26,15,30,491.45 |
| May 14, 2019 | Allotment pursuant to ESOP scheme | 2,000 | 1 | 30.00 | Cash | 93,27,55,789 | 93,27,55,789 | 31,26,15,88,491.45 |
| | | 2,175 | | 30.45 | | 93,27,57,964 | 93,27,57,964 | 31,26,16,52,545.20 |
| | | 10,075 | | 34.60 | | 93,27,68,039 | 93,27,68,039 | 31,26,19,91,065.20 |
| | | 20,000 | | 37.30 | | 93,27,88,039 | 93,27,88,039 | 31,26,27,17,065.20 |
| | | 12,625 | | 57.10 | | 93,28,00,664 | 93,28,00,664 | 31,26,34,25,327.70 |
| | | 5,000 | | 59.05 | | 93,28,05,664 | 93,28,05,664 | 31,26,37,15,577.70 |
| June 18, 2019 | Allotment pursuant to | 10,550 | 1 | 30.00 | Cash | 93,28,16,214 | 93,28,16,214 | 31,26,40,21,527.70 |
| | | 19,300 | | 30.45 | | 93,28,35,514 | 93,28,35,514 | 31,26,45,89,912.70 |

| Date of allotment | Nature of allotment | Number of Equity Shares allotted | Face value (₹) | Issue price per Equity Share (₹) | Consideration | Cumulative No. of Shares | Cumulative Equity Share Capital (₹) | Cumulative Equity Share Premium (in |
|--------------------|-----------------------------------|----------------------------------|----------------|----------------------------------|---------------|--------------------------|-------------------------------------|-------------------------------------|
| | ESOP scheme | 21,450 | | 34.60 | | 93,28,56,964 | 93,28,56,964 | 31,26,53,10,632.70 |
| | | 12,500 | | 37.30 | | 93,28,69,464 | 93,28,69,464 | 31,26,57,64,382.70 |
| | | 1,22,100 | | 57.10 | | 93,29,91,564 | 93,29,91,564 | 31,27,26,14,192.70 |
| | | 44,500 | | 59.05 | | 93,30,36,064 | 93,30,36,064 | 31,27,51,97,417.70 |
| | | 1,000 | | 65.15 | | 93,30,37,064 | 93,30,37,064 | 31,27,52,61,567.70 |
| | | 27,500 | | 70.05 | | 93,30,64,564 | 93,30,64,564 | 31,27,71,60,442.70 |
| | | 1,175 | | 189.85 | | 93,30,65,739 | 93,30,65,739 | 31,27,73,82,341.45 |
| | | 300 | | 314.40 | | 93,30,66,039 | 93,30,66,039 | 31,27,74,76,361.45 |
| July 16, 2019 | Allotment pursuant to ESOP scheme | 2,950 | 1 | 30.00 | Cash | 93,30,68,989 | 93,30,68,989 | 31,27,75,61,911.45 |
| | | 3,850 | | 30.45 | | 93,30,72,839 | 93,30,72,839 | 31,27,76,75,293.95 |
| | | 2,150 | | 34.60 | | 93,30,74,989 | 93,30,74,989 | 31,27,77,47,533.95 |
| | | 2,500 | | 55.10 | | 93,30,77,489 | 93,30,77,489 | 31,27,78,82,783.95 |
| | | 1,18,375 | | 57.10 | | 93,31,95,864 | 93,31,95,864 | 31,28,45,23,621.45 |
| | | 47,500 | | 59.05 | | 93,32,43,364 | 93,32,43,364 | 31,28,72,80,996.45 |
| | | 18,750 | | 65.15 | | 93,32,62,114 | 93,32,62,114 | 31,28,84,83,808.95 |
| | | 10,000 | | 189.85 | | 93,32,72,114 | 93,32,72,114 | 31,29,03,72,308.95 |
| August 21, 2019 | Allotment pursuant to ESOP scheme | 55,000 | 1 | 30.00 | Cash | 93,33,27,114 | 93,33,27,114 | 31,29,19,67,308.95 |
| | | 37,550 | | 30.45 | | 93,33,64,664 | 93,33,64,664 | 31,29,30,73,156.45 |
| | | 9,875 | | 34.60 | | 93,33,74,539 | 93,33,74,539 | 31,29,34,04,956.45 |
| | | 10,000 | | 37.30 | | 93,33,84,539 | 93,33,84,539 | 31,29,37,67,956.45 |
| | | 45,125 | | 57.10 | | 93,34,29,664 | 93,34,29,664 | 31,29,62,99,468.95 |
| | | 27,625 | | 59.05 | | 93,34,57,289 | 93,34,57,289 | 31,29,79,03,100.20 |
| | | 9,500 | | 65.15 | | 93,34,66,789 | 93,34,66,789 | 31,29,85,12,525.20 |
| | | 18,250 | | 70.05 | | 93,34,85,039 | 93,34,85,039 | 31,29,97,72,687.70 |
| September 23, 2019 | Allotment pursuant to ESOP scheme | 2,500 | 1 | 30.00 | Cash | 93,34,87,539 | 93,34,87,539 | 31,29,98,45,187.70 |
| | | 1,17,475 | | 30.45 | | 93,36,05,014 | 93,36,05,014 | 31,30,33,04,826.45 |
| | | 2,500 | | 30.60 | | 93,36,07,514 | 93,36,07,514 | 31,30,33,78,826.45 |
| | | 64,950 | | 34.60 | | 93,36,72,464 | 93,36,72,464 | 31,30,55,61,146.45 |
| | | 15,000 | | 37.30 | | 93,36,87,464 | 93,36,87,464 | 31,30,61,05,646.45 |
| | | 72,875 | | 57.10 | | 93,37,60,339 | 93,37,60,339 | 31,31,01,93,933.95 |
| | | 24,375 | | 59.05 | | 93,37,84,714 | 93,37,84,714 | 31,31,16,08,902.70 |
| | | 8,000 | | 65.15 | | 93,37,92,714 | 93,37,92,714 | 31,31,21,22,102.70 |
| October 16, 2019 | Allotment pursuant to ESOP scheme | 3,900 | 1 | 30.45 | Cash | 93,37,96,614 | 93,37,96,614 | 31,31,22,36,957.70 |
| | | 15,000 | | 30.60 | | 93,38,11,614 | 93,38,11,614 | 31,31,26,80,957.70 |
| | | 1,475 | | 34.60 | | 93,38,13,089 | 93,38,13,089 | 31,31,27,30,517.70 |
| | | 7,500 | | 37.30 | | 93,38,20,589 | 93,38,20,589 | 31,31,30,02,767.70 |
| | | 3,750 | | 55.10 | | 93,38,24,339 | 93,38,24,339 | 31,31,32,05,642.70 |
| | | 17,338 | | 57.10 | | 93,38,41,677 | 93,38,41,677 | 31,31,41,78,304.50 |
| | | 1,625 | | 59.05 | | 93,38,43,302 | 93,38,43,302 | 31,31,42,72,635.75 |
| | | 5,000 | | 70.05 | | 93,38,48,302 | 93,38,48,302 | 31,31,46,17,885.75 |
| November 19, 2019 | Allotment pursuant to ESOP scheme | 19,500 | 1 | 30.00 | Cash | 93,38,67,802 | 93,38,67,802 | 31,31,51,83,385.75 |
| | | 32,500 | | 30.45 | | 93,39,00,302 | 93,39,00,302 | 31,31,61,40,510.75 |
| | | 16,875 | | 30.60 | | 93,39,17,177 | 93,39,17,177 | 31,31,66,40,010.75 |
| | | 31,575 | | 34.60 | | 93,39,48,752 | 93,39,48,752 | 31,31,77,00,930.75 |
| | | 10,000 | | 37.30 | | 93,39,58,752 | 93,39,58,752 | 31,31,80,63,930.75 |
| | | 6,250 | | 48.10 | | 93,39,65,002 | 93,39,65,002 | 31,31,83,58,305.75 |
| | | 5,000 | | 55.10 | | 93,39,70,002 | 93,39,70,002 | 31,31,86,28,805.75 |
| | | 48,375 | | 57.10 | | 93,40,18,377 | 93,40,18,377 | 31,32,13,42,643.25 |
| December 17, 2019 | Allotment pursuant to ESOP scheme | 22,250 | 1 | 59.05 | Cash | 93,40,40,627 | 93,40,40,627 | 31,32,26,34,255.75 |
| | | 25,000 | | 30.00 | | 93,40,65,627 | 93,40,65,627 | 31,32,33,59,255.75 |
| | | 44,925 | | 30.45 | | 93,41,10,552 | 93,41,10,552 | 31,32,46,82,297.00 |
| | | 23,600 | | 34.60 | | 93,41,34,152 | 93,41,34,152 | 31,32,54,75,257.00 |
| | | 5,000 | | 37.30 | | 93,41,39,152 | 93,41,39,152 | 31,32,56,56,757.00 |
| | | 2,500 | | 55.10 | | 93,41,41,652 | 93,41,41,652 | 31,32,57,92,007.00 |
| | | 45,250 | | 57.10 | | 93,41,86,902 | 93,41,86,902 | 31,32,83,30,532.00 |
| | | 10,250 | | 59.05 | | 93,41,97,152 | 93,41,97,152 | 31,32,89,25,544.50 |
| January 17, 2020 | Allotment pursuant to | 31,250 | 1 | 70.05 | Cash | 93,42,28,402 | 93,42,28,402 | 31,33,10,83,357.00 |
| | | 5,000 | | 30.45 | | 93,42,33,402 | 93,42,33,402 | 31,33,12,30,607.00 |
| | | 5,000 | | 34.60 | | 93,42,38,402 | 93,42,38,402 | 31,33,13,98,607.00 |
| | | 5,050 | | 57.10 | | 93,42,43,452 | 93,42,43,452 | 31,33,16,81,912.00 |

| Date of allotment | Nature of allotment | Number of Equity Shares allotted | Face value (₹) | Issue price per Equity Share (₹) | Consideration | Cumulative No. of Shares | Cumulative Equity Share Capital (₹) | Cumulative Equity Share Premium (in |
|--------------------|-----------------------------------|----------------------------------|----------------|----------------------------------|---------------|--------------------------|-------------------------------------|-------------------------------------|
| | ESOP scheme | 1,250 | | 59.05 | | 93,42,44,702 | 93,42,44,702 | 31,33,17,54,474.50 |
| | | 1,500 | | 65.15 | | 93,42,46,202 | 93,42,46,202 | 31,33,18,50,699.50 |
| February 12, 2020 | Allotment pursuant to ESOP scheme | 2,200 | 1 | 30.45 | Cash | 93,42,48,402 | 93,42,48,402 | 31,33,19,15,489.50 |
| | | 3,350 | | 34.60 | | 93,42,51,752 | 93,42,51,752 | 31,33,20,28,049.50 |
| | | 50,000 | | 51.60 | | 93,43,01,752 | 93,43,01,752 | 31,33,45,58,049.50 |
| | | 12,425 | | 57.10 | | 93,43,14,177 | 93,43,14,177 | 31,33,52,55,092.00 |
| | | 2,500 | | 59.05 | | 93,43,16,677 | 93,43,16,677 | 31,33,54,00,217.00 |
| | | 20,000 | | 70.05 | | 93,43,36,677 | 93,43,36,677 | 31,33,67,81,217.00 |
| March 12, 2020 | Allotment pursuant to ESOP scheme | 23,850 | 1 | 30.45 | Cash | 93,43,60,527 | 93,43,60,527 | 31,33,74,83,599.50 |
| | | 26,725 | | 34.60 | | 93,43,87,252 | 93,43,87,252 | 31,33,83,81,559.50 |
| | | 15,000 | | 57.10 | | 93,44,02,252 | 93,44,02,252 | 31,33,92,23,059.50 |
| | | 6,750 | | 59.05 | | 93,44,09,002 | 93,44,09,002 | 31,33,96,14,897.00 |
| April 16, 2020 | Allotment pursuant to ESOP scheme | 45,000 | 1 | 27.35 | Cash | 93,44,54,002 | 93,44,54,002 | 31,34,08,00,647.00 |
| | | 20,750 | | 30.45 | | 93,44,74,752 | 93,44,74,752 | 31,34,14,11,734.50 |
| | | 22,675 | | 34.6 | | 93,44,97,427 | 93,44,97,427 | 31,34,21,73,614.50 |
| | | 1,250 | | 57.1 | | 93,44,98,677 | 93,44,98,677 | 31,34,22,43,739.50 |
| | | 1,875 | | 59.05 | | 93,45,00,552 | 93,45,00,552 | 31,34,23,52,583.25 |
| May 18, 2020 | Allotment pursuant to ESOP scheme | 16,175 | 1 | 30.45 | Cash | 93,45,16,727 | 93,45,16,727 | 31,34,28,28,937.00 |
| | | 8,400 | | 34.6 | | 93,45,25,127 | 93,45,25,127 | 31,34,31,11,177.00 |
| | | 1,250 | | 57.1 | | 93,45,26,377 | 93,45,26,377 | 31,34,31,81,302.00 |
| June 12, 2020 | Allotment pursuant to ESOP scheme | 21,000 | 1 | 30.45 | Cash | 93,45,47,377 | 93,45,47,377 | 31,34,37,99,752.00 |
| | | 33,000 | | 34.60 | | 93,45,80,377 | 93,45,80,377 | 31,34,49,08,552.00 |
| July 22, 2020 | Allotment pursuant to ESOP scheme | 3,450 | 1 | 30.45 | Cash | 93,45,83,827 | 93,45,83,827 | 31,34,50,10,154.50 |
| | | 2,800 | | 34.60 | | 93,45,86,627 | 93,45,86,627 | 31,34,51,04,234.50 |
| | | 10,000 | | 37.30 | | 93,45,96,627 | 93,45,96,627 | 31,34,54,67,234.50 |
| | | 125 | | 59.05 | | 93,45,96,752 | 93,45,96,752 | 31,34,54,74,490.75 |
| August 20, 2020 | Allotment pursuant to ESOP scheme | 58,750 | 1 | 30.00 | Cash | 93,46,55,502 | 93,46,55,502 | 31,34,71,78,240.75 |
| | | 37,250 | | 30.45 | | 93,46,92,752 | 93,46,92,752 | 31,34,82,75,253.25 |
| | | 41,100 | | 34.60 | | 93,47,33,852 | 93,47,33,852 | 31,34,96,56,213.25 |
| | | 12,500 | | 57.10 | | 93,47,46,352 | 93,47,46,352 | 31,35,03,57,463.25 |
| | | 625 | | 59.05 | | 93,47,46,977 | 93,47,46,977 | 31,35,03,93,744.50 |
| September 16, 2020 | Allotment pursuant to ESOP scheme | 45,875 | 1 | 30.00 | Cash | 93,47,92,852 | 93,47,92,852 | 31,35,17,24,119.50 |
| | | 79,175 | | 30.45 | | 93,48,72,027 | 93,48,72,027 | 31,35,40,55,823.25 |
| | | 17,000 | | 34.60 | | 93,48,89,027 | 93,48,89,027 | 31,35,46,27,023.25 |
| | | 25,250 | | 57.10 | | 93,49,14,277 | 93,49,14,277 | 31,35,60,43,548.25 |
| | | 12,250 | | 59.05 | | 93,49,26,527 | 93,49,26,527 | 31,35,67,54,660.75 |
| October 19, 2020 | Allotment pursuant to ESOP scheme | 16,575 | 1 | 30.45 | Cash | 93,49,43,102 | 93,49,43,102 | 31,35,72,42,794.50 |
| | | 25,675 | | 34.60 | | 93,49,68,777 | 93,49,68,777 | 31,35,81,05,474.50 |
| | | 20,000 | | 55.10 | | 93,49,88,777 | 93,49,88,777 | 31,35,91,87,474.50 |
| | | 2,750 | | 59.05 | | 93,49,91,527 | 93,49,91,527 | 31,35,93,47,112.00 |
| | | 625 | | 170.60 | | 93,49,92,152 | 93,49,92,152 | 31,35,94,53,112.00 |
| November 5, 2020 | Allotment pursuant to ESOP scheme | 2,500 | 1 | 57.10 | Cash | 93,49,94,652 | 93,49,94,652 | 31,35,95,93,362.00 |

Issue of Equity Shares for consideration other than cash

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

Shareholding pattern of our Company as at quarter ended December 31, 2020

Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form |
|----------|-------------------------------|----------------------|---|--|--|------------------------|---|--|-------------|--------------|-------------------------|--|--|----------------------------|--------------------------------|--|--------------------------------|---|
| | | | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held(b) | No. (a) | As a % of total Shares held(b) | |
| | | | | | | | | Class eg: Equity Shares | Class eg: y | Total | | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = (IV)+(V)+(VI) | VIII)As a % of (A+B+C2) | (IX) | | | | (X) | (XI)= (VII)+(X) As a % of (A+B+C2) | (XII) | | (XIII) | | (XIV) |
| (A) | Promoter & Promoter Group | 13 | 30,76,84,490 | - | - | 30,76,84,490 | 32.9076% | 30,76,84,490 | - | 30,76,84,490 | 32.9076% | - | 32.9076% | - | - | 3,56,08,000 | 11.5729% | 30,76,84,490 |
| (B) | Public | 1,68,182 | 58,24,13,382 | - | - | 58,24,13,382 | 62.2906% | 58,24,13,382 | - | 58,24,13,382 | 62.2906% | - | 62.2906% | - | - | - | - | 58,17,54,272 |
| (C) | Non Promoter - Non Public | 2 | 4,48,96,780 | - | - | 4,48,96,780 | 4.8018% | 4,48,96,780 | - | 4,48,96,780 | 4.8018% | - | 4.8018% | - | - | - | - | 4,48,96,780 |
| (C1) | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares Held By Employee Trust | 2 | 4,48,96,780 | - | - | 4,48,96,780 | 4.8018% | 4,48,96,780 | - | 4,48,96,780 | 4.8018% | - | 4.8018% | - | - | - | - | 4,48,96,780 |
| | Total | 1,68,197 | 93,49,94,652 | - | - | 93,49,94,652 | 100.0000% | 93,49,94,652 | - | 93,49,94,652 | 100.0000% | - | 100.0000% | - | - | 3,56,08,000 | 3.8084% | 93,43,35,542 |

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Cat eg ory | Category & Name of the shareholders | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Sharehold ing as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | | No. of Shares Underlyin g Outstandi ng convertible securities (including Warrants) | Sharehold ing, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form |
|------------------|---|------------|----------------------|---|--|--|------------------------|---|--|-------------|--------------|-------------------------------------|--|---|----------------------------|--------------------------------|--|--------------------------------|---|
| | | | | | | | | | No of Voting Rights | | | Total as a % of Total Voting rights | | | No. (a) | As a % of total Shares held(b) | No. (a) | As a % of total Shares held(b) | |
| | | | | | | | | | Class eg: Equity Shares | Class eg: y | Total | | | | | | | | |
| | (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = (IV)+(V)+(VI) | VIII) As a % of (A+B+C2) | (IX) | | | | (X) | (XI)= (VII)+(X) As a % of (A+B+C2) | (XII) | | (XIII) | | (XIV) |
| 1 | Indian | | | | | | | | | | | | | | | | | | |
| (a) | Individuals / Hindu UndividedFamily | | 10 | 26,47,84,490 | - | - | 26,47,84,490 | 28.3194% | 26,47,84,490 | - | 26,47,84,490 | 28.3194% | - | 28.3194% | - | - | 3,56,08,000 | 13.4479 | 26,47,84,490 |
| | Rashesh Chandrakant Shah | AAGPS5933G | - | 14,56,01,730 | - | - | 14,56,01,730 | 15.5725% | 14,56,01,730 | - | 14,56,01,730 | 15.5725% | - | 15.5725% | - | - | 75,00,000 | 5.1510 | 14,56,01,730 |
| | Venkatchalam A Ramaswamy | AADPR1740H | - | 5,81,26,560 | - | - | 5,81,26,560 | 6.2168% | 5,81,26,560 | - | 5,81,26,560 | 6.2168% | - | 6.2168% | - | - | 1,35,00,000 | 23.2252 | 5,81,26,560 |
| | Vidya Rashesh Shah | AMEPS3037M | - | 3,10,31,200 | - | - | 3,10,31,200 | 3.3189% | 3,10,31,200 | - | 3,10,31,200 | 3.3189% | - | 3.3189% | - | - | 1,46,08,000 | 47.0752 | 3,10,31,200 |
| | Aparna T Chandrashekar | AEUPC2507C | - | 1,22,10,000 | - | - | 1,22,10,000 | 1.3059% | 1,22,10,000 | - | 1,22,10,000 | 1.3059% | - | 1.3059% | - | - | - | - | 1,22,10,000 |
| | Kaavya Arakoni Venkat | AOJPA3266M | - | 1,17,90,000 | - | - | 1,17,90,000 | 1.2610% | 1,17,90,000 | - | 1,17,90,000 | 1.2610% | - | 1.2610% | - | - | - | - | 1,17,90,000 |
| | Avanti Rashesh Shah | BMCP57421L | - | 20,00,000 | - | - | 20,00,000 | 0.2139% | 20,00,000 | - | 20,00,000 | 0.2139% | - | 0.2139% | - | - | - | - | 20,00,000 |
| | Neel Rashesh Shah | BMCP57418F | - | 20,00,000 | - | - | 20,00,000 | 0.2139% | 20,00,000 | - | 20,00,000 | 0.2139% | - | 0.2139% | - | - | - | - | 20,00,000 |
| | Sneha Sripad Desai | AJEPD1297P | - | 10,25,000 | - | - | 10,25,000 | 0.1096% | 10,25,000 | - | 10,25,000 | 0.1096% | - | 0.1096% | - | - | - | - | 10,25,000 |
| | Shilpa Urvish Mody | AAHPM5200B | - | 9,50,000 | - | - | 9,50,000 | 0.1016% | 9,50,000 | - | 9,50,000 | 0.1016% | - | 0.1016% | - | - | - | - | 9,50,000 |
| | Arakoni VenkatachalamRamaswamy | AALPR4970P | - | 50,000 | - | - | 50,000 | 0.0053% | 50000 | - | 50000 | 0.0053% | - | 0.0053% | - | - | - | - | 50000 |
| (b) | Central Government / StateGovernment(s) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (c) | Financial Institutions / Banks | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (d) | Any Other (Specify) | | 2 | 4,19,50,000 | - | - | 4,19,50,000 | 4.4867% | 4,19,50,000 | - | 4,19,50,000 | 4.4867% | - | 4.4867% | - | - | - | - | 4,19,50,000 |
| | Bodies Corporate/Trust | | 2 | 4,19,50,000 | - | - | 4,19,50,000 | 4.4867% | 4,19,50,000 | - | 4,19,50,000 | 4.4867% | - | 4.4867% | - | - | - | - | 4,19,50,000 |
| | Mabella Trustee Services | AASTS6413P | - | 3,87,50,000 | - | - | 3,87,50,000 | 4.1444% | 3,87,50,000 | - | 3,87,50,000 | 4.1444% | - | 4.1444% | - | - | - | - | 3,87,50,000 |

| Cat eg ory | Category & Name of the shareholders | PAN | Nos. of sharehol ders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlyin g Depositor y Receipts | Total nos. shares held | Sharehold ing as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | | No. of Shares Underlyin g Outstandi ng convertible securities (including Warrants) | Sharehold ing , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form |
|------------------|--|------------|-----------------------------|---|---|--|---------------------------|---|---|----------------|--------------|--|---|---|----------------------------------|---|---|--------------------------------------|--|
| | | | | | | | | | No of Voting Rights | | | Total as a % of Total Voting rights | | | No. (a) | As a % of total Shares held(b) | No. (a) | As a % of total Shares held(b) | |
| | | | | | | | | | Class eg: Equity Shares | Class eg: y | Total | | | | | | | | |
| | Private Limited (on behalf of M/s. Shah Family DiscretionaryTrust) | | | | | | | | | | | | | | | | | | |
| | Spire Investment Advisors Llp | ABWFS7286H | - | 32,00,000 | - | - | 32,00,000 | 0.3422% | 32,00,000 | - | 32,00,000 | 0.3422% | - | 0.3422% | - | - | - | - | 32,00,000 |
| | Sub Total (A)(1) | | 12 | 30,67,34,490 | - | - | 30,67,34,490 | 32.8060% | 30,67,34,490 | - | 30,67,34,490 | 32.8060% | - | 32.8060% | - | - | 3,56,08,000 | 11.6087 | 30,67,34,490 |
| 2 | Foreign | | | | | | | | | | | - | - | - | | | | | |
| (a) | Individuals (Non- ResidentIndividuals / Foreign Individuals) | | 1 | 9,50,000 | - | - | 9,50,000 | 0.1016% | 9,50,000 | - | 9,50,000 | 0.1016% | - | 0.1016% | - | - | - | - | 9,50,000 |
| | Sejal Premal Parekh | AOJPP3528H | | 9,50,000 | - | - | 9,50,000 | 0.1016% | 9,50,000 | - | 9,50,000 | 0.1016% | - | 0.1016% | - | - | - | - | 9,50,000 |
| (b) | Government | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (c) | Institutions | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (d) | Foreign Portfolio Investor | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (e) | Any Other (Specify) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Sub Total (A)(2) | | 1 | 9,50,000 | - | - | 9,50,000 | 0.1016% | 9,50,000 | - | 9,50,000 | 0.1016% | - | 0.1016% | - | - | - | - | 9,50,000 |
| | Total Shareholding Of Promoter And PromoterGroup (A)= (A)(1)+(A)(2) | | 13 | 30,76,84,490 | - | - | 30,76,84,490 | 32.9076% | 30,76,84,490 | - | 30,76,84,490 | 32.9076% | - | 32.9076% | - | - | 3,56,08,000 | 11.5729 | 30,76,84,490 |

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note:

- (1) PAN would not be displayed on website of Stock Exchange(s)
- (2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Table III - Statement showing shareholding pattern of the Public shareholder

| Cate gory | Category & Name of the shareholders | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underl ying Depository Receipt s | Total nos. shares held | Sharehold ing % calculated as per SCRR, 1957As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | | No. of Shares Underl ying Outsta nding convert ible securiti es (includi ng Warra nts) | Shareholdin g , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialise d form |
|-----------|---|------------|----------------------|---|--|--|------------------------|--|--|--------------|--------------|-------------------------|--|---|----------------------------|--------------------------------|--|--------------------------------|--|
| | | | | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held(b) | No. (a) | As a % of total Shares held(b) | |
| | | | | | | | | | Class eg: Equity Shares | Clas s eg: y | Total | | | | | | | | |
| | (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = (IV)+(V)+(VI) | VIII) As a % of (A+B+C2) | (IX) | | | | (X) | (XI)= (VII)+(X) As a % of (A+B+C2) | (XII) | | (XIII) | | (XIV) |
| 1 | Institutions | | | | | | | | | | | | | | | | | | |
| (a) | Mutual Fund | | 4 | 1,75,16,213 | - | - | 1,75,16,213 | 1.8734% | 1,75,16,213 | - | 1,75,16,213 | 1.8734% | - | 1.8734% | - | - | - | - | 1,75,16,213 |
| | Hdfc Trustee Company Ltd - A/C Hdfc Mid - Capopportunities Fund | AAATH1809A | 1 | 1,73,26,200 | - | - | 1,73,26,200 | 1.8531% | 1,73,26,200 | - | 1,73,26,200 | 1.8531% | - | 1.8531% | - | - | - | - | 1,73,26,200 |
| (b) | Venture Capital Funds | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (c) | Alternate Investment Funds | | 3 | 4,88,006 | - | - | 4,88,006 | 0.0522% | 4,88,006 | - | 4,88,006 | 0.0522% | - | 0.0522% | - | - | - | - | 4,88,006 |
| (d) | Foreign Venture Capital Investors | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (e) | Foreign Portfolio Investor/Foreign Institutional Investors | | 143 | 30,45,85,428 | - | - | 30,45,85,428 | 32.5762% | 3045,85,428 | - | 30,45,85,428 | 32.5762% | - | 32.5762% | - | - | - | - | 30,45,85,428 |
| | Bih Sa | AADCB9345B | 1 | 3,42,14,568 | - | - | 3,42,14,568 | 3.6593% | 3,42,14,568 | - | 3,42,14,568 | 3.6593% | - | 3.6593% | - | - | - | - | 3,42,14,568 |
| | The Pabrai Investment Fund Iv, Lp | AAIFT9163B | 1 | 3,15,38,639 | - | - | 3,15,38,639 | 3.3731% | 3,15,38,639 | - | 3,15,38,639 | 3.3731% | - | 3.3731% | - | - | - | - | 3,15,38,639 |
| | Baron Emerging Markets Fund | AAECB4051F | 1 | 2,76,72,653 | - | - | 2,76,72,653 | 2.9597% | 2,76,72,653 | - | 2,76,72,653 | 2.9597% | - | 2.9597% | - | - | - | - | 2,76,72,653 |
| | Tiaa-Cref Funds - Tiaa-Cref Emerging Markets Equity Fund | AACAT2160P | 1 | 1,93,55,557 | - | - | 1,93,55,557 | 2.0701% | 1,93,55,557 | - | 1,93,55,557 | 2.0701% | - | 2.0701% | - | - | - | - | 1,93,55,557 |
| | The Pabrai Investment Fund Ii, Lp | AAIFT8991K | 1 | 1,84,45,103 | - | - | 1,84,45,103 | 1.9727% | 1,84,45,103 | - | 1,84,45,103 | 1.9727% | - | 1.9727% | - | - | - | - | 1,84,45,103 |
| | College Retirement Equities Fund - Stock Account | AAACC9040K | 1 | 1,44,40,432 | - | - | 1,44,40,432 | 1.5444% | 1,44,40,432 | - | 1,44,40,432 | 1.5444% | - | 1.5444% | - | - | - | - | 1,44,40,432 |
| | Cdpq Private Equity Asia Ii Pte. Ltd. | AAGCC6510Q | 1 | 1,40,00,000 | - | - | 1,40,00,000 | 1.4973% | 1,40,00,000 | - | 1,40,00,000 | 1.4973% | - | 1.4973% | - | - | - | - | 1,40,00,000 |
| | Pabrai Investment Fund 3, Ltd | AAHCP5673Q | 1 | 1,13,91,124 | - | - | 1,13,91,124 | 1.2183% | 1,13,91,124 | - | 1,13,91,124 | 1.2183% | - | 1.2183% | - | - | - | - | 1,13,91,124 |
| | The Wellington Trust Company National Association Multiple Common Trust Funds Trust Emerging Markets Local Equity Portfolio | AAATW1456C | 1 | 98,39,177 | - | - | 98,39,177 | 1.0523% | 98,39,177 | - | 98,39,177 | 1.0523% | - | 1.0523% | - | - | - | - | 98,39,177 |
| | Ubs Principal Capital Asia Ltd | AABCU7548R | 1 | 95,00,000 | - | - | 95,00,000 | 1.0160% | 95,00,000 | - | 95,00,000 | 1.0160% | - | 1.0160% | - | - | - | - | 95,00,000 |
| (f) | Financial Institutions / Banks | | 2 | 3,56,949 | - | - | 3,56,949 | 0.0382% | 3,56,949 | - | 3,56,949 | 0.0382% | - | 0.0382% | - | - | - | - | 3,56,949 |
| (g) | Insurance Companies | | 1 | 2,09,97,094 | - | - | 2,09,97,094 | 2.2457% | 2,09,97,094 | - | 2,09,97,094 | 2.2457% | - | 2.2457% | - | - | - | - | 2,09,97,094 |

| Cate gory | Category & Name of the shareholders | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Sharehold ing % calculated as per SCRR, 1957As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholdin g , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialise d form | |
|-----------|---|------------|----------------------|---|--|--|------------------------|--|--|--------------|--------------|--|---|----------------------------|---------|--|---------|--|--------------------------------|
| | | | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| | | | | | | | | | Class eg: Equity Shares | Clas s eg: y | Total | | | | | | | | |
| | Life Insurance Corporation Of India | AAACL0582H | 1 | 2,09,97,094 | - | - | 2,09,97,094 | 2.2457% | 2,09,97,094 | - | 2,09,97,094 | 2.2457% | - | 2.2457% | - | - | - | 2,09,97,094 | |
| (h) | Provident Funds/ Pension Funds | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (i) | Any Other (Specify) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Sub Total (B)(1) | | 153 | 34,39,43,690 | - | - | 34,39,43,690 | 36.7856% | 34,39,43,690 | - | 34,39,43,690 | 36.7856% | - | 36.7856% | - | - | - | 34,39,43,690 | |
| 2 | Central Government/ State Government(s)/ President of India | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Sub Total (B)(2) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 3 | Non-Institutions | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (a) | Individuals | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs. | | 159481 | 7,75,09,477 | - | - | 7,75,09,477 | 8.2898% | 7,75,09,477 | - | 7,75,09,477 | 8.2898% | - | 8.2898% | - | - | - | 7,74,83,367 | |
| | ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs. | | 77 | 8,45,34,339 | - | - | 8,45,34,339 | 9.0412% | 8,45,34,339 | - | 8,45,34,339 | 9.0412% | - | 9.0412% | - | - | - | 8,45,34,339 | |
| | Deepak Mittal | AHRPM1419R | - | 1,19,61,300 | - | - | 1,19,61,300 | 1.2793% | 1,19,61,300 | - | 1,19,61,300 | 1.2793% | - | 1.2793% | - | - | - | 1,19,61,300 | |
| | Jhunjhunwala Rakesh Radheshyam | ACPPJ9449M | - | 1,11,25,000 | - | - | 1,11,25,000 | 1.1898% | 1,11,25,000 | - | 1,11,25,000 | 1.1898% | - | 1.1898% | - | - | - | 1,11,25,000 | |
| | Priya C Khubchandani | AKXPK6448F | - | 95,95,926 | - | - | 95,95,926 | 1.0263% | 95,95,926 | - | 95,95,926 | 1.0263% | - | 1.0263% | - | - | - | 95,95,926 | |
| (b) | NBFCs registered with RBI | | 4 | 1,13,201 | - | - | 1,13,201 | 0.0121% | 1,13,201 | - | 1,13,201 | 0.0121% | - | 0.0121% | - | - | - | 1,13,201 | |
| (c) | Employee Trusts | | - | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (d) | Overseas Depositories(holding DRs) (balancing figure) | | - | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (e) | Any Other (Specify) | | 8467 | 7,63,12,675 | - | - | 7,63,12,675 | 8.1618% | 7,63,12,675 | - | 7,63,12,675 | 8.1618% | - | 8.1618% | - | - | - | 7,56,79,675 | |
| | IEPF | | 1 | 63,379 | - | - | 63,379 | 0.0068% | 63,379 | - | 63,379 | 0.0068% | - | 0.0068% | - | - | - | 63,379 | |
| | Trusts | | 15 | 2,15,741 | - | - | 2,15,741 | 0.0231% | 2,15,741 | - | 2,15,741 | 0.0231% | - | 0.0231% | - | - | - | 2,15,741 | |
| | Foreign Nationals | | 2 | 1,019 | - | - | 1,019 | 0.0001% | 1,019 | - | 1,019 | 0.0001% | - | 0.0001% | - | - | - | 1,019 | |
| | Hindu Undivided Family | | 5439 | 46,02,306 | - | - | 46,02,306 | 0.4922% | 46,02,306 | - | 46,02,306 | 0.4922% | - | 0.4922% | - | - | - | 46,02,306 | |
| | Foreign Companies | | 2 | 1,41,21,180 | - | - | 1,41,21,180 | 1.5103% | 1,41,21,180 | - | 1,41,21,180 | 1.5103% | - | 1.5103% | - | - | - | 1,40,43,180 | |
| | Bih Sa | AADCB9345B | - | 1,40,43,180 | - | - | 1,40,43,180 | 1.5020% | 1,40,43,180 | - | 1,40,43,180 | 1.5020% | - | 1.5020% | - | - | - | 1,40,43,180 | |
| | Non Resident Indians (Non Repat) | | 784 | 16,93,239 | - | - | 16,93,239 | 0.1811% | 16,93,239 | - | 16,93,239 | 0.1811% | - | 0.1811% | - | - | - | 16,93,239 | |
| | Non Resident Indians (Repat) | | 1358 | 94,28,856 | - | - | 94,28,856 | 1.0084% | 94,28,856 | - | 94,28,856 | 1.0084% | - | 1.0084% | - | - | - | 88,73,856 | |
| | Foreign Portfolio Investor (Individual) | | 4 | 1,06,188 | - | - | 1,06,188 | 0.0114% | 1,06,188 | - | 1,06,188 | 0.0114% | - | 0.0114% | - | - | - | 1,06,188 | |
| | Clearing Member | | 140 | 8,58,859 | - | - | 8,58,859 | 0.0919% | 8,58,859 | - | 8,58,859 | 0.0919% | - | 0.0919% | - | - | - | 8,58,859 | |
| | Bodies Corporate | | 717 | 2,09,74,848 | - | - | 2,09,74,848 | 2.2433% | 2,09,74,848 | - | 2,09,74,848 | 2.2433% | - | 2.2433% | - | - | - | 2,09,74,848 | |

| Cate gory | Category & Name of the shareholders | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underl ying Depository Receipt s | Total nos. shares held | Sharehold ing % calculated as per SCRR, 1957As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | No. of Shares Underl ying Outsta nding convert ible securiti es (includ ing Warra nts) | Shareholdin g , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialise d form | |
|-----------|---|------------|----------------------|---|--|--|------------------------|--|--|--------------|--------------|--|---|----------------------------|---------|--|---------|--|--------------------------------|
| | | | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| | | | | | | | | | Class eg: Equity Shares | Clas s eg: y | Total | | | | | | | | |
| | Barclays Wealth Trustees India Private | AADTK0582E | - | 97,16,909 | - | - | 97,16,909 | 1.0392% | 97,16,909 | - | 97,16,909 | 1.0392% | - | 1.0392% | - | - | - | - | 97,16,909 |
| | Directors | | 5 | 2,42,47,060 | - | - | 2,42,47,060 | 2.5933% | 2,42,47,060 | - | 2,42,47,060 | 2.5933% | - | 2.5933% | - | - | - | - | 2,42,47,060 |
| | Rujan Harchand Panjwani | AAYPP4060H | | 1,19,51,380 | - | - | 1,19,51,380 | 1.2782% | 1,19,51,380 | - | 1,19,51,380 | 1.2782% | - | 1.2782% | - | - | - | - | 1,19,51,380 |
| | Sub Total (B)(3) | | 1,68,029 | 23,84,69,692 | - | - | 23,84,69,692 | 25.5049% | 23,84,69,692 | - | 23,84,69,692 | 25.5049% | - | 25.5049% | - | - | - | - | 23,78,10,582 |
| | Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3) | | 1,68,182 | 58,24,13,382 | - | - | 58,24,13,382 | 62.2906% | 58,24,13,382 | - | 58,24,13,382 | 62.2906% | - | 62.2906% | - | - | - | - | 58,17,54,272 |

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note:

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the name of following persons: Institutions/Non Institutions holding more than 1% of total number of shares
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category | Category & Name of shareholders | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise | | Number of equity shares held in dematerialised form |
|----------|--|------------|----------------------|---|--|--|------------------------|---|--|-------------|-------------|-------------------------|--|--|----------------------------|--------------------------------|---------------------------------------|--------------------------------|---|
| | | | | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held(b) | No. (a) | As a % of total Shares held(b) | |
| | | | | | | | | | Class eg: Equity Shares | Class eg: y | Total | | | | | | | | |
| | (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = (IV)+(V)+(VI) | VIII) As a % of (A+B+C2) | (IX) | | | | (X) | (XI)= (VII)+(X) As a % of (A+B+C2) | (XII) | | (XIII) | | (XIV) |
| 1 | Custodian/DR Holder | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | | 2 | 4,48,96,780 | - | - | 4,48,96,780 | 4.8018% | 4,48,96,780 | 0 | 4,48,96,780 | 4.8018% | - | 4.8018% | - | - | - | - | 4,48,96,780 |
| | EDELWEISS EMPLOYEES WELFARE TRUST | AAATE1688G | 1 | 3,75,95,270 | - | - | 3,75,95,270 | 4.0209% | 3,75,95,270 | 0 | 3,75,95,270 | 4.0209% | - | 4.0209% | - | - | - | - | 3,75,95,270 |
| | Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2) | | 2 | 4,48,96,780 | - | - | 4,48,96,780 | 4.8018% | 4,48,96,780 | - | 4,48,96,780 | 4.8018% | - | 4.8018% | - | - | - | - | 4,48,96,780 |

Note:

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to disclose name of all holders holding more than 1% of total number of shares
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available

List of top 10 holders of Equity Shares of our Company as on December 31, 2020:

| Sr. No. | Name of the Shareholder | Total number of Equity Shares | Number of Equity Shares held in dematerialized form | Total shareholding as a % of total number of Equity Shares | Equity Shares pledged or otherwise encumbered |
|---------|--|-------------------------------|---|--|---|
| 1. | Rashesh Chandrakant Shah | 14,56,01,730 | 14,56,01,730 | 15.57 | 75,00,000 |
| 2. | Venkatchalam Ramaswamy | 5,81,26,560 | 5,81,26,560 | 6.22 | 1,35,00,000 [@] |
| 3. | BIH SA | 4,82,57,748 | 4,82,57,748 | 5.16 | - |
| 4. | Mabella Trustee Services Private Limited (on behalf of M/s. Shah Family Discretionary Trust) | 3,87,50,000 | 3,87,50,000 | 4.14 | - |
| 5. | Edelweiss Employees Welfare Trust | 3,75,95,270 | 3,75,95,270 | 4.02 | - |
| 6. | The Pabrai Investment Fund Iv, Lp | 3,15,38,639 | 3,15,38,639 | 3.37 | - |
| 7. | Vidya Shah | 3,10,31,200 | 3,10,31,200 | 3.32 | 1,46,08,000 |
| 8. | Baron Emerging Markets Fund | 2,76,72,653 | 2,76,72,653 | 2.96 | - |
| 9. | Life Insurance Corporation of India | 2,09,97,094 | 2,09,97,094 | 2.25 | - |
| 10. | Tiaa-Cref Funds - Tiaa-Cref Emerging Markets Equity Fund | 1,93,55,557 | 1,93,55,557 | 2.07 | - |

[@]On March 18, 2021, 50,00,000 equity shares were released from pledge.

List of top 10 Debenture holders of secured non-convertible Debentures of our Company as on December 31, 2020:

(₹ in million)

| S. No. | Name | Amount |
|--------|--|-----------|
| 1. | Asia Pragati Strategic Investment Fund | 10,000.00 |
| 2. | Pulse Telesystems Private Limited | 20.00 |
| 3. | Manju Modi | 10.00 |
| 4. | Rajiv Talwar | 10.00 |
| 5. | E Square Leisure Private Limited | 6.00 |
| 6. | Suma Gururaj | 5.00 |
| 7. | Smita Nitin Ranade | 5.00 |
| 8. | Ajit Singh | 4.00 |
| 9. | Edelweiss Securities And Investments Private Limited | 4.00 |
| 10. | K Krishnadas | 3.00 |
| 11. | Farid Lalji Kazani | 3.00 |
| 12. | Vinayak Pande | 3.00 |

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

Except for the details as set out in the table below, no securities of our Company and our Subsidiary have been purchased or sold by our Promoters, promoter group, our Directors and/or their relatives within six months immediately preceding the date of filing of this Prospectus.

| No. | Name of the person | Date of purchase/transfer | Whether purchase/transfer | Number of Equity Shares |
|-----|--------------------|---------------------------|---------------------------|-------------------------|
| 1 | Vidya Shah | September 28, 2020 | Transfer (Gift) | 2,000,000 |
| 2 | Neel Shah | September 28, 2020 | Purchase (Gift) | 2,000,000 |

| No. | Name of the person | Date of purchase/transfer | Whether purchase/transfer | Number of Equity Shares |
|-----|-----------------------|---------------------------|---------------------------|-------------------------|
| 3 | Kunnasagaran Chinniah | September 29, 2020 | Purchase | 30,000 |
| 4 | Kunnasagaran Chinniah | September 22, 2020 | Purchase | 70,000 |
| 5 | Kunnasagaran Chinniah | September 15, 2020 | Purchase | 94,000 |
| 6 | Kunnasagaran Chinniah | September 9, 2020 | Purchase | 6,000 |
| 7 | Rujan Panjwani | December 14, 2020 | Sale | 5,50,000 |
| 8 | Rujan Panjwani | December 15, 2020 | Sale | 2,25,000 |
| 9 | Rujan Panjwani | December 16, 2020 | Sale | 1,00,000 |
| 10 | Rujan Panjwani | December 17, 2020 | Sale | 36,000 |
| 11 | Rujan Panjwani | December 18, 2020 | Sale | 1,04,000 |
| 12 | Himanshu Kaji | December 16, 2020 | Sale | 1,00,000 |
| 13 | Himanshu Kaji | December 17, 2020 | Sale | 36,000 |

Statement of capitalization (Debt to Equity Ratio) of our Company as on September 30, 2020 on a consolidated basis:

(₹ in million)

| Particulars | Pre issue as at September 30, 2020 | Post issue* |
|---|------------------------------------|-------------------|
| Debt | | |
| Debt securities | 203,444.96 | 207,444.96 |
| Borrowings (other than debt securities) | 115,376.42 | 115,376.42 |
| Deposits | 130.36 | 130.36 |
| Subordinated Liabilities | 18,758.15 | 18,758.15 |
| Total Debt (A) | 337,709.89 | 341,709.89 |
| Equity | | |
| Equity and Share Capital | 890.03 | 890.03 |
| Other Equity | 57,777.58 | 57,777.58 |
| Non Controlling Interest | 10,665.28 | 10,665.28 |
| Total Equity (B) | 69,332.89 | 69,332.89 |
| Debt/Equity (A/B) | 4.87 | 4.93 |

*The debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹ 4,000 million from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.

Statement of capitalization (Debt to Equity Ratio) of our Company as on September 30, 2020 on a standalone basis:

(₹ in million)

| Particulars | Pre issue as at September 30, 2020 | Post issue* |
|---|------------------------------------|------------------|
| Debt | | |
| Debt Securities | 10,132.22 | 14,132.22 |
| Borrowings (Other than Debt Securities) | - | - |
| Total Debt (A) | 10,132.22 | 14,132.22 |
| Equity | | |
| Equity and Share Capital | 890.03 | 890.03 |
| Other Equity | 32,640.20 | 32,640.20 |
| Total Equity (B) | 33,530.23 | 33,530.23 |
| Debt / Equity (A/ B) | 0.30 | 0.36 |

*The debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹4,000 million from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.

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

Our Company has 47 Subsidiaries. Our Promoters do not hold any equity shares in our Subsidiaries, as on December 31, 2020.

Shareholding of Directors in our Company

The shareholding of the Directors in our Company as on December 31, 2020 is mentioned below:

| Sr. No. | Name of Director | Number of Equity Shares |
|---------|------------------------|-------------------------|
| 1. | Rashesh Shah | 145,601,730 |
| 2. | Venkatchalam Ramaswamy | 58,126,560 |
| 3. | Himanshu Kaji | 38,51,500 |
| 4. | Rujan Panjwani | 1,19,51,380 |
| 5. | Vidya Shah | 31,031,200 |
| 6. | P. N. Venkatachalam | 2,70,000 |
| 7. | Navtej S. Nandra | 7,974,180 |
| 8. | Kunnasagaran Chinniah | 2,00,000 |

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

Our Company does not have any associate companies. Our Directors do not hold any equity shares in our Subsidiaries and Joint Ventures, as on December 31, 2020.

Details of any acquisition or amalgamation in the last one year

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

Details of any reorganization or reconstruction in the last one year

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

- (i) Segregation of legal structure of the Edelweiss group relating to wealth management and asset management businesses into two separate business verticals namely Edelweiss Wealth Management (“EWM”) business and Edelweiss Asset Management (“EAM”) business respectively.
- (ii) Demerger of EAM business (along with investments in subsidiaries carrying on EAM business) of ESL into a separate company, such that ESL only retains EWM business.
- (iii) Demerger of the EWM business of EGWML (including CCDs issued by EGWML) to ESL such that, subsequent to conversion of the CCDs, the Investor shall hold 51% equity stake on a fully diluted basis in ESL.
- (iv) Post completion of the aforementioned transaction steps, the Company to demerge its merchant banking business along with the investments in the subsidiaries carrying on the business of wealth management into ESL and subsequent listing of the equity shares of ESL, subject to necessary approvals, at an appropriate time.

The first phase i.e. the steps (i) to (iii) is expected to close in about 4-6 months and the other phases including the segregation of the EAM business and demerger of the EWM business, will be implemented thereafter.

Employee Stock Option Scheme:

The details of our ESOP Schemes in force as on the date of this Prospectus are set forth below:

Edelweiss Employees Stock Incentive Plan 2009

Our Company instituted the Edelweiss Employees Stock Incentive Plan 2009 (“ESOP 2009”) pursuant to a special resolution dated March 30, 2009 passed through a postal ballot. Under ESOP 2009, our Company can grant employee stock options exercisable into not more than 50,00,000 Equity Shares of Re.1 each. The eligibility and number of options to be granted to an employee is determined on the basis of criteria laid down in the ESOP 2009

and is approved by the Compensation Committee. The options granted shall vest on the eligible employees of our Company or subsidiaries, as determined in accordance with ESOP 2009, in accordance with the vesting schedule determined by the Compensation Committee from time to time and can be exercised within a period not less than 12 months and more than 60 months from the date of vesting or until the validity of the ESOP 2009 i.e., June 30, 2030, whichever is later. The ESOP 2009 shall continue to be in force until its termination by the Board or the Compensation Committee.

Please refer below for the details of ESOP 2009 as on December 31, 2020:

| S. No. | Particulars | Number of Equity Shares |
|--------|---|-------------------------|
| 1 | Stock options granted | 19,956,300 |
| 2 | Stock options vested | Nil |
| 3 | Stock options exercised | 11,224,750 |
| 4 | Total number of shares arising out of exercise of Stock options | 11,224,750 |
| 5 | Stock options lapsed | 3,307,050 |
| 6 | Exercise price (In ₹) | Between 39.44-50.26 |

Edelweiss Employees Stock Incentive Plan 2010

Our Company instituted the Edelweiss Employees Stock Incentive Plan 2010 (“**ESOP 2010**”) pursuant to a special resolution dated June 30, 2010 passed through a postal ballot. Under ESOP 2010, our Company can grant employee stock options exercisable into not more than 3,000,000 Equity Shares of ₹1 each. The eligibility and number of options to be granted to an employee is determined on the basis of criteria laid down in the ESOP 2010 and is approved by the Compensation Committee. The options granted shall vest on the eligible employees of our Company or subsidiaries, as determined in accordance with ESOP 2010, in accordance with the vesting schedule set out below or any other vesting schedule determined by the Compensation Committee from time to time and can be exercised within a period not less than 12 months and more than 60 months from the date of vesting or until the validity of the ESOP 2010 i.e., June 30, 2030, whichever is later. The ESOP 2010 shall continue to be in force until its termination by the Board or the Compensation Committee.

Please refer below for the details of ESOP 2010 as on December 31, 2020:

| S. No. | Particulars | Number of Equity Shares |
|--------|---|-------------------------|
| 1 | Stock options granted | 19,492,500 |
| 2 | Stock options vested | Nil |
| 3 | Stock options exercised | 11,999,350 |
| 4 | Total number of shares arising out of exercise of Stock options | 11,999,350 |
| 5 | Stock options lapsed | 1,663,650 |
| 6 | Exercise price (In ₹) | Between 40-61 |

Edelweiss Employees Stock Incentive Plan 2011

Our Company instituted the Edelweiss Employee Stock Incentive Plan 2011 (“**ESOP 2011**”) pursuant to a special resolution dated April 26, 2011 passed through a postal ballot. Under ESOP 2011, our Company can grant employee stock options exercisable into not more than 100,000,000 Equity Shares of ₹1 each. The eligibility and number of options to be granted to an employee is determined on the basis of criteria laid down in the ESOP 2011 and is approved by the Compensation Committee. The options granted shall vest on the eligible employees of our Company or subsidiaries, as determined in accordance with ESOP 2011, within a period of not less than 12 months and not more than 60 months from the date of grant, as mentioned in the grant letters, and can be exercised within a period of not less than 12 months and not more than 60 months from the date of vesting of the respective options or until the validity of the ESOP 2011, i.e., June 30, 2030. The ESOP 2011 shall continue to be in force until its termination by the Board or the Compensation Committee.

Please refer below for the details of ESOP 2011 as on December 31, 2020:

| S. No. | Particulars | Number of Equity Shares |
|--------|---|-------------------------|
| 1 | Stock options granted | 12,49,23,725 |
| 2 | Stock options vested | 1,38,65,181 |
| 3 | Stock options exercised | 7,64,89,382 |
| 4 | Total number of shares arising out of exercise of Stock options | 7,64,89,382 |

| S. No. | Particulars | Number of Equity Shares |
|--------|-----------------------|-------------------------|
| 5 | Stock options lapsed | 80,90,891 |
| 6 | Exercise price (In ₹) | Between 24.6-314.4 |

Edelweiss Employee Stock Appreciation Rights Plan 2019:

Our Company instituted the Edelweiss Employee Stock Appreciation Rights Plan 2019 (“SAR 2019”) pursuant to a special resolution passed by our shareholders on April 30, 2019. Under SAR 2019, our Company can grant Stock Appreciation Rights (“SARs”) exercisable into not more than 40,000,000 Equity Shares of ₹1 each. The eligibility and number of rights to be granted to an employee is determined on the basis of criteria laid down in the SAR 2019 and is approved by the Compensation (ESOP) Committee. The rights granted shall vest on the eligible employees of our Company or subsidiaries within a period of not less than 12 months and not exceed 96 months from the date of grant. The SAR 2019 shall continue to be in force until its termination by the Board or the Compensation (ESOP) Committee.

Please refer below for the details of SAR 2019 as on December 31, 2020:

| S. No. | Particulars | (No. of Equity Shares) |
|--------|--|------------------------|
| 1 | SARs granted | 1,75,35,500 |
| 2 | SARs vested | Nil |
| 3 | SARs exercised | Nil |
| 4 | Total number of shares arising out of exercise of SARs | Note 1 |
| 5 | SARs lapsed | Nil |
| 6 | Exercise price (In ₹) | Between 61 to 180.65 |

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

OBJECTS OF THE ISSUE

Issue Proceeds

Our Company has filed this Prospectus for public issue of secured redeemable non-convertible debentures of face value of ₹1,000 each (“NCDs”) for an amount of ₹2,000million with an option to retain oversubscription upto ₹2,000 million, aggregating upto ₹4,000 million (“Issue”).

The Issue is being made pursuant to the provisions of the SEBI Debt Regulations and the Companies Act, 2013.

The details of the proceeds of the Issue are summarized below:

| Particulars | Estimated amount (₹ in million) |
|-------------------------------|---------------------------------|
| Gross proceeds of the Issue | 4,000.00 |
| Less: Issue related expenses* | 90.00 |
| Net proceeds | 3,910.00 |

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

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

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

[#]Our Company shall not utilize the proceeds of the Issue towards payment of prepayment penalty, if any.

**The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Issue, in compliance with the SEBI Debt Regulations.*

Purpose for which there is a requirement of funds

As stated in this section.

Funding Plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Monitoring of utilization of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Audit Committee of our Company shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from Fiscal 2021, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Our Company shall utilize the proceeds of the Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchange.

Interim use of proceeds

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

Other Confirmations

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

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

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

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

Issue related expenses break-up

The expenses of this Issue include, among others, fees for the Lead Manager, printing and distribution expenses, legal fees, advertisement expenses and listing fees.

The estimated breakdown of the total expenses for the Issue is as follows*:

| Particulars | Amount (₹ in million) | As percentage of Issue proceeds (in %) | As percentage of total expenses of the Issue (in %) |
|---|--------------------------|--|---|
| Fee Payable to Intermediaries including Registrar to the Issue and Debenture Trustees | 1.00 | 0.03% | 1.11% |
| Lead Manager Fee, Selling and Brokerage Commission, SCSB Processing Fee | 83.00 | 2.08% | 92.22% |
| Advertising and Marketing, Printing and Stationery Costs | 5.00 | 0.13% | 5.56% |
| Other Miscellaneous Expenses | 1.00 | 0.03% | 1.11% |
| Grand Total | 90.00 | 2.25% | 100.0% |

**Assuming the Issue is fully subscribed. The expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors.*

Variation in terms of contract or objects in this Prospectus

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

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

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

STATEMENT OF POSSIBLE TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS DEBENTURES HOLDERS UNDER THE APPLICABLE LAWS IN INDIA

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

Dear Sirs,

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

1. We hereby confirm that the enclosed Annexure, prepared by Edelweiss Financial Services Limited (‘the Company’), provides the possible tax benefits available to the Company and to the debentures holders of the Company under the Income-tax Act, 1961 (‘the Act’) as amended by the Finance Bill, 2021, i.e. applicable for the Financial Year 2020-21 relevant to the assessment year 2021-22 and for the Financial Year 2021-22 relevant to the assessment year 2022-23 respectively, presently in force in India. Several of these benefits are dependent on the Company or its debenture holders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its debenture holders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its debenture holders may or may not choose to fulfil.
2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
3. We do not express any opinion or provide any assurance as to whether:
 - i) the Company or its debenture holders will continue to obtain these benefits in future;
 - ii) the conditions prescribed for availing the benefits have been / would be met with; and
 - iii) the revenue authorities/courts will concur with the views expressed herein.
4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
5. This report has been issued at the request of the Company for the purpose of inclusion in the offer document in connection with its proposed Issue and should not be used by anyone else or for any other purpose.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

UDIN: 21102102AAAADU6488

per Shrawan Jalan

Partner

Membership No. 102102

Place of Signature: Mumbai

Date: March 26, 2021

Annexure

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

The Annexure is based on the provisions of the IT Act, as on date, taking into account the amendments proposed to be made by the Finance Bill, 2021 (FB 2021)¹.

Further, as per section 294 of the IT Act, if on the 1st day of April in any assessment year provision has not yet been made by a Central Act for the charging of income-tax for that assessment year, the IT Act shall nevertheless have effect until such provision is so made as if the provision in force in the preceding assessment year or the provision proposed in the Bill then before Parliament, whichever is more beneficial to the assessee, were actually in force.

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

Taxability under the IT Act

1. Taxability under various heads of Income

The returns received by the investors from NCD in the form of interest and the gains on the sale/ transfer of the NCD, may be characterized under the following broad heads of income for the purposes of taxation under the IT Act:

- Profits and gains from business;
- Income from capital gains; and
- Income from other sources.

The returns from the investment in the form of interest would generally be subject to tax under the head “income from other sources”. Under certain circumstances depending upon the facts and circumstances of the taxpayer, the interest income may be subject to tax under the head “Profits and gains from business”.

The gains from the sale of the instrument or security may be characterised either as “Profits and gains from business” or as “Capital Gains”. This is discussed in the following paragraph.

“Profit and gains from business” versus “Capital gains”

Gains from the transfer of securities/instruments of the investee companies may be characterised as “Capital Gains” or as “Profits and gains from business” in the hands of an investor, depending upon whether the investments in the NCD is held as ‘investments’ or as ‘stock in trade’. This can vary based on the facts of each investor’s case (taking into account factors such as the magnitude of purchases and sales, ratio between purchases and sales, the period of holding, whether there exists an intention to earn a profit from sale or to earn interest, etc.)

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

2. Taxation of interest, profits from business and capital gains

Taxation of Interest

Income by way of interest received on debentures, bonds, and other debt instruments held as investments will be charged to tax as under the head “Income from Other Sources” at the rates applicable to the investor after deduction of expenses, if any, allowable under section 57 of the IT Act. These are essentially expenses (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of earning the interest income.

¹ The FB 2021 has been passed by the Lok Sabha and the Rajya Sabha. The same shall now become an Act after receiving assent of the President of India.

In case of debentures, bonds or other debt instruments held as stock in trade and sold before their maturity, the interest accrued thereon till the date of sale and included in the sale price, may also be charged to tax as “business income” (treatment separately discussed below).

Further, in case of certain specific fixed income securities and certain debt instruments, purchased and held as investments and transferred prior to maturity, the gain from the transfer may also possibly be characterised as “capital gains” (treatment separately discussed below).

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

Taxation of Profits and gains from business

As discussed above, depending on the particular facts of each case, the investments may, in certain cases, be regarded to be in the nature of stock in trade and, hence, the gains from the transfer/ sale of such investments would be considered to be in the nature of “Profits and gains from business”.

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

The “Profits and gains from business” so computed, as reduced on account of set-off of losses in accordance with Chapter VI of the IT Act and unabsorbed allowances, if any, would go to form part of the gross total income of the investor.

The gross total income would be reduced by deductions, if any, available under Chapter VI-A of the IT Act and the resultant total income would be subject to tax at the tax rates as applicable to the investor (Refer Note 1 and Note 2).

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

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

Taxation of Capital Gains

As discussed above, based on the particular facts of each case, the investments may, in certain cases, be regarded to be in the nature of capital assets and hence the gains from the transfer/ sale of such investments would be considered to be in the nature of “capital gains”.

As per section 2(14) of the IT Act, the term ‘capital asset’ had been defined to, *inter alia*, mean any securities held by a foreign institutional investor which has invested in such securities in accordance with the regulations made under Securities and Exchange Board of India Act, 1992.

• *Period of holding – long-term & short-term capital assets*

A security (other than a unit) listed on a recognised stock exchange in India or zero-coupon bond (as defined) held for a period of more than 12 months is considered long-term capital asset.

In case of share of an unlisted company and immovable property, it will be considered as a long-term capital asset where it is held for a period of more than 24 months.

Any assets (other than as described above), are considered long-term capital assets where they are held for a period of more than 36 months.

The above assets, where held for a period of not more than 12 months/ 24 months/ 36 months, as the case may be, will be treated as short-term capital assets.

The gains arising from the transfer of long-term capital assets are termed as long-term capital gains.

The gains arising from the transfer of short-term capital assets are termed as short-term capital gains.

- ***Computation of capital gains***

Capital gains are computed after reducing from the consideration received from the transfer of the capital asset, the cost of acquisition of such asset and the expenses incurred wholly and exclusively in connection with the transfer.

- ***Nature of transactions and resultant capital gain treatment***

The capital gains tax treatment of transactions is given in Note 4.

The following transactions would attract the “regular” capital gains tax provisions:

- ✓ Transactions of sale of debentures, bonds, listed or otherwise; and
- ✓ Transactions in structured debentures.

- ***Set off of capital losses***

Long-term capital loss of a year can be set off only against long-term capital gains arising in that year and cannot be set off against short-term capital gains arising in that year. On the other hand, short-term capital loss in a year can be set off against both, short-term and long-term capital gains of the same year.

Unabsorbed short-term and long-term capital loss of prior years can be separately carried forward for not more than eight assessment years immediately succeeding the assessment year for which the first loss was computed. Unabsorbed short-term capital loss shall be eligible for set off against short-term capital gains as well as long-term capital gains. However, unabsorbed long-term capital loss shall be eligible to be set off only against long-term capital gains.

- ***Certain deductions available under Chapter VI-A of the IT Act***

Individuals and Hindu Undivided Families would be allowed a deduction in computing total income, *inter alia*, under section 80C of the IT Act for an amount not exceeding INR 150,000 with respect to sums paid or deposited in the previous year in certain specified schemes.

However, where the individual or HUF exercises the option to be assessed to tax as per provisions of section 115BAC of the IT Act, such individual or HUF shall not be entitled to deduction specified, *inter alia*, under section 80C of the IT Act.

Further, the option to be assessed to tax in accordance with the provisions of section 115BAC of the IT Act once exercised by an individual or HUF carrying on business or profession for any previous year can be withdrawn only once for a previous year other than the year in which it was exercised and thereafter, such individual or HUF shall never be eligible to exercise the option to be assessed in accordance with the provisions of section 115BAC of the Act except where such individual or HUF ceases to have any income from business or profession, in which case, the option to be assessed to tax as per the provisions of section 115BAC of the IT Act shall be available.

- ***Alternate Minimum Tax (“AMT”)***

The IT Act provides for the levy of AMT to tax investors (other than companies) at the rate of 18.5 per cent (plus applicable surcharge and health and education cess) on the adjusted total income. In a situation where the income-tax computed as per the normal provisions of the IT Act is less than the AMT on “adjusted total income”, the investor shall be liable to pay tax as per AMT. “Adjusted total income” for this purpose is the total income before giving effect to the deductions claimed under section C of chapter VI-A (other than section 80P) and deduction claimed, if any, under section 10AA and deduction claimed, if any, under section 35AD as reduced by the amount of depreciation allowable in accordance with the provisions of section 32 as if no deduction under section 35AD was allowed in respect of the assets on which the deduction under that section is claimed. AMT will not apply to an Individual, HUF, AOP, BOI or an Artificial Juridical Person if the adjusted total income of such person does not exceed INR 20 lakhs². Further, the credit of AMT can be further carried forward to fifteen subsequent years and set off in the year(s) where regular income tax exceeds the AMT.

² As per sub-section (5) to section 115JC of the IT Act, the provisions of AMT shall not be applicable in case of, *inter alia*, an individual or HUF who has exercised the option to be taxed as per the provisions of section 115BAC of the IT Act.

The provisions of AMT also provide that the Foreign Tax Credit (FTC) claimed against AMT liability which exceeds the FTC that would have been allowable while computing income under normal provisions, would be ignored while computing tax credit under AMT.

- ***Minimum Alternative Tax (“MAT”)***

The IT Act provides that where the tax liability of a company (under the regular provisions of the IT Act) is less than 15 per cent of its 'book profit', then the book profit is deemed to be its total income and tax at the rate of 15 per cent (plus applicable surcharge and health and education cess – Refer Note 2) is the MAT payable by the company.

Tax credit is allowed to be carried forward for fifteen years immediately succeeding the assessment year in which tax credit becomes allowable. The tax credit can be set-off in a year when the tax is payable on the total income is in accordance with the regular provisions of the IT Act and not under MAT.

The CBDT vide its Circular no. 29 of 2019 dated 2 October 2019 has clarified that MAT credit is not available to a domestic company exercising option under section 115BAA of the IT Act. The circular further clarifies that there is no time limit within which the option under section 115BAA of the IT Act can be exercised and accordingly, a domestic company having accumulated MAT credit may, if it so desires, exercise the option of section 115BAA of the IT Act at a future date, after utilizing the MAT credit against tax payable as per the regime existing prior to the Taxation Laws (Amendment) Act, 2019.

As per the provisions of section 115JB of the IT Act, the amount of income accruing or arising to a foreign company from capital gains arising on transactions in securities or interest, dividend, royalty, or fees for technical services chargeable to tax at the rates specified in Chapter XII of the IT Act, shall be excluded from the purview of MAT, if such income is credited to the Profit and Loss Account and the tax payable on such income under the normal provisions is less than the MAT rate of 15 per cent. Consequently, corresponding expenses shall also be excluded while computing MAT.

Further, Explanation 4 to section 115JB of the IT Act clarifies that provisions of MAT will not apply to a foreign company if:

- a) It is a resident of a country with which India has a DTAA and the company does not have a permanent establishment in India in accordance with the provisions of such DTAA; or
- b) it is a resident of a country with which India does not have a DTAA and the foreign company is not required to register under any law applicable to companies.

Further, it is provided that the FTC claimed against MAT liability which exceeds the FTC that would have been allowable while computing income under normal provisions, would be ignored while computing tax credit under MAT.

Also, sub-section 5A to section 115JB, provides that the provisions of section 115JB shall not apply to a person who has exercised the option referred under section 115BAA or section 115BAB of the IT Act.

- ***Taxability of non-resident investors under the tax treaty***

In case of non-resident investor who is a resident of a country with which India has signed a Double Taxation Avoidance Agreement (“DTAA” or “tax treaty”) (which is in force) income-tax is payable at the rates provided in the IT Act, as discussed below, or the rates provided in such tax treaty, if any, whichever is more beneficial to such non-resident investor.

For non-residents claiming such tax treaty benefits, the IT Act mandates the obtaining of a Tax Residency Certificate (“TRC”) from the home country tax authority.

Section 90(5) of the IT Act provides that an assessee to whom a DTAA applies shall provide such other documents and information, as may be prescribed. Further, a notification substituting Rule 21AB of the Income-tax Rules, 1962 (“Rules”) has been issued prescribing the format of information to be provided under section 90(5) of the IT

Act, i.e. in Form No 10F. Where the required information³ is not explicitly mentioned in the TRC, the assessee shall be required to furnish a self-declaration in Form No 10F and keep and maintain such documents as are necessary to substantiate the information mentioned in Form 10F.

- **General Anti Avoidance Rules (“GAAR”)**

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

- **Widening of taxability of Capital Gains**

In the context of taxation of capital gains, the definitions of “capital asset” and “transfer” are widened with retro-effect from 1 April 1961 specifically with a view to tax, in the hands of non-residents, gains from direct or indirect transfer of assets situated in India.

- **Withholding provisions**

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

| Sr. No | Scenarios | Provisions |
|--------|--|--|
| 1 | Withholding tax rate on interest on NCD issued to Indian residents | <ul style="list-style-type: none"> ➤ Interest paid to residents other than insurance companies will be subject to withholding tax as per section 193 of the IT Act at the rate of 10 per cent⁴. ➤ No tax is required to be deducted on interest paid to an individual or a HUF, in respect of debentures issued by a company in which the public is substantially interested if; <ul style="list-style-type: none"> • the amount of interest paid to such person in a financial year does not exceed INR 5,000; and • such interest is paid by an account payee cheque ➤ Further, no tax is required to be deducted on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. |
| 2 | Withholding tax rate on interest on NCD issued to Foreign Portfolio Investor (FPI) | <ul style="list-style-type: none"> ➤ Interest on NCD issued to FPI may be eligible for concessional withholding tax rate of 5 per cent under section 194LD of the IT Act. ➤ Interest on NCD issued to FPI may alternatively be eligible for concessional tax rate of 5 per cent under section 194LC(2)(ia) of the IT Act provided specific approval is obtained from Central Government for interest rate. |

³ - Status (individual, company, firm etc) of the taxpayer;

- Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others);

- Taxpayer's tax identification number in the country or specified territory of residence (In case there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the taxpayer claims to be a resident);

- Period for which the residential status, as mentioned in the certificate of residence is applicable; and

- Address of the taxpayer in the country or specified territory outside India, during the period for which the certificate is applicable.

⁴ As per section 197B of the IT Act introduced vide the Relaxation Act, the rate of TDS has been reduced from 10% to 7.5% for the period 14 May 2020 to 31 March 2021.

| Sr. No | Scenarios | Provisions |
|--------|---|--|
| | | <p>If both sections i.e. 194LC and 194LD of the IT Act are not applicable, then tax deduction should be made as per sections 196D read with section 115AD of the IT Act i.e. at 20 per cent subject to relief under the relevant DTAA, if any.</p> <p>➤ Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge as applicable. However, where the withholding is done as per the rate of tax provided under the relevant DTAA, the said rate shall not be required to be increased by a surcharge and health and education cess.</p> |
| 3 | Withholding tax rate on interest on NCD issued to non-residents other than FPIs | <p>➤ Interest payable to non-resident (other than FPI) would be subject to withholding tax at the rate of 30 per cent/40 per cent as per the provisions of section 195 of the IT Act subject to relief under the relevant DTAA depending upon the status of the non-resident.</p> <p>Alternatively, benefits of concessional rates of 5 per cent under section 194LC of the IT Act could be availed provided specific approval is obtained from the Central Government with respect to the rate of interest.</p> <p>➤ Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge, as applicable.</p> |
| 4 | Withholding tax rate on purchase of 'goods' | <p>➤ As per section 194Q of the IT Act, proposed to be inserted by FB, 2021, any sum payable by a 'buyer' to a resident for purchase of 'goods' of the value exceeding INR 50 Lakhs shall be liable to withholding at the rate of 0.1 percent.</p> <p>➤ Buyer means a person whose total sales, turnover or gross receipts from the business carried on by him exceeds INR 10 crores in the financial year immediately preceeding the financial year in which the purchase is carried out.</p> <p>➤ TDS shall not be applicable where;</p> <ol style="list-style-type: none"> Tax is deductible under any of the provisions of the IT Act; or Tax is collectible under the provisions of section 206C of the IT Act other than a transaction to which section 206C(1H) of the IT Act applies <p>➤ Given that the term 'goods' has not been defined under the proposed section 194Q of the Act and there exists lack of clarity on whether the term 'goods' would include 'securities', it is advisable that the investors obtain specific advice from their tax advisors regarding the same.</p> |

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Notes:

Note 1: Tax rates

Resident Individuals and Hindu Undivided Families

The individuals and HUFs are taxed in respect of their total income at the following rates:

| Slab | Tax rate * |
|---|--|
| Total income up to Rs 250,000 [#] | Nil |
| More than Rs 250,000 [#] but up to Rs 500,000 [@] | 5 per cent of excess over Rs 250,000 |
| More than Rs 500,000 but up to Rs 1,000,000 | 20 per cent of excess over Rs 500,000 + Rs 12,500 [§] |
| Exceeding Rs 1,000,000 | 30 per cent of excess over Rs 1,000,000 + Rs 112,500 [§] |

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

* plus surcharge if applicable – Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge, if applicable).

[#] for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 250,000 has to be read as Rs 300,000 and for resident senior citizens of eighty years of age and above (“super senior citizen) Rs 250,000^{*} has to be read as Rs 500,000.

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

Alternatively, where an individual or a HUF exercises the option to be assessed to tax under the provisions of section 115BAC of the IT Act, the following shall be the rate of tax applicable:

| Slab | Tax rate * |
|--|--|
| Total income up to Rs 250,000 | Nil |
| More than Rs 250,000 but up to Rs 500,000 [@] | 5 per cent of excess over Rs 250,000 |
| More than Rs 500,000 but up to Rs 750,000 | 10 per cent of excess over Rs 500,000 + Rs 12,500 |
| More than Rs 750,000 but up to Rs 1,000,000 | 15 per cent of excess over Rs 750,000 + Rs 37,500 |
| More than Rs 1,000,000 but up to Rs 1,250,000 | 20 per cent of excess over Rs 1,000,000 + Rs 75,000 |
| More than Rs 1,250,000 but up to Rs 1,500,000 | 25 per cent of excess over Rs 1,250,000 + Rs 1,25,000 |
| More than Rs 1,500,000 | 30 per cent of excess over Rs 1,500,000 + Rs 1,87,500 |

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

* plus surcharge if applicable – Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge, if applicable).

Partnership Firms & LLP's

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

Domestic Companies

| Type of Domestic company | Base normal tax rate on income (other than income chargeable at special rates) | Base MAT rate |
|---|--|----------------|
| Domestic companies having turnover or gross receipts of less than Rs 400 Cr in FY 2019-20 | 25 per cent | 15 per cent |
| Domestic manufacturing company set-up and registered on or after 1 March 2016 subject to fulfilment of prescribed conditions (Section 115BA) | 25 per cent | 15 per cent |
| Any domestic company (even if an existing company or engaged in non-manufacturing business) has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAA) | 22 per cent | Not applicable |
| Domestic manufacturing company set-up and registered on or after 1 October 2019 and commences manufacturing upto 31 March 2023, has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAB) | 15 per cent | Not applicable |
| Domestic companies not falling under any of the above category | 30 per cent | 15 per cent |

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

Non-corporate assessee other than firms and co-operative societies (other than FPIs)

| Particulars | Rate of Surcharge |
|---|---|
| Where total income (including dividend income and income under the provisions of section 111A and section 112A of the IT Act) does not exceed Rs 50 lacs | Nil |
| Where total income (including dividend income and income under the provisions of section 111A and section 112A of the IT Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore | 10 per cent on total tax |
| Where total income (including dividend income and income under the provisions of section 111A and section 112A of the IT Act) exceeds Rs 1 crore but does not exceed Rs 2 crore | 15 per cent on total tax |
| Where total income (excluding dividend income and income under the provisions of section 111A and section 112A of the Act) does not exceed Rs 2 crore but total income (including dividend income and income under the provisions of section 111A and section 112A of the Act) exceeds Rs 2 crore | 15 per cent on total tax |
| Where total income (excluding dividend income and income under the provisions of section 111A and section 112A of the IT Act) exceeds Rs 2 crore but does not exceed Rs 5 crore | <ul style="list-style-type: none"> - 25 per cent on tax on income excluding dividend income and income under the provisions of section 111A and section 112A of the IT Act - 15 per cent on tax on dividend income and income under the provisions of section 111A and section 112A of the IT Act |

| Particulars | Rate of Surcharge |
|--|---|
| Where total income (excluding dividend income and income under the provisions of section 111A and section 112A of the IT Act) exceeds Rs 5 crore | <ul style="list-style-type: none"> - 37 per cent on tax on income excluding dividend income and income under the provisions of section 111A and section 112A of the IT Act - 15 per cent on tax on dividend income and income under the provisions of section 111A and section 112A of the IT Act |

FPIs (Non – corporate)

| Particulars | Rate of Surcharge |
|---|---|
| Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) does not exceed Rs 50 lacs | Nil |
| Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore | 10 per cent on total tax |
| Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 1 crore but does not exceed Rs 2 crore | 15 per cent on total tax |
| Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the Act) does not exceed Rs 2 crore but total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the Act) exceeds Rs 2 crore | 15 per cent on total tax |
| Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 2 crore but does not exceed Rs 5 crore | <ul style="list-style-type: none"> - 25 per cent on tax on income excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act - 15 per cent on tax on dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act |
| Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 5 crore | <ul style="list-style-type: none"> - 37 per cent on tax on income excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act - 15 per cent on tax on dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act |

For assesseees other than those covered above

| Particulars | Rate of surcharge applicable |
|--|---|
| Non-corporate taxpayers being firms and co-operative societies | Nil where taxable income does not exceed Rs 1 crore |
| | 12 per cent where income exceeds Rs 1 crore |
| Domestic companies (other than companies | Nil where taxable income does not exceed Rs 1 crore |

| Particulars | Rate of surcharge applicable |
|---|--|
| availing benefit under section 115BAA and section 115BAB of the IT Act) | 7 per cent where taxable income does not exceed Rs 1 crore but does not exceed Rs 10 crore |
| | 12 per cent where taxable income exceeds Rs 10 crore |
| Domestic companies availing benefit under section 115BAA and section 115BAB of the IT Act | 10 per cent (irrespective of taxable income) |
| Foreign Companies (including corporate FPIs) | Nil where taxable income does not exceed is equal to or less than Rs 1 crore |
| | 2 per cent where taxable income exceeds Rs 1 crore but does not exceed Rs 10 crore |
| | 5 per cent where taxable income exceeds Rs 10 crore |

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

Note 3: Taxability of interest income

For all Residents (including Indian Corporates)

In case of residents, where interest income is taxable as ‘income from other sources’ or ‘income from business or profession’ should be chargeable to tax as per the rates given in Note 1 and Note 2 above.

For Non-residents (other than FPI entities)

In case of non-residents, under the IT Act, the interest income should be chargeable to tax at the rate of 30/ 40 per cent depending on the status of the non-resident (plus applicable surcharge and health and education cess).

However, the above is subject to any relief available under DTAA and any Covered Tax Agreement (CTA) entered into by the Government of India.

For FPI entities

In case of FPI, interest on NCD may be eligible for concessional tax rate of 5 per cent (plus applicable surcharge and health and education cess) under section 194LD or 194LC of the IT Act. Further, in case where section 194LD or 194LC is not applicable, the interest income earned by FPI should be chargeable tax at the rate of 20 per cent under section 115AD of the IT Act.

However, the above is subject to any relief available under DTAA and any CTA entered into by the Government of India.

Note 4: Regular capital gains tax rates

1. Tax on Long-term Gains

1.1 For all Residents (including Indian Corporates)

Long-term Capital Gains (other than long-term capital gains chargeable under section 112A of the IT Act) will be chargeable to tax under Section 112 of the IT Act, at a rate of 20 per cent (plus applicable surcharge and health and education cess respectively – Refer Note 2) with indexation.

Alternatively, the tax rate may be reduced to 10 per cent without indexation (plus applicable surcharge and health and education cess– Refer Note 2) in respect of listed securities (other than a unit) or zero-coupon bonds (as defined).

However, as per the fourth proviso to section 48 of the IT Act, benefit of indexation of cost of acquisition under second proviso to section 48 of the IT Act, is not available in case of bonds, debentures, except capital indexed bonds. Accordingly, long term capital gains on listed bonds arising to the bond holders, should be subject to tax at the rate of 10 per cent, computed without indexation, as the benefit of indexation of cost of acquisition is not available in the case of debentures.

1.2 For Resident Individuals and HUFs only

Where the taxable income as reduced by long-term capital gains is below the exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be charged at a rate of 20 per cent with indexation (plus applicable surcharge and health and education cess – Refer Note 2).

Alternatively, the tax rate may be reduced to 10 per cent without indexation (plus applicable surcharge and health and education cess – Refer Note 2) in respect of listed securities (other than a unit) or zero-coupon bonds as defined.

However, as per the fourth proviso to section 48 of the IT Act, benefit of indexation of cost of acquisition under second proviso to section 48 of the IT Act, is not available in case of bonds, debentures, except capital indexed bonds. Accordingly, long term capital gains arising to the bond holders, should be subject to tax at the rate of 10 per cent, computed without indexation, as the benefit of indexation of cost of acquisition is not available in the case of debentures.

1.3 For Non-Resident Individuals

Long-term capital gains (other than long-term capital gains chargeable under section 112A of the IT Act) in case of listed securities will be chargeable under Section 112 of the IT Act at a rate of 20 per cent (plus applicable surcharge and health and education cess – Refer Note 2) with applicable foreign exchange fluctuation benefit or indexation, as the case may be. The tax payable (for other than a listed unit) could alternatively be determined at 10 per cent (plus applicable surcharge and health and education cess – Refer Note 2) without indexation.

The above-mentioned rates would be subject to applicable treaty relief.

1.4 For FPI entities

As per section 115AD of the IT Act, long term capital gains on transfer of NCD by FPI are taxable at 10 per cent (plus applicable surcharge and cess).

The above-mentioned rates would be subject to applicable treaty relief.

2. Tax on Short-term Capital Gains

Short-term capital gains are chargeable to tax as per the applicable general tax rates (discussed in Note 1 and Note 2 above).

In case of FPI, as per section 115AD of the IT Act, short term capital gains on transfer or sale of NCDs are taxable at the rate of 30 per cent (plus applicable surcharge and health and education cess – Refer Note 2).

Note 5: Relevant definitions under the IT Act

“Securities” shall have the same meaning as assigned in section 2(h) of the Securities and Contracts (Regulation) Act, 1956, which, *inter alia*, includes:

- shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;
- derivative;
- units or any other such instrument issued to the investors under any mutual fund scheme; and
- rights or interest in securities;

For the purpose of section 112 of the IT Act:

- “Listed securities” means the securities which are listed on any recognised stock exchange in India.
- “Unlisted securities” means securities other than listed securities.

“Zero coupon bond” means a bond-

- issued by any infrastructure capital company or infrastructure capital fund or public sector company [or scheduled bank] on or after 1 June 2005;

- in respect of which no payment and benefit is received or receivable before maturity or redemption from infrastructure capital company or infrastructure capital fund or public sector company [or scheduled bank]; and
- which the Central Government may, by notification in the Official Gazette, specify in this behalf.

Note 6: Amendments in the withholding tax provisions

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

As per provisions of section 206AA of the IT Act, the payer would be obliged to withhold tax at penal rates of TDS in case of payments to investors who have not furnished their PAN to the payer. The penal rate of TDS is 20 per cent or any higher rate of TDS, as may be applicable, plus applicable surcharge and health and education cess.

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

Further, the CBDT, vide its notification dated 24 June 2016, has clarified that the provisions of section 206AA shall not apply to non-residents in respect of payments in the nature of interest, royalty, fees for technical services and payment on transfer of capital assets provided the non-residents provide the following information to the payer of such income:

- Name, email-id, contact number;
- Address in the country or specified territory outside India of which the deductee is a resident;
- A certificate of his being resident in any country or specified territory outside India from the government of the other country or specified territory if the law of that country or specified territory provides for issuance of such certificate;
- Tax Identification Number of the deductee in the country or specified territory of his residence and in a case, no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.
- The FB, 2021 proposes to insert a new section for punitive withholding tax rate for non-filers of return of income.
- As per section 206AB of the IT Act, proposed to be inserted by the FB 2021, with effect from 1 July 2021, payments made to specified persons will be subject to TDS at rate which is higher of the following:
 - twice the rate specified in the relevant provision of the Act; or
 - twice the rate or rates in force; or
 - the rate of 5%
- In cases, where both section 206AA and section 206AB are applicable, taxes shall be deducted at higher of the rate prescribed under both the sections.
- For the purpose of this section, specified person means any person-
 - Who has not filed an income-tax return for two preceding AYs relevant to the previous years immediately prior to the previous year in which the tax is required to be deducted and the prescribed time limit to file the income-tax return has expired;
 - The aggregate amount of TDS exceeds INR 50,000 or more in each of these previous years
 - Other than a non-resident who does not have a permanent establishment in India.

Notes:

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

- The above statement covers only certain relevant direct tax law benefits and does not cover benefit under any other law.
- The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2021-22 and Assessment year 2022-23 pursuant to the Financial Year 2020-21 and Financial year 2021-22, respectively.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the Debentures of the Company.
- In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information under this section has been derived and extracted from the industry report titled “Research Report on BFSI Services Sector-October 2020” prepared by CARE Advisory Research & Training Limited (“CART”) in an “as is where is basis” and has not been independently verified by us, the Lead Manager, or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and Government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and Government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded-off for presentation in this Prospectus. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. The information in this section must be read in conjunction with “*Risk Factors*” and “*Our Business*” on pages 17 and 132, respectively of this Prospectus.

Indian Economy outlook

India has not been spared from the exponential spread of COVID-19. As per IMF, growth in India is projected to be -4.5% in 2020 and “V” shape recovery with 6.0% growth in 2021.

While efforts are being mounted on a war footing to arrest its spread, COVID-19 would impact economic activity in India directly through domestic lockdown. Second round effects would operate through a severe slowdown in global trade and growth.

Domestic and global shocks to key conditioning variables such as global crude oil prices, global trade and growth, the exchange rate, the monsoon outturn and the rising frequency of their visitations make forecasting a challenging task. Such uncertainties make the forecasting of growth highly challenging. The actual outturn would depend upon the speed with which the outbreak is contained, and economic activity returns to normalcy.

Private consumption, in particular, is at serious risk from the COVID-19 pandemic, notwithstanding improved rabi prospects and the recent rise in food prices, and the rationalisation of personal income tax rates in the Union Budget 2020-21 along with measures to boost rural and infrastructure spending. Aggregate demand is expected to be impacted adversely by likely recession in the global economy, caused by disruptions in global supply chains, travel and tourism, and lockdowns in many economies. Domestic production will also be impacted by the nation-wide lockdown. In the near-term, the challenge is to mitigate the adverse impact of COVID-19.

Since March 2020 the inflation outlook has become highly uncertain due to the COVID-19 outbreak turning into a pandemic. Crude oil prices have collapsed to lows not seen since early 2000s. With several major economies in lockdown mode, demand conditions may weaken sharply. Accordingly, countries across the world are bracing up for deflationary forces to take hold. India may not be immune to these extreme downside pressures imparted by the pandemic.

The pick-up in economic activity would be dependent on the easing of lockdown across the country and the containment of the spread of the virus. The longer the economy at a standstill the longer the return to normalcy. Even with easing of lockdown, revival across sectors would vary significantly and be contingent on how they are able to address the challenges of liquidity, labour, logistics, demand and capacity utilization.

Significant monetary and liquidity measures taken by the Reserve Bank and fiscal measures by the government would mitigate the adverse impact on domestic demand and help spur economic activity once normalcy is restored. Still, the government would have to play a critical role for the revival of the economy mainly through investments which could to an extent address the dire employment situation and also prompt consumption.

Overview of Non-Banking Financial Company

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

Non-banking financial institutions (NBFIs) comprise a heterogeneous group of financial intermediaries. Those under the regulatory purview of the Reserve Bank consist of all- India financial institutions (AIFIs), non-banking financial companies (NBFCs) and primary dealers (PDs). AIFIs are apex institutions established during the development planning era to provide long-term financing/refinancing to specific sectors such as

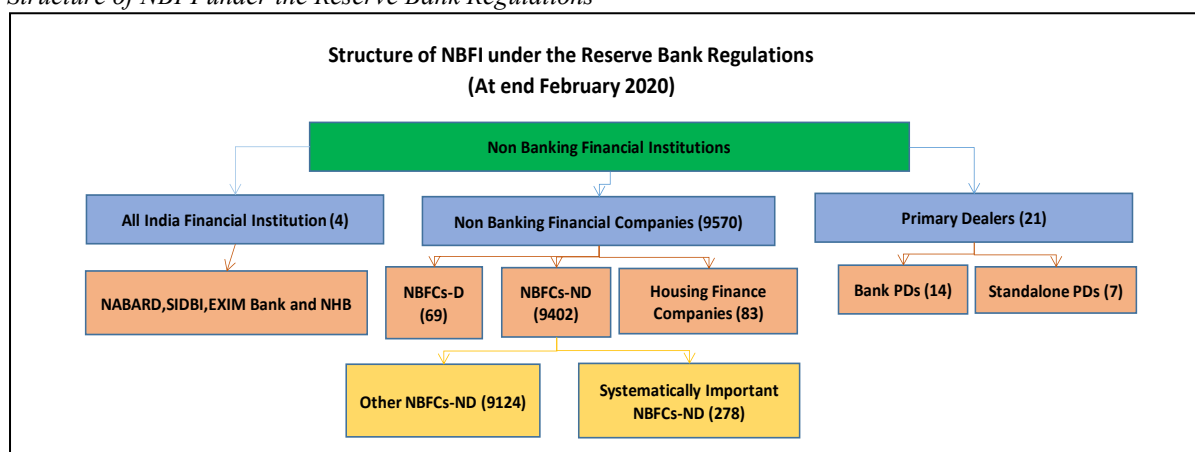
- Agriculture and rural development;
- Trade;
- Small industries; and
- Housing.

The consolidated balance sheet of the NBFCs expanded at a slower pace in 2018-19 and in the first half of 2019-20 in the aftermath of IL&FS default and rating downgrades of a few companies. NBFCs credit growth continued, supported by bank borrowings. Although gross non-performing assets (GNPA) ratio showed an uptick, their capital position remained stable. Housing Finance Companies (HFCs) experienced deceleration in credit growth and muted profitability as market confidence in the sector waned. The Reserve Bank and the government have taken several measures to address these challenges by enhancing systemic liquidity and strengthening the governance and risk- management framework of NBFCs, including HFCs. The consolidated balance sheet of AIFIs expanded on the back of robust credit growth, particularly due to augmentation of line of credit by NABARD.

Introduction

Non-banking financial institutions (NBFIs) are a group of diverse financial intermediaries which, in a bank-dominated financial system like India, serve as an alternative channel of credit flow to the commercial sector. Among the various institutions that perform this function, those regulated by the Reserve Bank are all-India financial institutions (AIFIs), non- banking financial companies (NBFCs), primary dealers (PDs) and the most recent addition, housing finance companies (HFCs).

Structure of NBFI under the Reserve Bank Regulations



(Source: Reserve Bank of India).

(Figures in bracket indicates number of Institutions)

- Although merchant banking companies, stock exchanges, companies engaged in the business of stock-broking/sub-broking, venture capital fund companies, nidhi companies, insurance companies and chit fund companies are NBFCs, they have been exempted from the requirement of registration with the Reserve Bank under Section 45-IA of the RBI Act, 1934.

- The Finance (No.2) Act, 2019 (23 of 2019) has amended the National Housing Bank Act, 1987, conferring certain powers for regulation of housing finance companies (HFCs) with the Reserve Bank of India. HFCs are henceforth treated as a category of NBFCs for regulatory purposes.

NBFCs are government/public/private limited companies, which specialise in delivering credit to a wide variety of niche segments, ranging from infrastructure to consumer durables.

Non-Banking Financial companies

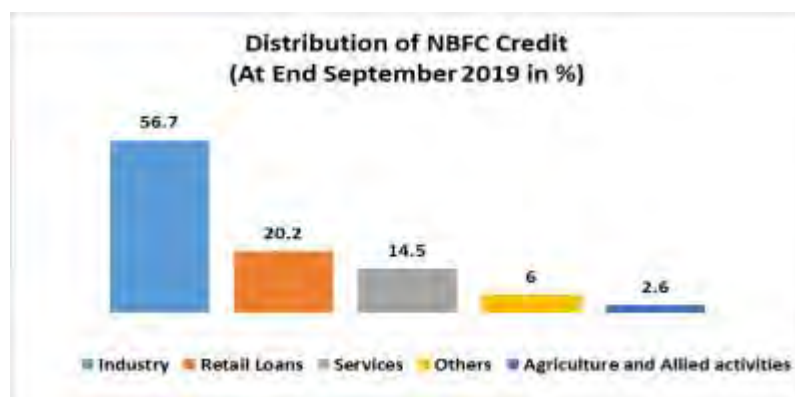
NBFCs can be classified on the basis of a) their asset/liability structures; b) their systemic importance; and c) the activities they undertake. In terms of liability structures, NBFCs are subdivided into deposit-taking NBFCs (NBFCs-D) - which accept and hold public deposits - and non-deposit taking NBFCs (NBFCs-ND) - which rely on markets and banks to raise money. Among NBFCs-ND, those with an asset size of ₹50 million or more are classified as non-deposit taking systemically important NBFCs (NBFCs-ND-SI). At the end of February 2020, there were 69 NBFCs-D and 278 NBFCs ND-SI as compared to 88 and 263, respectively at the end of March 2019.

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

Sectorial Credit of NBFCs

Credit extended by NBFCs continued to grow in 2018-19. Industry is the largest recipient of credit provided by the NBFC sector, followed by retail loans and services. Credit to industry and services were subdued in relation to the previous year. However, growth in retail loans continued its momentum.

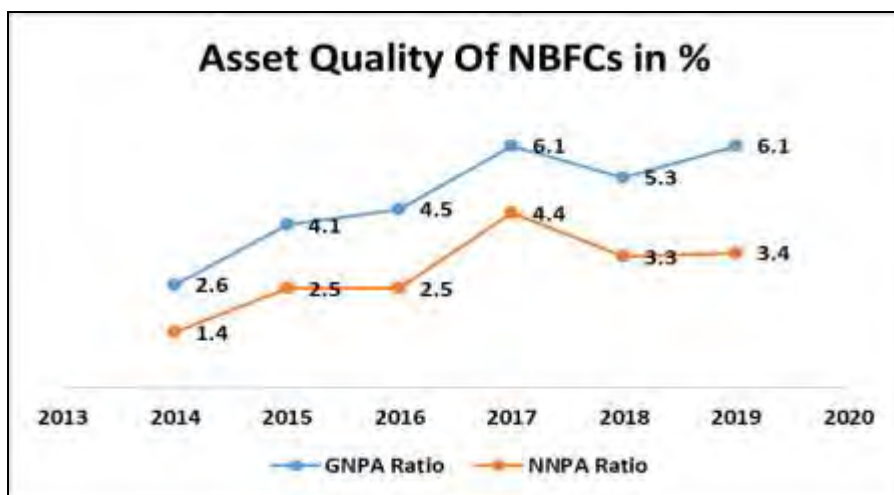
Distribution of NBFC Credit



(Source: Supervisory Returns, RBI)

Asset Quality

In 2018-19, NBFCs registered a deterioration of asset quality. While the gross non-performing assets (GNPAs) ratio increased, net non-performing assets (NNPAs) ratio edged up marginally, reflecting sufficient provisioning (Chart XI). In 2019-20 (up to September), asset quality of the sector showed deterioration with a slight increase in GNPA ratio.



(Source: Supervisory Returns, RBI)

In terms of asset composition, the proportion of standard assets declined, part of it being downgraded to the substandard category in 2018-19. In H1:2019-20, while the proportion of sub-standard assets remained unchanged, an increase in proportion of doubtful assets was observed in the period under review.

Capital Adequacy

NBFCs are generally well capitalised, with the system level capital to risk-weighted assets ratio (CRAR) remaining well above the stipulated norm of 15%, including in 2018-19 when they experienced an increase in non-performing assets. At the end of September 2019, the sector maintained the capital position although there was a deterioration in asset quality.



(Source: Supervisory Returns, RBI)

(Capital to Risk- Weighted Assets Ratio (CRAR)= Tier 1+Tier 2 Capital by Risk-weighted Assets)

The CRAR for all categories of NBFCs-NDSI except NBFCs-MFI and IDF-NBFCs, decreased from 2017-18 levels, but it remained above the regulatory norm. For NBFCs-MFI, the CRAR improved with rising profitability. The CRAR for NBFCs-D registered a marginal improvement as growth in own funds outpaced expansion in loans and advances. At end-September 2019, CRAR of NBFCs-ND-SI and NBFCs-D remained above the stipulated norm despite divergent trends.

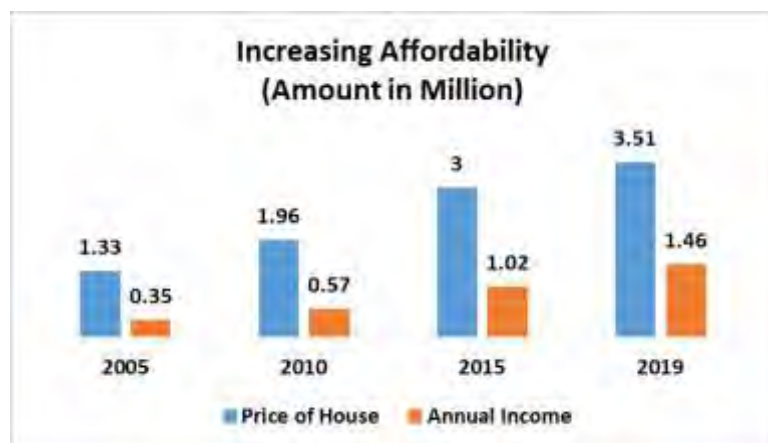
Overview of Indian Housing Sector

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

The purpose of a housing finance system is to provide the funds to home aspirational. In many countries, Government has created complex procedure for availing finance which has complicated the housing finance system. The important feature of any financing scheme is the ability to channel the funds of investors to those purchasing their homes. The role of housing finance is to eliminate these obstacles and contribute to better living standards for a thriving economy. This will directly or indirectly generate demand for supporting industries and lead to creation job opportunities. India has changed socially and there is no stigma attached today to go for borrowed funds. The emergence of housing finance is a major business in the country, the demand for housing loans was rapidly increasing in recent years. The reasons for this was easy affordability of housing, declined property prices, reduced interest rates, attractive tax incentives, supporting government policy (PMAY) and increase in Overall household incomes.



Sources: RBI, NHB



Sources: RBI, NHB

Housing is one of the key priority areas for both at the Centre and the States governments, since the Independence and will continue to remain so. Housing development is a key driver of broader economic and community development, employment creation, asset creation, and wealth accumulation.

Government has shown keen interest in this industry and hence taken various steps through their policy making such as Real Estate Regulatory Act (RERA), Benami Transactions Act, boost to affordable housing construction and Interest subsidy to home buyers.

Total number of houses built under the Pradhan Mantri Awas Yojana (PMAY) reached 69 million by May 27, 2019. The government of India's Housing for All initiative is expected to bring US\$ 1.3 trillion investment in the housing sector by 2025. As of December 2019, under Pradhan Mantri Awas Yojana (Urban) [PMAY (U)], 11.2

million houses have been sanctioned in urban areas, creating 12 million jobs. The scheme is expected to push affordable housing and construction in the country and give a boost to the real estate sector.

Despite policy focus and sustained government efforts, India still suffers from a housing shortage that could increase with a rising population. Analyst and Government of India estimates suggest that India will need anywhere between 80 million to 100 million additional housing units by 2022; the costs of building these additional units could be from ₹100 trillion to ₹115 trillion. To meet the ambitious target of 'Housing for All' by 2022, enhanced efforts will be needed on issues that relate to housing, as also those that relate to finance for housing.

Providers of Housing Finance: Banks, HFCs

Rapid growth of housing loans in banks' portfolio over the last two decades has resulted in these loans becoming a significant component of the overall loan portfolio of banks. By financial year 2019 total home loans outstanding in the banking system were ₹11.5 trillion, representing around 58% of the total home loans outstanding. HFCs, on the other hand, had outstanding home loans of ₹ 8.5 trillion, around 42% of the total home loans.



Source: RBI

As can be seen in above, the HFCs have gained the market share. Banks also purchase housing loan portfolios from other intermediaries and so the stock of loans outstanding may not reflect the proportion of disbursements.

Even though these numbers appear large and growing, as discussed above, India has a low mortgage-to-GDP ratio, compared even to peer developing countries. This reflects the low penetration of housing finance that can be attributed to several reasons; it also points to a very large opportunity for growth. Since HFCs address more over 40% of the mortgage market, the recent liquidity challenge in non-banking finance companies (NBFCs) and HFCs may create a temporary blip in the secular growth story.

Performance Overview of HFCs

Housing finance companies (HFCs) are specialised lending institutions which, along with SCBs, are the main providers of housing finance. The liquidity stress faced by the NBFC sector led to a sharp deceleration in the growth of credit extended by HFCs. On the other hand, bank credit to the housing sector picked up and grew at a robust pace in 2018-19, partially making up for the slowdown in HFC credit.



Source: RBI and NHB

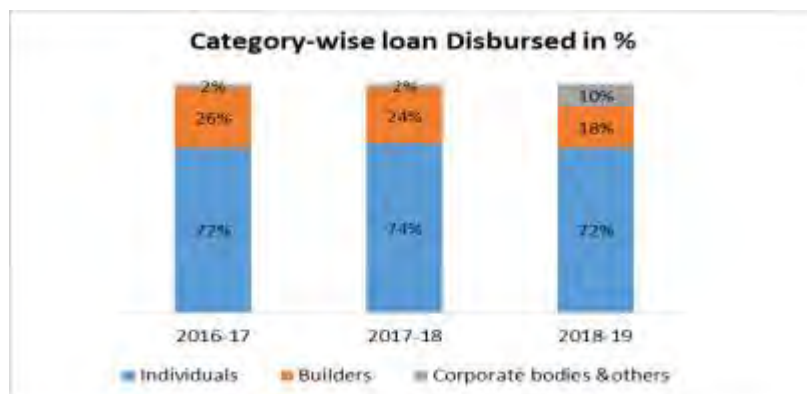
Non- Bank Quarterly Credit Growth in Housing Segment



Sources: NHB reports

- Tightening liquidity slowed down the housing finance book of non-banks in the second half of fiscal 2019, as some players sharpened focus on asset-liability management rather than growing their books
- Although banks have increased efforts towards retail lending over the last few years, they are unlikely to take up the entire market share vacated by non-banks – Even in the past, banks have been reluctant to lend to relatively riskier customer profiles (low income, non-salaried, self-employed professionals), which were largely catered to by non-banks

Category-wise loan Disbursed

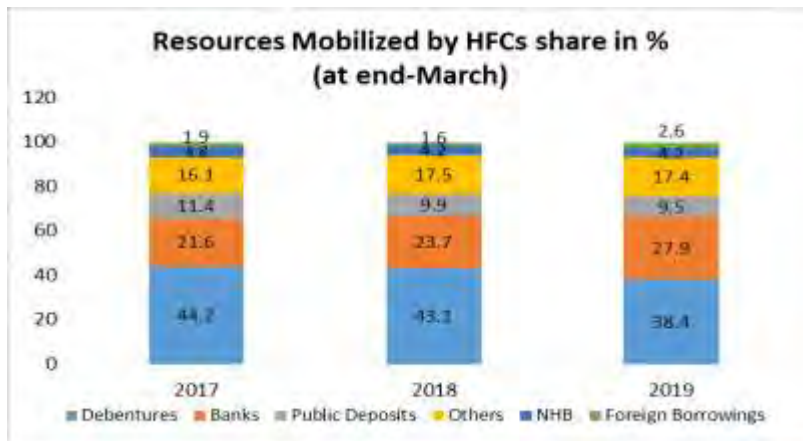


Sources: NHB

The total disbursements of Rs3.31 trillion on housing loans by HFCs registered a growth rate of about 6% in 2018-19 over 2017-18. Borrowers' type-wise dissection of disbursement of housing loans in 2018-19, further shows that around 72% of their housing loans were to individuals, 18% to builders and 10% to corporate bodies & others. This indicates that HFCs' main service concentration of housing loan was on individuals. The disbursement in the last three years is shown in the graph below:

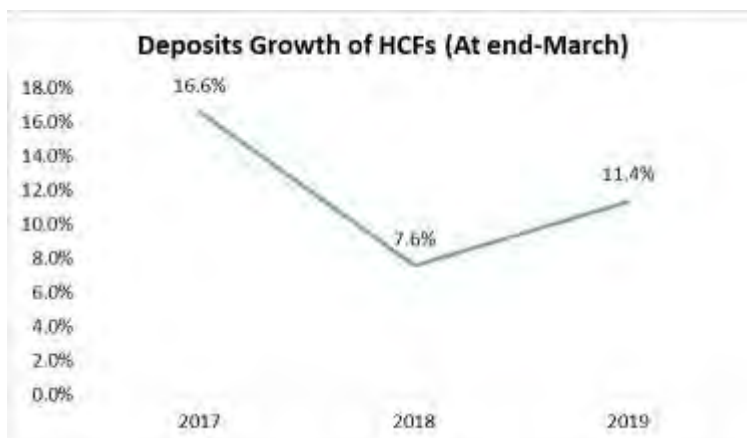
Resource Profile of HFCs

The sources of funds for HFCs include public deposits, external commercial borrowings, and commercial papers and refinance support provided by NHB, though they primarily rely on debentures and bank borrowings. The dependence of HFCs on external sources grew as domestic markets remained risk averse.



(Source: NHB report)

Public deposits are another important source of funding for HFCs. Deposit growth accelerated in 2018-19 however, the share of deposits in total liabilities of HFCs has been steadily declining since 2014-15. The distribution of HFC deposits shows that almost 95% of the deposits are concentrated in the 6-9% interest rate bracket. Furthermore, a maturity-wise analysis shows that depositors' preference is largely for the maturity period between 24 to 48 months, though deposit mobilisation slowed for this slab in 2018-19. The acceleration in deposit growth was seen for the 12-24 months and 60 months maturities.



(Source: NHB report)

Note: Data are provisional based on annual return in schedule -I submitted by 96 HFCs which is based on IGAAP

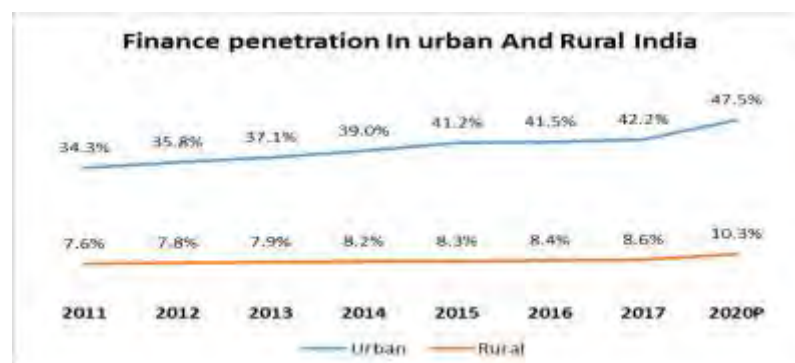
To boost affordable housing sector and to promote and encourage sustainable and affordable housing considering that Property and land prices are on a continuous surge in India, the Government of India launched the Pradhan Mantri AwasYojna or PMAY in June 2015. Also known as 'Housing for all by 2022', this credit-linked subsidy scheme (CLSS) aims to construct more than 20 million houses for Indians belonging to particular economic sections. Individuals availing loans to buy residential property or land or to construct homes would be eligible for interest subsidies on the said credit. However, the loan interest subsidy is only available for individuals belonging to Economically Weaker Sections (EWS), Lower Income Group (LIG) or Middle Income Group (MIG). This was seen as an opportunity by the HFC's to sustain their businesses in the declining trend growth of housing finance company and increasing NPA's and as it was a government initiative the confidence among the home buyers as well as HCF's was strong and hence HCF's disbursed most amount of loan under PMAY-CLSS, the chart below shows the Institution category wise share in total disbursement under PMAY-CLSS during last three years (July 2016 to June 2019).

Penetration of HFCs

The penetration of housing finance differs across segments and each segment is served very differently by banks and HFCs. The housing finance market is relatively well-served in the MIG+ segment by commercial banks and some larger and more matured housing finance companies. As we move to the LIG and EWS (HIG stands for

High income group; LIG stands for Low income group; MIG or Middle income group and EWS or economically weaker sections), we find the proportion of loans given by HFCs, especially smaller HFCs, increases. Some of these loans are bought by banks from the HFCs to meet their priority sector lending obligation. However, in terms of disbursements, HFCs take the lead in the non-MIG+ segments. There is also a difference in the penetration of housing finance between urban and rural areas. While the finance penetration in rural areas has lagged behind, it is catching up. This trend suggests that rural areas could have a relatively greater share of future growth in housing finance.

Finance Penetration in Urban and Rural India, 2011-2020

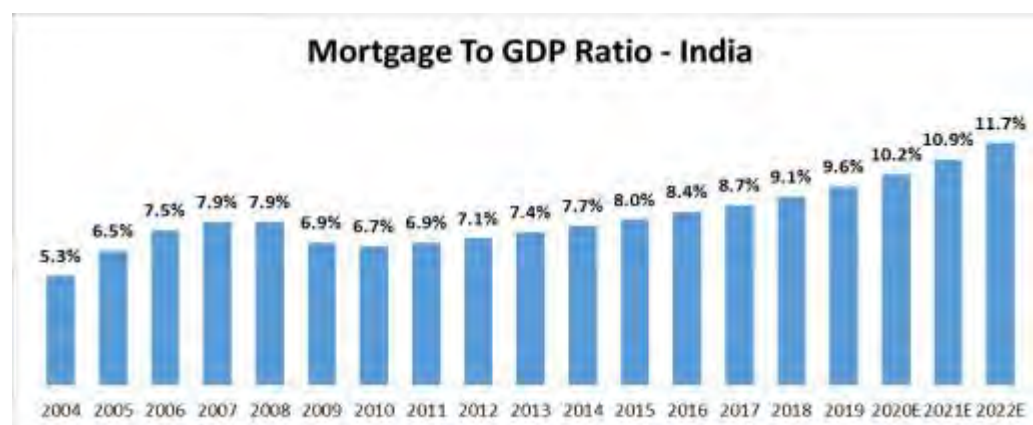


Source: RBI

The home loan business of HFCs is highly concentrated with the top five HFCs accounting for over 85% of the loans. These large HFCs have access to bond markets in addition to banks' borrowing and refinance as their source of funding. However, of the hundred or so HFCs, those beyond the top ten are almost entirely reliant on banks and NHB refinance for funding. These smaller HFCs play a critical role in providing home loans to economically weaker sections (EWG) in dispersed geographies. In order for the home loan business to grow, lenders, especially the small and medium sized HFCs, will need access to a diverse set of capital pools to source funding. Lately NBFCs have also reduced their disbursement of credit due to Pressure from increasing NPA books and uncertain future outlook of the industry. The economic situation in India has forced the industry to take calculative risks and not give out too much credit till the situation is under control.

Mortgage-to-GDP ratio

One of the key ownership methods for houses is through home loans (i.e. mortgages). Mortgages have become a popular means of facilitating the purchase of a house across all segments – even though the needs and product requirements vary significantly across the segments. India has a very low mortgage-to-GDP ratio compared to other countries. This ratio is expected to grow significantly over the next few years.



(Sources: CARE Research)

Given the unmet demand for housing and low penetration of mortgages in India, the housing market, and the financing market associated with it, is expected to see secular growth over the next many years. According to

analysts' estimates, home loan outstanding is expected to increase from ₹ 20 trillion in FY2019 to ₹35 trillion by FY2022.

COVID -19 Impact

CART records that HFCs faced liquidity constraints post September 2018, which led to slower growth for the sector as a whole, the Covid-19 related slowdown in economic activity would further intensify the already subdued demand environment. This would impact their business in FY 2021, which would lead to slower-than-envisioned growth in the current fiscal. CART expects that HFCs' overdues and credit losses could go up over the next few quarters and could increase further if the impact of Covid-19 on business activities persists for a longer than-expected period.

Outlook

CART expects housing credit growth in the range of 5%-10% in FY2021 lower than the previous years. The growth is expected to be slower in H1 FY2021 while recovery in H2 FY2021 would depend on the overall economic turnaround. Some people may defer their home purchases and home improvement/extension decisions till they are able to achieve stability in their income levels/resumption in business activities.

Overall, there could be an impact on the asset quality. Within housing, the asset quality in the affordable and self-employed segment could worsen more vis-à-vis the salaried segment, which is expected to exhibit more resilience except sectors that could face salary cuts/ job losses impacting their debt-servicing capacity. Further, the liquidity of repossessed properties could get impacted which could also impact the losses on the sale of properties especially those that were financed at higher loan-to-value (LTV) ratios. CART expects the gross non-performing assets (GNPAs) in the housing segment to increase from 1.3% as of 2019. The business growth and all key performance parameters (asset quality, solvency, liquidity, earnings) are expected to weaken over the next 2 quarters and a recovery in the latter part of the next fiscal would depend on the overall economic turnaround. But over long term period of greater than 5 years there are positive signs which will help to grow the sector as the Indian GDP increases and achieves the target set by Prime Minister Narendra Modi of US\$ 5 trillion and as household incomes increase with the increase in GDP.

MSME Finance

Introduction

The Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. It contributes significantly in the economic and social development of the country by fostering entrepreneurship and generating large employment opportunities at comparatively lower capital cost, next only to agriculture. MSMEs are complementary to large industries as ancillary units and this sector contributes significantly in the inclusive industrial development of the country. The MSMEs are widening their domain across sectors of the economy, producing diverse range of products and services to meet demands of domestic as well as global markets.

Distribution of Enterprises Category Wise

| Sector | Micro | Small | Medium | Total | Share (%) |
|--------|-------|-------|--------|-------|-----------|
| Rural | 32.40 | 0.07 | 0.001 | 32.48 | 51 |
| Urban | 30.64 | 0.25 | 0.004 | 30.90 | 49 |
| Total | 63.05 | 0.33 | 0.005 | 63.38 | 100 |

(Source- www.msme.gov.in)

MSME sector has created about 111 million jobs in the country as per National Sample Survey 73rd Round (2015-16).

Credit Support

- Prime Minister's Employment Generation Programme (PMEGP)- Margin Money Assistance of ₹10.02 billion provided to 32,227 Micro Units.
- Credit Linked Capital Subsidy Scheme (CLCSS) - Subsidy worth ₹ 4.54 billion disbursed

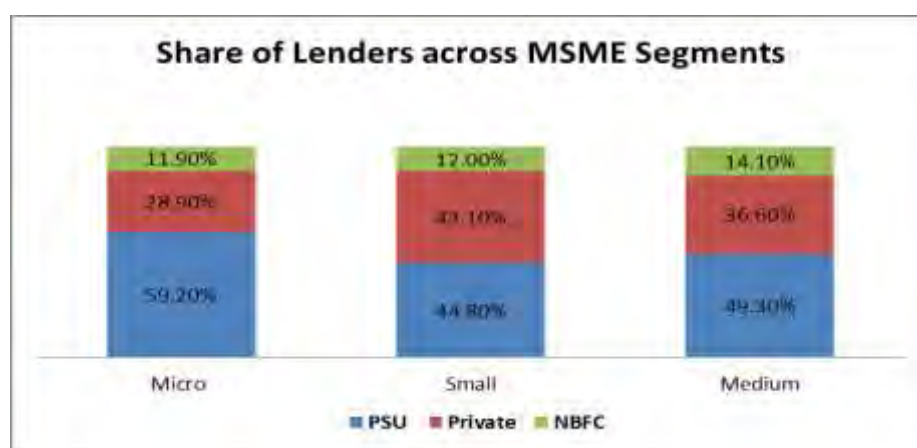
- Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE)- Credit Guarantee cover of ₹ 271.92 billion approved for 4,07,209 MSEs

The total on-balance sheet commercial lending exposure in India stood at ₹ 64.45 Trillion as of Jan'20, which was at ₹ 64.04 Trillion for Dec'19. MSME Segment is at ₹17.75 Trillion credit exposure as of Jan'20 and has observed reduction in credit exposure across most sub-segments of MSME lending. Large corporates segment is at ₹ 46.72 Trillion credit exposure as of Jan '20 and has observed a YoY expansion of 6.3% for the period Dec'18 to Dec'19.

Public Sector Banks have traditionally been the dominant lenders to the MSME sector. In the last few quarters, Private Banks and NBFCs have strongly competed with Public Sector Banks in clawing a larger share of the MSME sector. However, that trend has started to change in Dec '19 quarter with Public sector banks having regained market share from 48.2% in Sept '19 to 49.8% in Dec '19.

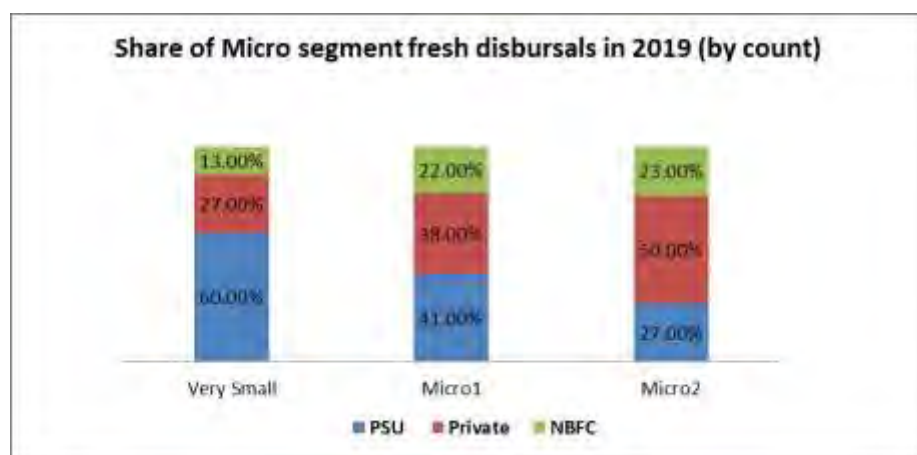
Share of lenders across segments

PSBs continue to be the dominant contributors in providing credit to Micro segment borrowers, holding almost 60% share in this segment. PSBs are playing a critical role in enabling financial inclusion of Micro Enterprises. The share of PSBs and Private Banks in the Small segment of borrowers is the same, with each having a market share of about 44%. Medium segment, which has the larger ticket size MSME loans, is again dominated largely by PSBs.



(Source- www.msme.gov.in)

Share of fresh disbursements in Micro segment for lenders and ticket size by count



(Source- www.msme.gov.in)

Conclusion

Banks and credit institutions of India have played a significant role in strengthening India's MSME sector. In last 2 years, the on-balance sheet credit exposure of MSME sector has increase over ₹ 2 trillion. Micro segment (aggregate credit exposure <1cr) has been the biggest beneficiary, with fresh credit disbursals of 922.62 billion in 2019. Every lender has played a unique role, be it Rajasthan for NBFCs, Tamil Nadu for private banks or largestmarket share of public sector banks. And in the challenging times, due to the outbreak of COVID pandemic, banks and credit institutions shall look for opportunities to strengthen their relationship with MSME sector.

Wholesale Finance

Introduction

Wholesale finance refers to financial services conducted between financial services companies and institutions such as banks, insurers, fund managers, and stockbrokers. Credit growth in wholesale accounts (aggregate exposure of ₹ 50 million and above) in the past two years was dominated by very large accounts (aggregate exposure above ₹ 50 billion). Furthermore, a broad split between financial and non-financial firms shows that credit growth in 2018-19 was dominated by financial firms (non-banking financial companies and housing finance companies). The share of "very large" credit moved up from 33% in March 2018 to 39% in March 2019.

Relative share of sub-categories of credit in the wholesale SCB portfolio

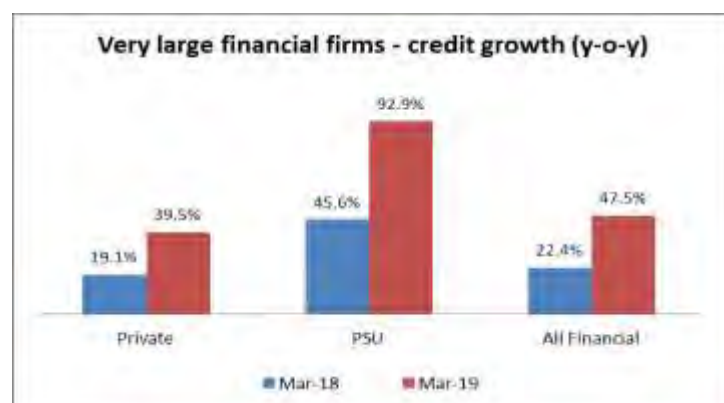
| Particulars | Mar-17 | Mar-18 | Mar-19 |
|-------------------------------------|--------|--------|--------|
| Very Large (>= 50 billion) | 30.7% | 33.3% | 38.7% |
| Large (1 billion - 50 billion) | 48.8% | 46.2% | 42.0% |
| Medium (0.25 billion - 1 billion) | 9.8% | 9.7% | 8.9% |
| Small (0.05 billion – 0.25 billion) | 10.7% | 10.9% | 10.4% |

Credit growth in wholesale accounts (y-o-y) (₹ 50 Million and above) in scheduled commercial banks



(Source - The Central Repository of Information on Large Credits (CRILC), www.rbi.org.in)

Credit growth for Very Large Financial Firms



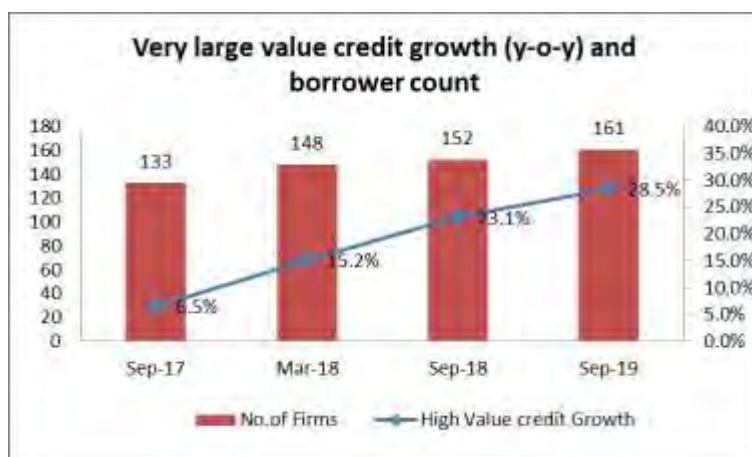
(Source - The Central Repository of Information on Large Credits (CRILC), www.rbi.org.in)

Credit growth for Very Large Non- Financial Firms



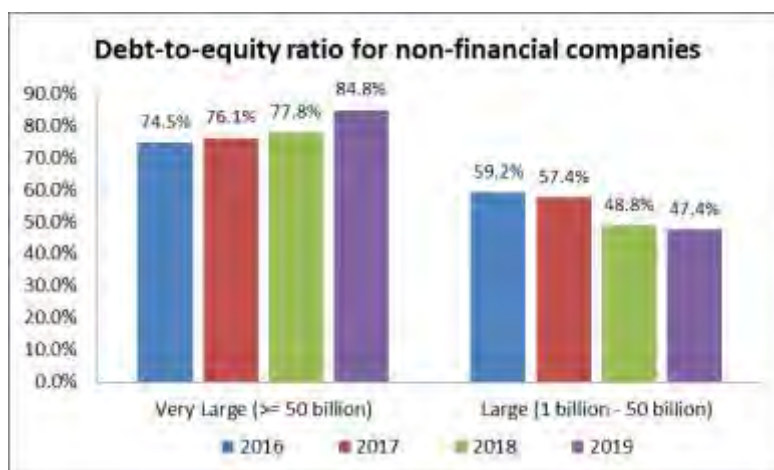
(Source - The Central Repository of Information on Large Credits (CRILC), www.rbi.org.in)

Very Large Value Credit Growth



(Source - The Central Repository of Information on Large Credits (CRILC), www.rbi.org.in)

Debt-to-operating profit ratio for non-financial companies



(Source - The Central Repository of Information on Large Credits (CRILC), www.rbi.org.in)

Conclusion

With banks reducing exposure to real estate developers in the past 2-3 years, non-banks have been the primary lenders to this segment. However, liquidity constraints faced by weaker non-banks since the second half of fiscal 2019 is unable to growth more credit real estate developers.

As non-banks focus on managing liquidity, lending to this segment is likely to remain weak, this may lead to a slowdown in real estate construction activity. Also the impact of COVID -19 need to be taken into account while considering the growth outlook for short term. Over a longer period of time horizon of 3-5 years credit off take should increase keeping in mind the various policies to be undertaken by government for the to reach US\$ 5 trillion GDP goal for Indian Economy.

Wealth Management Overview

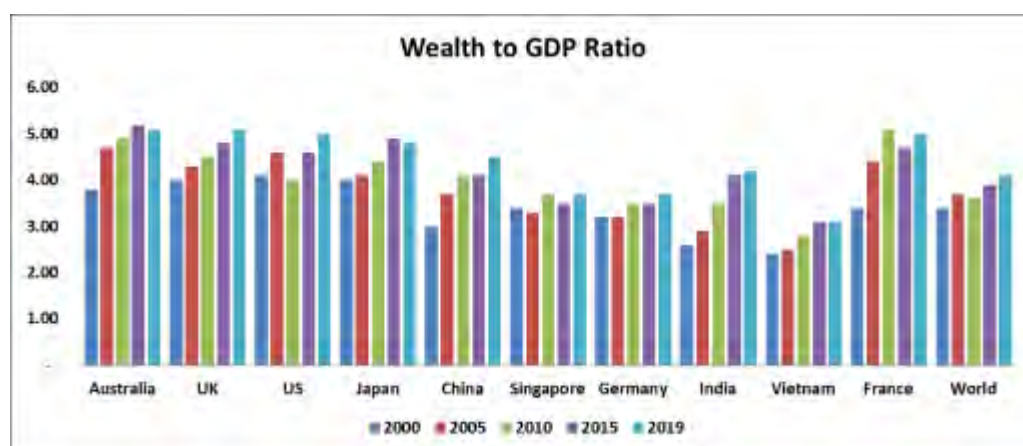
The Indian Wealth Management market is on a sustained path of growth, given India's long-term economic prospects, positive demographics, rising income levels and current low penetration. While the percentage of wealthy individuals in India is very small compared with developed markets, very high potential of growth in wealth is estimated in future. India has the key ingredients of a high-growth wealth management market, namely driven by a very large and young mass affluent segment; an increase in the wealth of global Indians; the Indian government's push to control illegal channel of funds and push for tighter regulations of the capital markets.

Players in the Indian wealth management space

Products offered: Wealth managers in India mainly sell mutual funds, private equity funds, real estate funds, non-convertible debentures, portfolio management services, structured products and tax-free bonds to investors.

Increase in GDP to drive growth of Wealth in India

Strong correlation between Wealth/GDP and GDP/Adult



(Source-Global wealth Report 2019)

The average per capita GDP of India rose from US\$443 in 2000 to US\$2,104 in 2019. While India's GDP is expected to grow at much faster rate, it is estimated that it will mirror similar increase in its wealth/GDP ratio as growth observed by developing nations. Wealth per adult grew by 1.2%, raising global mean wealth to a record high of \$70,850 per adult in 2019. Most of the top performing countries were boosted by strong stock market gains during the year. In developed regions such as North America and Europe, financial savings represents a high proportion of overall wealth per adult as compared to other regions. Strong underlying economic expansion along with significant growth per capita income will drive the pace of wealth creation in India where investment towards financial savings is gradually increasing with increase in GDP.

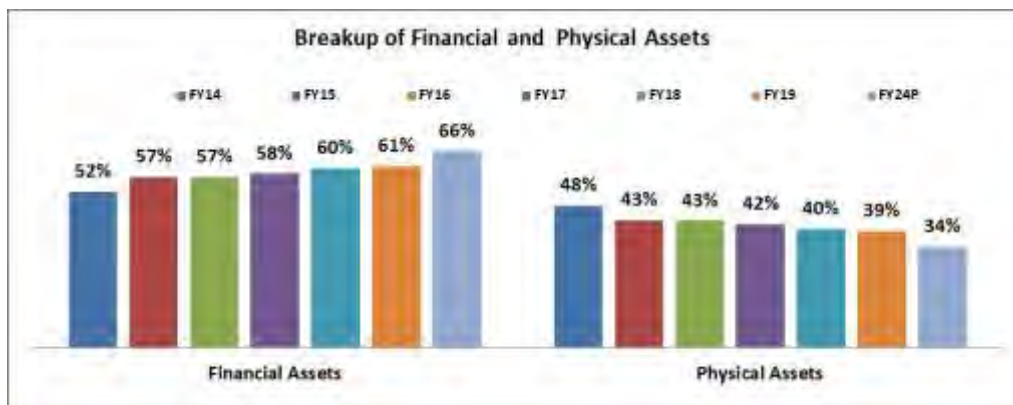
Shift in savings from physical assets to financial assets:

(₹ in Billion)

| Category | FY 14 | FY 15 | FY 16 | FY 17 | FY18 | FY19 | FY24P |
|------------------|---------|---------|---------|---------|---------|----------|----------|
| Financial Assets | 134,710 | 160,560 | 177,880 | 201,289 | 236,347 | 2,62,106 | 5,28,161 |
| Physical Assets | 122,710 | 119,890 | 132,270 | 142,894 | 156,101 | 1,67,942 | 2,70,783 |

| Category | FY 14 | FY 15 | FY 16 | FY 17 | FY18 | FY19 | FY24P |
|----------|---------|---------|---------|---------|---------|----------|----------|
| Total | 257,420 | 280,450 | 310,150 | 344,182 | 392,448 | 4,30,048 | 7,98,944 |

(Source-CARE Research)



(Source-CARE Research)

With a likely growth rate of India's GDP projected at 6.0 % in 2021 the country will remain a key growth driver of global economy. Against this backdrop, individual wealth in India is expected to grow at a CAGR of 13.19% till FY24 and is likely to nearly double to ₹ 798,944 billion by FY24.

The share of financial assets is increasing in total assets gradually from 52.0% to 66.0%.

Projected financial wealth – asset class wise distribution in FY24:

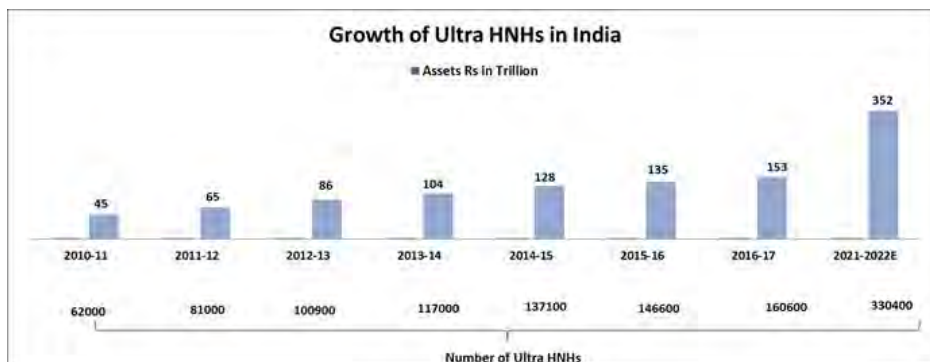
Financial assets are likely to almost double by FY24 to reach a figure of ₹ 5,28,161 billion in FY24 as compared to ₹ 2,62,106 billion in FY19. Faster growth in Direct Equity will be the major driver of such growth. Rising wave of mutual funds will also supplement this uptrend. We therefore expect that by FY24, the share of financial assets in the investment will rise to 68.0% from 61.1% in FY19.

Wealth held by individuals is expected to reach approx. ₹ 798,944 billion by FY24 at a steady CAGR of 13.19% per annum.

Size and Growth of HNI's in India:

India has one of the world's fastest growing high-net-worth Individual (HNI) populations both in terms of the number of individuals and the wealth levels. There has been a 2 fold increase in 5 years from 2011-12 ₹65,000 billion to ₹135,000 billion in 2016-17 and is projected to reach ₹352,000 billion by 2021-2022.

Growth of Ultra HNIs in India:



(Source-Kotak Wealth-Top of the Pyramid Report)

Portfolio management services:

AMCs in India have started offering strategies with higher flexibility to investors through PMS. As of June 30, 2020, there were 336 portfolio managers registered under the SEBI. This avenue has seen a sharp rise in the asset size, which increased more than thrice to ₹4,608 billion as of June 2020 from ₹1,430 billion as of March 2013.

This AUM can be classified under three sections – non-discretionary, discretionary and advisory. Discretionary assets dominated the PMS space with a 83.0% share, followed by advisory (10.5%) and non-discretionary (6.5%).

Conclusion

India has the lowest mutual fund penetration globally. The total AUM to GDP ratio of India stands at a mere 13%, way below the global average of 62%. Countries like the US have AUM to GDP ratios of over 100%. So, the mutual fund industry in the country provides huge scope for growth and development. Real estate and gold have become less attractive forms of investments post demonetisation. Even the reduction in bank deposit rates in the past year has led to a shift in investment to mutual funds and the stock markets.

Also, the government's efforts to increase banking penetration through Jan Dhan Yojana and higher digitization are also expected to boost financial savings. Factors such as favourable demographic profile with a young working population, rise in income levels, increasing financial literacy and retail participation and buoyancy in capital markets supporting equity AUM, are expected to drive the growth of the mutual fund industry in the long term.

Indian Capital Market Outlook:

Government initiative of introducing GST and the Insolvency & Bankruptcy Code (IBC) and increasing participation of the domestic mutual fund industry as a strong counterbalance to foreign funds has been an important factor for the shift in the country's financial space.



(Source-SEBI Bulletin 2020)

The BSE Sensex on 31st August 2020, closing at 38,628 witnessing 14.24% rise from its 1st January, 2018 closing at 33,813. The Nifty 50 index also rose 9.12% at 11,388 on 31st August 2020 compared to closing on 1st January, 2018 at 10,436. Increase in global liquidity, India's improving economic fundamentals, the government's demonstration of its serious intent for economic reforms, signs of a turnaround in corporate earnings has boosted the Capital Market's attractiveness for the investors during the calendar year 2018.

Primary Market Trends (Public & Rights Issues):

| Items | (₹ In million) | | | | | |
|--------------------------------|----------------|----------|---------------|----------|---------------|--------|
| | 2018-19 | | 2019-20 | | 2020-21* | |
| | No. of Issues | Amount | No. of Issues | Amount | No. of Issues | Amount |
| I. Public Issues (Debt) | 25 | 3,66,790 | 34 | 1,49,840 | 5 | 8,811 |

| | | | | | | |
|--|------------|-----------------|------------|-----------------|-----------|-----------------|
| (a) Public Issue (Equity) | 123 | 1,60,870 | 60 | 2,13,221 | 8 | 1,55,270 |
| (b) FPOs | - | - | - | - | | |
| (c) Rights Issues | 10 | 21,490 | 16 | 5,56,420 | 2 | 5,35,231 |
| II. Total Equity Issues (a+b+c) | 133 | 1,82,360 | 76 | 7,69,641 | 10 | 6,90,501 |
| Grand Total (I+II) | 158 | 5,49,150 | 110 | 9,19,481 | 15 | 6,99,312 |

(Source - SEBI Bulletin); *Data as on Jul 2020

Notes:

1. Equity public issues also includes issues listed on SME platform.
2. From April, 2020 onwards the data of equity is being prepared based on the listing date of the issues as against earlier practice of preparing it based on the closing date.
3. The data of Debt is being prepared based on closing date.

Total amount mobilized through public issues and private placement of both debt and equity was ₹699.31 billion with total issue of 15 from April 1st 2020 till July 2020 as compared to ₹ 919.48 billion with total issue of 110 from April 1st 2019 till March 2020 a decrease of 23.94% in the amount mobilized and 86.36% decrease in No. of issues.

Trading in Corporate Debt Market:



(Source-SEBI Bulletin 2020)

During July 2020, BSE registered 6,813 trades of corporate debt with a traded value of 800.75 billion as compared to 7,231 trades of corporate debt with a traded value of 769.87 billion in the previous month. At NSE, 6,710 trades were recorded with a traded value of 1217.30 billion in July 2020 as compared to 7,647 trades with a traded value of 1302.57 billion in June 2020.

Asset Management

Asset Management Companies:

Asset management companies are the third layer in the structure of Mutual Funds. The asset management company acts as the fund manager or as an investment manager for the trust. A small fee is paid to the AMC for managing the fund. The AMC is responsible for all the fund-related activities. It initiates various schemes and launches the same. The AMC is bound to manage funds and provide services to the investor. It solicits these services with other elements like brokers, auditors, bankers, registrars, lawyers, etc. and works with them. To ensure that there is no conflict between the AMCs, there are certain restrictions imposed on the business activities of the companies.

Indian Mutual Fund Industry Overview



(Source -AMFI)

The Indian mutual fund industry has a long history of over 50 years, starting with the formation of UTI, a joint initiative of the Government of India (“GOI”) and the RBI in 1963. It was regulated and controlled by the RBI until 1978, after which the Industrial Development Bank of India (“IDBI”) took over. UTI launched its first scheme, Unit Scheme 1964, in 1964 and its AUM reached ₹ 67 billion by 1988. The year 1987 witnessed the entry of other public sector banks to set up mutual fund business in the country. Since 2003, the mutual fund industry has witnessed a healthy growth, supported by various regulatory measures as well as investor education initiatives, where AUM of the Indian MF Industry has grown from ₹ 3.26 trillion as on 31st March 2007 to ₹ 27.49 trillion as on 31st August, 2020, more than 8.4 times in a span of about 13.4 years.

Penetration, Current Structure and Trend in Mutual Fund Industry



(Source-AMFI)

Average Assets managed by the Indian mutual fund industry have grown from ₹ 23,250 billion in January 2018 to ₹ 27,782 billion in August 2020. That represents a 19.49% growth in assets over January 2018.

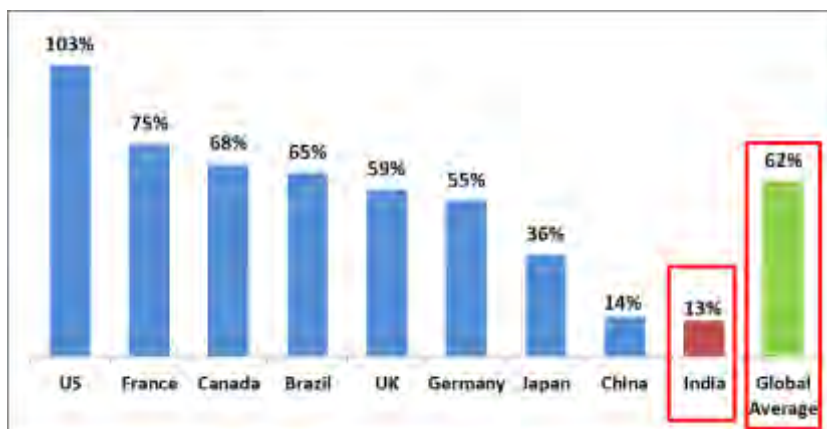
Key Growth Drivers

Increasing Penetration of Mutual Fund Market in India

Assets managed by the Indian mutual fund industry have grown from ₹ 25.63 trillion in August 2019 to ₹ 27.78 trillion in August 2020. That represents an 8.39% growth in assets over August 2019. (Assets are measured as average assets for the month).

Despite the size and growth profile, India continues to be underpenetrated with a mutual fund penetration rate (the ratio of period ending mutual fund AUM to GDP) of 12.7% in FY19, as compared to 103% in the United States, 65% in Brazil and a global average of 62%. Further, India accounts for less than 1% of the global mutual fund industry, representing a significant growth opportunity.

Mutual Fund Penetration of various Countries 2019 – AUM to GDP



(Source: CARE - Research)

There is lack of healthy participation from investors in B30 (beyond top 30) locations. Recently, the mutual fund sector is witnessing rising activity from B30 locations, especially in the equity segment due to improved distribution and regulatory changes in fee structure. Due to increasing mobile phone penetration and increasing wealth managers integration towards technology to service transparent and systematic products in an efficient manner helps to develop informed customers and enables distributors to penetrate deeper to serve clients across the wealth management space.

Distribution channel accounted for 81% of total mutual fund assets under management (AUM) for the period August 2020, of which 59% belongs to top 30 cities.

The wealth management market (assets under advisory) in India is about ₹ 18.61 trillion, which is only 9% of the country's GDP, as compared to 60% to 75% of GDP in established markets. The increase in penetration of wealth management companies into Tier II and III cities will also help to drive the growth given more than 44% of the UHNIs live in non-Metro where currently wealth is majorly managed by IFAs and Chartered Accountants. (Source-AMFI).

The top five cities, Mumbai, Delhi, Bangalore, Kolkata and Pune contributed to 69.5% of the AUM of mutual fund for the quarter ending in June 2020. As of August 2020, Mumbai and New Delhi attributed to 52.0% of the average AUM compared to 56% in March 2015. 16.0% of the assets of the mutual fund industry came from B30 locations in August 2020. Assets from B30 locations have increased from ₹2.19 trillion in March 2016 to ₹4.45 trillion in August 2020.

Increase in folios



(Source-AMFI)

Individual investor's component of total number of folios in the industry has been steadily increasing over period of years where mass affluent retail investors are spearheading the growth rate. The total number of retail investor folios increased from 45.50 million as of March 31, 2016 to 82.5 million as of June 30, 2020, adding 37.00 million folios in 4.3 years.

Outlook

Growing financial savings in India, rising product penetration, attractive returns and an enabling regulatory landscape are expected to encourage MF investments especially from retail customers, in the near-to-medium term. CART expects these drivers to aid growth in industry AAUM over FY20-FY22 to ₹ 37 trillion, with the ₹ 50 trillion milestone likely reached by FY25. Industry net profits are forecast to log a robust growth to ₹ 113bn by FY25 as the mix of highyield equity business rises, direct sourcing aids operating leverage, and AMC pricing power improves with distributors.

Alternate investment funds (AIF)

Introduction

Alternative Investment Fund or AIF means any fund established or incorporated in India which is a privately pooled investment vehicle which collects funds from sophisticated investors, whether Indian or foreign, for investing it in accordance with a defined investment policy for the benefit of its investors.

Different Categories of Funds included under the Alternative Investment Fund:

| CATEGORY I (AIF) | CATEGORY II(AIF) | CATEGORY III |
|---|--|--|
| <ul style="list-style-type: none"> Venture Capital Funds SME Funds Social Venture funds Infrastructure Funds And other such other funds which may be prescribed under the regulation. “Angel Investment Funds” introduced by SEBI in 2013, under the head of Venture Capital. | <ul style="list-style-type: none"> Funds which is not included under “Category 1 ”and “Category 3” And other funds which are not used for borrowing and only for carrying day to day operation Private Equity Funds and Debt Funds. | <ul style="list-style-type: none"> Hedge Funds Funds which trade for the intention of making short term returns. Other open funds which are specified by the Regulation. Other funds provided that no incentives or concessions were given by the Government and Regulations as mentioned. |

The AIF market in India is at a very early stage. Since SEBI regulations came into effect in 2012, the number of AIFs registered in India has grown to 612 as of H1FY20. Funds raised have increased significantly from ₹ 410bn as of FY17, to ₹ 1.86tn as of FY20.



(Source-SEBI)

Asset Reconstruction Companies (An Overview)

Asset Reconstruction Companies (ARCs), as an institutional framework for NPA management, have been in existence for about 18 years. With the amendment of SARFESAI Act in September 2016 and subsequent regulatory modification, along with transformational reforms such as the Insolvency and Bankruptcy Code, introduced by the Government of India, the functioning of ARCs underwent the structural shift towards Real Assets reconstruction as against focused recovery earlier.

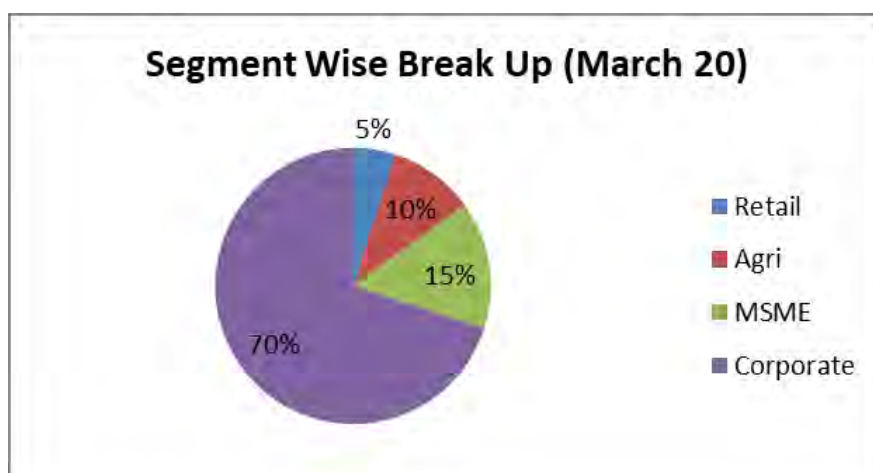
Opportunity in India's Stressed Asset Market

With Gross NPA of Banking sector are ₹ 9.40 trillion as on March 31, 2019 and was estimated to decline to ₹ 9.10 trillion as on March 31, 2020, there remains a large opportunity in the stressed assets market for players.

Interestingly, the major of these NPAs lies in the corporate segment, a sector which has seen most of the activity.



(Source-www.rbi.org.in)



(Source-www.rbi.org.in)

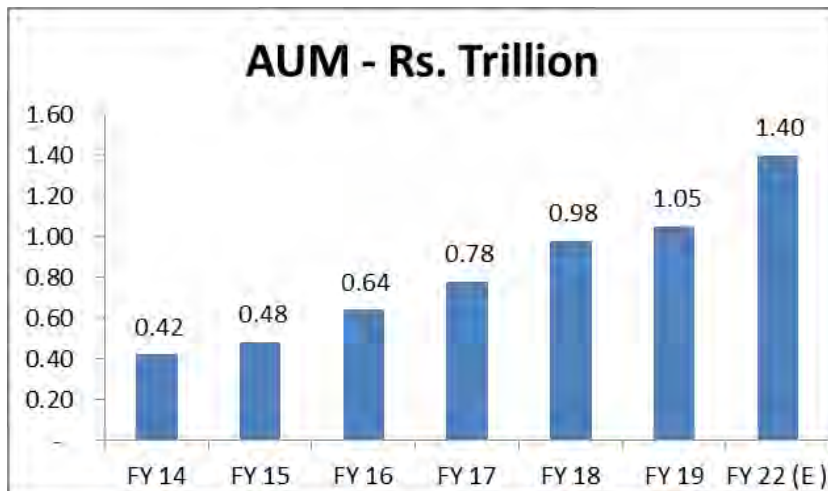
Stressed Assets in the Large Corporates Segment

As on March 31, 2019, large stressed assets in the corporate sector were around ₹ 5.40 trillion. This created a huge opportunity for the investors. Of this total, NCLT's List 1 and NCLT's List 2 comprised around ₹ 2.10 trillion, while other stock of NPA comprises around ₹ 2.00 trillion. Over and above this, assets of around ₹ 1.30 trillion were estimated to be under stress but had not been recognized as NPA.

Assets under Management in ARCs

Assets under Management for ARCs, as measured by Security Receipts (SR) outstanding, crossed ₹ 1.00 trillion as on March 31, 2019, up by 7 % from previous year.

While the value of Debt of was approximately ₹ 400 billion acquired in fiscal FY19 was largely stable compared with the past couple of years, AUM growth slowed due to higher discount rate and increase in SR redemption.



(Source-www.rbi.org.in)

With an increase in the proportion of cash deals, it is estimated that discounts will remain on higher side. To make way for new acquisitions and attract new and repeat investors, it is imperative that ARCs quickly resolve the assets and redeems the SRs. Thus, the AUM growth is like to grow at 8% -10% CAGR

Impact of COVID on ARCs

Asset reconstruction companies (ARCs) are facing slowdown in recoveries from bad loans procured from banks due to failed auctions, absence of bidders and delay in payments amid Covid-19 pandemic, according to a report.

The ratings of security receipts (SRs) issued by ARCs have seen downgrades due to delay in recoveries and decline in expected recovery value on the SRs.

The recovery for the ARCs are getting affected due to deferment or failure of auctions due to unsatisfactory bids or absence of any bidders, default or delay in payment as per the agreed settlement plan or agreed restructuring terms.

As currently, the primary focus of the businesses is to set their own house in order first and preserve liquidity, acquirers are less keen to invest in further assets even when the same is available at an attractive valuation.

Outlook

There is a significant opportunity for the stressed assets investors, given around ₹ 9.40 trillion NPAs in the banking system as on March 31, 2019. Of this, the large stressed borrowers have debt approximately of ₹ 5.40 trillion which is huge potential for investors.

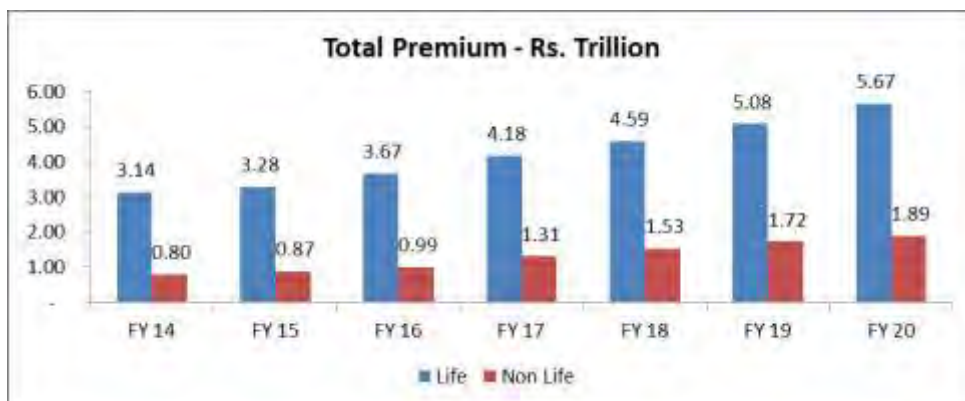
With increase in number of cash deals, the ARCs are expected to grow at CAGR of 8% - 10 % in coming 3-5 years. RBI's revised resolution framework and IBC, augur well for resolution stressed assets. Thus, regulatory framework too has paved way to attract the investors in stressed assets space.

Insurance Sector in India:

The insurance industry seeks to protect a country's people, assets and businesses. Hence, the business of insurance has always been closely linked to a country's business performance and asset ownership. Life insurance protects the livelihoods of people and future earnings and has a direct correlation with the earnings of people, their business performance and net worth. General insurance protects assets and businesses and their valuation as well as overall economic activity. Hence, a popular way of measuring insurance penetration is to benchmark it with the GDP of a country.

The insurance industry directs pooled funds towards those who need them the most and acts as a massive investor in infrastructure and government bonds, thus indirectly funding large-scale government and private projects. The industry also generates large-scale employment by employing people as agents, distributors and service providers, and thus plays a fundamental role in strengthening the country's economy. In 2009–10, the life insurance industry

recorded a premium income of ₹ 2.65 trillion, which increased to ₹ 5.67 trillion in FY 20. The non-life insurance industry collected direct premiums worth ₹ 0.39 trillion in 2009–10, which grew to ₹ 1.89 Trillion in FY 20.



(Source: IRDAI –Handbook on Indian Insurance Statistics FY 2018-19)

Currently, the insurance penetration in India is 3.70% of the gross domestic product (GDP) as against the world average which is 6.31%. Indian insurance industry is still under penetrated



(Source: IRDAI –Handbook on Indian Insurance Statistics FY 2018-19 and Union Budget 2020)

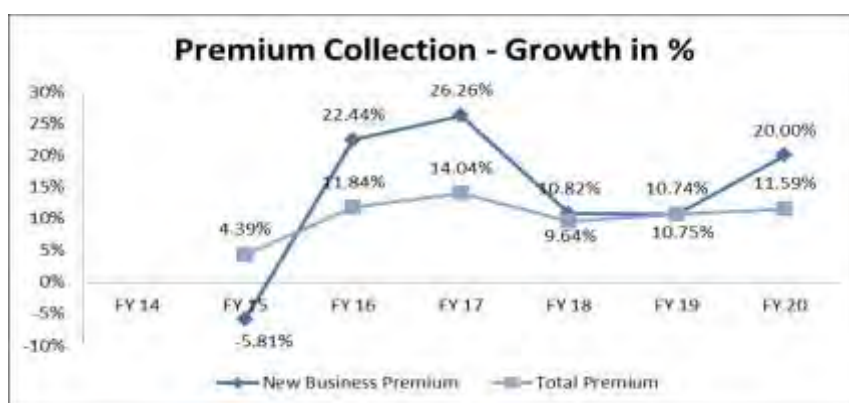
Life Insurance Industry in India:

Life insurance is one of the fastest growing sectors in India since 2000 as Government allowed Private players and FDI up to 26% and recently Cabinet approved a proposal to increase it to 49%. As of March 31, 2020, there were total of 24 players in Life Insurance Sector off which LIC of India is the only public sector company. LIC of India is by far the largest player in India having market share of 66.42% (based on total premium).

Life Insurance industry recorded premium of ₹ 5.67 trillion in FY 20 and posted y-o-y growth of 11.59% compare to previous year. The premium collection for new business as well as for total premium and growth for last 7 years is as below:

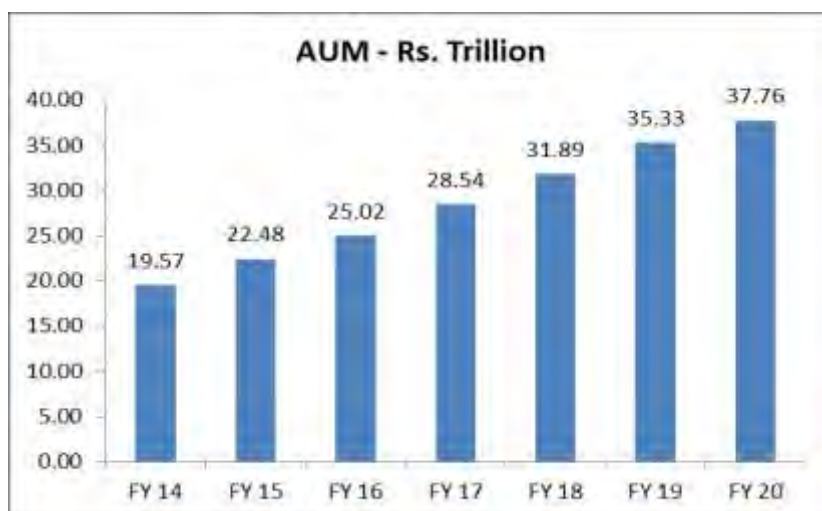


(Source: IRDAI –Handbook on Indian Insurance Statistics FY 2018-19)



(Source: IRDAI –Handbook on Indian Insurance Statistics FY 2018-19, Life Insurance Council – MIS)

The Total Assets under Management in Life Insurance sector is very high and it posted AUM of ₹ 35.33 trillion in FY 18-19 and posted growth of 11% compared to FY 17-18.



(Source: IRDAI –Handbook on Indian Insurance Statistics FY 2018-19)



(Source: IRDAI –Handbook on Indian Insurance Statistics FY 2018-19)

Impact of Covid-19 on Life Insurance Sector:

Covid -19 has definitely impacted the life insurance business. As per the industry sources, the life insurance business in India is likely to contract in 2020, declining 0.9% this year, compared to 8.8% growth recorded in 2019, mainly on account of civic and financial uncertainties due to job loss and no growth in income. The industry as a whole lost four million policies and around ₹ 150 billion of new business premium. Since the lockdown happened, people were saving money for necessities. So, around ₹ 300 billion of renewal premium did not materialize.

Outlook:

The low insurance penetration rate still leaves a lot to be desired. A temporary slump in sales activity is anticipated. However, pure life covers should see renewed interest, and since that is largely an online market, it should see a boost in demand. Long-term guarantees will look attractive, but insurers will face constraints in continuing to marketing these products as interest rates plummet. Moreover, people may also start valuing liquidity and hence, there could be stress on long-term pension products. Life insurance industry in the country is expected to grow 12-15 per cent annually over the next three to five years.

General Insurance Industry in India:

The insurance segment in India is divided into two categories – life insurance and general insurance. While life insurance policies cover the financial loss suffered due to loss of life, general insurance policies cover the financial loss suffered due to the loss of an asset. General insurance, therefore, covers the loss of economic value of assets or the financial loss suffered due to specific contingencies. General insurance has different types of plans, each of which is designed to cover specific risks related to health, motor, fire, travel or any assets etc. As of March 31, 2020, there were total of 36 players in General Insurance Sector of which there are 4 companies in public sector. General Insurance industry recorded premium of ₹ 1.89 trillion in FY 20 and posted y-o-y growth of 12% compare to previous year. The total premium collection and growth for last 7 years is as below:



(Source – General Insurance Council)



Source: IRDAI –Handbook on Indian Insurance Statistics FY 2018-19 and Union Budget 2020.

The Total Assets under Management in General Insurance sector is low compared to Life Insurance and it posted AUM of ₹ 3.13 trillion in FY 18-19 and posted growth of 17% compared to FY 17-18.



Source: IRDAI –Handbook on Indian Insurance Statistics FY 2018-19 and Union Budget 2020.



(Source: IRDAI –Handbook on Indian Insurance Statistics FY 2018-19 and Union Budget 2020.)

Impact of Covid-19 on General Insurance Sector

The pandemic has pushed businesses across sectors to change the way they operate and the insurance industry is no exception. From selling new policies to settling claims, the extended lockdown in the wake of covid-19 has pushed insurance companies to depend heavily on their digital architecture.

A large proportion of this industry is dependent on industries and businesses such as automobile, travel, hotels and infrastructure. So challenges in these sectors due to the lockdown could create additional issues. The automobile sector was witnessing a slowdown even before the pandemic set in. The over 70-day lockdown leading to job loss and pay cuts across most industries will put the purchase of new vehicles on the back burner, hurting

the motor insurance space further. For motor insurance, the number of claims has come down to less than 5% of the normal which led to some savings for insurers.

Outlook

India has traditionally been an underinsured country, with private health insurance schemes covering only 18% of the population in urban areas and a little over 14% in rural areas. Although the gap has been bridged somewhat by Ayushman Bharat, which has attempted to insure the poor and vulnerable, most of India continues to be underinsured when it comes to health. Such government-sponsored schemes are critical in enhancing insurance penetration and bringing coverage to the last mile by spreading awareness, winning the trust of people and making them financially literate. The pandemic has driven a sudden realization around the significance of protective investments, especially when it comes to the aspects of health and life security. This could over time lead to health insurance and other products transforming from a traditionally “push” product to a “pull” one.

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections “Forward Looking Statements”, “Risk Factors”, and “Financial Information” on pages 15, 17 and 210, respectively, of this Prospectus. Unless otherwise indicated or unless the context otherwise requires, the financial information included herein is derived from our Reformatted Financial Information for Fiscals 2020, 2019, 2018, 2017 and 2016 or the Q2 2020 Unaudited financial results or the Q3 2020 Unaudited financial results, as included in this Prospectus. Our fiscal year ends on March 31 of each year and references to a particular fiscal year are to the twelve months ended March 31 of that year.

Overview

Our Company, Edelweiss Financial Services Limited (“EFSL”), was incorporated on November 21, 1995 under the name Edelweiss Capital Limited and started operations as an investment banking firm after receipt of a Category II license from SEBI. Edelweiss Capital Limited subsequently received a Category I Merchant Banker license from SEBI with effect from October 16, 2000. The name of Edelweiss Capital Limited was changed to ‘Edelweiss Financial Services Limited’ with effect from August 1, 2011.

EFSL was listed in December 2007 under the symbols NSE: EDELWEISS, BSE: 532922, Reuters: EDEL.NS and EDEL.BO and Bloomberg: EDEL IS and EDEL IB. Our Corporate Identity Number is L99999MH1995PLC094641.

After commencing the business as an investment banking firm, the Company, through its subsidiaries has now diversified its businesses to include credit including retail and corporate credit, wealth management, asset management, asset reconstruction and insurance including life and general insurance businesses, which are conducted through its subsidiaries. We believe that our research driven and client-centric approach and consistent ability to capitalise on emerging market trends has enabled us to foster strong relationships across corporate, institutional (both domestic and international), high networth individuals and retail clients. We have a pan-India and international network with approximately 312 offices, including two corporate offices in Mumbai and 10 international offices, in approximately 143 cities in India and six international locations and employed approximately 8,844 employees as at December 31, 2020. Our group comprises 47 subsidiaries (including NBFCs and an HFC) as at December 31, 2020. We believe that our diversified business strategy has improved the resilience of our business model across economic cycles. We constantly pursue innovation and invest in new ideas, newer products, newer alternate channels of delivery and so on. We seek to add significant value by providing new and innovative products and services and are committed to focusing on six key vectors in our journey into the future – people management, cost management, risk management, technology, customer experience and innovation – while adhering to our business principles – which emphasise placing our clients’ interests first, commitment to excellence and innovation and teamwork.

Our group Structure

Our group comprises 47 subsidiaries (including NBFCs and an HFC) as at December 31, 2020. Our principal business lines and major subsidiaries engaged in those business lines are as follows:



Brief Highlights of our Businesses

Brief highlights of our diversified businesses including their business performance are as under:

Credit Business

Credit business of the group is a mix of diversified and scalable businesses. It consists of retail credit and corporate credit. The retail credit segment offers mortgages including home finance, retail construction finance and loan against property, SME finance, agri& rural finance and ESOP and margin funding. Corporate credit business offers products like cash flow-based loans and structured collateralized credit to corporates and real estate finance to developers.

Retail Credit Business (Edelweiss Retail Finance Limited and Edelweiss Housing Finance Limited.)

Our retail credit businesses are conducted under our subsidiary Edelweiss Retail Finance Limited. (“**ERFL**”), an NBFC and Edelweiss Housing Finance Limited. (“**EHFL**”), an HFC, catering to a wide spectrum of individuals, high-net worth individuals (“**HNI**”) and affluent clientele, as well as lower income urban and rural customers (collectively, our “**Retail Credit**” business) and offers the following products:

Retail Mortgage

Edelweiss launched retail credit business in 2011 by offering housing loans and diversified later by including loans against property. Housing loans portfolio has grown to ₹23,613.13 million as on September 30, 2020 from commencement of operations in the financial year 2011, supported by higher government support, lower interest rates and easing inflation. Also, rising urbanisation, nuclearization of families and an increase in the number of affordable-housing projects led to faster loan growth.

Our mortgages business caters to retail homebuyers and small business owners/self-employed clients. We provide a wide variety of products including housing finance, small ticket and affordable housing loans, loans against property and construction finance. While we initially launched this business in major metropolitan areas/ tier 1 cities, our focus is now on building the small ticket or affordable home loans in tier 2 and 3 cities. We focus on home loans through developer tie-ups and participating in affordable housing programs. With our increased eligibility to obtain refinance from the National Housing Board at a reduced borrowing cost, we seek to grow this business with increasing profitability. Additionally, once the Retail Mortgages book achieved the desired level of seasoning, we have been able to initiate securitisation of home and SME loans as a part of our strategy for mobilisation of resources from alternate sources, to free up equity capital for further growth as well as to optimise the yields on such loans. The collateral for Retail Mortgage products is a pledge of residential or commercial property.

Retail mortgage finance business was present in around 96 locations and served a loan book of ₹65,388.35 million as on March 31, 2020 catering to around 23,000 clients. It has a loan book of ₹ 57,451.96 million as on September 30, 2020. The loan to value ratio in its home loans and LAP portfolio remained at a comfortable level.

Our HFC has been recognised and awarded as the “Best Affordable Housing Finance Company of The Year (Mortgages)” at CMO Asia BFSI Excellence Awards in September 2019.

SME & Business Loans

SME finance business is our key focus areas in retail credit and caters to the underserved and highly scalable market. Among our products for SMEs, we offer secured and unsecured business loans to them. We believe that the SME sector has significant unmet demand that is not currently adequately serviced by banks and financial institutions and NBFCs are increasing their penetration of this sector. The collateral for secured SME loans is typically a pledge of residential or commercial property.

SME business operated in ~100 locations and had a book of ₹16,075.11 million as at March 31, 2020 catering to around 21,000 clients. It has a loan book of ₹20,633.77 million as on September 30, 2020.

- Our SME business has been recognised and awarded: Successful Use of Technology in Customer Service (Gold) Edelweiss Smart Desk – Edelweiss SME Lending at 9th ACEF Global Customer Engagement Awards 2020

- Best NBFC in SME Finance of the Year (SME Lending) at India NBFC Summit & Awards 2019

Agri and Rural Finance

Agri and rural finance comprises loans given against collateral of agri commodities stored in warehouses managed by us and unsecured loans given to rural population in the nature of micro finance through our channel partners (“**Agri and Rural Finance**”). As a part of agricultural value chain services, we extend short-term finance (of a tenure of three to nine months) against agricultural inventory stored in warehouses. Our value chain services offer warehousing, quality assaying and testing, credit, distribution and collateral management for agricultural commodities.

We manage approximately 187 leased warehouses along with tie-ups with 20 banks for collateral management as at December 31, 2020. As at March 31, 2020 and September 30, 2020 our credit book for our Agri credit business was ₹ 472.70million and ₹ 223.88 million respectively.

We seek to increase the size of our retail credit Book while exploring capital light / partnership model to leverage the network and grow the loan book in a balanced risk efficient manner. We also emphasise prudent financing criteria, strong risk management and a conservative collateral coverage ratio in order to achieve a low rate of Gross NPA and Net NPA in our retail credit business. We believe that the Government’s initiatives to increase digitisation of public services will result in increased financial inclusion and home ownership among the Indian population and are supportive of our Credit business and we consistently seek to leverage technology to improve consumer access and increase retail use of our credit products and services.

Gross Loans/ Gross Loan Book of Edelweiss Retail Finance Limited (ERFL) was ₹ 16,052 million, ₹ 16,137 million, ₹ 19,079 million and ₹ 33,164 million as at September 30, 2020, and March 31, 2020, 2019 and 2018, respectively. Gross Stage 3 % and/or Gross NPA% of ERFL were 2.96%, 2.36%, 3.14% and 1.15%, of the gross advances as at September 30, 2020 and March 31, 2020, 2019 and 2018, respectively. Net Stage 3 % and/or Net NPA % of ERFL were 2.60%, 1.91%, 2.70% and 0.83% of the gross advances as at September 30, 2020 and March 31, 2020, 2019 and 2018, respectively.

Gross Loans/ Gross Loan Book of Edelweiss Housing Finance Limited (EHFL) was ₹ 38,667 million, ₹ 43,610 million, ₹ 53,962 million, and ₹ 44,869 million as at September 30, 2020 and March 31, 2020, 2019 and 2018, respectively. Gross Stage 3 % and/or Gross NPA % of EHFL were 2.38%, 1.74%, 1.82%, and 1.81% of the gross advances as at September 30, 2020 and March 31, 2020, 2019 and 2018, respectively. Net Stage 3 % and/or Net NPA% of EHFL were 2.07%, 1.49%, 1.56%, and 1.56% of the gross advances as at September 30, 2020 and March 31, 2020, 2019 and 2018, respectively.

Total retail credit for the group accounted for 52.29% of total credit as at March 31, 2020 compared to 50.03% a year ago. As at September 30, 2020 retail credit accounted for 52.87% of the total credit.

Corporate Credit Business (ECL Finance Limited)

Our corporate credit business is primarily conducted in our major NBFC subsidiary ECL Finance Limited (ECLF) and mainly comprises of wholesale mortgages and structured collateralised credit products which are focused largely on the real estate development and corporate sector (together, our “**Corporate Credit**” business).

- **Wholesale Mortgage** – Our wholesale mortgage credit book comprises loans granted against real estate collateral backed by cash flows from real estate projects, principally for residential housing projects, to meet short-term and medium-term requirements. The tenure of the loans is generally up to five years. Our risk management maintains a focus on liquidity and price risk, as well as approval and execution risk.
- **Structured Collateralized Credit** – Structured collateralised credit book comprises loans against liquid market securities and other collaterals which are principally offered to corporates. In certain cases, immovable property may also be used as collateral. These loans also include bridge financing or other short-term loans. The tenure of the loans is generally up to three years. The funds raised are to be utilised for the working capital requirement of the corporates, expansion and diversification of business among other uses.

As mentioned above, in addition to ERFL and EHFL, some retail loans (SME, LAP and ESOP & Margin Funding) are also booked in ECL Finance Limited.

ECL Finance Limited's Gross Loans/ Gross Loan Book was ₹ 105,953.59 million, ₹ 136,317 million, ₹ 244,085 million, and ₹ 224,786 million as at September 30, 2020 and March 31, 2020, 2019 and 2018 respectively. Our Gross Stage 3 % and/or Gross NPA % were 2.82%, 3.76%, 2.33%, and 2.09% of our gross advances as at September 30, 2020 and March 31, 2020, 2019 and 2018 respectively. Our Net stage 3 % and/or Net NPA % were 2.31%, 3.27%, 0.97% and 0.73% of our gross advances as at September 30, 2020 and March 31, 2020, 2019 and 2018 respectively.

We seek to maintain an average collateral value ratio in excess of two times the loan amount at the time of origination and maintain focus on asset quality and controlling underwriting costs. We believe that, as a result of our prudent risk management and strict underwriting policies, we have been able to manage the quality of collateral assets securing our corporate credit loans. Even when a loan is required to be classified as an NPA, we continue to hold a significant amount of collateral against such loans. We have also observed in the past that over-collateralisation acts as a disincentive for the borrower to default.

As a matter of policy, we avoid concentration in the corporate credit book by having appropriate limits on exposure to a single borrower or a group or a sector or particular scrip taken as collateral etc. The single borrower and group borrower lending limits (SBL/GBL) are in place as per the RBI directives for NBFCs. Industry. Sector/scrip-wise exposures are also monitored to ensure that we do not build up any concentration.

While the above business narrative applied to the existing corporate credit book, we have now embarked upon a new strategy for our corporate credit book wherein we will focus on a capital light model by collaborating with Banks (Co-lending, on-lending and securitisation model) and/or adopt Alternate Investment Funds model to run our wholesale credit business. We will also resort to continued sell-down which will release equity, generate liquidity and reduce debt-equity ratio further. With this, our Equity base will remain robust and capital adequacy will continue to be high.

We seek to manage risk in our Credit business through the 3 'C's framework - counterparty, collateral and cash flow.

- **Counterparty.** We focus on the borrower's track record, relationship with our group, and ability to execute the project. We also analyse the borrower group's financial standing, assets and liabilities and cash flow and liquidity, and conduct a credit history and regulatory checks.
- **Collateral.** We determine whether it is a hybrid collateral pool or a ring-fenced structure and analyse ease of enforcement. We conduct a valuation based on both economic value and liquidity. We conduct an environmental analysis and follow-up with periodical post-disbursement monitoring.
- **Cash flow.** We analyse the fundamentals of the borrower's business performance and the collateral assets. We stress test cash flow analysis assuming both periodic and event-based scenarios. We employ escrow arrangements to ring-fence and control project cash flows wherever appropriate.

Our Lending Policies and Processes

Our loan offerings cater to a broad cross-section of clients ranging from corporates to SMEs to individuals including rural population. The lending policies that we have in place are aimed at ensuring that risk management remains our focus and our loan portfolio remains of a high quality. We also maintain prudent provisioning and write-off policies in respect of our NPAs in line with regulatory requirements.

Lending Policies

Our lending products and policies are aligned to the specific needs of diverse categories of clients. To ensure this, each of our business segments maintains its own internal credit policies and approval processes, which are in line with our established risk evaluation criteria.

Credit Processes

We believe our business processes ensure complete independence of functions and a segregation of responsibilities. We believe our credit appraisal and credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction

level as well as our risk management processes and policies allow layers of multiple checks and verifications. These legal and technical verifications includes collateral valuation, title search, document verification, fraud and KYC verifications, personal meetings with clients and audit before the disbursement of loans. Furthermore, our processes have been standardised with the objective of providing high quality of service and ensuring efficiency. This is achieved by facilitating the integration of our workforce, processes and technology. Our key business processes are regularly monitored by the respective business or operations head. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

We believe that we have the necessary internal controls and risk management systems to assess and monitor risks across various business lines. The risk management systems function through an independent department concerning accounts and operations and a dedicated centralised risk management team. We seek to monitor and control risk exposure through a variety of separate but complementary financial, credit and operational reporting systems.

Capital to Risk Assets Ratio

Our Credit business is subject to the CRAR requirements as prescribed by the RBI or NHB, as applicable. We are currently required to maintain in respect of our NBFCs a minimum of 15.00% as prescribed under the Prudential norms of the RBI based on our total capital to risk weighted assets. We are currently also required to maintain in respect of our HFC a minimum of 13.00% CRAR by March 31, 2020 and a minimum of 14.00% by March 31, 2021 as prescribed under the Prudential Norms of the NHB based on our total capital to risk weighted assets. As part of our governance policy, we maintain capital adequacy higher than the statutorily prescribed CRAR.

The table below sets out our CRAR for our key NBFC subsidiaries/HFC engaged in the credit business, which is computed on the basis of the applicable RBI/NHB requirements, as at the dates indicated:

| Particulars | As at September 30, 2020 | As at March 31, | | |
|--|--------------------------|-----------------|--------------|--------------|
| | | 2020 | 2019 | 2018 |
| ECL Finance Limited | | | | |
| CRAR – Tier I capital (%) | 12.16 | 10.51 | 14.27 | 11.48 |
| CRAR – Tier II capital (%) | 11.33 | 10.51 | 5.00 | 5.67 |
| Total CRAR (%) | 23.49 | 21.02 | 19.27 | 17.15 |
| Edelweiss Retail Finance Limited | | | | |
| CRAR – Tier I capital (%) | 19.63 | 19.73 | 24.92 | 13.16 |
| CRAR – Tier II capital (%) | 9.91 | 9.65 | 8.96 | 5.20 |
| Total CRAR (%) | 29.54 | 29.38 | 33.87 | 18.36 |
| Edelweiss Housing Finance Limited (calculated as per Ind AS) | | | | |
| CRAR – Tier I capital (%) | 28.82 | 28.03 | 20.80 | 16.33 |
| CRAR – Tier II capital (%) | 0.12 | 0.54 | 0.60 | 0.52 |
| Total CRAR (%) | 28.94 | 28.57 | 21.40 | 16.85 |

Wealth Management Business

Our wealth management business comprises of wealth advisory services, broking services, ESOP and margin funding, capital markets business, financial products distribution and advisory services for our ultra-high net worth individuals (“UHNIs”), HNIs, affluent clients and corporate as well as institutional clients.

The wealth management business is driven by growing affluence in India and a customer shift from bank savings to other financial instruments. At the same time, the UHNIs and affluent clients are increasingly looking at sophisticated investment strategies and turning towards more personalised and focused investment advisory services in their quest for higher yields. This is creating immense opportunities for wealth management industry. Our Assets Under Advice (“AUA”) in our wealth management business were approximately ₹ 1,332 billion and ₹ 1,137 billion as at September 30, 2020 and March 31, 2020, respectively. The same were approximately ₹ 1,060 billion and ₹ 901 billion as at March 31, 2019 and 2018, respectively. We have revised the method of computation of AUA from March 31, 2020 onwards and the AUAs for prior periods were computed as per a different method.

Hence the AUA numbers from March 31, 2020 are not comparable with the prior period AUA numbers. We had approximately 6,45,000 number of affluent clients as at September 30, 2020.

Our wealth management business experiences growth in AUA through organic growth by acquiring new clients and enhanced investments from existing clients. In addition, the market-linked nature of the business can also increase (or decrease) AUA with the rise (or fall) of the markets. Increasing affluence and disposable income, increased interest in shifting from bank deposits to other financial instruments and a strong aspiring middle class are positive factors helping the Indian wealth management space.

As one of India's fastest growing wealth managers, we rank second amongst the Indian wealth management businesses excluding banks (source: Asian Private Banker League Tables as on FY20).

PAG investment in Edelweiss Wealth Management

PAG, an Asia-focused investment management group and Edelweiss Group have entered into definitive agreements pursuant to which PAGAC Ecstasy Pte. Ltd. and/or its affiliates will acquire majority ownership and control of the Edelweiss Wealth Management (EWM) business, housed in Edelweiss Securities Limited, Edelweiss Global Wealth Management Limited and certain subsidiaries of ESL. This partnership will result in unlocking value for shareholders and accelerating business growth, powered by PAG's capital, business expertise and global experience. The investment will be consummated post receipt of regulatory approvals and subject to completion of other conditions precedent.

For details in relation to the agreements entered into with PAG, please refer "History and Main Objects" on page 161 of this Prospectus.

ESOP and Margin Funding

We offer loan facilities against liquid marketable securities wherein our existing clients and investors borrow funds for exercising their ESOPs or against their existing portfolio of investments. Other financial products include public issue financing, and loans against mutual fund units or bonds and other listed financial instruments.

In our wealth advisory services, we seek to focus on each individual client's profile including lifestyle, risk appetite, growth expectations, current financial position and income requirements to create comprehensive and tailored investment strategies. Our broad range of offerings includes a truly multi-asset class allocation advisory to structured products, portfolio management, mutual funds, insurance, derivatives strategies, direct equity, private equity, commodities, currencies, real estate funds, etc.

Our wealth management business has been globally recognized and awarded:

- ✓ **Best Private Bank, India:** Global Finance 2020
- ✓ **Best Private Bank, India:** Global Finance 2021
- ✓ **Best Private Bank, India:** Asia money 2020 Best for Family Offices
- ✓ **Best Private Bank - India Domestic** at Asian Private Banker Awards for Distinction 2020
- ✓ **Best Wealth Manager, India:** AIWMI India Wealth Awards 2019, The Asset AAA Best Private Banking Awards 2019
- ✓ **Best Merchant Banker in Debt Capital Market:** Public Issue, NSE Market Achievers Awards 2019
- ✓ **Mobbys Award for Best Mobile App:** For Mobile Trader App
- ✓ Edelweiss Gallagher Insurance Brokers Ltd (EGIBL) has won the Insurance Broker of the Year 2020 award and the Scheme of the Year – Insurance Broking award at the National Award for Excellence in Financial Services – Marketing held by CMO Asia

Capital Markets

Wealth management business also offers capital markets services and benefits from strong client relationships and an established track record of equity and debt capital markets, as well as M&A advisory services. This business includes corporate finance advisory, institutional brokerage services, prime brokerage, custodial services, insurance brokerage and fixed income advisory (collectively, our "**Capital Markets**" business).

Corporate Finance Advisory – Equity and Debt Capital Markets:

We offer a wide range of equity products in corporate finance advisory in India, catering to different market and client segments. Our equity capital markets advisory services encompass IPOs, FPOs, QIPs, Rights and Open Offers, as well as mergers and acquisitions, private equity syndication, structured finance and infrastructure. Edelweiss Investment Banking continues to be among leaders and has executed 16 transactions in FY20. It has by now advised ~67 transactions aggregating over ~USD 9 billion during the period January 2017 to March 2020. As a mid-size QIP player, we are ranked #1 in India for QIPs in the range of ₹1 billion to ₹10 billion in the last 6 years period from April 2014 to March 2020 with a market share of ~18% in terms of number of issues handled (source: Prime Database). Edelweiss Fixed Income Advisory business focuses on origination, sales, trading and research. It was number one in public issuance of bonds in FY20. We were lead arrangers to ~74.80% of the amount mobilized on full credit basis via this route having handled 17 out of 35 issues in the year. Our participation stood at ~7.2% in FY20 in private placement segment. In CP issuances, Edelweiss was ranked 3rd with participation of ~13.7% in FY20 (source: Prime Database). This business was recognised as the **Best Merchant Banker in Debt Capital Market – Public Issue (Fixed Income Advisory)** at the NSE Market Achievers Awards 2019. It has recently won "The Asset Triple A Infrastructure Award 2020 - Utility M&A deal of the Year" for Sterlite Power's sale of controlling stake in India Grid Trust to KKR and GIC.

In addition to the above, we also offer debt restructuring and debt syndication services to our corporate clients.

Institutional Brokerage and Research Services:

Our institutional brokerage services businesses in India are backed by a large and experienced research team and a large and diversified client base. We have focused on service, seamless execution and innovative research products to build strong relationships with approximately 700 institutional investors, including domestic and foreign institutional investors. We also provide broad access to Indian corporates via annual investor conferences in different locations around the world with strong investor and Indian corporate participation. Edelweiss broking business has been recognised as **Best Broker, India** at Finance Asia Country Awards 2020.

Our research coverage extended to around 250 companies in 30 industry sectors as at December 31, 2020. We believe that the quality and calibre of research associated with Edelweiss is widely regarded across the institutional investor community.

Our prime brokerage and custodial services business provides custodial services to institutional clients and was recognised as **Best Professional Clearing Member of the Year (Custodial Services)** at the NSE Market Achievers Awards 2019. Our clients range from private to public sector and mid-cap to large-cap corporates across a wide range of industries.

Asset Management Business

Our asset management business consists of the following business verticals (collectively, our “**Asset Management**” business):

- **Alternative Asset Management** – an illiquid alternative assets business focused on offshore and onshore institutional investors and UHNI offering a special opportunities fund, special assets funds, credit opportunity fund, real estate funds, domestic infra yield fund and a stressed assets fund. Its AUM was ₹ 295 billion as on September 30, 2020 spread over 14 funds, ₹ 217 billion at the end of FY20 and ₹195 billion at the end of FY19. AUMs have grown at CAGR of 69% since FY15 till the end of FY20. This business has been recently ranked as the 4th in the category largest fund manager across Asia and Rest of the World on the basis of total capital raised in the past 10 years. (Source: 2020 Prequin Global Private Debt Report).
- **Mutual Fund** – managing 20 equity and 17 debt funds with AUM of ₹ 391 billion and has approximately 3,30,000 clients and a large distribution network as at September 30, 2020. Its AUM was ₹ 242 billion and ₹ 114 billion as at March 31, 2020 and March 31, 2019 respectively. Our Mutual Fund business was launched in 2008 and focuses on traditional investment space offering a variety of funds to cater to the needs of a diverse set of clients. Our current focus for this business is to expand the range of portfolio products and build an investment track record.

A notable achievement for Edelweiss AMC was to launch India's first Corporate Bond ETF, viz. Bharat Bond ETF in association with Government of India in the financial year ended March 31, 2020. The Bharat Bond ETF in its debut also became the largest debt NFO in India, at ₹124 billion, subscribed 1.8 times the base issue, with more than 55,000 retail investors participating. We have since then completed Bharat Bond ETF

Series II offering also which was oversubscribed 3.7 times and mobilised ~₹110 billion with ~40,000 applications.

Edelweiss Mutual Fund has been recognised and awarded:

- **Iconic Brands of India 2020 - Edelweiss Mutual Fund** by The Economic Times in April 2020
- **Most innovative investor education program (AMC)** at Outlook Money Conclave 2019
- Platinum Award for Edelweiss MF's PR strategy for Bharat Bond at the Global MarCom Awards 2020
- **Multi-Strategy Funds (Alternatives and PMS)** – HNI-focused funds that span illiquid as well as traditional asset segments including PMS. Our Multi Strategy Funds vertical was established through the acquisition of Forefront Capital Management, an HNI-focused asset management company focused on the liquid alternative as well as traditional investment space, in May 2014. We also acquired Ambit Alpha Fund in September 2016. It manages an AUM of approximately ₹49 billion and ₹49 billion as on March 31, 2020 and September 30, 2020 respectively.

Our AUM in our Asset Management business were approximately ₹735 billion, ₹ 508 billion, ₹370 billion and ₹292 billion as at September 30, 2020 and March 31, 2020, 2019 and 2018, respectively.

Asset Reconstruction Business

Our asset reconstruction business, managed through Edelweiss Asset Reconstruction Company Limited (EARC), seeks out distressed assets and businesses and combines our financial turnaround expertise with our ability to provide working capital through bridge loans and priority funding to streamline business operations and improve profitability. We have created an expert advisory board of leaders from across sectors like steel, power and infrastructure to help us implement best practices in our portfolio companies. We employ a combination of resolution strategies to distressed assets that can be broadly categorised as follows:

- *Revival* – since we target investment in potentially viable companies, revival and business turnaround is amongst the foremost business strategy that we utilise.
- *Negotiated Settlement* – we utilise this strategy by employing an independent view on achievable return to seek quick and amicable resolution of assets with limited effort.
- *Enforcement* – where revival has failed and negotiations for settlement are inconclusive, we utilise the benefits available under SARFAESI Act and other statutes to enforce secured assets in an ethical and structured manner as prescribed in the Act.

We target investment in distressed assets with clear potential for business revival and having focused and dedicated promoters of high integrity and/or potential for asset sale. We also target investments in distressed assets that do not have any material barriers for legal enforcement.

Our AUM in the asset reconstruction business were approximately ₹424 billion, ₹433 billion, ₹467 billion and ₹ 438 billion as at September 30, 2020 and March 31, 2020, 2019 and 2018, respectively placing EARC as the largest ARC in India. EARC has been able to maintain its market leadership with nearly 45% of market share. We have partnered with over 65 banks/NBFCs backed by our expertise on resolution of stressed assets. EARC has been able to recover more than ₹112 billion in FY20 as compared to ₹70 billion in FY19 and ₹26 billion in FY18. The recovery scenario got a major boost during FY20 with the successful resolution of several large accounts under IBC.

Insurance Business

Edelweiss expanded its addressable retail markets by launching life insurance business during 2011. We completed our insurance offering by entering general insurance business in Q4FY18.

Life Insurance Business

We entered the life Insurance business in 2011 through a joint venture between EFSL and Tokio Marine Holdings Inc., one of the oldest (more than 130 years) and largest insurance companies in Japan. Edelweiss holds 51%

equity in this JV with Tokio Marine holding the rest. Tokio Marine's lineage brings together a deep understanding of customer needs and international expertise.

ETLI operates under a life insurance license issued by IRDAI. ETLI had paid up capital and security premium of ₹20,008.83 million and had approximately 3,00,000 unique policy holders as at September 30, 2020.

The Gross Premium income of this business in FY20 was ₹10,484.85 million compared to ₹9,193.11 million in the previous year. The Collected Individual Annualised Premium Equivalent (APE) declined by 5% to ₹3.23 billion in FY20. However, its CAGR since FY16 is 24% compared to 14% recorded by the industry. Overall Value of New Business (VNB) Margin is at 38% in FY20 compared to 42% in FY19. The 13th month overall persistency is at 78% in FY20 compared to 83% in FY19 and Individual Claims Settlement Ratio is at 83% in FY20 compared to 96% in FY19. The Embedded Value of the business, calculated on market consistent basis, stands at ₹13,360 million as on March 31, 2020.

ETLI's Solvency Ratio – calculated on the basis of IRDAI norms applicable to insurance companies – was 216%, 232% and 229% as at September 30, 2020, March 31, 2020 and March 31, 2019 respectively.

ETLI had issued approximately 51,800 individual policies in the nine months ended December 31, 2020. ETLI operated approximately 116 branches and has appointed approximately 54,900 personal financial advisors ("PFA") as at December 31, 2020.

As our life insurance business is just over nine years old, given the natural long gestation periods for life insurance companies, it is yet to break even. The loss after tax after minority interest for ETLI business flowing through our consolidated profit and loss statement was ₹1,392.36 billion, ₹1,376.24 million and ₹1,186.75 million for the financial years 2020, 2019 and 2018, respectively.

We believe that youthful demographics, rising life expectancy, and absence of effective social security coverage create a strong case for the long-term potential for growth in demand for insurance products in India. To realise on this long-term potential, we continue to invest to increase the scale of our Insurance business.

ETLI is focused on differentiating itself by being customer centric and enhancing customer experience driven by technology. It follows a "prioritized need-based sales" methodology that puts the customer at the centre of solution design and business processes. The customer centric approach of the business translates into product design, building customer oriented internal systems and processes and sales and service approach, which enables us to build long lasting relationships.

ETLI has been consistently recognized for its Product Innovation capabilities at several forums, including India Insurance Summit 2019 & Skoch Awards 2019 for Zindagi Plus and India Insurance Summit & Awards 2020 for Wealth Secure+.

General Insurance Business

Edelweiss strengthened its retail foray and increased the breadth of solutions offered to customers, both corporate and individual, with the launch of general insurance business in February 2018 through its 100% owned subsidiary Edelweiss General Insurance Company Limited. (EGICL).

It focuses on bringing out new and innovative solutions for its clients. Further, there is impetus on investing in ecosystem partnerships and leveraging technology to deliver superlative customer experience.

EGICL had paid up capital of ₹3,330.00 million and had approximately 1,50,000 unique policy holders as at September 30, 2020.

The company generated Gross Written Premium ("GWP") of ₹986.25 million, ₹1,586.04 million and ₹1,043.09 million for the half year ended September 30, 2020 and financial years 2020 and 2019 respectively.

EGICL's loss after tax was ₹ 414.92 million, ₹940.12 million, ₹ 595.05 million ₹ 272.93 million, for the six months ended September 30, 2020 and for financial years 2020, 2019 and 2018 respectively. EGICL's Solvency Ratio – calculated on the basis of IRDAI norms applicable to insurance companies – was 202%, 236% and 240% as at September 30, 2020, March 31, 2020 and March 31, 2019 respectively.

EGICL had issued approximately 1,29,900 policies in the nine months ended December 31, 2020. EGICL operates approximately 9 branches as at December 31, 2020.

We believe that we have developed strong capabilities to build the scale of our business in the financial services and life insurance markets, and that these capabilities can be leveraged to build the scale of our business in the general insurance market.

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

We remain committed to operational excellence and nuanced underwriting. We have won ‘**Insurtech of the Year**’ award at the India Insurance Awards 2020 recently.

Liability Management

We focus on meeting our funding requirements and managing short-term surpluses in a manner similar to that of a treasury of commercial banks. As a part of this process, we track daily cash flows and expected cash flows for near and medium term. We ensure maintenance of liquidity pool at group and entity level and its investment across different asset classes while also managing internal funds transfer pricing. Our sources of funding comprise credit facilities by way of term loans from banks, cash credits from banks, redeemable non-convertible debentures and money market borrowings. We raise funds from diversified sources and through a wide range of instruments in order to reduce our funding cost and maintain a large lender base. This assists us to raise resources at competitive rates, protect interest margins and maintain a diversified funding portfolio designed to achieve funding stability and liquidity. We believe that through our liability management operations, we maintain our ability to repay borrowings as they mature and obtain new loans at competitive rates. We seek to manage and maintain an optimum level of liquidity and comply with the prudent requirements of asset liability management. The objective is to obtain smooth functioning of all our operations and to avoid the holding of excessive cash. We maintain a balance between interest earning liquid assets and cash to optimise earnings. We actively manage our cash and funds flow by using various cash management services provided by banks. We also invest temporary surplus funds with liquid debt based mutual funds. Our investments are made in accordance with the investment policy approved by the Board.

Asset and Liability Management

Our business requires significant working capital and, accordingly, our day-to-day liquidity management is a critical function. With a significant amount of capital deployed in credit book, and the asset side duration lengthening with build-up of retail mortgages, it requires greater attention to the management of liabilities. We manage our liquidity and balance sheet to ensure that maturing liabilities are repaid smoothly. We also manage key components of balance sheet, monitor interest rate sensitivity in our portfolio and take pre-emptive steps to mitigate any potential liquidity risks and interest rate risks. We ensure that we maintain an adequate liquidity cushion to meet short-term obligations while continuing to meet long-term obligations as a going concern. As at March 31, 2020 our available liquidity, which includes unencumbered government bonds, mutual fund investments, bank fixed deposits, unutilised overdraft lines, sanctioned term loans from banks, Exchange margin, and other high quality liquid assets which can be converted into cash in a short period of time if needed, was ₹ 81.50 billion which was ~24% of our borrowings on that day.

Our Asset Liability Management (the “ALM”)/Available Liquidity statement is prepared on a monthly basis to track our inflows and outflows. The ALM statement is placed before the asset liability management committee periodically. Since we have a mixed lending portfolio comprising short-term and long-term loans, we make efforts to match the maturity of liabilities with the maturity of assets. We structure the treasury assets to maintain sufficient liquidity, address the capital needs of the business and manage interest rate risks. We focus on enterprise-wide risk management to ensure optimum returns and capital preservation.

We also seek to continue to reduce dependence on short-term money market borrowings, diversify our sources of borrowings and increase the proportion of our medium to long term borrowings.

Ever since the collapse of a AAA rated entity in September 2018, NBFC industry is facing tight liquidity and a credit crunch. The situation has been exacerbated by the COVID-19 pandemic. We have accordingly enhanced monitoring of our available liquidity and we will be able to successfully navigate the tight liquidity situation in

coming months. We also expect increased inflows from steps taken by Finance Ministry and RBI with regards to providing liquidity to MFs and NBFCs, especially as a part of COVID-19 stimulus package. We also continue to work on various sources to raise fresh funds through sell-down of wholesale assets etc., which should ease the resources situation.

Besides maintaining a liquid balance sheet, we continue to reduce dependence on market borrowings, diversify sources of borrowings, diversify the type of instruments through which we borrow and increase liabilities in the medium to long term buckets. We have reduced dependence on CP borrowings to ~1% of borrowings with the borrowings from NCDs and bank finance accounting for 99% of Total Borrowings at the end of FY20. We have also increased the proportion of funding from retail sources from 23% as at the end of FY19 to 28% as at the end of FY20. Overall share of borrowings maturing in more than one year stands at 69.51% as at March 31, 2020.

During the year FY20 we have also been able to raise resources in the form of equity linked instruments from strategic investors amounting to ~₹13.34 billion and have done retail securitization of ~₹ 17.50 billion to replenish available liquidity.

All these steps have ensured that we continue to maintain positive gap in ALM through all time buckets, individually as well as at consolidated level and also maintain sufficient available liquidity.

Key Operational Parameters

Our consolidated profit/(loss) for the year attributable to owners of the parent was ₹ (20,452.45) million, ₹9,951.66 million and ₹8,901.30million for the financial years 2020, 2019 and 2018, respectively. Our profit/(loss) for the year attributable to owners of the Company was ₹ (2,935.90) million and ₹ (3,633.00) million for the six months ended September 30, 2020 and in the nine month ended December 31, 2020 respectively.

The following table sets forth the Key Operational and Financial Parameters on a consolidated basis:

(₹ In million)

| Parameters | Half Year September 30, 2020 | FY 2020 | FY 2019 |
|--|------------------------------------|------------|------------|
| Net worth (Note 1) | 69,332.89 | 72,070.77 | 87,149.91 |
| Total Debt (Note 2) | 337,709.89 | 366,573.39 | 461,477.33 |
| Debt Securities | 203,444.96 | 207,585.06 | 245,910.48 |
| Borrowings (Other than Debt Securities) | 115,376.42 | 133,210.55 | 190,453.51 |
| Deposits | 130.36 | 2,168.97 | 1,436.76 |
| Subordinated Liabilities | 18,758.15 | 23,608.81 | 23,676.58 |
| Property, Plant and Equipment, Capital work in progress and Intangible assets under development (Note 3) | 14,127.33 | 15,444.93 | 5,914.70 |
| Goodwill on consolidation | 1,723.41 | 1,723.41 | 1,742.72 |
| Other Intangible assets | 2,162.01 | 2,255.79 | 2,282.58 |
| Cash and Cash Equivalents | 41,360.45 | 49,425.19 | 31,158.21 |
| Bank balances other than cash and cash equivalents | 46,880.49 | 36,670.89 | 33,396.05 |
| Loans | 267,893.83 | 283,606.79 | 384,083.10 |
| Derivative financial instruments | 5,041.75 | 5,321.87 | 1,940.90 |
| Stock in trade (Securities held for trading) | 11,136.30 | 17,458.07 | 39,136.66 |
| Trade Receivables | 8,847.47 | 13,052.38 | 27,540.06 |
| Investments | 86,076.02 | 82,666.02 | 87,990.47 |
| Other financial assets | 9,109.98 | 8,302.33 | 6,098.51 |
| Inventories | 36.96 | 436.09 | 1,691.32 |
| Reinsurance assets | 3,034.93 | 2,944.42 | 2,886.19 |
| Current tax assets (net) | 6,141.70 | 5,839.78 | 4,326.64 |
| Deferred tax assets (net) | 9,925.67 | 9,564.75 | 4,905.87 |
| Investment property | 4,069.40 | 4,457.27 | 3,144.51 |
| Other non- financial assets | 4,821.53 | 3,633.23 | 3,296.95 |
| Derivative financial instruments | 696.16 | 3,812.48 | 1,929.51 |

| Parameters | Half Year September 30, 2020 | FY 2020 | FY 2019 |
|--|------------------------------------|-------------|------------|
| Trade Payables | 14,972.48 | 12,833.60 | 19,752.83 |
| Insurance claims payable | 127.55 | 74.52 | 45.61 |
| Other financial liabilities | 56,692.92 | 49,250.54 | 39,126.98 |
| Current tax liabilities (net) | 1,169.63 | 906.30 | 1,435.14 |
| Provisions | 386.42 | 351.11 | 327.71 |
| Provision for Policyholder's liabilities / Policyholder's liabilities | 35,684.50 | 30,076.82 | 24,492.79 |
| Deferred tax liabilities (net) | 2,502.62 | 2,643.73 | 2,532.70 |
| Other non-financial liabilities | 3,114.15 | 4,209.95 | 3,264.93 |
| Revenue from Operations | 41,209.42 | 95,133.14 | 110,775.16 |
| Total Income | 41,765.58 | 96,026.29 | 111,612.29 |
| Finance Costs | 19,510.54 | 47,930.39 | 47,832.25 |
| Impairment on financial instruments & Change in valuation of credit impaired loans (Note 4) | 5,646.10 | 35,615.07 | 7,037.38 |
| Profit / (Loss) for the year attributable to Owners of the parent | (2,935.90) | (20,452.45) | 9,951.66 |
| Total Comprehensive Income / (Loss) for the year attributable to Owners of the parent | (2,975.16) | (16,210.91) | 10,335.79 |
| Gross Stage 3 (%) | 5.46% | 5.30% | 1.87% |
| Net Stage 3 (%) | 3.80% | 4.10% | 0.83% |
| Total Capital Adequacy Ratio (%)* | 20.62% | 20.76% | 18.00% |
| Debt Equity Ratio (Note 5) | 4.87 | 5.09 | 5.30 |

* Total CAR for EFSL (on consolidated basis) based on RBI norms for NBFCs

Impairment on Financial Instruments including investments for FY 2019-20 includes onetime hit of approximately Rs. 9,000 mn on account of Covid-19 provisions as disclosed by the company in its Investor Relations presentation for Q4FY20.

** Debt Equity Ratio excluding liquid Treasury Assets that we hold for liquidity management and considering investment in FY20 by CDPQ of INR 10.40 billion, Kora Management of INR 1.77 billion and Sanaka Capital of INR 1.17 billion in Equity would be 3.54 for FY 2020 and D/E ratio excluding Treasury Assets for FY 2019 is 4.44.

Notes:

(₹ In million)

| Particulars | Half Year September 30, 2020 | FY 2020 | FY 2019 |
|--|------------------------------|------------------|------------------|
| Net worth (Note 1) | | | |
| Equity Share capital | 890.03 | 889.51 | 887.77 |
| Other equity | 57,777.58 | 60,397.60 | 75,882.03 |
| Equity attributable to Non-Controlling Interests | 10,665.28 | 10,783.66 | 10,380.11 |
| Total | 69,332.89 | 72,070.77 | 87,149.91 |

(₹ In million)

| Particulars | Half Year September 30, 2020 | FY 2020 | FY 2019 |
|---|------------------------------|-------------------|-------------------|
| Total Debt (Note 2) | | | |
| Debt securities | 203,444.96 | 207,585.06 | 245,910.48 |
| Borrowings (other than debt securities) | 115,376.42 | 133,210.55 | 190,453.51 |
| Deposits | 130.36 | 2,168.97 | 1,436.76 |
| Subordinated Liabilities | 18,758.15 | 23,608.81 | 23,676.58 |
| Total | 337,709.89 | 366,573.39 | 461,477.33 |

(₹ In million)

| Particulars | Half Year September 30, 2020 | FY 2020 | FY 2019 |
|---|------------------------------|------------------|-----------------|
| Property, Plant and Equipment and Other Intangible assets (Note 3) | | | |
| Property, Plant and Equipment | 13,759.86 | 15,012.58 | 5,477.86 |
| Capital work in progress | 38.33 | 111.56 | 102.94 |
| Intangible assets under development | 329.14 | 320.79 | 333.90 |
| Total | 14,127.33 | 15,444.93 | 5,914.70 |

(₹ In million)

| Particulars | Half Year September 30, 2020 | FY 2020 | FY 2019 |
|--|------------------------------|------------------|-----------------|
| Impairment on financial instruments & Change in valuation of credit impaired loans (Note 4) | | | |
| Impairment on financial instruments | 2,220.82 | 26,902.65 | 4,848.96 |
| Change in valuation of credit impaired loans | 3,425.28 | 8,712.42 | 2,188.42 |
| Total | 5,646.10 | 35,615.07 | 7,037.38 |

(₹ In million)

| Particulars | Half Year September 30, 2020 | FY 2020 | FY 2019 |
|---|------------------------------|-------------|-------------|
| Debt Equity Ratio (Note 5) | | | |
| Networth (Note 1) | 69,332.89 | 72,070.77 | 87,149.91 |
| Total Debt | 337,709.89 | 366,573.39 | 461,477.33 |
| Debt Equity Ratio (Debt/Net worth) | 4.87 | 5.09 | 5.30 |

(₹ In million)

| Parameters | FY 2018 | FY 2017 |
|---|-------------|-------------|
| Networth (Note 1) | 77,624.33 | 52,879.09 |
| <u>Total Debt (Note 2)</u> | 473,233.30 | 333,790.18 |
| Long-term borrowings | 273,060.50 | 169,874.07 |
| Short-term borrowings | 149,248.63 | 118,394.14 |
| Current maturities of long-term debt (Note 3) | 50,924.17 | 45,521.97 |
| Fixed Assets (Note 4) | 7,538.09 | 7,377.50 |
| Non Current Assets (Note 5) | 249,136.63 | 184,393.74 |
| Cash and bank balances | 39,258.82 | 26,181.91 |
| Current Investments | 23,763.08 | 8,362.93 |
| Current Assets (Note 6) | 385,998.72 | 263,840.22 |
| Current Liabilities (Note 7) | 260,489.37 | 212,001.90 |
| Non Current Liabilities (Note 8) | 297,021.65 | 183,352.97 |
| Revenue from Operations (Note 9) | 85,809.90 | 65,920.93 |
| Total Revenue | 86,186.08 | 66,188.42 |
| Interest Income | 50,740.86 | 41,015.44 |
| Finance Cost | 35,295.22 | 28,096.99 |
| Provisioning & Write-offs (Note 10) | 6,196.81 | 3,557.31 |
| Profit for the year after minority interest | 8,901.30 | 6,093.06 |
| Gross NPA (%)# | 1.75% | 1.59% |
| Net NPA (%)# | 0.70% | 0.60% |
| Total Capital Adequacy Ratio (%) | 17.04% | 17.01% |
| Gross Debt: Equity Ratio of the Company (Note 11) | 6.10 | 6.31 |

(₹ In million)

| Parameters | FY 2018 | FY 2017 |
|--------------------------|---------|---------|
| Networth (Note 1) | | |

| Parameters | FY 2018 | FY 2017 |
|---|------------------|------------------|
| Share capital | 915.50 | 832.57 |
| Reserves and surplus | 65,790.97 | 42,421.02 |
| Share application money pending allotment | 25.08 | 40.94 |
| Minority interest | 10,892.78 | 9,584.56 |
| Total | 77,624.33 | 52,879.09 |

(₹ In million)

| Parameters | FY 2018 | FY 2017 |
|--|-------------------|-------------------|
| Total Debt (Note 2) | | |
| Long-term borrowings | 273,060.50 | 169,874.07 |
| Short-term borrowings | 149,248.63 | 118,394.14 |
| Current maturities of long-term debt (Note 3) | 50,924.17 | 45,521.97 |
| Total | 473,233.30 | 333,790.18 |
| | | |
| Current maturities of long-term debt (Note 3) | | |
| Other current liabilities :- | | |
| Term loans from banks -Secured | 27,888.91 | 16,228.51 |
| Term loans from others -Secured | 1,484.32 | 642.29 |
| Non-convertible debentures -Secured | 21,343.68 | 28,651.17 |
| Non-convertible debentures-Unsecured | 207.26 | - |
| Total | 50,924.17 | 45,521.97 |

(₹ In million)

| Parameters | FY 2018 | FY 2017 |
|-------------------------------------|-----------------|-----------------|
| Fixed Assets (Note 4) | | |
| Property, Plant and Equipment | 5,731.83 | 5,258.41 |
| Intangible assets | 1,384.61 | 1,109.53 |
| Capital work-in-progress | 10.83 | 951.21 |
| Intangible assets under development | 410.82 | 58.35 |
| Total | 7,538.09 | 7,377.50 |

(₹ In million)

| Parameters | FY 2018 | FY 2017 |
|-------------------------------------|-------------------|-------------------|
| Non Current Assets (Note 5) | | |
| Property, Plant and Equipment | 5,731.83 | 5,258.41 |
| Intangible assets | 1,384.61 | 1,109.53 |
| Capital work-in-progress | 10.83 | 951.21 |
| Intangible assets under development | 410.82 | 58.35 |
| Non-current investments | 66,991.21 | 60,413.90 |
| Deferred tax assets (net) | 1,740.37 | 2,109.09 |
| Long-term loans and advances | 164,953.07 | 106,127.61 |
| Other non-current assets | 7,913.89 | 8,365.64 |
| Total | 249,136.63 | 184,393.74 |

(₹ In million)

| Parameters | FY 2018 | FY 2017 |
|--------------------------------|-------------------|-------------------|
| Current Assets (Note 6) | | |
| Current investments | 23,763.08 | 8,362.93 |
| Cash and bank balances | 39,258.82 | 26,181.91 |
| Stock-in-trade | 161,919.70 | 106,524.04 |
| Trade receivables | 26,252.40 | 10,982.38 |
| Short-term loans and advances | 108,555.05 | 94,867.79 |
| Other current assets | 26,249.67 | 16,921.17 |
| Total | 385,998.72 | 263,840.22 |

(₹ In million)

| Parameters | FY 2018 | FY 2017 |
|-------------------------------------|-------------------|-------------------|
| Current Liabilities (Note 7) | | |
| Short-term borrowings | 149,248.63 | 118,394.14 |
| Trade payables | 21,879.79 | 20,853.64 |
| Short-term provisions | 5,786.04 | 4,587.03 |
| Other current liabilities | 83,574.91 | 68,167.09 |
| Total | 260,489.37 | 212,001.90 |

(₹ In million)

| Parameters | FY 2018 | FY 2017 |
|---|-------------------|-------------------|
| Non Current Liabilities (Note 8) | | |
| Long-term borrowings | 273,060.50 | 169,874.07 |
| Other long term liabilities | 8,200.27 | 3,061.42 |
| Long-term provisions | 15,760.88 | 10,417.48 |
| | 297,021.65 | 183,352.97 |

(₹ In million)

| Parameters | FY 2018 | FY 2017 |
|---|------------------|------------------|
| Revenue from Operations (Note 9) | | |
| Fee and commission income | 21,340.60 | 12,480.82 |
| Income from treasury | 5,780.28 | 6,893.77 |
| Interest income | 50,740.86 | 41,015.44 |
| Premium from insurance business | 6,188.92 | 4,258.92 |
| Other operating revenue | 1,759.24 | 1,271.98 |
| Total | 85,809.90 | 65,920.93 |

(₹ In million)

| Parameters | FY 2018 | FY 2017 |
|--|-----------------|-----------------|
| Provisioning & Write-offs (Note 10) | | |
| Other expenses | | |
| Bad debts and advances written off | 4,269.99 | 2,447.90 |
| Provision for credit loss on securitisation | (38.88) | 32.03 |
| Provision for standard assets | 440.36 | 267.58 |
| Provision for non-performing assets | 748.45 | 513.58 |
| Provision for doubtful debts | 776.89 | 296.22 |
| Total | 6,196.81 | 3,557.31 |

(₹ In million)

| Parameters | FY 2018 | FY 2017 |
|---|-------------|-------------|
| Gross Debt: Equity Ratio of the Company (Note 11) | | |
| Networth (Note 1) | 77,624.33 | 52,879.09 |
| Total Debt (Note 2) | 473,233.30 | 333,790.18 |
| Debt Equity Ratio (Total Debt/Networth) | 6.10 | 6.31 |

The following tables sets forth the Key Operational and Financial Parameters on a standalone basis:

| Parameters | Half Year September 30, 2020 (₹ In million) | FY 2020 (₹ In million) | FY 2019 (₹ In million) |
|---------------------|---|---------------------------|---------------------------|
| Networth (Note 1) | 33,530.23 | 34,545.70 | 33,516.01 |
| Total Debt (Note 2) | 10,132.22 | 1,466.63 | 3,660.63 |
| Debt Securities | 10,132.22 | 734.12 | - |

| Parameters | Half Year September 30, 2020 (₹ In million) | FY 2020 (₹ In million) | FY 2019 (₹ In million) |
|--|---|---------------------------|---------------------------|
| Borrowings (Other than Debt Securities) | - | 732.51 | 3,660.63 |
| Property, Plant and Equipment, Intangible assets under development (Note 3) | 16.92 | 17.52 | 23.71 |
| Other Intangible assets | 15.38 | 16.83 | 32.23 |
| Cash and Cash Equivalents | 37.50 | 13.66 | 109.98 |
| Bank balances other than cash and cash equivalents | 8.74 | 9.55 | 59.97 |
| Loans | 8,599.67 | 6.73 | 2,538.68 |
| Trade receivables | 379.57 | 618.94 | 527.62 |
| Investments | 33,971.73 | 34,672.87 | 33,392.51 |
| Other financial assets | 420.16 | 393.28 | 464.96 |
| Current tax assets (net) | 620.30 | 618.59 | 425.77 |
| Deferred tax assets (net) | 319.01 | 291.13 | 258.65 |
| Other non- financial assets | 54.93 | 161.63 | 132.69 |
| Derivative financial instruments | - | - | 2.48 |
| Trade payables | 57.67 | 81.20 | 106.90 |
| Other financial liabilities | 491.94 | 577.09 | 602.98 |
| Current tax liabilities (net) | 197.95 | 69.84 | 45.86 |
| Provisions | 9.40 | 9.08 | 10.27 |
| Other non-financial liabilities | 24.49 | 71.19 | 21.64 |
| Asset under Management | - | - | - |
| Off Balance sheet assets (Direct Assignment) | - | - | - |
| Revenue from Operations | 1,086.85 | 2,366.81 | 3,030.32 |
| Total Income | 1,128.73 | 2,590.06 | 3,203.75 |
| Finance Cost | 165.44 | 323.11 | 164.34 |
| Impairment of financial instruments / Bad Debts write off and Reversal of ECL provision on trade receivables | 451.88 | 18.73 | -43.55 |
| Profit for the year | (1,210.36) | 825.79 | 1,028.78 |
| Total Comprehensive Income | (1,210.59) | 825.32 | 1,029.60 |
| Gross Stage 3 %- (Gross NPA) (%) | - | - | - |
| Net Stage 3 % - Net NPA (%) | - | - | - |
| Tier I Capital Adequacy Ratio (%)* | - | - | - |
| Tier II Capital Adequacy Ratio (%)* | - | - | - |
| Debt Equity Ratio (Note 4) | 0.30 | 0.04 | 0.11 |

Notes:

(₹ In million)

| Particulars | Half Year September 30, 2020 | FY 2020 | FY 2019 |
|--------------------------|---------------------------------|------------------|------------------|
| Networth (Note 1) | | | |
| Equity share capital | 890.03 | 889.51 | 887.77 |
| Other equity | 32,640.20 | 33,656.19 | 32,628.24 |
| Total | 33,530.23 | 34,545.70 | 33,516.01 |

(₹ In million)

| Particulars | Half Year September 30, 2020 | FY 2020 | FY 2019 |
|---------------------------------------|---------------------------------|-----------------|-----------------|
| Total Debt (Note 2) | | | |
| Debt securities | 10,132.22 | 734.12 | - |
| Borrowings other than debt securities | - | 732.51 | 3,660.63 |
| Total | 10,132.22 | 1,466.63 | 3,660.63 |

(₹ In million)

| Particulars | September 30, 2020 | FY 2020 | FY 2019 |
|--|--------------------|--------------|--------------|
| Property, Plant and Equipment, Intangible assets under development (Note 3) | | | |
| Property, Plant and Equipment | 6.89 | 8.36 | 13.75 |
| Capital work in progress | 10.03 | 9.16 | 9.96 |
| Total | 16.92 | 17.52 | 23.71 |

(₹ In million)

| Particulars | September 30, 2020 | FY 2020 | FY 2019 |
|---|--------------------|-------------|-------------|
| Debt Equity Ratio (Note 4) | | | |
| Networth (Note 1) | 33,530.23 | 34,545.70 | 33,516.01 |
| Total Debt | 10,132.22 | 1,466.63 | 3,660.63 |
| Debt Equity Ratio (Debt/Net worth) | 0.30 | 0.04 | 0.11 |

(₹ In million)

| Parameters | FY 2018 | FY 2017 |
|--|-----------|-----------|
| Networth (Note 1) | 33,597.07 | 17,195.14 |
| <u>Total Debt (Note 2)</u> | 212.00 | 8,212.33 |
| Long-term borrowings | - | 212.00 |
| Short-term borrowings | - | 7,150.33 |
| Current maturities of long term debt (Note 2) | 212.00 | 850.00 |
| Fixed assets (Note 3) | 78.45 | 103.61 |
| Non Current Assets (Note 4) | 29,089.02 | 19,161.31 |
| Cash and bank balances | 151.14 | 315.82 |
| Current Assets (Note 5) | 5,834.95 | 7,516.14 |
| Current Liabilities (Note 6) | 1,299.61 | 9,168.23 |
| Non Current Liabilities (Note 7) | 27.29 | 314.08 |
| Revenue from Operations (Note 8) | 4,395.15 | 4,504.30 |
| Total revenue | 4,398.28 | 4,504.65 |
| Interest income | 872.03 | 1,008.35 |
| Finance Cost | 749.57 | 1,405.20 |
| Provisioning & Write-offs (Note 9) | 49.17 | 90.86 |
| Profit for year | 1,426.60 | 1,290.06 |
| Gross NPA (%)# | - | - |
| Net NPA (%)# | - | - |
| Tier I Capital Adequacy Ratio (%)# | - | - |
| Tier II Capital Adequacy Ratio (%)# | - | - |
| Gross Debt: Equity Ratio of the Company (Note 10) | 0.01 | 0.48 |

(₹ In million)

| Particulars | FY 2018 | FY 2017 |
|---|------------------|------------------|
| Networth (Note 1) | | |
| Share capital | 915.50 | 832.57 |
| Reserves and surplus | 32,656.49 | 16,321.63 |
| Share application money pending allotment | 25.08 | 40.94 |
| Total | 33,597.07 | 17,195.14 |

(₹ In million)

| Particulars | FY 2018 | FY 2017 |
|----------------------------|---------|----------|
| Total Debt (Note 2) | | |
| Long-term borrowings | - | 212.00 |
| Short-term borrowings | - | 7,150.33 |

| Particulars | FY 2018 | FY 2017 |
|---|---------------|-----------------|
| Current maturities of long term debt | | |
| Other current liabilities :- | | |
| Non-convertible debentures | 212.00 | 850.00 |
| Total | 212.00 | 8,212.33 |

(₹ In million)

| Particulars | FY 2018 | FY 2017 |
|-------------------------------------|--------------|---------------|
| Fixed assets (Note 3) | | |
| Property, Plant and Equipment | 18.06 | 22.61 |
| Intangible assets | 48.48 | 43.23 |
| Intangible assets under development | 11.91 | 37.77 |
| Total | 78.45 | 103.61 |

(₹ In million)

| Particulars | FY 2018 | FY 2017 |
|-------------------------------------|------------------|------------------|
| Non Current Assets (Note 4) | | |
| Property, Plant and Equipment | 18.06 | 22.61 |
| Intangible assets | 48.48 | 43.23 |
| Intangible assets under development | 11.91 | 37.77 |
| Non-current investments | 26,652.73 | 16,633.38 |
| Deferred tax assets (net) | 236.70 | 277.57 |
| Long-term loans and advances | 2,120.07 | 2,146.36 |
| Other non-current assets | 1.07 | 0.39 |
| Total | 29,089.02 | 19,161.31 |

(₹ In million)

| Particulars | FY 2018 | FY 2017 |
|--------------------------------|-----------------|-----------------|
| Current Assets (Note 5) | | |
| Trade receivables | 634.01 | 522.03 |
| Short-term loans and advances | 4,893.90 | 6,333.12 |
| Other current assets | 155.90 | 345.17 |
| Cash and bank balances | 151.14 | 315.82 |
| Total | 5,834.95 | 7,516.14 |

(₹ In million)

| Particulars | FY 2018 | FY 2017 |
|-------------------------------------|-----------------|-----------------|
| Current Liabilities (Note 6) | | |
| Trade payables | 264.27 | 143.81 |
| Other current liabilities | 683.61 | 1,462.90 |
| Short-term provisions | 351.73 | 411.19 |
| Short-term borrowings | - | 7,150.33 |
| Total | 1,299.61 | 9,168.23 |

(₹ In million)

| Particulars | FY 2018 | FY 2017 |
|---|--------------|---------------|
| Non Current Liabilities (Note 7) | | |
| Other long term liabilities | - | 38.99 |
| Long-term provisions | 27.29 | 63.09 |
| Long-term borrowings | - | 212.00 |
| Total | 27.29 | 314.08 |

(₹ In million)

| Particulars | FY 2018 | FY 2017 |
|---|---------|---------|
| Revenue from Operations (Note 8) | | |

| Particulars | FY 2018 | FY 2017 |
|--------------------------------------|-----------------|-----------------|
| Fee and commission income | 2,478.90 | 2,207.46 |
| Income from investments and dividend | 851.75 | 1,019.45 |
| Interest income | 872.03 | 1,008.35 |
| Other operating revenue | 192.47 | 269.04 |
| Total | 4,395.15 | 4,504.30 |

(₹ In million)

| Particulars | FY 2018 | FY 2017 |
|---|--------------|--------------|
| Provisioning & Write-offs (Note 9) | | |
| Other expenses | | |
| Bad debts and advances written off | 49.08 | - |
| Provision for doubtful debts | 0.09 | 90.86 |
| Total | 49.17 | 90.86 |

(₹ In million)

| Particulars | FY 2018 | FY 2017 |
|---|-------------|-------------|
| Gross Debt: Equity Ratio of the Company (Note 10) | | |
| Networth (Note 1) | 33,597.07 | 17,195.14 |
| Total Debt (Note 2) | 212.00 | 8,212.33 |
| Debt Equity Ratio: Total Debt/Networth | 0.01 | 0.48 |

Key Parameters of Edelweiss Retail Finance Limited

(₹ In million)

| Particulars | Fiscal 2020 | Fiscal 2019 |
|------------------------------|--------------|--------------|
| | Amount | Amount |
| Gross Stage III Loan (A) | 381.38 | 598.40 |
| Total Gross Loan (B) | 16136.80 | 19078.69 |
| Gross Stage 3 % (A/B) | 2.36% | 3.14% |

(₹ In million)

| Particulars | Fiscal 2020 | Fiscal 2019 |
|--------------------------------------|-------------|-------------|
| | Amount | Amount |
| Gross Stage III Loan | 381.38 | 598.4 |
| Less: Allowance for ECL on Stage III | 75.2 | 86.31 |
| Net Stage III (A) | 306.18 | 512.09 |
| Total Gross Loan | 16136.8 | 19078.69 |
| Less: Allowance for ECL on Stage III | 75.2 | 86.31 |
| Net Loan (B) | 16061.6 | 18992.38 |
| Net Stage 3 % (A/B) | 1.91% | 2.70% |

Key Parameters of Edelweiss Housing Finance Limited

(₹ In million)

| Particulars | Fiscal 2020 | Fiscal 2019 |
|------------------------------|--------------|--------------|
| | Amount | Amount |
| Gross Stage III Loan (A) | 760.57 | 982.91 |
| Total Gross Loan (B) | 43,610.39 | 53,961.94 |
| Gross Stage 3 % (A/B) | 1.74% | 1.82% |

(₹ In million)

| Particulars | Fiscal 2020 | Fiscal 2019 |
|--------------------------------------|-------------|-------------|
| | Amount | Amount |
| Gross Stage III Loan | 760.57 | 982.91 |
| Less: Allowance for ECL on Stage III | 110.6 | 140.89 |
| Net Stage III (A) | 649.97 | 842.02 |
| Total Gross Loan | 43610.39 | 53961.94 |
| Less: Allowance for ECL on Stage III | 110.6 | 140.89 |
| Net Loan (B) | 43499.79 | 53821.05 |

| Particulars | Fiscal 2020 | Fiscal 2019 |
|-------------|-------------|-------------|
| | Amount | Amount |

| Particulars | Fiscal 2020 | Fiscal 2019 |
|---------------------|-------------|-------------|
| | Amount | Amount |
| Net Stage 3 % (A/B) | 1.49% | 1.56% |

Key Parameters of ECL Finance Limited

(₹ In million)

| Particulars | Fiscal 2020 | Fiscal 2019 |
|------------------------------|--------------|--------------|
| | Amount | Amount |
| Gross Stage III Loan (A) | 5,128.47 | 5,687.55 |
| Total Gross Loan (B) | 136,317.20 | 244,085.45 |
| Gross Stage 3 % (A/B) | 3.76% | 2.33% |

(₹ In million)

| Particulars | Fiscal 2020 | Fiscal 2019 |
|--------------------------------------|--------------|--------------|
| | Amount | Amount |
| Gross Stage III Loan | 5128.47 | 5687.55 |
| Less: Allowance for ECL on Stage III | 694.38 | 3358.72 |
| Net Stage III (A) | 4434.09 | 2328.83 |
| Total Gross Loan | 136317.2 | 244085.45 |
| Less: Allowance for ECL on Stage III | 694.38 | 3358.72 |
| Net Loan (B) | 135622.82 | 240726.73 |
| Net Stage 3 % (A/B) | 3.27% | 0.97% |

Our Credit Ratings

Our current credit ratings for our Company are set forth below:

Credit Ratings for Edelweiss Financial Services Limited as at December 31, 2020:

| Credit Rating Agency | Instruments | Ratings |
|----------------------|-------------------------------|----------------|
| CRISIL | Short-term – Commercial Paper | Crisil A1+ |
| CARE | Short-term – Commercial Paper | CARE A1+ |
| CARE | Long Term - NCD | CARE A+ |
| Brickwork | Short Term SP | BWR PP-MLD A1+ |
| Brickwork | Long Term SP | BWR PP-MLD AA- |
| Brickwork | Long Term NCDs | BWR AA- |

Our Strengths

We believe that the following strengths position us well for continued growth:

Diversified business model

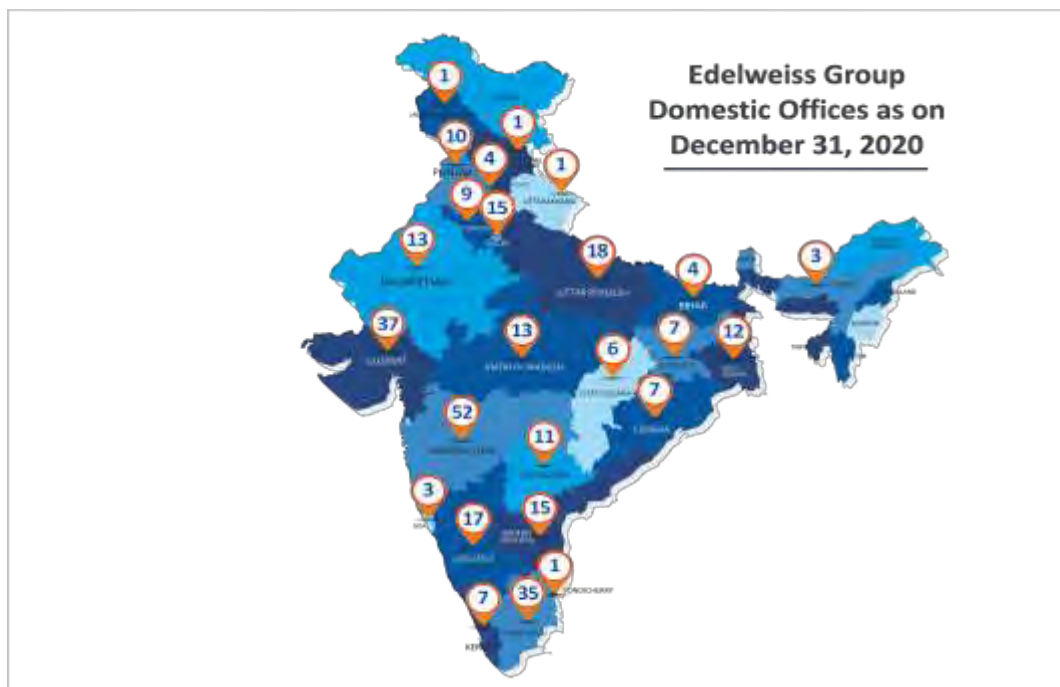
We have grown from a capital markets advisory business to become a diversified financial services group engaged in retail credit, corporate credit, wealth management, asset management, asset reconstruction and insurance business verticals. We believe that our diversified service platform allows us to leverage relationships across various lines of businesses, thereby increasing our ability to garner repeat business and cross-sell our products and benefits from customer reference. We believe that our research driven approach and consistent ability to capitalise on emerging market trends has enabled us to foster strong relationships across corporate, institutional, HNI and retail clients. We also believe that in the long run our diversified business model provides multiple vectors for growth, delivers consistent growth and profitability, helps manage short-term volatility in the business cycle, affords us the ability to calibrate growth in line with favourable macro and micro-economic and market conditions, and provides us with multiple avenues for deployment and growth of our human capital.

We believe that our successful diversification of our businesses, asset classes, client segments and geographies since the early years of the 2000 decade have gradually increased the scale and/or profitability of our retail credit, wealth management, asset management and insurance businesses, as well as the stability and sustainability on our overall business performance.

Pan-India distribution network

Our pan-India and international network has grown from total 237 offices in 122 cities as at March 31, 2016, to approximately 312 offices (including approximately 302 domestic offices and 10 international offices) in around 149 cities (including approximately 143 domestic and six international cities) as at December 31, 2020.

The following map shows a snapshot of our pan-India distribution network of **302 domestic offices** as at December 31, 2020.



Note: Map is not according to scale and is only for illustration purposes.

Our extensive network enables us to acquire more customers, particularly for our retail businesses such as our retail credit, wealth management, asset management and insurance businesses, where increased profitability and ROE are based upon increased scale of business. Our retail customer base has grown from approximately 8,85,000 as at March 31, 2016 to approximately 14,50,000 as at March 31, 2020 and approximately 16,00,000 as at September 30, 2020.

Our Life Insurance business has also expanded its distribution footprint across India and had approximately 116 branches in around 93 cities as at December 31, 2020 compared to 71 branches in around 61 cities as at September 30, 2016.

Adequately capitalised

Our corporate credit and retail credit business operating under our NBFC and HFC licenses and are subject to the capital to risk assets ratio (“**CRAR**”) requirements prescribed by the RBI. We are currently required to maintain a minimum 15% CRAR in respect of our NBFC subsidiaries under the prudential norms prescribed by the RBI. In respect of our HFC subsidiary, we are currently required to maintain a minimum 13% CRAR as on March 31, 2020, 14% on or before March 31, 2021 and 15% on or before March 31, 2022 under the prudential norms prescribed by the NHB. We generally maintain a CRAR higher than the level that is prescribed by the RBI or NHB as applicable.

While the parent company of the group, EFSL, is currently not subject to any minimum CRAR requirements, the CRAR for our major NBFCs in our Credit Business, as at March 31, 2020 and September 30, 2020 are as under:

| Name of the NBFC | Minimum Regulatory CRAR | CRAR as on March 31, 2020 | CRAR as on September 30, 2020 |
|---------------------|-------------------------|---------------------------|-------------------------------|
| ECL Finance Limited | 15% | 21.02% | 23.49% |

| Name of the NBFC | Minimum Regulatory CRAR | CRAR as on March 31, 2020 | CRAR as on September 30, 2020 |
|---|---|---------------------------|-------------------------------|
| Edelweiss Retail Finance Limited | 15% | 29.38% | 29.54% |
| Edelweiss Housing Finance Limited (HFC) | 13% by March 31, 2020; 14% by March 31, 2021; 15% by March 31, 2022 | 28.57% | 28.94% |

While we believe that we are currently adequately capitalised, we continue to seek fresh capital to fund our future asset growth as also to ensure that we do maintain a sufficient cushion over the regulatory minimum CRAR in respect of our credit subsidiaries.

Diversified funding profile

Our current funding requirements are predominantly sourced through credit facilities from banks and the issuance of redeemable non-convertible debentures on a private placement basis and through public issuance. We have accessed funds from multiple classes of credit providers, including nationalised banks, private Indian banks, mutual funds and other NBFCs. We believe that we have developed stable long-term relationships with our lenders and established a track record of the timely servicing of our debts. Our Total Borrowings were ₹ 366, 573.39 million as at March 31, 2020 out of which ₹ 111,768.75 million were to mature in less than a year.

Diversified credit profile, strong credit evaluation and risk management systems

We launched our credit business around 13 years ago with corporate credit products and we have diversified our credit portfolio since then by adding various retail credit products. We seek to diversify our credit risk and ensure that no individual credit product contributes a large portion to our overall credit book. We believe that this mitigates the risk of concentration to any particular product or sector and helps us to manage our risk exposure in a more effective manner. We also believe that the scale of our retail credit portfolio imparts stability to the credit book. Corporate loans at times can cause volatility due to the fact that individual customers account for a much higher proportion of the corporate credit portfolio.

We believe that our business processes ensure independence of functions and a segregation of responsibilities. We believe that our credit appraisal and credit control processes, centralised operations unit, approval of loans at transaction level and in house internal audit unit for checking compliance with the prescribed policies, as well as our risk management processes and policies allow multiple layers of checks and verifications. These legal and technical verifications include collateral valuation, title search, document verification, fraud and KYC verifications, personal meetings with clients and internal review before the disbursement of loans. Our processes have been standardised with the objective of providing high quality of service and ensuring efficiency, and to facilitate integration of our workforce, processes and technology. Each of our key business processes is regularly monitored by the respective business or operations head.

The asset quality of the overall credit book has continued to be under control though it has deteriorated in the recent past due to environmental headwinds with Gross NPLs at 5.46% (as per Ind AS) and Net NPLs at 3.80% as on September 30, 2020, compared to 5.30% (as per Ind AS) and Net NPLs at 4.10% (as per Ind AS) as on March 31, 2020 and 1.87% (as per IGAAP) and 0.83% (as per IGAAP) respectively as on March 31, 2019. However, we believe that we have the necessary internal controls and risk management systems to assess and monitor risks across our various business lines. Our risk management systems function through an independent department concerning accounts and operations at each business unit and a dedicated centralised risk management team. We seek to monitor and control risk exposure through a variety of separate but complementary financial, credit and operational reporting systems.

Strong Edelweiss Brand

We believe that Edelweiss today enjoys a strong brand franchise in the financial services space backed by a reputation for consistent focus on execution and innovation. We have sought to carve a distinct brand identity which, help us to increase awareness and consideration amongst our customers.

Effective use of technology

We have a customised platform for loan origination and credit underwriting for some of our products in retail credit, which provides our credit officers with basic scorecards generated by the platform, to judge the

creditworthiness of an individual. The platform generates scorecards after considering all factors, including an external credit rating (CIBIL), salary or income details and other asset details. With the help of this platform, our credit officers are provided the data to approve or reject a retail loan within a very short time. This platform is also linked to a de-duplication system, which provides access to a customer's credit history and record.

We believe that our customer service initiatives coupled with our use of technology has helped us enhance our recognition and secure both new and repeat business in our retail operations. Our customised web portal for our broking clients acts as a complete self-service tool, which allows our customers to review their credit, wealth management and insurance products. The web portal provides facilities such as part-prepayment, foreclosure and payment of overdue amounts using internet banking, as well as wealth management and management of online insurance products.

Strong management and distinctive people and culture

Our most important asset is our people. We seek to consistently reinforce our management strength and experience through strong corporate governance and our employees' commitment to our business through recruitment, training and a performance review and compensation system that emphasises teamwork. Our senior management has extensive experience in the banking and financial services sector and most of them have been with our group for a number of years, providing stability in our senior management leadership. And each of our businesses is supported by a dedicated team of managers with specialised professional expertise.

We believe the strength of our senior management team helps us in implementing policies and processes that ensure healthy credit quality and high standards of work ethic and that our current management structure allows scalability. Our senior management seeks to maintain a strong focus on corporate governance.

We have had our ESOP program in order to promote an ownership culture and long-term retention among our middle and senior level employees. As of December 31, 2020, our employees (not including our Promoters) hold ESOPs entitling them to approximately 4.12% of our Equity Shares (post exercise of ESOPs) on a fully diluted basis.

Our Strategies

Diversify our portfolio of products and expand the scale of our business

We intend to continue to diversify and expand our product portfolio to cater to the various financial needs of our customers and increase the share of income derived from the sale of financial products and services. We intend to focus on high growth and dispersed risk-retail lending and to continue to grow our presence in high growth segments such as Retail Mortgages and SME loans by utilising our extensive branch network. We expect our retail business to provide opportunities to achieve economies of scale and intend to diversify our risk across geographies, industries and collaterals. In addition to our existing corporate and retail loan products, we intend to leverage our brand and office network to develop complementary business segments and become the preferred provider of financial products – a one-stop shop for our customers' financial needs.

We expect that our diverse revenue stream will reduce our dependence on any particular product, which will enable us to spread and mitigate our risk exposure to any particular industry, business, geography or customer segment as also to reduce volatility in our performance. Offering a wide range of products also helps us to attract more customers and to increase our scale of operations.

We expect that our complementary businesses will allow us to offer new products to existing customers while also attracting new customers. We also expect that our knowledge of local markets will allow us to diversify into products desired by our customers, differentiating us from our competitors.

Focus on efficient allocation of capital

We will actively seek growth opportunities in the businesses in which we operate as well as in new businesses that we see as potential areas of growth and value creation. These opportunities can take various forms, including acquisitions, mergers, joint ventures and strategic investments. To this end we will seek opportunities for organic and inorganic growth as and when suitable opportunities come our way. We will pursue these growth opportunities where we see the ability to add value for our various stakeholders and also grow our footprint across the businesses we operate in, including broking etc. For example, we have acquired our Multi Strategy Funds business in 2014

and believe we have successfully scaled it up since then. We have also acquired the onshore schemes of JP Morgan Asset Management Company, India and have acquired Ambit Alpha Fund to expand our product and services portfolios in our asset management business. We are also moving towards a capital light model for our Credit business by collaborating with Banks (Co-lending, on-lending and securitisation) and down selling our wholesale loans to free up capital. Considering the constant evolution in the regulatory framework, the Company may undertake restructuring of its group holding at an appropriate time, if necessary.

Continue to leverage our large customer base and diversified business platform by cross-selling products

We intend to continue to leverage our customer base by cross-selling products across different business segments to credit-worthy customers with timely repayment track records. We have developed a data analytics platform, which analyses customer information and helps us in originating new loan products and to cross-sell our current loan products. We intend to build on the momentum of cross selling our products and services to our existing customers.

To expand the cross-selling of our partnerships and services, we have engaged dedicated relationship managers who are assigned a pool of customers. Relationship managers are divided into two segments: those that meet customers in person; and tele-relationship managers, who engage with the customer over the telephone or via the internet.

Continue to improve productivity, reduce risks and decrease costs

We plan to continue to improve our productivity, reduce risks and improve our customer service through the use of technology and analytics. We have a 'centre of excellence in analytics', where we have developed tools for marketing analytics, pricing analytics, service analytics, risk analytics, fraud analytics and collections analytics. Through marketing and pricing analytics, we have built the ability to accurately segment our customers and to generate a pre-approved credit limit for a particular customer, assisting us in cross selling our products, and providing personalised customer service. Analytics has also enabled us to create statistical models for assessing behavioural and fraud risk over a customer's life cycle, which further assists in lowering risk and increasing collection efficiency.

In order to keep a constant vigil over our costs, we have a dedicated management team, which reviews and re-engineers our processes periodically to make our operations more efficient. We also conduct periodic reviews of major expenditures to find methods to reduce the same. We believe that these initiatives enable us to minimise our costs.

Continue to attract, train and retain talented employees

We believe a key to our success will be our ability to maintain a healthy mix of experienced and young professionals. We have been successful in building a team of skilled and talented professionals with relevant experience, including experts in credit evaluation, risk management, retail consumer products, asset and wealth management, actuarial sciences, capital markets, treasury, technology and marketing. Recruitment is a key management activity and we intend to attract graduates from premier Indian business schools as well as employees with relevant experience. We also focus on employee retention and utilise various programs to motivate employees and maintain employee satisfaction including employee stock option incentives, adequate vacation days, maternity/ paternity leave and sabbaticals for long-term employees.

Our Business Approach

From advisory and investment banking services, we have grown by strategically focusing on synergistic diversification in complementary businesses, client segments, asset classes and geographies. Our strong focus on diversification has helped our group grow from being an investment banking advisory house into a credit and financial services institution.

We believe that knowledge, research and innovation have been the key drivers of our growth. We constantly pursue innovation, explore complementary businesses and invest in new business models. The core thinking that underlines each of our business decisions is to provide long-term value creation by building sustainable businesses while focusing on risk.

We believe that, over the years, we have demonstrated the ability to reinvent ourselves in response to evolving economic and business cycles. We believe that the element of adaptability and flexibility ensures our businesses identify opportunities, deal with dynamic economic situations and are equipped to leverage knowledge, experience and professionalism in dealing with new prospects.

As a diversified financial services company, we believe that we cater to all segments of society, as distinguished from largely mono-line financial services companies that are focused on one or two asset classes and narrowly defined customer segments, resulting to greater exposure to market cycles. Our businesses include retail credit, corporate credit, wealth management, asset management, asset reconstruction and insurance. While our Credit businesses, currently facing environmental headwinds, have provided us the steady growth and scalability in the past, we believe that our Advisory business help us to stay competitive. We also believe that our Insurance business is a long-term opportunity to create a stable source of growth.

Growing our business

Over the years, a key question that we have faced is what it takes to build a sustainable business. Having engaged in trying to build sustainable and quality businesses over the last 25 years, we now believe that building a business involves the management of four key vectors:

- **Cost** – Managing costs is not about cutting costs, but about calibrating costs to ensure that necessary balance between current and future spending and investment. We seek to continue invest in businesses and opportunities in order to build the scale of our credit, wealth and asset management and insurance businesses.
- **People** – We believe that our people are critical to the mission of our group and human capital sets apart good companies from great companies. We believe that we have been fortunate to work with people who have not only proved to be valuable assets in driving our business and enterprise functions but equally adept at helping extend our core focus on people management to their own leadership teams.
- **Risk** – Managing risk and trading carefully is central to our mission and risk management has been a core focus since our inception for the growth of our business. By embedding risk management into the culture of the organisation, we have tried to ensure that the first line of defence starts with each individual and pervades throughout our organisation.
- **Customers** – Customer experience is a key component of the long-term growth of our business. Our brand building mission has been intensified by digitalisation and easy access of customers to our products. We have also increasingly enhanced our focus on customers with three new guiding principles added to our original list of ten, each of them focusing on customers.

We seek to support our management with these four key vectors along with a high degree of technological penetration throughout our business operations.

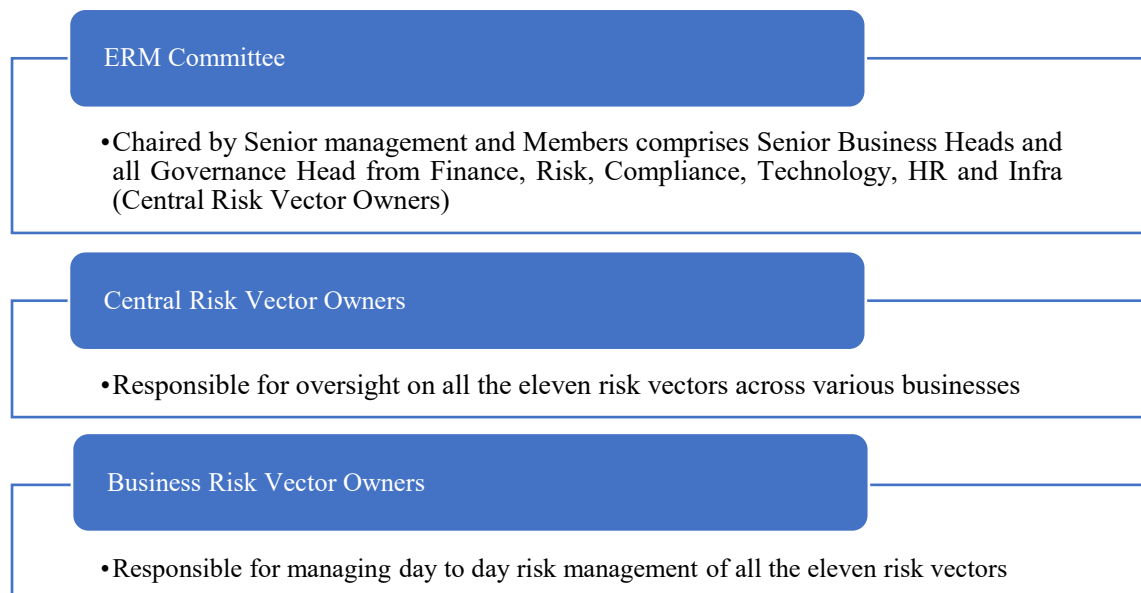
Risk management

Our diversified financial services business activities are exposed to various risks that are either inherent to the business or have their genesis in changes in the macro-economic environment. The good risk management practices of the group have facilitated navigating through environmentally turbulent times.

We follow a risk management and oversight structure outlined in the graphical representation below.



Our Enterprise Risk Management (ERM) framework as outlined below has helped us strategically benchmark our practices across different business lines to the best in class levels.



We have also put in place an in-house “**Eleven-risk framework**” as under to formalize the process of assess, avoid, manage and mitigate risks across business verticals in a continuous manner.



A brief description of the risks we face is as under:

| Risk Vector | Description |
|---------------------------------------|--|
| Business Risk | Risk of failure of strategy or execution or adverse change in environment or inability to innovate |
| Market Risk | Risk of loss resulting from adverse movements in market variables |
| Liquidity Risk | Risk of not being able to timely monetize an asset at a fair price; or inability to meet financial obligations |
| Credit Risk | Risk of loss due to inability or unwillingness of a counterparty to meet financial / contractual obligations |
| Operational & Process Risk | Risk of loss resulting from inadequate or failed processes, system controls or human negligence |
| Fraud Risk | Activities undertaken by an individual or entity in a dishonest or illegal manner for personal gains |
| Regulatory Risk | Risk of not adhering to the letter and spirit of laws and regulations leading to fines or other penal action |
| Reputation Risk | Risk arising from negative perception about the organization on the part of stakeholders |
| Technology Risk | Risk of loss due to technology failures such as information security incidents or service outages |
| Physical & Infra Risk | Risk of loss and people safety due to disruption of basic services/infra due to natural or manmade events |
| People Risk | Risk of not having the right people with the right skills/competencies at the right time to achieve business goals |

A number of new initiatives have been taken in these eleven risk areas. For Regulatory risk, introduction of analytics to identify early warning signs has facilitated in effective implementation of pro-active mitigant measures along with compliance training programs to employees on policies and framework. For Operational & Process risk, all businesses have identified its critical as well as non-critical processes and thorough review of the standard operating procedures (SOPs) for all the critical processes. For Credit risk, a comprehensive framework for asset quality review was put in place in FY19 and the recalibration of the expected credit loss (ECL) model has been concluded during FY20. Reputational risk has been factored in all business strategies and it is managed with effective crisis management approach and timely transparent response to all stakeholders. For Technology risk, significant progress has been made on IT security front to manage the risk emanating from the changing ecosystem.

The risk governance structure at Edelweiss, in addition, includes Corporate Risk & Assurance, ALM Committee, Investment Committees and Credit Committees, among others.

Recently, the whole world has faced a tail risk event of COVID-19 pandemic. Coupled with national lockdown, this event necessitated unique approaches to mitigate different types of risk. Our advance preparation along with technology enablement in utmost agility ensured almost all our critical staff could work from home seamlessly for business continuity and serving customer deliverables.

Our diversified businesses give us the opportunity to leverage parallel growth opportunities, while at the same time providing significant risk mitigation through reallocation of resources to address the prevailing economic environment. We have developed our business model over several years to reach a level of diversification where our profits are distributed across business segments thereby increasing the stability and sustainability in our operations.

Edelweiss was recognised for the Best risk technology implementation of the year at the CRO Leadership Awards in February 2020. The Treasury Risk & Technology team was awarded Best Use of Technology in Risk Management at the Treasury, Financial Risk & Compliance Summit 2019.

Human Resources

Employee Inclusion and Diversity are an important element at the heart of Edelweiss. As at March 31, 2020, 21% of our employees are women. We reinforce tenets that enable employees with different backgrounds, gender, ways to thinking, style of operating to work effectively together and holistically play to their strengths. A significant component of our value-based culture is commitment to acknowledge and appreciate efforts of employees through extensive recognition programs.

We believe our human capital is one of our most important strengths and a key driver of growth, efficiency and productivity. We invest in developing our talent and leadership through various initiatives aimed at strengthening the ability of our managers to bring together people, strategies, and execution to drive business results. We also have a leadership programme with the objective of multiplying leadership capability, developing internal leaders and ensuring seamless execution of our future growth. As at March 31, 2020, approximately 6 to 7% of our employees are in our centralised three-tiered leadership pool, comprising of senior leaders, business leaders and emerging leaders, each of whom undergo a structured engagement, communication and development programme during their membership period in the leadership pool.

We have our ESOP program in order to promote an ownership culture and long-term retention among our middle and senior level employees. As of December 31, 2020, our employees (not including our Promoters) hold ESOPs entitling them to approximately 4.12% of our Equity Shares (post exercise of ESOPs) on a fully diluted basis. As at December 31, 2020, we had a total of approximately 8,844 employees.

Strong corporate social responsibility

We believe that corporate social responsibility program (“CSR”) is an important foundation of our business reputation. Our CSR is carried out through our philanthropic arm, the EdelGive Foundation (“**EdelGive**”). EdelGive’s mission is to leverage our resources with a view to empower social entrepreneurs and organisations towards achieving systemic change. EdelGive seeks to build a strong, efficient and high impact social sector by being the bridge between the users and providers of philanthropic capital and knowledge, by catalysing the exchange of ideas, skills, talents and resources among civil society, philanthropists, businesses and government.

Through EdelGive, we financially support, and also review and manage, our portfolio of non-profits and social entrepreneurs. We also provide philanthropists with investment advice customised for the non-profit sector, as well as analyses of outcomes of philanthropic investments and monitoring of individual programme milestones and broader social impact.

EdelGive follows a research-based approach while sourcing credible non-profits. Investment decisions are based on thorough due diligence of target beneficiary needs, aspects of sustainability and programme impact analysis. EdelGive’s objective is to select the best grantees as well as focusing on organizations that are addressing the most urgent and overlooked problems. EdelGive also attempts to signal other funders by taking the additional step of educating and attracting donors, especially those lacking expertise in the area, thus effectively improving or magnifying the return on a larger pool of philanthropic resources. EdelGive also endeavours to improve the performance of grant recipients by moving from the role of capital provider to fully engaged partner, thereby improving the grantee’s effectiveness as an organization.

EdelGive’s programme areas include social and economic empowerment of women (freedom from violence, access to legal justice, grassroots leadership, access to rights and entitlements and freedom from economic dependence), access to quality education (early childhood education, school transformation, and innovation and experimentation), and building resilient livelihoods (water for livelihood, skill and institution building,

employability skill building and financial Inclusion - programmes that focus on the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society).

The group's contribution towards corporate social responsibility for the financial year ended March 31, 2020 was ₹484.28 million.

Edelweiss group has been recognized for excellence in CSR, through EdelGive Foundation, by the National CSR Award given by the Hon'ble President of India, Shri Ram Nath Kovind on October 29, 2019.

Outsourcing

We enter into outsourcing arrangements for non-essential functions with third party vendors for a number of our businesses and services required by us. These vendors provide services, which include, among others, software services, client sourcing, and call centre services. We conduct due diligence before finalising such outsourcing arrangements. We adhere to outsourcing guidelines prescribed by various regulators.

ETLI complies with the issued IRDAI (Outsourcing of Activities by Indian Insurers) Regulations, 2017 published on May 5, 2017 and does not outsource any of the activities that are prohibited from being outsourced thereunder, including: fund management NAV calculations; compliance with AML and KYC; product design; actuarial functions; risk management; decision-making on underwriting and claims; policyholders grievances redressal; decision to appoint insurance agents; and approval of advertisements.

Insurance Coverage

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

Competition

Our competitors include established Indian and foreign commercial banks, NBFCs, HFCs, small finance banks, microfinance companies and the private unorganised and informal financiers, as well as insurance companies and advisory businesses, who principally operate in the local market. In particular, many of our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalising related operational costs.

Property

We own our corporate office located at Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai, 400 098. In addition, we also own office premises at Kohinoor Towers in Mumbai and Fountainhead learning and development centre at Alibaug. As at December 31, 2020, we had approximately 312 offices (including 302 domestic offices and 10 international offices) in around 149 cities (including approximately 143 domestic and six international cities), including two corporate offices in Mumbai. Except the three owned properties mentioned above, other office premises are on lease.

HISTORY AND MAIN OBJECTS

Corporate Profile:

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

For details of the business of our Company, see "*Our Business*" beginning on page 132 of this Prospectus.

Change in registered office of our Company

Pursuant to a resolution of our Board on September 18, 2000, the registered office of our Company was shifted from 413, Dalamal Towers, Nariman Point, Mumbai- 400 021, Maharashtra to 1st Floor, Shalaka Sangh Cooperative Housing Society, 9 Maharishi Karve Road, Cooperage Queen Barrack Area, Mumbai 400 021, Maharashtra.

Thereafter, pursuant to a resolution of our Board dated July 2, 2004, our registered office shifted from 1st Floor, Shalaka Sangh Cooperative Housing Society, 9 Maharishi Karve Road, Cooperage Queen Barrack Area, Mumbai 400 021, Maharashtra to 14th Floor, Express Towers, Nariman Point, Mumbai 400021, Maharashtra.

Further, pursuant to a resolution of our Board dated March 9, 2011, the registered office of our Company again shifted from 14th Floor, Express Towers, Nariman Point, Mumbai 400021, Maharashtra to Edelweiss House, Off C.S.T Road, Kalina, Mumbai 400 098, Maharashtra with effect from April 15, 2011.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

- 1. To carry on the business as Securities Brokers, Share and Stock brokers, finance and investment brokers, sub-brokers, underwriters, sub-underwriters and consultants for and to purchase, acquire, hold, sell, buy, invest, trade, exchange, deal, barter, borrow, lend, guarantee, give, comfort for pledge, hypothecate, charge and deal in investment instruments of all kinds .and types whether securities or not including shares, stocks, debentures, bonds, cumulative convertible preference shares, certificates of deposits, commercial papers, participation certificates, other securities by original subscription, coupons, warrants, options and such other derivatives, units of Unit Trust of India and other mutual funds or any other securities issued by the Companies, Governments, Corporations, Co-operatives, Firms, Trusts, Societies, Authorities whether situated in India or abroad and to carry on financial operations of all kinds including credit rating, money changers, OTC dealers, Stock Exchange members, bought out deals, placement of shares, hedging. Also, to carry on the business of portfolio management services.*
- 2. To carry on the business of an investment Company and to invest the capital and other moneys of the Company in the purchase or upon the security of shares, stocks, units, debentures, debenture stocks, bonds, mortgages, obligations and securities of any kind issued by any company including securities issued by asset reconstruction companies or securitisation companies and other companies in any manner or guaranteed by any company, corporation or undertaking of whatever nature whether incorporated or otherwise, and wheresoever constituted or carrying on business and to buy, sell or otherwise deal in Shares, Stocks, Debenture-stocks, Bonds, Notes, Mortgages, Obligation and other securities issued or guaranteed by any Government, Sovereign, Ruler, Commissioners, Trusts, Municipal, Local or other authority or body whatsoever nature in India or abroad and also to carry on the business of investment and research advisory services.*
- 3. To act as money changers, brokers, buyers and sellers of all foreign currencies, to take positions and to trade on the movements of foreign currencies on behalf of customers or otherwise, to hold operate and transact in foreign currencies by maintaining foreign currency bank accounts or otherwise, and to issue or act as agents for traveller's cheques, credit cards and all instruments in any currency, subject to all rules, regulations and approvals as may be necessary.*

4. *To carry on the business of Management Consultants, Merchant Bankers and Advisors on all aspects of Corporate Financial and Commercial matters.*
5. *To undertake and carry on the business and activities as an Asset Management Company and/or to sponsor the setup of a mutual fund, asset management company and trustee company.*
6. *To carry on the business as a Non-Banking Financial Company, Holding Company, Investment Company, to undertake banking business/set up a banking company through a Non-operating Financial Holding Company or in such other manner, as may be prescribed by the Reserve Bank of India, from time to time.*

Details of any acquisition or amalgamation in the last one year

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

Key terms of Material Agreements and Material Contracts

Other than the below-mentioned agreements, our Company has not entered into material agreements and material contracts which are not in the ordinary course of business, in the last two years.

In relation to ECL Finance Limited

Securities subscription agreement dated March 5, 2019 (“Securities Subscription Agreement”) between our Company, ECL Finance Limited and CDPQ Private Equity Asia Pte. Ltd.

ECL Finance Limited entered into a subscription for securities agreement dated March 5, 2019 (“**Securities Subscription Agreement**”) with the CDPQ Private Equity Asia Pte. Ltd. and our Company for the purpose of subscription to the Equity Securities by CDPQ Private Equity Asia Pte. Ltd. The subscription is sought to be done in three tranches for the Equity Securities in the manner set forth below and shall be utilised for the purposes of the business plan envisaged in the Shareholders’ Agreement:

- (a) First tranche with an aggregate consideration of USD 150,000,000 comprising of 1,000 equity shares of ECL Finance Limited and fully paid up compulsorily convertible debentures of ECL Finance Limited with face value and issue price of ₹ 100 each (the “**CCDs**”);
- (b) Second tranche comprising of CCDs aggregating to USD 50,000,000; and
- (c) Third tranche comprising of CCDs aggregating to USD 50,000,000.

Amendment agreement dated March 22, 2019, to the Securities agreement dated March 5, 2019 (“Securities Subscription Agreement”) between our Company, CDPQ Private Equity Asia Pte. Ltd and ECL Finance Limited

On March 22, 2019, the Securities Subscription Agreement was amended to amend the definition of ‘Private Debt Business’ to define fund management business done by the asset management division of Edelweiss group to include credit funds, mutual funds or any other on-shore or off-shore structures including alternative investment funds, venture capital funds, InVITs, REITs and infrastructure debt funds, including specially managed accounts which shall be co-investment commitments of the Edelweiss group (in case such commitments are not consented to by the Investor for being undertaking in accordance with the Business Plan.).

Amendment cum supplemental agreement dated May 6, 2019, to the Securities agreement dated March 5, 2019 (“Securities Subscription Agreement”) between our Company, CDPQ Private Equity Asia Pte. Ltd and ECL Finance Limited

On May 6, 2019, an amendment cum supplemental agreement (“**SSA Amendment Agreement**”) was executed between our Company, ECL Finance Limited and CDPQ Private Equity Asia Pte. Ltd.

The parties, *inter alia*, agreed to:

- (i) amendment of the terms of the Investor CCDs; and
- (ii) threshold for related party transactions, change in any terms and conditions for any related party arrangements.

Shareholders' agreement dated March 5, 2019 between our Company, ECL Finance Limited, Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited), Edel Finance Company Limited and CDPQ Private Equity Asia Pte Ltd.

ECL Finance Limited entered into a shareholders' agreement dated March 5, 2019 ("**Shareholders' Agreement**") with our Company, Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited), Edel Finance Company Limited (collectively referred to in the Shareholders' Agreement as the "**Promoters**") and CDPQ Private Equity Asia Pte Limited (as the "**Investor**"), a wholly owned subsidiary of Caisse de dépôt et placement du Québec (CDPQ), one of North America's largest pension fund managers for an investment amounting to approximately ₹18,000,000,000 (Indian Rupees eighteen thousand million) for subscribing the Compulsorily Convertible Debentures and Equity Shares of ECL Finance Limited to be utilised towards business as defined in the Shareholders' Agreement.

The Shareholders' Agreement, subject to regulatory approvals, *inter alia* contemplates the following restructuring:

- (a) Edelweiss Retail Finance Limited ("**ERFL**") shall be merged with ECL Finance Limited;
- (b) the existing shareholders shall transfer their shareholding in Edelweiss Housing Finance Limited ("**EHFL**") to ECL Finance Limited;
- (c) our Company shall infuse an equity investment amount as specified in the Shareholders' Agreement into ECL Finance Limited upon transfer of shareholding by the existing shareholders in EHFL to ECL Finance Limited; and
- (d) ECL Finance Limited shall acquire the identified loan portfolio as on 31 January 2019 of Edelweiss Finvest Limited ("**Edelweiss Finvest**").

(collectively, the "**Restructuring**")

The Promoters and the Investor shall, *inter alia*, be entitled to:

- (a) a call option and/or put option, after 9 years at fair market value, in the event that the shareholding of the Investor falls below 5% in ECL Finance Limited.
- (b) a pre-emption right in case of issue of new Equity Securities by ECL Finance Limited.
- (c) a right of first offer in case of any transfer of Equity Securities by any other shareholder in ECL Finance Limited

Additionally, the Investor is, *inter alia*, entitled to:

- (a) exit rights upon (i) a trade sale of the Equity Securities, (ii) a swap of the Investor CCDs with equity shares or (iii) upon the happening of an initial public offering of equity shares by ECL Finance Limited.
- (b) an anti-dilution right where the conversion price of the Investor CCDs shall be adjusted to the price of equity shares of ECL Finance Limited on such date.
- (c) a tag along right where the selling shareholder shall ensure that the securities proposed to be sold shall be on the same terms and conditions as offered by the proposed transferee.

Under the Shareholders' Agreement, prior written consent of the Investor is required, *inter alia*, for the transfer of any of the Equity Securities.

The Shareholders' Agreement contains reserved matters, which require prior permission from the Investor. Some of these matters include, *inter alia*, amendment of the constitutional documents which affects any right of the Investor, commencement of any new business outside India, any re-organisation, merger or amalgamation, change in share capital (other than as permitted under the Shareholders' Agreement), any change in terms of the Equity Securities, an initial public offering of equity shares of ECL Finance Limited, voluntary petition for liquidation or winding up, declaration or payment of dividends or other non-cash distributions and creation or adoption of any equity option plans.

Amendment agreement dated March 22, 2019, to the Shareholders' agreement dated March 5, 2019 between our Company, ECL Finance Limited, Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited), Edel Finance Company Limited and CDPQ Private Equity Asia Pte Limited.

On March 22, 2019, the Shareholders' Agreement was amended by way of an amendment agreement to amend the definition of 'Private Debt Business' to define fund management business done by the asset management division of Edelweiss group to include credit funds, mutual funds or any other on-shore or off-shore structures

including alternative investment funds, venture capital funds, infrastructure investment trusts (“**InVITs**”), real estate investment trusts (“**REITs**”) and infrastructure debt funds, including specially managed accounts which shall be co-investment commitments of the Edelweiss group (in case such commitments are not consented to by the Investor for being undertaking in accordance with the Business Plan.).

Amendment cum supplement agreement dated May 6, 2019, to the Shareholders’ agreement dated March 5, 2019 between our Company, ECL Finance Limited, Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited), Edel Finance Company Limited and CDPQ Private Equity Asia Pte Limited.

On May 6, 2019, an amendment cum supplemental agreement (“**SHA Amendment Agreement**”) was executed between ECL Finance Limited, our Company, Edelweiss Securities Limited, Edelweiss Rural and Corporate Services Limited, Edel Finance Company Limited and the Investor. Under the terms of the SHA Amendment Agreement, the parties have *inter alia* agreed to:

- (a) provision of anti-dilution protection to the Investor in the event of issue of equity shares prior to the conversion of Investor CCDs at a price lower than the conversion price of the Investor CCDs and its reflection across the Shareholders’ Agreement; and
- (b) the threshold for related party transactions, change in any terms and conditions for any related party arrangements.

In relation to Edelweiss Gallagher Insurance Brokers Limited

Investment Agreement dated May 21, 2019 between our Company, Arthur J. Gallagher & Co. and Edelweiss Gallagher Insurance Brokers Limited (formerly known as Edelweiss Insurance Brokers Limited) (“EGIBL”) as amended by the Amendment Agreement dated October 17, 2019

Our Company and Arthur J. Gallagher & Co. (“**AJG**”) have entered into an investment agreement dated May 21, 2019 (the “**AJG Investment Agreement**”) with EGIBL. The AJG Investment Agreement records the terms of investment AJG in EGIBL. In terms of the AJG Investment Agreement, the investment by AJG in EGIBL was to be in two tranches as set forth below:

- (a) First tranche comprising of 878,378 equity shares of EGIBL representing 26% of the shareholding of EGIBL on a fully diluted basis on the first completion date; and
- (b) Second tranche comprising of such number of equity shares of EGIBL which would increase AJG’s stake by 4% in EGIBL on a fully diluted basis on the second completion date.

Shareholders Agreement dated May 21, 2019 between our Company, Arthur J. Gallagher & Co. (“AJG”) and Edelweiss Gallagher Insurance Brokers Limited (formerly known as Edelweiss Insurance Brokers Limited) (“EGIBL”), as amended by the Amendment Agreement dated October 17, 2019

Our Company has entered into a Shareholders Agreement dated May 21, 2019 (the “**SHA**”) with Arthur J. Gallagher & Co. (“**AJG**”) and EGIBL (collectively referred to in the SHA as “**parties**”) to set forth and record the terms governing the respective rights and obligations in the management and functioning of EGIBL.

In terms of the SHA, our Company and AJG are restricted from transferring or encumbering the legal and beneficial title of any of their shares in EGIBL to a third party (as defined in the SHA) for a period of three years from the completion date (as defined in the SHA) (the “**Lock-in period**”) and for an additional period as specified in the SHA (the “**Restricted Period**”).

Our Company and AJG, shall, *inter alia*, be entitled to:

- the right to appoint four directors and one director, respectively, on the board of EGIBL (including alternate directors in connection thereto in compliance with requirements of IRDAI) and subject to applicable law, the directors appointed to the committees shall be in the same proportion as the directors appointed to the board of EGIBL; and
- a right of first offer in case of any transfer of Equity Shares issued by EGIBL and any other securities convertible into equity shares issued by EGIBL from time to time (“**Shares**”) by any shareholder of EGIBL to a third party (as defined in the SHA).

AJG is, *inter alia*, entitled to:

- A call option upon expiry of the Lock in Period and up to a period of 60 months from the completion date (as defined in the SHA) to increase its shareholding (on a fully diluted basis) in EGIBL to 49%; and
- A tag-along right to sell its Shares in case our Company decides to transfer any or all of its Shares to a third party post the Restricted Period.

Our Company, shall post the Restricted Period, if the shareholding of AJG in EGIBL on a fully diluted basis is lower than 49%, be entitled to inter alia:

- a drag along right, if EFSL proposes to transfer all or any of its Shares to a third party, requiring AJG to transfer all or any part of its Shares, to the relevant third party offeror on the same terms and conditions at which the Shares were being sold to the third party offeror;
- a right of first refusal in case AJG decides to transfer all of its Shares held in EGIBL.

The SHA specifies reserved matters with respect to EGIBL, which are subject to the approval of at least one director of AJG, such that in case the AJG votes against the reserved matter, such shall not be taken up at a shareholders' meeting.

Co-branding Agreement dated November 29, 2019 (the "Brand Agreement") between between our Company, Arthur J. Gallagher & Co. ("AJG") and Edelweiss Gallagher Insurance Brokers Limited (formerly known as Edelweiss Insurance Brokers Limited) ("EGIBL")

Our Company and AJG have entered into the Brand Agreement with EGIBL pursuant to which EGIBL has been granted the license to use certain specified trademarks of our Company and AJG in the manner specified in the Brand Agreement.

In relation to Edelweiss Securities Limited

Share Subscription Agreement dated November 12, 2019 between our Company, Sanaka Growth SPV I Limited ("Investor I") and Edelweiss Securities Limited ("ESL") read with the first addendum dated November 12, 2019 ("First Addendum") and second addendum dated December 24, 2019 ("Second Addendum"), collectively the "Sanaka SSA".

Our Company, Investor I and ESL have entered into Sanaka SSA for recording the terms and conditions of investment by Investor I in ESL. In accordance with the Sanaka SSA, Investor I's investment in ESL is to be completed in three tranches, as set out below:

- The first tranche comprising of: (i) 100 equity shares of ESL at fair market value; and (ii) cumulative compulsorily convertible preference shares ("CCPS") of ESL having face value and issue price of INR 1,000 each aggregating to USD 16,453,333;
- The second tranche comprising of CCPS of ESL aggregating to USD 16,453,333; and
- The third tranche comprising of CCPS of ESL aggregating to USD 16,453,334.

Shareholders' Agreement dated November 12, 2019 between our Company, Investor I and ESL read with the first addendum dated November 12, 2019 ("First Addendum"), collectively the "Sanaka SHA".

Our Company, Investor I and ESL have entered into the Sanaka SHA which governs the *inter se* relationship between our Company and Investor I as shareholders of ESL.

In accordance with the Sanaka SHA, Investor I has been granted certain rights including, the right to nominate and appoint one director on the board of ESL and its subsidiaries, and certain direct and indirect subsidiaries of our Company (the "EGIA Subsidiaries"); the decision on certain specified reserved matters with respect to ESL and the EGIA Subsidiaries (as applicable), including amendment of charter documents which may impact or alter the rights of Investor I, may only be made or taken by the board or any committee of the board, management and/or shareholders of ESL and/or the EGIA Subsidiaries (as applicable), with the specific written consent of Investor I.

Share Subscription Agreement dated August 14, 2019 between our Company, Kora Master Fund LP ("Investor II") and Edelweiss Securities ("ESL")

Our Company, Investor II and ESL have entered into a share subscription agreement on August 14, 2019 (the "Kora SSA") for recording the terms and conditions for the investment by Investor II (through its affiliate) in

ESL. In accordance with the Kora SSA, Investor II's investment in ESL is to be completed in three tranches, as set out below:

- (a) The first tranche comprising of: (i) 100 equity shares of ESL at fair market value; and (ii) CCPS of ESL having face value and issue price of INR 1,000 each aggregating to USD25,000,000;
- (b) The second tranche comprising of CCPS of ESL aggregating to USD 25,000,000; and
- (c) The third tranche comprising of CCPS aggregating to USD 25,000,000.

Shareholders' Agreement dated August 14, 2019 between our Company, Investor II and ESL

Our Company, Investor II and ESL have entered into a shareholders' agreement on August 14, 2019 (the "**Kora SHA**"), which records and governs their relationship *inter se* as shareholders of ESL.

In accordance with the Kora SHA, Investor II has been granted certain rights including, the right to nominate and appoint one director on the board of ESL and its subsidiaries and certain direct and indirect subsidiaries of our Company (the "**EGIA Subsidiaries**"); the decision on certain specified reserved matters with respect to ESL and the EGIA Subsidiaries (as applicable), including (a) amendment of charter documents which may impact or alter the rights of Investor II; may only be made or taken by the board or any committee of the board, management and/or shareholders of ESL and/or the EGIA Subsidiaries (as applicable), with the specific written consent of Investor II.

Share Purchase Agreement dated March 12, 2021 between PAGC Ecstasy I LLC ("Purchaser"), Kora Investments I LLC ("Seller") and Edelweiss Securities Limited ("ESL")

The Purchaser, the Seller and ESL have entered into a share purchase agreement on March 12, 2021 for acquiring the following shares in ESL ("**Kora Sale Shares**"):

- (i) 16,95,327 equity shares to be issued to the Seller upon conversion of all of 17,73,313 compulsorily convertible preference shares owned by the Seller on the execution date i.e. March 12, 2021 ("**Kora CCPS**"); and
- (ii) 100 equity shares owned by the Seller as on the execution date i.e. March 12, 2021.

The consideration amount for the transfer of Kora Sale Shares from Seller to the Purchaser is USD equivalent of INR 2,693,643,238 (Indian Rupees Two Hundred and Sixty Nine Crores Thirty Six Lakh Forty Three Thousand Two Hundred and Thirty Eight only).

Share Purchase Agreement dated March 17, 2021 between PAGC Ecstasy I LLC ("Purchaser"), Sanaka Growth SPV I Limited ("Seller") and Edelweiss Securities Limited ("ESL")

The Purchaser, the Seller and ESL have entered into a share purchase agreement on March 17, 2021 for acquiring the following shares in ESL ("**Sanaka Sale Shares**"):

- (iii) 10,04,923 equity shares to be issued to the Seller upon conversion of all of 11,70,736 CCPS owned by the Seller on the execution date i.e. March 17, 2021 ("**Sanaka CCPS**"); and
- (iv) 100 equity shares owned by the Seller as on the execution date i.e. March 17, 2021.

The consideration amount for the transfer of Sanaka Sale Shares from Seller to the Purchaser is USD equivalent of INR 1,596,750,204 (Indian Rupees One Hundred and Fifty Nine Crore Sixty Seven Lakh Fifty Thousand Two Hundred and Four only).

In relation to Edelweiss Global Wealth Management Limited and Edelweiss Securities Limited

Amended and Restated Share Purchase Agreement dated October 19, 2020 between our Company, ECAP Equities Limited ("ECAP Equities") and Edelweiss Global Wealth Management Limited ("EGWML")

Our Company and ECAP Equities (the "**Sellers**") have entered into the amended and restated share purchase agreement on October 19, 2020 (the "**SPA**") with EGWML, to record the updated terms of acquisition of equity shares of Edelweiss Securities Limited ("**ESL**").

Pursuant to, and subject to the other terms of, the SPA, EGWML is to acquire: (i) 2,665,235 equity shares of ESL with face value of INR 10 each (“**ESL Shares**”), from ECAP Equities; and (ii) such number of ESL Shares from our Company as mutually agreed between our Company and EGWML (together the “**ESL Sale Shares**”). The aggregate consideration for the acquisition by EGWML of the ESL Sale Shares from our Company and ECAP Equities is INR 19,440 million, for acquisition of 48.6% of equity share capital of ESL (on a fully diluted basis).

Amended and Restated Securities Subscription Agreement dated October 19, 2020 between our Company, Edelweiss Global Wealth Management Limited (“EGWML”), PAGAC Ecstasy Pte Ltd (the “Investor 1”), Asia Pragati Strategic Investment Fund (the “Investor 2” and collectively with Investor 1, the “Investors”) and Edelweiss Securities Limited (“ESL”) read with amendment agreement dated March 19, 2021 (“Amendment Agreement”).

Our Company, EGWML and ESL have entered into the amended and restated securities subscription agreement on October 19, 2020 (the “**SSA**”) with the Investors, to record the updated terms of the investment by the Investors and EGWML in ESL. The SSA was amended on March 19, 2021 (“**SSA Amendment**”).

Pursuant to, and subject to the other terms of, the SSA, read with the SSA Amendment: (i) the Investors shall subscribe to 970,087 equity shares of ESL of face value of INR 10 (the “**ESL Shares**”) for an aggregate consideration of INR 1,218,080,040.68; (ii) Investor 2 shall subscribe to such number of compulsorily convertible debentures to be issued by ESL (the “**ESL CCDs**”) that will convert into 0.9% of the total issued and paid-up equity share capital of ESL on a fully diluted basis (the “**ESL Share Capital**”) for an aggregate consideration of INR 395.875 million; and (iii) EGWML shall subscribe to such number of ESL Shares that will constitute 5.92% of the ESL Share Capital for INR 2,604 million. On the closing date of the SSA, EGWML and the Investors shall collectively hold 51% of the ESL Share Capital.

Under the SSA read with the SSA Amendment, our Company also has a right to subscribe to up to 3,262,422 Equity Shares in ESL (“**Subscription Call Securities**”), exercisable at any time prior to the expiry of 18 (eighteen) months from the Closing Date, such that upon issuance of the Subscription Call Securities to our Company, our Company will hold up to 43.76% of the ESL Share Capital.

Amended and Restated Investment Agreement dated March 18, 2021 between our Company, Edelweiss Global Wealth Management Limited (“EGWML”), PAGAC Ecstasy Pte Ltd (the “Investor 1”) and Asia Pragati Strategic Investment Fund (the “Investor 2” and collectively with Investor 1, the “Investors”) and Edelweiss Securities Limited (“ESL”)

Our Company, EGWML and ESL have entered into the amended and restated investment agreement on March 18, 2021 (the “**Investment Agreement**”) with the Investors, to record the updated terms of the investment by the Investors in EGWML. Pursuant to, and subject to the other terms of the Investment Agreement, (i) the Investor 1 is to subscribe to 21,919,000 compulsorily convertible debentures of face value of INR 1,000 each (the “**CCDs**”) for a consideration of INR 21,919 million; and (ii) the Investor 1 is to purchase 125,000 CCDs held by our Company in EGWML for a consideration of INR 125 million. The CCDs are convertible into 99% of the share capital of EGWML (on a fully diluted basis) at the option of Investor 1 and upon subscription of the CCDs, Investor 1 will acquire control over EGWML (including over the ESL shares held by EGWML).

The Investment Agreement specifically provides that the investment by the Investors is towards acquisition of a controlling interest in the wealth management business of the Edelweiss group (“**EWM**”) and a non-controlling stake in the custodial business and designated depository participant business (but not the asset management business (“**EAM**”) of the Edelweiss group (“**EAM Business**”), and Edelweiss group companies carrying on the EAM Business. In the event, our Company ceases to hold any securities in EGWML, our Company shall have the right to require transfer of and all the assets of EGWML other than those pertaining to EWM Business (“**EAM Assets**”) to itself or to any other affiliate of our Company in accordance with applicable law, prior to ceasing to hold such securities in the EGWML solely at the cost and expense of our Company.

Under the terms of the Investment Agreement, the board of directors of EGWML (“**Board**”) shall at all times designate and authorize 1 (one) Director nominated by our Company for the operations and management of and all other actions or matters required to be undertaken in respect of the EAM Assets. Further, the Board may constitute, and delegate any of its powers to committees, to assist it in its decision-making on specific matters (other than for matters concerning EAM Assets, which shall not be delegated to any committee). In respect to the executive management, other than for operations and management of the EAM Assets, the members of the

executive management of EGWML, shall be determined by the Board with the consent of the Investor. Further, our Company and/or our affiliates are not permitted to transfer any securities (including equity shares) held in EGWML without the prior written consent of Investor 1 and Investor 1 has a call option on the securities held by our Company in EGWML.

The Investment Agreement also includes representations, warranties, undertakings, and indemnities given by our Company in favour of the Investors in relation to the EWM business and the transactions contemplated between the parties.

Amended and Restated Implementation Agreement dated March 18, 2021 between our Company, Edelweiss Global Wealth Management Limited (“EGWML”), PAGAC Ecstasy Pte Ltd (the “Investor 1”) and Asia Pragati Strategic Investment Fund (the “Investor 2” and collectively with Investor 1, the “Investors”), Edelweiss Securities Limited (“ESL”), Edelweiss Custodial Services Limited (“ECSL”), Edelweiss Alternative Asset Advisors Limited (“EAAAL”) and ECAP Equities Limited (“ECAP Equities”)

Our Company has entered into the amended and restated implementation agreement dated March 18, 2021 (the “**Implementation Agreement**”) with EGWML, the Investors, ESL, Company, ECSL, EAAAL and ECAP Equities in relation to the acquisition of majority ownership and control by the Investors in our wealth management business (the “**Transaction**”), to record the updated terms and conditions pursuant to which the steps required to give effect to the Transaction are to be undertaken.

The Implementation Agreement provides for the Transaction to be executed in three phases as mentioned below:

- (i) **Phase I:** Phase I comprises of *inter alia* (a) our Company incorporating or identifying an existing company to acquire certain non-wealth management business (the “**EAMCo.**”); and (b) the completion of the transactions contemplated under the SPA, SSA and the Investment Agreement subject to terms thereof; and execute agreements in relation to transfer of custody and designated depository business from Edelweiss Custodial Services Limited to Edelweiss Capital Services Limited (“**ECSL**”) and ESL acquiring non-controlling stake in the custodial business and designated depository participant business. The Phase I long stop date is the date falling 13 months from August 27, 2020 (the original execution date) subject to extension by a further period of 11 months by mutual consent of the Investor 1 and our Company.
- (ii) **Phase II:** Phase II comprises of *inter alia*: (a) demerger of the business of EGMWL which might result in the change in control of ECSL (i.e. the sponsor of Edelweiss Asset Reconstruction Company Limited (“**EARC**”)); (b) demerger of the business of EGMWL which might result in the change in control of our Company; and (c) the demerger of EGMWL leading in change in control of the offshore entities of Edelweiss group. The Phase II long stop date is the date falling 18 months from the closing date of the Phase I Closing date, subject to extension by a further period of 11 months by notice in writing by the Investor 1 at its sole discretion. Upon completion of Phase II, the Investor (and/or its affiliates) will directly hold at least 61.47% in ESL on a fully diluted basis.
- (iii) **Phase III:** Phase III involves the demerger of the merchant banking business housed in our Company along with the investments in its subsidiaries carrying on the wealth management business into ESL, pursuant to which shares of ESL will get listed and such that the shareholders of our Company *inter alia* will become direct shareholders of ESL.

The Implementation Agreement also includes customary interim protection covenants and various other representations, undertakings and indemnities given by our Company in favour of the Investors in relation to the wealth management business and the transactions contemplated between the parties, including exclusivity and non-solicit provisions.

Amended and Restated Shareholders’ Agreement dated March 18, 2021 between our Company, Edelweiss Global Wealth Management Limited (“EGWML”), PAGAC Ecstasy Pte Ltd (the “PAG Investor”) and Edelweiss Securities Limited (“ESL”)

Our Company and ESL have entered into the amended and restated shareholders’ agreement on March 18, 2021 (the “**ESL PAG SHA**”) with the PAG Investor and EGWML (PAG Investor and EGWML are collectively referred to as the “**Investor**”) to record the terms and conditions governing *inter alia* the management of ESL and its subsidiaries and the *inter se* rights between the parties in relation to ESL, which will come into effect from the

date of PAG making its investment in the wealth management business of the Edelweiss group (“**EWM Business**”) in term of the Investment Agreement.

The ESL PAG SHA specifically provides that the investment by the Investor is towards acquisition of a controlling interest in only the EWM Business and all risks and rewards of the asset management business (“**EAM**”) will remain with our Company, which will keep the Investor indemnified from any losses in relation to EAM.

The ESL PAG SHA *inter alia* provides that:

- the board of directors of ESL shall comprise of 13 directors (including four independent directors) with the Investor holding the right to nominate up to 5 directors and our Company holding the right to nominate up to 3 directors of ESL. The Investor and our Company shall each have the right (but not the obligation) to recommend 2 persons to the ESL board for appointment as independent directors. The chairperson of the board and the general meetings shall be one of the directors nominated by the Investor.
- neither ESL nor its shareholders nor any director, officer, committee, committee member, employee, agent or any of their respective delegates shall, with respect to ESL, take any decisions or actions in relation to certain reserved matters including amendment of the articles of association of ESL and/or the subsidiaries of ESL undertaking EWM (the “**EWM Group Companies**”) that would result in any rights of our Company, being varied or modified in a manner that is adverse to it (except in accordance with the agreements executed in connection with the investment made by the Investor in the EWM Business) without the approval of our Company in the manner specified in the ESL PAG SHA.
- On and from the date of listing of the equity shares of ESL on recognised stock exchange(s) (if achieved in terms of the ESL PAG SHA), the board of directors of ESL shall comprise of such number of directors as may be determined by the Investor, the chairperson of the board of directors of ESL shall be an independent director, the directors appointed by the Investor shall at all times comprise the majority of the board of directors of ESL and Mr. Rashesh Chandrakant Shah and Mr. Venkatchalam A. Ramaswamy shall have the right to be appointed, or in the alternate appoint 1 (one) nominee each, to the ESL board of directors.
- Our Company is required to hold equity share capital representing at least 20% of the total equity share capital of ESL for the period specified in the ESL PAG SHA.
- The Investor shall have the right of first offer, should our Company intend to sell all or any part of the equity securities held by them in ESL to a third party (other than the competitors listed out in the ESL PAG SHA).
- In the event, the Investor (and/or any of its affiliates) holding equity securities proposes to transfer any equity securities to a third party, our Company, shall have a tag-along right in accordance with the terms of and in the manner specified in the ESL PAG SHA.

The ESL PAG SHA also includes other customary provisions relating to the governance and management of ESL and its subsidiaries carrying on the EWM Business, including event of default, non-compete and non-solicit provisions.

Transition Services Agreement dated 19 March, 2021 executed between our Company and Edelweiss Securities Limited (“ESL”).

Our Company (the “**Provider**”) has entered into a transition services agreement on 19 March 2021 (“**Effective Date**”) with ESL (the “**Recipient**”) (the “**TSA**”), to provide the Recipient with (a) technology related services (such as provision of computer and IT infrastructure, maintenance and transfer of software applications etc.); and (b) real estate services (i.e., leasing premises / property under leave and license agreements) for a period of 36 (thirty-six) months from the Effective Date, in consideration of service fees, the details of which are set out in the TSA.

Brand License Agreement dated March 19, 2021 between our Company and Edelweiss Securities Limited (“ESL”)

Our Company and ESL have entered into a brand license agreement on March 18, 2021 for recording the terms and conditions including calculation mechanism and payment of licensing fee, on the basis of which our Company has granted ESL and its subsidiaries conducting of our wealth management business (“EWM Companies”) the license to use the ‘*Edelweiss*’ brand. During the term of this agreement, ESL shall be responsible for compliance of the other EWM Companies with the agreed terms and conditions under the brand license agreement.

In relation to Edelweiss Capital Services Limited

Share Purchase Agreement dated March 17, 2021 between Edelweiss Securities Limited (“Seller”), our Company and Edelweiss Capital Services Limited (“ECSL”)

Our Company, the Seller and ECSL have entered into a share purchase agreement on March 17, 2021, for our Company acquiring 2,65,20,000 equity shares of ECSL held by the Seller, which constitutes 51% of the total issued and paid-up capital of ECSL (“ECSL Sale Shares”):

The consideration amount for the transfer of ECSL Sale Shares from Seller to our Company is INR 26,52,00,000.

Shareholders’ Agreement dated March 17 2021 between Edelweiss Securities Limited (“ESL”), Edelweiss Capital Services Limited (“ECSL”) and our Company

ESL, ECSL and our Company have entered into a shareholders’ agreement on 17 March 2021 (the “ECSL SHA”), which records and governs their relationship *inter se* as shareholders of ECSL.

The ECSL SHA *inter alia* provides that:

- the board of directors of ECSL shall comprise of 4 directors with ESL holding the right to nominate up to 2 directors and our Company holding the right to nominate up to 2 directors of ECSL. In case of equality of votes, any one of our nominate director may exercise a casting vote.
- ESL is not permitted to transfer any shares held by it in ECSL, unless specifically permitted otherwise in the ECSL SHA, without first obtaining the consent of our Company. Similarly, our Company is not permitted to transfer any shares held by it in ECSL, unless specifically permitted otherwise in the ECSL SHA, without first obtaining the consent of ESL.
- ESL has a call option, subject to applicable law including any regulatory approvals, to sell all or any of the equity shares held by our Company in ECSL, to ESL.

Subsidiary Companies

As on December 31, 2020, our Company has following subsidiaries:

- Allium Finance Private Limited
- Aster Commodities DMCC, Dubai
- EAAA LLC, Mauritius
- Ecap Equities Limited
- EC Commodity Limited
- EC International Limited, Mauritius
- ECL Finance Limited
- Edelcap Securities Limited
- Edel Finance Company Limited
- Edelgive Foundation
- Edel Investments Limited
- Edel Land Limited
- Edelweiss Alternative Asset Advisors Limited
- Edelweiss Alternative Asset Advisors Pte. Limited
- Edelweiss Asset Management Limited
- Edelweiss Asset Reconstruction Company Limited
- Edelweiss Broking Limited
- Edelweiss Capital (Singapore) Pte. Limited

- Edelweiss Comtrade Limited
- Edelweiss Custodial Services Limited
- Edelweiss Finance & Investments Limited
- Edelweiss Financial Services (UK) Limited
- Edelweiss Financial Services Inc.
- Edelweiss Finvest Limited[@]
- Edelweiss Gallagher Insurance Brokers Limited
- Edelweiss General Insurance Company Limited
- Edelweiss Global Wealth Management Limited
- Edelweiss Housing Finance Limited
- Edelweiss International (Singapore) Pte. Limited
- Edelweiss Investment Adviser Limited
- Edelweiss Investment Advisors Private Limited, Singapore
- Edelweiss Multi Strategy Fund Advisors LLP
- Edelweiss Private Equity Tech Fund
- Edelweiss Resolution Advisor LLP
- Edelweiss Retail Finance Limited
- Edelweiss Rural & Corporate Services Limited
- Edelweiss Securities (Hong Kong) Private Limited
- Edelweiss Securities (IFSC) Limited
- Edelweiss Securities & Investment Private Limited
- Edelweiss Securities Limited
- Edelweiss Tokio Life Insurance Company Limited
- Edelweiss Trusteeship Company Limited
- Edelweiss Value and Growth Fund
- ESL Securities Limited
- Everest Securities & Finance Limited
- EW Special Opportunities Advisors LLC, Mauritius
- Lichen Metals Private Limited

[@] National Company Law Tribunal, Mumbai Bench vide order dated February 22, 2021 has approved the merger of Edelweiss Finvest Limited (Formerly known as Edelweiss Finvest Private Limited) (Transferor Company) with Edel Finance Company Limited (Transferee Company) and their respective shareholders.

Associates

As on December 31, 2020, our Company does not have associate companies.

Trusts

As on December 31, 2020, our Company has following trusts:

- ESAF – I Trust
- EARC SAF -2 Trust
- EARC SAF – 3 Trust
- EARC Trust SC 6
- EARC Trust SC 7
- EARC Trust SC 9
- EARC Trust SC 102
- EARC Trust SC 109
- EARC Trust SC 112
- EARC Trust SC 130
- EARC Trust SC 223
- EARC Trust SC 229
- EARC Trust SC 238
- EARC Trust SC 245
- EARC Trust SC 251
- EARC Trust SC 262

- EARC Trust SC 263
- EARC Trust SC 266
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- EARC Trust SC 402
- EARC Trust SC 406
- EARC Trust SC 377
- EARC Trust SC 378

OUR MANAGEMENT

Board of Directors

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors. The Articles of Association sets out that the number of Directors in our Company shall be not less than three and not more than Fifteen.

As of the date of this Prospectus, we have twelve Directors on the Board, out of which four Directors are Executive Directors, one Director is Non-Executive Non Independent Director and seven Directors are Non-Executive Independent Directors. Our Company has two women directors including one woman Independent Director on the Board.

Details of Board of Directors as on the date of this Prospectus:

| Name, designation, occupation, term of appointment, Nationality and DIN | Age (in years) | Other directorships | Address |
|---|----------------|---|--|
| Rashesh Shah Designation: Chairman, Managing Director and CEO Occupation: Professional Date of appointment: November 21, 1995 Date of re-appointment: April 1, 2017 Term: For a period of five years up to March 31, 2022 Nationality: Indian DIN: 00008322 | 57 | <ul style="list-style-type: none"> • ECL Finance Limited; • Edelweiss Asset Reconstruction Company Limited; • Edelweiss Tokio Life Insurance Company Limited; • Mabella Trustee Services Private Limited (formerly known as Ivy Financial Services Private Limited); and • Rashesh & Vidya Shah Family Foundation • Edelweiss Securities Limited | 223/B Kalpataru Horizon-B, S. K. Ahire Marg, Worli, Mumbai - 400 018, Maharashtra, India |
| Venkatchalam Ramaswamy Designation: Vice-Chairman-Executive Director Occupation: Professional Date of appointment: February 20, 1996 Date of re-appointment: April 1, 2017 Term: For a period of five years up to March 31, 2022 Nationality: Indian DIN: 00008509 | 54 | <ul style="list-style-type: none"> • ECL Finance Limited; • Edelweiss Asset Reconstruction Company Limited; • Edelweiss Finance & Investments Limited; • Edelweiss Capital (Singapore) Pte. Ltd.; • Edelweiss Alternative Asset Advisors Pte. Ltd. (Singapore); and • Edelweiss Investment Advisors Pte. Ltd. (Singapore) • Edelweiss Securities Limited • Edelweiss Global Wealth Management Limited | 142, Beach Towers, P. Balu Road, Prabhadevi, Mumbai - 400 025, Maharashtra, India |
| Himanshu Kaji Designation: Executive Director Occupation: Professional Date of appointment: November 1, 2011 | 55 | <ul style="list-style-type: none"> • Edelweiss Trusteeship Company Limited | C/5, C/7, Ishwar Niwas, Sicka Nagar, V. P. Road, Mumbai - 400 004, Maharashtra, India |

| Name, designation, occupation, term of appointment, Nationality and DIN | Age (in years) | Other directorships | Address |
|--|----------------|--|---|
| Date of re-appointment: November 1, 2019 Term: For a period of five years upto October 31, 2024 Nationality: Indian DIN: 00009438 | | | |
| Rujan Panjwani Designation: Executive Director Occupation: Professional Date of appointment: June 24, 2013 Date of re-appointment: June 24, 2016 Term: For a period of five years up to June 23, 2021 Nationality: Indian DIN: 00237366 | 57 | <ul style="list-style-type: none"> • Ecap Equities Limited • Edelweiss General Insurance Company Limited; • Edel Land Limited; and • Edelweiss Tokio Life Insurance Company Limited | 26 Hem Prabha, 68, Marine Drive, Mumbai - 400 020, Maharashtra, India |
| Vidya Shah Designation: Non-Executive Non-Independent Director Occupation: Professional Date of appointment: June 24, 2013 Date of re-appointment: August 1, 2014 Term: Liabile to retire by rotation Nationality: Indian DIN: 00274831 | 54 | <ul style="list-style-type: none"> • EdelgiveFoundation; • Edelweiss Asset Reconstruction Company Limited; • ECL Finance Limited; • Foundation for Reinventing Governance; • Kimyo Learning Private Limited; • Mabella Trustee Services Private Limited (formerly known as Ivy Financial Services Private Limited); • Toolbox India Foundation; • Rashesh & Vidya Shah Family Foundation; • Foundation for Promotion of Sports and Games; and • Jan Sahas Foundation • Edelweiss Securities Limited | 223, Kalpataru Horizon B, S K Ahire Marg, Worli, Mumbai - 400 018, Maharashtra, India |
| P. N. Venkatachalam Designation: Independent Director Occupation: Professional Date of appointment: August 9, 2007 Date of re-appointment: August 2, 2017 | 76 | <ul style="list-style-type: none"> • ECL Finance Limited; • Edelweiss Tokio Life Insurance Company Limited; • Edelweiss Housing Finance Limited; • Edelweiss Asset Reconstruction Company Limited; • Sundaram Finance Limited; and | Flat No. 3C, Settlor Manor, No. 2, Sivaswamy Street, Opposite Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004, Tamil Nadu, India |

| Name, designation, occupation, term of appointment, Nationality and DIN | Age (in years) | Other directorships | Address |
|---|----------------|--|--|
| Term: For a period of five years from August 2, 2017 (up to the conclusion of the 27 th annual general meeting to be held in 2022) Nationality: Indian DIN: 00499442 | | <ul style="list-style-type: none"> Sundaram Home Finance Limited | |
| Berjis Desai Designation: Independent Director Occupation: Professional Date of appointment: November 18, 2009 Date of re-appointment: August 2, 2017 Term: For a period of five years from August 2, 2017 (up to the conclusion of the 27 th annual general meeting to be held in 2022) Nationality: Indian DIN: 00153675 | 64 | <ul style="list-style-type: none"> Deepak Fertilisers and Petrochemicals Corporation Limited; Emcure Pharmaceuticals Limited; Inventurus Knowledge Solutions Private Limited; Jubilant FoodWorks Limited; Man Infraconstruction Limited; Nuvoco Vistas Corporation Limited; Star Health And Allied Insurance Company Limited; Praj Industries Limited; The Great Eastern Shipping Company Limited; Vista Intelligence Private Limited; and MICL Finance Private Limited | Yezerina - II, 2 nd Floor, 740/741, Dadar Parsi Colony, Road No. 5, Dadar, Mumbai - 400 014, Maharashtra, India |
| Navtej S. Nandra Designation: Independent Director Occupation: Professional Date of appointment: May 22, 2009 Date of re-appointment: August 2, 2017 Term: For a period of five years from August 2, 2017 (up to the conclusion of the 27 th annual general meeting to be held in 2022) Nationality: American DIN: 02282617 | 54 | <ul style="list-style-type: none"> Cadence Group, Inc. Edelweiss Tokio Life Insurance Company Limited; Edelweiss General Insurance Company Limited; Oak North Bank Limited; and Pidilite Usa, Inc Edelweiss Securities Limited | 22 West, 15 th ST, 18A, New York – 10 011, United States of America |
| Kunnasagar Chinniah Designation: Independent Director Occupation: Professional Date of appointment: October 1, 2013 | 63 | <ul style="list-style-type: none"> Ascendas Funds Management(S) Pte Ltd; Astrea III Pte. Ltd.; Astrea IV Pte.Ltd; Astrea V Pte Ltd; Astrea VI Pte Ltd; Azalea Asset Management Pte.Ltd; | 12, Countryside Grove, Singapore-789 967, Singapore |

| Name, designation, occupation, term of appointment, Nationality and DIN | Age (in years) | Other directorships | Address |
|---|----------------|---|---|
| <p>Date of re-appointment: August 2, 2017</p> <p>Term: For a period of five years from August 2, 2017 (up to the conclusion of the 27th annual general meeting to be held in 2022)</p> <p>Nationality: Singapore</p> <p>DIN: 01590108</p> | | <ul style="list-style-type: none"> • Azalea Investment Management Pte. Ltd; • Changi Airport International Pte. Ltd.; • Edelweiss Capital (Singapore) Pte. Limited; • Edelweiss Rural & Corporate Services Limited; • Edelweiss Securities Limited; • Edelweiss Tokio Life Insurance Company Limited • ECL Finance Limited • Hindu Endowments Board; • Greenko Energy Holdings; • Keppel Infrastructure Fund Management Pte Ltd.; and • Nirlon Limited | |
| <p>Biswamohan Mahapatra</p> <p>Designation: Independent Director</p> <p>Occupation: Professional</p> <p>Date of appointment: March 26, 2015</p> <p>Term: For a period of five years from July 26, 2018 (up to the conclusion of the 28th annual general meeting to be held in 2023)</p> <p>Nationality: Indian</p> <p>DIN: 06990345</p> | 66 | <ul style="list-style-type: none"> • ECL Finance Limited; • Edelweiss Housing Finance Limited; • HDFC Credila Financial Services Limited; • National Payments Corporation of India; • NPCI International Payments Limited; and • NPCI Bharat BillPay Limited. | 502, Building M1, Riddhi Garden, Film City Road, near Sudha Hospital, Malad(East), Mumbai – 400 097, Maharashtra, India |

| Name, designation, occupation, term of appointment, Nationality and DIN | Age (in years) | Other directorships | Address |
|---|----------------|---|---|
| Ashok Kini Designation: Independent Director Occupation: Professional Date of appointment: April 1, 2019 Term: For a period of three years upto March 31, 2022 Nationality: Indian DIN: 00812946 | 75 | <ul style="list-style-type: none"> Fino Finance Private Limited; FinoPaytech Limited; and Nihilent Limited | B202, Mantri Pride Apts, Behind Madhavan Park, 1 st Block, Jayanagar, Bengaluru – 560011, Karnataka, India |
| Dr. Ashima Goyal Designation: Independent Director Occupation: Professor Date of appointment: For a period of three years upto March 31, 2022 Term: For a period of three years from April 1, 2019 Nationality: Indian DIN: 00233635 | 65 | <ul style="list-style-type: none"> SBI General Insurance Company Limited | A/2, IGIDR, Santosh Nagar, Gen A K Vaidya Marg, Goregaon East, Mumbai- 400065, Maharashtra, India |

Brief profile of the Directors of our Company

Rashesh Shah

Rashesh Shah, co-founder of the Edelweiss group, is the Chairman, Managing Director and CEO of our Company. He has diverse experience in the financial markets and has been instrumental in building Edelweiss into one of India's leading diversified financial services organisations. He holds a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad, and a post-graduate diploma in international trade from the Indian Institute of Foreign Trade. He has served as President of Federation of Indian Chambers of Commerce and Industry ("FICCI"), which is India's apex industry association in 2017-18. He has been a member of the High Level Task Force on Public Credit Registry for India, the Advisory Committee on Corporate Insolvency and Liquidation, Executive Committee of the National Stock Exchange and the High Level Committee to review the Insider Trading Regulations set up by SEBI.

Venkatchalam Ramaswamy

Venkatchalam Ramaswamy, co-founder of the Edelweiss group, is Vice Chairman and Executive Director on our Board. He has diverse experience in the financial markets. He co-heads Edelweiss Group's advisory businesses and has been instrumental in building a client-need based solutions approach in the Distressed Asset Resolution and Asset Reconstruction business. He holds a master's degree in business administration from the University of Pittsburgh, and a bachelor's degree in engineering (electronics and communication branch) from Karnataka University, Dharwad.

Himanshu Kaji

Himanshu Kaji is an Executive Director on our Board. He is a member of the Institute of Chartered Accountants of India and holds a post-graduate diploma in securities law. He has diverse experience in the areas of business strategy, risk, finance, regulatory frameworks, process re-engineering, technology, strategy and implementation

across the financial services space. At the Edelweiss group, he oversees global risk, assurance, finance, governance, legal and administration. He is co-chairperson of the FICCI Capital Markets Committee and a member of the Secondary Market Advisory Committee of SEBI. He is also on the Trading Member Advisory Committee of the NSE. In the past, he has served on the board of the BSE.

Rujan Panjwani

Rujan Panjwani is an Executive Director on our Board. He holds a bachelor's degree in electrical engineering from Manipal Institute of Technology. He has domain expertise in the financial sector spanning across capital markets, asset management, insurance and others. Today, apart from overseeing the Corporate Treasury and related functions, he is in charge of the Insurance businesses within the group— Edelweiss Tokio Life Insurance and Edelweiss General Insurance. Additionally, he has helmed multiple functions across the Group such as Human Resources and Leadership development.

Vidya Shah

Vidya Shah is the Non-Executive Non-Independent Director on our Board. She holds a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. She is the CEO of EdelGive Foundation, the CSR arm of the Edelweiss group. With over three decades of rich industry experience, she has established EdelGive Foundation as a platform for strategic philanthropy. Under her stewardship, EdelGive has been instrumental in growing over 150 organizations, scaling their budgets, impact and reach exponentially. She spent the 11 years of her career in the field of investment banking with companies like ICICI Bank Limited, Peregrine and NM Rothschild.

P. N. Venkatachalam

P. N. Venkatachalam is an Independent Director on our Board. He holds a Master's degree in economics from University of Madras and is a certified associate of the Indian Institute of Bankers. He has 37 years of experience in the banking sector in India and has also worked in the banking and finance verticals of the software industry. He joined State Bank of India in 1967 and retired in 2004 as its Managing Director. He was a member of the Interim Pension Fund Regulatory Authority of India.

Berjis Desai

Berjis Desai is an Independent Director on our Board. He holds a Master's degree in law from the University of Cambridge, United Kingdom. He has rich experience, spanning over three decades. He retired as the Managing Partner of J. Sagar Associates and is now an independent legal counsel engaged in private client practice viz. taxation & estate planning, family arrangement and resolutions and wills. He has varied experience in the legal field, with a specialisation in corporate law, mergers and acquisitions, derivatives, securities and financial laws, international business laws and international commercial arbitration.

Navtej S. Nandra

Navtej S. Nandra has over three decades of global growth, transformation and governance experience. He serves on various boards including Edelweiss group, Cadence, OakNorth Bank, Center for Governance, Institutions and Organisations. He is a venture partner at Secocha and a distinguished visiting fellow at the National University of Singapore's Business School. In the past, he was President of E*TRADE and Head of MSIM International for Morgan Stanley Investment Management. He has handled individual contributor roles in various funds, Executive Committee roles at Merrill Lynch across Wealth Management and Investment Banking and was Partner at Booz Allen & Hamilton. He has also served on various boards including MS Huaxin Fund Management and Nuveen Investments. He has a post graduate diploma from the Indian Institute of Management, Ahmedabad and holds a bachelors degree in commerce (honours course) from the University of Delhi.

Kunnasagaran Chinniah

Kunnasagaran Chinniah is an Independent Director on our Board. He holds a Bachelor's degree in electrical engineering from the National University of Singapore and a master's degree in business administration from the University of California. He is a chartered financial analyst from the Institute of Chartered Financial Analyst. He has more than three decades of experience in the financial sector. He is presently a director of Changi Airport International, Keppel Infrastructure Trust, Azalea Asset Management Pte. Ltd., Hindu Endowments Board and

several other companies. Kunnasagaran joined GIC Private Limited in 1989 and after having served the company in various capacities, he retired as the managing director and led SI's infrastructure group and portfolio, strategy and risk group.

Biswamohan Mahapatra

Biswamohan Mahapatra is an Independent Director on our Board. He holds a Master's degree of science in management from Arthur D. Little Management Education Institute, Cambridge, Massachusetts, United States of America and a master's degree in business administration from the University of Delhi. His career spans over three decades. He retired as an executive director of the RBI on August 28, 2014. Post retirement, he was an Advisor to the RBI on the new bank licensing process. He has represented RBI at various national and international forums and chaired several RBI committees. He was also the Member Secretary to the Committee set up to introduce a financial holding company structure in India and was also involved in the formulation of Basel II and Basel III regulations. He also serves as an Independent Director on the boards of various companies and was reappointed as the Non-Executive Chairman of National Payments Corporation of India.

Ashok Kini

Ashok Kini is the ex-managing director of State Bank of India. He holds a bachelor's degree in science from Mysore University and a Master's degree in English literature from Madras Christian College, Chennai.

Dr. Ashima Goyal

Dr. Ashima Goyal is an Independent Director on our Board. An MPhil, MA and BA in Economics from the University of Delhi, she also holds a PhD in Economics from the University of Mumbai. She has over three decades of experience. She is a professor at the Indira Gandhi Institute of Development Research. She was appointed as a member of the RBI's Monetary Policy Committee on October 6, 2020. She was also a part-time member of the Economic Advisory Council to the Prime Minister. She is a specialist in the areas of open economy macroeconomics, international finance, institutional economics and development economics. She has been a visiting fellow at the Economic Growth Centre, Yale University, USA and a Fulbright Senior Research Fellow at Claremont Graduate University, USA.

Relationship between Directors

Except Vidya Shah and Rashesh Shah, who are spouses, none of the other Directors are related to each other.

Remuneration of Directors

The Nomination and Remuneration Committee determines and recommends to the Board the compensation to Directors. The Board of Directors or the shareholders, as the case may be, approve the compensation to Directors. The tables and details below sets forth the details of the remuneration pertaining to the six-month period ended September 30, 2020 and the last three financial years which has been paid or was payable to the Directors by our Company.

Details of remuneration paid to the Executive Directors for the six month period ended September 30, 2020 and the Financial Years ended March 31, 2020, March 31, 2019 and March 31, 2018 by our Company (on a standalone basis):

(₹ In million)

| Name of Director# | Six month period ended September 30, 2020 | Fiscal 2020 | Fiscal 2019 | Fiscal 2018 |
|------------------------|---|-------------|-------------|-------------|
| Rashesh Shah | 5.63 | 12.69 | 72.66 | 64.23 |
| Venkatchalam Ramaswamy | 4.60 | 11.20 | 53.70 | 1.2 |
| Himanshu Kaji | 5.21 | 11.91 | 24.93 | 51.43 |
| RujanPanjwani | 1.12 | 27.97 | 19.06 | 31.34 |

#Information relating to remuneration paid mentioned above excludes provision made for gratuity and provision made for bonus which are provided for the employees of the group, on an overall basis

Details of remuneration paid to the Directors the Financial Years ended March 31, 2020, March 31, 2019 and March 31, 2018 by our Subsidiaries:

Our Directors do not receive any remuneration from our Subsidiary except as mentioned below:

(₹ In million)

| Name of Director | Name of Subsidiary | Fiscal 2020 | Fiscal 2019 | Fiscal 2018 |
|------------------------|--|-------------|-------------|-------------|
| Rashesh Shah | ECL Finance Limited | 37.50 | 68.00 | 67.50 |
| Venkatchalam Ramaswamy | Edelweiss Finance & Investments Limited | 24.43 | 9.40 | 58.88 |
| Himanshu Kaji | ECL Finance Limited | 25.00 | 50.00 | 20.00 |
| RujanPanjwani | Ecap Equities Limited | - | - | - |
| RujanPanjwani | Edelweiss Rural & Corporate Services Limited | 10.22 | 60.22 | 42.35 |
| Vidya Shah | Edelweiss Finance & Investments Limited | 4.24 | 7.70 | 7.25 |
| Biswamohan Mahapatra* | ECL Finance Limited | 0.44 | 0.30 | 0.12 |
| | Edelweiss General Insurance Company Limited | 0.14 | 0.20 | 0.14 |
| Kunnasagaran Chinniah* | Edelweiss Securities Limited | 0.10 | 0.30 | 0.24 |
| | Edelweiss Finvest Limited | 0.14 | - | - |
| | Edelweiss Tokio Life Insurance Company Limited | 0.14 | 0.04 | - |
| | ECL Finance Limited | 0.08 | 0.02 | - |
| | Edelweiss AgriValue Chain Limited # | - | 0.10 | 0.22 |
| | Edelweiss Rural and Corporate Services Limited | 0.24 | 0.54 | 0.20 |
| Navtej Nandra* | Edelweiss Tokio Life Insurance Company limited | 0.22 | 0.20 | 0.18 |
| | Edelweiss General Insurance Company Limited | 0.24 | 0.24 | 0.10 |
| P.N Venkatchalam* | Edelweiss Finance & Investments Limited | 0.26 | 0.34 | 0.26 |
| | Edelweiss Asset Reconstruction Company Limited | 0.44 | 0.35 | 0.05 |
| | Edelweiss Tokio Life Insurance Company limited | 0.30 | 0.28 | 0.26 |
| | ECL Finance Limited | 0.48 | 0.44 | 0.24 |
| | Edelweiss Rural & Corporate Services Limited | - | - | 0.22 |
| | Edelweiss Housing Finance Limited | 0.48 | 0.30 | 0.20 |
| Ashok Kini* | Edelweiss Asset Reconstruction Company Limited | 0.37 | 0.25 | 0.30 |
| | Edelgive Foundation | - | 0.04 | - |
| Sunil Mitra* | ECL Finance Limited | - | - | 0.12 |
| | Edelweiss Securities Limited | - | - | 0.08 |

*Sitting fees paid to Independent Directors

#Merged with Edelweiss Rural & Corporate Services Limited

The terms of remuneration of the Executive Directors are as below:

1. Rashesh Shah

The following table sets forth terms of remuneration to Rashesh Shah, Chairman, Managing Director and CEO, reappointed with effect from April 1, 2017, for a period of five years as approved by the Shareholders of our Company at their Annual General Meeting held on August 2, 2017:

| Particulars | Remuneration (₹ per annum) |
|-------------|----------------------------|
| Salary | Not exceeding ₹ 30 million |
| Bonus | Not exceeding ₹ 60 million |

| Particulars | Remuneration (₹ per annum) |
|-------------|----------------------------|
| Perquisites | Not exceeding ₹30 million |

2. Venkatchalam Ramaswamy

The following table sets forth terms of remuneration to Venkatchalam Ramaswamy, Executive Director, reappointed with effect from April 1, 2017 for a period of five years, as approved by the Shareholders of our Company at their Annual General Meeting held on August 2, 2017:

| Particulars | Remuneration (₹ per annum) |
|-------------|----------------------------|
| Salary | Not exceeding ₹ 30 million |
| Bonus | Not exceeding ₹60 million |
| Perquisites | Not exceeding ₹30 million |

3. Himanshu Kaji

The following table sets forth terms of remuneration to Himanshu Kaji, Executive Director, reappointed with effect from November 1, 2019 for a period of five years, as approved by the Shareholders of our Company at their Annual General Meeting held on July 25, 2019:

| Particulars | Remuneration (₹ per annum) |
|-------------|----------------------------|
| Salary | Not exceeding ₹ 30 million |
| Bonus | Not exceeding ₹60 million |
| Perquisites | Not exceeding ₹30 million |

4. Rujan Panjwani

The following table sets forth Terms of Remuneration to Rujan Panjwani, Executive Director, reappointed with effect from June 24, 2016, as approved by the Shareholders of our Company at their Annual General Meeting held on August 9, 2016:

| Particulars | Remuneration (₹ per annum) |
|-------------|----------------------------|
| Salary | Not exceeding ₹ 20 million |
| Bonus | Not exceeding ₹40 million |
| Perquisites | Not exceeding ₹20 million |

Remuneration of Non-Executive and Independent Directors

The Non-Executive Independent Directors are paid remuneration by way of sitting fees, commission and other expenses (travelling, boarding and lodging incurred for attending the Board/Committee meetings). The Non-Executive Non-Independent Directors are not paid any sitting fees.

Our Company pays sitting fees of ₹ 20,000 (Rupees Twenty Thousand) per meeting to the Non-Executive Independent Directors for attending meetings of the Board and Committees thereof.

Apart from above, the Non-Executive Independent Directors are eligible for commission as approved by the shareholders of our Company at the Annual General Meeting held on August 9, 2016. The amount of commission is based on the overall financial performance of our Company and Board of Directors. The commission payable to the Non-Executive Independent Directors of our Company is as decided by the Board of our Company from time to time provided it does not exceed 1% percent of the net profit of our Company for the respective year.

The following table sets forth all compensation recorded by our Company (on a standalone basis) to the Non-Executive Independent Directors for the Financial Year ended March 31, 2020, March 31, 2019 and March 31, 2018:

(in ₹)

| Name of Director | March 31, 2020 | | March 31, 2019 | | March 31, 2018 | |
|---------------------------|----------------|---------------|----------------|--------------|----------------|--------------|
| | Commission * | Sitting Fees* | Commission * | Sitting Fees | Commission * | Sitting Fees |
| P N Venkatachalam | 1,000,000 | 340,000 | 1,300,000 | 480,000 | 1,300,000 | 460,000 |
| Berjis Desai | 1,000,000 | 260,000 | 1,300,000 | 260,000 | 1,300,000 | 420,000 |
| Navtej S. Nandra | 1,000,000 | 280,000 | 1,300,000 | 300,000 | 1,300,000 | 200,000 |
| Kunnasagaran Chinniah | 1,000,000 | 400,000 | 1,300,000 | 400,000 | 1,300,000 | 260,000 |
| Biswamohan Mahapatra | 1,000,000 | 340,000 | 1,300,000 | 280,000 | 1,300,000 | 360,000 |
| Ashok Kini | - | 100,000 | - | - | - | - |
| Ashima Goyal | - | 100,000 | - | - | - | - |
| Sunil Mitra [%] | - | - | - | - | 13,00,000 | 80,000 |
| Sanjiv Misra [^] | - | - | 1,300,000 | 280,000 | 1,300,000 | 220,000 |

[%]Sunil Mitra an Independent Director on our Board resigned with effect from August 2, 2017.

[^]Sanjiv Misra an Independent Director on our Board resigned with effect from January 24, 2019.

*Commission pertains to the immediate preceding financial year.

Other understandings and confirmations

No Director of our Company is a director or is otherwise associated in any manner with any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, willful defaulter list maintained by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority.

None of our Directors is, or was, a director of any listed company, which has been or was delisted from any recognised stock exchange, during the term of his/her directorship in such company.

None of our Directors have committed any violation of securities laws in the past and no such proceedings are pending against any of our Directors.

None of our Directors is, or was, a director of any listed company, which has been or was delisted from any recognised stock exchange, during the term of his/her directorship in such company.

None of our Directors have been categorised as a wilful defaulter by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution. None of our Directors are in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months

Borrowing Powers of the Board:

Pursuant to resolution passed by the shareholders of our Company on September 10, 2014 through a postal ballot and in accordance with provisions of 180 (1)(c) and all other applicable provisions of the Companies Act and Articles of Association, the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purposes) by a sum not exceeding ₹100,000 million.

Interest of the Directors:

All the directors of our Company, including our independent directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them. All the non-executive independent directors of our Company are entitled to sitting fees for attending every meeting of the Board or a committee thereof and are also eligible for commission. The whole-time Directors of our Company are interested to the extent of remuneration paid for services rendered / ESOP granted, if any, as an officer or employee of our Company.

All the directors of our Company, including independent directors, may also be deemed to be interested to the extent of Equity Shares, if any, held by them or by companies, firms and trusts in which they are interested as

directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as otherwise stated in this Prospectus and statutory registers maintained by our Company in this regard, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made with them. Our Company's directors have not taken any loan from our Company.

As on the date of this Prospectus, our Directors have not taken any loan from our Company. Except as disclosed in the Section "*Related Party Transaction*" on page 190 of this Prospectus none of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to anybody corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees.

None of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them to become, or to help them qualify as a director, or otherwise for services rendered by him or by such firm or company, in connection with the promotion or formation of our Company.

None of our Directors' relatives have been appointed to an office or place of profit of our Company.

Further, Vidya Shah, Non- Executive Non Independent Director of our Company, who is the spouse of Rashesh Shah, has been appointed as an employee in one of the Subsidiaries of our Company.

Except as disclosed hereinabove and the section titled "*Risk Factors*" on page 17 of this Prospectus, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by our Company.

Except as stated in the sections titled "*Related Party Transactions*" on page 192 of this Prospectus and to the extent of compensation and commission if any, and their shareholding in our Company, our Directors do not have any other interest in our business.

Our Directors have no interest in any immovable property acquired or proposed to be acquired by our Company in the preceding two years of filing this Prospectus with the RoC nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company. No benefit/interest will accrue to our Promoters/Directors out of the objects of the issue.

Debenture holding of Directors:

As on December 31, 2020, none of the Directors of our Company hold any debentures issued by our Company.

Details of change in Directors of our Company during last three years preceding the date of this Prospectus:

| Name of Director, Designation and DIN | Date of Appointment/ Resignation | Director of our Company since (in case of resignation) | Remarks |
|---|---|---|----------------|
| Sanjiv Misra <i>Independent Director</i> DIN:03511635 | January 24, 2019 | May 16, 2011 | Resignation |
| Ashok Kini <i>Independent Director</i> DIN:00812946 | April 1, 2019 | - | Appointment |
| Ashima Goyal <i>Independent Director</i> DIN:00233635 | April 1, 2019 | - | Appointment |

| Name of Director, Designation and DIN | Date of Appointment/ Resignation | Director of our Company since (in case of resignation) | Remarks |
|---|----------------------------------|--|-----------------------|
| Anita M. George <i>Independent Director</i> DIN:00441131 | April 1, 2019 | - | Appointment |
| Anita M. George <i>Non-Executive Non -Independent Director</i> DIN:00441131 | May 14, 2019 | - | Change in designation |
| Anita M. George <i>Non-Executive Non -Independent Director</i> DIN:00441131 | July 13, 2020 | April 1, 2019 | Resignation |

Shareholding of Directors, including details of qualification shares held by Directors as on the date of this Prospectus:

As on December 31, 2020, none of our Directors hold any qualification shares in our company

Shareholding of our Directors in our Company is as follows:-

As on December 31, 2020, the shareholding of our Directors in our Company is as follows:

| S. No. | Name of the Director, Designation and DIN | No. of Equity Shares of ₹1 each | % of total Equity Shares of our Company |
|--------|---|---------------------------------|---|
| 1. | Rashesh Shah Chairman, Managing Director & CEO DIN: 00008322 | 145,601,730 | 15.57 |
| 2. | Venkatchalam Ramaswamy Vice Chairman and Executive Director DIN: 00008509 | 58,126,560 | 6.22 |
| 3. | Himanshu Kaji Executive Director DIN: 00009438 | 3,851,500 | 0.41 |
| 4. | Rujan Panjwani Executive Director DIN: 00237366 | 11,951,380 | 1.28 |
| 5. | Vidya Shah Non- Executive Non Independent Director DIN: 00274831 | 31,031,200 | 3.32 |
| 6. | P. N. Venkatachalam Independent Director DIN: 00499442 | 270,000 | 0.03 |
| 7. | Navtej S. Nandra Independent Director DIN: 02282617 | 7,974,180 | 0.85 |
| 8. | Kunnasagaran Chinniah Independent Director DIN: 01590108 | 200,000 | 0.02 |

Shareholding of Directors in Subsidiaries companies, including details of qualification shares held by Directors as on the date of this Prospectus:

As of the date of this Prospectus, none of our Directors hold any equity shares in our Subsidiaries.

Key Managerial Personnel's of our Company:

Provided below are the details of the Key Managerial Personnel of our Company, other than our Chairman, Managing Director and CEO and our Executive Directors, as of the date of this Prospectus.

Sarju Simaria- Chief Financial Officer

He is the Chief Financial Officer of our Company and a chartered accountant and has been associated with the Edelweiss group for more than a decade and worked at various level of senior functions.

B. Renganathan - Company Secretary and Compliance Officer

B. Renganathan is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in law from the University of Bombay. He is a fellow member of the Institute of Company Secretaries of India and a member of the Institute of Cost and Works Accountants of India. He presently heads the corporate secretarial functions and the compliance of investment banking functions of our Company.

As on the date of this Prospectus, all of the Key Managerial Personnel of our Company are the permanent employees of our Company.

Corporate Governance

We are in compliance with the requirements in relation to the composition of the Board of Directors and constitution of Committees such as Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Committee as mandated under the Companies Act, 2013 and the SEBI Listing Regulations.

Details of various committees of the Board:

Audit Committee

The Audit Committee was last reconstituted vide a resolution passed by the Board on January 24, 2019. As on the date of this Prospectus, it comprises of:

| Name | Designation | Nature of directorship |
|-----------------------|--------------------|-------------------------------|
| P. N. Venkatachalam | Chairman | Independent Director |
| Berjis Desai | Member | Independent Director |
| Kunnasagaran Chinniah | Member | Independent Director |
| Biswamohan Mahapatra | Member | Independent Director |

The scope of the Audit Committee includes the references made under Regulation 18 read with part C of Schedule II of SEBI Listing Regulations as well as Section 177 and other applicable provisions of the Companies Act, 2013 besides the other terms that may be referred by the Board of Directors. The broad terms of reference of the Audit Committee are:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to the statutory auditors for any other service rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub section 3 of the section 134 of the Companies Act, 2013;
 - (b) changes if any, in the accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgement by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with the listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions; and

- (g) qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 6. Evaluation of internal financial controls and risk management systems;
 7. Reviewing, with the management, performance of statutory auditors and internal auditors, adequacy of the internal control systems;
 8. Discussion with internal auditors of any significant findings and follow up thereon;
 9. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 10. To review the functioning of the Whistle Blower/Vigil mechanism; and
 11. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was last reconstituted vide a resolution passed by the Board on January 24, 2019. As on the date of this Prospectus, it comprises:

| Name | Designation | Nature of directorship |
|-----------------------|--------------------|-------------------------------|
| Berjis Desai | Chairman | Independent Director |
| Navtej S. Nandra | Member | Independent Director |
| Kunnasagaran Chinniah | Member | Independent Director |

The scope of activities of the Nomination and Remuneration Committee is as set out in Regulation 19 of SEBI Listing Regulations and as amended read with Section 178 of the Companies Act, 2013. The terms of reference of the Nomination and Remuneration Committee are broadly as follows:

1. Identify the persons who can become directors;
2. Formulating the criteria for determining the qualifications, positive attributes etc. and independence of a Director;
3. Recommending to the Board, a policy relating to the remuneration for the directors and key managerial personnel, for the approval of the Board;
4. Recommend to the Board, all remuneration, in whatever form, payable to senior management; and
5. Specify the manner for effective annual evaluation of performance of the Board, its committees and individual directors.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was last reconstituted vide a resolution passed by the Board on May 17, 2014. As on the date of this Prospectus, it comprises:

| Name | Designation | Nature of Directorship |
|------------------------|--------------------|-------------------------------|
| Berjis Desai | Chairman | Independent Director |
| Venkatchalam Ramaswamy | Member | Executive Director |
| Kunnasagaran Chinniah | Member | Independent Director |

The broad terms of reference of committee are as under:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- (2) Review of measures taken for effective exercise of voting rights by shareholders;
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Risk Committee

The Risk Committee was last reconstituted vide a resolution passed by the Board on January 24, 2019. As on the date of this Prospectus, it comprises:

| Name | Designation | Nature of Directorship |
|-----------------------|--------------------|-------------------------------|
| P. N. Venkatachalam | Chairman | Independent Director |
| Himanshu Kaji | Member | Executive Director |
| Navtej S. Nandra | Member | Independent Director |
| Kunnasagaran Chinniah | Member | Independent Director |
| Biswamohan Mahapatra | Member | Independent Director |

The broad terms of reference of the Risk Committee are as under:

1. To devise process / framework for management of operational risk;
2. Identifying concerns & risks;
3. Evaluating risks as to consequences & likelihoods;
4. Assessment of options for risk management;
5. Prioritizing the risk management efforts;
6. Development of risk management plans;
7. Authorization for the implementation of the risk management plans;
8. Tracking the risk management efforts and manage accordingly;
9. Follow on budgeting- variance analysis; and
10. Design, develop and implement various measures for cyber security as may be required.

Corporate Social Responsibility Committee (“CSR Committee”)

The Corporate Social Responsibility Committee was constituted vide a resolution passed by the Board on May 17, 2014. As on the date of this Prospectus, it comprises:

| Name | Designation | Nature of directorship |
|------------------------|--------------------|-------------------------------|
| Venkatchalam Ramaswamy | Chairman | Executive Director |
| Himanshu Kaji | Member | Executive Director |
| Rujan Panjwani | Member | Executive Director |
| P. N. Venkatachalam | Member | Independent Director |

The terms of reference of the CSR Committee is mentioned below:

1. Formulate and recommend to the Board, a CSR Policy (the Policy) which shall indicate the activities to be undertaken by the company for CSR as specified in Schedule VII;
2. Recommend the amount of expenditure to be incurred on the CSR activities; and
3. Monitor the Policy of the company from time to time.

OUR PROMOTER AND PROMOTER GROUP

The Promoters of our Company are

- (a) Rashesh Shah;
- (b) Venkatchalam Ramaswamy;
- (c) Vidya Shah; and
- (d) Aparna T.C.

As on December 31, 2020, our Promoters collectively with other Promoter Group hold 307,684,490 Equity Shares equivalent to 32.91% of the Equity Share capital of our Company.

Profile of our Promoters

1. *Rashesh Shah*

Rashesh Shah, co-founder of the Edelweiss group, is the Chairman, Managing Director and CEO of our Company. He has diverse experience in the financial markets and has been instrumental in building Edelweiss into one of India's leading diversified financial services organisations. He holds a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad, and a post-graduate diploma in international trade from the Indian Institute of Foreign Trade. He has served as President of Federation of Indian Chambers of Commerce and Industry ("FICCI"), which is India's apex industry association in 2017-18. He has been a member of the High Level Task Force on Public Credit Registry for India, the Advisory Committee on Corporate Insolvency and Liquidation, Executive Committee of the National Stock Exchange and the High Level Committee to review the Insider Trading Regulations set up by SEBI.

2. *Venkatchalam Ramaswamy*

Venkatchalam Ramaswamy, co-founder of the Edelweiss group, is Vice Chairman and Executive Director on our Board. He has diverse experience in the financial markets. He co-heads Edelweiss group's advisory businesses and has been instrumental in building a client-need based solutions approach in the Distressed Asset Resolution and Asset Reconstruction business. He holds a master's degree in business administration from the University of Pittsburgh, and a bachelor's degree in engineering (electronics and communication branch) from Karnatak University, Dharwad.

3. *Vidya Shah*

Vidya Shah is the Non-Executive Non-Independent Director on our Board. She holds a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. She is the CEO of EdelGive Foundation, the CSR arm of the Edelweiss group. With over three decades of rich industry experience, she has established EdelGive Foundation as a platform for strategic philanthropy. Under her stewardship, EdelGive has been instrumental in growing over 150 organizations, scaling their budgets, impact and reach exponentially. She spent the 11 years of her career in the field of investment banking with companies like ICICI Bank Limited, Peregrine and NM Rothschild.

4. *Aparna T.C*

Aparna T.C holds a bachelor's degree in engineering from the Gogte Institute of Technology and master's degree in science in electronic engineering from Stony Brook University. She has more than 10 years of work experience and has worked previously with Yokogawa Electronics, ASPL, Tata Consultancy Services Limited & Citibank.

Other understanding and confirmations

None of our Promoters and the relatives of the Promoters as per the Companies Act, have been identified as Wilful Defaulters

No violation of securities laws has been committed by our Promoters in the past or is currently pending against them except as disclosed in section titled "Outstanding Litigations" on page 218 of this Prospectus.

None of our Promoters, was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

Our Promoters are not restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Common pursuits of our Promoters

None of our Promoters are engaged in businesses similar to ours.

Interest of our Promoters in our Company

Except as stated under the “*Related Party Transaction*”, available at page 192 of this Prospectus and other than as our shareholders, our Promoter, to the extent of the dividend that may be declared by our Company, do not have any other interest in our Company.

Our Promoters do not propose to subscribe to the Issue and none of our Promoters have any interest in the promotion of the Issue.

Equity share allotted to our Promoters in last three fiscal years

As on the date of this Prospectus, no equity shares have been allotted to the Promoter in the last three fiscal years.

Payment of benefit to our Promoter in last three fiscal years

Other than as disclosed under the “*Related Party Transactions*”, available at page 192 of this Prospectus and other than the dividend that may be declared and paid by our Company, our Company has not made payments of any benefits to the Promoter during the last three fiscals preceding the date of this Prospectus.

Details of shares pledged or encumbered by our Promoter

Except as disclosed below, no shares have been pledged or encumbered by our Promoter as of the date of this Prospectus.

Shareholding pattern of our Promoter in our Company as on December 31, 2020:

| Name of Promoter shareholder | Total number of Equity Shares | Number of Equity Shares in demat form | Total share holding as % of total no of Equity Shares | Number of Equity Shares pledged | % of Equity Shares pledged with respect to Equity Shares owned |
|-------------------------------------|--------------------------------------|--|--|--|---|
| Rashesh Shah | 145,601,730 | 145,601,730 | 15.57 | 7,500,000 | 5.15 |
| Venkatchalam Ramaswamy | 58,126,560 | 58,126,560 | 6.22 | 13,500,000 | 23.23 |
| Vidya Shah | 31,031,200 | 31,031,200 | 3.32 | 14,608,000 | 47.08 |
| Aparna T.C | 12,210,000 | 12,210,000 | 1.31 | - | - |

Interest of our Promoters in property, land and construction

Our Promoter does not have any interest in any property acquired by our Company within two years preceding the date of filing of this Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

RELATED PARTY TRANSACTIONS

For details of the related party transactions for the financial years 2019 and 2020 in accordance with the requirements under Ind AS 24 “Related Party Disclosures” notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see “*Financial Information*” on page 210 of this Prospectus. For details of the related party transactions, for the financial years 2018, 2017 and 2016 in accordance with the requirements under Accounting Standard 18 “Related Party Disclosures”, see “*Financial Information*” on page 210 of this Prospectus.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws, rules, regulations and policies as prescribed by the Government of India and other regulatory bodies, which are applicable to our Company and our Subsidiaries. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The regulations summarised below are not exhaustive and are only intended to provide general information to investors and are neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, Central Sales Tax Act, 1956 and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below. For purposes of this section, references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification are to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended from time to time.

SEBI Regulations

Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, (“Merchant Banker Regulations”)

Under the Merchant Banker Regulations, any person seeking to conduct business as a merchant banker must apply for and obtain a certificate of registration as a merchant banker from SEBI. Further, the Merchant Banker Regulations provides the eligibility criteria, procedure for obtaining the certificate of registration to carry on business as a merchant banker. Based on *inter alia* the satisfaction of the specified capital adequacy requirements (i.e., net worth of not less than ₹ 50.00 million), SEBI grants registration for merchant banking activities. The Merchant Banker Regulations prescribe, among other requirements, the eligibility criteria, capital adequacy requirements, conditions of registration, procedure for obtaining the certificate of registration to conduct business as a merchant banker and a code of conduct which every merchant banker must abide by. According to the category identified, the merchant bankers are permitted to carry out certain activities as are prescribed in the Merchant Banker Regulations. Further, the merchant bankers are required to adhere to a code of conduct prescribed under the Merchant Banker Regulations.

SEBI (Underwriters) Regulations, 1993, as amended (“Underwriters Regulations”)

The Underwriters Regulations, as amended from time to time, provides that no person shall act as underwriter unless he holds a certificate granted by the board under the Underwriters Regulations. Furthermore, it also provides that every stock broker or merchant banker holding a valid certificate of registration under Section 12 of the SEBI Act shall be entitled to act as an underwriter without obtaining a separate certificate under the Underwriters Regulations. Further, the Underwriters Regulations provide for the procedure for application, registration and renewal of certificate of registration. The net worth of the applicant should not be less than ₹2.00 million. Every underwriter shall at all times abide by the code of conduct as specified in Schedule III of the Underwriters Regulations. Further, in relation to the grant and refusal of certificate of permanent registration, wherein the underwriter who has been granted or deemed to have been granted a certificate of initial registration under the Underwriters Regulations, may, three months before the expiry of the period of certificate of initial registration, make an application for grant of certificate of permanent registration.

Laws applicable to NBFC Subsidiaries

The Reserve Bank of India Act, 1934

The RBI regulates and supervises activities of NBFCs. Chapter III B of the Reserve Bank of India Act, 1934 (“**RBI Act**”) empowers the RBI to regulate and supervise the activities of all NBFCs in India. The RBI Act defines an NBFC under Section 45-I (f) as:

- (i) *“a financial institution which is a company;*
- (ii) *a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner;*
- (iii) *such other non-banking institution or class of such institutions as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.”*

Section 45-I(c) of the RBI Act, defines “financial institution” to mean any non-banking institution which, among other things, carries on the business of, or part of its business of, financing, by way of making of loans or advances or otherwise, of any activity other than its own; the acquisition of shares, stock, bonds, debentures or securities issued by a Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale/purchase/construction of immovable property.

The RBI has clarified through a press release (Ref. No. 1998-99/ 1269) dated April 08, 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. The company will be treated as an NBFC if (a) its financial assets are more than 50 per cent of its total assets (netted off by intangible assets); and (b) income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case, not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

With effect from 1997, NBFCs were not permitted to commence or carry on the business of a non-banking financial institution without obtaining a Certificate of Registration (“**CoR**”). Further, with a view to imparting greater financial soundness and achieving the economies of scale in terms of efficiency of operations and higher managerial skills, the RBI has raised the requirement of minimum net owned fund (“**NOF**”) from ₹ 2.5 million to ₹ 20 million for the NBFC which commences business on or after April 21, 1999 also it shall be mandatory for all NBFCs to attain a minimum NOF of ₹ 20 million by the end of April 1, 2017.

NBFCs are primarily governed by the RBI Act and the RBI Master Directions. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

- An NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits.;
- NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself; and
- Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositor of NBFCs.

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the Reserve Bank in order to be able to commence any of the aforementioned activities.

Further, an NBFC may be registered as a deposit accepting NBFC (“**NBFC-D**”) or as a non-deposit accepting NBFC (“**NBFC-ND**”). NBFCs registered with RBI are further classified as:

- Systemically Important Core Investment Company;

- Investment and Credit Company
- Infrastructure finance companies;
- Infrastructure debt fund - NBFCs;
- NBFC - micro finance institutions;
- NBFC – Factors;
- Mortgage guarantee companies;
- NBFC- non-operative financial holding company; and
- Non-Banking Financial Company-Peer to Peer Lending Platform.

Systemically Important NBFC-NDs

The RBI in its notification (RBI/2014-15/520 DNBR (PD) CC.No.024/03.10.001/2014-15) dated March 27, 2015, the revised threshold for defining systemic significance for NBFCs-ND in the light of the overall increase in the growth of the NBFC sector. NBFCs-ND-SI will henceforth be those NBFCs-ND which have asset size of ₹ 5000 million and above as per the last audited balance sheet. Moreover, as per this amendment, all NBFCs-ND with assets of ₹ 5000 million and above, irrespective of whether they have accessed public funds or not, shall comply with prudential regulations as applicable to NBFCs-ND-SI. NBFCs-ND-SI is required to comply with conduct of business regulations if customer interface exists.

All systemically important NBFCs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio (CRAR) of 15%.

Rating of NBFCs

Pursuant to RBI Master Directions all applicable NBFCs are required to furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them, within 15 days of such a change in rating to Regional Office.

Prudential Norms

The RBI Master Directions, amongst other requirements, prescribe guidelines on NBFCs-ND-SI regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans. The RBI Master Directions state that the credit/ investment norms shall not apply to a systemically important non-banking financial company not accessing public funds in India, either directly or indirectly, and not issuing guarantees.

Provisioning Requirements

An NBFC-ND-SI, after taking into account the time lag between an account becoming non-performing, its recognition, the realization of the security and erosion overtime in the value of the security charged, shall make provisions against standard assets, sub-standard assets, doubtful assets and loss assets in the manner provided for in the RBI Master Directions.

In the interests of counter cyclicalities and so as to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns, RBI vide their circular no. DNBS.PD.CC. No.207/ 03.02.002/2010-11 dated January 17, 2011, introduced provisioning for Standard Assets by all NBFCs. NBFCs are required to make a general provision at 0.25% of the outstanding standard assets. RBI vide their circular no. DNBR (PD) CC No. 037/03.01.001/2014-15 dated June 3, 2015 raised the provision for standard assets to 0.40% to be met by March 2018. The provisions on standard assets are not reckoned for arriving at net NPAs. The provisions towards Standard Assets are not needed to be netted from gross advances but shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet. NBFCs are allowed to include the 'General Provisions on Standard Assets' in Tier II Capital which together with other 'general provisions/ loss reserves' will be admitted as Tier II Capital only up to a maximum of 1.25% of the total risk-weighted assets.

Capital Adequacy Norms

Every NBFC-ND-SI should maintain, with effect from April 1, 2007, a minimum capital ratio consisting of Tier I and Tier II Capital of not less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. Further, NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50% or more of their financial assets) are required to maintain a minimum

Tier I capital of 12.00%. Also, the total of the Tier II Capital of a ND-NBFC shall not exceed 100% of the Tier I capital.

Tier – I Capital means, owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a Systemically important non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.

Owned Funds means, paid-up equity capital, Cumulative Compulsory Convertible Preference Shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier – II Capital means to include the following (a) Preference Shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one-and one-fourth per cent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier – I capital; and (f) perpetual debt instrument issued by a systemically important NDSI-NBFC, which is in excess of what qualifies for Tier I Capital to the extent that the aggregate Tier-II capital does not exceed 15% of the Tier – I capital.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means a fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed.

Credit Concentration Norms

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the RBI Master Direction, prescribed credit exposure limits for financial institutions in respect of their lending to single/group borrowers. Credit exposure to a single borrower shall not exceed 15% of the owned funds of the systemically important NBFC-ND, while the credit exposure to a single group of borrowers shall not exceed 25% of the owned funds of the systemically important NBFC-ND. Further, the systemically important NBFC-ND may not invest in the shares of another company exceeding 15% of its owned funds, and in the shares of a single group of companies exceeding 25% of its owned funds. Any systemically important NBFC-ND classified as asset finance company by RBI, may in exceptional circumstances, exceed the above ceilings by 5% of its owned fund, with the approval of its Board of Directors. Further, the loans and investments of the systemically important NBFC-ND taken together may not exceed 25% of its owned funds to or in a single party and 40% of its owned fund to or in single group of parties.

However, this prescribed ceiling shall not be applicable on a NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI.

The above norms shall apply to any NBFC-ND-SI not accessing public funds, either directly or indirectly and not issuing guarantees. Further, NBFC-ND-SI may exceed the concentration of credit / investment norms, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan and / or investment.

Corporate governance norms

As per the RBI Master Directions, all NBFC-ND-SI are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination committee, an asset liability management committee and risk management committee. NBFCs are required to furnish to the RBI a quarterly statement on change of directors, and a certificate from the managing director of the NBFC that fit and proper criteria in selection of the directors has been followed. Further, all applicable NBFCs shall have to frame their internal guidelines on

corporate governance with the approval of its board of directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines and it shall be published on the company's web-site, if any, for the information of various stakeholders constitution of a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending has also been prescribed in the RBI Master Circular. Further, RBI *vide* notification dated November 10, 2014 has mandated the Audit Committee to ensure that an information systems audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the company. RBI has also mandated the NBFCs to have a policy to ascertain the 'fit and proper criteria' at the time of appointment of directors and on a continuing basis.

Asset Classification

The RBI Master Directions require that every NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- (i) Standard assets;
- (ii) Sub-standard assets;
- (iii) Doubtful assets; and
- (iv) Loss assets.

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. At present every NBFC is required to make a provision for standard assets at 0.40%.

Other stipulations

All NBFCs are required to frame a policy for demand and call loan that includes provisions on the cut-off date for recalling the loans, the rate of interest, periodicity of such interest and periodical reviews of such performance.

The RBI Master Directions also specifically prohibit NBFCs from lending against its own shares.

Net Owned Fund

Section 45-IA of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹ 20 million.

For this purpose, the RBI Act has defined "net owned fund" to mean:

Net Owned Fund - The aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of losses, (ii) deferred revenue expenditure, (iii) deferred tax asset (net); and (iv) other intangible assets; and further reduced by the amounts representing,

- (i) investment by such companies in shares of (i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and
- (ii) the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10% of (a) above.

Further, in accordance with RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (as amended), which provides that a non-banking financial company holding a certificate of registration issued by RBI and having minimum net owned fund of less than ₹ 20 million may continue to carry on the business of non-banking financial institution, if such company achieves net owned fund of ₹ 20 million before April 1, 2017.

Reserve Fund

Under Section 45 – IC of the RBI Act, every NBFC must create a reserve fund and transfer thereto a sum not less than 20 per cent of its net profit every year, as disclosed in the statement of profit and loss account and before any dividend is declared. Such a fund is to be created by every NBFC irrespective of whether it is a ND-NBFC or not.

Further, no appropriation can be made from the fund for any purpose by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such appropriation.

An NBFC-ND is required to inform the RBI of any change in the address, telephone no's, etc. of its Registered Office, names and addresses of its directors/auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC-ND would need to ensure that its registration with the RBI remains current.

Adherence to KYC Direction

Similarly, all NBFCs are required to comply with Master Direction on Know Your Customer Direction, 2016” issued by the RBI and as amended from time to time, with suitable modifications depending upon the activity undertaken by the NBFC concerned.

Fair Practices Code

The RBI Master Directions requires all NBFCs having customer interface to formulate with the approval of their Boards a Fair Practices Code (which shall preferably be in the vernacular language or a language as understood by the borrower) based on the directions outlined therein. Applicable NBFCs will have the freedom of drafting the Fair Practices Code, enhancing the scope of the directions but in no way sacrificing the spirit underlying the directions. The same shall be put up on their web-site, if any, for the information of various stakeholders.

Reserve Bank of India (Know Your Customer (KYC)) Master Directions, 2016 dated February 25, 2016, as amended (“RBI KYC Directions”)

The RBI KYC Directions are applicable to every entity regulated by the RBI (including Housing Finance Companies), specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the RBI KYC Directions, every entity regulated there under is required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. It is advised that all NBFC'S adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The RBI KYC Directions provide for a simplified procedure for opening accounts by NBFCs. It also provides for an enhanced and simplified due diligence procedure. It has further prescribed detailed instructions in relation to, inter alia, the due diligence of customers, record management, and reporting requirements to Financial Intelligence Unit – India. The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by Banks and NBFCs. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and Common Reporting Standards. The RBI KYC Directions also require the regulated entities to ensure compliance with the requirements/obligations under international agreements. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies, and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies. The RBI KYC Directions were updated on April 20, 2018 to enhance the disclosure requirements under the Prevention of Money-Laundering Act, 2002 and in accordance with the Prevention of Money-Laundering Rules vide Gazette Notification GSR 538 (E) dated June 1, 2017 and the final judgment of the Supreme Court in the case of Justice K.S. Puttaswamy (Retd.) & Another v. Union of India (Writ Petition (Civil) 494/2012). The Directions were updated to accommodate authentication as per the AADHAR (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and use of an Indian resident's Aadhar number as a document for the purposes of fulfilling KYC requirement. The RBI KYC Directions were further updated on January 9, 2020 with a view to leveraging the digital channels for customer identification process by regulated entities, whereby the RBI has decided to permit video based customer identification process as a consent based alternate method of establishing the customer's identity, for customer onboarding.

Financing of NBFCs by banks

RBI Master circular DBR.BP.BC.No.5/21.04.172/2015-16 on Financing of NBFCs by bank

The RBI has issued guidelines vide a circular bearing number DBOD No. FSD. BC.46/24.01.028/2006-07 dated December 12, 2006 relating to the financial regulation of systemically important NBFC-NDs and the relationship of banks with such institutions. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) all types of loans and advances by NBFCs to their subsidiaries, group companies, entities; (v) further lending to individuals for the purpose of subscribing to an initial public offer.

In addition to the above the RBI has issued guidelines vide a circular dated bearing number DBR.BP.BC.No.5/21.04.172/2015- 16 dated July 1, 2015 relating to bank financing of NBFCs predominantly engaged in lending against gold has directed banks to (i) reduce their regulatory exposure ceiling on a single NBFC, having gold loans to the extent of 50% or more of its total financial assets 10% of banks' capital funds. However, the exposure ceiling may go up by 5%, i.e., up to 15% of banks' capital funds if the additional exposure is on account of funds on-lent by NBFCs to the infrastructure sector and (ii) to have an internal sub-limit on their aggregate exposures to all such NBFCs, having gold loans to the extent of 50% or more of their total financial assets, taken together. The sub-limits should be within the internal limit fixed by the banks for their aggregate exposure to all NBFCs put together.

Norms for excessive interest rates

In addition, the RBI has introduced vide a circular bearing reference number RBI/ 2006-07/ 414 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has included norms for regulation of excessive interest charged by NBFCs in the Fair Practice Code chapter of Master Direction –NBFC Systemically Important Non Deposit taking Company & Deposit taking Company (Reserve Bank) Directions, 2016 and as updated from time to time.

These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFC's website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Supervisory Framework

In order to ensure adherence to the regulatory framework by systemically important ND-NBFCs, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio, etc. as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution requiring to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalization of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor's report under Section 143 of the Companies Act, 2013, the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI. Where the statement regarding any of the items referred relating to the above, is unfavorable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI, it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned Regional Office of the Department of Non-Banking Supervision of the Bank under whose jurisdiction the Registered Office of the company is located.

Liquidity Risk Management Framework

All non-deposit taking NBFCs with asset size of ₹ 100 crore and above, systemically important Core Investment Companies and all deposit taking NBFCs irrespective of their asset size, shall adhere to Liquidity Risk Management framework issued by RBI dated November 4, 2019. The Liquidity risk management shall rests on the functioning of Board of Directors, Risk Management Committee, Asset Liability Management ("ALM") organization including an Asset Liability Committee ("ALCO") and ALM support groups, and the ALM process including liquidity risk management, management of marketing risk, funding and capital planning, profit planning and growth projection, and forecasting/ preparation of contingency plans. It has been provided that the management committee of the board of directors or any other specific committee constituted by the board of directors should oversee the implementation of the system and reviews functioning periodically. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/ 31 days' time-bucket should not exceed the prudential limit of 15% of outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

Anti-Money Laundering

The RBI has issued a Master Circular dated July 1, 2015 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 ("PMLA") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 10 lakh; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 10 lakh where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 10 lakh.

Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

RBI Notification dated December 3, 2015 titled "Anti-Money Laundering (AML)/ Combating of Financing of Terrorism (CFT) – Standards" states that all regulated entities (including NBFCs) are to comply with the updated FATF Public Statement and document 'Improving Global AML/CFT Compliance: on-going process' as on October 23, 2015, as amended from time to time.

Master Direction dated September 29, 2016 on Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016

All NBFC-ND-SIs shall put in place a reporting system for frauds and fix staff accountability in respect of delays in reporting of fraud cases to the RBI. An NBFC-ND-SI is required to report all cases of fraud of ₹ 1 lakh and above, and if the fraud is of ₹ 100 lakh or above, the report should be sent in the prescribed format within three weeks from the date of detection thereof. The NBFC-ND-SI shall also report cases of fraud by unscrupulous borrowers and cases of attempted fraud.

Accounting Standards & Accounting policies

The Ministry of Corporate Affairs has amended the existing Indian Accounting Standards vide Companies (Indian Accounting Standards) (Amendment) Rules, 2017 on March 17, 2017 and the same is applicable to the Company

from April 1, 2018. RBI vide notification number RBI/2019-20/170DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 framed regulatory guidance on Ind AS which will be applicable on Ind AS implementing NBFCs and Asset Reconstruction Companies (ARCs) for preparation of their financial statements from financial year 2019-20 onwards. These guidelines focus on the need to ensure consistency in the application of the accounting standards in specific areas, including asset classification and provisioning, and provide clarifications on regulatory capital in the light of Ind AS implementation. The guidelines cover aspects on governance framework, prudential floor and computation of regulatory capital and regulatory ratios.

Reporting by Statutory Auditor

The statutory auditor of the NBFC-ND is required to submit to the Board of Directors of the company along with the statutory audit report, a special report certifying that the Directors have passed the requisite resolution mentioned above, not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to thereby.

Ombudsman scheme for customers of NBFCs

The RBI has on February 23, 2018 introduced the Ombudsman Scheme for Non-Banking Financial Companies, 2018 (the “**Scheme**”). The stated objective of the Scheme is to enable the resolution of complaints free of cost, relating to certain aspects of services rendered by certain categories of NBFCs registered with the RBI to facilitate the satisfaction or settlement of such complaints, and matters connected therewith. The Scheme provides for the appointment by RBI of one or more officers not below the rank of general manager as ombudsmen (the “**Ombudsmen**”) for a period not exceeding three years at a time, to carry out the functions entrusted to Ombudsmen under the Scheme. The Scheme describes the nature of complaints which any person could file with an Ombudsman alleging deficiency in services by an Covered NBFC, which include inter alia failure to convey in writing the amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof, failure or refusal to provide adequate notice on proposed changes being made in the sanctioned terms in vernacular or a language understood by the borrower, levying of charges without adequate prior notice to the borrower/customer and failure or inordinate delay in releasing the securities documents to the borrower on repayment of all dues. The complaints may be settled by the Covered NBFC within a specified period or may be decided by an award passed by Ombudsman after affording the parties a reasonable opportunity to present their case, either in writing or in a meeting. Where the Ombudsman decides to allow the complaint, the award passed is required to contain the direction/s, if any, to the Covered NBFC for specific performance of its obligations and in addition to or otherwise, the amount, if any, to be paid by the Covered NBFC to the complainant by way of compensation for any loss suffered by the complainant, arising directly out of the act or omission of the Covered NBFC. The Covered NBFC is required to implement the settlement arrived at with the complainant or the award passed by the Ombudsman when it becomes final and send a report in this regard to the RBI within 15 days of the award becoming final. The Ombudsman is required to send a report to the RBI governor annually (as on June 30 every year) containing general review of the activities of his office during the preceding financial year and provide such other information as may be required by the RBI.

Master Direction – Non-Banking Financial Companies Auditor’s Report (Reserve Bank) Directions, 2016

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC-ND-SI, the auditor shall make a separate report to the Board of Directors of the company on, *inter alia*, examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to continue to hold such certificate of registration in terms of its Principal Business Criteria (financial asset / income pattern) as on March 31 of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank, whether the company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period, and whether the non-banking financial company has been correctly classified as NBFC Micro Finance Institutions (“**MFI**”).

Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016

All NBFCs are required to put in place a reporting system for filing various returns with the RBI. An NBFC-ND-SI is required to file on a quarterly basis a return on important financial parameters, including components of assets and liabilities, profit and loss account, exposure to sensitive sectors etc., NBS-7 on prudential norms on a quarterly basis, multiple returns on asset-liability management to address concerns regarding, *inter alia*, asset liability mismatches and interest rate risk, quarterly report on branch information, and Central Repository of Information on Large Credits (“CRILC”) on a quarterly basis as well as all Special Mention Account (“SMA-2”) status on a weekly basis to facilitate early recognition of financial distress, prompt steps for resolution and fair recovery for lenders.

Master Direction on Information Technology Framework for the NBFC Sector, 2017

All systemically important NBFCs must implement the security enhancement requirements under the Master Direction with respect to enhancing security of its Information Technology/Information security Framework (“IT”) business continuity planning, disaster recovery and management. NBFCs must constitute a IT Strategy Committee and IT Steering Committee and formulate an IT and Information security policy in furtherance of the same. Further, a Cyber Crisis Management Plan must be formulated to address cyber intrusions and attacks.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs (“**Risk Management Directions**”). The Risk Management Directions specify that core management functions like internal auditing, compliance functions, decision making functions such as compliance with KYC norms shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that outsourcing of functions shall not limit its obligations to its customers.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the “**DRT Act**”) provides for establishment of the Debts Recovery Tribunals (the “**DRTs**”) for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

RBI Master Circular on Wilful Defaulters dated July 1, 2015

In the Master Circular on ‘*Willful Defaulters*’ the term ‘willful default’ has been redefined, which would be deemed to have occurred if any of the following events occur: (a) Default in repayment obligations despite having capacity to honour the said obligations. (b) Default in repayment obligations and diversion of funds for other purposes, including non-utilization of funds for the specific purposes for which finance was availed. (c) Default in repayment obligations and siphoning off the funds and non-utilization of funds for the specific purposes for which finance was availed moreover when the funds are not available with the unit in the form of other assets. (d) Default in repayment obligations to a lender and disposal or removal of assets (movable, fixed or immovable) which have been given as security without the knowledge of the lender. Further, special emphasis has been added on siphoning-off of funds. Diversion and siphoning of funds includes the following situations: (i) utilization of short-term working capital funds for long-term purposes in contravention of the terms of sanction; (ii) utilization of borrowed funds for creation of assets other than those for which loan was sanctioned; (iii) Transferring of funds to subsidiaries or group companies or other corporates; (iv) routing of funds through any bank other than the lender bank or consortium without prior permission of the lender; (v) investment in other companies by acquiring equities / debt instrument without the approval of lenders; (vi) shortfall in deployment of funds vis-à-vis the amounts disbursed / drawn without the difference being accounted for. After identification of Willful Defaulters,

the guidelines mandatorily direct the lenders to adopt certain penal measures, which include the following: (a) No additional facilities will be granted by banks and financial institutions. (b) Promoters of companies that have been identified for siphoning of funds, misrepresentation of accounts and fraudulent transactions will be debarred from institutional finance for floating new ventures for a period of five years (c) Legal process (criminal and civil) will be initiated expeditiously. (d) Willful defaulters will not be allowed to take up board positions in any company and those who are on board will be removed expeditiously.

Laws applicable to insurance subsidiaries

The Insurance Act, 1938 (“Insurance Act”) and the IRDAI Act, 1999 (“IRDAI Act”)

The Insurance Act along with the various regulations, guidelines and circulars issued by IRDAI, govern, amongst other matters, registration of the insurers, opening of new places of business, accounts and balance sheet, audit of financial statements, actuarial report and abstract, insurance intermediaries and agents, investment of funds, valuation of assets and liabilities, solvency margins to be maintained by the insurer, restriction on dividends, limits on expenses of management, commission and/or remuneration and/ or rewards payable to insurance agents and intermediaries, requirement to be Indian owned and controlled and obligation of insurers in respect of motor third party insurance business. The IRDAI came into existence by virtue of promulgation of the IRDAI Act to regulate, promote and ensure orderly growth of the insurance sector in India and to protect the interests of policyholders.

Under the Insurance Act, insurers are required to be registered with the IRDAI for carrying out any class of insurance business, including general insurance in India. The Insurance Act stipulates, among other things, certain requirements with respect to the capital structure for insurers including minimum paid-up equity capital and equal voting rights. Insurers are required to maintain records of policies, including the details of policyholders, nominations of claims, details of discharge or rejection of claims, register of insurance agents, etc. Under the Insurance Act, an Indian insurance company is obligated to be “Indian Owned and controlled”. Additionally, in terms of the Indian Insurance Companies (Foreign Investment) Rules 2015, as amended (the “**Foreign Investment Rules**”), the term “Indian Control of an Indian Insurance Company” has been defined to mean control of such Indian insurance company by resident Indian citizens or Indian companies-, which are owned and controlled by resident Indian citizens. The term “control” has been defined in the Insurance Act to include the right to appoint a majority of the directors or to control management or policy decisions including by virtue of shareholding management rights shareholders agreements or voting agreements. The term “Indian Ownership of an Indian Insurance Company” has been defined in the Foreign Investment Rules as more than 50% of the equity capital in a company which is beneficially owned by Indian residents or Indian entities which are owned and controlled by resident Indian citizens. Further, a general insurance company is required to have capital consisting of equity shares each having a simple face value and such other form of capital as may be specified by regulations. The voting rights of the shareholders are required to be restricted to such equity shares and to be proportionate to the paid-up equity share capital held by them. As regards to investments of assets, the Insurance Act mandates insurers to keep invested assets in a prescribed manner in Government securities and such other approved investments. Further, the Government securities and other approved securities where assets are to be invested are required to be held by the insurers free of any encumbrance, charge, hypothecation or lien. Certain restrictions on investments of assets and controlled fund have also been prescribed, including investment in shares or debentures of a private limited company.

Further, any appointment, re-appointment or termination of appointment or amendment of the terms of remuneration, of a managing or whole-time director, executive directors, manager or chief executive officer of an insurance company requires the prior approval of the IRDAI.

IRDAI has specified norms for issuance of capital which require insurers to obtain prior approval of the IRDAI for issuance of capital by way of public issue or any subsequent issue of equity shares.

The Insurance Laws (Amendment) Act, 2015 (“Amendment”)

The Amendment introduced several changes in the scheme of the Insurance Act, amongst other things, in relation to ownership and control, capital, enhancement of administrative and enforcement powers and responsibilities of IRDAI. Additionally, the Amendment also encourages electronic form of policy records and claims. The Amendment provides that every insurer shall, in respect of all business transacted by him, endeavour to issue policies above a specified threshold in terms of sum assured and premium in electronic form, in the manner and form to be specified by the regulations made under this Act.

As regards foreign investors, the cap on aggregate holding of equity shares by foreign investors, including portfolio investors, was raised to 49% of paid up capital from the erstwhile 26% and insurance companies are required to be Indian owned and controlled. Accordingly, the ownership as well as the control are required to remain in Indian hands. Further, the Amendment permitted insurers to raise capital through instruments other than equity. In this regard, IRDAI had issued regulations, titled The IRDAI (Other Forms of Capital) Regulations, 2015 which permit insurers to raise capital by way of preference shares and subordinated debt instruments after obtaining prior approval from the IRDAI. The Amendment empowers the insurance companies to appoint agents subject to fulfilment of the criteria stipulated by IRDAI. The Amendment further accorded powers to IRDAI to regulate the commission payable to the agents and intermediaries through appropriate regulations.

The Amendment has extended the powers of the IRDAI for regulating various day to day operations and activities of insurance companies by issuing regulations with respect to the same. In furtherance to the Amendment, the IRDAI has issued regulations and guidelines on registration and licensing of insurance companies, investments, pricing of put or call options in joint venture agreements where one of the joint venture parties is a foreign entity, assets liability and solvency margin requirements, insurance agents and intermediaries, corporate governance requirements, transfer of shares, opening, closure and relocation of branches, expenses of management, advertising, accounting procedure and reporting formats, granting of loans and advances, maintenance of records, obligation of insurer in respect of motor third party insurance business, reinsurance and outsourcing of activities.

Insurance Regulatory and Development Authority of India (Transfer of Equity Shares of Insurance Companies) Regulations, 2015

As regards transfer of equity shares, insurers are required to obtain prior approval of the IRDAI in the event (i) the total paid up capital held by the transferee is likely to exceed 5% of the paid up capital after the transfer, or (ii) the nominal value of equity shares intended to be transferred by any individual, firm, group, constituents of a group or body corporate under the same management, jointly or severally, exceeds 1% of the paid up capital of the insurance company. The above stated regulatory prescriptions have also been stipulated under the IRDAI (Transfer of Equity Shares of Insurance Companies) Regulations, 2015. In case there are one or more investors (excluding foreign investors) in an insurance company, an investor cannot hold more than 10% of the paid up equity share capital of such insurance company. Further, all such investors, excluding foreign investors, jointly are permitted to hold a maximum of 25% of the paid-up equity share capital of such insurance company. The IRDAI has prescribed relevant regulations in this regard. Additionally, the IRDAI has issued the “Insurance Regulatory and Development Authority of India (Listed Indian Insurance Companies) Guidelines, 2016”, which are applicable to all insurance companies whose equity shares are listed on the stock exchanges and to the allotment process pursuant to a public issue. Accordingly, the transfer of equity shares in insurance companies shall be in the manner as prescribed under the aforementioned guidelines.

Insurance Regulatory and Development Authority of India (Registration of Indian Insurance Companies) Regulations, 2000 (“Registration Regulations”)

On March 21, 2016, the IRDAI notified the Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) (Seventh Amendment) Regulations, 2016 which overhauled substantial provisions of the Registration Regulations. The Registration Regulations, as amended from time to time prescribe the manner and procedure for obtaining registration for undertaking insurance business in India. The Registration Regulations also lays down the provisions relating to renewal, suspension and cancellation of registrations. Further, the insurer is required to pay an annual fee to the IRDAI in accordance with the regulations.

The Insurance Ombudsman Rules, 2017 (“Ombudsman Rules”)

The Ministry of Finance, Department of Financial Service (Financial Division) vide a notification dated April 25, 2017 made the Insurance Ombudsman Rules to resolve all complaints of all personal lines of insurance, group insurance policies, policies issued to sole proprietorships and micro enterprises in a cost effective and impartial manner. The Ombudsman Rules are applicable to all the insurers and their agents and intermediaries and prescribe for constitution and composition of executive council of insurer which shall issue guidelines relating to administration, secretariat, infrastructure and other aspects of the functioning of insurance ombudsman system. The Insurance Ombudsman Rules lay down the procedure for selection, term of office, remuneration and territorial jurisdiction of ombudsman and also prescribe the duties and functions of insurance ombudsman and the manner in which the complaint is to be made, the procedure for redressal of grievance, nature of complaints to be entertained and the manner of passing award in case the complaint is not settled by way of mediation.

Insurance Regulatory and Development Authority of India (Protection of Policyholders' Interests) Regulations, 2017 ("Protection of Policyholders' Interests Regulations")

On June 30, 2017 the Protection of Policyholders' Interest Regulations came into effect and superseded the Insurance Regulatory and Development Authority (Protection of Policyholders' Interests) Regulations, 2002. The Protection of Policyholders' Interest Regulations prescribes specifications with respect to various aspects including insurance product solicitation, grievance redressal, and claim settlement, which are required to be complied by all insurers in order to protect the interests of policyholders. It mandates insurers to have in place a policy approved by its board of directors, which is required to provide the steps that an insurer proposes to take for matters such as insurance awareness, expeditious resolution of complaint, and preventing mis-selling and unfair business practices at point of sale and service. The Protection of Policyholders' Interest Regulations prescribe the form and content requirements that are required to be fulfilled by insurers in relation to their policy documents, proposal forms and prospectuses. The insurers are mandated to disclose in their policy documents all material information such as the terms and conditions of a policy, details of premium payable, free look period, requirements to be fulfilled for lodging a claim, coverage of the policy, exclusions, grounds for cancellation, and details of grievance redressal mechanism available to policyholders. Further these regulations set out the procedure that is required to be followed by insurers for expeditiously settling any claims made by a policyholder

Insurance Regulatory and Development Authority of India (Places of Business) Regulations, 2015 ("IRDAI Place of Business Regulations")

The IRDAI Place of Business Regulations lay down norms for every insurer who seeks to open a place of business within or outside India. Each such insurer is required to obtain the prior approval of the IRDAI, prior to opening a new place of business within or outside India. These regulations also prescribe the nature of activities that can be undertaken by places of business within and outside India and lay down the norms for opening, closure or relocation of branches or offices in India, foreign branch office, etc., and in addition, prescribe certain reporting requirements to IRDAI.

Insurance Regulatory and Development Authority of India (Appointed Actuary) Regulations, 2017 (the "Appointed Actuary Regulations")

The Appointed Actuary Regulations state that an insurer shall not carry on business of insurance without an appointed actuary for a period exceeding one year and require that the insurers appoint a person fulfilling the eligibility requirements, to act as an appointed actuary, after seeking the approval of the IRDAI in this regard. The appointed actuary needs to keep available all the records of the company to conduct actuarial valuation of the liabilities and assets of the insurer, express opinions on the underwriting policy, reinsurance arrangements and effective implementation of risk management systems and pay due regards to generally accepted actuarial principles while carrying out any task. The appointed actuary of a general insurance company is also required to inter alia, ensure that the premium rates of insurance products are fair and the actuarial principles have been creed in determination of incurred but not reported claims, incurred but not enough reported claims and other reserves.

Laws applicable to housing finance company subsidiary

The National Housing Bank Act 1987 ("NHB Act")

The NHB Act was enacted to establish the NHB to operate as the principal agency for the promotion of HFCs, both at the local and regional levels, and to provide financial and other support to such institutions for matters connected therewith or incidental thereto. The role of NHB includes, among others:

- promoting, establishing, supporting or aiding in the promotion, establishment and support of HFCs;
- making loans and advances or other forms of financial assistance for housing activities of HFCs, scheduled banks, state co-operative agricultural and rural development banks or any other institution or class of institutions as may be notified by the central government;
- guaranteeing the financial obligations of HFCs and underwriting the issue of stocks, shares, debentures and other securities of HFCs;
- formulating one or more schemes for the purpose of mobilisation of resources and extension of credit for housing; and

- providing guidelines to HFCs to ensure their growth on sound lines; and providing technical and administrative assistance to HFCs and exercising all powers and functions in the performance of duties entrusted to the NHB under the NHB Act or under any other law for the time being in force.

The Finance Act includes the NHB Act Amendments, which have come into force on August 9, 2019. Pursuant to the NHB Act Amendments, amongst others, (i) application for registration as a HFC is required to be made to the RBI under the NHB Act, in place of NHB; (ii) HFCs are required to create reserve fund as per the provisions under the RBI Act and (iii) the RBI has the power to determine policy and issue directions in relation to housing finance institutions. The RBI, vide its notification dated August 13, 2019, has stated that it will come out with revised regulations for HFCs in due course. In the meantime, HFCs shall continue to comply with the directions and instructions issued by the NHB till the RBI issues a revised framework. NHB will continue to carry out supervision of HFCs and HFCs will continue to submit various returns to NHB as hitherto.

Further, the RBI vide the notification dated November 11, 2019, has amended the 'Master Directions- Exemptions from the RBI Act, 1934' by withdrawing the existing exemptions available to HFCs under the RBI Act.

The Housing Finance Companies (National Housing Bank) Directions 2010, as amended ("NHB Directions")

The objective of the NHB Directions is to consolidate and issue directions in relation to the prudential norms for income recognition, accounting standards, asset classification, provision for bad and doubtful assets, capital adequacy and concentration of credit/investments to be observed by HFCs and the matters to be included in the auditors' report by the auditors of HFCs.

Income recognition

The NHB Directions require that the income recognition of HFCs should be based on recognised accounting principles. Income including interest, discount, hire charges, lease rentals or any other charges on non-performing assets ("NPAs") shall be recognized only when it is actually realised. Any such income recognised before the asset became non-performing and remaining unrealized shall be reversed. Further, income from dividend on shares of corporate bodies and units of mutual funds shall be taken into account on cash basis. However, the income from dividend on shares of corporate bodies may be taken into account on an accrual basis when such dividend has been declared by the corporate body in its annual general meeting and the right to receive payment is established. Income from bonds and debentures of corporate bodies and from Government securities or bonds may be taken into account on an accrual basis provided that the interest rate on these instruments is pre-determined and interest is serviced regularly and is not in arrears. Income on securities of corporate bodies or public sector undertakings, the payment of interest and repayment of principal of which have been guaranteed by Central Government or a State Government, may be taken into account on accrual basis.

Provisioning requirement

Every HFC, after taking into account the time lag between an account becoming non-performing, its recognition as such, the realisation of the security and the erosion over time in the value of the security charged, is required to make provision against sub-standard assets, doubtful assets and loss assets as provided under the NHB Directions.

Capital Adequacy Ratio

The NHB Directions require HFCs to maintain a minimum capital adequacy ratio, consisting of Tier I Capital and Tier II Capital not lower than 13 % of its aggregate risk weighted assets and risk adjusted value of off-balance sheet items on or before March 31, 2020, 14 % on or before March 31, 2021 and 15 % on or before March 31, 2022. Further the total Tier II Capital at any point of time shall not exceed 100 % of Tier I Capital.

Guidelines on Know Your Customer and Anti-Money Laundering measures for Housing Finance Companies dated March 11, 2019 ("NHB KYC Guidelines")

The NHB KYC Guidelines mandate the KYC policies and anti-money laundering measures for HFCs to have certain key elements, including inter alia a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, adherence to NHB KYC Guidelines and the exercise of due diligence by the HFC, including its brokers and agents.

Directions on Corporate Governance

The NHB issued the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 on corporate governance covering constitution of committees of the board of an HFC, fit and proper criteria for the appointment of directors, disclosure and transparency in annual reporting, rotation of partners of statutory auditors and framing of internal guidelines on corporate governance.

Miscellaneous

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI Act”)

The SARFAESI Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution or an NBFC may sell financial assets to an asset reconstruction company provided the asset is a Non Performing Asset (“NPA”). While taking recourse to the sale of secured assets in terms of Section 13(4) of the SARFAESI Act, a SC/RC may itself acquire the secured assets, either for its own use or for resale, only if the sale is conducted through a public auction.

As per the SARFAESI (Amendment) Act of 2004, the constitutional validity of which was upheld in a recent Supreme Court ruling, non-performing assets have been defined as an asset or account of a borrower, which has been classified by a bank or financial institution as sub-standard, doubtful or loss asset in accordance with directions or guidelines issued by the RBI. In case the bank or financial institution is regulated by a statutory body/authority, NPAs must be classified by such bank in accordance with guidelines issues by such regulatory authority. The RBI has issued guidelines on classification of assets as NPAs. Further, these assets are to be sold on a “without recourse” basis only.

The SARFAESI Act provides for the acquisition of financial assets by Securitization Company or Reconstruction Company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the

purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any Securitization company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties. Various provisions of the SARFAESI Act have been amended by the Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 as also the Insolvency and Bankruptcy Code, 2016. As per this amendment, the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall by order declare moratorium for prohibiting, *inter alia*, any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the SARFAESI Act.

Insolvency and Bankruptcy Code, 2016

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

RBI vide its circular dated June 7, 2019, laid down the Prudential Framework for Resolution of Stressed Assets whereby prescribing the regulatory approach for resolution of stressed assets *inter alia* by: (i) early recognition and reporting of default by banks, financial institutions and NBFCs in respect of large borrowers; (ii) Affording

complete discretion to lenders with regard to design and implementation of resolution plans, in supersession of earlier resolution schemes (S4A, SDR, 5/25 etc.), subject to the specified timeline and independent credit evaluation; (iii) Laying down a system of disincentives in the form of additional provisioning for delay in implementation of resolution plan or initiation of insolvency proceedings; (iv) Withdrawal of asset classification dispensations on restructuring. Future upgrades to be contingent on a meaningful demonstration of satisfactory performance for a reasonable period; and (v) Requiring the mandatory signing of an inter-creditor agreement (ICA) by all lenders, which will provide for a majority decision making criteria.

MCA vide notification dated November 15, 2019, issued the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 (“FSP Rules”) *inter alia* governing the corporate insolvency resolution process and liquidation process of Financial Service Providers (FSPs) under the Bankruptcy Code. The issuance of the FSP Rules has made viable and unified resolution process accessible for the FSPs and their creditors with some procedural differences.

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter-alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

Labour Laws

India has stringent labour related legislations. The Company is required to comply with certain labour laws, which include the Employees’ Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972 and the Payment of Wages Act, 1936, amongst others. We will have to comply with the Code of Wages, 2019, Industrial Relations Code, 2020, Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 once such enactments are implemented.

Intellectual Property

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

Regulatory measures on account of the COVID-19 pandemic

The RBI has issued circulars, the Statement of Developmental and Regulatory Policies dated May 22, 2020 and Monetary Policy Statement, 2020-2021: Resolution of Monetary Policy Committee dated May 22, 2020 announcing certain additional regulatory measures with an aim to revive growth and mitigate the impact of COVID-19 on business and financial institutions in India, including:

- (a) permitting banks to grant a moratorium of six months on all term loan instalments and working capital facilities sanctioned in the form of cash credit/overdraft (“CC/OD”), falling due between March 1, 2020 and August 31, 2020, subject to the fulfilment of certain conditions;
- (b) permitting the recalculation of ‘drawing power’ of working capital facilities sanctioned in the form of cash/credit overdraft facilities by reducing the margins till the extended period, being August 31, 2020, and permitting lending institutions to restore the margins to the original levels by March 31, 2021;
- (c) permitting the increase in the bank’s exposures to a group of connected counterparties from 25% to 30% of the eligible capital base of the bank, up to June 30, 2021;
- (d) deferring the recovery of the interest applied in respect of all working capital facilities sanctioned in the form of cash/credit overdraft facilities during the period from March 1, 2020 to August 31, 2020;

- (e) permitting lending institutions to convert the accumulated interest on working capital facilities up to the deferment period (up to August 31, 2020) into a funded interest term loan which shall be repayable not later than the end of the current financial year (being, March 31, 2021);
- (f) permitting the lending institutions to exclude the moratorium period wherever granted in respect of term loans as stated in (a) above, from the number of days past-due for the purpose of asset classification under the income recognition and asset classification norms, in respect of accounts classified as standard as on February 29, 2020, even if overdue;
- (g) permitting the lending institutions to exclude deferment period on recovery of the interest applied, wherever granted as stated in (d) above, for the determination of out of order status, in respect of working capital facilities sanctioned in the form of CC/OD where the account is classified as standard, including special mention accounts, as on February 29, 2020; and
- (h) requiring lending institutions to make general provisions of not less than 10% of the total outstanding of accounts in default but standard as on February 29, 2020 and asset classification benefit is availed, to be phased over two quarters as provided: (i) not less than 5% for the quarter ended March 31, 2020; and (ii) not less than 5% for the quarter ended June 30, 2020, subject to certain adjustments.

Pursuant to the order dated September 10, 2020 passed in relation to Gajendra Sharma vs. Union of India & Anr. (Civil Writ Petition No. 825/2020), the Supreme Court has extended its earlier interim order directing that accounts which were not declared as NPAs till August 31, 2020, shall not be declared as NPAs.

Further, RBI has on August 6, 2020 notified the “Resolution framework for COVID-19-related stress” (the “**Resolution Framework**”). Pursuant to the Resolution Framework, RBI has on September 7, 2020, which requires all lending institutions to mandatorily consider certain specified key ratios while finalizing the resolution plans in respect of eligible borrowers (in terms of the Resolution Framework).

SECTION V – FINANCIAL INFORMATION

| S.No. | Particulars | Page Nos. |
|-------|-------------------------------------|-----------|
| 1. | Reformatted Financial Information | F-1 |
| 2. | Q2 2020 Unaudited financial results | F-392 |
| 3. | Q3 2020 Unaudited financial results | F-400 |

Auditors' Report on the reformatted consolidated statement of assets and liabilities as at March 31, 2020 and 2019, reformatted consolidated statements of profit and loss and reformatted consolidated cash flows and statement of changes in equity for the each of the years ended March 31, 2020 and 2019 of Edelweiss Financial Services Limited (collectively, the "Reformatted Ind AS Consolidated Financial Information")

The Board of Directors
Edelweiss Financial Services Limited
Edelweiss House, Off. C.S.T. Road,
Kalina, Mumbai - 400 098

Dear Sirs / Madams,

1. We have examined the attached Reformatted Ind AS Consolidated Financial Information of Edelweiss Financial Services Limited (the "Company" or "Holding Company"), its subsidiary companies and trust (the Company, its subsidiaries and trusts together referred to as "the Group") as at March 31, 2020 and 2019 and for each of the years ended March 31, 2020 and 2019 annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed issue of Secured Redeemable Non-Convertible Debentures of face value of Rs. 1,000 each ("NCD"). The Reformatted Ind AS Consolidated Financial Information, which have been approved by the Debenture Fund Raising Committee of the Board of Directors of the Company, have been prepared by the Company in accordance with the requirements of:
 - a) Section 26 of Chapter III of The Companies Act, 2013, as amended (the "Act"); and
 - b) relevant provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ('the Regulations') issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act").

Management's Responsibility for the Reformatted Ind AS Consolidated Financial Information

2. The preparation of Reformatted Ind AS Consolidated Financial Information is based on audited consolidated financial statements of the Group prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India in accordance with the accounting principles generally accepted in India, which are to be included in the Draft Prospectus and the Prospectus, is the responsibility of the Management of the Company for the purpose set out in paragraph 13 below. The Management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Reformatted Ind AS Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act and the Regulations.

Auditors' Responsibilities

3. We have examined such Reformatted Ind AS Consolidated Financial Information taking into consideration:
 - a) the terms of reference and our engagement agreed with you vide our engagement letter dated February 26, 2021, requesting us to carry out work on such Reformatted Ind AS Consolidated Financial Information in connection with the Company's Issue of NCDs;
 - b) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (the "Guidance Note"); and

- c) the requirements of Section 26 of the Act and the Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the Regulations in connection with the Issue of NCD.
- 4. The Company proposes to make an offer which comprises an issue of Secured Redeemable Non-Convertible Debentures of Rs. 1,000 each by the Company, as may be decided by the Board of Directors of the Company.

Reformatted Ind AS Consolidated Financial Information

- 5. The Reformatted Ind AS Consolidated Financial Information have been compiled by the management from:
 - a) the audited Consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2020 which were prepared in accordance Ind AS, which have been approved by the Board of Directors at their meeting held on July 04, 2020 (the "2020 Audited Consolidated Ind AS Financial Statement"); and
 - b) the audited Consolidated Ind AS financial statements of the Group as at and for each of the years ended March 31, 2019 which were prepared in accordance Ind AS, which have been approved by the Board of Directors at their meetings held on May 14, 2019 (the "2019 Audited Consolidated Ind AS Financial Statement").
- 6. For the purpose of our examination, we have relied on Auditors' reports issued by us, dated July 04, 2020 and May 14, 2019 on the consolidated Ind AS financial statements of the Group as at and for each the years ended March 31, 2020 and March 31, 2019 as referred in Paragraph 5 above.
 - a) Our report dated July 4, 2020 on the 2020 Audited Consolidated Ind AS Financial Statement for the year ended March 31, 2020, included the following Emphasis of Matter and Other Matters:

Emphasis of Matter

We draw attention to Note 57 to the consolidated Ind AS Financial Statements, which describes the economic and social disruption as a result of COVID-19 pandemic of the Group's business and financial metrics including the Group's estimates of impairment of loans, financial assets, investments, investment in properties, intangible assets (including goodwill) which are highly dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

Other matters:

- We did not audit the financial statements and other financial Information, in respect of 36 subsidiaries, whose Ind AS financial statements include total assets of Rs. 1,32,324.28 million as at March 31, 2020, and total revenues of Rs. 29,838.49 million and net cash inflows of Rs. 1,196.45 million for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

- The actuarial valuation of liabilities of Edelweiss Tokio Life Insurance Company Limited (ETLIFE) for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2020 is the responsibility of ETLIFE's Appointed Actuary. The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2020 has been duly certified by the ETLIFE 's Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts". Ind AS 109 "Financial Instruments", the guidelines and norms issued by the insurance Regulatory and Development Authority of India ('IRDAI') and the Institute of Actuaries of India in concurrence with IRDAI. The auditors have relied upon the ETLIFE's Appointed Actuary's certificate for expressing their conclusion in this regard.
- The actuarial valuation of liabilities Edelweiss General Insurance Company Limited (EGICL) for incurred But Not Reported and incurred But Not Enough Reported claims of EGICL as at March 31, 2020 is the responsibility of EGICL's Appointed Actuary. The actuarial valuation of these liabilities has been duly certified by the EGICL's Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", the guidelines and norms issued by the IRDA and the Institute of Actuaries of India in concurrence with IRDAI. The auditors have relied on the EGICL's Appointed Actuary's certificate for expressing their conclusion in this regard.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

- b) Our report dated May 14, 2019 on the 2019 Audited Consolidated Ind AS Financial Statement included the following Other Matters:

Other matters:

- We did not audit the financial statements and other financial information, in respect of 39 subsidiaries, whose Ind AS financial statements include total assets of Rs. 1,51,057.21 million as at March 31, 2019, and total revenues of Rs. 27,493.31 million and net cash outflows of Rs. 1,630.45 million for the year ended on that date are considered in these Consolidated Ind AS Financial Statements. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.
- We did not audit the financial statements and other financial information and Ind AS adjustments in respect of one subsidiary, whose Ind AS financial statements include total assets of Rs. 30.20 million as at March 31, 2019 and total revenues of Rs Nil million and net cash inflows of Rs. 1.01 million for the year ended March 31, 2019 are considered in these Consolidated Ind AS Financial Statements. These Ind AS financial statement and other financial information have been certified by the management. Our opinion on the consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the management certified financial statement and other financial information.

- We did not audit the Ind AS adjustment in respect of one associate, whose share of net profit of Rs. 41.99 million for the period April 01, 2018 to November 28, 2018 as considered in these Consolidated Ind AS Financial Statements. These Ind AS financial statement and other financial information have been certified by the management. Our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of one associate and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the management certified financial statement and other financial information.
- We did not audit the Ind AS adjustment in respect of 38 subsidiaries, whose Ind AS financial statements include total assets of Rs. 1,54,765.11 million as at March 31, 2018, and total revenues of Rs. 30,190.62 million and net cash inflows of Rs. 1,069.71 million for the year ended on that date are considered in these Consolidated Ind AS Financial Statements. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.
- We did not audit the Ind AS adjustment in respect of one associate, whose share of net profit of Rs. 0.01 million for the year ended March 31, 2018 is considered in these Consolidated Ind AS Financial Statements. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of one associate and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the report of such other auditor.
- We did not audit the financial statements and other financial information and Ind AS adjustments in respect of one subsidiary, whose Ind AS financial statements include total assets of Rs 18.79 million as at March 31, 2018 and total revenues of Rs 7.19 million and net cash inflows of Rs 14.18 million for the year ended March 31, 2018 are considered in these Consolidated Ind AS Financial Statements. These Ind AS financial statement and other financial information have been certified by the management. Our opinion on the consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the management certified financial statement and other financial information.
- We did not audit the Ind AS adjustment in respect of one associate, whose share of net loss of Rs. 12.08 million for the period April 1, 2017 to August 22, 2017 as considered in these Consolidated Ind AS Financial Statements. These Ind AS financial statement and other financial information have been certified by the management. Our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of an associate and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the management certified financial statement and other financial information.

- We did not audit the Ind AS adjustment in respect of 36 subsidiaries, whose Ind AS financial statements include total assets of Rs 1,15,274.85 million as at opening balance sheet date April 01, 2017 are considered in these Consolidated Ind AS Financial Statements. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.
- We did not audit the financial statements and other financial information and Ind AS adjustments in respect of 4 subsidiaries, whose Ind AS financial statements include total assets of Rs 620.22 million as at opening balance sheet date April 01, 2017 are considered in these Consolidated Ind AS Financial Statements. These Ind AS financial statement and other financial information have been certified by the management. Our opinion on the consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the management certified financial statement and other financial information.
- The comparative consolidated financial information of the Group for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in this Consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with accounting principles generally accepted in India including the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, audited by the predecessor auditors whose report for the year ended March 31, 2018 and March 31, 2017 dated May 3, 2018 and May 17, 2017 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us.
- The actuarial valuation of liabilities of Edelweiss Tokio Life Insurance Company Limited (ETLIFE) for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2019, March 31, 2018 and April 1, 2017, is the responsibility of ETLIFE's Appointed Actuary. The actuarial valuations of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2019, March 31, 2018 and April 1, 2017, has been duly certified by the ETLIFE's Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with IRDAI. The auditors of ETLIFE have relied upon the ETLIFE's Appointed Actuary's certificate for expressing their opinion in this regard.
- The actuarial valuation of liabilities of Edelweiss General Insurance Company Limited (EGICL) for Incurred But Not Reported and Incurred But Not Enough Reported claims of EGICL as at March 31, 2019 and March 31, 2018 is the responsibility of EGICL's Appointed Actuary. The actuarial valuations of these liabilities has been duly certified by the EGICL's Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with IRDAI. The auditors of EGICL have relied upon the EGICL's Appointed Actuary's certificate for expressing their opinion in this regard.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

c) In respect of Reformatted Ind AS Consolidated Financial Information for the year ended March 31, 2020 and March 31, 2019:

- We have not examined the reformatted financial information of 9 and 9 subsidiaries for the year ended March 31, 2020 and March 31, 2019 whose reformatted financial information reflect total assets of Rs 1,04,429.94 million and Rs 1,20,847.90 million as at March 31, 2020 and March 31, 2019, total revenue of Rs 26,020.26 million and Rs 22,312.15 million, net loss of Rs 4,439.12 million and Rs 3,611.45 million and net cash inflows amounting to Rs 1,046.79 million and Rs 133.35 million for the year ended March 31, 2020 and March 31, 2019, as considered in the Reformatted Ind AS Consolidated Financial Information. These reformatted financial information have been examined by other auditors whose reports and consent letters have been furnished to us by the Management, and our opinion on the Reformatted Ind AS Consolidated Financial Information insofar as it relates to the amounts and disclosures included in respect of these subsidiaries companies insofar as it relates to the aforesaid subsidiaries, is based solely on the examination reports of the other auditors.
- We have not examined the reformatted financial information of 27 and 30 subsidiaries for the year ended March 31, 2020 and March 2019 whose reformatted financial information reflect total assets of Rs 27,894.30 million and Rs 30,209.31 million as at March 31, 2020 and March 31, 2019, total revenue of Rs 3,818.23 million and Rs 5,181.15 million, net loss of Rs 275.12 million and Rs 200.44 million and net cash inflows/(out flows) amounting to Rs 149.66 million and Rs (1,763.80) million for the year ended March 31, 2020 and March 31, 2019, as considered in the Reformatted Ind AS Consolidated Financial Information. These Ind AS financial statement and other financial information have been audited by other auditors and reformatted financial information have been certified by the management and our opinion on the Reformatted Ind AS Consolidated Financial Information insofar as it relates to the aforesaid subsidiaries is based solely on the management certified Reformatted Ind AS Consolidated Financial Information.
- We have not examined the reformatted financial information of 1 subsidiary for the year ended March 2019 whose reformatted financial information reflect total assets of Rs 30.20 million as at March 31, 2019, total revenue of Rs 0.33 million, net loss of Rs 7.36 million and net cash flows amounting to Rs 1.01 million for the year ended March 31, 2019, as considered in the Reformatted Ind AS Consolidated Financial Information. These Ind AS financial statement, other financial information and reformatted financial information have been certified by the management and our opinion on the Reformatted Ind AS Consolidated Financial Information insofar as as it relates to the aforesaid subsidiary is based solely on the management certified Reformatted Ind AS Consolidated Financial Information.
- We have not examined the reformatted financial information of 1 associate whose share of net profit of Rs 41.99 million for the period April 01, 2018 to November 28, 2018 as considered in the Reformatted Ind AS Consolidated Financial Information. These Ind AS financial statement, other financial information and reformatted financial information have been certified by the management and our opinion on the Reformatted Ind AS Consolidated Financial Information insofar as it relates to the aforesaid subsidiary is based solely on the management certified Reformatted Ind AS Consolidated Financial Information.

Reformatted Ind AS Consolidated Financial Information and our opinion above on the Reformatted Ind AS Consolidated Financial Information, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

7. Taking into consideration the requirements of Section 26 of Part I of Chapter III of the Act, the Regulations and the terms of our engagement agreed with you, we further report that:
- a) the reformatted consolidated statement of assets and liabilities as at March 31, 2020 and 2019, reformatted consolidated statements of profit and loss and reformatted consolidated cash flows and statement of changes in equity of the Group as at and for the years ended March 31, 2020 and March 31, 2019 ("Reformatted Ind AS Consolidated Financial Information") have been examined by us, as set out in Annexure I to Annexure IV to this report. These Reformatted Ind AS Consolidated Financial Information have been prepared after regrouping as in management's opinion were appropriate and more fully described in Significant Accounting policies and notes (Refer Annexure V).
 - b) based on our examination as above:
 - i) the Reformatted Ind AS Consolidated Financial Information have to be read in conjunction with the notes given in Annexure V; and
 - ii) the figures of earlier periods have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform to the classification adopted for the Reformatted Consolidated Ind AS Statements as at and for the year ended March 31, 2020.

Other Financial Information

8. At the Company's request, we have also examined the following other financial information proposed to be included in the Draft Prospectus and the Prospectus prepared by the Management and approved by the Board of Directors of the Company and annexed to this report relating to the Company, as at and for each of the years ended March 31, 2020 and March 31, 2019 respectively:
- Statement of dividend paid, enclosed as Annexure VI

Opinion

9. In our opinion, the Reformatted Ind AS Consolidated Financial Information and the other financial information referred to in paragraph 8 above, as disclosed in the Annexures to this report, read with respective significant accounting policies disclosed in Annexure V, and after making adjustments and regroupings as considered appropriate and disclosed has been prepared by the Company by taking into consideration the requirement of Section 26 of Part I of Chapter III of the Act and the Regulations.

Other matter

10. In the preparation and presentation of Reformatted Ind AS Consolidated Financial Information based on audited Consolidated Ind AS financial statements as referred to in paragraph 6 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 6 above.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
13. This report is intended solely for use of the management for inclusion in the Draft Prospectus and the Prospectus to be filed with Registrar of Companies, Mumbai, Maharashtra, SEBI, and BSE Limited in connection with the proposed Issue of NCD of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

UDIN: 21102102AAAADA3993

per Shrawan Jalan

Partner

Membership No. 102102

Place: Mumbai

Date: March 05, 2021

Reformatted Consolidated Statement of Asset and Liabilities

| (Currency: Indian rupees in millions) | Note | As at 31-Mar-20 | As at 31-Mar-19 |
|--|-------|--------------------|--------------------|
| ASSETS | | | |
| Financial assets | | | |
| (a) Cash and cash equivalents | 8 | 49,425.19 | 31,158.21 |
| (b) Bank balances other than cash and cash equivalents | 9 | 36,670.89 | 33,396.05 |
| (c) Derivative financial instruments | 10 | 5,321.87 | 1,940.90 |
| (d) Stock in trade (Securities held for trading) | 11 | 17,458.07 | 39,136.66 |
| (e) Trade Receivables | 12 | 13,052.38 | 27,540.06 |
| (f) Loans | 13 | 2,83,606.79 | 3,84,083.10 |
| (g) Investments | 14 | 82,666.02 | 87,990.47 |
| (h) Other financial assets | 15 | 8,302.33 | 6,098.51 |
| Total financial assets | | 4,96,503.54 | 6,11,343.96 |
| Non-financial assets | | | |
| (a) Inventories | 16 | 436.09 | 1,691.32 |
| (b) Reinsurance assets | 60&61 | 2,944.42 | 2,886.19 |
| (c) Current tax assets (net) | | 5,839.78 | 4,326.64 |
| (d) Deferred tax assets (net) | 17 | 9,564.75 | 4,905.87 |
| (e) Investment property | 18 | 4,457.27 | 3,144.51 |
| (f) Property, Plant and Equipment | 19 | 15,012.58 | 5,477.86 |
| (g) Capital work in progress | | 111.56 | 102.94 |
| (h) Intangible assets under development | | 320.79 | 333.90 |
| (i) Goodwill on consolidation | 19.1 | 1,723.41 | 1,742.72 |
| (j) Other Intangible assets | 19 | 2,255.79 | 2,282.58 |
| (k) Other non-financial assets | 20 | 3,633.23 | 3,296.95 |
| Total Non-financial assets | | 46,299.67 | 30,191.48 |
| TOTAL ASSETS | | 5,42,803.21 | 6,41,535.44 |
| LIABILITIES | | | |
| Financial liabilities | | | |
| (a) Derivative financial instruments | 10 | 3,812.48 | 1,929.51 |
| (b) Trade Payables | | | |
| i. total outstanding dues of micro enterprises and small enterprises | 21.1 | 2.21 | 4.10 |
| ii. total outstanding dues of creditors other than micro enterprises and small enterprises | 21.2 | 12,831.39 | 19,748.73 |
| (c) Insurance claims payable | | 74.52 | 45.61 |
| (d) Debt securities | 22 | 2,07,585.06 | 2,45,910.48 |
| (e) Borrowings (other than debt securities) | 23 | 1,33,210.55 | 1,90,453.51 |
| (f) Deposits | 24 | 2,168.97 | 1,436.76 |
| (g) Subordinated Liabilities | 25 | 23,608.81 | 23,676.58 |
| (h) Other financial liabilities | 26 | 49,250.54 | 39,126.98 |
| Total financial liabilities | | 4,32,544.53 | 5,22,332.26 |
| Non-financial liabilities | | | |
| (a) Current tax liabilities (net) | | 906.30 | 1,435.14 |
| (b) Provisions | 27 | 351.11 | 327.71 |
| (c) Policyholders' liabilities | 60&61 | 30,076.82 | 24,492.79 |
| (d) Deferred tax liabilities (net) | 17 | 2,643.73 | 2,532.70 |
| (e) Other non-financial liabilities | 28 | 4,209.95 | 3,264.93 |
| Total non-financial liabilities | | 38,187.91 | 32,053.27 |
| TOTAL LIABILITIES | | 4,70,732.44 | 5,54,385.53 |
| EQUITY | | | |
| (a) Equity Share capital | 29 | 889.51 | 887.77 |
| (b) Other equity | 30 | 60,397.60 | 75,882.03 |
| Equity attributable to owners of the parent | | 61,287.11 | 76,769.80 |
| Equity attributable to Non-Controlling Interests | | 10,783.66 | 10,380.11 |
| TOTAL EQUITY | | 72,070.77 | 87,149.91 |
| TOTAL LIABILITIES AND EQUITY | | 5,42,803.21 | 6,41,535.44 |

The accompanying notes are an integral part of the Reformatted Ind AS Consolidated Financial information.

1 to 67

As per our report of even date attached

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

per Shrawan Jalan

Partner

Membership No: 102102

Rashesh Shah

Chairman, Managing Director & CEO

DIN: 00008322

Himanshu Kaji

Executive Director

DIN : 00009438

Sarju Simaria

Chief Financial Officer

Mumbai 05 March 2021

B Renganathan

EVP & Company Secretary

Mumbai 05 March 2021

Reformatted Consolidated statement of profit and loss

| (Currency: Indian rupees in millions) | Note | For the year ended 31-Mar-20 | For the year ended 31-Mar-19 |
|--|-------|---------------------------------|---------------------------------|
| Revenue from operations | | | |
| Interest income | 31 | 59,019.46 | 68,378.86 |
| Dividend Income | | 1,621.83 | 2,270.66 |
| Fee and commission income | 32 | 20,992.98 | 21,333.64 |
| Net gain on fair value changes | 33 | 1,949.58 | 8,815.23 |
| Premium from insurance business (net) | | 10,567.76 | 8,840.42 |
| Other operating revenue | 34 | 981.53 | 1,136.35 |
| Total revenue from operations | | 95,133.14 | 1,10,775.16 |
| Other income | 35 | 893.15 | 837.13 |
| Total income | | 96,026.29 | 1,11,612.29 |
| Expenses | | | |
| Finance costs | 36 | 47,930.39 | 47,832.25 |
| Impairment on financial instruments | 38 | 26,902.65 | 4,848.96 |
| Change in valuation of credit impaired loans | | 8,712.42 | 2,188.42 |
| Employee benefits expense | 37 | 14,073.01 | 16,499.89 |
| Depreciation, amortisation and impairment | 18&19 | 2,322.25 | 1,316.33 |
| Change in insurance policy liability - actuarial | | 6,421.00 | 7,162.28 |
| Policy benefits paid | | 1,589.21 | 741.60 |
| Other expenses | 39 | 12,641.88 | 13,627.45 |
| Total expenses | | 1,20,592.81 | 94,217.18 |
| Profit / (Loss) before share in profit of associates and tax | | (24,566.52) | 17,395.11 |
| Share in profit of associates | | - | 41.99 |
| Profit / (Loss) before tax | | (24,566.52) | 17,437.10 |
| Tax expense: | 40 | | |
| Current tax | | 2,970.75 | 6,548.66 |
| Deferred tax and Minimum alternate tax (MAT) | | (7,099.55) | 444.75 |
| Profit / (Loss) for the year | | (20,437.72) | 10,443.69 |
| Other Comprehensive Income | | | |
| (A) (i) Items that will not be reclassified to profit or loss | | | |
| Re-measurements of the defined benefit plans | | (46.74) | (25.89) |
| Equity Instruments through Other Comprehensive Income | | (1,700.00) | - |
| Revaluation gain through Other Comprehensive Income | | 7,674.77 | - |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | (2,531.91) | 4.04 |
| Subtotal (A) | | 3,396.12 | (21.85) |
| (B) (i) Items that will be reclassified to profit or loss | | | |
| Debt Instruments through Other Comprehensive Income | | 863.64 | 440.50 |
| Exchange differences in translating the financial statements of foreign operations | | 466.66 | 154.70 |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Subtotal (B) | | 1,330.30 | 595.20 |
| Other Comprehensive Income (A+B) | | 4,726.42 | 573.35 |
| Total Comprehensive Income / (Loss) | | (15,711.30) | 11,017.04 |
| Profit / (Loss) for the year attributable to: | | | |
| Owners of the parent | | (20,452.45) | 9,951.66 |
| Non-controlling interests | | 14.73 | 492.03 |
| Other Comprehensive Income for the year attributable to: | | | |
| Owners of the parent | | 4,241.54 | 384.13 |
| Non-controlling interests | | 484.88 | 189.22 |
| Total Comprehensive Income / (Loss) for the year attributable to: | | | |
| Owners of the parent | | (16,210.91) | 10,335.79 |
| Non-controlling interests | | 499.61 | 681.25 |
| Earnings per share (Face value ₹ 1 each) | 42 | | |
| - Basic | | (23.01) | 11.28 |
| - Diluted | | (23.01) | 11.09 |

The accompanying notes are an integral part of the Reformatted Ind AS Consolidated Financial information

1 to 67

As per our report of even date attached

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

per Shrawan Jalan

Partner

Membership No: 102102

Rashesh Shah

Chairman, Managing Director & CEO

DIN: 00008322

Himanshu Kaji

Executive Director

DIN : 00009438

Sarju Simaria

Chief Financial Officer

B Renganathan

EVP & Company Secretary

Mumbai 05 March 2021

Mumbai 05 March 2021

Reformatted Consolidated Statement of Cash flows

| (Currency : Indian rupees in millions) | | For the year ended 31-Mar-20 | For the year ended 31-Mar-19 |
|--|---|---------------------------------|---------------------------------|
| A | Cash flow from operating activities | | |
| | Profit / (Loss) before tax | (24,566.52) | 17,437.10 |
| | Adjustments for: | | |
| | Depreciation, amortisation and impairment | 2,322.25 | 1,316.33 |
| | Expense on employee stock option plans | 390.79 | 225.47 |
| | Impairment of Goodwill | 19.31 | 0.00 |
| | Impairment on financial instruments | 14,047.16 | 4,848.96 |
| | Change in valuation of credit impaired loans | 8,712.42 | 2,188.42 |
| | Interest on income tax refund | (304.73) | (262.97) |
| | Dividend Income | (1,621.83) | (2,270.66) |
| | (Profit) / loss on sale of property, plant and equipment (net) ¹ | (4.59) | 0.90 |
| | (Profit) / loss on sale of investment property (net) ¹ | - | (17.49) |
| | Realised fair value (gain) / loss on financial instruments | (12,332.09) | (6,752.23) |
| | Unrealised fair value (gain) / loss on financial instruments | 10,382.51 | (2,063.00) |
| | Provision for policyholders liability | 6,421.00 | 7,162.28 |
| | Finance costs | 8,815.95 | 9,084.94 |
| | Operating cash flow before working capital changes | 12,281.63 | 30,898.05 |
| | Adjustments for: | | |
| | Decrease / (increase) in trade receivables | 14,661.58 | 2,667.58 |
| | Decrease / (increase) in stock-in-trade and Inventory | 22,933.83 | 9,107.44 |
| | Decrease / (increase) in Other financial/non financial assets | (2,598.30) | 3,898.38 |
| | Decrease / (increase) in Derivative Financial Instruments | (1,498.00) | 7,567.20 |
| | Decrease / (increase) in loans | 77,557.50 | (6,822.69) |
| | Increase / (decrease) in trade payables | (6,919.23) | 3,838.20 |
| | Increase / (decrease) in insurance claim payable | 28.91 | (9.45) |
| | Increase / (decrease) in other financial liabilities | 9,069.43 | 14,351.56 |
| | Increase / (decrease) in Provisions | (20.40) | (576.07) |
| | Increase / (decrease) in provision for policyholders' liabilities | (836.97) | 792.47 |
| | Increase / (decrease) in other non-financial liabilities | 944.06 | (2,727.14) |
| | Cash generated from / (used in) operations | 1,25,604.04 | 62,985.53 |
| | Income taxes paid (net of refund) | (4,619.94) | (6,132.57) |
| | Net cash generated from / (used in) operating activities – A | 1,20,984.10 | 56,852.96 |
| B | Cash flow from investing activities | | |
| | Purchase of property, plant and equipment and intangibles | (1,211.27) | (2,436.29) |
| | Proceeds from sale of property, plant and equipment | 87.09 | 579.87 |
| | (Purchase) / sale of investment property ¹ | (1,653.27) | (1,354.23) |
| | (Purchase) / sale of investments ¹ | 6,422.95 | (325.24) |
| | Dividend on investments | 1,621.83 | 2,270.66 |
| | (Investment) / Maturity of Bank deposits | (3,274.84) | (11,859.23) |
| | Net cash generated from / (used in) investing activities – B | 1,992.49 | (13,124.46) |

Edelweiss Financial Services Limited

Reformatted Consolidated Statement of Cash flows *(Continued)* **Annexure III**

| (Currency : Indian rupees in millions) | For the year ended 31-Mar-20 | For the year ended 31-Mar-19 |
|--|---|---|
| C Cash flow from financing activities | | |
| Proceeds from issue of shares including premium and share application money | 79.93 | 675.32 |
| Investment by Non Controlling Interest | 390.54 | 1,412.24 |
| Proceeds / (repayment) from Debt securities ¹ | (38,853.73) | (3,475.00) |
| Proceeds / (repayment) from Borrowings (other than debt securities) ¹ | (57,242.06) | (23,442.72) |
| Proceeds / (repayment) from Deposits ¹ | 732.21 | (1,975.39) |
| Proceeds / (repayment) from Subordinated Liabilities ¹ | (67.77) | 728.63 |
| Dividend and dividend distribution tax paid | (368.89) | (1,489.39) |
| Lease payment | (785.29) | - |
| Finance cost paid | (8,594.55) | (9,084.94) |
| Net cash generated from / (used in) financing activities – C | (1,04,709.61) | (36,651.25) |
| Net increase in cash and cash equivalents (A+B+C) | 18,266.98 | 7,077.25 |
| Cash and cash equivalents as at the beginning of the year | 31,158.21 | 24,080.96 |
| Cash and cash equivalents as at the end of the year | 49,425.19 | 31,158.21 |

Notes:

- Cash receipts and payments for transaction in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows
- Reformatted Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013
- Net cash generated from/(used in) operating activities includes interest received ₹ 59,019.46 millions (FY 2018-19 ₹ 68,378.86 millions) and interest paid ₹ 39,114.43 millions (FY 2018-19 ₹ 38,747.30 millions)
- Refer note 49 for changes in liabilities arising from financing activities

As per our report of even date attached

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

per Shrawan Jalan

Partner

Membership No: 102102

Rashesh Shah

Chairman, Managing Director & CEO

DIN: 00008322

Himanshu Kaji

Executive Director

DIN : 00009438

Sarju Simaria

Chief Financial Officer

B Renganathan

EVP & Company Secretary

Mumbai 05 March 2021

Mumbai 05 March 2021

Edelweiss Financial Services Limited

Reformatted Consolidated Statement of changes in equity

Annexure IV

(Currency: Indian rupees in millions)

A Equity share capital¹

| Particulars | Amount |
|---|--------|
| As at 01-Apr-18 | 870.60 |
| Changes in equity share capital during FY 2018-19 | 17.17 |
| As at 31-Mar-19 | 887.77 |
| Changes in equity share capital during FY 2019-20 | 1.74 |
| As at 31-Mar-20 | 889.51 |

1. Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Edelweiss Financial Services Limited reformatted Ind AS standalone financial information, these trusts are holding 44,896,780 number of equity shares amounting to ₹ 44.90 millions (FY 2018-19 ₹ 44.90 millions). These are treasury shares and deducted from total outstanding equity shares.
2. Refer note 29 for detailed quantitative information including investors holding more than 5% of equity share capital
3. The above two Welfare Trust (s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date. **(FY 2019-20)**

B. Other Equity

| Particulars | Reserves and Surplus | | | | | | | | | | | Other Comprehensive Income | | | | Total attributable to owners of the parent | Non-Controlling Interest |
|--|---|-----------------|----------------------------|----------------------------|--|--|--|-----------------|------------------------------|--------------------|-------------------|---|-------------------------|---|---|--|--------------------------|
| | Share application money pending allotment | Capital Reserve | Capital Redemption Reserve | Securities Premium Account | ESOP reserve/Stock appreciation rights (SAR) | Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934 | Reserve under section 29C of the National Housing Bank Act, 1987 | General reserve | Debenture redemption reserve | Impairment Reserve | Retained earnings | Exchange differences on translating the financial statements of a foreign operation | Revaluation Reserve OCI | Equity instruments through Other Comprehensive Income | Debt instruments through Other Comprehensive Income | | |
| Balance as at 01-Apr-18 | 25.08 | 7,215.17 | 166.74 | 28,559.25 | 472.07 | 5,832.24 | 412.30 | 916.82 | 6,539.05 | - | 18,029.34 | 20.96 | - | - | (226.35) | 67,962.67 | 9,429.43 |
| Profit or loss | - | - | - | - | - | - | - | - | - | - | 9,951.66 | - | - | - | - | 9,951.66 | 492.03 |
| Other comprehensive income | - | - | - | - | - | - | - | - | - | - | (21.85) | 154.70 | - | - | 251.28 | 384.13 | 189.22 |
| Total Comprehensive Income for the year | - | - | - | - | - | - | - | - | - | - | 9,929.81 | 154.70 | - | - | 251.28 | 10,335.79 | 681.25 |
| Dividends to equity Shareholders | - | - | - | - | - | - | - | - | - | - | (1,241.16) | - | - | - | - | (1,241.16) | - |
| Dividend distribution tax | - | - | - | - | - | - | - | - | - | - | (248.23) | - | - | - | - | (248.23) | - |
| Issue of equity instruments and transfer from ESOP Reserve | (694.25) | - | - | 677.08 | - | - | - | - | - | - | - | - | - | - | - | (17.17) | - |
| ESOP charge | - | - | - | - | 225.48 | - | - | - | - | - | - | - | - | - | - | 225.48 | - |
| Transfers to / from retained Earnings | - | - | - | 236.96 | (236.96) | 1,671.70 | 124.92 | - | 3,802.07 | - | (5,598.69) | - | - | - | - | - | - |
| Income tax effect of ESOP | - | - | - | - | - | - | - | - | - | - | (1,246.43) | - | - | - | - | (1,246.43) | - |
| Transaction with non-controlling interests | - | - | - | - | - | - | - | - | - | - | (1,409.30) | - | - | - | - | (1,409.30) | (591.23) |
| Share application money Received | 675.32 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 675.32 | - |
| Effect of changes in group's Interest | - | 845.06 | - | - | - | - | - | - | - | - | - | - | - | - | - | 845.06 | 860.66 |
| Balance as at 31-Mar-19 | 6.15 | 8,060.23 | 166.74 | 29,473.29 | 460.59 | 7,503.94 | 537.22 | 916.82 | 10,341.12 | - | 18,215.34 | 175.66 | - | - | 24.93 | 75,882.03 | 10,380.11 |

Edelweiss Financial Services Limited

Reformatted Consolidated Statement of changes in equity (Continued)

(Currency: Indian rupees in millions)

Annexure IV

B. Other Equity (Continued)

| Particulars | Reserves and Surplus | | | | | | | | | | | Other Comprehensive Income | | | | Total attributable to owners of the parent | Non-Controlling Interest |
|--|---|-----------------|----------------------------|----------------------------|--|--|--|-----------------|------------------------------|--------------------|--------------------|---|-------------------------|---|---|--|--------------------------|
| | Share application money pending allotment | Capital Reserve | Capital Redemption Reserve | Securities Premium Account | ESOP reserve/Stock appreciation rights (SAR) | Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934 | Reserve under section 29C of the National Housing Bank Act, 1987 | General reserve | Debenture redemption reserve | Impairment Reserve | Retained earnings | Exchange differences on translating the financial statements of a foreign operation | Revaluation Reserve OCI | Equity instruments through Other Comprehensive Income | Debt instruments through Other Comprehensive Income | | |
| Balance as at 01-Apr-19 | 6.15 | 8,060.23 | 166.74 | 29,473.29 | 460.59 | 7,503.94 | 537.22 | 916.82 | 10,341.12 | - | 18,215.34 | 175.66 | - | - | 24.93 | 75,882.03 | 10,380.11 |
| Profit or loss | - | - | - | - | - | - | - | - | - | - | (20,452.45) | - | - | - | - | (20,452.45) | 14.73 |
| Other comprehensive income | - | - | - | - | - | - | - | - | - | - | (36.28) | 467.61 | 5,080.88 | (1,700.00) | 429.33 | 4,241.54 | 484.88 |
| Total Comprehensive Income for the year | - | - | - | - | - | - | - | - | - | - | (20,488.73) | 467.61 | 5,080.88 | (1,700.00) | 429.33 | (16,210.91) | 499.61 |
| Dividends to equity Shareholders | - | - | - | - | - | - | - | - | - | - | (266.51) | - | - | - | - | (266.51) | - |
| Dividend distribution tax | - | - | - | - | - | - | - | - | - | - | (102.38) | - | - | - | - | (102.38) | - |
| Transfers to securities premium on exercise of ESOP | - | - | - | 33.37 | (33.37) | - | - | - | - | - | - | - | - | - | - | - | - |
| Issue of equity instruments on ESOP | (85.88) | - | - | 84.14 | - | - | - | - | - | - | - | - | - | - | - | (1.74) | - |
| Share application money Received | 79.92 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 79.92 | - |
| ESOP Charge | - | - | - | - | 242.03 | - | - | - | - | - | - | - | - | - | - | 242.03 | - |
| Stock appreciation rights (SAR) | - | - | - | - | 148.93 | - | - | - | - | - | - | - | - | - | - | 148.93 | - |
| Transfers to / from retained Earnings | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers to / from retained Earnings | - | - | 106.88 | - | - | - | - | (90.26) | (1,619.61) | - | 1,602.99 | - | - | - | - | - | - |
| Transfer Under 45 -IC RBI | - | - | - | - | - | 143.66 | - | - | - | - | (143.66) | - | - | - | - | - | - |
| Transfer Under 29C NHB | - | - | - | - | - | - | 3.12 | - | - | - | (3.12) | - | - | - | - | - | - |
| Transfer under Lease impact - IND AS (Refer note 50.2) | - | - | - | - | - | - | - | - | - | - | (209.55) | - | - | - | - | (209.55) | - |
| Transfer under Impairment Reserve | - | - | - | - | - | - | - | - | - | 1,577.37 | (1,577.37) | - | - | - | - | - | - |
| Transaction with non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (115.97) |
| Transfer from securities Premium | - | - | - | (528.31) | - | - | - | - | - | - | - | - | - | - | - | (528.31) | - |
| Effect of changes in group's Interest | - | 198.50 | - | - | - | - | - | - | - | - | 1,418.69 | (253.10) | - | - | - | 1,364.09 | 19.91 |
| Balance at 31-Mar-20 | 0.19 | 8,258.73 | 273.62 | 29,062.49 | 818.18 | 7,647.60 | 540.34 | 826.56 | 8,721.51 | 1,577.37 | (1,554.30) | 390.17 | 5,080.88 | (1,700.00) | 454.26 | 60,397.60 | 10,783.66 |

1. Refer note 30 for information on nature of reserves maintained at Group level.

As per our report of even date attached

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

per Shrawan Jalan

Partner

Membership No: 102102

Rashesh Shah

Chairman, Managing Director & CEO

DIN: 00008322

Himanshu Kaji

Executive Director

DIN : 00009438

Sarju Simaria

Chief Financial Officer

B Renganathan

EVP & Company Secretary

Notes to the Reformatted Ind AS Consolidated Financial information

1. Background (FY 2019-20 and FY 2018-19)

The Company is principally engaged in providing investment banking services and holding company activities comprising of development, managerial and financial support to the business of Edelweiss group entities. The Company has its registered office at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai, India.

The Company is principally engaged in providing investment banking services and holding company activities comprising of development, managerial and financial support to the business of Edelweiss group entities.

2. Basis of preparation of Reformatted Ind AS Consolidated Financial information for the year ended 31 March 2020 and 31 March 2019

The Reformatted Consolidated Statement of Assets and Liabilities of Edelweiss Financial Services Limited ('the Company') as at 31 March 2020 and 31 March 2019 and the Reformatted Consolidated Statement of Profit and Loss and the Reformatted Consolidated Statement of Cash flows and the Reformatted Consolidated Statement of change in equity and the Summary of Significant Accounting Policies and explanatory notes for the year ended 31 March 2020 and 31 March 2019 (together referred as 'Reformatted Ind AS Consolidated Financial information') have been extracted by the Management from the Consolidated Ind AS Audited Financial Statements of the Company for the year ended 31 March 2020 and 31 March 2019 ("Audited Ind AS Financial Statements").

The Reformatted Ind AS Consolidated Financial information have been prepared by the management in connection with the proposed listing of secured redeemable non-convertible debentures of the Company with BSE Limited ('the stock exchanges'), in accordance with the requirements of:

a) Section 26 of the Companies Act, 2013; and

b) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008 issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time read along with the SEBI circular CIR/IMD/DF/18/2013 dated October 29, 2013 (together referred to as the "SEBI Regulations").

The Reformatted Ind AS Consolidated Financial information relate to Edelweiss Financial Services Limited ('the Company') and its subsidiaries, trusts (together 'the Group') and associates. The Group is primarily engaged in (a) agency business, which includes Broking, advisory, product distribution and other fee based services, (b) Capital based business which includes Income from lending business, (c) Life insurance and General insurance business (d) Asset reconstruction business and (e) Treasury business includes income from trading and investment activities.

The Reformatted Ind AS Consolidated Financial information of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). These Reformatted Ind AS Consolidated Financial information have been approved for issue by the Board of Directors of the Company on 05 March 2021.

These Reformatted Ind AS Consolidated Financial information have been prepared on a historical cost basis, except for entities under liquidation/ dissolution¹ and certain financial instruments such as financial asset measured at fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, fair value through Profit or Loss and other financial assets held for trading, certain property plant and equipment which have been measured at fair value. The Reformatted Ind AS Consolidated Financial information are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

¹Refer note 58

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

3. Presentation of reformatted Ind AS consolidated financial information (FY 2019-20 and FY 2018-19)

The Group presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 48.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the company and or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. transactions under International Swaps and Derivative Association (ISDA) master agreement) are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

4. Basis of consolidation: (FY 2019-20 and FY 2018-19)

The Reformatted Ind AS Consolidated Financial information as on 31 March 2020 and 31 March 2019, comprise the reformatted Ind AS standalone financial information of the Company and its subsidiaries as at 31 March 2020 and 31 March 2019 including any controlled structured entities. The Company consolidates a subsidiary when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Reformatted Ind AS Consolidated Financial information from the date the Group gains control until the date the Group ceases to control the subsidiary.

Reformatted Ind AS Consolidated Financial information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Reformatted Ind AS Consolidated Financial information for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial information in preparing the Reformatted Ind AS Consolidated Financial information to ensure conformity with the Group's accounting policies. However, no subsidiaries, associates and consolidated structure entities have followed different accounting policies than those followed by the Group for the preparation of these Reformatted Ind AS Consolidated Financial information.

The reformatted financial information of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

Consolidation procedure:

- a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Reformatted Ind AS Consolidated Financial information at the acquisition date.
- b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill, refer note no 5.25
- c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full). Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

4. Basis of consolidation: (*Continued*)

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. With respect to put options granted by the Group to the holders of non-controlling interests in a subsidiary, where the Group does not have a present ownership interest in the shares subject to put, till the put remains unexercised, non-controlling continues to be recognised including allocation of profit or loss, other comprehensive income and other changes in equity of the subsidiary. However, at each reporting date, the non-controlling interest is derecognised as if it were acquired at that date and a financial liability is recognised and measured at its fair value. The difference between these two amounts is recognised as an equity transaction and attributed to owners of the parent.

Given the level of judgement required regarding consolidation of structured entities, these considerations are described further in the significant accounting judgements in Note 6.1(c). Disclosures for investment in subsidiaries, and structured entities are provided in Note 58.

The reformatted financial information of all subsidiaries incorporated outside India are converted on the following basis: (a) Income and expenses are converted at the average rate of exchange applicable for the period/year and (b) All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of period/year end translation is debited or credited as "Foreign Exchange Translation Reserve" forming part of Other Comprehensive Income and accumulated as a separate component of other equity.

Investment in associates:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decision of the investee, but it's not control or joint control over those policies.

5. Significant accounting policies (FY 2018-19 & FY 2019-20)

5.1. Recognition of Interest and Dividend income

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

5. Significant accounting policies (*Continued*)

5.1. Recognition of Interest and Dividend income (*Continued*)

For purchased or originated credit-impaired (POCI) financial assets, the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

Dividend income is recognised in profit or loss when the Group's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

5.2 Financial Instruments

5.2.1 Date of recognition

Financial assets and financial liabilities, with the exception of borrowings are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. The Group recognises borrowings when funds are available for utilisation to the Group.

5.2.2 Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

5.2.3 Day 1 profit or loss

When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

5.3 Classification of financial instruments

5.3.1 Financial assets:

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- Fair value through other comprehensive income [FVOCI]
- Fair value through profit or loss [FVTPL]

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

5. Significant accounting policies (*Continued*)

5.3 Classification of financial instruments (*Continued*)

5.3.1 Financial assets: (*Continued*)

The Group measures debt financial assets that meet the following conditions at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt financial instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Other than above classification of amortised cost and FVOCI, all other financial assets are initially measured at fair value and subsequently measured at FVTPL.

5.3.1.1 Amortised cost and Effective interest method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

5.3.1.2 Financial assets held for trading

The Group classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there evidence of a recent pattern of short-term profit is taking. Held-for- trading assets and liabilities are recorded and measured in the balance sheet at fair value. Financial assets designated at FVTPL, please refer note 5.3.2.2

5.3.1.3 Financial asset measured at FVOCI

Unrealised gains or losses on debt instruments measured at FVOCI are recognised in other comprehensive income, and on derecognition of such instrument accumulated gains or losses are recycled to profit and loss statement. Interest income on such instrument is recognised in profit and loss statements as per EIR method.

5.3.1.4 Investment in equity instruments

The Group subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to classify irrevocably some of its strategic equity investments to be measured at FVOCI, when such instruments meet the definition of equity under Ind AS and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

5. Significant accounting policies (*Continued*)

5.3 Classification of financial instruments (*Continued*)

5.3.2 Financial liabilities

All financial liabilities are measured at amortised cost except loan commitments, financial guarantees, and derivative financial liabilities.

5.3.2.1 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the instrument.

The Group issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

5.3.2.2 Financial assets and Financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Group's own credit risk. Such changes in fair value are recorded in the own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

5.3.2.3 Financial guarantee:

Financial guarantees are contracts that require the Group to make specified payments to reimburse to holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial guarantee issued or commitments to provide a loan at below market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently they are measured at higher of this amortised amount and the amount of loss allowance.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

5. Significant accounting policies (*Continued*)

5.3 Classification of financial instruments (*Continued*)

5.3.2 Financial liabilities (*Continued*)

5.3.2.4 Loan commitment

Undrawn loan commitments are commitments under which, the Group is required to provide a loan with pre-specified terms to the customer during the duration of commitment.

5.3.3 Financial liabilities and equity instruments

Financial instruments issued by the group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

5.3.4 Derivatives

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Group has designed a risk strategy based to cover exposure on issuance of Benchmark Linked Debentures, by entering into a derivative contracts either to minimise the loss or to earn a minimum committed income by entering into a combination of derivative contracts (say for example purchased call and put options) with a wide range of strike prices. Above strategy has been approved by the risk committee and ensures that risk is fully or partially covered, hence support to reduce the risk exposure

Derivatives are initially recognised at fair value and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss is recognised in profit or loss immediately

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, foreign exchange rate, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract.

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

5. Significant accounting policies (*Continued*)

5.4 Reclassification of financial assets and financial liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified

5.5 Derecognition of financial assets and financial liabilities

5.5.1 Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial assets, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial asset are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be POCI

When assessing whether or not to derecognise a financial assets, amongst others, the Group considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

5.5.2 Derecognition of financial assets (other than due to substantial modification)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients

The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

5. Significant accounting policies (*Continued*)

5.5.2 Derecognition of financial assets (other than due to substantial modification) (*Continued*)

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset; or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

5.5.3 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, would be recognised in profit or loss.

5.6 Impairment of financial assets

The Group records allowance for expected credit losses for all financial assets, other than financial assets held at FVTPL, together with loan commitment and financial guarantee contracts. Equity instruments are not subject to impairment.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However, if receivables contain a significant financing component, the Group chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

For all other financial assets, where ECL to be recognised, the Group recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance for such instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

5. Significant accounting policies (*Continued*)

5.6 Impairment of financial assets (*Continued*)

The measurement of ECL is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default (EAD). The assessment of the PD and LGD is based on historical data adjusted by forward-looking information. As for the EAD, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the borrowers, and other relevant forward-looking information.

For financial assets, ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The Group recognises an impairment loss or reversal of impairment loss in the profit and loss statement with a corresponding adjustment to their carrying amount through a loss allowance account.

If a financial instrument includes both a loan (i.e. financial asset) and an undrawn commitment (i.e. loan commitment) component and the Group cannot separately identify the ECL on the loan commitment component from those on the financial asset component, the ECL on the loan commitment have been recognised together with the loss allowance for the financial asset. To the extent that the combined ECL exceed the gross carrying amount of the financial asset, the ECL have been recognised as a provision. Also, for other loan commitments and all financial guarantee contracts, the loss allowance has been recognised as a provision.

5.7 Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodical basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models.

5.8 Collateral repossessed

The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Group's policy.

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

5.9 Write off

Financial assets are written off either partially or in their entirety only when the Group has no reasonable expectation of recovery.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

5. Significant accounting policies (*Continued*)

5.10 Forborne and modified loan

The Group sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Group considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Group's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case- by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset, until it is collected or written off.

5.11 Determination of fair value

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the reformatted Ind AS consolidated financial information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

5. Significant accounting policies (*Continued*)

5.11 Determination of fair value (*Continued*)

Therefore, the Group applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Group evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

5.12 Revenue from contracts with customers

Revenue is measured at transaction price i.e. the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The Group consider the terms of the contract and its customary business practices to determine the transaction price. Where the consideration promised is variable, the Group excludes the estimates of variable consideration that are constrained. The Group applies the five step approach for the recognition of revenue:

- I. Identification of contract
- II. Identification of the separate performance obligation in the contract
- III. Determination of transaction price
- IV. Allocation of transaction price to separate performance obligation and
- V. Recognition of revenue when (or as) each performance obligation is satisfied

The Group recognises revenue from the following sources:

- a. Fee income including investment banking, advisory fees and syndication fees, is accounted over the period as the customer simultaneously receives and consumes the benefits, as the services are rendered.
- b. Clearing fee income arises, when the performance obligation related to trade is executed and a valid contract is generated for the trade. Fee income is accounted for, at a point in time or over a period of time in accordance with the terms and contracts entered into between the Group and the counterparty.
- c. Brokerage income on securities and commodities broking business is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date and is reflected net of related sub-brokerage expenses, goods and service tax ("GST"), transaction charges and stock exchange expenses. Brokerage income on insurance broking business is recognised on an accrual basis at the inception of the insurance policy once the policy is issued by the insurance company based on the terms agreed with the insurance companies and is exclusive of GST.
- d. Investment management fees are recognised net of GST over the tenure in accordance with the Investment Management Agreement with Edelweiss Mutual Fund ('the mutual fund') and comply with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 based on average Assets Under Management ('AUM') confirmed by the mutual fund.
- e. Management fee from trusts declared by it for acquisition of financial assets and the same is accounted for over the tenure as per terms of the relevant trust deeds and offer document issued by the Trust. Further any upside share in excess realisation over acquisition price of financial asset is recognised at point in time basis as per terms of the relevant trust deed/offer document. Redemption incentive and recovery incentive is accounted over the period on cash basis, i.e. as and when received by the Group, based on terms of the relevant trust deeds and offer document issued by the Trust.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

5. Significant accounting policies (*Continued*)

5.12 Revenue from contracts with customers (*Continued*)

- f. Portfolio management fees are recognised over the tenure in accordance with portfolio management agreement entered with respective clients.
- g. Interest on delayed payments, warehousing charges and rental income are recognised as revenue on certainty of realisation.
- h. Agency commission/procurement income is recorded in pursuant to terms and conditions mentioned in scope of work or agreement.
- i. Real estate advisory fee income is recognised basis the terms and conditions mentioned in the agreement.
- j. Revenue from fund management services (excluding mutual fund business) is recognised over the tenure in accordance with the terms and conditions of the investment management agreement between the Group and the Fund for which the Group acts as a fund manager.
- k. Revenue from rendering of trustee services is recognised in accordance with the terms and conditions of the Compensation Agreement between the trustee company and the fund. The amount recognised as revenue is exclusive of GST.
- l. Commodities sales are accounted as per the terms of agreement with parties.
- m. Sale during the course of import by transfer of documents of title i.e. high seas sale is booked upon transfer of documents of title to the goods in favour of buyer before the goods cross the custom frontiers of India.
- n. The Group recognises incremental costs of obtaining a contract with a customer as an asset if it expects to recover those costs. This asset is amortised to profit or loss on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.
- o. Lease rentals are recognised as income in Statement of Profit and Loss on a straight line basis over the lease term. Costs related to operating and maintenance of investment property is recognised as expense.
- p. Insurance and other claims are recognised as revenue on certainty of realisation.
- q. Profit or loss on sale of investments is recognised on trade date basis.

5.13 Operating leases

Group as a lessee

The Group has applied IND AS 116 using the partial retrospective approach.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use) . Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

5. Significant accounting policies (*Continued*)

5.13 Operating leases (*Continued*)

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term lease

The Group has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight line basis over lease term.

Group as lessor:

The Group's accounting policy under Ind AS 116 has not changed from the comparative period. As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

5.14 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

5.15 Foreign currency transactions

The Reformatted Ind AS Consolidated Financial information are presented in Indian Rupees which is also functional currency of the Parent. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

5. Significant accounting policies (*Continued*)

Annexure V

5.16 Retirement and other employee benefit

Provident fund and national pension scheme

The Group contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

Gratuity

The Group's gratuity scheme is a defined benefit plan. The Group's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method. Benefits in respect of gratuity are funded with an Insurance company approved by Insurance Regulatory and Development Authority (IRDA).

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods

Compensated Absences

The eligible employees of the Group are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Group recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

5.17 Share-based payment arrangements

Equity-settled share-based payments to employees are granted by the ultimate parent Company. These are measured by reference to the fair value of the equity instruments at the grant date. These includes Stock Appreciation Rights (SARs) where the right to receive the difference between the SAR price and the market price of equity shares of the ultimate parent Company on the date of exercise, either by way of cash or issuance of equity shares of the ultimate parent Company, is at the discretion of the ultimate parent Company. These are classified as equity settled share based transaction.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'ESOP reserve'. In cases where the share options granted vest in instalments over the vesting period, the Group treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

5. Significant accounting policies (*Continued*)

5.18 Property, plant and equipment and right – of – use assets

Property plant and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs incurred on an item of property, plant and equipment is recognised in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Group has evaluated the useful lives of the respective property, plant and equipment which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the property, plant and equipment are as follows:

Estimated useful lives of the assets are as follows:

| Nature of assets | Estimated useful life |
|---|-----------------------|
| Building (other than Factory Building) | 60 years |
| Plant and Equipments | 15 years |
| Furniture and fixtures | 10 years |
| Vehicles | 8 years |
| Vessel (Boat) | 13 years |
| Office Equipment | 5 years |
| Computers - Servers and networks | 6 years |
| Computers - End user devices, such as desktops, laptops, etc. | 3 years |
| Solar power plant | 15 years |

Change in accounting policy for land and buildings from 31st March 2020:

Land and buildings are subsequently shown at fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Valuations will be carried out on a regular basis, unless the management consider it appropriate to have an earlier revaluation, such that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset (Refer note no. 19 for details)

Subsequent measurement of land and building under revaluation model:

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a revaluation reserve in shareholders' equity. An exception is a gain on revaluation that reverses a revaluation decrease (impairment) on the same asset previously recognised as an expense. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve directly in equity; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

5. Significant accounting policies (*Continued*)

5.18 Property, plant and equipment and right – of – use assets (*Continued*)

Right-of-use assets are presented together with property and equipment in the statement of financial position – refer to the accounting policy 5.13. Right-of-use assets are depreciated on a straight-line basis over the lease term.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

5.19 Intangible assets

The Group's intangible assets mainly include the value of computer software and management rights. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life.

5.20 Impairment of non-financial assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

5.21 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

5.22 Provisions and other contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre- tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

5. Significant accounting policies (*Continued*)

5.22 Provisions and other contingent liabilities (*Continued*)

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the reformatted Ind AS consolidated financial information since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

5.23 Income tax expenses

Income tax expense represents the sum of the tax currently payable and deferred tax.

5.23.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

5.23.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the reformatted Ind AS consolidated financial information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets are also recognised with respect to carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

It is probable that taxable profit will be available against which a deductible temporary difference, unused tax loss or unused tax credit can be utilised when there are sufficient taxable temporary differences which are expected to reverse in the period of reversal of deductible temporary difference or in periods in which a tax loss can be carried forward or back. When this is not the case, deferred tax asset is recognised to the extent it is probable that:

- the entity will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or
- tax planning opportunities are available that will create taxable profit in appropriate periods.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the subsidiaries expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

5. Significant accounting policies (*Continued*)

23.2 Deferred tax (*Continued*)

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum alternate tax (MAT)

MAT paid in a year is charged to the statement of profit and loss as current tax. The Group recognises unused MAT credit as a deferred tax asset only to the extent that it is probable that the Group will be able to utilise during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises deferred tax asset (MAT credit) as an asset, the said asset is created by way of credit to the statement of profit and loss. The Group reviews the MAT asset at each reporting date and writes down the asset to the extent that it is not probable that the Group will be able to utilise it during the specified period.

5.24 Investment properties:

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

5.25 Business Combination :

The acquisition method of accounting is used for business combinations by the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values with certain limited exceptions. Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is tested for impairment annually or more frequently if impairment indicators exists. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Business combination under common control:

Common control business combinations includes transactions, such as transfer of subsidiaries or businesses, between entities within a group. Group has accounted all such transactions based on pooling of interest method, which is as below:-

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

5. Significant accounting policies (*Continued*)

5.25 Business Combination : (*Continued*)

- The financial information in the reformatted Ind AS consolidated financial information in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial information, irrespective of the actual date of the combination.

The identity of the reserves shall be preserved and shall appear in the financial information of the transferee in the same form in which they appeared in the financial information of the transferor. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve

5.26 Inventories:

Inventories are valued at weighted average cost or net realisable value whichever is lower.

5.27 Significant accounting policies of life insurance business (Edelweiss Tokio Life Insurance Company Limited) ("ETLIFE"):

a. Product classification

Insurance contract

Insurance contracts are those contracts when ETLIFE has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

As a general guideline, ETLIFE determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Such contract remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Contracts can be classified as insurance contracts after inception if insurance risk becomes significant.

Investment contract

Investment contracts are those contracts which are not insurance contract. Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant. Some insurance and investment contracts contain a discretionary participation feature (DPF), which is a contractual right to receive additional benefits as a supplement to guaranteed benefits.

Insurance and investment contracts are further classified as with DPF, Linked Business and Others. Insurance contracts and investment contracts with DPF are measured and accounted under existing accounting practices at the date of transition to Ind AS.

b. Revenue recognition:

Premium Income:

Premium income on insurance contracts and investment contracts with DPF are recognised as income when due from policyholders. For regular premium contracts, receivables are recognised at the date when payments are due.

In respect of linked business, premium income is recognised when the associated units are allotted. Top up premiums paid by unit-linked policyholders are considered as single premium and recognised as income when the associated units are created.

5. Significant accounting policies (*Continued*)

5.27 Significant accounting policies of life insurance business (Edelweiss Tokio Life Insurance Company Limited ("ETLIFE")): (*Continued*)

Where policies lapse due to non-receipt of premiums, then all the related premium income accrued but not received from the date they are deemed to have lapsed is offset against premiums. Premium on lapsed policies is recognised as income on receipt basis on reinstatement or revival of these policies.

- **Reinsurance premium ceded:**

Reinsurance premium ceded is accounted at the time of recognition of premium income in accordance with the treaty or in principle arrangement/agreement with the reinsurers.

- **Income from Unit Linked Policies**

Income from unit-linked policies, which include fund management charges, policy administration charges, mortality charges and other charges, wherever applicable, are recovered from the unit-linked funds in accordance with the terms and conditions of the policies issued and are recognised as and when due.

- **Fee management charges of investment contract**

Investments contract policyholders are charged fees for policy administration, investment management, surrenders or other contract services. The fees are recognised as revenue in the period in which they are collected unless they relate to services to be provided in future periods, in which case they are deferred and recognised as and when the services are provided.

- **Interest income on policy loans is recognised using effective interest rate method**

c. **Acquisition costs**

Acquisition cost which are primarily relatable to the acquisition of insurance and investment contracts with DPF are expensed in the period in which they are incurred.

For investment contracts with or without DPF, acquisition costs that are directly attributable to securing an investment contract are deferred and amortised over the period in which the service is provided.

Benefits paid:

Benefits paid consists of the policy benefit and claim settlement costs, if any.

- **Non-linked business**

Death, rider, withdrawals and surrender claims are accounted for on receipt of intimation. Maturity, survival benefit and annuities are accounted when due.

- **Linked-business**

Death and rider are accounted for on receipt of intimation. Maturity claims and survival benefit are accounted for on due basis. Surrenders and withdrawals are accounted for on receipt of intimation. Amount payable on lapsed/discontinued policies are accounted for on expiry of lock in period of these policies.

- **Reinsurance**

Reinsurance claims receivable are accounted for in the same period as the related claim.

5. Significant accounting policies (*Continued*)

5.27 Significant accounting policies of life insurance business (Edelweiss Tokio Life Insurance Company Limited ("ETLIFE")): (*Continued*)

d. Reinsurance ceded

ETLIFE cedes reinsurance in the normal course of business, with retention limits varying by line of business. Premiums ceded and claims reimbursed are presented on a gross basis in the statement of profit and loss.

Reinsurance assets primarily include balances due from reinsurance companies for ceded insurance. Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying contract liabilities, outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the company will receive from the reinsurer. The impairment loss is recorded in the statement of Profit or loss.

e. Liability adequacy test

ETLIFE assesses at the end of each reporting period whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency shall be recognised in the statement of profit or loss.

f. Policyholder Liability

Insurance contract and investment contract with DPF

Insurance and investment contract with DPF claims / liabilities are measured using the accounting policies consistent with those adopted previously under existing accounting practices.

Hence, the policyholder liabilities are calculated in accordance with the accepted actuarial practice, requirements of Insurance Act, 1938 and amendments thereafter, applicable regulations notified by the Insurance Regulatory and Development Authority of India (IRDAI), and Actuarial Practice Standards issued by the Institute of Actuaries of India.

g. Investment contracts without DPF

Liability in respect of investment contracts is recognised in accordance with Ind AS, taking into account accepted actuarial practices.

h. Unclaimed amount of policyholders

- Assets held for unclaimed amount of policyholders is created and maintained in accordance with the requirement of IRDAI Regulations and Investment Regulations, 2016 as amended from time to time.
- Unclaimed amount of policyholders' assets grouped under other financial assets is invested in money market instruments and / or fixed deposits of scheduled banks which are valued at amortised cost.
- Income on unclaimed amount of policyholders is credited to respective unclaimed account and is accounted for on an accrual basis.
- Amount payable on account of income earned on assets held for unclaimed amount of policyholders is accounted for on an accrual basis and is disclosed net of fund management charges.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

5. Significant accounting policies (*Continued*)

5.27 Significant accounting policies of life insurance business (Edelweiss Tokio Life Insurance Company Limited ("ETLIFE")): (*Continued*)

h. Unclaimed amount of policyholders (*Continued*)

- Unclaimed amount of policyholders' liability grouped under trade payables is determined on the basis of NAV of the units outstanding as at the valuation date.
- Amounts remaining unclaimed for a period of 10 years together with all respective accretions to the fund as per the above mentioned regulations are deposited into the Senior Citizen Welfare Fund (SCWF).

5.28 Significant accounting policies of General insurance business (Edelweiss General Insurance Company Limited - "EGICL")

Revenue recognition in general insurance business

- Premium Income

Premium income including reinsurance accepted (net of goods and service tax), is recognised as income at the commencement of risk over the contract period or the period of risk, whichever is appropriate, on a gross basis and for instalment basis, it is recognised on instalment due dates. Reinstatement premium is recorded as and when such premiums are recovered. Any subsequent revisions to premium are recognised in the year in which they occur over the remaining period of risk or contract period, as applicable. Adjustments to premium income arising on cancellation of policies are recognised in the period in which they are cancelled. Premium received in advance represents premium received prior to the commencement of the risk.

- Reinsurance Ceded

Insurance premium on ceding of the risk is recognised in the period in which the risk commences in accordance with reinsurance arrangements with the reinsurers. Any subsequent revisions to, refunds or cancellations of premiums are recognised in the year in which they occur. Premium on excess of loss reinsurance cover is accounted as per the terms of the reinsurance arrangements. Adjustment to reinsurance premium arising on cancellation of policies is recognised in the period in which they are cancelled.

- Commission income from reinsurance ceded

Commission from reinsurance ceded is recognised as income on ceding of reinsurance premium in the period of ceding of risk. Profit commission under reinsurance treaties, wherever applicable, is recognised as income in the year of final determination of profits as confirmed by reinsurers and combined with commission on reinsurance ceded.

- Reserve for Unexpired Risk

Reserve for unexpired risk represent that part of net written premium which is attributable to and allocated to the succeeding accounting periods. Reserve for unexpired risk is calculated on net written premium on all unexpired policies at the balance sheet date based on 1/365th method for all segments, other than Health insurance policies with Health 241 Add ON cover. In Marine Hull business it is subject to a minimum of 100%.

In Health insurance policies with Health 241 Add ON cover; the unexpired risk is calculated on net written premium on all unexpired policies at the balance sheet date based on:

- a) 1/730 basis where there is no claim reported in the 1st year of policy
- b) 1/365 basis where the claim is reported in the 1st year of policy

5. Significant accounting policies (*Continued*)

5.28 Significant accounting policies of General insurance business (Edelweiss General Insurance Company Limited - "EGICL") (*Continued*)

- Claims Incurred

Claims incurred comprise of claims paid (net of salvage and other recoveries), change in estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER). Further, claims incurred also include specific claim settlement costs comprising survey fees, legal expenses and other directly attributable costs. Claims (net of amounts receivable from reinsurers/coinsurers) are recognised on the date of intimation based on internal management estimates or on estimates from surveyors/insured in the respective revenue account(s).

Estimated liability for outstanding claims at balance sheet date is recorded net of claims recoverable from / payable to co-insurers / reinsurers, salvage to the extent there is certainty of realisation and other recoveries. Estimated liability for outstanding claims is determined by the management on the basis of ultimate amounts likely to be paid on each claim, established by the management in light of past experience and progressively modified for changes as appropriate, on availability of further information and in cases where claim payment period exceeds four years based on actuarial valuation. These estimates include claim settlement costs likely to be incurred to settle outstanding claims.

IBNR reserves are provisions for claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, for claims that have been incurred but are not enough reported (IBNER). The provision for IBNR and IBNER is based on actuarial estimate duly certified by the Appointed Actuary of EGICL. The actuarial estimate is derived in accordance with relevant IRDAI regulations and Guidance Note GN 21 issued by the Institute of Actuaries of India. The Appointed Actuary has certified that the methodology and assumptions used to estimate the liability are appropriate and in accordance with guidelines and norms issued by the Institute of Actuaries of India in concurrence with the IRDAI regulations.

- Premium deficiency

Premium deficiency ('PDR') is recognised at segmental revenue account level, when the sum of expected net claim costs, related expenses and maintenance costs (related to claims handling) exceed the reserve for unexpired risks. The premium deficiency is calculated and duly certified by the Appointed Actuary.

6. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 5, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

6. Critical accounting judgements and key sources of estimation uncertainty (*Continued*)

6.1. Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Reformatted Ind AS Consolidated Financial information.

a. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

b. Significant increase in credit risk

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

c. Consolidation of structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. In the context of the Group, structured entities comprise securitisation trusts in asset reconstruction business, mutual fund schemes and alternative investment funds / schemes thereof. The Group consolidates the structured entities that it controls. When making this judgement, the Group also considers voting and similar rights available to itself and other parties, who may limit the Group's ability to control, including rights to appoint, reassign or remove members of the structured entity's key management personnel who have the ability to direct the relevant activities, the exposure to variability of returns and whether the Group has the ability to use its power to affect the amount of the Group's returns i.e. the variability of returns in relation to the total returns of the investee entity.

d. Determining lease term for lease contracts with renewal and termination option:

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

6. Critical accounting judgements and key sources of estimation uncertainty (*Continued*)

6.1. Critical judgements in applying accounting policies (*Continued*)

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain, whether or not, to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

6.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Group based its assumptions and estimates on parameters available when the Reformatted Ind AS Consolidated Financial information were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

For Investments made into Security receipts (SRs), Group uses discounted cash flow model, given that the SRs are less liquid instruments. Expected cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, nature and value of collaterals, manner of resolution and other economic drivers. For any valuation which are based on models, Judgements and estimates are applied, which include considerations of liquidity, credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

b. Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- PD calculation includes historical data, assumptions and expectations of future conditions.
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

6. Critical accounting judgements and key sources of estimation uncertainty (*Continued*)

6.2 Key sources of estimation uncertainty (*Continued*)

- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It is Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

c. Effective interest rate method

The Group's EIR methodology, as explained in Note 5.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.

d. Accounting for deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has recognised deferred tax assets on carried forward tax losses with respect to certain subsidiaries where the Group believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. The losses are allowed to be carried forward to the years in which the Group expects that there will be sufficient taxable profits to offset these losses.

e. Estimating the incremental borrowing rate:

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

f. Asset liability management

Management has made an assessment of its ability to continue and is satisfied that it has the resources to continue in business for the foreseeable future.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

7. Standards issued but not yet effective:

FY 2019-20

There are no new standard or amendment issued but not effective.

FY 2018-19

7.1. Ind AS 116 Leases:

Ind AS 116 Leases replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The application of this standard is not likely to have a material impact on the Consolidated Financial Statements.

7.2. Prepayment Features with Negative Compensation (Amendments to Ind AS 109)

The amendments to Ind AS 109 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. These amendments are to be applied for annual periods beginning on or after 1 April, 2019.

The application of these amendments is not likely to have a material impact on the Consolidated Financial Statements.

7.3. Long-term Interests in Associates and Joint Ventures (Amendments to Ind AS 28)

The amendment clarifies that Ind AS 109, including its impairment requirements, applies to long-term interests. Furthermore, in applying Ind AS 109 to long-term interests, an entity does not take into account adjustments to their carrying amount required by Ind AS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with Ind AS 28). These amendments are to be applied retrospectively in accordance with Ind AS 8 for annual reporting periods beginning on or after 1 April 2019. Specific transition provisions apply depending on whether the first-time application of the amendments coincides with that of Ind AS 109.

The application of these amendments is not likely to have a material impact on the Consolidated Financial Statements.

7.4. Annual Improvements to Ind AS (2018)

7.4.1 Ind AS 12 Income taxes

The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. These amendments are to be applied for annual periods beginning on or after 1 April 2019.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

7. **Standards issued but not yet effective (continued):**

7.4.2 Ind AS 23 Borrowing costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. These amendments are to be applied for annual periods beginning on or after 1 April 2019.

7.4.3 Ind AS 103 Business Combinations

The amendments clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation. These amendments are to be applied for business combinations in which the date of acquisition is on or after 1 April 2019.

7.4.4 Ind AS 111 Joint Arrangements

The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not remeasure its PHI in the joint operation. These amendments are to be applied to transactions in which joint control is obtained on or after 1 April 2019.

The application of all of the above amendments is not likely to have a material impact on the Consolidated Financial Statements.

7.5. Plan Amendment, Curtailment or Settlement (Amendments to Ind AS 19)

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). The change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

An entity is also now required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under Ind AS 19 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

These amendments are to be applied to plan amendments, curtailments or settlements occurring on or after 1 April 2019. The application of these amendments is not likely to have a material impact on the Consolidated Financial Statements.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

Annexure V

7. Standards issued but not yet effective (continued):

7.6. Uncertainty over Income Tax Treatments (Appendix C of Ind AS 12)

This Appendix sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Appendix requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
 - If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
 - If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The Appendix is effective for annual periods beginning on or after 1 April 2019.

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

8. Cash and cash equivalents

| | 31-Mar-20 | 31-Mar-19 |
|---|------------------|------------------|
| Cash in hand | 4.81 | 56.01 |
| Cheques in hand | 44.41 | 295.28 |
| Balances with banks: (refer note 1 below) | | |
| - in Current accounts | 28,234.79 | 21,653.75 |
| - in fixed deposits with original maturity less than 3 months | 21,141.18 | 9,153.17 |
| Total | 49,425.19 | 31,158.21 |

Note 1:

Pledged bank balance/fixed deposits aggregating to ₹ 4,623.07 millions (FY 2018-19 : ₹ Nil millions) against NCD issued.

9. Bank Balance other than cash and cash equivalents

| | 31-Mar-20 | 31-Mar-19 |
|---|------------------|------------------|
| Fixed deposits at amortised cost (refer Note 1 below) | 36,657.89 | 33,383.32 |
| (held as margin money or security against borrowings, guarantees) | | |
| In unpaid dividend accounts | 13.00 | 12.73 |
| Total | 36,670.89 | 33,396.05 |

Note 1:

- Pledged fixed deposit aggregating to ₹ 6,284.86 millions (FY 2018-19 : ₹ 6,336.77 millions) with bank for securing credit facilities, obtaining bank guarantees, securitisation contracts and meeting margin requirement for trading in cross currency swaps and forward margin.
- Pledged fixed deposit aggregating to ₹ 18,228.05 millions (FY 2018-19 : ₹ 13,183.43 millions) with exchange to meet margin requirement.
- Pledged fixed deposit aggregating to ₹ 41.89 millions (FY 2018-19 : ₹ 155.61 millions) with VAT, CST and excise authorities.
- Pledged fixed deposit aggregating to ₹ 22.42 millions (FY 2018-19 : ₹ 21.25 millions) with exchange towards arbitration.
- Pledged fixed deposit aggregating to ₹ 56.39 millions (FY 2018-19 : ₹ 47.77 millions) with agriculture produce market committee for obtaining Mandi license.
- Pledged fixed deposit aggregating to ₹ 5.00 millions (FY 2018-19 : ₹ 5.00 millions) with IRDA.
- Earmarked with bank for a specific purpose ₹ 6,503.70 millions (FY 2018-19 : ₹ Nil millions) and therefore not available for immediate and general use.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

10. Derivative financial instruments

| | 31-Mar-20 | Notional amount (Units) | Fair value of asset (₹) | Notional amount (Units) | Fair value of liability (₹) |
|--|----------------|----------------------------|----------------------------|----------------------------|--------------------------------|
| (i) Currency derivatives | | | | | |
| Spot and forwards | 34,39,607 | 0.03 | 1,01,84,303 | 216.14 | |
| Currency Futures | 3,00,00,000 | 29.14 | 3,08,86,000 | 24.07 | |
| Options purchased | 29,46,21,000 | 485.50 | - | - | |
| Options sold | - | - | 29,91,85,000 | 527.23 | |
| Less: amounts offset (refer note 10.1) | - | (29.16) | - | (767.44) | |
| Sub total (i) | | 485.51 | | - | |
| (ii) Interest rate derivatives | | | | | |
| Forwards and Interest Rate Swaps | 4,25,00,00,000 | 85.65 | 7,75,00,00,000 | 162.84 | |
| Futures | 10,00,000 | 1.31 | 4,39,60,000 | 38.74 | |
| Less: amounts offset (refer note 10.1) | - | (1.31) | - | (38.74) | |
| Subtotal (ii) | | 85.65 | | 162.84 | |
| (iii) Equity linked derivatives | | | | | |
| Stock Futures | 56,55,939 | 43.50 | 92,24,636 | 55.87 | |
| Swaps | - | - | 1,45,550 | 0.24 | |
| Less: amounts offset (refer note 10.1) | - | (43.50) | - | (56.11) | |
| Subtotal (iii) | | - | | - | |
| (iv) Index linked derivatives | | | | | |
| Index Futures | 2,99,045 | 10.23 | 14,71,365 | 154.86 | |
| Options purchased | 1,13,32,750 | 2,112.95 | - | - | |
| Options sold (written) | - | - | 2,28,60,665 | 3,331.92 | |
| Less: amounts offset (refer note 10.1) | - | (10.23) | - | (572.15) | |
| Subtotal (iv) | | 2,112.95 | | 2,914.63 | |
| (v) Embedded derivatives | | | | | |
| In market linked debentures | Not Applicable | 2,637.76 | Not Applicable | 735.01 | |
| Subtotal (v) | | 2,637.76 | | 735.01 | |
| Total | | 5,321.87 | | 3,812.48 | |
| | 31-Mar-19 | Notional amount (Units) | Fair value of asset (₹) | Notional amount (Units) | Fair value of liability (₹) |
| (i) Currency derivatives | | | | | |
| Spot and forwards | 1,26,65,833 | 22.75 | - | - | |
| Currency Futures | 3,90,07,000 | 10.33 | 1,36,80,000 | 4.42 | |
| Currency Forwards | - | - | 3,56,24,205 | 2.48 | |
| Options purchased | 52,29,00,000 | 153.34 | - | - | |
| Options sold | - | - | 60,55,87,000 | 175.11 | |
| Less: amounts offset (refer note 10.1) | | (33.08) | | (179.53) | |
| Sub total (i) | | 153.34 | | 2.48 | |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

10. Derivative financial instruments (*Continued*)

| 31-Mar-19 | Notional amount (Units) | Fair value of asset (₹) | Notional amount (Units) | Fair value of liability (₹) |
|--|----------------------------|----------------------------|----------------------------|--------------------------------|
| (ii) Interest rate derivatives | | | | |
| Forwards and Interest Rate Swaps | 7,75,00,00,000 | 138.50 | 34,75,00,00,000 | 443.58 |
| Futures | 1,17,36,000 | 0.80 | 2,85,94,000 | 17.39 |
| Less: amounts offset (refer note 10.1) | | (1.71) | | (17.39) |
| Subtotal (ii) | | 137.59 | | 443.58 |
| (iii) Equity linked derivatives | | | | |
| Stock Futures | 1,12,51,197 | 74.14 | 88,95,974 | 24.37 |
| Options purchased | 2,85,150 | 3.11 | - | - |
| Options sold (written) | - | - | 14,64,616 | 14.35 |
| Swaps | - | - | 88,000 | 22.20 |
| Less: amounts offset (refer note 10.1) | | (74.14) | | (60.91) |
| Subtotal (iii) | | 3.11 | | 0.01 |
| (iv) Index linked derivatives | | | | |
| Index Futures | 2,74,200 | 23.81 | 6,16,500 | 27.99 |
| Options purchased | 2,46,77,675 | 1,066.05 | - | - |
| Options sold (written) | - | - | 5,30,13,215 | 775.79 |
| Less: amounts offset (refer note 10.1) | | (23.81) | | (789.42) |
| Subtotal (iv) | | 1,066.05 | | 14.36 |
| (v) Embedded derivatives | | | | |
| In market linked debentures | Not Applicable | 580.81 | Not Applicable | 1,469.08 |
| Subtotal (v) | | 580.81 | | 1,469.08 |
| (vi) Other derivatives | | | | |
| Variance swaps | - | - | 814 | 8.58 |
| Less: amounts offset (refer note 10.1) | | - | | (8.58) |
| Subtotal (vi) | | - | | - |
| Total | | 1,940.90 | | 1,929.51 |

Notes

- Notional amounts in the above tables refer to number of underlying equity shares in case of stock futures and options, number of underlying index units in case of index-linked derivatives, number of underlying currency units in case of currency derivatives, number of underlying government securities / bonds in case of interest rate futures, amount of notional currency in case of interest rate swaps.
- Group has designed a risk based strategy to cover exposure on issued Benchmarked Linked Debentures, by entering into a derivative contracts either to minimise the loss or to earn a minimum committed income by entering into a combination of derivative contracts (say for example purchased call and put options) with a wide range of strike prices. Above strategy has been approved by the risk committee of respective subsidiary Companies in the Group and ensures that risk is fully or partially covered, which supports to reduce the risk exposure.

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

10.1 Offsetting:

The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet:

Financial assets subject to offsetting, netting arrangements

As at 31 March 2020:

| Financial assets subject to offsetting | Offsetting recognised in the balance sheet | | | Netting potential not recognised in balance sheet | | | Assets not subject to netting arrangements | Total assets | Maximum Exposure to Risk |
|---|--|----------------|---------------------------------------|---|---------------------|---|--|---------------------------------|--|
| | Gross asset before offset | Amount offset* | Net asset recognised in balance sheet | Financial liabilities | Collateral received | Assets after consideration of netting potential | Assets recognised in the balance sheet | Recognised in the balance sheet | After consideration of netting potential |
| Derivative financial assets | 3,138.69 | 84.20 | 3,054.49 | 97.83 | (54.82) | 3,011.48 | 2,267.38 | 5,321.87 | 5,278.86 |
| Cash settlement balances from clearing houses | 160.02 | 160.02 | - | - | - | - | - | - | - |
| Margin placed with broker | 1,310.89 | 67.19 | 1,243.70 | - | - | 1,243.70 | - | 1,243.70 | 1,243.70 |

| Financial liabilities subject to offsetting | Offsetting recognised in the balance sheet | | | Netting potential not recognised in balance sheet | | | Liabilities not subject to netting arrangements | Total liabilities | Maximum Exposure to Risk |
|---|--|----------------|---|---|-----------------|--|---|---------------------------------|--|
| | Gross liability before offset | Amount offset* | Net liability recognised in balance sheet | Financial assets | Collateral paid | Liabilities after consideration of netting potential | Liabilities recognised on the balance sheet | Recognised in the balance sheet | After consideration of netting potential |
| Derivative financial liabilities | 4,345.35 | 1,434.44 | 2,910.91 | - | - | 2,910.91 | 901.57 | 3,812.48 | 3,812.48 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

10.1 Offsetting (*Continued*):

As at 31 March 2019:

| Financial assets subject to offsetting | Offsetting recognised in the balance sheet | | Netting potential not recognised in balance sheet | | | Assets not subject to netting arrangements | | Total assets | Maximum Exposure to Risk |
|---|--|----------------|---|-----------------------|---------------------|--|---|---------------------------------|--|
| | Gross asset before offset | Amount offset* | Net asset recognised in balance sheet | Financial liabilities | Collateral received | Assets after consideration of netting potential | Assets recognised in the balance sheet | Recognised in the balance sheet | After consideration of netting potential |
| Derivative financial assets | 14,550.57 | 13,563.23 | 987.34 | 88.47 | 6.00 | 892.87 | 953.56 | 1,940.90 | 1,846.43 |
| Cash settlement balances from clearing houses | 40.64 | 40.64 | - | - | - | - | - | - | - |
| TriParty REPO (TREPS) | 3,700.11 | 3,700.11 | - | - | - | - | - | - | - |
| Margin placed with broker | 2,584.18 | (11.43) | 2,595.61 | - | 208.25 | 2,387.36 | - | 2,595.61 | 2,387.36 |
| Financial liabilities subject to offsetting | Offsetting recognised in the balance sheet | | Netting potential not recognised in balance sheet | | | Liabilities not subject to netting arrangements | | Total liabilities | Maximum Exposure to Risk |
| | Gross liability before offset | Amount offset* | Net liability recognised in balance sheet | Financial assets | Collateral paid | Liabilities after consideration of netting potential | Liabilities recognised on the balance sheet | Recognised in the balance sheet | After consideration of netting potential |
| Derivative financial liabilities | 2,605.68 | 1,392.29 | 1,213.39 | 88.47 | 277.75 | 847.17 | 716.12 | 1,929.51 | 1,563.29 |
| TriParty REPO (TREPS) | 5,797.14 | 3,700.11 | 2,097.03 | - | 41.05 | 2,055.98 | - | 2,097.03 | 2,055.98 |

*As at the reporting date the amount of cash margin received that has been offset against gross derivative assets ₹ 84.20 millions (FY 2018-19 : ₹ 132.74 millions). As at the reporting date the amount of cash margin paid that has been offset against gross derivative liability ₹ 1,435.20 millions (FY 2018-19 : ₹ 1,047.25 millions).

Notes to the Reformatted Ind AS Consolidated Financial information (Continued)

(Currency: Indian rupees in million)

Annexure V

11. Stock in trade (Securities held for trading) at FVTPL

| | 31-Mar-20 | 31-Mar-19 |
|---------------------------|------------------|------------------|
| Government Securities | 7,462.91 | 27,552.72 |
| Mutual Fund | 6,500.47 | 6,642.51 |
| Debt securities | 707.83 | 2,540.94 |
| Equity Shares | 2,786.73 | 2,400.36 |
| Preference Shares | 0.13 | 0.13 |
| Total | 17,458.07 | 39,136.66 |
| Investments in India | 16,396.11 | 38,715.87 |
| Investments outside India | 1,061.96 | 420.79 |
| Total | 17,458.07 | 39,136.66 |

Note: Stock in trade pledged with exchange is amounting to ₹ 1,522.19 millions (FY 2018-19 : ₹ 1,875.53 millions).

12. Trade Receivables

| | 31-Mar-20 | 31-Mar-19 |
|---|------------------|------------------|
| Receivables considered good - secured | 3,121.42 | 5,562.75 |
| Receivables considered good - unsecured | 5,728.34 | 17,266.66 |
| Receivables which have significant increase in credit risk | 1,453.94 | 1,899.20 |
| Receivables - credit impaired | 5,068.92 | 5,022.33 |
| Gross receivables | 15,372.62 | 29,750.94 |
| Provision for impairment - unsecured | (39.76) | (69.44) |
| Allowance for expected credit losses - Receivables which have significant increase in credit risk | (304.63) | (221.76) |
| Provision for impairment - credit impaired | (1,975.85) | (1,919.68) |
| Total receivables net of provision | 13,052.38 | 27,540.06 |

Trade Receivables - Ageing

| 31-Mar-20 | Days past due | 0-90 days | 91-180 days | >180 days | Total |
|-----------|----------------------------|------------------|---------------|-----------------|------------------|
| | ECL rate | 0.74% | 12.58% | 34.25% | |
| | Total Gross amount | 8,446.11 | 528.69 | 6,397.82 | 15,372.62 |
| | ECL - simplified approach | (62.32) | (66.51) | (2,191.41) | (2,320.24) |
| | Net carrying amount | 8,383.79 | 462.18 | 4,206.41 | 13,052.38 |
| 31-Mar-19 | Days past due | 0-90 days | 91-180 days | >180 days | Total |
| | ECL rate | 0.21% | 20.81% | 33.56% | |
| | Total Gross amount | 23,224.35 | 219.29 | 6,307.30 | 29,750.94 |
| | ECL - simplified approach | (48.80) | (45.62) | (2,116.46) | (2,210.88) |
| | Net carrying amount | 23,175.55 | 173.67 | 4,190.84 | 27,540.06 |

12.1 Reconciliation of impairment allowance on trade receivables:

| Particulars | Amount |
|--|-----------------|
| Impairment allowance measured as per simplified approach | |
| Impairment allowance as on 01-Apr-18 | 2,325.16 |
| Add/ (less): asset originated or acquired (net) | (114.28) |
| Impairment allowance as on 31-Mar-19 | 2,210.88 |
| Add/ (less): asset originated or acquired (net) | 109.36 |
| Impairment allowance as on 31-Mar-20 | 2,320.24 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

13. Loans

| | 31-Mar-20 | | | 31-Mar-19 | | |
|--|--------------------|-----------------|--------------------|--------------------|-----------------|--------------------|
| | at amortised cost | at FVTPL | Total | at amortised cost | at FVTPL | Total |
| Term Loans | | | | | | |
| Corporate and Retail Credit | 2,95,439.63 | 5,479.21 | 3,00,918.84 | 3,61,815.94 | 5,896.70 | 3,67,712.64 |
| Distressed Credit | 12,882.28 | - | 12,882.28 | 25,500.39 | - | 25,500.39 |
| Other Credit | 140.13 | - | 140.13 | 193.43 | - | 193.43 |
| Total Gross (A) | 3,08,462.04 | 5,479.21 | 3,13,941.25 | 3,87,509.76 | 5,896.70 | 3,93,406.46 |
| Less: Impairment loss allowance | 30,334.46 | - | 30,334.46 | 9,323.36 | - | 9,323.36 |
| Total (Net) (A) | 2,78,127.58 | 5,479.21 | 2,83,606.79 | 3,78,186.40 | 5,896.70 | 3,84,083.10 |
| Secured by tangible assets (Property including land, building and project receivables) | 1,99,222.69 | 5,479.21 | 2,04,701.90 | 2,63,003.91 | 5,896.70 | 2,68,900.61 |
| Secured by Inventories, fixed deposits and other marketable securities | 83,799.24 | - | 83,799.24 | 84,559.53 | - | 84,559.53 |
| Unsecured | 25,440.11 | - | 25,440.11 | 39,946.32 | - | 39,946.32 |
| Total Gross (B) | 3,08,462.04 | 5,479.21 | 3,13,941.25 | 3,87,509.76 | 5,896.70 | 3,93,406.46 |
| Less: Impairment loss allowance | 30,334.46 | - | 30,334.46 | 9,323.36 | - | 9,323.36 |
| Total (Net) (B) | 2,78,127.58 | 5,479.21 | 2,83,606.79 | 3,78,186.40 | 5,896.70 | 3,84,083.10 |
| Loans in India | | | | | | |
| Public sector | - | - | - | - | - | - |
| Others | 3,08,461.65 | 5,479.21 | 3,13,940.86 | 3,87,509.76 | 5,896.70 | 3,93,406.46 |
| Total Gross (C) | 3,08,461.65 | 5,479.21 | 3,13,940.86 | 3,87,509.76 | 5,896.70 | 3,93,406.46 |
| Less: Impairment loss allowance | 30,334.46 | - | 30,334.46 | 9,323.36 | - | 9,323.36 |
| Total (Net) (C) (I) | 2,78,127.19 | 5,479.21 | 2,83,606.40 | 3,78,186.40 | 5,896.70 | 3,84,083.10 |
| Loans outside India | 0.39 | - | 0.39 | - | - | - |
| Less: Impairment loss allowance | - | - | - | - | - | - |
| Total (Net) (C) (II) | 0.39 | - | 0.39 | - | - | - |
| Total (C) (I) and (C) (II) | 2,78,127.58 | 5,479.21 | 2,83,606.79 | 3,78,186.40 | 5,896.70 | 3,84,083.10 |

Note: For details of loans given to Directors refer note 51.

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (Continued)

(Currency: Indian rupees in million)

Annexure V

13.1 Credit Quality

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal grading and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 56.7 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 56.7

Loans at amortised cost

| Particulars | 31-Mar-20 | | | | | 31-Mar-19 | | | | |
|-----------------------|--------------------|------------------|--------------------------|------------------|--------------------|--------------------|------------------|--------------------------|------------------|--------------------|
| | Stage I | Stage II | Stage III ^{1,3} | POCI | Total | Stage I | Stage II | Stage III ^{1,3} | POCI | Total |
| Performing | | | | | | | | | | |
| High grade | 1,50,803.15 | 147.38 | - | - | 1,50,950.53 | 3,12,340.85 | - | - | - | 3,12,340.85 |
| Standard grade | 123.26 | 61,441.58 | 45.64 | - | 61,610.48 | - | 39,831.24 | - | - | 39,831.24 |
| Non-performing | | | | | | | | | | |
| Impaired | - | - | 83,018.75 | 12,882.28 | 95,901.03 | - | - | 18,369.08 | 16,968.59 | 35,337.67 |
| Total | 1,50,926.41 | 61,588.96 | 83,064.39 | 12,882.28 | 3,08,462.04 | 3,12,340.85 | 39,831.24 | 18,369.08 | 16,968.59 | 3,87,509.76 |

Gross carrying amount and corresponding ECL reconciliation – Loans

| Particulars | Non-credit impaired | | | | Credit impaired | | POCI | Total | |
|--|-----------------------|-------------------|-----------------------|-------------------|-----------------------|--------------------------------|--|-----------------------|-------------------|
| | Stage I | | Stage II | | Stage III | | POCI | | |
| | Gross carrying amount | Allowance for ECL | Gross carrying amount | Allowance for ECL | Gross carrying amount | Allowance for ECL ² | Carrying Amount (Net of Allowance for ECL) | Gross carrying amount | Allowance for ECL |
| Balance at 01 April 2018 | 3,36,961.56 | 2,547.69 | 29,059.83 | 1,236.00 | 9,763.30 | 3,976.52 | 12,999.76 | 3,88,784.45 | 7,760.21 |
| Effect of acquisitions made during the year | 15.33 | 0.05 | - | - | 400.00 | 120.00 | - | 415.33 | 120.05 |
| Transfers: | | | | | | | | | |
| Transfers to 12 Month ECL (Stage 1) | 1,603.10 | 45.57 | (1,573.18) | (38.25) | (29.92) | (7.32) | - | - | - |
| Transfers to lifetime ECL (Stage 2) | (22,341.60) | (176.71) | 24,197.49 | 1,240.26 | (1,855.89) | (1,063.55) | - | - | - |
| Transfers to lifetime ECL- Credit impaired (Stage 3) | (7,168.05) | (154.40) | (5,832.55) | (343.87) | 13,000.60 | 498.27 | - | - | - |
| Net re-measurement of ECL arising from transfer of stage | - | (98.07) | - | (623.56) | - | 1,140.01 | - | - | 418.38 |
| Net new and further lending/ (repayments) (including write-off) and sale to ARC / AIF ³ | 3,270.51 | 548.46 | (6,020.35) | 81.63 | (2,909.01) | 394.63 | 3,968.83 | (1,690.02) | 1,024.72 |
| Balance at 31 March 2019 | 3,12,340.85 | 2,712.59 | 39,831.24 | 1,552.21 | 18,369.08 | 5,058.56 | 16,968.59 | 3,87,509.76 | 9,323.36 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

13.1 Credit Quality (*Continued*)

Gross carrying amount and corresponding ECL reconciliation – Loans

| Particulars | Non-credit impaired | | | | Credit impaired | | POCI | Total | |
|--|-----------------------|-------------------|-----------------------|-------------------|-----------------------|--------------------------------|--|-----------------------|-------------------|
| | Stage I | | Stage II | | Stage III | | POCI | Gross carrying amount | Allowance for ECL |
| | Gross carrying amount | Allowance for ECL | Gross carrying amount | Allowance for ECL | Gross carrying amount | Allowance for ECL ² | Carrying amount (Net of Allowance for ECL) | | |
| Balance at 31 March 2019 | 3,12,340.85 | 2,712.59 | 39,831.24 | 1,552.21 | 18,369.08 | 5,058.56 | 16,968.59 | 3,87,509.76 | 9,323.36 |
| Effect of acquisitions made during the year | 14,063.46 | - | 3,607.85 | - | 4,979.04 | - | - | 22,650.35 | - |
| Transfers: | 1,505.67 | 43.20 | (1,486.58) | (38.64) | (19.09) | (4.56) | - | - | - |
| Transfers to 12 Month ECL (Stage 1) | | | | | | | | | |
| Transfers to lifetime ECL (Stage 2) | (36,377.44) | (491.57) | 36,422.89 | 498.92 | (45.45) | (7.35) | - | - | - |
| Transfers to lifetime ECL- Credit impaired (Stage 3) | (45,563.42) | (746.49) | (25,073.88) | (729.84) | 70,637.30 | 1,476.33 | - | - | - |
| Net re-measurement of ECL arising from transfer of stage | - | 147.42 | - | 4,413.08 | - | 6,007.93 | - | - | 10,568.43 |
| Net new and further lending/ (repayments) (including write-off) and sale to ARC / AIF ³ | (95,042.71) | 329.25 | 8,287.44 | 1,067.49 | (10,856.49) | 9,045.93 | (4,086.31) | (1,01,698.07) | 10,442.67 |
| Balance at 31 March 2020 | 1,50,926.41 | 1,994.40 | 61,588.96 | 6,763.22 | 83,064.39 | 21,576.84 | 12,882.28 | 3,08,462.04 | 30,334.46 |

- This also includes stage III assets in EARC on distressed assets book, interest accrued on non-performing assets and stage III assets held by Group entities other than NBFCs on trade and general purpose advances
- Allowance under this category also includes provision on assets as mentioned in note 1 above
- During the year ended 31 March 2020 and 31 March 2019, ECL Finance, Edelweiss Finvest Private Limited, Edelweiss Retail Finance Limited and Edelweiss Housing Finance Limited (together 'subsidiaries') of the Group have sold certain financial assets aggregating to ₹ 53,140 millions (net of provisions and losses) and ₹ 5,830 millions (net of provisions of losses) respectively to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 47,650 millions. Ind AS 109 - Financial Instruments, prescribed under section 133 of the Companies Act, 2013, requires substantial risks and rewards to be transferred for the purpose of de-recognition of such financial assets from these subsidiaries' reformatting Ind AS financial information. EFSL, the holding company, and Edelweiss Rural and Corporate Services Limited (ERCSL), a subsidiary, have guaranteed significant risks and assumed rewards in respect of financial assets aggregating to ₹ 35,570 millions. As a result, these financial assets are de-recognized in subsidiaries' reformatting Ind AS financial information. Further, as the risks and rewards continues in the Group, these are accounted as financial assets in the Reformatted Ind AS Consolidated Financial information and the consequent expected credit loss will be recorded in the reformatting Ind AS financial information of the Group.
- During the year ended 31 March 2020, the Group completed its re-assessment of probability of default, loss given default in respect of exposures to certain sectors that were experiencing operational challenges. Credit and market risks for certain counter parties increased significantly relative to such risks at initial recognition, resulting in recognition of higher amount of expected credit losses and gain/loss on fair value changes for the year ended 31 March 2020. Management judgement for expected credit losses and gain/loss on fair values changes has been accentuated on account of factors caused by the COVID-19 pandemic. Accordingly, the Group has recorded for the year ended 31 March 2020 an amount of ₹ 26,240 millions towards expected credit losses, write-offs, loss on sale to ARC Trusts and Funds and net loss on fair value changes.

Notes to the reformatted Ind AS consolidated financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

14. Investments

| 31-Mar-20 | Amortised cost | FVOCI | FVTPL | Designated at FVTPL | Total |
|----------------------------------|----------------|------------------|------------------|---------------------|------------------|
| Security Receipts | - | - | 42,646.81 | - | 42,646.81 |
| Government Securities | - | 11,653.91 | 923.51 | 5,549.92 | 18,127.34 |
| Equity Shares | - | - | 7,428.09 | - | 7,428.09 |
| Debt securities | 243.86 | 3,363.24 | 2,407.70 | 1,882.93 | 7,897.73 |
| AIF Fund | - | 13.10 | 4,275.39 | - | 4,288.49 |
| Mutual Fund | - | - | 762.08 | - | 762.08 |
| Preference Shares | - | 24.58 | 1,916.77 | 13.19 | 1,954.54 |
| Total | 243.86 | 15,054.83 | 60,360.35 | 7,446.04 | 83,105.08 |
| Investments in India | 243.86 | 14,795.53 | 60,151.61 | 7,446.04 | 82,637.04 |
| Investments outside India | - | 259.30 | 208.74 | - | 468.04 |
| Total | 243.86 | 15,054.83 | 60,360.35 | 7,446.04 | 83,105.08 |
| Less - Impairment Loss allowance | - | (439.06) | - | - | (439.06) |
| Total | 243.86 | 14,615.77 | 60,360.35 | 7,446.04 | 82,666.02 |

| 31-Mar-19 | Amortised cost | FVOCI | FVTPL | Designated at FVTPL | Total |
|----------------------------------|----------------|------------------|------------------|---------------------|------------------|
| Security Receipts | - | - | 53,121.56 | - | 53,121.56 |
| Government Securities | 15.63 | 9,976.13 | 609.67 | 4,053.74 | 14,655.17 |
| Equity Shares | - | - | 7,409.02 | - | 7,409.02 |
| Debt securities | 554.17 | 2,800.21 | 2,046.81 | 1,279.52 | 6,680.71 |
| AIF Fund | - | 13.97 | 2,943.39 | - | 2,957.36 |
| Mutual Fund | - | - | 1,755.95 | - | 1,755.95 |
| Preference Shares | - | 36.19 | 1,368.14 | 27.87 | 1,432.20 |
| Total | 569.80 | 12,826.50 | 69,254.54 | 5,361.13 | 88,011.97 |
| Investments in India | 569.80 | 12,674.69 | 69,143.01 | 5,361.13 | 87,748.63 |
| Investments outside India | - | 151.81 | 111.53 | - | 263.34 |
| Total | 569.80 | 12,826.50 | 69,254.54 | 5,361.13 | 88,011.97 |
| Less - Impairment Loss allowance | - | (21.50) | - | - | (21.50) |
| Total | 569.80 | 12,805.00 | 69,254.54 | 5,361.13 | 87,990.47 |

Note: Investments pledged with bank, exchange, brokers and against NCDs issued is amounting to ₹ 36,961.83 millions (FY 2018-19 : ₹ 26,961.88 millions)

Notes to the Reformatted Ind AS Consolidated Financial information (Continued)

(Currency: Indian rupees in million)

Annexure V

14. Investments (Continued)

14.1 Debt Investments measured at FVOCI

Credit quality of assets

The table below shows the gross carrying amount of the Group's investments measured at FVOCI by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 56.7

31-Mar-20

| | Gross carrying amount (Stage 1) | Gross carrying amount (Stage 2) | Gross carrying amount (Stage 3) | Gross carrying amount Total |
|-----------------------|--|--|--|--------------------------------------|
| High grade | 14,204.35 | - | - | 14,204.35 |
| Standard grade | 31.23 | - | - | 31.23 |
| Individually impaired | - | - | 819.25 | 819.25 |
| Total | 14,235.58 | - | 819.25 | 15,054.83 |

31-Mar-19

| | Gross carrying amount (Stage 1) | Gross carrying amount (Stage 2) | Gross carrying amount (Stage 3) | Gross carrying amount Total |
|-----------------------|--|--|--|--------------------------------------|
| High grade | 12,119.07 | - | - | 12,119.07 |
| Standard grade | 707.43 | - | - | 707.43 |
| Individually impaired | - | - | - | - |
| Total | 12,826.50 | - | - | 12,826.50 |

Reconciliation of gross carrying amount and corresponding ECL for investments measured at FVOCI

| | 31-Mar-20 | 31-Mar-20 | 31-Mar-20 | 31-Mar-20 | 31-Mar-19 | 31-Mar-19 | 31-Mar-19 | 31-Mar-19 |
|---|--|--|--|--|--|--|--|--|
| | Gross Carrying Amount (Stage 1) | 12 months ECL allowance (Stage 1) | Gross Carrying Amount (Stage 3) | 12 months ECL allowance (Stage 3) | Gross Carrying Amount (Stage 1) | 12 months ECL allowance (Stage 1) | Gross Carrying Amount (Stage 3) | 12 months ECL allowance (Stage 3) |
| Gross carrying amount - opening balance | 12,826.50 | 21.5 | - | - | 15,849.20 | 0.09 | - | - |
| New assets originated or purchased | 9,141.61 | 0.15 | - | - | 29,110.97 | 21.41 | - | - |
| Assets derecognised or matured (excluding write offs) (including gains /losses thereon) | (8,320.81) | - | - | - | (33,126.37) | - | - | - |
| Interest income during the year | 1,387.04 | - | - | - | 902.24 | - | - | - |
| Foreign Exchange | 20.49 | - | - | - | 90.46 | - | - | - |
| Transfer to Stage 1 | - | 0.06 | - | - | - | - | - | - |
| Transfer to Stage 2 | - | - | - | - | - | - | - | - |
| Transfer to Stage 3 | (819.25) | (21.59) | 819.25 | 21.59 | - | - | - | - |
| Impact of year end ECL of exposures transferred between stages during the year | - | - | - | 417.35 | - | - | - | - |
| Gross carrying amount - closing balance | 14,235.58 | 0.12 | 819.25 | 438.94 | 12,826.50 | 21.5 | - | - |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

14. Investments (*Continued*)

14.2 Investments measured at amortised cost

The table below shows the gross carrying amount of the Group's investments measured at amortised cost by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 56.7

| | 31-Mar-20 Gross carrying amount (Stage 1) | 31-Mar-19 Gross carrying amount (Stage 1) |
|-----------------------|--|--|
| High grade | 243.86 | 569.80 |
| Standard grade | - | - |
| Individually impaired | - | - |
| Total | 243.86 | 569.80 |

Reconciliation of gross carrying amount for investments measured at amortised cost

| | 31-Mar-20 Gross carrying amount (Stage 1) | 31-Mar-19 Gross carrying amount (Stage 1) |
|--|--|--|
| Gross carrying amount - opening balance | 569.80 | 936.98 |
| New assets originated or purchased | 42,520.30 | 1,22,142.83 |
| Assets derecognised or matured (excluding write offs) (including gains / losses thereon) | (42,855.17) | (1,22,510.01) |
| Changes to contractual cash flows due to modifications not resulting in derecognition | 8.93 | - |
| Amounts written off | - | - |
| Transfer to Stage 1 (refer instruction above) | - | - |
| Transfer to Stage 2 (refer instruction above) | - | - |
| Transfer to Stage 3 (refer instruction above) | - | - |
| Gross carrying amount - closing balance | 243.86 | 569.80 |

Investments classified at amortised cost are secured short-term in nature with less than 7 days maturity. The Group has not encounter any historical default on such receivables, hence ECL is nil. The above amount also includes investment in Sovereign Bonds against which the Group has not recognised any ECL allowance since, there is an insignificant risk of credit and no historical default.

14.3 Equity investment measured at FVOCI

During the year, the Group had designated its equity investments at FVOCI, since it were held for strategic purpose. No dividend was recognized in respect of the such equity investments measured at FVOCI. The said investment were monitored on a continuous basis; however due to deterioration in the economic activity, the reduction in the fair value amounting to ₹ 1,700.00 millions was recognized in OCI. Fair value of the Investment at the date of derecognition was ₹ 1,305.00 millions.

In order to protect against any further fair value loss/value erosion in respect of the said investment; such investment was derecognized by converting these CCDs into NCDs and settled at face value of ₹ 1,305.00 millions. The cumulative loss on the derecognition of such investment was ₹ 1,700.00 millions.

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

15. Other financial assets

| | 31-Mar-20 | 31-Mar-19 |
|--|-----------------|-----------------|
| Receivable towards margin trading facility | 964.01 | 1,961.15 |
| Receivable from exchange / clearing house (net) | 2,841.35 | 1,889.96 |
| Deposits placed with/ for exchange/ depositories | 535.88 | 401.50 |
| Margin placed with broker | 688.74 | 290.36 |
| Rental deposits | 396.63 | 464.53 |
| Deposits- others | 157.46 | 207.70 |
| Reinsurance receivables | 83.51 | 66.33 |
| Unclaimed amount of policyholders | 34.86 | 25.59 |
| Others | 2,599.89 | 791.39 |
| Total | 8,302.33 | 6,098.51 |

16. Inventories

| | 31-Mar-20 | 31-Mar-19 |
|---|---------------|-----------------|
| Stock in trade commodities ¹ | 436.09 | 1,691.32 |
| Total | 436.09 | 1,691.32 |

¹ The above are agriculture commodity inventories. Refer note 23 for charge on inventories.

17. Deferred tax assets and liabilities

| Deferred tax assets (net) | 31-Mar-20 | 31-Mar-19 |
|---|------------------|------------------|
| Provision for expected credit losses | 3,774.94 | 3,059.46 |
| Unused tax losses / credits | 5,603.66 | 2,402.27 |
| Employee benefits obligations | 73.55 | 85.17 |
| Fair valuation of Financial Assets | 591.90 | (4.30) |
| Fair valuation of Derivatives | 804.76 | (19.32) |
| Property, Plant and Equipment and Intangible assets | (190.57) | (66.43) |
| Property, Plant and Equipment - revaluation | (694.34) | - |
| Adjustment of effective interest rate on Borrowings | (399.15) | (550.98) |
| Total | 9,564.75 | 4,905.87 |
| Deferred tax liabilities (net) | 31-Mar-20 | 31-Mar-19 |
| Fair valuation of Financial Assets | 626.66 | 2,459.66 |
| Adjustment of effective interest rate on Loans | 181.56 | 174.39 |
| Adjustment of effective interest rate on Borrowings | - | 35.32 |
| Property, Plant and Equipment and Intangible assets | 13.15 | 0.66 |
| Property, Plant and Equipment - revaluation | 1,840.49 | - |
| ESOP Perquisite | (4.01) | (4.80) |
| Employee benefits obligations | (14.10) | (6.64) |
| Unused tax losses / credits | (0.02) | (125.89) |
| Total | 2,643.73 | 2,532.70 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (Continued)

(Currency: Indian rupees in million)

Annexure V

18. Investment property

| | Gross Block | | | Depreciation and impairment | | | | Net Block | |
|---------------------|--------------------|---------------------------------|--|-----------------------------|--------------------|---|------------------------|--------------------|--------------------|
| | As at 01-Apr-19 | Additions during the year | Deductions/ adjustments during the year | As at 31-Mar-20 | As at 01-Apr-19 | Impairment charge / (reversals) for the year | Charge for the year | As at 31-Mar-20 | As at 31-Mar-20 |
| Investment Property | | | | | | | | | |
| Land | 228.35 | 1180.27 | - | 1408.62 | - | 18.27 | - | 18.27 | 1390.35 |
| Real Estate | 2,953.83 | 491.30 | - | 3,445.13 | 37.67 | 323.03 | 17.51 | 378.21 | 3,066.92 |
| Total | 3,182.18 | 1,671.57 | - | 4,853.75 | 37.67 | 341.30 | 17.51 | 396.48 | 4,457.27 |

| | Gross Block | | | Depreciation and impairment | | | | Net Block | |
|---------------------|--------------------|---------------------------------|--|-----------------------------|--------------------|---|------------------------|--------------------|--------------------|
| | As at 01-Apr-18 | Additions during the year | Deductions/ adjustments during the year | As at 31-Mar-19 | As at 01-Apr-18 | Impairment charge / (reversals) for the year | Charge for the year | As at 31-Mar-19 | As at 31-Mar-19 |
| Investment Property | | | | | | | | | |
| Land | 228.35 | - | - | 228.35 | - | - | - | - | 228.35 |
| Real Estate | 1,563.71 | 1,390.12 | - | 2,953.83 | 19.27 | - | 18.40 | 37.67 | 2,916.16 |
| Total | 1,792.06 | 1,390.12 | - | 3,182.18 | 19.27 | - | 18.40 | 37.67 | 3,144.51 |

Fair value of investment properties

| Property | 31-Mar-20 | 31-Mar-19 |
|----------------------|-----------------|-----------------|
| Land | 2,256.94 | 293.36 |
| Real estate property | 3,157.85 | 3,755.37 |
| Total | 5,414.79 | 4,048.73 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information *(Continued)*

(Currency: Indian rupees in million)

Annexure V

19. Property, plant and equipment and intangibles

| | Gross Block | | | As at 31-Mar-2020 | Depreciation and amortisation | | | Net Block | |
|--|----------------------|---|--|----------------------|-------------------------------|------------------------|--|----------------------|----------------------|
| | As at 01-Apr-2019 | Additions/ adjustments during the year | Deductions/ adjustments during the year | | As at 01-Apr-2019 | Charge for the year | Deductions/ adjustments during the year | As at 31-Mar-2020 | As at 31-Mar-2020 |
| a) Property, Plant and Equipments | | | | | | | | | |
| Land | 236.79 | - | - | 236.79 | - | - | - | - | 236.79 |
| Leasehold Land | 43.14 | - | 42.51 | 0.63 | 0.70 | 0.01 | 0.08 | 0.63 | - |
| Flat and Building (Refer Note 3) | 4,613.90 | 192.78 | 124.17 | 4,682.51 | 477.69 | 224.13 | 18.42 | 683.40 | 3,999.11 |
| Revaluation on Flat and Building & Land (Refer Note 1) | - | 7,034.62 | - | 7,034.62 | - | - | 640.15 | (640.15) | 7,674.77 |
| Right to use (ROU) - Flat and Building* | - | 2,696.88 | 9.29 | 2,687.59 | - | 643.31 | 19.58 | 623.73 | 2,063.86 |
| Leasehold Premises* | 288.69 | (288.69) | - | - | 78.79 | 32.80 | 111.59 | - | - |
| Right to use (ROU) - Leasehold Premises* | - | 282.97 | 1.50 | 281.47 | - | - | (103.11) | 103.11 | 178.36 |
| Plant and Equipment | 74.69 | 122.45 | - | 197.14 | 68.97 | 46.12 | - | 115.09 | 82.05 |
| Furniture and Fixtures | 265.61 | 78.62 | 14.54 | 329.69 | 99.41 | 53.01 | 10.40 | 142.02 | 187.67 |
| Vehicles | 88.25 | 12.11 | 24.53 | 75.83 | 22.40 | 17.22 | 0.19 | 39.43 | 36.40 |
| Office equipment | 273.13 | 172.31 | 50.41 | 395.03 | 185.66 | 94.84 | 33.86 | 246.64 | 148.39 |
| Vessel (Boat) | 1.07 | 3.78 | - | 4.85 | 0.40 | 0.49 | - | 0.89 | 3.96 |
| Computers | 999.25 | 181.32 | 157.74 | 1,022.83 | 514.14 | 237.89 | 95.99 | 656.04 | 366.79 |
| Solar Power Equipment | 62.07 | - | - | 62.07 | 20.57 | 7.07 | - | 27.64 | 34.43 |
| Total (A) | 6,946.59 | 10,489.15 | 424.69 | 17,011.05 | 1,468.73 | 1,356.89 | 827.15 | 1,998.47 | 15,012.58 |
| b) Intangibles | | | | | | | | | |
| Software | 2,296.21 | 596.71 | 187.99 | 2,704.93 | 619.32 | 601.09 | 47.77 | 1,172.64 | 1,532.29 |
| Trademark/ Design and Copyright/ Asset Management Rights | 668.42 | 88.13 | - | 756.55 | 62.73 | 23.75 | 53.43 | 33.05 | 723.50 |
| Total (B) | 2,964.63 | 684.84 | 187.99 | 3,461.48 | 682.05 | 624.84 | 101.20 | 1,205.69 | 2,255.79 |
| Total (A+B) | 9,911.22 | 11,173.99 | 612.68 | 20,472.53 | 2,150.78 | 1,981.73 | 928.35 | 3,204.16 | 17,268.37 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information *(Continued)*

(Currency: Indian rupees in million)

Annexure V

19. Property, plant and equipment and intangibles *(Continued)*

| | As at 01-Apr-2018 | Additions/ adjustments during the year | Deductions/ adjustments during the year | As at 31-Mar-2019 | As at 01-Apr-2018 | Charge for the year | Deductions/ adjustments during the year | As at 31-Mar-2019 | As at 31-Mar-2019 |
|---|----------------------|---|--|----------------------|----------------------|------------------------|--|----------------------|----------------------|
| a) Property, Plant and Equipments | | | | | | | | | |
| Land | 236.79 | - | - | 236.79 | - | - | - | - | 236.79 |
| Leasehold Land | 43.14 | - | - | 43.14 | 0.70 | - | - | 0.70 | 42.44 |
| Flat and Building | 4,613.90 | - | - | 4,613.90 | 239.28 | 238.41 | - | 477.69 | 4,136.21 |
| Leasehold Premises | 202.28 | 113.62 | 27.21 | 288.69 | 43.10 | 61.52 | 25.83 | 78.79 | 209.90 |
| Plant and Equipment | 74.37 | 0.32 | - | 74.69 | 67.57 | 1.40 | - | 68.97 | 5.72 |
| Furniture and Fixtures | 232.88 | 36.73 | 4.00 | 265.61 | 42.95 | 59.30 | 2.84 | 99.41 | 166.20 |
| Vehicles | 153.14 | 9.83 | 74.72 | 88.25 | 42.20 | 31.40 | 51.20 | 22.40 | 65.85 |
| Office equipment | 186.37 | 94.95 | 8.19 | 273.13 | 92.69 | 100.99 | 8.02 | 185.66 | 87.47 |
| Vessel (Boat) | 1.07 | - | - | 1.07 | 0.22 | 0.18 | - | 0.40 | 0.67 |
| Computers | 684.15 | 367.39 | 52.29 | 999.25 | 173.22 | 359.59 | 18.67 | 514.14 | 485.11 |
| Solar Power Equipment | 62.07 | - | - | 62.07 | 20.57 | - | - | 20.57 | 41.50 |
| Total (A) | 6,490.16 | 622.84 | 166.41 | 6,946.59 | 722.50 | 852.79 | 106.56 | 1,468.73 | 5,477.86 |
| b) Intangibles | | | | | | | | | |
| Software | 1,094.54 | 1,780.95 | 579.28 | 2,296.21 | 231.45 | 445.14 | 57.27 | 619.32 | 1,676.89 |
| Trademark/ Design and Copyright/ Asset Management Rights | 668.42 | - | - | 668.42 | 62.73 | - | - | 62.73 | 605.69 |
| Total (B) | 1,762.96 | 1,780.95 | 579.28 | 2,964.63 | 294.18 | 445.14 | 57.27 | 682.05 | 2,282.58 |
| Total (A+B) | 8,253.12 | 2,403.79 | 745.69 | 9,911.22 | 1,016.68 | 1,297.93 | 163.83 | 2,150.78 | 7,760.44 |

*Transfer due to transition to Ind AS 116

Notes

- The Group decided to move to revaluation model from cost model for accounting class of asset (i.e. Flats and buildings) as at 31 March 2020. The management approved revaluation of owned flats and buildings classified under property plant and equipment after assessing the valuation made by duly appointed independent valuer. These valuations are determined basis open market values of similar property and its intrinsic value. Flats and buildings are fair valued and recognised gain of ₹ 7,674.77 millions. The gross carrying value of flats and building is increased by ₹ 7,034.62 millions after adjusting accumulated depreciation of ₹ 640.15 millions. A revaluation surplus is accounted in other comprehensive income as revaluation reserves amounting to ₹ 5,139.92 millions net of deferred tax liability of ₹ 2,534.83 millions.
- Property, plant and equipment aggregating to ₹ 844.74 millions (FY 2018-19 : ₹ 889.20 millions) pledged against secured NCDs and term loans.
- Includes ₹ 12.37 millions (FY 2018-19 : ₹ Nil millions) as asset held for sale.

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

19.1. Goodwill on consolidation

| Particulars | 31-Mar-20 | 31-Mar-19 |
|--------------------------------------|-----------------|-----------------|
| Balance at the beginning of the year | 1,742.72 | 1,543.85 |
| Goodwill arising on acquisitions | - | 198.87 |
| Goodwill derecognised / impaired | (19.31) | - |
| Balance at the end of year | 1,723.41 | 1,742.72 |

19.2. Goodwill impairment assessment

Goodwill acquired through business combinations has been allocated to following cash-generating unit (CGU), for impairment testing, as follows:

A. Impairment testing of goodwill in Broking and distribution business:

| Particulars | 31-Mar-20 | 31-Mar-19 |
|--|-----------|-----------|
| Goodwill | 1,020.21 | 1,020.21 |
| Carrying value of CGU (including goodwill) | 1,635.35 | 3,111.27 |
| Recoverable amount of CGU | 2,655.56 | 4,131.48 |

Key assumptions in computing value in use:

| Particulars | 31-Mar-20 | 31-Mar-19 |
|---------------------------------------|-----------|-----------|
| Discount rate | 13% | 12% |
| Total expected cash-flows for 5 years | 5,370.00 | 6,917.04 |

The calculation of value in use is most sensitive to expected cash-flows and discount rate.

| Key assumptions | Basis of key assumptions and associated risk | Reasonably assumed possible change |
|---------------------|--|---------------------------------------|
| Discount rates | Discount rates reflect the current market assessment of the risk associated. | Increase/decrease by 100 basis points |
| Expected cash-flows | Based on the projected cash-flows and expected increase in profit in the coming years. | Increase/decrease by 500 basis points |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

19.2. Goodwill impairment assessment (Continued)

Sensitivity to changes in assumptions

Management performed a sensitivity analysis to assess impact of reasonable changes to key assumptions on statement of profit and loss keeping other assumptions constant that could cause the carrying value of the CGU to exceed its recoverable amount. These are summarised in the table below, which shows the details of the sensitivity of the above measures on the CGU's value in use (VIU):

As at 31 March 2020

| | Goodwill | VIU | Discount rate | | | | Expected cash-flows | | | |
|--|--------------------------|--------------------------|---------------|--------------------------|---------------|--------------------------|---------------------|--------------------------|---------------|--------------------------|
| | Amount INR million | Amount INR million | Change bps | Impact INR million | Change bps | Impact INR million | Change bps | Impact INR million | Change bps | Impact INR million |
| | 1,020.21 | 3,490.00 | 100.00 | (100.12) | (100.00) | 111.07 | 500.00 | 177.83 | (500.00) | (171.49) |

As at 31 March 2019

| | Goodwill | VIU | Discount rate | | | | Expected cash-flows | | | |
|--|--------------------------|--------------------------|---------------|--------------------------|---------------|--------------------------|---------------------|--------------------------|---------------|--------------------------|
| | Amount INR million | Amount INR million | Change bps | Impact INR million | Change bps | Impact INR million | Change bps | Impact INR million | Change bps | Impact INR million |
| | 1,020.21 | 4,691.59 | 100.00 | (136.37) | (100.00) | 142.42 | 500.00 | 234.58 | (500.00) | (234.58) |

B. Impairment testing of goodwill in Edelweiss House property

| Particulars | 31-Mar-20 | 31-Mar-19 |
|---|-----------|-----------|
| Goodwill | 432.94 | 432.94 |
| Carrying amount of CGU (including goodwill) | 3,534.64 | 3,687.94 |
| Recoverable amount | 8,771.19 | 7,138.35 |

Fair value less cost of disposal is taken as the recoverable amount and compared with the carrying amount (excluding revaluation gains) for impairment testing.

Key assumptions in computing recoverable amount:

| Particulars | 31-Mar-20 | 31-Mar-19 |
|---|-----------------|-----------------|
| Basis of fair valuation: | | |
| Total carpet area of building (sq. feet) | 1,86,550.00 | 1,86,550.00 |
| Fair value of property (INR per sq. feet) | 49,492.53 | 40,279.00 |
| Total Fair value (in million) | 9,232.83 | 7,514.05 |
| Less: Cost of disposal | (461.64) | (375.70) |
| Fair value less cost of disposal | 8,771.19 | 7,138.35 |

Impairment assessment on goodwill is based on cashflow projection approved by Board of directors of respective subsidiaries.

The above fair value falls within level 3 of the fair value hierarchy.

Note: Balance goodwill recognised in the Reformatted Ind AS Consolidated Financial information are from various legal entities and are not material.

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

20. Other non-financial assets

| | 31-Mar-20 | 31-Mar-19 |
|-----------------------|-----------------|-----------------|
| Input tax credit | 1,548.61 | 1,564.50 |
| Prepaid expenses | 1,016.56 | 902.49 |
| Vendor Advances | 384.93 | 512.38 |
| Capital Advances | 229.44 | 87.87 |
| Advances to employees | 29.48 | 30.18 |
| Deposits – others | 34.14 | 8.71 |
| Other assets | 390.07 | 190.82 |
| Total | 3,633.23 | 3,296.95 |

21.1 Trade Payables includes ₹ 2.21 millions (FY 2018-19 : ₹ 4.10 millions) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Group during the year to “Suppliers” registered under this Act. The aforementioned is based on the responses received by the Group to its inquiries with suppliers with regard to applicability under the said Act.

21.2 Trade payables

| | 31-Mar-20 | 31-Mar-19 |
|--|------------------|------------------|
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 12,831.39 | 19,748.73 |
| Total | 12,831.39 | 19,748.73 |

Notes to the Reformatted Ind AS Consolidated Financial information (Continued)

(Currency: Indian rupees in million)

Annexure V

21. Debt securities

| | 31-Mar-20 | 31-Mar-19 |
|--|--------------------|--------------------|
| Non-Convertible Debentures (at amortised cost) | 1,83,792.44 | 2,15,572.04 |
| Compulsory Convertible Debentures (at amortised cost) | 11,042.44 | - |
| Non-Convertible Debentures (designated at fair value through profit or loss) | 10,779.73 | 14,212.19 |
| Bonds - INR denominated USD settled notes (Masala Bonds) (at amortised cost) | - | 5,197.22 |
| Commercial paper (at amortised cost) | 1,970.45 | 10,929.03 |
| Total (refer Note 1 below) | 2,07,585.06 | 2,45,910.48 |
| (i) Debt securities in India | 2,07,585.06 | 2,40,713.26 |
| (ii) Debt securities outside India | - | 5,197.22 |
| Total | 2,07,585.06 | 2,45,910.48 |

Note 1:

Out of the above, ₹ 16,179.72 millions as at 31 March 2020 (FY 2018-19 : ₹ 14,824.90 millions) are unsecured. For secured debt, the Group has provided collateral in the nature of Pari Passu charge of immovable property, receivable from financing business, securities held for trading, property (excluding intangible assets) and hypothecation of security receipts.

Debt Securities - as at 31 March 2020

| Maturities | <1 years | 1-3 years | > 3 years | Total |
|----------------------------|------------------|------------------|------------------|--------------------|
| Rate of Interest | | | | |
| 8.00 - 8.99% | 5,848.58 | 7,529.58 | 12,948.14 | 26,326.30 |
| 9.00 - 9.99% | 8,678.00 | 16,357.86 | 16,729.64 | 41,765.50 |
| 10.00 - 10.99% | 2,067.45 | 16,086.82 | 12,170.38 | 30,324.65 |
| 11.00 - 11.99% | - | - | 12,242.26 | 12,242.26 |
| Zero Coupon Debentures | 15,550.18 | 2,154.02 | 890.62 | 18,594.82 |
| Various (benchmark linked) | 11,894.70 | 22,592.11 | 20,602.56 | 55,089.37 |
| Accrued Interest and EIR | - | - | - | 12,199.72 |
| Total* | 44,038.91 | 64,720.39 | 75,583.60 | 1,96,542.62 |

* Compulsory Convertible Debentures amounting to ₹ 11,042.44 millions not considered for maturity pattern.

Debt Securities - as at 31 March 2019

| Maturities | <1 years | 1-3 years | > 3 years | Total |
|----------------------------|------------------|------------------|------------------|--------------------|
| Rate of Interest | | | | |
| 7.00 - 7.99% | 650.00 | 10,840.00 | 1,353.96 | 12,843.96 |
| 8.00 - 8.99% | 11,955.25 | 9,033.96 | 10,293.55 | 31,282.76 |
| 9.00 - 9.99% | 24,417.31 | 32,258.30 | 22,497.78 | 79,173.39 |
| 10.00 - 10.99% | 7,506.69 | 15,725.35 | 12,258.36 | 35,490.40 |
| 11.00 - 11.99% | 4,641.42 | - | - | 4,641.42 |
| Zero Coupon Debentures | 51.85 | 917.96 | 56.34 | 1,026.15 |
| Various (benchmark linked) | 26,022.92 | 24,502.58 | 22,452.66 | 72,978.16 |
| Accrued Interest and EIR | - | - | - | 8,474.24 |
| Total | 75,245.44 | 93,278.15 | 68,912.65 | 2,45,910.48 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

23. Borrowings (other than debt securities) at amortised cost

| | 31-Mar-20 | 31-Mar-19 |
|--|--------------------|--------------------|
| Secured | | |
| Term loans | | |
| (Secured against investments in debt securities and stock-in-trade and charge on receivables of financing business, inventories and corporate guarantee) | | |
| from banks | 86,522.48 | 1,16,672.94 |
| from other parties | 11,346.45 | 13,351.07 |
| Bank overdraft | 16,578.15 | 26,002.15 |
| (Secured by pledge of fixed deposits, property, trade receivables and charge on receivables of financing business) | | |
| Collateralised borrowing and lending obligation and Clearcorp repo order matching system (Secured by pledge of Government Securities) | 7,752.70 | 16,260.83 |
| Working capital demand loan (secured by charge on receivables from financing business, inventories and fixed deposits) | 9,931.75 | 2,900.00 |
| Unsecured | | |
| Term loans - from banks | - | 14,003.84 |
| Loans repayable on demand - from banks | 1,079.02 | 1,262.68 |
| Total | 1,33,210.55 | 1,90,453.51 |
| Borrowings in India | 1,33,210.55 | 1,90,453.51 |
| Borrowings outside India | - | - |
| Total | 1,33,210.55 | 1,90,453.51 |

Following is the repayment terms of term loans:

Term loans from Banks - Secured as at 31 March 2020

| Maturities | <1 years | 1-3 years | > 3 years | TOTAL |
|--------------------------|------------------|------------------|-----------------|------------------|
| Rate of Interest | | | | |
| 8.00 - 8.99% | 11,982.87 | 17,823.68 | 660.42 | 30,466.97 |
| 9.00 - 9.99% | 14,307.24 | 16,402.19 | 7,416.00 | 38,125.43 |
| 10.00 - 10.99% | 6,925.65 | 8,702.45 | 1,085.06 | 16,713.16 |
| 11.00 - 11.99% | 840.63 | 300.00 | 109.38 | 1,250.01 |
| Accrued Interest and EIR | - | - | - | (33.09) |
| Total | 34,056.39 | 43,228.32 | 9,270.86 | 86,522.48 |

Term loans from Banks - Secured as at 31 March 2019

| Maturities | <1 years | 1-3 years | > 3 years | TOTAL |
|--------------------------|------------------|------------------|------------------|--------------------|
| Rate of Interest | | | | |
| 8.00 - 8.99% | 4,647.74 | 4,922.25 | 1,884.13 | 11,454.12 |
| 9.00 - 9.99% | 24,496.16 | 39,059.11 | 8,326.50 | 71,881.77 |
| 10.00 - 10.99% | 7,372.22 | 13,760.95 | 7,087.49 | 28,220.66 |
| 11.00 - 11.99% | 1,462.50 | 2,800.00 | 700.00 | 4,962.50 |
| 12.00 - 12.99% | 39.96 | - | - | 39.96 |
| Accrued Interest and EIR | - | - | - | 113.93 |
| Total | 38,018.58 | 60,542.31 | 17,998.12 | 1,16,672.94 |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

23. Borrowings (other than debt securities) at amortised cost (*Continued*)

Term loans from Others - Secured as at 31 March 2020

| Maturities | <1 years | 1-3 years | > 3 years | TOTAL |
|--------------------------|-----------------|-----------------|-----------------|------------------|
| Rate of Interest | | | | |
| 4.00 - 4.99% | 119.28 | 318.08 | 356.12 | 793.48 |
| 6.00 - 6.99% | 4.35 | 11.60 | 11.10 | 27.05 |
| 8.00 - 8.99% | 639.72 | 1,446.73 | 70.39 | 2,156.84 |
| 9.00 - 9.99% | 1,604.00 | 3,325.08 | 1,188.60 | 6,117.68 |
| 10.00 - 10.99% | 586.74 | 841.00 | - | 1,427.74 |
| 11.00 - 11.99% | 375.00 | 450.00 | - | 825.00 |
| Accrued Interest and EIR | - | - | - | (1.34) |
| Total | 3,329.09 | 6,392.49 | 1,626.21 | 11,346.45 |

Term loans from Others - Secured as at 31 March 2019

| Maturities | <1 years | 1-3 years | > 3 years | TOTAL |
|------------------|-----------------|-----------------|-----------------|------------------|
| Rate of Interest | | | | |
| 7.00 - 7.99% | 164.84 | 329.68 | 556.25 | 1,050.77 |
| 8.00 - 8.99% | 95.36 | 190.72 | 569.32 | 855.40 |
| 9.00 - 9.99% | 414.64 | 829.28 | 1,041.08 | 2,285.00 |
| 10.00 - 10.99% | 2,929.61 | 3,894.61 | 2,335.68 | 9,159.90 |
| Total | 3,604.45 | 5,244.29 | 4,502.33 | 13,351.07 |

Term loans from Banks - Unsecured as at 31 March 2019

| Maturities | <1 years | 1-3 years | > 3 years | TOTAL |
|------------------|------------------|-----------|-----------|------------------|
| Rate of Interest | | | | |
| 9.00 - 9.99% | 14,003.84 | - | - | 14,003.84 |
| Total | 14,003.84 | - | - | 14,003.84 |

24. Deposits (at amortised cost)

| | 31-Mar-20 | 31-Mar-19 |
|---------------------------------------|-----------------|-----------------|
| Inter Corporate Deposit - from others | 2,168.97 | 1,436.76 |
| Total | 2,168.97 | 1,436.76 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

25. Subordinated liabilities (at amortised cost)

| Unsecured | 31-Mar-20 | 31-Mar-19 |
|--|------------------|------------------|
| Non-convertible subordinated debt | 18,816.11 | 18,993.56 |
| Perpetual debt | 1,162.64 | 3,731.46 |
| Preference share capital | 3,630.06 | 951.56 |
| Total | 23,608.81 | 23,676.58 |
| Subordinated liabilities in India | 23,608.81 | 23,676.58 |
| Subordinated liabilities outside India | - | - |
| Total | 23,608.81 | 23,676.58 |

Terms and condition related to subordinate liabilities:

Subordinated Liabilities – 31 March 2020

| Maturities | <1 years | 1-3 years | > 3 years | TOTAL |
|----------------------------|--------------------|------------------|---------------------|------------------|
| Rate of Interest | | | | |
| 9.00 - 9.99% | - | 2,944.05 | 3,319.65 | 6,263.70 |
| 10.00 - 10.99% | - | - | 3,420.73 | 3,420.73 |
| 11.00 - 11.99% | 4,655.06 | 500.00 | 3,648.00 | 8,803.06 |
| 14.00 - 14.99% | - | 300.68 | 310.38 | 611.06 |
| Various (benchmark linked) | - | - | 2,826.80 | 2,826.80 |
| Accrued Interest and EIR | - | - | - | 1,683.46 |
| Total | 4,655.06 | 3,744.73 | 13,525.56 | 23,608.81 |

Subordinated Liabilities – 31 March 2019

| Maturities | <1 years | 1-3 years | > 3 years | TOTAL |
|----------------------------|--------------------|------------------|---------------------|------------------|
| Rate of Interest | | | | |
| 9.00 - 9.99% | - | - | 3,610.00 | 3,610.00 |
| 10.00 - 10.99% | - | - | 5,700.00 | 5,700.00 |
| 11.00 - 11.99% | - | 4,700.00 | 4,290.00 | 8,990.00 |
| 14.00 - 14.99% | - | - | 850.05 | 850.05 |
| Various (benchmark linked) | - | - | 3,184.10 | 3,184.10 |
| Accrued Interest and EIR | - | - | - | 1,342.43 |
| Total | - | 4,700.00 | 17,634.15 | 23,676.58 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

26. Other financial liabilities (at amortised cost unless otherwise specified)

| | 31-Mar-20 | 31-Mar-19 |
|---|------------------|------------------|
| Payable to client (net) ¹ | 17,823.52 | 14,486.34 |
| Payable to exchange / clearing house (net) | 1,292.54 | 8,514.81 |
| Book overdraft | 44.56 | 3,001.96 |
| Accrued salaries and benefits | 487.35 | 2,307.70 |
| Provision for short sale at fair value | 1,372.17 | 2,150.91 |
| Payable to contractors | 356.59 | 376.07 |
| Reinsurance payable | 133.06 | 166.77 |
| Deposits from sub-brokers | 112.18 | 93.78 |
| Rental deposits | 24.02 | 24.52 |
| Retention money payable | 60.71 | 21.56 |
| Unclaimed dividends | 13.00 | 12.73 |
| Security receipts held by outsiders | 5,420.15 | 3,515.44 |
| Derivative Liability | 2,036.58 | 3,210.53 |
| Lease Liability Payable | 2,398.43 | - |
| Financial Liability associate to financial assets that are not derecognised | 16,327.69 | 750.13 |
| Other liabilities | 1,347.99 | 493.73 |
| Total | 49,250.54 | 39,126.98 |

¹ Includes deployed in the form of bank balances and fixed deposits amounting to ₹ 24,251.27 millions (FY 2018-19 : ₹ 26,426.41 millions)

27. Provisions

| | 31-Mar-20 | 31-Mar-19 |
|--|---------------|---------------|
| Provision for employee benefits and related costs | | |
| Gratuity | 167.66 | 125.45 |
| Compensated absences | 124.31 | 132.57 |
| Others | 59.14 | 69.69 |
| Total | 351.11 | 327.71 |

28. Other non-financial liabilities

| | 31-Mar-20 | 31-Mar-19 |
|--|-----------------|-----------------|
| Income received in advance | 1,416.43 | 1,036.82 |
| Statutory dues | 1,255.15 | 969.14 |
| Advances from customers | 1,026.04 | 379.17 |
| Proposal deposit from insurance business | 172.25 | 320.71 |
| Others | 340.08 | 559.09 |
| Total | 4,209.95 | 3,264.93 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

29. Equity share capital

| | As at 31-Mar-2020 | | As at 31-Mar-2019 | |
|--|-------------------|----------|-------------------|----------|
| | No of shares | Amount | No of shares | Amount |
| Authorised : | | | | |
| Equity Shares of ₹ 1 each | 1,23,00,00,000 | 1,230.00 | 1,23,00,00,000 | 1,230.00 |
| Preference shares of ₹ 5 each | 40,00,000 | 20.00 | 40,00,000 | 20.00 |
| | 1,23,40,00,000 | 1,250.00 | 1,23,40,00,000 | 1,250.00 |
| Issued, Subscribed and Paid up: | | | | |
| Equity Shares of ₹ 1 each | 93,44,09,002 | 934.41 | 93,26,69,564 | 932.67 |
| Less: Shares held by Edelweiss Employees Incentives and Welfare Trust (Refer note 2) | (73,01,510) | (7.30) | (73,01,510) | (7.30) |
| Less: Shares held by Edelweiss Employees Welfare Trust (Refer note 2) | (3,75,95,270) | (37.60) | (3,75,95,270) | (37.60) |
| | 88,95,12,222 | 889.51 | 88,77,72,784 | 887.77 |

A. Reconciliation of number of shares

(Before deducting treasury shares)

| | As at 31-Mar-2020 | | As at 31-Mar-2019 | |
|---|-------------------|--------|-------------------|--------|
| | No of shares | Amount | No of shares | Amount |
| Outstanding at the beginning of the year | 93,26,69,564 | 932.67 | 91,54,98,927 | 915.50 |
| Shares issued during the year: | | | | |
| -Under Employee Stock Options Plans (ESOPs) | 17,39,438 | 1.74 | 1,71,70,637 | 17.17 |
| Outstanding at the end of the year | 93,44,09,002 | 934.41 | 93,26,69,564 | 932.67 |

Note :

- The Company had bought back 2,030,048 equity shares of ₹ 1 each pursuant to the buy back programme in the financial year 2014-15.
- Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Edelweiss Financial Services Limited reformatting Ind AS standalone financial information and have been accordingly carried forward in Reformatted Ind AS Consolidated Financial information., these trusts are holding 44,896,780 number of equity shares amounting to ₹ 44.90 millions (FY 2018-19 : ₹ 44.90 millions). These are deducted from total outstanding equity shares.
- The above two Employee Welfare Trust(s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date. **(FY 2019-20)**

B. Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

29. Equity share capital (*Continued*)

C. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| | As at 31-Mar-2020 | | As at 31-Mar-2019 | |
|------------------------|---------------------|---------------|---------------------|---------------|
| | No of shares | % holding | No of shares | % holding |
| Rashesh Shah | 14,53,01,730 | 15.55% | 14,53,01,730 | 15.58% |
| Venkatchalam Ramaswamy | 5,80,26,560 | 6.21% | 5,80,26,560 | 6.22% |
| Bih Sa | 4,70,07,748 | 5.03% | 3,74,95,800 | 4.02% |
| Total | 25,03,36,038 | 26.79% | 24,08,24,090 | 25.82% |

Note :

The Shareholding of Mr. Rashesh Chandrakant Shah and Mr. Venkatchalam A Ramaswamy in the Promoter and Promoter Group category does not include 300,000 equity shares and 100,000 equity shares purchased by them respectively on 31 March 2020, as the shares were credited to the respective demat accounts post 31 March 2020, as per the settlement cycle.

30. Other Equity

| | 31-Mar-20 | 31-Mar-19 |
|--|------------------|------------------|
| Share application money pending allotment | 0.19 | 6.15 |
| Capital Reserve | 8,258.73 | 8,060.23 |
| Capital Redemption Reserve | 273.62 | 166.74 |
| Securities Premium Account | 29,062.49 | 29,473.29 |
| ESOP/SAR reserve | 818.18 | 460.59 |
| Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934 | 7,647.60 | 7,503.94 |
| Reserve under section 29C of the National Housing Bank Act, 1987 | 540.34 | 537.22 |
| General reserve | 826.56 | 916.82 |
| Debenture redemption reserve | 8,721.51 | 10,341.12 |
| Impairment Reserve | 1,577.37 | - |
| Retained earnings | (1,554.30) | 18,215.34 |
| Foreign exchange translation reserve | 390.17 | 175.66 |
| Revaluation Reserve OCI | 5,080.88 | - |
| Equity instruments through Other Comprehensive Income | (1,700.00) | - |
| Debt instruments through Other Comprehensive Income | 454.26 | 24.93 |
| Total | 60,397.60 | 75,882.03 |

30.1 Capital reserve

Capital reserve represents the gains of capital nature which is not freely available for distribution.

30.2 Capital redemption reserve

The Group has recognised Capital Redemption Reserve on buy back of equity share capital

30.3 Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

30. Other Equity (*Continued*)

30.4 Statutory reserve u/s 45-IC of The Reserve Bank of India Act, 1934

Every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

30.5 Statutory reserve u/s 29C of The National Housing Bank Act, 1987

In terms of Section 29C of the National Housing Bank Act, 1987 every housing finance institution which is a company is required to create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account before any dividend is declared. Housing Finance Companies (HFCs), are permitted to withdraw from the said reserve fund, the excess amount credited (in excess of the statutory minimum of 20%) in the previous years for any business purposes subject to suitable disclosure in the balance sheet and in the case of HFCs which have transferred only the statutory minimum in the previous years to selectively permit them to withdraw from the reserve fund only for the purpose of provisioning for non-performing assets subject to the conditions that there is no debit balance in the profit and loss account and that the reason for such withdrawal are stated explicitly in the balance sheet.

30.6 General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

30.7 Debenture redemption reserve

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. The Company is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings.

30.8 Impairment reserve

RBI notification on Implementation of Indian Accounting Standards, dated 13 March 2020 requires NBFC/ARC subsidiaries within Group are to recognised impairment reserves where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning)

30.9 Retained earnings

The same represents portion of the fair value change attributable to the entity's own credit risk in respect of financial liabilities designated at FVTPL that is recognised in OCI, with no recycling

30.10 Foreign exchange translation reserve

The exchange differences arising out of year end translation of Group entities having functional currency other than Indian Rupees is debited or credited to this Reserve.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

30. Other Equity (*Continued*)

30.11 Revaluation Reserve through other comprehensive income

Group has decided to change to revaluation model from cost model of accounting for a class of asset (i.e. Flats and building) as at 31st March 2020. Similarly, group entities have also changed their existing model for Flats and building to align with the Group policy.

30.12 FVOCI equity investments

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised

30.13 FVOCI debt investments

The Group recognises changes in the fair value of debt instruments held with business objective of collect and sell in other comprehensive income. These changes are accumulated within the FVOCI debt investments within equity. The Group transfers amounts from this reserve to the statement of profit and loss when the debt instrument is sold.

31. Interest Income

For the year ended 31 March 2020

| | Amortised cost | FVTPL | FVOCI | Total |
|----------------------------------|------------------|-----------------|-----------------|------------------|
| Interest on Loans | 50,630.22 | - | - | 50,630.22 |
| Interest income from investments | 415.81 | 2,656.41 | 1,387.04 | 4,459.26 |
| Interest on deposits with Banks | 2,933.69 | - | - | 2,933.69 |
| Other interest Income | 996.29 | - | - | 996.29 |
| Total | 54,976.01 | 2,656.41 | 1,387.04 | 59,019.46 |

For the year ended 31 March 2019

| | Amortised cost | FVTPL | FVOCI | Total |
|----------------------------------|------------------|-----------------|---------------|------------------|
| Interest on Loans | 57,072.07 | - | - | 57,072.07 |
| Interest income from investments | 688.61 | 6,299.76 | 951.03 | 7,939.40 |
| Interest on deposits with Banks | 2,262.91 | - | - | 2,262.91 |
| Other interest Income | 1,104.48 | - | - | 1,104.48 |
| Total | 61,128.07 | 6,299.76 | 951.03 | 68,378.86 |

32. Fee and commission income

| | 2019-20 | 2018-19 |
|-------------------------|------------------|------------------|
| Income from broking | 3,657.09 | 3,516.46 |
| Advisory and other fees | 17,335.89 | 17,817.18 |
| Total | 20,992.98 | 21,333.64 |

Below is the disaggregation of the revenue from contracts with customers and its reconciliation to amounts reported in statement of profit and loss:

| | 2019-20 | 2018-19 |
|---|------------------|------------------|
| Service transferred at a point in time | 7,798.21 | 8,582.32 |
| Service transferred over time | 13,194.77 | 12,751.32 |
| Total revenue from contract with customers | 20,992.98 | 21,333.64 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

33. Net gain on fair value changes

| | 2019-20 | 2018-19 |
|--|-----------------|-----------------|
| Net gain /(loss) on financial instruments at fair value through profit or loss | | |
| On trading portfolio | | |
| Investment at FVTPL | (3,464.41) | 551.29 |
| Derivatives at FVTPL | 1,375.09 | 3,980.27 |
| Others | | |
| Other financial instruments | 4,038.90 | 4,283.67 |
| Total Net gain/(loss) on fair value changes | 1,949.58 | 8,815.23 |
| Fair Value changes: | | |
| Realised | 11,849.68 | 6,752.23 |
| Unrealised | (9,900.10) | 2,063.00 |
| Total | 1,949.58 | 8,815.23 |

34. Other operating revenue

| | 2019-20 | 2018-19 |
|-------------------------------------|---------------|-----------------|
| Agri value chain warehousing income | 712.35 | 771.61 |
| Delayed payment charges | 191.99 | 312.45 |
| Income from training centre | 39.49 | 38.73 |
| Rental income | 37.70 | 13.56 |
| Total | 981.53 | 1,136.35 |

35. Other income

| | 2019-20 | 2018-19 |
|-------------------------------|---------------|---------------|
| Donation income | 243.41 | 246.80 |
| Interest on income tax refund | 304.73 | 262.97 |
| Miscellaneous income | 345.01 | 327.36 |
| Total | 893.15 | 837.13 |

36. Finance cost (at amortised cost unless otherwise stated)

| | 2019-20 | 2018-19 |
|--|------------------|------------------|
| Interest on deposits | 49.51 | 131.96 |
| Interest on borrowings (other than debt securities) | 18,458.16 | 18,005.21 |
| Interest on debt securities | 23,487.45 | 24,814.82 |
| Interest on debt securities (at fair value through profit or loss) | 2,717.00 | 1,312.57 |
| Interest on subordinated liabilities | 1,863.72 | 1,717.15 |
| Other interest expense | 1,354.55 | 1,850.54 |
| Total | 47,930.39 | 47,832.25 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

37. Employee benefits expense

| | 2019-20 | 2018-19 |
|---|------------------|------------------|
| Salaries and wages | 12,670.31 | 15,019.60 |
| Contribution to provident and other funds | 703.04 | 674.34 |
| Expense on employee stock option scheme/Stock Appreciation Rights | 390.79 | 225.47 |
| Staff welfare expenses | 308.87 | 580.48 |
| Total | 14,073.01 | 16,499.89 |

38. Impairment on financial instruments

| | 2019-20 | 2018-19 |
|----------------------|------------------|-----------------|
| On loans | 26,375.73 | 4,941.83 |
| On investments | 417.56 | 21.41 |
| On trade receivables | 109.36 | (114.28) |
| Total | 26,902.65 | 4,848.96 |

39. Other expenses

| | 2019-20 | 2018-19 |
|---|------------------|------------------|
| Advertisement and business promotion | 1,282.49 | 1,505.95 |
| Auditors' remuneration (Refer note 39(a)) | 95.82 | 81.95 |
| Commission and brokerage | 1,229.06 | 1,250.19 |
| Communication | 490.91 | 489.62 |
| Computer software and other expenses | 815.47 | 816.77 |
| Commission to non-executive directors | 3.50 | 5.00 |
| Contribution towards corporate social responsibility | 484.28 | 344.28 |
| Dematerialisation charges and stock exchange expenses | 85.78 | 115.80 |
| Directors' sitting fees | 13.38 | 12.99 |
| Insurance | 76.70 | 67.02 |
| Legal and professional fees | 1,552.11 | 1,808.91 |
| Membership and subscription | 172.90 | 169.19 |
| Mutual fund expenses | 123.59 | 81.17 |
| Office expenses | 950.17 | 717.00 |
| Printing and stationery | 123.86 | 204.64 |
| Rates and taxes | 1,254.87 | 904.25 |
| Rent and electricity charges | 426.20 | 1,401.99 |
| Repairs and maintenance - others | 133.35 | 151.65 |
| Securities and commodity transaction tax | 305.74 | 489.34 |
| Seminar and conference expenses | 193.29 | 149.04 |
| Stamp duty | 234.95 | 164.07 |
| Travelling and conveyance | 823.91 | 932.78 |
| Warehousing charges | 466.50 | 107.30 |
| Selling and Distribution expenses | 952.55 | 1,234.22 |
| Miscellaneous expenses | 350.50 | 422.33 |
| Total | 12,641.88 | 13,627.45 |

39. (a) Auditors' remuneration

| | 2019-20 | 2018-19 |
|-----------------------------------|--------------|--------------|
| As Auditors | 91.46 | 77.01 |
| Towards reimbursement of expenses | 4.36 | 4.94 |
| Total | 95.82 | 81.95 |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

40. Income Tax

The components of income tax expense recognised in profit or loss for the years ended 31 March 2020 and 31 March 2019 are:

| Particulars | 2019-20 | 2018-19 |
|---|-------------------|-----------------|
| Current tax | 3,243.47 | 6,396.13 |
| Adjustment in respect of current income tax of prior years | (272.72) | 152.53 |
| Deferred tax relating to origination and reversal of temporary differences | (6,796.28) | 512.97 |
| Deferred tax relating to unused tax losses and unused tax credits (including write-downs) (net) | (303.27) | (68.22) |
| Total tax expense | (4,128.80) | 6,993.41 |
| Total Current Tax | 2,970.75 | 6,548.66 |
| Total Deferred Tax | (7,099.55) | 444.75 |

Pursuant to the introduction of Section 115BAA of the Income Tax Act, 1961, in FY 2019-20, 15 subsidiaries Companies in the Group have opted for the reduced tax rate of 25.17% under the said Section. Accordingly these entities have recognised provision for income tax for the year ended March 31, 2020 and have also re-measured their deferred tax asset/ liabilities (net) and MAT credit (wherever applicable) resulting in tax charge of ₹ 43.76 millions.

40.1. Reconciliation of the total tax expense

The tax expense shown in the statement of profit and loss differs from the tax expense that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2020 and 2019 is, as follows:

| Particulars | 2019-20 | 2018-19 |
|--|-------------------|-----------------|
| Profit / (Loss) before tax | (24,566.52) | 17,437.10 |
| Tax rate | 34.94% | 34.94% |
| Income tax expense calculated based on above tax rate | (8,584.52) | 6,093.22 |
| Adjustment in respect of income tax of prior years | (272.72) | 152.53 |
| Effect of income not subject to tax | (163.20) | (1,061.00) |
| Effect of non-deductible expenses | 1,425.31 | 557.36 |
| Impact of certain items being taxed at different rates | (43.76) | (4.09) |
| Impact of tax rate changes between two accounting periods | (68.23) | 4.73 |
| Write-down / reversal of write down of deferred tax assets on unused tax credits and unused tax losses (net) | 873.05 | (169.42) |
| Effect of non-recognition of deferred tax asset on current-period losses | 1,344.28 | 612.89 |
| Different tax rates of subsidiaries | 1,375.56 | 738.56 |
| Others | (14.57) | 68.63 |
| Tax expense recognised in profit or loss | (4,128.80) | 6,993.41 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (Continued)

(Currency: Indian rupees in million)

Annexure V

41. Components of deferred tax

The following table shows deferred tax recorded in the Balance sheet and changes recorded in the income tax expense:

| | Opening deferred tax asset/ (liability) | Recognised in profit or loss | Recognised in other comprehensive income | Recognised directly in equity | Others | Total Movement | Closing deferred tax asset/ (liability) |
|--|--|------------------------------------|---|-------------------------------------|-----------------|-------------------|--|
| 31-Mar-20 | | | | | | | |
| Provision for expected credit losses | 2,885.07 | 878.63 | - | - | (32.87) | 845.76 | 3,730.83 |
| Unused tax losses / credits | 2,528.16 | 3,027.39 | - | - | (58.49) | 2,968.90 | 5,497.06 |
| Employee benefits obligations | 91.81 | 0.65 | 3.02 | - | 0.02 | 3.69 | 95.50 |
| ESOP Perquisite | 4.80 | (0.79) | - | - | - | (0.79) | 4.01 |
| Fair valuation of Financial Assets | (2,463.96) | 2,421.58 | (0.10) | 61.52 | 0.04 | 2,483.04 | 19.08 |
| Fair valuation of Derivatives | (19.32) | 801.54 | - | - | - | 801.54 | 782.22 |
| Property, Plant and Equipment and Intangible assets | (67.09) | 6.88 | - | 9.62 | 0.37 | 16.87 | (50.22) |
| Property, Plant and Equipment - Revaluation | - | - | (2,534.83) | - | - | (2,534.83) | (2,534.83) |
| EIR adjustment on borrowings | (586.30) | (36.33) | - | - | - | (36.33) | (622.63) |
| Total | 2,373.17 | 7,099.55 | (2,531.91) | 71.14 | (90.93) | 4,547.85 | 6,921.02 |
| 31-Mar-19 | | | | | | | |
| Provision for expected credit losses | 2,133.55 | 751.52 | - | - | - | 751.52 | 2,885.07 |
| Unused tax losses / credits | 1,327.98 | 1,200.18 | - | - | - | 1200.18 | 2,528.16 |
| Employee benefits obligations | 253.77 | (157.92) | (4.04) | - | - | (161.96) | 91.81 |
| ESOP Perquisite | 1,473.44 | (222.21) | - | (1,246.43) | - | (1,468.64) | 4.80 |
| Fair valuation of Financial Assets | (535.30) | (1,928.66) | - | - | - | (1,928.66) | (2,463.96) |
| Fair valuation of Derivatives | (68.57) | 49.25 | - | - | - | 49.25 | (19.32) |
| Property, Plant and Equipment and Intangible assets | (168.10) | 101.01 | - | - | - | 101.01 | (67.09) |
| EIR adjustment on borrowings | (130.39) | (237.92) | - | - | (217.99) | (455.91) | (586.30) |
| Total | 4,286.38 | (444.75) | (4.04) | (1,246.43) | (217.99) | (1,913.21) | 2,373.17 |

1. Recognition of deferred taxes are evaluated by Board in respective board meetings of Group companies.

2. Deferred tax liabilities on undistributed profit:

The Group has not created deferred tax liability on the undistributed earnings in the subsidiary companies in the Reformatted Ind AS Consolidated Financial information considering its ability to control the timing of the reversal of temporary differences associated with such undistributed earnings and its probable that such difference will not reverse in the foreseeable future.

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information *(Continued)*

(Currency: Indian rupees in million)

Annexure V

41.1. Deductible temporary differences, unused tax losses and unused tax credits on which deferred tax asset is not recognised in balance sheet

As at 31-Mar-2020

| Financial Year to which the loss related To | Deductible temporary differences | | Unused tax losses | | | | | | | Unused tax credits | |
|---|-------------------------------------|--------------------------------|-------------------------|-----------------------------------|--|-----------------------------------|-------------------------------|-----------------------------------|------------------|--------------------|--------------------------------------|
| | Amount | Expiry year- financial year | Unabsorbed depreciation | | Unabsorbed long term capital losses | | Unabsorbed business losses | | Total | Mat Credit | |
| | | | Amount | Expiry year- financial year | Amount | Expiry year- financial year | Amount | Expiry year- financial year | | Amount | Expiry year- financial year |
| FY 2019-20 | 1,773.80 | Not applicable | 203.57 | No expiry | - | - | 5,277.76 | FY 2027-28 | 5,481.33 | 18.90 | FY 2027-28 |
| FY 2019-20 | - | - | - | - | - | - | 10.08 | FY 2024-25 | 10.08 | - | - |
| FY 2018-19 | 55.32 | Not applicable | 52.57 | No expiry | 204.97 | FY 2026-27 | 3,316.05 | FY 2026-27 | 3,573.59 | - | - |
| FY 2018-19 | - | - | - | - | - | - | 366.31 | No Expiry | 366.31 | - | - |
| FY 2018-19 | - | - | - | - | - | - | 13.68 | FY 2023-24 | 13.68 | - | - |
| FY 2017-18 | 84.56 | Not applicable | 20.01 | No expiry | - | - | 2,758.01 | FY 2025-26 | 2,778.02 | - | - |
| FY 2017-18 | - | - | - | - | - | - | 731.26 | No Expiry | 731.26 | - | - |
| FY 2016-17 | - | - | 4.73 | No expiry | - | - | 2,443.31 | FY 2024-25 | 2,448.04 | - | - |
| FY 2016-17 | - | - | - | - | - | - | 205.19 | FY 2021-22 | 205.19 | - | - |
| FY 2016-17 | - | - | - | - | - | - | 198.81 | No Expiry | 198.81 | - | - |
| FY 2015-16 | - | - | 5.15 | No expiry | - | - | 1,807.30 | FY 2023-24 | 1,812.45 | - | - |
| FY 2015-16 | - | - | - | - | - | - | 218.92 | FY 2020-21 | 218.92 | - | - |
| FY 2014-15 | - | - | 1.79 | No expiry | - | - | 604.13 | FY 2022-23 | 605.92 | - | - |
| FY 2013-14 | - | - | - | - | - | - | 650.59 | FY 2021-22 | 650.59 | - | - |
| FY 2012-13 | - | - | - | - | - | - | 649.87 | FY 2020-21 | 649.87 | - | - |
| | | | | | | | | | | | |
| Total | 1,913.68 | | 287.82 | | 204.97 | | 19,251.27 | | 19,744.06 | 18.90 | |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information *(Continued)*

(Currency: Indian rupees in million)

Annexure V

41.1. Deductible temporary differences, unused tax losses and unused tax credits on which deferred tax asset is not recognised in balance sheet *(Continued)*

As at 31-Mar-2019

| Financial Year to Which the loss related to | Deductible temporary differences | | Unused tax losses | | | | | | Unused tax credits | |
|---|-------------------------------------|--------------------------------|-------------------------|-----------------------------------|--|-----------------------------------|-------------------------------|-----------------------------------|--------------------|-------------|
| | Amount | Expiry year- financial year | Unabsorbed depreciation | | Unabsorbed long term capital losses | | Unabsorbed business losses | | Total | Mat Credit |
| | | | Amount | Expiry year- financial year | Amount | Expiry year- financial year | Amount | Expiry year- financial year | Amount | |
| FY 2018-19 | 55.32 | Not applicable | 166.31 | No expiry | - | - | 3,268.58 | FY 2026-27 | 3,434.89 | - |
| FY 2018-19 | - | - | - | - | - | - | 12.55 | FY 2023-24 | 12.55 | - |
| FY 2018-19 | - | - | - | - | - | - | 317.32 | No expiry | 317.32 | - |
| FY 2017-18 | 84.56 | Not applicable | 157.59 | No expiry | - | - | 2,652.24 | FY 2025-26 | 2,809.83 | - |
| FY 2017-18 | - | - | - | - | - | - | 565.68 | No expiry | 565.68 | - |
| FY 2016-17 | - | - | 11.66 | No expiry | - | - | 2,381.95 | FY 2024-25 | 2,393.61 | - |
| FY 2016-17 | - | - | - | - | - | - | 390.28 | No expiry | 390.28 | - |
| FY 2015-16 | - | - | 5.15 | No expiry | - | - | 1,916.70 | FY 2023-24 | 1,921.85 | 0.58 |
| FY 2014-15 | - | - | 1.79 | No expiry | - | - | 682.85 | FY 2022-23 | 684.64 | - |
| FY 2013-14 | - | - | - | - | 2.46 | FY 2021-22 | 651.00 | FY 2021-22 | 653.46 | - |
| FY 2012-13 | - | - | - | - | 4.79 | FY 2020-21 | 650.00 | FY 2020-21 | 654.79 | - |
| FY 2011-12 | - | - | - | - | - | - | 158.00 | FY 2019-20 | 158.00 | - |
| Total | 139.88 | | 342.50 | | 7.25 | | 13,647.15 | | 13,996.90 | 0.58 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

42. Earnings per share (EPS)

In accordance with Indian Accounting Standard 33 – "Earnings Per Share" prescribed by Companies (Accounts) Rules, 2015, the computation of earnings per share is set out below:

| | 2019-20 | 2018-19 |
|--|--------------|--------------|
| Profit for the year attributable to owners of the parent | (20,452.45) | 9,951.66 |
| Weighted average number of equity shares for calculating basic EPS | 88,87,13,129 | 88,25,64,701 |
| Number of dilutive potential equity shares | 55,75,693 | 1,47,61,041 |
| Weighted average number of equity shares for calculating diluted EPS | 89,42,88,822 | 89,73,25,742 |
| Basic earnings share (in ₹) | (23.01) | 11.28 |
| Dilutive earning per share (in ₹)* | (23.01) | 11.09 |

*Impact of potential equity shares are anti-dilutive, hence restricted to Basic earnings per share.

43. Segment information

The Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments.

The Group has made its reformatted consolidated segment reporting to meaningfully represent its business lines Agency, Capital business, Asset reconstruction business, Insurance & Treasury business. Agency includes broking, advisory, product distribution and other fee based businesses; Capital Based represents lending business; Asset reconstruction business represents purchase and resolution of distress assets; Insurance business represents life insurance business and general insurance business. Treasury business represents income from trading and investment activities.

Segment data for previous financial period has been reclassified to conform to current financial period's presentation.

Since the business operations of the Group are primarily concentrated in India, the Group is considered to operate only in the domestic segment.

| Segment information | Particulars | Year Ended | |
|---|--------------------------------|--------------------|--------------------|
| | | 31-Mar-20 | 31-Mar-19 |
| 1 Segment revenue (Total income)² | | | |
| | Agency | 11,268.50 | 13,674.60 |
| | Capital Based | 44,652.00 | 59,104.30 |
| | Insurance business | 12,462.50 | 11,095.40 |
| | Asset Reconstruction business | 18,207.10 | 16,007.70 |
| | Treasury | 8,839.70 | 11,541.10 |
| | Unallocated | 596.49 | 231.18 |
| | Total Income | 96,026.29 | 1,11,654.28 |
| 2 Segment results (Profit/(loss) before tax) | | | |
| | Agency | 2,560.00 | 4,479.30 |
| | Capital Based | (27,901.00) | 8,446.60 |
| | Insurance business | (3,670.10) | (3,300.10) |
| | Asset Reconstruction business | 3,349.30 | 6,559.30 |
| | Treasury | 1,161.60 | 1,518.80 |
| | Unallocated | (66.32) | (266.80) |
| | Total Profit before tax | (24,566.52) | 17,437.10 |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

43. Segment information (Continued)

| | | As at | |
|----------|-------------------------------|--------------------|--------------------|
| | | 31-Mar-20 | 31-Mar-19 |
| 3 | Segment Assets | | |
| | Agency | 45,287.70 | 43,927.30 |
| | Capital Based | 3,39,434.90 | 4,03,273.80 |
| | Insurance business | 43,953.70 | 38,855.50 |
| | Asset Reconstruction business | 65,949.10 | 70,862.80 |
| | Treasury | 32,773.60 | 74,002.10 |
| | Unallocated | 15,404.21 | 10,613.94 |
| | Total Assets | 5,42,803.21 | 6,41,535.44 |
| 4 | Segment Liabilities | | |
| | Agency | 38,883.00 | 39,618.70 |
| | Capital Based | 3,28,181.60 | 3,65,244.50 |
| | Insurance business | 35,212.60 | 28,368.20 |
| | Asset Reconstruction business | 46,505.40 | 52,968.30 |
| | Treasury | 18,592.20 | 61,818.50 |
| | Unallocated | 3,357.64 | 6,367.33 |
| | Total Liabilities | 4,70,732.44 | 5,54,385.53 |

1. Non-cash expenditure aggregated to ₹ 42,295.45 millions for the year ended 31 March 2020 (FY 2018-19 : ₹ 13,678.47 millions)
2. Segment revenue includes share in profit/(loss) in associates.

44. Transfer of Financials Asset

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities

| | 2019-20 | 2018-19 |
|---|----------|---------|
| Securitisations | | |
| Carrying amount of transferred assets measured at amortised cost (Held as collateral) | 7,701.95 | 704.93 |
| Carrying amount of associated liabilities (Debt securities - measured at amortised cost) | 7,426.86 | 750.24 |
| Fair value of assets | 7,918.57 | 848.48 |
| Fair value of associated liabilities | 7,566.82 | 784.84 |
| Net position at fair value | 351.75 | 63.64 |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

45. Unconsolidated structured entities

The Group has exposure to certain unconsolidated structured entities being securitisation trusts, alternative investment funds and similar funds. The Group is involved in setting up of these structured entities and generally, acts as the investment manager. However, the Group can be removed by certain specified majority of the investors. Further, the Group does not have significant exposure to variability of returns and its remuneration is commensurate to the services provided. Therefore, these structured entities are not consolidated by the Group.

The following tables show the carrying amount of the Group's recorded interest in its reformatted consolidated balance sheet as well as the maximum exposure to risk (as defined in below) due to these exposures in the unconsolidated structured entities:

| Particulars | 31-Mar-20 | | | |
|--|-----------------------|------------------------------|-------------|-------------------------------|
| | Securitisation trusts | Alternative Investment Funds | Total | Maximum exposure ¹ |
| Loans | 895.61 | - | 895.61 | 895.61 |
| Trade Receivables | 5,404.33 | 344.61 | 5,748.94 | 5,748.94 |
| Investments at fair value through profit or loss | 40,098.56 | 856.68 | 40,955.24 | 40,955.24 |
| Total Assets | 46,398.50 | 1,201.29 | 47,599.79 | 47,599.79 |
| Off-balance sheet exposure | - | 3,163.97 | 3,163.97 | 3,163.97 |
| Size of the structured entity ¹ | 4,10,401.57 | 2,50,903.97 | 6,61,305.54 | - |
| Income from the structured entity | 9,686.31 | 1,520.82 | 11,207.13 | - |

| Particulars | 31-Mar-19 | | | |
|--|-----------------------|------------------------------|-------------|-------------------------------|
| | Securitisation trusts | Alternative Investment Funds | Total | Maximum exposure ¹ |
| Loans | 549.46 | - | 549.46 | 549.46 |
| Trade Receivables | 5,215.28 | 194.29 | 5,409.57 | 5,409.57 |
| Investments at fair value through profit or loss | 52,859.49 | 2,490.68 | 55,350.17 | 55,350.17 |
| Total Assets | 58,624.23 | 2,684.97 | 61,309.20 | 61,309.20 |
| Off-balance sheet exposure | - | 3,470.71 | 3,470.71 | 3,470.71 |
| Size of the structured entity ¹ | 4,41,253.63 | 1,71,713.25 | 6,12,966.88 | - |
| Income from the structured entity | 19,898.44 | 1,271.14 | 21,169.58 | - |

¹ In the above table, the size of the structured entity refers to the corpus in case of securitisation trusts and to the assets under management in case of alternative investment funds. For loans, trade receivables and investments in structured entities, the carrying value reflects the Group's maximum exposure to loss.

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

46. Disclosure of interest in other entities:

1. The Group does not have any associates as at 31 March 2020 and 31 March 2019.
2. Details of non wholly subsidiaries that have material non-controlling interests.

| Name of subsidiary | Place of incorporation and principal place of business | Proportion of ownership interests held by non-controlling interests | Profit(loss) allocated to non-controlling interests | |
|--|--|---|---|------------|
| | | | 31-Mar-20 | 31-Mar-19 |
| Edelweiss Asset Reconstruction Company Limited | India | 40.16% | 1,211.01 | 1,747.03 |
| Edelweiss Tokio life insurance Company Limited | India | 49.00% | (1,337.76) | (1,322.28) |

Summarised financial information in respect of each of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

| Edelweiss Asset Reconstruction Company Limited | As at 31-Mar-2020 | As at 31-Mar-2019 |
|--|----------------------|----------------------|
| Financial assets | 65,178.66 | 68,308.29 |
| Non-financial assets | 285.99 | 95.36 |
| Financial liabilities | 43,920.19 | 48,638.71 |
| Non-financial liabilities | 1,180.39 | 2,415.63 |
| Equity attributable to owners of the company | 14,222.26 | 12,116.76 |
| Non-controlling interest | 6,141.80 | 5,232.55 |

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Revenue from operations | 11,653.16 | 13,660.79 |
| Total income | 11,660.45 | 13,668.76 |
| Total expenses | 8,174.38 | 6,910.53 |
| Profit / (Loss) before tax | 3,486.07 | 6,758.23 |
| Tax expense | 470.61 | 2,408.03 |
| Profit / (Loss) for the year | 3,015.46 | 4,350.20 |
| Total Comprehensive Income / (Loss) | 3,014.74 | 4,349.74 |
| Profit / (Loss) for the year attributable to owners of the parent | 1,804.45 | 2,603.16 |
| Profit / (Loss) for the year attributable non-controlling interests | 1,211.01 | 1,747.03 |

| | | |
|---|-------------|------------|
| Cash flows (used) / generated from operating activities | 8,411.13 | 7,650.62 |
| Cash flows (used) / generated from investing activities | 8,656.56 | (7,152.80) |
| Cash flows (used) / generated from financial activities | (10,975.85) | (177.17) |
| Net cash inflow/(outflow) | 6,091.84 | 320.66 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

46. Disclosure of interest in other entities: (*Continued*)

| Edelweiss Tokio life insurance Company Limited | As at 31-Mar-2020 | As at 31-Mar-2019 |
|---|-------------------------------------|-------------------------------------|
| Financial assets | 35,366.05 | 31,803.70 |
| Non-financial assets | 5,079.39 | 4,477.38 |
| Financial liabilities | 3,162.42 | 3,184.67 |
| Non-financial liabilities | 29,794.61 | 23,803.75 |
| Equity attributable to owners of the company | 3,819.09 | 4,739.26 |
| Non-controlling interest | 3,669.32 | 4,553.40 |
| | | |
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| Revenue from operations | 11,865.28 | 10,555.45 |
| Total income | 11,881.84 | 10,575.64 |
| Total expenses | 14,611.96 | 13,274.16 |
| Profit / (Loss) before tax | (2,730.12) | (2,698.52) |
| Tax expense | - | - |
| Profit / (Loss) for the year | (2,730.12) | (2,698.52) |
| Total Comprehensive Income / (Loss) | (1,737.31) | (2,314.90) |
| Profit / (Loss) for the year attributable to owners of the parent | (1,392.36) | (1,376.24) |
| Profit / (Loss) for the year attributable non-controlling interests | (1,337.76) | (1,322.28) |
| | | |
| Cash flows (used) / generated from operating activities | 2,195.00 | 2,408.61 |
| Cash flows (used) / generated from investing activities | (1,921.00) | (2,363.28) |
| Cash flows (used) / generated from financial activities | (122.00) | - |
| Net cash inflow/(outflow) | 152.00 | 45.33 |

47. Retirement benefit plan

A. Defined contribution plan (Provident fund and National Pension Scheme):

Amount of ₹ 572.45 millions (FY 2018-19 : ₹ 408.05 millions) is recognised as expenses and included in "Employee benefit expense" in the reformatted statement of profit and loss

B. Defined benefit plan (Gratuity):

The following tables summarise the components of the net benefit expenses recognised in the statement of profit and loss and the funded and unfunded status and amount recognised in the balance sheet for the gratuity benefit plan.

Statement of profit and loss

Expenses recognised in the Statement of Profit and Loss:

| | 2019-20 | 2018-19 |
|--|---------------|---------------|
| Current service cost | 125.54 | 116.25 |
| Interest on defined benefit obligation | 10.36 | 11.29 |
| Past service cost | 2.40 | - |
| Effect of Curtailment | (8.06) | - |
| Exchange rate adjustment | 0.17 | 0.34 |
| Total included in 'Employee benefits expense' | 130.41 | 127.88 |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

47. Retirement benefit plan (*Continued*)

Movement in Other Comprehensive Income:

| | 2019-20 | 2018-19 |
|--|----------------|----------------|
| Balance at start of year (Loss)/ Gain | | |
| Re-measurements on define benefit obligation (DBO) | (26.58) | - |
| a. Actuarial (Loss)/ Gain from changes in financial assumptions | (46.80) | (8.37) |
| b. Actuarial (Loss)/ Gain from experience over the past year | 34.66 | (18.12) |
| Re-measurements on Plan Assets | - | - |
| Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset) | (31.32) | 0.95 |
| Re-measurements on Asset Ceiling | - | - |
| Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset) | (4.71) | (0.06) |
| Balance at end of year (Loss)/ Gain | (74.75) | (25.60) |

Balance sheet

Reconciliation of defined benefit obligation (DBO) :

| | 2019-20 | 2018-19 |
|--|---------------|---------------|
| Present value of DBO at the beginning of the year | 625.53 | 487.60 |
| Acquisition/ (Divestiture) | (8.06) | 3.28 |
| Transfer (out)/in | - | - |
| Interest cost | 42.92 | 35.09 |
| Current service cost | 125.54 | 116.25 |
| Benefits paid | (71.04) | (43.52) |
| Past service cost | 2.40 | - |
| Actuarial (gain)/loss | 12.14 | 26.48 |
| Exchange Rate Adjustment | 0.17 | 0.35 |
| Present value of DBO at the end of the year | 729.60 | 625.53 |

Reconciliation of fair value of plan assets:

| | 2019-20 | 2018-19 |
|--|---------------|---------------|
| Fair value of plan assets at the beginning of the year | 506.53 | 348.42 |
| Acquisition / (Divestiture) | - | 3.28 |
| Contributions by Employer | 136.34 | 173.19 |
| Benefits paid | (71.04) | (43.52) |
| Interest income | 32.99 | 24.23 |
| Return on plan asset excluding amount included in net interest on the net defined benefit liability/ (asset) | (31.32) | 0.93 |
| Fair value of plan assets at the end of the year | 573.50 | 506.53 |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

47. Retirement benefit plan (Continued)

B. Defined benefit plan (Gratuity) (Continued):

Net asset / (liability) recognised in the balance sheet:

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|-----------------|-----------------|-----------------|----------------|----------------|
| Present value of DBO | (729.60) | (625.53) | (487.60) | (380.66) | (320.23) |
| Fair value of plan assets at the end of the year | 573.50 | 506.53 | 348.42 | 290.19 | 257.36 |
| Net Liability | (156.10) | (119.00) | (139.18) | (90.47) | (62.87) |
| Less: Effect of limiting net assets to asset ceiling | (11.56) | (6.45) | (5.96) | (1.40) | - |
| Liability recognised in the balance sheet | (167.66) | (125.45) | (145.14) | (91.87) | (62.87) |

Experience adjustments:

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|--------------------------------------|---------|-------|---------|---------|--------|
| On plan liabilities: loss / (gain) | (34.66) | 18.12 | (13.07) | (11.37) | 28.52 |
| On plan assets: gain / (loss) | | | | 15.53 | (4.92) |
| Estimated contribution for next year | | | | 1.00 | 1.50 |

Principal actuarial assumptions at the balance sheet date:

| | 2019-20 | 2018-19 |
|--------------------------|-------------------------|--------------------|
| Discount rate | 5.50%-5.90% | 6.70%-7.00% |
| Salary escalation | 7% | 7.00% |
| Employees attrition rate | 13% - 60% | 13% - 60% |
| Mortality Rate | IALM 2012-14 (Ultimate) | IALM 2012-14 (Utl) |

Percentage Break-down of Total Plan Assets

| | 2019-20 | 2018-19 |
|--|-------------|-------------|
| Investment Funds with Insurance Company and Cash | 100% | 100% |
| Total | 100% | 100% |

Sensitivity Analysis for 2020:

| Assumptions | Discount rate | | Future salary increases | |
|--------------------------------------|-------------------|-------------------|-------------------------|-------------------|
| Sensitivity Level | 1.00% increase | 1.00% decrease | 1.00% increase | 1.00% decrease |
| Impact on defined benefit obligation | (34.39) | 37.38 | 36.57 | (34.31) |

Sensitivity Analysis for 2019:

| Assumptions | Discount rate | | Future salary increases | |
|--------------------------------------|-------------------|-------------------|-------------------------|-------------------|
| Sensitivity Level | 1.00% increase | 1.00% decrease | 1.00% increase | 1.00% decrease |
| Impact on defined benefit obligation | (29.46) | 32.19 | 31.86 | (29.71) |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

48. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations

| | As at 31-Mar-2020 | | | As at 31-Mar-2019 | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| ASSETS | | | | | | |
| Financial assets | | | | | | |
| (a) Cash and cash equivalents | 49,425.19 | - | 49,425.19 | 31,158.21 | - | 31,158.21 |
| (b) Bank balances other than cash and cash equivalents | 32,910.90 | 3,759.99 | 36,670.89 | 33,396.05 | - | 33,396.05 |
| (c) Derivative financial instruments | 5,223.80 | 98.07 | 5,321.87 | 1,615.89 | 325.01 | 1,940.90 |
| (d) Stock in trade (securities held for trading) | 17,458.07 | - | 17,458.07 | 39,136.66 | - | 39,136.66 |
| (e) Trade Receivables | 9,886.37 | 3,166.01 | 13,052.38 | 24,277.91 | 3,262.15 | 27,540.06 |
| (f) Loans | 79,525.99 | 2,04,080.80 | 2,83,606.79 | 1,15,551.25 | 2,68,531.85 | 3,84,083.10 |
| (g) Investments | 12,029.33 | 70,636.69 | 82,666.02 | 24,403.17 | 63,587.30 | 87,990.47 |
| (h) Other financial assets | 7,082.78 | 1,219.55 | 8,302.33 | 1,511.45 | 4,587.06 | 6,098.51 |
| Total financial assets (A) | 2,13,542.43 | 2,82,961.11 | 4,96,503.54 | 2,71,050.59 | 3,40,293.37 | 6,11,343.96 |
| Non-financial assets | | | | | | |
| (a) Inventories | 436.09 | - | 436.09 | 1,691.32 | - | 1,691.32 |
| (b) Reinsurance assets | - | 2,944.42 | 2,944.42 | 34.54 | 2,851.65 | 2,886.19 |
| (c) Current tax assets (net) | 870.13 | 4,969.65 | 5,839.78 | 4,326.64 | - | 4,326.64 |
| (d) Deferred tax assets (net) | - | 9,564.75 | 9,564.75 | - | 4,905.87 | 4,905.87 |
| (e) Investment property | - | 4,457.27 | 4,457.27 | - | 3,144.51 | 3,144.51 |
| (f) Property, Plant and Equipment | 128.98 | 14,883.60 | 15,012.58 | - | 5,477.86 | 5,477.86 |
| (g) Capital work in progress | - | 111.56 | 111.56 | - | 102.94 | 102.94 |
| (h) Intangible assets under development | - | 320.79 | 320.79 | - | 333.90 | 333.90 |
| (i) Goodwill | - | 1,723.41 | 1,723.41 | - | 1,742.72 | 1,742.72 |
| (j) Other Intangible assets | - | 2,255.79 | 2,255.79 | - | 2,282.58 | 2,282.58 |
| (k) Other non- financial assets | 1,559.52 | 2,073.71 | 3,633.23 | 2,462.76 | 834.19 | 3,296.95 |
| Total non-financial assets (B) | 2,994.72 | 43,304.95 | 46,299.67 | 8,515.26 | 21,676.22 | 30,191.48 |
| TOTAL ASSETS (C = A+B) | 2,16,537.15 | 3,26,266.06 | 5,42,803.21 | 2,79,565.85 | 3,61,969.59 | 6,41,535.44 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

48. Maturity analysis of assets and liabilities (Continued)

| | As at 31-Mar-2020 | | | As at 31-Mar-2019 | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| LIABILITIES | | | | | | |
| Financial liabilities | | | | | | |
| (a) Derivative financial instruments | 3,786.06 | 26.42 | 3,812.48 | 1,349.78 | 579.73 | 1,929.51 |
| (b) Trade Payables | 12,833.60 | - | 12,833.60 | 19,752.83 | - | 19,752.83 |
| (c) Insurance claims payable | 74.52 | - | 74.52 | 45.61 | - | 45.61 |
| (d) Debt securities | - | 2,07,585.06 | 2,07,585.06 | 75,245.44 | 1,70,665.04 | 2,45,910.48 |
| (e) Borrowings (other than debt securities) | 1,03,475.64 | 29,734.91 | 1,33,210.55 | 1,02,166.46 | 88,287.05 | 1,90,453.51 |
| (f) Deposits | 2,168.97 | - | 2,168.97 | 1,390.38 | 46.38 | 1,436.76 |
| (g) Subordinated Liabilities | 6,124.14 | 17,484.67 | 23,608.81 | 1,003.39 | 22,673.19 | 23,676.58 |
| (h) Other financial liabilities | 25,860.84 | 23,389.70 | 49,250.54 | 32,106.44 | 7,020.54 | 39,126.98 |
| Total financial liabilities (D) | 1,54,323.77 | 2,78,220.76 | 4,32,544.53 | 2,33,060.33 | 2,89,271.93 | 5,22,332.26 |
| Non-financial liabilities | | | | | | |
| (a) Current tax liabilities (net) | 626.28 | 280.02 | 906.30 | 1,435.14 | - | 1,435.14 |
| (b) Provisions | 104.94 | 246.17 | 351.11 | 122.05 | 205.66 | 327.71 |
| (c) Provision for policyholders' liabilities | - | 30,076.82 | 30,076.82 | - | 24,492.79 | 24,492.79 |
| (d) Deferred tax liabilities (net) | - | 2,643.73 | 2,643.73 | - | 2,532.70 | 2,532.70 |
| (e) Other non-financial liabilities | 4,169.82 | 40.13 | 4,209.95 | 3,106.62 | 158.31 | 3,264.93 |
| Total non-financial liabilities (E) | 4,901.04 | 33,286.87 | 38,187.91 | 4,663.81 | 27,389.46 | 32,053.27 |
| TOTAL LIABILITIES (F = D+E) | 1,59,224.81 | 3,11,507.63 | 4,70,732.44 | 2,37,724.14 | 3,16,661.39 | 5,54,385.53 |
| NET TOTAL ASSETS / (LIABILITIES) (C-F) | 57,312.34 | 14,758.43 | 72,070.77 | 41,841.71 | 45,308.20 | 87,149.91 |

49. Changes in liabilities arising from financing activities

| Particulars | 01-Apr-19 | Cash flows | Changes in fair values | Exchange difference | Others** | 31-Mar-20 |
|--|--------------------|----------------------|------------------------|---------------------|-----------------|--------------------|
| Borrowings* | 4,61,477.33 | (1,04,025.90) | - | - | 9,121.96 | 3,66,573.39 |
| Total liabilities from financing activities | 4,61,477.33 | (1,04,025.90) | - | - | 9,121.96 | 3,66,573.39 |

| Particulars | 01-Apr-18 | Cash flows | Changes in fair values | Exchange difference | Others** | 31-Mar-19 |
|--|--------------------|--------------------|------------------------|---------------------|-----------------|--------------------|
| Borrowings* | 4,89,640.91 | (37,249.42) | - | - | 9,085.84 | 4,61,477.33 |
| Total liabilities from financing activities | 4,89,640.91 | (37,249.42) | - | - | 9,085.84 | 4,61,477.33 |

* Comprises of Debt securities, Deposits, Subordinated Liabilities and other borrowings.

** Refers to interest expense for the year incurred by entities other than non-banking financial companies in the group.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

50. Contingent liabilities, commitments and leasing arrangements:

50.1 Contingent liabilities and commitments

- Taxation matters in respect of which appeal is pending ₹ 1,488.26 millions (FY 2018-19 : ₹ 865.06 millions).
- Litigation pending against Group amounts to ₹ 194.78 millions (FY 2018-19 : ₹ 668.00 millions).
- Claims not acknowledged as debt ₹ 91.99 millions (FY 2018-19 :: ₹ 54.87 millions).

The Group has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The Group has filed appeal/s and is defending its position. Based on the favourable outcome in Appellate proceedings in the past and as advised by the tax advisors, Group is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote.

Note - The Group's pending litigations mainly comprise of claims against the Group pertaining to proceedings pending with Income Tax, Excise, Custom, Sales/VAT tax / GST and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the reformatted Ind AS consolidated financial information. The Group believes that the outcome of these proceedings will not have a materially adverse effect on the Group financial position and results of operations.

- Undrawn committed credit lines subject to meeting of conditions, ₹ 18,118.83 millions as at balance sheet date (FY 2018-19 : ₹ 43,626.81 millions).
- Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 374.87 millions (FY 2018-19: ₹ 555.83 millions).
- Uncalled liabilities on Non Current Investment ₹ 3,357.63 millions (FY 2018-19: ₹ Nil millions)

50.2 Operating lease

1. This note provides information for leases where the group is a lessee. Group has not given any property on lease

| Particulars | Amount |
|----------------------------|-----------------|
| Lease liability | |
| As at 1 April 2019 | 2,478.92 |
| Additions | 247.03 |
| Accretion of interest | 221.45 |
| Lease payment for the year | (548.97) |
| As at 31 March 2020 | 2,398.43 |

2. The statement of profit or loss shows the following amounts relating to leases

| Particulars | Amount |
|--------------------------------------|--------|
| Depreciation on ROU of assets | 521.63 |
| Interest cost | 221.45 |
| Expenses related to short term lease | 199.32 |

Effective 01 April 2019, the Group has adopted Ind AS 116 'Leases' and applied it to all lease contracts existing on 01 April 2019 using the 'Modified Retrospective Approach'. Based on the same and as permitted, the Group has not restated the comparative figures. On transition, Group has accounted for recognition of right-of-use asset and a corresponding lease liability impacting reduction in networth by ₹ 209.55 millions.

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

51. Related party disclosures

(FY 2019-20)

(A) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise

Mr. Rashesh Shah
Mr. Venkatchalam Ramaswamy
Ms. Vidya Shah
Ms. Aparna T.C.

(B) Key Management Personnel

Mr. Rashesh Shah - Chairman, Managing Director & CEO
Mr. Venkatchalam Ramaswamy - Vice Chairman & Executive Director
Mr. Himanshu Kaji - Executive Director
Mr. Rujan Panjwani - Executive Director Mr.
S. Ranganathan - Chief Financial Officer

(C) Relatives of individuals exercising significant influence and relatives of KMP, with whom transactions have taken place

Ms. Kaavya Venkat
Ms. Shilpa Mody
Ms. Sejal Premal Parekh
Mr. A V Ramaswamy
Ms. Sneha Sripad Desai
Mr. Neel Shah
Ms. Avanti Shah
Mr. Nalin Kaji
Ms. Shabnam Panjwani

(D) Enterprises where significant influence is exercised

Allium Finance Private Limited (Associate upto 28 November 2018 and post that date it became a subsidiary)

(E) Enterprises over which Promoter / KMPs / Relatives exercise significant influence, with whom transactions have taken place

Spire Investment Advisors LLP
Mabella Investment Adviser LLP
Shah Family Discretionary Trust
Kenai Advisors LLP

(F) Independent Directors

Mr. Berjis Desai
Mr. Biswamohan Mahapatra
Mr. Kunnasagaran Chinniah
Mr. Navtej S. Nandra
Mr. P N Venkatachalam
Mr. Sanjiv Mishra (Upto 24 January 2019)
Mr. Ashok Kini (from 01 April 2019)
Dr. Ashima Goyal (from 01 April 2019)

(G) Other Directors

Ms. Anita M George (from 01 April 2019)

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

51. Related party disclosures (Continued)

(FY 2018-19)

- (A) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise**
Mr. Rashesh Shah
Mr. Venkatchalam Ramaswamy
Ms. Vidya Shah
Ms. Aparna T.C.
- (B) Key Management Personnel**
Mr. Rashesh Shah - Chairman, Managing Director & CEO
Mr. Venkatchalam Ramaswamy - Executive Director
Mr. Himanshu Kaji - Executive Director
Mr. Rujan Panjwani - Executive Director
- (C) Relatives of individuals exercising significant influence and relatives of KMP, with whom transactions have taken place**
Ms. Kaavya Venkat
Ms. Shilpa Mody
Ms. Sejal Premal Parekh
Mr. A V Ramaswamy
Ms. Sneha Sripad Desai
Mr. Neel Shah
Mr. Nalin Kaji
Ms. Shabnam Panjwani
- (D) Enterprises where significant influence is exercised**
Allium Finance Private Limited (Associate upto 28 November 2018 and post that date it became a subsidiary)
- (E) Enterprises over which Promoter / KMPs / Relatives exercise significant influence, with whom transactions have taken place**
Spire Investment Advisors LLP
Mabella Investment Adviser LLP
Shah Family Discretionary Trust
- (F) Independent Directors**
Mr. Berjis Desai
Mr. Biswamohan Mahapatra
Mr. Kunnasagaran Chinniah
Mr. Navtej S. Nandra
Mr. P N Venkatachalam
Mr. Sanjiv Misra (up to 24 January 2019)
Mr. Sunil Mitra (up to 2 August 2017)

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

51. Related party disclosures (*Continued*)

Transactions and balances with Related Parties:

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-20 | 31-Mar-19 |
|--|----------------------------------|---------------------------------|-----------|-----------|
| Transactions with related parties | | | | |
| 1 | Short term loans given to | Mr. Venkatchalam Ramaswamy | 34.02 | - |
| | | Ms. Aparna T. C. | 353.28 | 468.56 |
| | | Mabella Investment Advisor LLP | 1,087.89 | 488.91 |
| | | Kenai Advisors LLP | 62.78 | - |
| | | Mr. S. Ranganathan | 5.00 | - |
| 2 | Short term loans given repaid by | Mr. Venkatchalam Ramaswamy | 24.27 | - |
| | | Ms. Aparna T. C. | 347.16 | 468.56 |
| | | Mabella Investment Advisor LLP | 565.03 | 488.91 |
| | | Mr. Rujan Panjwani | - | 6.00 |
| | | Kenai Advisors LLP | 62.56 | - |
| 3 | Purchase of security from | Mr. Rujan Panjwani | - | 10.00 |
| 4 | Reimbursement recovered from | Allium Finance Private Limited | - | 1.80 |
| 5 | Dividend paid | Mr. Rashesh Shah | 43.59 | 203.42 |
| | | Mr. Venkatchalam Ramaswamy | 17.41 | 81.24 |
| | | Ms. Vidya Shah | 9.91 | 49.04 |
| | | Shah Family Discretionary Trust | 11.63 | 54.25 |
| | | Spire Investment Advisors LLP | 0.96 | 4.48 |
| | | Ms. Aparna T. C. | 3.66 | 17.09 |
| | | Ms. Kaavya Venkat | 3.54 | 16.51 |
| | | Mr. Rujan Panjwani | 4.23 | 18.15 |
| | | Mr. Himanshu Kaji | 1.20 | 5.58 |
| | | Ms. Sneha Sripad Desai | 0.31 | 1.44 |
| | | Ms. Shilpa Mody | 0.29 | 1.33 |
| | | Ms. Sejal Premal Parekh | 0.29 | 1.33 |
| | | Ms. Shabnam Panjwani | 0.32 | 0.80 |
| | | Mr. A V Ramaswamy | 0.02 | 0.07 |
| | | Mr. Navtej S. Nandra | 2.39 | 11.16 |
| | | Mr. Berjis Desai | - | 0.19 |
| | | Mr. Sanjiv Misra | - | 0.14 |
| | | Ms. Avanti Shah | 0.60 | - |
| | | Mr. P. N. Venkatachalam | 0.08 | 0.38 |
| | | Mr. S. Ranganathan | 0.33 | 1.53 |
| 6 | Interest income on loan from | Mr. Venkatchalam Ramaswamy | 0.25 | - |
| | | Ms. Aparna T. C. | 7.82 | 1.87 |
| | | Mr. Rujan Panjwani | - | 0.01 |
| | | Mabella Investment Advisor LLP | 28.62 | 2.22 |
| | | Kenai Advisors LLP | 0.60 | - |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

51.Related party disclosures (*Continued*)

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-20 | 31-Mar-19 |
|---|------------------------------------|--------------------------------|-----------|-----------|
| Transactions with related parties (<i>Continued</i>) | | | | |
| 7 | Brokerage earned from | Mabella Investment Adviser LLP | 0.14 | 6.74 |
| | | Ms. Aparna T. C. | 0.10 | 0.13 |
| | | Mr. Neel Shah | 0.01 | - |
| | | Ms. Sejal Premal Parekh | - | 0.01 |
| 8 | Remuneration to | Mr. Rashesh Shah | 50.19 | 140.66 |
| | | Mr. Rujan Panjwani | 38.19 | 79.28 |
| | | Mr. Himanshu Kaji | 36.91 | 74.93 |
| | | Mr. Venkatchalam Ramaswamy | 35.63 | 63.10 |
| | | Ms. Shabnam Panjwani | 12.92 | 9.21 |
| | | Ms. Vidya Shah | 4.24 | 4.05 |
| | | Mr. Neel Shah | 1.27 | 1.96 |
| | | Mr. S. Ranganathan | 25.18 | 39.69 |
| 9 | Cost reimbursements recovered from | Allium Finance Private Limited | - | 0.20 |
| 10 | Sitting fees paid to | Mr. Berjis Desai | 0.26 | 0.26 |
| | | Mr. Biswamohan Mahapatra | 1.02 | 0.28 |
| | | Mr. Kunnasagaran Chinniah | 0.96 | 0.40 |
| | | Mr. Navtej S. Nandra | 0.68 | 0.30 |
| | | Mr. P N Venkatachalam | 2.00 | 0.48 |
| | | Mr. Sanjiv Misra | - | 0.28 |
| | | Dr. Ashima Goyal | 0.10 | - |
| | | Mr. Ashok Kini | 0.47 | - |
| 11 | Commission paid to | Mr. Berjis Desai | 1.00 | 1.30 |
| | | Mr. Biswamohan Mahapatra | 1.00 | 1.30 |
| | | Mr. Kunnasagaran Chinniah | 1.00 | 1.30 |
| | | Mr. Navtej S. Nandra | 1.00 | 1.30 |
| | | Mr. P N Venkatachalam | 1.00 | 1.30 |
| | | Mr. Sanjiv Misra | - | 1.30 |
| Balances With Related Parties | | | | |
| 12 | Preference shares held by | Mr. Rujan Panjwani | 2.30 | 2.30 |
| | | Ms. Shabnam Panjwani | 1.00 | 1.00 |
| 13 | Short Term Loan Given to | Mr. Venkatchalam Ramaswamy | 9.75 | - |
| | | Ms. Aparna T. C. | 6.12 | - |
| | | Mabella Investment Advisor LLP | 522.86 | - |
| | | Kenai Advisors LLP | 0.22 | - |
| | | Mr. S. Ranganathan | 5.00 | - |

Notes:

- Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and provision made for bonus which are provided for group of employees on an overall basis. These are included on cash basis.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

52. Capital management

The Group manages the capital structure by a balanced mix of debt and equity. The Group's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The Group maintains sound capitalisation both from an economic and regulatory perspective. The Group continuously monitors and adjusts overall capital demand and supply in an effort to achieve an appropriate balance of the economic and regulatory considerations at all times and from all perspectives. These perspectives include specific capital requirements from rating agencies.

Capital structure includes infusion in the form of equity and structured debt from strategic business partners in certain of Group's subsidiaries to fund expansion and assist in achieving expected growth in the competitive market.

No changes were made in the objectives, policies or processes during the financial years ended 31 March 2020 and 31 March 2019.

This framework is adjusted based on underlying the macro-economic factors affecting business environment, financial market conditions and interest rates environment. Group monitors capital using debt-equity ratio, which is total debt divided by total equity.

| Particulars | 31-Mar-20 | 31-Mar-19 |
|----------------|-------------|-------------|
| Total Debt | 3,66,573.40 | 4,61,477.33 |
| Equity | 72,070.77 | 87,149.91 |
| Debt to Equity | 5.09 | 5.30 |

53. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans

Edelweiss Financial Services Limited ("EFSL" hereafter), has recognised share based payment expenses for the years ended 31 March 2020 and 31 March 2019 based on fair value as on the grant date calculated as per option pricing model. The grants represent equity-settled options under the Employee Stock Option Plans and Stock Appreciation Rights Plans (hereafter referred to as "ESOP 2010", "ESOP 2011" and "SAR 2019" or "ESOPs" "SARs").

The Edelweiss Group has granted ESOPs under the three plans viz., ESOP 2010, ESOP 2011 SAR 2019 to its employees on an equity-settled basis as tabulated below. The ESOPs/SARs provide a right to its holders (i.e., Edelweiss group employees) to purchase one EFSL share for each option at a pre-determined strike price on the expiry of the vesting period. The ESOP/ SAR hence represents an European call option that provides a right but not an obligation to the employees of the Edelweiss group to exercise the option by paying the strike price at any time on completion of the vesting period, subject to an outer boundary on the exercise period.

EFSL has granted stock options to employees of the Edelweiss group on an equity-settled basis as tabulated below.

| | SAR 2019 | ESOP 2010 | ESOP 2011 |
|---|------------------------------|------------------------------|------------------------------|
| Dates of grant | Varying | Varying | Varying |
| Option Type | Equity settled | Equity settled | Equity settled |
| No. of outstanding options at 31 March 2020 | 1,12,30,000 | - | 2,11,26,689 |
| No. of outstanding options at 31 March 2019 | - | - | 2,05,88,627 |
| No. of Equity shares represented by an option | 1 share for 1 option | 1 share for 1 option | 1 share for 1 option |
| Fair Value per option | Varies as per the grant date | Varies as per the grant date | Varies as per the grant date |
| Exercise Price | Varies as per the grant date | Varies as per the grant date | Varies as per the grant date |
| Vesting Period | 2-6 years | 1-4 years | 1-4 years |
| Vesting Conditions | Service | Service | Service |

Notes to the Reformatted Ind AS Consolidated Financial information (Continued)

(Currency: Indian rupees in million)

Annexure V

53. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans (Continued)

The vesting of options is subject to the employee's continued employment with the Edelweiss group. The ESOPs shall vest as follows:

| | SAR 2019 | ESOP 2010 | ESOP 2011 |
|-------------------------------|-------------------|-------------------|-------------------|
| Duration from grant date | % options vesting | % options vesting | % options vesting |
| 12 months from the grant date | - | 25.00% | 25.00% |
| 24 months from the grant date | 33.33% | 25.00% | 25.00% |
| 36 months from the grant date | - | 25.00% | 25.00% |
| 48 months from the grant date | 33.33% | 25.00% | 25.00% |
| 60 months from the grant date | - | - | - |
| 72 months from the grant date | 33.34% | - | - |
| Total | 100.00% | 100.00% | 100.00% |

| Plan description | | | | |
|------------------|------------|------------------------------|-----------------|----------------|
| Plan Name | Grant Date | Vesting Conditions | Term of Options | Payout |
| ESOP Plan 2010 | Various | As specified in tables above | 1-4 years | Equity settled |
| ESOP Plan 2011 | Various | As specified in tables above | 1-4 years | Equity settled |
| SAR Plan 2019 | Various | As specified in tables above | 2-6 years | Equity settled |

Movement of number of Options for FY 2019-20 and 2018-19

| Number of options | 2019-20 | | | 2018-19 | | |
|--------------------------------------|-------------|-------------|-------------|-------------|---------------|---------------|
| | SAR 2019 | ESOP 2011 | Total | ESOP 2010 | ESOP 2011 | Total |
| Outstanding at the start of the year | - | 2,05,88,627 | 2,05,88,627 | 14,73,000 | 3,34,51,874 | 3,49,24,874 |
| Granted during the year* | 1,16,25,000 | 40,85,000 | 1,57,10,000 | - | 41,53,750 | 41,53,750 |
| Exercised during the year | - | (17,46,763) | (17,46,763) | (14,62,850) | (1,52,07,822) | (1,66,70,672) |
| Lapsed/ cancelled during the year | (3,95,000) | (18,00,175) | (21,95,175) | (10,150) | (18,09,175) | (18,19,325) |
| Outstanding at the end of the year* | 1,12,30,000 | 2,11,26,689 | 3,23,56,689 | - | 2,05,88,627 | 2,05,88,627 |
| Exercisable at the end of the year | - | 1,12,41,676 | 1,12,41,676 | - | 1,05,55,675 | 1,05,55,675 |

*Includes, SAR 2019 515,000, ESOP 2011 1,670,825 (FY 2018-19 ESOP 2011 2,090,800) approved but not granted.

Weighted Average Exercise Price for FY 2019-20 and 2018-19

| Weighted Average Exercise Price (₹) | 31-Mar-20 | | 31-Mar-19 | |
|---|-----------|-----------|-----------|-----------|
| | SAR 2019 | ESOP 2011 | ESOP 2010 | ESOP 2011 |
| Outstanding at the start of the year | NA | 117.34 | 49.41 | 57.84 |
| Granted during the year | 180.26 | 168.04 | - | 294.67 |
| Exercised during the year | - | 47.27 | 49.41 | 39.65 |
| Lapsed/ cancelled during the year | 180.65 | 127.91 | 48.56 | 122.76 |
| Outstanding at the end of the year | 178.75 | 131.80 | - | 117.34 |
| Exercisable at the end of the year | NA | 78.84 | - | 51.27 |
| Weighted Average Share Price at the exercise date | NA | 47.61 | 49.91 | 39.61 |

Notes to the Reformatted Ind AS Consolidated Financial information (Continued)

(Currency: Indian rupees in million)

Annexure V

53. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans (Continued)

Outstanding Options as at 31 March 2020 and 31 March 2019

| | 31-Mar-20 | | 31-Mar-19 | |
|---|-------------|-------------|-----------|-------------|
| | SAR 2019 | ESOP 2011 | ESOP 2010 | ESOP 2011 |
| Number of options outstanding | 1,12,30,000 | 2,11,26,689 | - | 2,05,88,627 |
| Weighted average strike price (₹) | 178.75 | 131.80 | - | 117.34 |
| Weighted average remaining lifetime of options (in years) | 3.18 | 0.54 | - | 0.55 |
| Number of employees covered under the scheme | 132 | 372 | - | 446 |

Options granted during FY 2019-20 and 2018-19

| | 31-Mar-20 | | 31-Mar-19 | |
|---|-------------|-----------|-----------|-----------|
| | SAR 2019 | ESOP 2011 | ESOP 2010 | ESOP 2011 |
| Number of options granted | 1,16,25,000 | 40,85,000 | NA | 41,53,750 |
| Weighted average strike price (in ₹) | 180.26 | 168.04 | NA | 294.67 |
| Weighted average remaining lifetime of options (in years) | 4 | 3.5 | NA | 3.5 |
| Number of employees covered under the scheme | 132 | 216 | NA | 179.00 |
| Weighted Average Fair value per option (in ₹) | 85.08 | 81.21 | NA | 112.57 |
| Weighted Average Intrinsic value per option (in ₹) | 1.44 | 9.03 | NA | 2.59 |

Assumptions for Fair Value for FY 2019-20 and 2018-19

| | 31-Mar-20 | | 31-Mar-19 | |
|---|---------------------|---------------------|-----------|---------------------|
| | SAR 2019 | ESOP 2011 | ESOP 2010 | ESOP 2011 |
| Weighted average share price (in ₹) | 180.17 | 133.12 | NA | 116.93 |
| Weighted average strike price (in ₹) | 178.75 | 131.80 | NA | 117.34 |
| Weighted average remaining lifetime of options (in years) | 3.18 | 0.54 | NA | 0.55 |
| Expected volatility (% p.a.) | 56% - 62% p.a. | 35% - 62% p.a. | NA | 33% - 54% p.a. |
| Risk-free discount rate (% p.a.) | 5.4% - 6.9% p.a. | 5.4% - 8.5% p.a. | NA | 6.0% - 8.5% p.a. |
| Expected dividend yield (% p.a.) | 0.66% - 0.67% p.a. | 0.4% - 3.1% p.a. | NA | 0.4% - 3.1% p.a. |

Other Disclosure

| | 31-Mar-20 | | | 31-Mar-19 | | |
|---|-----------|-----------|--------|-----------|-----------|--------|
| | SAR 2019 | ESOP 2011 | Total | ESOP 2010 | ESOP 2011 | Total |
| Charges during the year due to share based payments | 148.93 | 242.03 | 390.96 | (2.57) | 228.04 | 225.47 |
| Changes in fair value of share based payments due to any modifications made during the year | - | - | - | - | - | - |
| Liability due for share based payments | 148.93 | 669.25 | 818.18 | - | 460.59 | 460.59 |
| Intrinsic value of the liability above | - | - | - | - | - | - |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

54. Events after reporting date

Sale of loans to Asset Reconstruction Company (ARC) (FY 2019-20)

ECL Finance Limited, Edelweiss Finvest Private Limited, Edelweiss Retail Finance Limited (together 'subsidiaries') had initiated sale of certain financial assets before 31 March 2020 and for which definitive contracts were executed post the balance sheet date. These financial assets sold subsequent to 31 March 2020, amounted to ₹ 16,570.00 millions to alternative assets fund and asset reconstruction companies trusts. As per Ind AS 109, Financial Instruments, prescribed under section 133 of the Companies Act, 2013 significant judgement is involved in classification of assets which has been accentuated on account of factors caused by COVID 19. Accordingly, management of these subsidiary companies assessed that such loans sold by these subsidiaries subsequent to 31 March 2020 had an increased risk but were not credit impaired. Of the above, on ₹ 8,450.00 millions sold to alternative asset funds, the Group, has, vide a put agreement dated 01 July 2020, undertaken to purchase part of these financial assets amounting to ₹ 4,500.00 millions under certain contingencies as per the agreement. Further, on financial assets amounting to ₹ 8,120.00 millions sold to asset reconstruction trusts, EFSL and ERCSL, have, guaranteed significant risks and assumed rewards in respect of an aggregate value of financial assets of ₹ 6,120.00 millions. As at 31 March 2020, there are no impact on the Reformatted Ind AS Consolidated Financial information of the Group other than expected credit loss already provided amounting to ₹ 5,560.00 millions.

Stock appreciation rights (FY 2018-19)

The Board of Directors of the Company had given its approval on 26 March 2019 for implementing Edelweiss Employees Stock Appreciation Rights Plan 2019 (SAR Plan 2019) wherein Stock Appreciation Rights (SARs) would be granted to eligible employees of the Group. Such SARs shall give the concerned employees a right to receive the difference between the SAR price and the market price of equity shares of the Company on the date of exercise, either by way of cash or issuance of equity shares of the Company, at the discretion of the Company. Further, the maximum number of SARs granted under the SAR Plan 2019 shall not exceed such number of SARs as would be exercisable into not more than 40.00 million equity shares of the Company. The SAR Plan 2019 received the approval of the members of the Company on 30 April 2019 by way of postal ballot.

Investment by CDPQ in ECLF (FY 2018-19)

Pursuant to Securities Subscription Agreement dated 5 March 2019 amongst ECL Finance Limited ("ECLF"), Edelweiss Financial Services Limited ("the Company"), Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited) and Edel Finance Company Limited and CDPQ Private Equity Asia Pte Limited (the "Investor"), a wholly owned subsidiary of Caisse de dépôt et placement du Québec (CDPQ), for an investment of US\$ 250 million, amounting to approximately INR 18,000 million into ECLF, the Investor has subscribed to 1000 Equity shares of INR 1 each at premium of INR 31 per Equity Share of ECLF and 103,949,680 Compulsorily Convertible Debentures (CCDs) at INR 100 per CCD of ECLF and accordingly paid ECLF a total sum of INR 10,395 million on 7 May 2019, towards first tranche.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

55. Fair Value Measurement

55.1. Valuation Principles :

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 55.4

55.2. Valuation governance :

The Group's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Group including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However Finance department is responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

55.3. Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy. Exchange traded and OTC derivatives are at gross amount i.e. before offsetting margin money. The impact of offsetting is explained in note 10.1.

| Particulars | 31-Mar-20 | | | |
|---|------------------|------------------|------------------|--------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value on a recurring basis | | | | |
| Derivative financial instruments (assets) | | | | |
| Exchange-traded derivatives | 1,061.72 | 1,160.73 | - | 2,222.45 |
| OTC derivatives | - | 545.86 | - | 545.86 |
| Embedded derivatives in market-linked debentures issued | - | - | 2,637.76 | 2,637.76 |
| Total derivative financial instruments (assets) | 1,061.72 | 1,706.59 | 2,637.76 | 5,406.07 |
| Stock-in-trade | | | | |
| Government Securities | 7,462.91 | - | - | 7,462.91 |
| Debt Securities | 12.32 | 695.51 | - | 707.83 |
| Mutual Fund | 6,500.47 | - | - | 6,500.47 |
| Equity Instruments | 1,766.73 | - | 1,020.00 | 2,786.73 |
| Preference Shares | 0.13 | - | - | 0.13 |
| Stock-in-trade | 15,742.56 | 695.51 | 1,020.00 | 17,458.07 |
| Investments | | | | |
| Government securities | 262.08 | 17,865.26 | - | 18,127.34 |
| Debt securities | - | 6,632.90 | 581.91 | 7,214.81 |
| Mutual fund units | 762.08 | - | - | 762.08 |
| Security receipts | - | - | 42,646.81 | 42,646.81 |
| Units of AIF | 18.59 | - | 4,269.90 | 4,288.49 |
| Equity instruments | 5,319.08 | 1,614.21 | 494.80 | 7,428.09 |
| Preference Shares | 49.01 | - | 1,905.53 | 1,954.54 |
| Total investments measured at fair value | 6,410.84 | 26,112.37 | 49,898.95 | 82,422.16 |
| Loans and other financial assets measured at fair value | - | 78.62 | 5,479.21 | 5,557.83 |
| Property Plant and equipment | - | - | 12,245.20 | 12,245.20 |
| Total financial assets measured at fair value on a recurring basis | 23,215.12 | 28,593.09 | 71,281.12 | 1,23,089.33 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

55.3. Assets and liabilities by fair value hierarchy (*Continued*)

| Particulars | 31-Mar-19 | | | |
|---|-----------|-----------|-----------|-------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value on a recurring basis | | | | |
| Derivative financial instruments (assets) | | | | |
| Exchange-traded derivatives | 1,092.02 | - | - | 1,092.02 |
| OTC derivatives | - | 400.81 | - | 400.81 |
| Embedded derivatives in market-linked debentures issued | - | - | 580.81 | 580.81 |
| Total derivative financial instruments (assets) | 1,092.02 | 400.81 | 580.81 | 2,073.64 |
| Stock-in-trade | | | | |
| Government Securities | 27,552.72 | - | - | 27,552.72 |
| Debt Securities | 520.04 | 2,020.90 | - | 2,540.94 |
| Mutual Fund | 6,642.51 | - | - | 6,642.51 |
| Equity Instruments | 2,400.36 | - | - | 2,400.36 |
| Preference Shares | 0.13 | - | - | 0.13 |
| Stock-in-trade | 37,115.76 | 2,020.90 | - | 39,136.66 |
| Investments | | | | |
| Government securities | 14,639.54 | - | - | 14,639.54 |
| Debt securities | 502.47 | 5,196.07 | 406.50 | 6,105.04 |
| Mutual fund units | 1,057.71 | 698.24 | - | 1,755.95 |
| Security receipts | - | - | 53,121.56 | 53,121.56 |
| Units of AIF | - | - | 2,957.36 | 2,957.36 |
| Equity instruments | 5,840.00 | 770.30 | 798.72 | 7,409.02 |
| Preference Shares | 75.68 | 1,319.25 | 37.27 | 1,432.20 |
| Total investments measured at fair value | 22,115.40 | 7,983.86 | 57,321.41 | 87,420.67 |
| Loans and other financial assets measured at fair value | - | 224.83 | 5,896.70 | 6,121.53 |
| Total financial assets measured at fair value on a recurring basis | 60,323.18 | 10,630.40 | 63,798.92 | 1,34,752.50 |
| | | | | |
| Particulars | 31-Mar-20 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Liabilities measured at fair value on a recurring basis | | | | |
| Derivative financial instruments (liabilities): | | | | |
| Exchange-traded derivatives | 730.89 | 2,874.91 | - | 3,605.80 |
| OTC derivatives | 1.89 | 904.22 | - | 906.11 |
| Embedded derivative liabilities in market-linked debentures | - | - | 735.01 | 735.01 |
| Non convertible debentures issued | - | - | 10,779.73 | 10,779.73 |
| Short sales | 1,372.17 | - | - | 1,372.17 |
| Total financial liabilities measured at fair value on a recurring basis | 2,104.95 | 3,779.13 | 11,514.74 | 17,398.82 |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

55.3. Assets and liabilities by fair value hierarchy (*Continued*)

| Particulars | 31-Mar-19 | | | |
|---|-----------|---------|-----------|-----------|
| | Level 1 | Level 2 | Level 3 | Total |
| Liabilities measured at fair value on a recurring basis | | | | |
| Derivative financial instruments (liabilities): | | | | |
| Exchange-traded derivatives | 1,001.30 | - | - | 1,001.30 |
| OTC derivatives | - | 514.96 | - | 514.96 |
| Embedded derivative liabilities in market-linked debentures | - | - | 1,469.08 | 1,469.08 |
| Non convertible debentures issued | - | - | 14,212.19 | 14,212.19 |
| Short sales | 2,150.91 | | | 2,150.91 |
| Total financial liabilities measured at fair value on a recurring basis | 3,152.21 | 514.96 | 15,681.27 | 19,348.44 |

55.4. Fair valuation techniques :

Government debt securities

Government debt securities are financial instruments issued by sovereign governments and include both long term bonds and short-term bills with fixed or floating rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification. In life insurance business, CRISIL security level prices are considered.

Debt securities

Whilst most of these instruments are standard fixed or floating rate securities, however nifty linked debentures have embedded derivative characteristics. Fair value of these instruments is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. Group has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not actively traded Group has used CRISIL Corporate Bond Valuer model for measuring fair value.

Security receipts

The market for these securities is not active. Therefore, the Group uses valuation techniques to measure their fair values. Since the security receipts are less liquid instruments therefore they are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Securities receipts with significant unobservable valuation inputs are classified as Level 3.

Equity instruments

The majority of equity instruments are actively traded on recognised stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Equity instruments in non-listed entities are initially maintained at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Such unlisted equity securities are classified at Level 3.

Units of Alternative Investment Funds and Mutual Fund.

Units held in Alternative Investment funds are measured based on fund net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are classified at Level 3.

Open-ended funds that are redeemable at any time, and that report a daily net asset value (NAV) and for which sufficient subscriptions and redemptions occur at NAV are measured at NAV and classified as level 1.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

55.4. Fair valuation techniques : (*Continued*)

Loans measured at fair value through profit or loss

Loans are segregated, as far as possible, into portfolios of similar characteristics. Fair values are based on observable market transactions, when available. When they are unavailable, fair values are estimated using valuation models incorporating range of input assumptions. Group has determine fair value with help of internal valuation team and independent valuer on case to case basis. Valuation is based on discounted cash flow, comparable transaction market price, market research and marked trend as considered appropriate.

Derivatives

The Group enters into derivative financial instruments with various counter-parties, primarily banks with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, exchange traded futures and options contracts. The most frequently applied valuation techniques include quoted price for exchange traded derivatives and Black Scholes models (for option valuation).

OTC derivatives:

Under Interest rate swap contract, the Company agrees to exchange the difference between fixed and floating rate interest amount calculated on agreed notional principal. Such contracts enable the Company to mitigate the risk of changing interest rate. The fair value of interest rate swap is determined by discounting the future cash flows using the curves at the end of reporting period and the credit risk inherent in the contract. Company classify the Interest rate swaps as level 2 instruments.

Exchange traded derivatives

Exchange traded derivatives includes index/stock options, index/stock futures, company uses exchange traded prices to value these derivative and classify these instrument as level 1.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Group uses valuation models. Inputs to valuation models are determined from observable market (Indices) data wherever possible, including prices available from exchanges, dealers, brokers. Group classify these embedded derivative as level 2 instruments.

55.5. Transfer between Level 1 and level 2

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

55.6. Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analysing them by the level in the fair value hierarchy into which each fair value measurement is categorised. The information given below is with respect to financial assets and financial liabilities measured at amortised cost for which the fair value is different than the carrying amount. Carrying amounts of cash and cash equivalents, trade receivables, trade and other payables as on 31 March 2020 and 31 March 2019 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financials assets and other financial liabilities is not significant in each of the years presented.

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

55.6. Financial instruments not measured at fair value (*Continued*)

| Particulars | 31-Mar-20 | | | | |
|--|-----------------------|------------------|-----------|-------------|-------------|
| | Total Carrying Amount | Total fair value | Level 1 | Level 2 | Level 3 |
| Financial assets: | | | | | |
| Loans | 2,78,127.72 | 2,81,767.78 | - | - | 2,81,767.78 |
| Financial liabilities | | | | | |
| Debt securities | 2,01,616.56 | 2,07,562.29 | 28,596.10 | 1,40,369.16 | 38,597.03 |
| Borrowing (other than debt securities) | 1,33,221.87 | 1,33,216.51 | 4,251.82 | 1,28,964.69 | - |
| Subordinated liabilities | 25,945.88 | 25,842.30 | - | 25,842.30 | - |
| Off-balance sheet items | | | | | |
| Loan commitments | 17,916.64 | 16,937.41 | - | - | 16,937.41 |

| Particulars | 31-Mar-19 | | | | |
|--|-----------------------|------------------|---------|-------------|-------------|
| | Total Carrying Amount | Total fair value | Level 1 | Level 2 | Level 3 |
| Financial assets: | | | | | |
| Loans | 3,84,083.10 | 3,81,721.98 | - | 14,792.93 | 3,66,929.05 |
| Financial liabilities | | | | | |
| Debt securities | 2,45,910.48 | 2,46,996.95 | - | 1,98,867.55 | 48,129.40 |
| Borrowing (other than debt securities) | 1,94,352.61 | 1,94,374.07 | - | 1,94,374.07 | - |
| Subordinated liabilities | 23,676.58 | 22,939.65 | - | 22,939.65 | - |
| Off-balance sheet items | | | | | |
| Loan commitments | 43,626.81 | 38,282.47 | - | - | 38,282.47 |

55.7. Valuation methodologies of financial instruments not measured at fair value:

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's reformatted Ind AS financial information. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques as explained in Notes 55.4

Financial assets at amortised cost

The fair values financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model.

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

55.8. Movement in level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value.

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

| Particulars | Financial assets | | | | | | Financial liabilities | |
|--------------------------|-------------------|---------------------|-----------------|-----------------|---------------------------|-----------------------------|----------------------------------|-----------------------------------|
| | Security Receipts | Equity & Preference | Debt Securities | AlFs | Loans classified as FVTPL | Derivative financial assets | Derivative financial liabilities | Non-convertible debentures issued |
| As at 31-Mar-2019 | 53,121.56 | 835.99 | 406.50 | 2,957.36 | 5,896.70 | 580.81 | 1,469.09 | 14,212.19 |
| Purchases | 10,260.91 | 2,570.92 | 713.97 | 3,314.55 | 1,026.85 | - | - | - |
| Sales | (15,407.99) | (724.16) | (412.28) | (1,439.93) | (113.73) | - | - | - |
| Issuance | - | - | - | - | - | (760.01) | 13.56 | 152.00 |
| Settlements | - | - | (21.50) | (626.51) | - | 357.48 | (310.06) | (2,294.94) |
| Gain / Loss | (5,327.67) | 737.58 | (104.77) | 64.42 | (1,330.61) | 2,459.48 | (437.57) | (1,289.52) |
| As at 31-Mar-2020 | 42,646.81 | 3,420.33 | 581.92 | 4,269.89 | 5,479.21 | 2,637.76 | 735.02 | 10,779.73 |
| Unrealised Gain / Loss | (250.46) | 733.17 | - | (5.04) | (1,313.95) | 2,458.91 | (467.89) | 1,715.12 |
| As at 31-Mar-2018 | 45,421.41 | 660.20 | 461.41 | 1,368.83 | 3,366.42 | 487.98 | 746.76 | 7,200.80 |
| Purchases | 41,580.42 | - | - | 1,774.44 | 1,510.94 | - | - | - |
| Sales | (41,881.69) | (150.98) | (102.60) | (133.14) | - | - | - | - |
| Issuance | - | - | - | - | - | (101.93) | 618.86 | 5,302.14 |
| Settlements | - | - | - | (206.28) | - | 240.20 | (37.03) | (420.65) |
| Gain / Loss | 8,001.42 | 326.77 | 47.69 | 153.51 | 1,019.34 | (45.44) | 140.50 | 2,129.90 |
| As at 31-Mar-2019 | 53,121.56 | 835.99 | 406.50 | 2,957.36 | 5,896.70 | 580.81 | 1,469.09 | 14,212.19 |
| Unrealised Gain / Loss | 6,233.47 | 324.93 | 72.79 | 136.17 | 1,019.46 | - | - | - |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (Continued)

(Currency: Indian rupees in million)

Annexure V

55.9. Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data.

As at 31-Mar-2020

| Type of Financial Instruments | Valuation Techniques | Significant Unobservable input | Range of estimates for unobservable input | Increase in the unobservable input | Change in fair value because of increase in unobservable input | Decrease in the unobservable input | Change in fair value because of decrease in unobservable input |
|--|--------------------------------|--------------------------------------|---|------------------------------------|--|------------------------------------|--|
| Investments in security receipts | Net asset value method | NAV per security receipt | - | 5% | 0.0025 | 5% | (0.0025) |
| | Discounted | Cash Flow | 5,24,105.72 | 5% | 3,791.53 | 5% | (3,791.53) |
| | projected cash flow | Discount rates | 12.0% to 21.6% | 50 basis point | 3,606.56 | 50 basis point | 582.50 |
| Investments in units of AIF | Net Asset approach | Fair value of underlying investments | ₹ 983 to ₹ 240,319 per unit | 5% | 22.19 | 5% | (22.19) |
| | | | ₹ 153 to ₹ 240,320 per unit | 5% | 85.07 | 5% | (85.07) |
| | | | ₹ 1,719.19 millions to ₹ 12,035.98 millions | 5% | 19.47 | 5% | (19.47) |
| | | | NAV per unit ₹ 498.72 | 5% | 1.17 | 5% | (1.17) |
| | | | ₹ 5,779.93 millions | 5% | 244.70 | 5% | (244.70) |
| | | | - | 5% | 0.66 | 5% | (0.66) |
| Investments in unquoted equity shares and preference shares categorised at Level 3 | Comparable transaction and P/E | Fair value per share | ₹ 5 to ₹ 8,106 per unit | 5% | 8.36 | 5% | (8.36) |
| | | | ₹ 84 to ₹ 201,509 per Share | 5% | 73.43 | 5% | (73.43) |
| | | | ₹ 1.40 to ₹ 18,117 per Share | 5% | 10.71 | 5% | (10.71) |
| | | | ₹ 166 to ₹ 201,509 per share | 5% | 30.34 | 5% | (30.34) |
| | | | ₹ 1,020 per share | 5% | 51.00 | 5% | (51.00) |
| | | | ₹ 7,141 per share | 5% | 1.85 | 5% | (1.85) |
| | | | ₹ 201,509 per share | 5% | 1.01 | 5% | (1.01) |
| | | | - | 5% | 1.77 | 5% | (1.77) |

Notes to the Reformatted Ind AS Consolidated Financial information *(Continued)*

(Currency: Indian rupees in million)

Annexure V
55.9. Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data *(Continued)*

As at 31-Mar-2020

| Type of Financial Instruments | Valuation Techniques | Significant Unobservable input | Range of estimates for unobservable input | Increase in the unobservable input | Change in fair value because of increase in unobservable input | Decrease in the unobservable input | Change in fair value because of decrease in unobservable input |
|--------------------------------------|--------------------------------|--------------------------------------|---|------------------------------------|--|------------------------------------|--|
| Debt investments classified at FVTPL | Comparable transaction and P/E | Fair value of the instrument | ₹ 10,000 per NCD | 5% | 2.00 | 5% | (2.00) |
| Units of venture fund | Net Asset approach | Fair value of underlying investments | ₹ 197,289 to ₹ 217,942 per unit | 5% | 5.95 | 5% | (5.95) |
| Warrants | Comparable transaction and P/E | Fair value of underlying investments | ₹ 3.5 per unit of warrants | 5% | 2.63 | 5% | (2.63) |
| | | | - | 5% | 7.63 | 5% | (7.63) |
| Loans classified as FVTPL | Comparable transaction value | Discounting rate | 15% - 20% | 1% | A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value | 1% | A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

55.9. Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data (*Continued*)

As at 31-Mar-2020

| Type of Financial Instruments | Valuation Techniques | Significant Unobservable input | Range of estimates for unobservable input | Increase in the unobservable input | Change in fair value because of increase in unobservable input | Decrease in the unobservable input | Change in fair value because of decrease in unobservable input |
|---|---|--------------------------------|---|------------------------------------|--|------------------------------------|--|
| Embedded derivatives in market-linked debentures issued (asset) (net) | Fair value using Black Scholes model or Monte Carlo approach | Nifty levels | ₹ 8,597.75 millions | 5% | 11.36 | 5% | (11.36) |
| | | | 0.05 | 5% | 1.99 | 5% | (1.99) |
| | | | - | 5% | 28.19 | 5% | (28.19) |
| | based on the Embedded Derivative | Discount rates | 4.5 to 10% | 5% | (4.05) | 5% | 4.05 |
| Embedded derivatives in market-linked debentures issued (liability) (net) | Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative | Index levels | ₹ 8,597.75 millions | 5% | 0.89 | 5% | (0.89) |
| | | | - | 5% | - | 5% | - |
| | | Discount rates | 4.5 to 10% | 5% | (0.30) | 5% | 0.30 |
| Non-convertible debentures issued | Discounted projected cash flow | Expected gross recoveries | 1,68,797.22 | 5% | 468.93 | 5% | (468.93) |
| | | | ₹ 12,74,436 per NCD | 5% | 8.48 | 5% | (8.48) |
| | | Discount rates | 12% - 17.34% | 5% | (123.50) | 5% | 123.50 |
| Land, Flats and Buildings | Discounted projected cash flow | Cash Flow | - | 5% | - | 5% | - |
| | | Discount rates | 0.12 | 50 basis point | - | 50 basis point | - |

Notes to the Reformatted Ind AS Consolidated Financial information *(Continued)*

(Currency: Indian rupees in million)

Annexure V

55.9. Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data *(Continued)*
As at 31-Mar-2019

| Type of Financial Instruments | Valuation Techniques | Significant Unobservable input | Range of estimates for unobservable input | Increase in the unobservable input | Change in fair value because of increase in unobservable input | Decrease in the unobservable input | Change in fair value because of decrease in unobservable input |
|--|--------------------------------|--------------------------------------|---|------------------------------------|--|------------------------------------|--|
| Investments in security receipts | Net asset value Method | NAV per security receipt | ₹ 175.43 to ₹ 431.32 per security receipt | 5% | 4.26 | 5% | (4.26) |
| | Discounted projected cash Flow | Cash Flow | 5,21,646.06 | 5% | 3,286.25 | 5% | (3,103.26) |
| | | Discount rates | 12% | 50 basis points | (699.13) | 50 basis points | 788.45 |
| Investments in units of AIF | Net Asset Approach | Fair value of underlying investments | - | 5% | 2.68 | 5% | (2.68) |
| | | | ₹ 145 to ₹ 141,337 per Unit | 5% | 158.17 | 5% | (158.17) |
| | | | ₹ 1,061.54 millions | 5% | 6.21 | 5% | (6.21) |
| | | | ₹ 1,392.33 millions to ₹ 13,329.35 millions | 5% | 17.94 | 5% | (17.94) |
| Investments in unquoted equity shares and preference shares categorised at Level 3 | Comparable transaction and P/E | Fair value per share | ₹ 1 to ₹ 42,083 per Share | 5% | 41.80 | 5% | (41.80) |
| Debt investments classified at FVTPL | Comparable transaction and P/E | Fair value of the instrument | - | 5% | 20.32 | 5% | (20.32) |
| Units of venture fund | Net Asset Approach | Fair value of underlying investments | ₹ 125,966 to ₹ 195,558 per unit | 5% | 4.58 | 5% | (4.58) |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information *(Continued)*

(Currency: Indian rupees in million)

Annexure V

55.9. Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data *(Continued)*

As at 31-Mar-2019

| Type of Financial Instruments | Valuation Techniques | Significant Unobservable input | Range of estimates for unobservable Input | Increase in the unobservable input | Change in fair value because of increase in unobservable input | Decrease in the unobservable input | Change in fair value because of decrease in unobservable input |
|---|---|--------------------------------|---|--|--|--|--|
| Loans classified as FVTPL | Comparable Transaction Value | Discounting rate | 15%-20% | 1% | A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value | 1% | A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value |
| Embedded derivatives in market-linked debentures issued (asset) (net) | Discounted cash flows: The present value of expected future cash flows estimated based on Nifty forward Discounted at current risk adjusted discount rate | Market index curve | 5% | 5% increase in Market Index curve | (15.54) | 5% decrease in Market Index curve | 15.54 |
| | | Risk-adjusted discount rate | 10.25% | 0.5% increase in risk-adjusted discount rate | 1.86 | 0.5% decrease in risk-adjusted discount rate | (1.86) |
| Embedded derivatives in market-linked debentures issued (liability) (net) | Fair value of Index | Index levels | - | 5% | 27.14 | 5% | (27.14) |
| Non-convertible debentures issued | Discounted projected cash Flow | Expected gross recoveries | ₹ 2,20,936.89 millions | 5% | 986.01 | 5% | (917.30) |
| | | Discount rates | 12.00% | 50 basis points | (253.60) | 50 basis points | 281.26 |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

56. Risk Management

56.1. Introduction and risk profile

The Edelweiss Group ("The Group") provides a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. The Group's products and services span multiple asset classes and consumer segments across domestic and global geographies. The Group's key lines of business can broadly be classified as below

- Credit (Retail Credit, Corporate Credit and Distressed Credit)
- Franchise & Advisory (Wealth Management, Asset Management and Capital Markets)
- Insurance (Life and General)
- Asset reconstruction
- Treasury

The Group's diversified businesses acts as an inherent risk management mechanism. However, the prevailing market environment exposes the Group to various risks like credit, market, liquidity, compliance, technology amongst others. As the Group is regulated various regulators in the financial industry - from RBI to NHB to SEBI to IRDA, it also exposes it to regulatory and reputation risks.

56.2. Risk management strategy:

The strategy at an execution level is supported by -

1. Four-tiered risk management structure to manage and oversee risks
2. Board and Executive Level Committees to review and approve risk exposures
3. Risk Management framework to ensure each risk the Group is exposed to is given due importance and managed through a well-defined framework and guidelines
4. Defined exposure limits and thresholds for businesses to operate
5. Well-defined Standard Operating Procedures and Product approval framework to ensure risks are mitigated at operational level
6. Adequate segregation of duties to ensure multi-layered checks and balances
7. Exception reporting framework to ensure process and policy deviations are adequately addressed

56.3. Risk management structure

To support the risk strategy and effective risk management, the Group have the "Four-tiered risk management structure" to ensure that there are enough defences available to control all types of risk issues. The risk structure is enumerated below

1. **Three lines of defense** - for accountability, oversight, and assurance
 - o **Respective Businesses and Business Risk teams** - the first line of defense own and manage the risks and are responsible for implementation of the risk management framework

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

56.3. Risk management structure (*Continued*)

- **Group risk** - the second line of defense and is responsible for overseeing the risk and defining the risk management framework
- **Corporate Controller and audit** - the third line of defense to provide independent assurance of risk management framework implementation

2. Board and Executive level Committees - for overseeing the risk management. The current Risk Management Committees are

- Board Risk Committee
- Global Risk Committee
- Enterprise Risk Management Council
- Investment and Credit Committees

The Board Risk Committee is the overseeing body for Risk Management at the Group level. The Committee meets on regular interval to review the risk profile of the Company.

The Enterprise Risk Management (ERM) Council and the Global Risk Committee serve as the Apex Risk bodies of the Group. The constituents include Chairman & CEO, Executive Directors and Group Heads of Finance, Compliance, Technology, Risk, Corporate Services as its core members. The Committee meets regularly to identify, evaluate and mitigate potential extreme risks and take risk management decisions in relation to strategic matters

The Investment and Credit Committee serve as the Apex bodies of the Group for all credit related decisions. Respective businesses has formulated its own Investment and Credit Committees depending upon the exposure scale.

Risk management framework

The Group has a Risk Framework, which describes the risk management approach and provides clear accountability for managing risk across the Group. The framework is subject to continuous evaluation based on existing internal as well external environment.

The current "Eleven risk framework" covers the following vectors of risks

- Business Risk
- Credit Risk
- Market Risk
- Liquidity Risk
- Regulatory Risk
- Reputation Risk
- Technology Risk
- Operational and Process Risk
- Fraud Risk
- People Risk
- Physical and Infrastructure Risk

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

56.3. Risk management structure (*Continued*)

The Group uses different types of tools and techniques for mitigating risk, depending upon the type of risk and quantum. For example:

- Financial risks are mitigated through thorough counterparty, client assessment before any exposure is taken, and defined product/program level risk limits to ensure exposure does not exceed risk appetite. Committee based approval mechanism is adopted to ensure high exposures are approved with adequate representation and there is no bias in approvals.
- Non-financial risks viz technology, operational, fraud, etc are mitigated through process documentation defining clear ownership for each activity, having adequate system/process level controls like maker-checker, reconciliation, testing and reviews.
- Enterprise level risks viz. reputation, compliance, regulatory, etc are controlled through policies and framework, educating employees through training and risk socialisation sessions.

56.4. Risk management framework of General Insurance ("EGICL")

Governance framework

The core of our risk philosophy lies in the identification, measurement, monitoring and management of risk. We believe that enough is never enough when it comes to risk management: for us, it is a continuous, vital process that is an inalienable part of our DNA.

Risk is therefore directly overseen at all levels in EGICL. The Governance structure can thus be seen from three focal points:

1. The Business Users would form the First Line of defence. First Line of defense would ensure that risk and control environment is established into their day to day activities. This line of defense would also:
 - A. Implement proactive and reactive risk management tools in their processes
 - B. Review their processes for adequacy of effectiveness of controls
 - C. Report on the level of the risks and effectiveness of controls to the second line of defense on periodic basis
 - D. Respond to Regulatory/ Operational/ Business changes quickly and keep the second line of defense informed on the developments.
2. Risk Management, and Compliance team forms part of the Second Line of Defense. The second line of defense is oversight function and would provide direction and guidance to the first line of defense for implementation of EGICL's Board driven policies. Second line of defense would also monitor implementation efficiency of these policies and provide overall oversight to the business processes and risks.
3. Independent assurance providers like internal auditors, external auditors, statutory auditors, regulatory auditors etc. forms third line of defense and provides independent assurance. Independent assurance function will have direct access to the Board of EGICL. Statutory and Regulatory auditors would have independence as per Statutory and Regulatory assurance framework of the country.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

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56.4. Risk management framework of General Insurance ("EGICL") (*Continued*)

The Insurance Regulatory and Development Authority (IRDAI) vide its circular number IRDA/F&A/GDL/CG/100/05/2016 dated May 18, 2016 has issued Guidelines on Corporate Governance for the Insurance Sector. Basis the circular, the following committees form part of the overall risk governance framework:

- Risk Management Committee
- Audit Committee
- Investment Committee
- Policyholder protection Committee

The Risk Management Committee is responsible for periodic review of the risk management process to ensure that the process initiatives are aligned to the desired objectives. EGICL has Chief Risk Officer who is responsible for the implementation and monitoring of the framework. Further, the key policies adopted under the Risk Framework are as under:

- Underwriting Policy
- Investment Policy
- Asset Liability
- Management Policy
- Reinsurance Program
- Information Security Policy
- Outsourcing Policy
- Fraud Risk Management Policy
- Financial authority Matrix

Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the EGICL is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that EGICL maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of EGICL are subject to regulatory requirement within the jurisdiction it operates.

Asset liability management (ALM) framework

The ALM policy adopted by EGICL helps in:

- Understanding all risks requiring the coordination of assets and liabilities
- Quantify interest rate risks and equity risks
- Quantify the solvency position under various stresses in terms of fall in equity markets, changes in interest rates, change in new business mix and volumes, increase/decrease in loss ratios and expense ratios and other risks as deemed fit.
- Quantify the extent of mismatch between the assets and liabilities and thereby prescribe appropriate measures to bridge the gap

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

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56.4. Risk management framework of General Insurance ("EGICL") (*Continued*)

Granularity of the exercise:

The analysis is carried out at an LOB level as per the IRDAI guidelines. If reserves held under any line of business fall below 5% of the total reserves as at the given valuation date the corresponding line of business is excluded for the ALM exercise.

Asset Valuation:

Asset valuation and bucketing of assets basis the duration will be as per Ind AS and IRDAI regulations. Assets will be allocated to different lines of in proportion the net technical reserves for that line of business.

Liability profiling:

The technical reserves consist of:

1. Unearned Premium Reserves (UPR)
2. Premium Deficiency Reserve (PDR)
3. Incurred But Not Reported (IBNR) reserves
4. Outstanding claims reserves

UPR and PDR can be apportioned basis the policy term outstanding. Outstanding claims reserves and IBNR will be apportioned basis the expected reserve utilisation. Where data is available the reserving techniques like Chain Ladder method can provide significant inputs on the development profile for the claims. Where data is not available, industry benchmarks or assumptions related to the claims profile will be made to arrive at the suitable run off pattern for the liabilities. The emerging claims experience will be periodically reviewed by the actuarial department to take into account any changes in the same.

Insurance risk

The principal risk, EGICL faces under insurance contracts, is that the actual claims payments or the timing thereof differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of EGICL is to ensure that sufficient reserves are available to cover these liabilities.

EGICL has developed a risk strategy to manage the risks appropriately. EGICL's risk management strategy is to establish measures and controls which will assist in prevention, detection and management of risks for strong risk management system. Such risk management system will identify risk at macro as well as micro level on ongoing basis.

The risk identification, assessment and evaluation activity is followed by defining appropriate action items for ensuring effective management of the risks. EGICL mitigates the risks by careful section of the underwriting strategy, reinsure a part of the risk with various reinsurers, diversification of all insurance contracts and acquiring business from all parts of the Country.

The main Insurance Risks that EGICL is exposed to are as follows:

- I. Product Pricing Risk: The loss ratios are assumed at the time of pricing the product. There is a risk of not pricing the products adequately due to model error/ data selection or biases / lack of relevant data or inadequate underwriting assumptions leading to losses greater than anticipated.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

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Annexure V

56.4. Risk management framework of General Insurance ("EGICL") (*Continued*)

- II. Fraud Risk - Excessive, invalid, duplicate or fraudulent claims
- III. Reinsurance Risk - EGICL enters into reinsurance agreements in order to mitigate insurance Risk. However, this leads to default Risk from the reinsurer at the time of claim payment or also concentration risk if all the Risk is insured to one reinsurer.
- IV. Investment Risk - Risk of loss arising from actual returns being different than expected. Credit risk due to investee enterprise defaulting on its debt payments
- V. Expense Risk - Risk of loss arising from expense experience being different than expected
- VI. Concentration Risk - EGICL faces concentration Risk by selling business to specific geography or by writing only single line business etc.

Control Measures:

EGICL has set up Risk Management framework to continuously monitor EGICL's experience with regard to parameters like loss ratios and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal.

EGICL has entered into a separate agreement with reinsurers to cover the catastrophic risks to hedge against catastrophic events leading to higher than expected claim payouts.

EGICL has been taking efforts so as to mitigate concentration risk through diversification however EGICL may still be exposed to channel concentration risk as EGICL is in 2nd year of operation and all the channels are not yet fully developed. EGICL has been acquiring business from all the parts of India and thus has little geographical concentration. It also insulates EGICL from impact of catastrophic risk.

56.5. Risk management framework of Life Insurance business ("ETLIFE")

a. Governance framework

The primary objective of the ETLIFE's risk and financial management framework is to protect the ETLIFE's shareholders as well as policyholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

ETLIFE has an effective Risk Management Framework in place which provides for risk identification, risk assessment and evaluation, monitoring, tracking and feedback mechanism framework to identify, evaluate business risks and opportunities.

ETLIFE has a risk balancing approach and follows the process of risk evaluation, monitoring and control. ETLIFE has structured and uniform method of risk monitoring and control through the Risk and Control Self- Assessment (RCSA) Framework.

ETLIFE continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors has overall responsibility for the establishment and oversight of ETLIFE's risk management framework. This is supplemented with the clear organisational structure and documented delegated authorities and responsibilities from the board of directors to various executive management committees.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

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56.5. Risk management framework of Life Insurance business ("ETLIFE") (*Continued*)

b. Capital management objectives, policies and approach

The primary source of capital used by ETLIFE is Equity. ETLIFE's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analysis. The process is ultimately subject to approval by the Board.

ETLIFE has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To comply with the insurance capital requirements that the IRDAI require. In this respect, the IRDAI has prescribed minimum solvency ratio of 150% (refer note on Capital Management for solvency ratio);
- To maintain the required level of stability of ETLIFE, thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders.
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities, taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

In reporting, financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. ETLIFE's Capital Management Policy for its business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives and maintain a health solvency ratio.

c. Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the ETLIFE is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that ETLIFE maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of ETLIFE are subject to regulatory requirement within the jurisdiction it operates.

d. Asset liability management (ALM) framework

Financial risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The main risk that ETLIFE faces, due to the nature of its investments and liabilities, is interest rate risk. ETLIFE manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance and investment contracts. The principal technique of ETLIFE's ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct category of liabilities, a separate portfolio of assets is maintained.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

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56.5. Risk management framework of Life Insurance business ("ETLIFE") (*Continued*)

ETLIFE's ALM is:

- Integrated with the management of the financial risks associated with ETLIFE's other financial assets and liabilities not directly associated with insurance and investment liabilities/
- As an integral part of the insurance risk management policy, to ensure in each period sufficient cash flow is available to meet liabilities arising from insurance and investment contracts.

a. Insurance risk

ETLIFE's main lines of business are Participating Life (Individual), Non-Participating Life (Individual and Company) and Unit Linked Life (Individual and Company). ETLIFE has presence in Non-Participating Health (Individual), Non-participating Non-linked Variable Insurance (Company), Participating Pension (Individual), Unit Linked Pension (Individual) and Non-Participating Annuity (Individual) business as well. By nature of the business, ETLIFE underwrites risks and provides financial protection. In doing so, ETLIFE is exposed to various risks.

The principal risk, ETLIFE faces under insurance contracts, is that the actual claims and benefit payments or the timing thereof differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of ETLIFE is to ensure that sufficient reserves are available to cover these liabilities.

ETLIFE has developed a risk strategy to manage the risks appropriately. ETLIFE's risk management strategy is to establish measures and controls which will assist in prevention, detection and management of risks for strong risk management system. Such risk management system will identify risk at macro as well as micro level on ongoing basis.

The risk identification, assessment and evaluation activity is followed by defining appropriate action items for ensuring effective management of the risks. An action item for all the high risks is defined with clear owners and timelines. ETLIFE mitigates the risks by careful selection of the underwriting strategy, reinsure a part of the risk with various reinsurers, diversification of all insurance contracts and acquiring business from all parts of the Country

b. Life Insurance Contracts and Investment Contracts with and without Discretionary Participation Features:

Ind AS 104 'Insurance Contracts' requires ETLIFE to separate the Financial Instruments (investment contracts) from insurance contracts under specified conditions.

Insurance contracts are those contracts where ETLIFE has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. Insurance and investment contracts are further classified as being either with or without DPF. DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are likely to be a significant portion of the total contractual benefits.

As a general guideline by IRDAI, ETLIFE classifies contract under insurance contract and investment contracts with DPF, if the benefit payable on death is higher by at least 5% of the premium at any time during the life of the contract for other than unit linked products.

All other contracts are classified under Investment Contracts.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

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56.5. Risk management framework of Life Insurance business ("ETLIFE") (*Continued*)

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Investment contracts, however, can be reclassified as insurance contracts after inception if insurance risk becomes significant.

c. The main Insurance Risks that ETLIFE is exposed to are as follows:

1. Persistency Risk - Risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected
2. Mortality Risk - Risk of loss arising due to policyholder mortality experience being different than expected
3. Investment Risk - Risk of loss arising from actual returns being different than expected
4. Expense Risk - Risk of loss arising from expense experience being different than expected
5. Reinsurance Risk - The Company enters into reinsurance agreements in order to mitigate insurance Risk. However, this leads to default Risk from the reinsurer at the time of claim payment or also concentration risk if all the Risk is insured to one reinsurer.
6. Concentration Risk - The Company faces concentration Risk by selling business to specific geography or by writing only single line business etc.

Control Measures:

ETLIFE has set up Risk Management framework to continuously monitor the ETLIFE's experience with regard to parameters like policy lapses, premium persistency, maintenance expenses and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal.

Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into re-insurance agreements with multiple re-insurers. ETLIFE has entered into a separate agreement with reinsurers to cover the catastrophic risks under Individual and Group business to hedge against catastrophic events leading to higher than expected claim payouts.

ETLIFE has been taking efforts so as to mitigate concentration risk through diversification however ETLIFE may still be exposed to channel concentration risk as company is in 9th year of operation and all the channels are not yet fully developed. ETLIFE has been acquiring business from all the parts of India and thus has little geographical concentration. It also insulates ETLIFE from impact of catastrophic risk.

ETLIFE has a Board approved Risk Management Policy covering underwriting, claims and reserving for policy liabilities. ETLIFE has a detailed claims processing manual in place. Complicated and large claims are referred to ETLIFE's Claims Committee.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

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Annexure V

56.6. Excessive risk concentration

Group's diversified business model acts as an inherent mechanism to avoid excessive concentrations of risk.

Single and Group level borrower limits for wholesale lending and program level limits for retail lending have been defined as a proactive risk measure to avoid excess credit concentration. Business risk team monitor these limits as part of its regular monitoring activity. Additionally, the risk team also keeps track of Group, Industry, Collateral, Geography (for retail) level exposure concentrations. These concentrations are reviewed as part of monthly risk review meetings and also discussed in the Credit Committee, so as to avoid further exposures or reduce exposures to sector/industry/group/geography under stress.

On the trading portfolio, limit structures have been put in place to address potential concentration risks within each trading portfolio. Any exposure beyond the approved limits and losses exceeding the VaR limits gets reported as an Exception to the Global Risk Committee and is monitored by the group and business risk teams.

The Company has a Board approved Risk Management Policy. The Company has a detailed claims processing manual in place.

56.7. Credit risk

Credit risk is the risk of financial loss the Group may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial /contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. The Group has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Group.

The Group manages its credit risk through a multi-layered approach as given below

1. Review by the Board Risk and Global Risk Committee
2. The Investment Committees (IC) for approving all credit related decisions, beyond certain levels delegated to Credit Committees. Further, individual loan specific limits as well as concentration limits are also approved by the IC and reviewed on a periodic basis
3. Group risk team is responsible for industry and portfolio level monitoring and stress testing
4. Business risk does day to day client level monitoring
5. Independent verification of all client accounts, adherence to policies and frameworks are carried out by internal audit team.

Counterparty, client assessment is done before any exposure is taken. Assessment covers all the aspects of risk like Borrower profile, financials, and adequacy of collateral, promoter strength, repayment capability and cash flow generation. Discussions are held with independent risk and compliance teams both at Business and Group level before the credit proposals are put forward to the Committees for approval. Group has committee based approval process mechanism to ensure high exposures are approved with adequate representation from Compliance, Credit, Legal and other relevant teams so as to get a three sixty degree view on the proposal and there is no biasness.

The Group has separate credit origination and appraisal processes for wholesale, distressed and retail segments. For wholesale and distressed segment, the Group adopts underwriting standards for different client segment based on risk parameter and availability of security. For Retail segment, Group adopts underwriting standards both at product and portfolio level.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

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Annexure V

56.7. Credit risk (*Continued*)

The Group uses Early Warning Signal (EWS) framework to identify risks at nascent stage. The objective is to classify the credit book on severity of risk- standard, early stage, mid stage and high stress. The classification of risk is done basis inputs from financial and non-financial parameter. An actionable matrix is defined, based on severity of the risk.

Credit monitoring is very important part of managing credit risk. Accordingly, the Group has dual layered independent monitoring of credit exposures and associated risks. A team of experienced and competent professionals, at business level as well as group level, identify and monitor these risks on an on-going basis and evolve processes/systems to monitor and control the same to keep the risks to minimum levels. On-going monitoring by them helps in identifying the risks at an early stage and taking time bound action to mitigate those risks.

Further, counterparty settlement risk associated in our broking business is managed by maintaining sufficient liquid collateral. We have well established real time limit utilisation monitoring process to ensure cover is sufficient at any given point of time.

Asset quality review is also performed on a regular basis by the Global Risk Committee - the apex body for all risk related decisions. Credit Portfolio Health Check is also presented to the Board Risk Committee on a quarterly basis.

The Group applies the expected credit loss model for recognising impairment loss. For the purpose of measuring lifetime expected credit loss ('ECL') the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The Group has separate credit origination and appraisal processes for wholesale, distressed and retail segments. For wholesale and distressed segment, the Group adopts underwriting standards for different client segment based on risk parameter and availability of security. For Retail segment, Group adopts underwriting standards both at product and portfolio level.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Group has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. Accordingly, the loans are classified into various stages for different type of business. For non-distress credit business they are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days. Further, ECL also takes into account forward looking factors like GDP growth, interest rates etc. along with historical trends.

The Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit impaired financial assets). Expected Credit Loss computation is not driven by any single methodology, however methodology and approach used must reflect the following:

- An unbiased and probability weighted amount that evaluates a range of possible outcomes;
- Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;
- The time value of money.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

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Annexure V

56.7. Credit risk (*Continued*)

While the time value of money element is currently being factored into ECL measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the first two requirements. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Group does internal grading that is based on days past due (dpd) as specified below

| Internal rating grade | Internal grading description |
|-----------------------|------------------------------|
| Performing | |
| High grade | 0 dpd and 1 to 30 dpd |
| Standard grade | 31 to 90 dpd |
| Non-performing | |
| Individually impaired | 90+ dpd |

Group considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due. Classification of assets from stage 1 to stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets. As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

Management evaluates the credit situation continuously and the current credit assessment of borrowers is based on the following factors including many factors such as;

1. Whether there is actual or expected significant change in the credit situation which entails significant increase in credit risk?
2. Whether there are existing or forecasted adverse changes in borrower's business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations?
3. Based on information available at present, Whether in the longer term current adverse changes created by Covid-19 in economic and business conditions can reduce the ability of the borrower to fulfil its obligations?
4. Whether there are any significant changes in the expected performance and behaviour of the borrower?
5. Whether there are expected changes in the loan documentation, including an expected breach of contract that might lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the loan?

Reasonable and supportable information that is forward-looking and that is available without undue cost or effort is used by management to assess changes in credit risk.

However, considering that the current economic situation is continuously evolving, the management shall apply on regular basis any favourable or detrimental change to the borrower profiles and accordingly factor in macro/micro variables that shall represent the evolved inherent credit risk.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

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56.7. Credit risk (*Continued*)

Probability of Default

Historical DPD data is used to calculate historic default rates for each portfolio. This is done by using transition matrix which are calculated by assessing the transition from the one DPD state to the default DPD state 12 months from the cohort date.

Loss Given Default (LGD)

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Workout LGD is widely considered to be the most flexible, transparent and logical approach to build an LGD model. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part of the workout process) on a particular facility, as a percentage of balance outstanding at the time of Default/Restructuring. The assessment of workout LGD was then performed. Principal outstanding at NPA was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub-segment separately.

Exposure at Default (EAD)

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Group, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Group provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula:

$$\text{EAD} = \text{Drawn Credit Line} + \text{Credit Conversion Factor} * \text{Undrawn Credit Line}$$

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount Undrawn Credit Line = Difference between the total amount which the Group has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD.

Purchased or originated credit impaired (POCI)

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. This population includes the recognition of a new financial instrument following a renegotiation where concessions have been granted for economic or contractual reasons relating to the borrower's financial difficulty, that otherwise would not have been considered.

Forward looking adjustments

A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

56.7. Credit risk (*Continued*)

To fulfil the above requirement Group has incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. Keeping in mind Ind AS requirements around obtaining reliable and supportable information, without incurring undue cost or effort-based on advice of risk committee members and economic experts and consideration of a variety of external actual and forecast information, the group formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

Data sourcing: External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters. Macroeconomic information was aggregated from Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long term average.

Probability weighted scenario creations: To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between macro-economic variables and credit risk and credit losses.

The significant economic parameters scenarios are as below:

| Key Economic Parameter | Base FY +1 | Base FY +2 |
|-----------------------------|------------|------------|
| Debt-to-GDP ratio: | 18.3-18.7% | 18.7-19.2% |
| Total factor productivity | 4.0-4.5 | 4.4-5.0 |
| Labour productivity growth: | 5.1-5.5% | 5.5-6.3% |
| Unemployment rate | 8.5-8.8% | 8.5-8.8% |
| Gross Domestic Product | 7.0-7.5% | 7.5-8.0% |

Apart from the above significant economic parameters, the Group has also identified and used few other economic parameter to build up the forward looking scenarios. These indicators include inflation, forecasted growth in real estate sector, expectation of industry performance, collateral coverage movement, conduct of accounts and expectation of market liquidity. Above explained indicators have supported in measurement of ECL, and behaviours of such indicators will suitably support going forward in measurement of forward looking scenarios.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assess have been developed based on analysing historical data over the past 5 years.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

56.7.1. Overview of modified and forborne loans

From a risk management point of view, once an asset is forborne or modified, the Group's special department for distressed assets continues to monitor the exposure until it is completely and ultimately derecognised.

The table below includes Stage 2 and 3 assets that were modified and, therefore, treated as forborne during the period, with the related modification loss suffered by the Group.

| Particulars | 2019-20 | 2018-19 |
|--|---------|----------|
| Amortised costs of financial assets modified during the period | 80.19 | 1,180.97 |
| Net modification gains | (3.23) | 5.64 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

56.7.2. Analysis of risk concentration

The following table shows the risk concentration by industry for the components of the balance sheet. Additional disclosures for credit quality and the maximum exposure for credit risk per categories based on the Group's internal grading system and year-end stage classification are further disclosed in Note 13.1.

Industry analysis - Risk concentration for 31-Mar-20

| Components | Financial services | Government | Manufacturing | Retail and wholesale | Construction | Oil & gas | Services | Others | Total |
|----------------------------------|--------------------|------------------|------------------|----------------------|--------------------|---------------|------------------|------------------|--------------------|
| Cash and bank balances | 86,064.80 | - | - | - | - | - | 31.28 | - | 86,096.08 |
| Derivative financial instruments | 5,321.87 | - | - | - | - | - | - | - | 5,321.87 |
| Stock in trade | 8,474.61 | 7,462.91 | 23.58 | - | 1.39 | 61.91 | 556.18 | 877.49 | 17,458.07 |
| Trade receivables | 5,538.81 | - | 2,415.95 | 1,898.30 | 1,358.87 | - | 1,163.12 | 677.33 | 13,052.38 |
| Loans | 3,610.77 | - | 8,972.52 | 1,13,918.73 | 1,26,330.14 | 493.62 | 10,409.83 | 19,871.18 | 2,83,606.79 |
| Investments | 22,424.01 | 18,755.10 | 21,183.34 | 914.17 | 11,650.37 | 14.91 | 1,716.68 | 6,007.44 | 82,666.02 |
| Other financial assets | 6,649.97 | 287.80 | - | 1,060.46 | 78.62 | - | 139.83 | 85.65 | 8,302.33 |
| Total | 1,38,084.84 | 26,505.81 | 32,595.39 | 1,17,791.66 | 1,39,419.39 | 570.44 | 14,016.92 | 27,519.09 | 4,96,503.54 |
| Other Commitments | - | - | - | 4,491.93 | 505.16 | - | - | - | 4,997.09 |

Industry analysis - Risk concentration for 31-Mar-19

| Components | Financial services | Government | Manufacturing | Retail and wholesale | Construction | Oil & gas | Services | Others | Total |
|----------------------------------|--------------------|------------------|------------------|----------------------|--------------------|-----------------|------------------|-----------------|--------------------|
| Cash and bank balances | 64,554.26 | - | - | - | - | - | - | - | 64,554.26 |
| Derivative financial instruments | 1,940.90 | - | - | - | - | - | - | - | 1,940.90 |
| Stock in trade | 11,061.59 | 27,552.72 | 339.24 | 19.82 | 7.55 | 16.05 | 139.69 | - | 39,136.66 |
| Trade receivables | 15,867.32 | - | 2,830.11 | 4,072.12 | 1,254.79 | - | 3,147.85 | 367.87 | 27,540.06 |
| Loans | 35,273.08 | - | 25,223.20 | 1,56,879.37 | 1,40,774.54 | 1,244.22 | 19,349.45 | 5,339.24 | 3,84,083.10 |
| Investments | 375.53 | 14,679.80 | 37,990.09 | 2,513.34 | 27,786.67 | - | 1,296.19 | 3,348.85 | 87,990.47 |
| Other financial assets | 4,105.59 | 835.46 | - | 558.61 | 224.83 | 47.55 | 264.45 | 62.02 | 6,098.51 |
| Total | 1,33,178.27 | 43,067.98 | 66,382.64 | 1,64,043.26 | 1,70,048.38 | 1,307.82 | 24,197.63 | 9,117.98 | 6,11,343.96 |
| Other Commitments | 486.27 | - | - | 805.21 | 958.14 | - | - | - | 2,249.62 |

Notes to the Reformatted Ind AS Consolidated Financial information (Continued)

(Currency: Indian rupees in million)

Annexure V

56.7.3. Collateral and other credit enhancements

The tables on the following pages show the maximum exposure to credit risk by class of financial asset.

| | Maximum exposure to credit risk | | Principal type of collateral |
|---|---------------------------------|--------------------|--|
| | 31 March 2020 | 31 March 2019 | |
| Financial assets | | | |
| Loans: | | | |
| Retail Loans and Wholesale loans | 2,60,854.47 | 3,61,815.94 | Equity shares and Mutual fund units, Bonds, Property; book receivables, Land, real estate property securities, and Tangible assets, Inventories, fixed deposits & other marketable securities, Surrender Value of the Policy |
| Distressed assets | 47,925.48 | 25,982.20 | Tangible assets |
| Other credits | 140.13 | 193.43 | |
| Trade receivables | 13,052.37 | 29,750.94 | Equity shares, fixed deposits and bank guarantees, Securities etc. |
| Debt instruments at amortised cost | 243.86 | 569.80 | Government security and Book debts (including Highly liquid Central/State Government securities & high rated Corporate Bonds) |
| Total financial assets at amortised cost | 3,22,216.31 | 4,18,312.31 | |
| Derivative financial instruments | 5,321.87 | 1,940.90 | Margin money |
| Financial assets at FVTPL | 66,840.26 | 96,080.06 | Tangible assets, Warrants |
| Financial instrument designated at fair value through profit or loss | 7,446.04 | 5,361.13 | Tangible assets and Highly liquid Central/State Government securities, high rated Corporate Bonds and liquid Mutual fund units |
| Total financial instruments at fair value through profit or loss | 79,608.17 | 1,03,382.09 | |
| Debt instruments at fair value through OCI | 14,615.77 | 12,826.50 | Government security and Book debts |
| Total debt instruments at fair value through OCI | 14,615.77 | 12,826.50 | |
| Other commitments (max exposure) | 16,556.52 | 21,884.04 | Property, book receivables, Tangible Assets, Equity Shares, Mutual Fund units, Land, Office Space, Flats, Bungalow, Penthouse, Row house and Commodities. |
| Total | 4,32,996.77 | 5,56,404.94 | |

The Group has not entered in to any credit derivative to mitigate above credit risk.

Notes to the Reformatted Ind AS Consolidated Financial information (Continued)

(Currency: Indian rupees in million)

Annexure V

56.7.4. Fair value of collateral held for stage 3 assets

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECLs when the expected value of the collateral is greater than the LGD, even in if the future value of collateral is forecast using multiple economic scenarios.

As at 31-Mar-2020

| | Maximum exposure to credit risk (carrying amount before ECL) | Associated ECL | Carrying amount | Fair value of collateral |
|---|--|-----------------|------------------|--------------------------|
| Financial assets | | | | |
| Loans: | | | | |
| Retail and wholesale loans | 56,625.97 | 8,413.81 | 48,212.16 | 65,513.60 |
| Distressed assets | 3,288.03 | 537.37 | 2,750.66 | 13,657.64 |
| Total financial assets at amortised cost | 59,914.00 | 8,951.18 | 50,962.82 | 79,171.24 |
| Debt instruments at fair value through OCI | 1,258.00 | 438.94 | 819.06 | 819.06 |
| Total | 61,172.00 | 9,390.12 | 51,781.88 | 79,990.30 |
| Loan commitments | 127.38 | 0.19 | 127.19 | 134.96 |
| Financial guarantee contracts | - | - | - | - |
| Total | 61,299.38 | 9,390.31 | 51,909.07 | 80,125.26 |

As at 31-Mar-2019

| | Maximum exposure to credit risk (carrying amount before ECL) | Associated ECL | Carrying amount | Fair value of collateral |
|---|--|-----------------|------------------|--------------------------|
| Financial assets | | | | |
| Loans: | | | | |
| Retail and wholesale loans | 35,819.48 | 5,538.52 | 30,280.96 | 47,250.85 |
| Distressed assets | - | - | - | - |
| Total financial assets at amortised cost | 35,819.48 | 5,538.52 | 30,280.96 | 47,250.85 |
| Debt instruments at fair value through OCI | - | - | - | - |
| Total | 35,819.48 | 5,538.52 | 30,280.96 | 47,250.85 |
| Loan commitments | 84.45 | 1.87 | 82.58 | 120.74 |
| Financial guarantee contracts | - | - | - | - |
| Total | 35,903.93 | 5,540.39 | 30,363.54 | 47,371.59 |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

56.7.5 Margin received from clients

| | | 31-Mar-20 | 31-Mar-19 |
|------------------------------|-------|------------------|-----------|
| Cash margin | A | 17,699.53 | 14,100.02 |
| Non cash margin | | | |
| Securities* | | 24,470.53 | 40,284.54 |
| Fixed deposits | | 13,127.90 | 12,957.80 |
| Bank guarantee | | 2,054.23 | 3,030.90 |
| Total non cash margin | B | 39,652.66 | 56,273.24 |
| Total margin received | (A+B) | 57,352.19 | 70,373.26 |

* Securities received as non cash margin from clients as collateral are held in the a subsidiary's client demat account.

56.8 Liquidity risk and funding management

Liquidity risk emanates from the mismatches existing on the balance sheet due to differences in maturity and repayment profile of assets and liabilities. These mismatches could either be forced in nature due to market conditions or created with an interest rate view. Such risk can lead to a possibility of unavailability of funds to meet upcoming obligations arising from liability maturities. To avoid such a scenario, Edelweiss has ensured maintenance of a Liquidity Cushion in the form of Fixed Deposits, Mutual Funds, Cash, G-Sec, etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 10-12% of the borrowings is sought to be maintained through such assets. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern. There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds. Funding is raised through diversified sources including Banks, Retail issue, Mutual Funds, ECB, Sub Debt etc to maintain a healthy mix.

Group has a Liquidity Contingency Policy in place to ensure various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario. A detailed set of activities have been defined to be executed during stress scenario.

56.8.1. Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial liabilities, financial assets, derivatives and financial commitments as at 31 March 2020 and 31 March 2019.

The tables have been drawn up based on the undiscounted cash flows i.e. the tables include both interest and principal cashflows. The contractual maturity with respect to financial liabilities is based on the earliest date on which the Group can be required to pay. To the extent that interest flows are at floating rate, the undiscounted amount is derived based on the interest rates in force at the balance sheet date. Further, with regards to amounts payable in currencies other than Indian Rupees, the amounts are determined based on the spot exchange rates at the balance sheet date. The analysis with respect to financial assets is based on expected maturities. All derivatives which are entered into for trading purposes are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information has been given based on undiscounted cash flows.

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

56.8.1. Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities (*Continued*)

As at 31-Mar-20

| Non-derivative financial liabilities | Upto 3 months | Between 3 to 6 months | Between 6 months to 1 year | Between 1 year to 3 years | More than 3 years | Total |
|--|--------------------|-----------------------|----------------------------|---------------------------|--------------------|--------------------|
| Trade payables | 11,256.29 | 902.20 | 571.41 | 103.73 | - | 12,833.63 |
| Borrowings (other than debt securities) | 28,590.53 | 12,286.70 | 34,885.71 | 52,777.65 | 11,297.61 | 1,39,838.20 |
| Debt securities | 34,613.77 | 9,381.40 | 25,959.02 | 85,511.34 | 98,281.62 | 2,53,747.15 |
| Subordinated financial liabilities | 5,173.95 | 574.90 | 523.28 | 4,184.58 | 14,931.56 | 25,388.26 |
| Deposits | 2,615.49 | - | - | - | - | 2,615.49 |
| Lease liabilities | 144.97 | 113.00 | 217.89 | 965.48 | 586.75 | 2,028.09 |
| Other financial liabilities | 4,013.79 | 583.62 | 2,093.48 | 4,593.35 | 2,838.75 | 14,122.99 |
| Total undiscounted non-derivative financial liabilities | 86,408.80 | 23,841.81 | 64,250.78 | 1,48,136.13 | 1,27,936.30 | 4,50,573.82 |
| Non-derivative financial assets | Upto 3 months | Between 3 to 6 months | Between 6 months to 1 year | Between 1 year to 3 years | More than 3 years | Total |
| Cash and cash equivalent and other bank balances | 60,576.50 | 6,884.90 | 10,679.90 | 478.07 | 5,124.01 | 83,743.39 |
| Stock-in-trade | 12,355.29 | 221.10 | 4,941.33 | 4.45 | 12.91 | 17,535.09 |
| Trade receivables | 7,422.74 | 1,607.02 | 2,945.43 | 3,208.08 | 4.59 | 15,187.86 |
| Loans | 23,382.18 | 21,241.83 | 43,642.30 | 1,01,060.42 | 1,20,484.61 | 3,09,811.35 |
| Investments at fair value through profit or loss | 699.68 | 168.62 | 1,310.20 | 11,189.22 | 31,958.41 | 45,326.12 |
| Investments at fair value through profit or loss pledged as collateral | 2,372.03 | 1,060.57 | 6,497.96 | 15,959.27 | 31,837.66 | 57,727.49 |
| Investments at designated fair value through profit or loss | 211.54 | 30.15 | 279.39 | 1,834.55 | 15,041.73 | 17,397.36 |
| Investments at FVOCI | 429.74 | 402.37 | 775.26 | 2,830.82 | 34,542.89 | 38,981.08 |
| Investments at FVOCI pledged as collateral | - | - | - | - | - | - |
| Investments at amortised cost | 239.99 | - | - | 0.01 | - | 240.00 |
| Investments at amortised cost pledged as collateral | - | - | - | - | - | - |
| Other financial assets | 6,457.29 | 470.15 | 1,186.99 | 866.25 | 175.43 | 9,156.10 |
| Total undiscounted non-derivative financial Assets | 1,14,146.99 | 32,086.70 | 72,258.75 | 1,37,431.15 | 2,39,182.25 | 5,95,105.84 |
| Derivatives | Upto 3 months | Between 3 to 6 months | Between 6 months to 1 year | Between 1 year to 3 years | More than 3 years | Total |
| Net settled derivatives entered into for trading purposes | (1,437.14) | - | - | - | - | (1,437.14) |
| Other net settled derivatives | 2,016.29 | (466.09) | 47.02 | 1,091.99 | (4.37) | 2,684.85 |
| Total | 579.16 | (466.09) | 47.02 | 1,091.99 | (4.37) | 1,247.71 |
| Commitments | Upto 3 months | Between 3 to 6 months | Between 6 months to 1 year | Between 1 year to 3 years | More than 3 years | Total |
| Undrawn loan and other commitments | 1,695.87 | 15,785.86 | 4,820.94 | 807.28 | 931.00 | 24,040.95 |

The Group has undrawn lines of credit available aggregating ₹ 20,423.68 millions as at 31 March 2020 to meet any possible liquidity shortfall.

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

56.8.1 Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities (*Continued*)

As at 31-Mar-19

| Non-derivative financial liabilities | Upto 3 months | Between 3 to 6 months | Between 6 months to 1 year | Between 1 year to 3 years | More than 3 years | Total |
|---|--------------------|-----------------------|----------------------------|---------------------------|--------------------|--------------------|
| Trade payables | 17,059.64 | 2,319.86 | 451.61 | 1.93 | - | 19,833.04 |
| Borrowings (other than debt securities) | 41,640.79 | 21,588.57 | 62,808.91 | 18,266.27 | 77,743.48 | 2,22,048.02 |
| Debt securities | 31,681.87 | 18,157.73 | 51,627.87 | 63,811.49 | 1,43,572.04 | 3,08,851.00 |
| Subordinated financial liabilities | 421.91 | 22.20 | 1,112.65 | 455.30 | 29,983.42 | 31,995.48 |
| Deposits | 46.38 | 1,390.38 | - | - | - | 1,436.76 |
| Other financial liabilities | 33,227.52 | 1,687.86 | 740.26 | 2,758.75 | 3,284.31 | 41,698.70 |
| Total undiscounted non-derivative financial liabilities | 1,24,078.11 | 45,166.60 | 1,16,741.30 | 85,293.74 | 2,54,583.25 | 6,25,863.00 |
| Non-derivative financial assets | Upto 3 months | Between 3 to 6 months | Between 6 months to 1 year | Between 1 year to 3 years | More than 3 years | Total |
| Cash and cash equivalent and other bank balances | 53,872.50 | 3,441.15 | 3,009.61 | 536.92 | 5,377.73 | 66,237.91 |
| Stock-in-trade | 24,316.39 | 5,276.43 | 17,245.57 | 17.54 | - | 46,855.93 |
| Trade receivables | 15,796.82 | 11,008.57 | 1,196.56 | 1,618.04 | - | 29,619.99 |
| Loans | 40,185.92 | 18,427.12 | 65,846.92 | 59,742.59 | 3,70,619.33 | 5,54,821.88 |
| Investments at fair value through profit or loss | 4,321.13 | 1,629.71 | 6,096.66 | 18,158.41 | 26,328.97 | 56,534.88 |
| Investments at fair value through profit or loss pledged as collateral | 12,104.47 | 2,083.43 | 1,822.18 | 7,773.95 | 30,144.29 | 53,928.32 |
| Investments at designated fair value through profit or loss | 257.78 | 166.82 | 434.22 | 1,002.78 | 10,774.09 | 12,635.69 |
| Investments at FVOCI | 513.89 | 195.12 | 817.93 | 3,711.83 | 30,921.84 | 36,160.61 |
| Investments at FVOCI pledged as collateral | - | - | - | - | - | - |
| Investments at amortised cost | 583.04 | 3.87 | - | 1,500.01 | - | 2,086.92 |
| Investments at amortised cost pledged as collateral | - | - | - | - | - | - |
| Other financial assets | 13,979.52 | 2.50 | 2,038.67 | 573.11 | 4,648.60 | 21,242.40 |
| Total undiscounted non-derivative financial assets | 1,65,931.46 | 42,234.72 | 98,508.32 | 94,635.18 | 4,78,814.85 | 8,80,124.53 |
| Derivatives | Upto 3 months | Between 3 to 6 months | Between 6 months to 1 year | Between 1 year to 3 years | More than 3 years | Total |
| Net settled derivatives entered into for trading purposes | (299.09) | - | - | - | - | (299.09) |
| Other net settled derivatives | (347.96) | (192.82) | (316.87) | (68.41) | 35.30 | (890.76) |
| Total | (647.05) | (192.82) | (316.87) | (68.41) | 35.30 | (1,189.85) |
| Commitments | Upto 3 months | Between 3 to 6 months | Between 6 months to 1 year | Between 1 year to 3 years | More than 3 years | Total |
| Undrawn loan and other commitments | 4,570.76 | 3,115.50 | 42,206.78 | 838.20 | 2,101.49 | 52,832.73 |
| The Group has undrawn lines of credit available aggregating ₹ 16,410.14 million as at 31 March 2019 to meet any possible liquidity shortfall. | | | | | | |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

56.9 Market Risk:

Market risk is the risk which can affect the Group's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to interest rates, equity prices, foreign exchange rates and credit spreads. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters. The Group separates its exposure to market risks between trading and non-trading portfolios.

Exposure to market risk

Interest rate risk - The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

ALCO is the monitoring body for compliance with these limits. ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. Balance Sheet Management Unit is in-charge for day to day management of interest rate risk.

Foreign exchange risk - Our foreign exposure is limited to capital investment in our Group entities outside India and profits/loss generated by these entities. The Treasury Unit aggregates the foreign exchange exposure emerging out these outflows/inflows and the same is hedged to ensure we do not run any foreign exchange risk in our books. Positions are regularly monitored by the Treasury Unit and rebalanced based on the inflow and outflow of funds.

Equity price risk - The Treasury and Balance Sheet Management Units effectively evaluates various risks involved in underlying assets in trading and non-trading books respectively

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group's statement of profit and loss and equity. The sensitivity to profit before tax is the effect of the assumed changes in interest rates on the profit before tax for the year, based on the floating rate financial assets and financial liabilities held at reporting date. Thus, the sensitivity analysis has been prepared assuming the amount of the floating-rate financial liability and financial assets outstanding at the end of the reporting period was outstanding for the whole year. The sensitivity of equity is calculated by revaluing the fixed rate FVOCI, including the effect at reporting date for the effects of the assumed changes in interest rates.

| Currency of item | 2019-20 | | | | | |
|------------------|--------------------------|-----------------------------|------------------|--------------------------|-----------------------------|------------------|
| | Increase in basis points | Effect on profit before tax | Effect on Equity | Decrease in basis points | Effect on profit before tax | Effect on Equity |
| INR | 25.00 | (483.18) | (383.89) | 25.00 | 483.18 | 383.89 |
| US dollar | 25.00 | - | - | 25.00 | - | - |

| Currency of item | 2018-19 | | | | | |
|------------------|--------------------------|-----------------------------|------------------|--------------------------|-----------------------------|------------------|
| | Increase in basis points | Effect on profit before tax | Effect on Equity | Decrease in basis points | Effect on profit before tax | Effect on Equity |
| INR | 25.00 | (217.41) | (304.91) | 25.00 | 217.41 | 304.91 |
| US dollar | 25.00 | (51.43) | - | 25.00 | 51.43 | - |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

56.9 Market Risk: (*Continued*)

Currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Foreign currency risk arise majorly on account of foreign currency borrowings.

The table below indicates the currencies to which the Group had significant exposure at the end of the reported periods.

| Currency | 2019-20 | | | | | |
|-----------|-------------------------------|-----------------------------|------------------|-------------------------------|-----------------------------|------------------|
| | Increase in exchange rate (%) | Effect on profit before tax | Effect on Equity | Decrease in exchange rate (%) | Effect on profit before tax | Effect on Equity |
| US dollar | 5.00 | 0.50 | - | 5.00 | (0.50) | - |
| INR* | 5.00 | (10.15) | - | 5.00 | 10.15 | - |
| Others | 5.00 | (43.02) | - | 5.00 | 43.02 | - |

| Currency | 2018-19 | | | | | |
|-----------|-------------------------------|-----------------------------|------------------|-------------------------------|-----------------------------|------------------|
| | Increase in exchange rate (%) | Effect on profit before tax | Effect on Equity | Decrease in exchange rate (%) | Effect on profit before tax | Effect on Equity |
| US dollar | 5.00 | 213.25 | - | 5.00 | (213.25) | - |
| INR* | 5.00 | 0.39 | - | 5.00 | (0.39) | - |
| Others | 5.00 | 12.60 | - | 5.00 | (12.60) | - |

- This is on account of items denominated in Indian Rupees held by certain foreign companies in the Group having functional currency other than INR.

Equity Price risk:

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of individual investment in equity share prices.

| Impact on | 2019-20 | | | | | |
|-------------|------------------------------|-----------------------------|------------------|------------------------------|-----------------------------|------------------|
| | Increase in equity price (%) | Effect on profit before tax | Effect on Equity | Decrease in equity price (%) | Effect on profit before tax | Effect on Equity |
| Derivatives | 5.00 | (103.10) | (1.32) | 5.00 | 103 | 1.32 |
| Others | 5.00 | 512.59 | 0.06 | 5.00 | (512.59) | (0.06) |

| Impact on | 2018-19 | | | | | |
|-------------|------------------------------|-----------------------------|------------------|------------------------------|-----------------------------|------------------|
| | Increase in equity price (%) | Effect on profit before tax | Effect on Equity | Decrease in equity price (%) | Effect on profit before tax | Effect on Equity |
| Derivatives | 5.00 | 26.64 | - | 5.00 | (26.64) | - |
| Others | 5.00 | 426.69 | - | 5.00 | (426.69) | - |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

56.9. Market Risk: (*Continued*)

Index price risk:

Index price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of equity indices.

| Impact on | 2019-20 | | | | | |
|-------------|-----------------------------|-----------------------------|------------------|-----------------------------|-----------------------------|------------------|
| | Increase in index price (%) | Effect on profit before tax | Effect on Equity | Decrease in index price (%) | Effect on profit before tax | Effect on Equity |
| Derivatives | 5.00 | (435.78) | - | 5.00 | 435.78 | - |
| Others | 5.00 | 38.37 | - | 5.00 | (38.37) | - |

| Impact on | 2018-19 | | | | | |
|-------------|-----------------------------|-----------------------------|------------------|-----------------------------|-----------------------------|------------------|
| | Increase in index price (%) | Effect on profit before tax | Effect on Equity | Decrease in index price (%) | Effect on profit before tax | Effect on Equity |
| Derivatives | 5.00 | 76.20 | - | 5.00 | (76.20) | - |
| Others | 5.00 | - | - | 5.00 | - | - |

Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of market prices other than equity and index prices.

| Impact on | 2019-20 | | | | | |
|---------------------------------|-----------------------|-----------------------------|------------------|-----------------------|-----------------------------|------------------|
| | Increase in price (%) | Effect on profit before tax | Effect on Equity | Decrease in price (%) | Effect on profit before tax | Effect on Equity |
| Security receipts of ARC trusts | 5.00 | 23.93 | - | 5.00 | (23.93) | - |
| Units of AIFs and Trusts | 5.00 | 25.22 | - | 5.00 | (25.22) | - |
| Others | 5.00 | 397.06 | 132.70 | 5.00 | (397.06) | (132.70) |

| Impact on | 2018-19 | | | | | |
|---------------------------------|-----------------------|-----------------------------|------------------|-----------------------|-----------------------------|------------------|
| | Increase in price (%) | Effect on profit before tax | Effect on Equity | Decrease in price (%) | Effect on profit before tax | Effect on Equity |
| Security receipts of ARC trusts | 5.00 | 21.40 | - | 5.00 | (21.40) | - |
| Units of AIFs and Trusts | 5.00 | 22.29 | - | 5.00 | (22.29) | - |
| Others | 5.00 | 752.82 | 7.59 | 5.00 | (752.82) | (7.59) |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

57. Impact of Covid (FY 2019-20)

The Covid-19 pandemic outbreak across the world including India has resulted in most countries announcing lockdowns and quarantine measures that have sharply stalled economic activity. The Indian Government too has imposed lockdowns starting from 24 March 2020. The Indian economy would be impacted by this pandemic and the resultant lockdown, due to the contraction in industrial and services output across small and large businesses. The impact of the COVID -19 pandemic on Group's results, including credit quality and provisions, remains uncertain and dependent on the current and further spread of COVID -19, steps taken by the government and the RBI to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels.

In accordance with the regulatory package announced by the Reserve Bank of India (RBI) on 27 March 2020 and 17 April 2020 the Group has granted a moratorium of 3 months and extended the same for a further period of 3 months in accordance with the announcement by the RBI on 22 May 2020 for the payment of all instalments falling due between 01 March 2020 and August 31, 2020 to all eligible borrowers that have opted to avail the same. In respect of accounts overdue but standard as at 29 February 2020 where moratorium benefit has been granted, the staging for the accounts is based on staging existing as at that date. As per the assessment done by the Group, this staging standstill has not been on its own considered to be triggering any substantial increase in credit risk. Based on the assessment of the Group, in the absence of other credit risk indicators, the granting of the moratorium does not itself result in accounts becoming past due and triggering Stage 2 and Stage 3 classification criteria.

The Group has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFCs and outcome of definitive agreement for sale of loans, Group's lenders to extend moratorium and various other financial support from other banks, agencies and its parent entity in determining the Group's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Group will be able to pay its obligations as and when these become due in the foreseeable future. The Group would continue to focus on maintaining adequate capital and ensuring liquidity during current period and for the period going forward.

In assessing the recoverability of loans, receivables, intangible assets (including goodwill), deferred tax assets, investments and investment properties, the Group has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Group has also considered the impact of COVID – 19 pandemic while estimating the recoverability during the year 31 March 2020. Since the situation is rapidly evolving, its effect on the operations of the Group may be different from that estimated as at the date of approval of these financial results. The Group will continue to closely monitor material changes in markets and future economic conditions.

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

58. Composition of the Group

| Sr. | Name of the Entity | Note | Country of Incorporation | Proportion of ownership interest as at 31-Mar-2020 | Proportion of ownership interest as at 31-Mar-2019 |
|---------------------|--|------|--------------------------|--|--|
| Subsidiaries | | | | | |
| 1 | Edelweiss Securities Limited | | India | 100.00% | 100.00% |
| 2 | Edelweiss Finance & Investments Limited | | India | 100.00% | 100.00% |
| 3 | ECL Finance Limited | | India | 100.00% | 100.00% |
| 4 | Edelweiss Global Wealth Management Limited | | India | 100.00% | 100.00% |
| 5 | Edelweiss Gallagher Insurance Brokers Limited (Formerly known as Edelweiss Insurance Brokers Limited) | e | India | 74.00% | 100.00% |
| 6 | Edelweiss Trustee Services Limited | a | India | - | 100.00% |
| 7 | Edelcap Securities Limited | | India | 100.00% | 100.00% |
| 8 | Edelweiss Asset Management Limited | | India | 100.00% | 100.00% |
| 9 | ECap Equities Limited | a | India | 100.00% | 100.00% |
| 10 | Edelweiss Broking Limited | | India | 100.00% | 100.00% |
| 11 | Edelweiss Trusteeship Company Limited | | India | 100.00% | 100.00% |
| 12 | Edelweiss Housing Finance Limited | | India | 100.00% | 100.00% |
| 13 | Edelweiss Investment Adviser Limited | | India | 100.00% | 100.00% |
| 14 | EC Commodity Limited | | India | 100.00% | 100.00% |
| 15 | Edel Land Limited | | India | 100.00% | 100.00% |
| 16 | Edelweiss Custodial Services Limited | | India | 100.00% | 100.00% |
| 17 | Edel Investments Limited | | India | 100.00% | 100.00% |
| 18 | Edelweiss Rural & Corporate Services Limited | | India | 100.00% | 100.00% |
| 19 | Edelweiss Comtrade Limited | | India | 100.00% | 100.00% |
| 20 | Edel Finance Company Limited | | India | 100.00% | 100.00% |
| 21 | Edelweiss Retail Finance Limited | | India | 100.00% | 100.00% |
| 22 | Edelweiss Multi Strategy Fund Advisors LLP | | India | 100.00% | 100.00% |
| 23 | Edelweiss Resolution Advisors LLP | | India | 100.00% | 100.00% |
| 24 | Edelweiss Holdings Limited | a | India | - | 100.00% |
| 25 | Edelweiss General Insurance Company Limited | | India | 100.00% | 100.00% |
| 26 | Edelweiss Finvest Private Limited | | India | 100.00% | 100.00% |
| 27 | Edelweiss Securities (IFSC) Limited | | India | 100.00% | 100.00% |
| 28 | Alternative Investment Market Advisors Private Limited | a | India | - | 100.00% |
| 29 | Edelweiss Securities Trading and Management Private Limited | b | India | - | 100.00% |
| 30 | Edelweiss Securities and Investment Private Limited | b | India | 100.00% | 100.00% |
| 31 | Edelweiss Securities (Hong Kong) Private Limited | | Hong Kong | 100.00% | 100.00% |
| 32 | EC Global Limited | | Mauritius | 100.00% | 100.00% |
| 33 | EC International Limited | | Mauritius | 100.00% | 100.00% |
| 34 | EAAA LLC | | Mauritius | 100.00% | 100.00% |
| 35 | EFSL International Limited | i | Mauritius | - | 100.00% |
| 36 | Edelweiss Capital (Singapore) Pte. Limited | k | Singapore | 100.00% | 100.00% |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

58. Composition of the Group (*Continued*)

| Sr. | Name of the Entity | Note | Country of Incorporation | Proportion of ownership interest as at 31-Mar-2020 | Proportion of ownership interest as at 31-Mar-2019 |
|--|---|------|--------------------------|--|--|
| Subsidiaries (<i>Continued</i>) | | | | | |
| 37 | Edelweiss Alternative Asset Advisors Pte. Limited | | Singapore | 100.00% | 100.00% |
| 38 | Edelweiss International (Singapore) Pte. Limited | | Singapore | 100.00% | 100.00% |
| 39 | Edelweiss Investment Advisors Private Limited | | Singapore | 100.00% | 100.00% |
| 40 | Aster Commodities DMCC | | United Arab Emirates | 100.00% | 100.00% |
| 41 | Edelweiss Financial Services (UK) Limited | | United Kingdom | 100.00% | 100.00% |
| 42 | Edelweiss Financial Services Inc. | | United States of America | 100.00% | 100.00% |
| 43 | Edelweiss Alternative Asset Advisors Limited | | India | 95.00% | 95.00% |
| 44 | EW Clover Scheme - 1 | c | India | - | 100.00% |
| 45 | Edelvalue Partners | g | India | - | 100.00% |
| 46 | Edelgive Foundation | | India | 100.00% | 100.00% |
| 47 | Lichen Metals Private Limited | | India | 100.00% | 100.00% |
| 48 | EW India Special Assets Advisors LLC | h | Mauritius | - | 90.00% |
| 49 | Edelweiss Private Equity Tech Fund | | India | 88.90% | 88.90% |
| 50 | Edelweiss Value and Growth Fund | | India | 88.90% | 88.90% |
| 51 | Edelweiss Asset Reconstruction Company Limited | | India | 74.80% | 74.80% |
| 52 | EW Special Opportunities Advisors LLC | | Mauritius | 67.00% | 67.00% |
| 53 | Edelweiss Tokio Life Insurance Company Limited | | India | 51.00% | 51.00% |
| 54 | Allium Finance Private Limited | | India | 70.00% | 70.00% |
| 55 | Retra Ventures Private Limited | d | India | - | 70.00% |
| 56 | ESL Securities Limited | f | India | 100.00% | - |
| Group stake in trusts | | | | | |
| | Trust Name | | Country of Incorporation | Proportion of ownership interest as at 31-Mar-2020 | Proportion of ownership interest as at 31-Mar-2019 |
| 1 | EARC SAF - 2 Trust | | India | 100.00% | 100.00% |
| 2 | EARC Trust - SC 6 | | India | 100.00% | 100.00% |
| 3 | EARC Trust - SC 7 | | India | 100.00% | 100.00% |
| 4 | EARC Trust - SC 9 | | India | 100.00% | 100.00% |
| 5 | EARC Trust - SC 102 | | India | 100.00% | 100.00% |
| 6 | EARC Trust - SC 109 | | India | 50.00% | 50.00% |
| 7 | EARC Trust - SC 112 | | India | 100.00% | 100.00% |
| 8 | EARC Trust - SC 130 | | India | 100.00% | 100.00% |
| 9 | EARC SAF - 3 Trust | | India | 46.00% | 46.00% |
| 10 | EARC Trust - SC 223 | | India | 100.00% | 100.00% |
| 11 | EARC Trust - SC 229 | | India | 100.00% | 100.00% |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

58. Composition of the Group (*Continued*)

Group stake in trusts (*Continued*)

| Trust Name | Country of Incorporation | Proportion of ownership interest as at 31-Mar-2020 | Proportion of ownership interest as at 31-Mar-2019 |
|------------------------|--------------------------|--|--|
| 12 EARC Trust - SC 238 | India | 100.00% | 100.00% |
| 13 EARC Trust - SC 245 | India | 37.00% | 37.00% |
| 14 EARC Trust - SC 251 | India | 100.00% | 100.00% |
| 15 EARC Trust - SC 266 | India | 100.00% | 100.00% |
| 16 EARC Trust - SC 262 | India | 37.00% | 37.00% |
| 17 EARC Trust - SC 263 | India | 100.00% | 100.00% |
| 18 EARC Trust - SC 293 | India | 100.00% | 100.00% |
| 19 EARC Trust - SC 297 | India | 37.00% | 37.00% |
| 20 EARC Trust - SC 308 | India | 100.00% | 100.00% |
| 21 EARC Trust - SC 314 | India | 100.00% | 100.00% |
| 22 EARC Trust - SC 325 | India | 100.00% | 100.00% |
| 23 EARC Trust - SC 329 | India | 100.00% | 100.00% |
| 24 EARC Trust - SC 331 | India | 100.00% | 100.00% |
| 25 EARC Trust - SC 306 | India | 50.00% | 50.00% |
| 26 EARC Trust - SC 321 | India | 100.00% | 100.00% |
| 27 EARC Trust - SC 334 | India | 100.00% | 100.00% |
| 28 EARC Trust - SC 318 | India | 100.00% | 100.00% |
| 29 EARC Trust - SC 332 | India | 100.00% | 100.00% |
| 30 EARC Trust - SC 348 | India | 100.00% | 100.00% |
| 31 EARC Trust - SC 349 | India | 100.00% | 100.00% |
| 32 EARC Trust - SC 350 | j India | - | 50.00% |
| 33 EARC Trust - SC 352 | India | 100.00% | 100.00% |
| 34 EARC Trust - SC 354 | j India | - | 50.00% |
| 35 EARC Trust - SC 357 | India | 100.00% | 100.00% |
| 36 EARC SAF - 1 Trust | India | 100.00% | 100.00% |
| 37 EARC Trust - SC 298 | India | 100.00% | 100.00% |
| 38 EARC Trust - SC 342 | India | 100.00% | 100.00% |
| 39 EARC Trust - SC 347 | India | 100.00% | 100.00% |
| 40 EARC Trust - SC 351 | India | 100.00% | 100.00% |
| 41 EARC Trust - SC 360 | India | 100.00% | 100.00% |
| 42 EARC Trust - SC 361 | India | 100.00% | 100.00% |
| 43 EARC Trust - SC 363 | India | 100.00% | 100.00% |
| 44 EARC Trust - SC 344 | India | 100.00% | 100.00% |
| 45 EARC Trust - SC 370 | India | 100.00% | 100.00% |
| 46 EARC Trust - SC 381 | India | 100.00% | - |
| 47 EARC Trust - SC 383 | India | 100.00% | - |
| 48 EARC Trust - SC 386 | India | 100.00% | - |
| 49 EARC Trust - SC 384 | India | 100.00% | - |
| 50 EARC Trust - SC 391 | India | 100.00% | - |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

58. Composition of the Group (*Continued*)

Group stake in trusts (*Continued*)

| Trust Name | Country of Incorporation | Proportion of ownership interest as at 31-Mar-2020 | Proportion of ownership interest as at 31-Mar-2019 |
|------------------------|--------------------------|--|--|
| 51 EARC Trust - SC 395 | India | 100.00% | - |
| 52 EARC Trust - SC 392 | India | 100.00% | - |
| 53 EARC Trust - SC 372 | India | 100.00% | - |
| 54 EARC Trust - SC 373 | India | 100.00% | - |
| 55 EARC Trust - SC 374 | India | 100.00% | - |
| 56 EARC Trust - SC 393 | India | 100.00% | - |
| 57 EARC Trust - SC 380 | India | 100.00% | - |
| 58 EARC Trust - SC 387 | India | 100.00% | - |
| 59 EARC Trust - SC 388 | India | 100.00% | - |
| 60 EARC Trust - SC 375 | India | 100.00% | - |
| 61 EARC Trust - SC 399 | India | 100.00% | - |
| 62 EARC Trust - SC 394 | India | 100.00% | - |
| 63 EARC Trust - SC 385 | India | 100.00% | - |
| 64 EARC Trust - SC 401 | India | 100.00% | - |
| 65 EARC Trust - SC 402 | India | 100.00% | - |
| 66 EARC Trust - SC 376 | India | 100.00% | - |

Notes:

- With effect from 22 November 2019, Edelweiss Trustee Services Limited, Edelweiss Holdings Limited and Alternative Investment Market Advisors Private Limited have been merged with ECap Equities Limited, a wholly owned subsidiary of the Company, pursuant to the scheme of arrangement approved by National Company Law Tribunal.
- With effect from 19 November 2019, Edelweiss Securities Trading and Management Private Limited have been merged with Edelweiss Securities and Investment Private Limited, a wholly owned subsidiary of the Company, pursuant to the scheme of arrangement approved by National Company Law Tribunal.
- EW Clover Scheme - 1, a subsidiary has been wound up on 29 February 2020 and has not been consolidated from the said date.
- With effect from 19 March 2020, Retra Ventures Private Limited is ceased to be became a subsidiary of the company and has not been consolidated from the said date.
- The Company has reduced its stake in Edelweiss Insurance Brokers Limited from 100% to 74% during the year by allotment of 878,378 numbers of shares to Arthor J. Gallagher & Co. on 25 October 2019. Subsequently name of the company is also changed to Edelweiss Gallagher Insurance Brokers Limited. Consequently, Edelweiss Gallagher Insurance Brokers Limited has ceased to become a wholly owned subsidiary of the Company.
- With effect from 01 October 2019, Edelweiss Securities Limited has incorporated a new subsidiary namely ESL Securities Limited and became a wholly subsidiary of the company and has been consolidated from the said date.
- With the required consent of the Partners of the Firm, the Firm has been dissolved with effect from 25 March 2019 vide Deed of Dissolution of Partnership of even date.
- Liquidation of EW India Special Assets Advisors LLC: The Company has ceased to carry on business and received liquidation confirmation from relevant Authority on 01 April 2019.
- EFSL International Limited, a subsidiary has been wound up on 12 December 2019 and has not been consolidated from the said date.
- With effect from 30 November 2019, EARC Trust SC 350 and EARC Trust SC 354 are ceased to be became a consolidated trust of the company and has not been consolidated from the said date.
- Edelweiss Capital (Singapore) Pte. Limited, the reformatted Ind AS financial information have been prepared other than a going concern basis in accordance with the Board of Directors' resolution dated 18 June 2020, whereby Directors has approved the winding up of the Company.

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

59 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary
Financial Year 2019-20

| Sr. No. | Name of the Entity | Net Assets i.e. Total Assets minus Total Liabilities | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|--------------|---|---|--------------------------|---|-----------------------------|---|--------------------------|---|--------------------------|
| | | As % of consolidated net assets | Amount (₹ in Million) | As % of consolidated profit or loss | Amount (₹ in Million) | As % of consolidated other comprehensive Income | Amount (₹ in Million) | As % of consolidated total comprehensive Income | Amount (₹ in Million) |
| | | | | | | | | | |
| Parent | | | | | | | | | |
| | Edelweiss Financial Services Limited | 47.93% | 34,545.70 | (4.04%) | 825.79 | (0.01%) | (0.47) | (5.25%) | 825.32 |
| Subsidiaries | | | | | | | | | |
| Indian | | | | | | | | | |
| 1 | Edelweiss Securities Limited | 5.76% | 4,153.12 | (3.03%) | 619.64 | 6.58% | 311.03 | (5.92%) | 930.67 |
| 2 | Edelweiss Finance & Investments Limited | 6.41% | 4,618.70 | (0.90%) | 184.29 | (0.07%) | (3.25) | (1.15%) | 181.04 |
| 3 | ECL Finance Limited | 34.39% | 24,783.61 | 69.21% | (14,144.59) | 9.66% | 456.52 | 87.12% | (13,688.07) |
| 4 | Edelweiss Global Wealth Management Limited | 0.03% | 19.61 | 0.72% | (148.07) | 0.00% | 0.01 | 0.94% | (148.06) |
| 5 | Edelweiss Gallagher Insurance Brokers Limited (Formerly known as Edelweiss Insurance Brokers Limited) | 1.15% | 826.89 | (0.46%) | 94.48 | (0.03%) | (1.35) | (0.59%) | 93.12 |
| 6 | Edelcap Securities Limited | 1.53% | 1,102.06 | 4.14% | (846.97) | (0.01%) | (0.37) | 5.39% | (847.33) |
| 7 | Edelweiss Asset Management Limited | 2.17% | 1,562.04 | (0.06%) | 12.07 | (0.03%) | (1.35) | (0.07%) | 10.72 |
| 8 | ECap Equities Limited | 1.59% | 1,146.14 | 3.01% | (615.72) | (17.94%) | (847.90) | 9.32% | (1,463.61) |
| 9 | Edelweiss Broking Limited | 2.27% | 1,635.35 | 1.48% | (301.76) | (0.24%) | (11.23) | 1.99% | (312.99) |
| 10 | Edelweiss Trusteeship Company Limited | 0.01% | 4.78 | (0.00%) | 0.31 | - | - | (0.00%) | 0.31 |
| 11 | Edelweiss Housing Finance Limited | 10.67% | 7,690.74 | (0.08%) | 15.55 | (0.02%) | (1.08) | (0.09%) | 14.47 |
| 12 | Edelweiss Investment Adviser Limited | (3.68%) | (2,652.32) | 15.09% | (3,084.81) | 0.00% | 0.05 | 19.63% | (3,084.76) |
| 13 | EC Commodity Limited | (0.09%) | (67.30) | 0.26% | (53.18) | (9.02%) | (426.21) | 3.05% | (479.39) |
| 14 | Edel Land Limited | (0.31%) | (226.50) | 0.07% | (14.08) | (1.71%) | (80.66) | 0.60% | (94.74) |
| 15 | Edelweiss Custodial Services Limited | 3.15% | 2,268.76 | (7.10%) | 1,451.85 | 0.00% | 0.05 | (9.24%) | 1,451.89 |
| 16 | Edel Investments Limited | 3.60% | 2,593.36 | 1.53% | (312.57) | 0.00% | 0.05 | 1.99% | (312.52) |
| 17 | Edelweiss Rural & Corporate Services Limited | 5.83% | 4,201.61 | 12.59% | (2,572.62) | 21.24% | 1,003.78 | 9.98% | (1,568.84) |
| 18 | Edelweiss Comtrade Limited | 0.05% | 33.79 | (0.01%) | 1.34 | (0.08%) | (3.73) | 0.02% | (2.39) |
| 19 | Edel Finance Company Limited | 1.77% | 1,277.07 | 1.66% | (339.17) | 0.03% | 1.56 | 2.15% | (337.61) |
| 20 | Edelweiss Retail Finance Limited | 6.42% | 4,630.39 | (0.05%) | 10.66 | (0.00%) | (0.15) | (0.07%) | 10.51 |
| 21 | Edelweiss Multi Strategy Fund Advisors LLP | 0.00% | 0.35 | 0.01% | (2.29) | (35.97%) | (1,700.00) | 10.83% | (1,702.29) |
| 22 | Edelweiss Resolution Advisor LLP | 0.01% | 4.06 | (0.01%) | 2.39 | - | - | (0.02%) | 2.39 |
| 23 | Edelweiss General Insurance Company Limited | 1.74% | 1,252.65 | 4.60% | (940.11) | (0.00%) | (0.01) | 5.98% | (940.12) |
| 24 | Edelweiss Finvest Private Limited | 14.40% | 10,374.63 | (1.22%) | 248.38 | 0.00% | 0.16 | (1.58%) | 248.54 |
| 25 | Edelweiss Securities (IFSC) Limited | 0.18% | 131.93 | 0.09% | (18.90) | 0.23% | 10.97 | 0.05% | (7.93) |
| 26 | Edelweiss Securities and Investment Private Limited | 1.05% | 760.33 | (0.83%) | 170.16 | - | - | (1.08%) | 170.16 |
| 27 | Edelweiss Alternative Asset Advisors Limited | (0.48%) | (347.43) | (0.87%) | 177.99 | 0.02% | 0.78 | (1.14%) | 178.77 |
| 28 | EW Clover Scheme - 1 | (0.00%) | - | (0.10%) | 20.73 | - | - | (0.13%) | 20.73 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information *(Continued)*

(Currency: Indian rupees in million)

Annexure V

59 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary *(Continued)*

| Sr. No. | Name of the Entity | Net Assets i.e. Total Assets minus Total Liabilities | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|--|---|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|
| | | As % of consolidated net assets | Amount (₹ in Million) | As % of consolidated profit or loss | Amount (₹ in Million) | As % of consolidated other comprehensive Income | Amount (₹ in Million) | As % of consolidated total comprehensive Income | Amount (₹ in Million) |
| | | | | | | | | | |
| Subsidiaries (Continued) | | | | | | | | | |
| Indian (Continued) | | | | | | | | | |
| 29 | Edelgive Foundation | 0.32% | 233.36 | (0.04%) | 7.35 | - | - | (0.05%) | 7.35 |
| 30 | Lichen Metals Private Limited | 0.37% | 266.94 | (0.04%) | 7.77 | (0.00%) | (0.01) | (0.05%) | 7.77 |
| 31 | Edelweiss Private Equity Tech Fund | 0.88% | 633.01 | (1.28%) | 262.28 | - | - | (1.67%) | 262.28 |
| 32 | Edelweiss Value and Growth Fund | 2.09% | 1,506.93 | (2.61%) | 533.37 | - | - | (3.39%) | 533.37 |
| 33 | Edelweiss Asset Reconstruction Company Limited | 28.26% | 20,364.07 | (14.75%) | 3,015.46 | (0.02%) | (0.72) | (19.19%) | 3,014.74 |
| 34 | Edelweiss Tokio Life Insurance Company Limited | 10.39% | 7,488.41 | 13.36% | (2,730.12) | 21.01% | 992.81 | 11.06% | (1,737.31) |
| 35 | Allium Finance Private Limited | 1.32% | 951.72 | (0.35%) | 71.92 | (0.00%) | (0.01) | (0.46%) | 71.91 |
| 36 | Retra Ventures Private Limited | (0.00%) | - | 0.21% | (42.10) | - | - | 0.27% | (42.10) |
| 37 | ESL Securities Limited | (0.00%) | (0.06) | 0.00% | (0.16) | - | - | 0.00% | (0.16) |
| Foreign | | | | | | | | | |
| 38 | EC Global Limited | 0.33% | 237.05 | (0.91%) | 186.32 | 5.27% | 249.26 | (2.77%) | 435.58 |
| 39 | EC International Limited | 0.20% | 140.68 | (13.94%) | 2,848.14 | (0.86%) | (40.71) | (17.87%) | 2,807.43 |
| 40 | EAAA LLC | 0.07% | 51.93 | 0.08% | (15.38) | 0.10% | 4.65 | 0.07% | (10.73) |
| 41 | EFSL International Limited | 0.00% | - | 0.00% | (0.36) | (0.00%) | (0.03) | 0.00% | (0.38) |
| 42 | EW Special Opportunities Advisors LLC | 0.00% | 3.37 | 0.01% | (1.87) | (0.06%) | (2.89) | 0.03% | (4.76) |
| 43 | Edelweiss Capital (Singapore) Pte. Limited | 0.02% | 16.79 | 0.29% | (59.14) | 0.03% | 1.37 | 0.37% | (57.76) |
| 44 | Edelweiss Alternative Asset Advisors Pte. Limited | 0.63% | 452.09 | (0.24%) | 48.42 | 0.34% | 16.30 | (0.41%) | 64.73 |
| 45 | Edelweiss International (Singapore) Pte. Limited | 2.19% | 1,579.01 | (0.41%) | 84.32 | 2.81% | 132.99 | (1.38%) | 217.31 |
| 46 | Edelweiss Investment Advisors Private Limited | 0.15% | 111.65 | (0.03%) | 6.04 | 0.09% | 4.08 | (0.06%) | 10.12 |
| 47 | Aster Commodities DMCC | 0.85% | 612.13 | 0.06% | (12.67) | 1.76% | 83.14 | (0.45%) | 70.47 |
| 48 | Edelweiss Financial Services (UK) Limited | 0.04% | 26.39 | (0.00%) | 0.93 | 0.02% | 0.74 | (0.01%) | 1.67 |
| 49 | Edelweiss Financial Services Inc. | 0.17% | 119.40 | (0.13%) | 26.03 | 0.19% | 9.22 | (0.22%) | 35.25 |
| 50 | Edelweiss Securities (Hong Kong) Private Limited | 0.06% | 42.53 | 0.18% | (36.33) | 0.01% | 0.56 | 0.23% | (35.77) |
| 51 | Controlled Trusts | (1.33%) | (959.58) | 2.42% | (494.65) | - | - | 3.15% | (494.65) |
| Non-Controlling Interests | | 14.96% | 10,783.66 | (0.07%) | 14.73 | 10.26% | 484.88 | (3.18%) | 499.60 |
| Adjustments arising out of consolidation | | (109.50%) | (78,914.83) | 22.50% | (4,598.81) | 86.40% | 4,083.59 | 3.28% | (515.25) |
| | | | | | | | | | |
| Total | | 100.00% | 72,070.77 | 100.00% | (20,437.72) | 100.00% | 4,726.42 | 100.00% | (15,711.30) |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

59. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary or Associates Financial Year 2018-19

| Sr. No. | Name of the Entity | Net Assets i.e. Total Assets minus Total Liabilities | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|--------------|--|--|-----------------------|-------------------------------------|-----------------------|---|-----------------------|---|-----------------------|
| | | As % of consolidated net assets | Amount (₹ in Million) | As % of consolidated profit or loss | Amount (₹ in Million) | As % of consolidated other comprehensive Income | Amount (₹ in Million) | As % of consolidated total comprehensive Income | Amount (₹ in Million) |
| Parent | | | | | | | | | |
| | Edelweiss Financial Services Limited | 38.46% | 33,516.01 | 10.34% | 1,028.78 | 0.21% | 0.82 | 9.96% | 1,029.60 |
| Subsidiaries | | | | | | | | | |
| Indian | | | | | | | | | |
| 1 | Edelweiss Securities Limited | 4.37% | 3,804.11 | 7.98% | 794.47 | (0.68%) | (2.63) | 7.66% | 791.84 |
| 2 | Edelweiss Finance & Investments Limited | 2.12% | 1,847.71 | (0.04%) | (3.64) | 0.03% | 0.10 | (0.03%) | (3.54) |
| 3 | ECL Finance Limited | 44.17% | 38,494.52 | 56.86% | 5,658.83 | (0.86%) | (3.30) | 54.72% | 5,655.53 |
| 4 | Edelweiss Global Wealth Management Limited | 0.11% | 100.05 | 0.76% | 75.51 | (0.10%) | (0.39) | 0.73% | 75.12 |
| 5 | Edelweiss Insurance Brokers Limited | 0.40% | 347.02 | 0.45% | 44.90 | (0.07%) | (0.27) | 0.43% | 44.63 |
| 6 | Edelweiss Trustee Services Limited | 0.00% | 1.12 | 0.00% | 0.24 | 0.00% | - | 0.00% | 0.24 |
| 7 | Edelcap Securities Limited | 1.65% | 1,436.40 | (3.47%) | (345.80) | (0.20%) | (0.75) | (3.35%) | (346.55) |
| 8 | Edelweiss Asset Management Limited | 1.79% | 1,561.20 | 0.27% | 26.75 | (0.29%) | (1.11) | 0.25% | 25.64 |
| 9 | ECap Equities Limited | 3.38% | 2,947.11 | 7.02% | 698.27 | 0.15% | 0.57 | 6.76% | 698.84 |
| 10 | Edelweiss Broking Limited | 2.28% | 1,991.01 | (5.16%) | (513.65) | (2.28%) | (8.75) | (5.05%) | (522.40) |
| 11 | Edelweiss Trusteeship Company Limited | 0.01% | 4.50 | 0.00% | 0.42 | 0.00% | - | 0.00% | 0.42 |
| 12 | Edelweiss Housing Finance Limited | 8.82% | 7,688.95 | 6.28% | 624.59 | (0.36%) | (1.38) | 6.03% | 623.21 |
| 13 | Edelweiss Investment Adviser | (0.65%) | (567.55) | 2.86% | 284.43 | 0.03% | 0.11 | 2.75% | 284.54 |
| 14 | EC Commodity Limited | 0.47% | 412.09 | 0.02% | 2.04 | 0.04% | 0.14 | 0.02% | 2.18 |
| 15 | Edel Land Limited | (0.15%) | (131.76) | (2.94%) | (292.44) | (0.01%) | (0.02) | (2.83%) | (292.46) |
| 16 | Edelweiss Custodial Services Limited | 1.16% | 1,010.90 | 8.00% | 796.54 | 0.10% | 0.39 | 7.71% | 796.93 |
| 17 | Edel Investments Limited | 0.32% | 276.47 | 0.63% | 62.39 | (0.03%) | (0.13) | 0.60% | 62.26 |
| 18 | Edelweiss Rural & Corporate Services Limited | 6.71% | 5,852.01 | 13.46% | 1,339.34 | (1.06%) | (4.07) | 12.92% | 1,335.27 |
| 19 | Edelweiss Comtrade Limited | 0.04% | 36.19 | (0.28%) | (27.55) | (0.09%) | (0.34) | (0.27%) | (27.89) |
| 20 | Edel Finance Company Limited | 1.85% | 1,614.68 | (0.78%) | (77.49) | 0.00% | 0.01 | (0.75%) | (77.48) |

Edelweiss Financial Services Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

Annexure V

| Sr. No. | Name of the Entity | Net Assets i.e. Total Assets minus Total Liabilities | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|----------------|---|--|-----------------------|-------------------------------------|-----------------------|---|-----------------------|---|-----------------------|
| | | As % of consolidated net assets | Amount (₹ in Million) | As % of consolidated profit or loss | Amount (₹ in Million) | As % of consolidated other comprehensive Income | Amount (₹ in Million) | As % of consolidated total comprehensive Income | Amount (₹ in Million) |
| 21 | Edelweiss Retail Finance Limited | 5.32% | 4,632.02 | 3.40% | 338.55 | 0.18% | 0.68 | 3.28% | 339.23 |
| 22 | Edelweiss Multi Strategy Fund Advisors LLP | 0.00% | 2.63 | (0.24%) | (24.18) | 0.00% | - | (0.23%) | (24.18) |
| 23 | Edelweiss Resolution Advisors LLP | 0.00% | 1.60 | 0.00% | (0.06) | 0.00% | - | 0.00% | (0.06) |
| 24 | Edelweiss Holdings Limited | 0.18% | 153.61 | 0.07% | 7.25 | 0.00% | - | 0.07% | 7.25 |
| 25 | Edelweiss General Insurance Company Limited | 1.37% | 1,194.30 | (5.98%) | (594.66) | (0.10%) | (0.39) | (5.76%) | (595.05) |
| 26 | Edelweiss Finvest Private Limited | 11.66% | 10,164.97 | 17.16% | 1,708.02 | (0.32%) | (1.23) | 16.51% | 1,706.79 |
| 27 | Edelweiss Securities (IFSC) Limited | 0.14% | 125.09 | (0.18%) | (17.99) | 2.27% | 8.71 | (0.09%) | (9.28) |
| 28 | Alternative Investment Market Advisors Private Limited | 0.09% | 80.90 | 0.02% | 1.86 | 0.00% | (0.01) | 0.02% | 1.85 |
| 29 | Edelweiss Securities Trading and Management Private Limited | 0.51% | 441.32 | 0.76% | 75.71 | 0.00% | - | 0.73% | 75.71 |
| 30 | Edelweiss Securities and Investment Private Limited | 0.17% | 150.85 | 1.48% | 147.35 | 0.00% | - | 1.43% | 147.35 |
| 31 | Edelweiss Alternative Asset Advisors Limited | (0.60%) | (526.19) | (0.51%) | (50.49) | 0.00% | 0.01 | (0.49%) | (50.48) |
| 32 | EW Clover Scheme - 1 | 0.69% | 599.99 | (0.47%) | (46.64) | 0.00% | - | (0.45%) | (46.64) |
| 33 | Edelvalue Partners | 0.05% | 46.62 | 0.27% | 26.52 | 0.00% | - | 0.26% | 26.52 |
| 34 | Edelgive Foundation | 0.21% | 186.01 | 0.55% | 54.31 | 0.00% | - | 0.53% | 54.31 |
| 35 | Lichen Metals Private Limited | 0.30% | 259.17 | 0.05% | 5.34 | 0.00% | - | 0.05% | 5.34 |
| 36 | Edelweiss Private Equity Tech Fund | 0.42% | 367.11 | 0.84% | 83.64 | 0.00% | - | 0.81% | 83.64 |
| 37 | Edelweiss Value and Growth Fund | 1.12% | 973.42 | 0.60% | 60.09 | 0.00% | - | 0.58% | 60.09 |
| 38 | Edelweiss Asset Reconstruction Company Limited | 19.91% | 17,349.31 | 43.71% | 4,350.20 | (0.12%) | (0.46) | 42.08% | 4,349.74 |
| 39 | Edelweiss Tokio Life Insurance Company Limited | 10.66% | 9,292.67 | (27.12%) | (2,698.40) | 99.87% | 383.62 | (22.40%) | (2,314.78) |
| 40 | Allium Finance Private Limited | 1.01% | 879.81 | 0.33% | 32.35 | 0.00% | - | 0.31% | 32.35 |
| 41 | Retra Ventures Private Limited | 0.03% | 30.02 | (0.07%) | (7.36) | 0.00% | - | (0.07%) | (7.36) |
| Foreign | | | | | | | | | |
| 42 | EC Global Limited | 3.06% | 2,666.13 | (2.32%) | (230.57) | 55.20% | 212.03 | (0.18%) | (18.54) |
| 43 | EC International Limited | (2.83%) | (2,468.86) | 0.67% | 66.94 | (39.56%) | (151.95) | (0.82%) | (85.01) |

Edelweiss Financial Services Limited

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

Annexure V

| Sr. No | Name of the Entity | Net Assets i.e. Total Assets minus Total Liabilities | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|--|---|--|-----------------------|---|-----------------------|---|-----------------------|---|-----------------------|
| | | As % of total consolidated net assets | Amount (₹ in Million) | As % of total consolidated profit or loss | Amount (₹ in Million) | As % of total consolidated other comprehensive income | Amount (₹ in Million) | As % of total consolidated total comprehensive income | Amount (₹ in Million) |
| 44 | EAAA LLC | 0.07% | 62.66 | (1.40%) | (139.18) | 3.49% | 13.39 | (1.22%) | (125.79) |
| 45 | EFSL International Limited | 0.00% | 0.37 | (0.42%) | (41.59) | (7.71%) | (29.63) | (0.69%) | (71.22) |
| 46 | EW India Special Assets Advisors LLC | 0.00% | 4.30 | (0.01%) | (1.04) | 0.09% | 0.33 | (0.01%) | (0.71) |
| 47 | EW Special Opportunities Advisors LLC | 0.01% | 8.13 | (0.03%) | (3.21) | 0.98% | 3.77 | 0.01% | 0.56 |
| 48 | Edelweiss Capital (Singapore) Pte. Limited | 0.09% | 74.55 | (2.48%) | (247.20) | 1.25% | 4.79 | (2.35%) | (242.41) |
| 49 | Edelweiss Alternative Asset Advisors Pte. Limited | 0.44% | 387.36 | 2.72% | 270.29 | 0.15% | 0.56 | 2.62% | 270.85 |
| 50 | Edelweiss International (Singapore) Pte. Limited | 1.56% | 1,362.31 | (5.08%) | (505.72) | 34.29% | 131.71 | (3.62%) | (374.01) |
| 51 | Edelweiss Investment Advisors Private Limited | 0.12% | 101.53 | 0.10% | 9.47 | 0.55% | 2.11 | 0.11% | 11.58 |
| 52 | Aster Commodities DMCC | 1.07% | 934.55 | (0.23%) | (22.83) | 25.87% | 99.37 | 0.74% | 76.54 |
| 53 | Edelweiss Financial Services (UK) Limited | 0.03% | 24.72 | 0.01% | 1.38 | (0.13%) | (0.49) | 0.01% | 0.89 |
| 54 | Edelweiss Financial Services Inc. | 0.10% | 84.15 | 0.09% | 9.43 | 1.12% | 4.32 | 0.13% | 13.75 |
| 55 | Edelweiss Securities (Hong Kong) Private Limited | 0.01% | 5.31 | (0.14%) | (14.09) | 0.34% | 1.29 | (0.12%) | (12.80) |
| 56 | Controlled Trusts | 3.62% | 3,151.48 | 9.35% | 930.33 | 0.00% | - | 9.00% | 930.33 |
| Associates (Investments as per the equity method) | | | | | | | | | |
| 1 | Allium Finance Private Limited | 0.00% | - | 0.42% | 41.99 | 0.00% | - | 0.41% | 41.99 |
| | Non-Controlling Interests | 11.91% | 10,380.11 | 4.94% | 492.03 | 0.00% | 189.22 | 4.76% | 681.25 |
| | Adjustments arising out of consolidation | (89.82%) | (78,276.86) | (43.14%) | (4,293.11) | (72.22%) | (466.62) | (44.22%) | (4,759.73) |
| Total | | 100.00% | 87,149.91 | 100.00% | 9,951.66 | 100.00% | 384.13 | 100.00% | 10,335.79 |

Edelweiss Financial Services Limited

Notes to the consolidated financial statements (*Continued*)

(Currency: Indian rupees in millions)

Annexure V

60. Key disclosures related to life insurance business

a. Life insurance and Investment Contract Liability

| Particulars | 31-Mar-20 | | | | 31-Mar-19 | | | |
|--------------------------------------|-----------|-----------------|-----------|-------------------------|-----------|-----------------|-----------|-------------------------|
| | With DPF | Linked Business | Others | Total gross liabilities | With DPF | Linked Business | Others | Total gross liabilities |
| Insurance Contract Liability | | | | | | | | |
| Life | 4,894.47 | 6,692.92 | 16,391.52 | 27,978.91 | 3,222.22 | 5,799.29 | 12,981.80 | 22,003.31 |
| Health | - | - | 46.88 | 46.88 | - | - | 38.97 | 38.97 |
| Annuity | - | - | 365.63 | 365.63 | - | - | 312.90 | 312.90 |
| Pension | 851.73 | 271.47 | - | 1,123.20 | 646.83 | 252.13 | - | 898.96 |
| Total | 5,746.20 | 6,964.39 | 16,804.03 | 29,514.62 | 3,869.05 | 6,051.42 | 13,333.67 | 23,254.14 |
| Investment Contract Liability | | | | | | | | |
| Life | - | 652.88 | 322.09 | 974.97 | - | 574.81 | 261.27 | 836.08 |
| Health | - | - | - | - | - | - | - | - |
| Annuity | - | - | - | - | - | - | - | - |
| Pension | - | - | - | - | - | - | - | - |
| Total | - | 652.88 | 322.09 | 974.97 | - | 574.81 | 261.27 | 836.08 |

Edelweiss Financial Services Limited

Notes to the consolidated financial statements (*Continued*)

(Currency: Indian rupees in millions)

Annexure V

61. Key disclosures related to life insurance business (continued)

b. Movement of life insurance contract liabilities

| Particulars | 31-Mar-20 | | | | 31-Mar-19 | | | |
|--|-----------|-----------------|------------|------------|-----------|-----------------|-----------|------------|
| | With DPF | Linked Business | Others | Total | With DPF | Linked Business | Others | Total |
| Gross Liability at the beginning of the year | 3,869.05 | 6,051.42 | 13,333.65 | 23,254.12 | 2,634.80 | 3,591.89 | 9,812.71 | 16,039.40 |
| Add/(Less) | | | | | | | | |
| Premium | 2,327.17 | 2,790.09 | 5,180.95 | 10,298.21 | 1,814.29 | 2,525.55 | 4,514.70 | 8,854.54 |
| Unwinding of the discount / Interest credited | 590.87 | (1,237.80) | 879.12 | 232.19 | 327.28 | 305.61 | 646.87 | 1,279.76 |
| Changes in valuation for expected future benefits | (887.59) | (394.79) | (1,333.61) | (2,615.99) | (804.16) | (322.87) | (978.48) | (2,105.51) |
| Insurance liabilities released | (256.47) | (268.58) | (1,326.09) | (1,851.14) | (129.16) | (86.16) | (681.39) | (896.71) |
| Undistributed Participating Policyholders surplus (UPPS) | 11.36 | - | - | 11.36 | 14.02 | - | - | 14.02 |
| Others | - | - | - | - | - | - | - | - |
| Change in other Liabilities | 91.81 | 24.05 | 70.01 | 185.87 | 11.98 | 37.40 | 19.24 | 68.62 |
| Gross Liability at the end of the year | 5,746.20 | 6,964.39 | 16,804.03 | 29,514.62 | 3,869.05 | 6,051.42 | 13,333.65 | 23,254.12 |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

60. Key disclosures related to life insurance business (*Continued*)

c. Investment contract liabilities without DPF are stated at fair value.

The investment contracts measured at fair value are mainly unit linked in structure and the fair value of the liability is equal to the unit reserve plus additional non-unit reserves, if required, on a fair value basis. These contracts are classified as Level 1 in the fair value hierarchy when the unit reserve is calculated as the publicly quoted unit price multiplied by the number of units in issue and any non-unit reserve is insignificant. Where the unit price is not publicly-available these contracts are classified as Level 2 in the fair value hierarchy provided the additional non-unit reserve is an insignificant input to the valuation. Where the non-unit reserve is a significant input in the valuation, the contracts are classified at Level 3 in the fair value hierarchy. The Group takes credit risk into account in assessing the fair value of the liabilities.

Investment contract liabilities without DPF are further analysed as follows:

| Particulars | 31-Mar-20 | | | 31-Mar-19 | | |
|--|-----------------|--------|---------|-----------------|--------|---------|
| | Linked Business | Others | Total | Linked Business | Others | Total |
| At the beginning of the year | 574.82 | 261.27 | 836.09 | 397.04 | 101.58 | 498.62 |
| Additions | | | | - | - | - |
| Premium | 141.58 | 45.05 | 186.63 | 187.76 | 150.82 | 338.58 |
| Interest and Bonus credited to policyholders | 7.19 | 21.80 | 28.99 | 35.12 | 13.74 | 48.86 |
| Others | 0.13 | 0.06 | 0.19 | 0.09 | 0.83 | 0.92 |
| Deductions | | | | | | |
| Withdrawals / Claims | (61.85) | (4.60) | (66.45) | (39.02) | (5.03) | (44.05) |
| Fee Income and Other Expenses | (8.99) | (1.49) | (10.48) | (6.17) | (0.67) | (6.84) |
| At the end of the year | 652.88 | 322.09 | 974.97 | 574.82 | 261.27 | 836.09 |

Change in insurance contract liabilities

| Particulars | 31-Mar-20 | | | | 31-Mar-19 | | | |
|--|-----------|-----------------|----------|----------|-----------|-----------------|----------|----------|
| | With DPF | Linked Business | Others | Total | With DPF | Linked Business | Others | Total |
| a) Policy Liabilities (Gross) | 1,877.15 | 912.97 | 3,470.39 | 6,260.51 | 1,234.26 | 2,459.53 | 3,520.93 | 7,214.72 |
| b) Amount ceded in reinsurance | - | (0.27) | (92.54) | (92.81) | - | - | - | (361.31) |
| c) Amount accepted in reinsurance | - | - | - | - | - | - | - | - |
| Net change in insurance contract liabilities | 1,877.15 | 912.70 | 3,377.85 | 6,167.70 | 1,234.26 | 2,459.53 | 3,520.93 | 6,853.41 |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

60. Key disclosures related to life insurance business(*Continued*)

c. Investment contract liabilities without DPF are stated at fair value.

Change in Reinsurance assets

| Particulars | 31-Mar-20 | 31-Mar-19 |
|--|-----------|-----------|
| Opening Reinsurance Assets | 2,851.60 | 2,490.15 |
| Premium | 446.04 | 302.25 |
| Unwinding of the Discount/Interest Credited | 169.70 | 148.31 |
| Change in Valuation for expected future benefits | (145.23) | 103.69 |
| Insurance Liabilities released | (377.70) | (192.80) |
| Closing Reinsurance Assets | 2,944.41 | 2,851.60 |

At 31 March 2020 and 31 March 2019, the Company has conducted an impairment review of the reinsurance assets and there are no impairment loss for the years.

During the year, the Company entered into reinsurance arrangements that resulted in losses of ₹ 54.18 millions for the financial year 2019-20 (FY 2018-19 ₹ 41.93 millions). This loss has been reflected in the statement of profit or loss.

At 31 March 2020 and 31 March 2019, there are no impaired reinsurance assets.

d. Key Assumptions

Liabilities for life insurance policies are determined by the Appointed Actuary in accordance with the IRDAI regulations and relevant actuarial practice standards and guidance notes issued by the Institute of Actuaries of India.

For Linked business (UL), separate unit and non-unit reserve is maintained. The unit reserve is the current value of the assets underlying the unit funds and the non-unit reserve is kept to meet the liabilities due to the cost of insurance, expenses, commissions etc in excess of future charges. For lapsed policies under UL products the fund is transferred to a separate discontinuance fund as per IRDAI regulations and reserves have been kept for benefits payable post lock-in period. The discontinuance charges collected are kept as non-unit reserves till the lock-in period and the non-unit reserves for the discontinuance policies are also kept assuming the policy will continue to be in the discontinuance fund till the lock-in period of five years

Non-linked business is reserved using a prospective gross premium method of valuation. The reserves are established having regard to the assumptions as to future experience, including the interest rate that will be earned on premiums not yet received and future bonus rates for participating business. Assumptions as to the future bonus rates are set to be consistent with the interest rate assumptions. For participating policies the valuation interest rate used is 6.00% (no change from last year). For non-par policies, the valuation interest rate ranges between 5.58% - 6.75% (no change from last year) for the first 5 years and 4.00% - 6.00% (no change from last year) thereafter (for annuity, 2% assumed for year greater than 50 years)

The lapse assumptions are based on various factors namely the actual experience, credibility of the experience, pricing assumptions, trend from actual experience and consistency from past year's assumptions.

For lapsed policies, revival reserves are maintained (till the policies are within the revival period) assuming 10.00% (FY 2018-19 10.00%) of them will get revived.

Mortality assumptions are set with reference to the published IALM (2006-2008) Ultimate Mortality Table. The mortality assumptions are based on various factors namely the actual experience, credibility of the experience, pricing assumptions, trend from actual experience and consistency from past year's assumptions. For annuity product, mortality rates are set with reference to the Modified Mortality for Annuitants – LIC (a) (1996-98) Ultimate Rates. Assumptions for morbidity and incidence of accidental death are based on terms available from reinsurers and the standard morbidity rate table CIBT 93 (Critical Illness Base Table for year 93).

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

60. Key disclosures related to life insurance business (*Continued*)

d. Key Assumptions

Assumptions for future expenses are considered as per the file and use assumptions (which are derived from long term business plan of the Company) and these expenses escalated each year by 5.00% p.a. (FY 2018-19 5.00%) to allow for inflation. An additional reserve has been included to allow for the contingency to cover maintenance expense overrun.

Commission has been allowed for at the rates specified in the products file and use.

Further it has been ensured that for each policy the reserve is sufficient to pay the surrender value. For participating products, terminal bonuses are provisioned such that the reserves are at least equal to asset share at product level. Further any mark to market (MTM) gains / losses in Par fund is considered in the liability calculations.

The provisions have been made for incurred but not reported death claims (IBNR), free look reserve, unearned premium reserve of the extra premium collected etc.

For riders, both unearned premium and gross premium reserves are calculated and the higher of these two is held as reserve. For One year renewable group term life ("OYRGTL") plan, the Unearned Premium Reserve is calculated as premium for the unexpired duration. In addition, the premium deficiency reserve and IBNR is also kept for OYRGTL.

| Portfolio assumptions impacting net liabilities | Range | FY 2020 | FY 2019 |
|--|-------|--|--|
| Mortality rates (as a % of Indian Assured Lives Mortality (2006-08))** | Max | 215.0% (Without MAD)* | 195.0% (Without MAD)* |
| | Min | 20.0% (Without MAD) | 19.8% (Without MAD) |
| Discount/ interest rates*** | Max | 7.75% (Without MAD) | 8.00% (Without MAD) |
| | Min | 7.00% (Without MAD) | 7.25% (Without MAD) |
| Expense**** | Max | 8865 (INFL @5%) (without MAD) 17 (INFL @ 5%) (without MAD) for micro Insurance plan | 8443 (INFL @5%) (without MAD) 16 (INFL @ 5%) (without MAD) for micro Insurance plan |
| | Min | 263 (INFL @ 5%) (without MAD) 11 (INFL @ 5%) (without MAD) for micro Insurance plan | 255 (INFL @ 5%) (without MAD) 16 (INFL @ 5%) (without MAD) for micro Insurance plan |
| MAD* | | Mortality: 10%; additional 5% MAD to cater COVID19 pandemic risk | Mortality: 10%; additional 5% MAD to cater AIDS risk |
| | | Interest: 75 - 550 bps | Interest: 95 – 575 bps |
| | | Expenses: 10% | Expenses: 10% |

• Margin for Adverse Deviation (MAD) is over and above the base rate mentioned above.

**For annuity it is a % of Modified Mortality for Annuitants – LIC (a) (1996-98) Ultimate Rates.

***Under Unit linked, for unit growth rate (i.e. Investment return) weighted average growth rate of various unit funds is used.

****The value of future expenses has been derived to allow for all the future maintenance expenses as applicable namely fixed per policy, renewal premium (0%-2%)/ commission (0%-25%) related, fund (0%-0.25%) related etc. The limits for fixed per policy expenses are as mentioned above in the table.

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

60. Key disclosures related to life insurance business (*Continued*)

e. Sensitivity Analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross liabilities.

The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period. The sensitivities are same as shared with Regulators during annual reporting.

For Year Ended 31-Mar-20

| Sensitivity Parameters | Gross Liability | | | | |
|-------------------------------------|---------------------|----------|-----------|----------------------|--------|
| | Insurance Contracts | | | Investment Contracts | |
| | With DPF | Linked | Others | Linked | Others |
| Mortality increased by 10% | 5,750.39 | 6,968.23 | 17,764.85 | 652.86 | 322.11 |
| Mortality decreased by 10% | 5,742.00 | 6,962.06 | 15,863.84 | 652.86 | 322.11 |
| Lapses increased by 10% | 5,744.83 | 6,963.97 | 16,552.07 | 652.86 | 322.11 |
| Lapses decreased by 10% | 5,747.60 | 6,964.88 | 17,075.63 | 652.86 | 322.11 |
| Expenses increased by 10% | 5,750.63 | 6,965.38 | 16,919.17 | 652.86 | 322.11 |
| Expenses decreased by 10% | 5,741.78 | 6,963.62 | 16,689.49 | 652.86 | 322.11 |
| Interest Rate increased by 100 bps | 5,221.24 | 6,898.09 | 13,592.26 | 635.12 | 322.11 |
| Interest Rate decreased by 100 bps | 6,382.52 | 7,036.88 | 21,035.01 | 672.28 | 322.11 |
| Inflation Rate increased by 100 bps | 5,749.25 | 6,965.06 | 16,913.79 | 652.86 | 322.11 |
| Inflation Rate decreased by 100 bps | 5,743.44 | 6,964.11 | 16,710.94 | 652.86 | 322.11 |

For Year Ended 31-Mar-19

| Sensitivity Parameters | Gross Liability | | | | |
|-------------------------------------|---------------------|----------|-----------|----------------------|--------|
| | Insurance Contracts | | | Investment Contracts | |
| | With DPF | Linked | Others | Linked | Others |
| Mortality increased by 10% | 3,874.71 | 6,052.42 | 14,145.94 | 574.81 | 261.27 |
| Mortality decreased by 10% | 3,863.61 | 6,050.72 | 12,530.62 | 574.81 | 261.27 |
| Lapses increased by 10% | 3,867.67 | 6,051.30 | 13,165.53 | 574.81 | 261.27 |
| Lapses decreased by 10% | 3,870.46 | 6,051.55 | 13,512.22 | 574.81 | 261.27 |
| Expenses increased by 10% | 3,874.64 | 6,051.80 | 13,432.36 | 574.81 | 261.27 |
| Expenses decreased by 10% | 3,863.56 | 6,051.10 | 13,236.28 | 574.81 | 261.27 |
| Interest Rate increased by 100 bps | 3,558.45 | 6,024.24 | 10,727.48 | 558.60 | 261.27 |
| Interest Rate decreased by 100 bps | 4,241.98 | 6,080.54 | 16,751.14 | 592.57 | 261.27 |
| Inflation Rate increased by 100 bps | 3,873.04 | 6,051.58 | 13,428.22 | 574.81 | 261.27 |
| Inflation Rate decreased by 100 bps | 3,865.47 | 6,051.39 | 13,253.25 | 574.81 | 261.27 |

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

60. Key disclosures related to life insurance business (*Continued*)

e. Sensitivity Analysis (*Continued*)

Gross premiums on insurance contracts and investment contracts with DPF

| Particulars | 2019-20 | 2018-19 |
|-----------------------------|------------------|----------------|
| Life Insurance | 10,298.21 | 8854.54 |
| Total Gross Premiums | 10,298.21 | 8854.54 |

Premiums ceded to reinsurers on insurance contracts and investment contracts with DPF

| Particulars | 2019-20 | 2018-19 |
|---|-----------------|-----------------|
| Life Insurance | (446.04) | (302.26) |
| Total premiums ceded to reinsurers | (446.04) | (302.26) |

Net benefits and claims

| Particulars | 2019-20 | 2018-19 |
|---|-----------------|---------------|
| a. Gross benefits and claims paid | | |
| Life insurance contracts | 1,187.26 | 818.53 |
| Investment contracts with DPF | - | - |
| Total gross benefits and claims paid | 1,187.26 | 818.53 |
| b. Claims ceded to reinsurers | | |
| Life insurance contracts | (373.29) | (193.93) |
| Investment contracts with DPF | - | - |
| Total claims ceded to reinsurers | (373.29) | (193.93) |
| Net benefits and claims | 813.97 | 624.60 |

61. Key disclosures related to General Insurance business

Contract Liability for General Insurance business

Premium earned

Gross Premium on insurance contracts

| Particular | 2019-20 | 2018-19 |
|---------------------------------------|-----------------|---------------|
| Gross written Premium | 1,586.05 | 1,043.09 |
| Change in reserve for unexpired risks | (476.69) | (678.45) |
| Gross Earned Premium (a) | 1,109.36 | 364.64 |

Premium ceded to reinsurers on insurance contracts

| Particular | 2019-20 | 2018-19 |
|--|---------------|--------------|
| Premium on reinsurance ceded | 268.30 | 307.39 |
| Change in reserve for unexpired risks | (84.40) | (230.90) |
| Premium ceded to reinsurers (b) | 183.90 | 76.49 |

| | | |
|---|---------------|---------------|
| Total Premium Earned (net) (a - b) | 925.46 | 288.15 |
|---|---------------|---------------|

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

61. Key disclosures related to General Insurance business (*Continued*)

Change in actuarial liability

| Particular | 2019-20 | 2018-19 |
|---|----------------|---------------|
| Gross Claim Paid | 686.12 | 66.00 |
| Claims Ceded to reinsurer on Gross Claims Paid | (52.78) | (5.51) |
| Net Claims Paid | 633.34 | 60.49 |
| Change in Gross Claims Outstanding | 151.51 | 58.88 |
| Change in Ceding to reinsurer on Gross Claims Outstanding | (9.61) | (2.38) |
| Net Claims Outstanding | 141.90 | 56.50 |
| Total Benefits paid | 775.24 | 116.99 |
| Change in Gross IBNR | 341.61 | 270.46 |
| Change in Ceding to reinsurer on Gross IBNR | (55.30) | (34.36) |
| Net IBNR | 286.31 | 236.10 |
| Change in Gross Premium deficiency Reserve | (33.00) | 72.78 |
| Change in Ceding to reinsurer on Premium deficiency Reserve | - | - |
| Net Premium deficiency Reserve | (33.00) | 72.78 |
| Change in actuarial liability | 253.31 | 308.88 |

Reinsurance asset

| Particular | 31-Mar-20 | 31-Mar-19 |
|--|------------------|------------------|
| Reinsurance on Insurance Contract | 133.37 | 80.41 |
| Gross Insurance contract liabilities | 2,030.33 | 1,093.52 |
| Reinsurance asset relating to Insurance contracts | 428.14 | 278.84 |
| Net Insurance contract liabilities | 1,602.18 | 814.69 |
| Gross Insurance contract liabilities | 31-Mar-20 | 31-Mar-19 |
| Gross Claims Outstanding | 210.39 | 58.88 |
| Gross IBNR | 612.25 | 270.64 |
| Gross Premium deficiency Reserve | 39.78 | 72.78 |
| Gross Reserve for unexpired risks | 1,167.92 | 691.22 |
| Gross Insurance contract liabilities | 2,030.34 | 1,093.52 |
| Reinsurance asset relating to Insurance contracts | 31-Mar-20 | 31-Mar-19 |
| Reinsurance of Claims Outstanding | 11.98 | 2.38 |
| Reinsurance of IBNR | 89.83 | 34.53 |
| Reinsurance of Premium deficiency Reserve | - | - |
| Reinsurance of Reserve for unexpired risks | 326.33 | 241.93 |
| Reinsurance of Insurance contract liabilities | 428.14 | 278.84 |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

61. Key disclosures related to General Insurance business (Continued)

| Net Insurance contract liabilities | 2019-20 | 2018-19 |
|--|-----------------|----------------|
| Net Claims Outstanding | 198.41 | 56.50 |
| Net IBNR | 522.42 | 236.11 |
| Net Premium deficiency Reserve | 39.78 | 72.78 |
| Net Reserve for unexpired risks | 841.58 | 449.30 |
| Net Insurance contract liabilities | 1,602.19 | 814.69 |
| Reconciliation of Claims Outstanding | 2019-20 | 2018-19 |
| Gross Claims Outstanding at the beginning of year | 58.88 | - |
| Gross Change in claims reserve | 151.51 | 58.88 |
| Gross Claims Outstanding at the end of year | 210.39 | 58.88 |
| Reinsurance of Claims Outstanding at the beginning of year | 2.38 | - |
| Reinsurance of Change in claims reserve | 9.61 | 2.38 |
| Reinsurance of Claims Outstanding at the end of year | 11.99 | 2.38 |
| Net Claims Outstanding at the beginning of year | 56.50 | - |
| Net Change in claims reserve | 141.91 | 56.50 |
| Net Claims Outstanding at the end of year | 198.41 | 56.50 |
| Reconciliation of Incurred but not reported (IBNR) | 2019-20 | 2018-19 |
| Gross IBNR Outstanding at the beginning of year | 270.65 | 0.19 |
| Gross Change in IBNR reserve | 341.60 | 270.46 |
| Gross IBNR Outstanding at the end of year | 612.25 | 270.65 |
| Reinsurance of IBNR Outstanding at the beginning of year | 34.53 | 0.17 |
| Reinsurance of Change in IBNR reserve | 55.30 | 34.36 |
| Reinsurance of IBNR Outstanding at the end of year | 89.83 | 34.53 |
| Net IBNR Outstanding at the beginning of year | 236.11 | 0.02 |
| Net Change in IBNR reserve | 286.31 | 236.09 |
| Net IBNR Outstanding at the end of year | 522.42 | 236.11 |
| Reconciliation of Premium deficiency Reserve | 2019-20 | 2018-19 |
| Gross Premium deficiency Reserve Outstanding at the beginning of year | 72.78 | - |
| Gross Change in Premium deficiency reserve | (33.00) | 72.78 |
| Gross Premium deficiency Reserve Outstanding at the end of year | 39.78 | 72.78 |
| Reinsurance of Premium deficiency Reserve Outstanding at the beginning of year | - | - |
| Reinsurance of Change in Premium deficiency reserve | - | - |
| Reinsurance of Premium deficiency Reserve Outstanding at the end of year | - | - |
| Net Premium deficiency Reserve Outstanding at the beginning of year | 72.78 | - |
| Net Change in Premium deficiency reserve | (33.00) | 72.78 |
| Net Premium deficiency Reserve Outstanding at the end of year | 39.78 | 72.78 |

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

61. Key disclosures related to General Insurance business (Continued)

| Reserve for unexpired risks | 2019-20 | 2018-19 |
|--|-----------------|---------------|
| Gross Reserve for unexpired risks Outstanding at the beginning of year | 691.22 | 12.77 |
| Gross Change in Reserve for unexpired risks reserve | 476.69 | 678.45 |
| Gross Reserve for unexpired risks Outstanding at the end of year | 1,167.91 | 691.22 |
| Reinsurance of Reserve for unexpired risks Outstanding at the beginning of year | 241.93 | 11.03 |
| Reinsurance of Change in Reserve for unexpired risks reserve | 84.40 | 230.90 |
| Reinsurance of Reserve for unexpired risks Outstanding at the end of year | 326.33 | 241.93 |
| Net Reserve for unexpired risks Outstanding at the beginning of year | 449.29 | 1.74 |
| Net Change in Reserve for unexpired risks reserve | 392.30 | 447.55 |
| Net Reserve for unexpired risks Outstanding at the end of year | 841.59 | 449.29 |

Geographical concentration:

The Company has its operation only in India.

Sensitivity Analysis to key assumptions

The following analysis is performed for reasonably possible movements in 'Ultimate Loss ratio' with all other assumptions held constant, showing the impact on gross and \net liabilities, profit before tax and equity.

The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period.

| 2019-20 | Change in Assumption | Increase / (Decrease) on Gross Liability | Increase / (Decrease) on Net Liability | Increase / (Decrease) Profit Before Tax on | Increase / (Decrease) on Equity |
|---------------------|----------------------|--|--|--|---------------------------------|
| Ultimate Loss Ratio | 10% | 203.03 | 160.22 | 160.22 | - |
| Ultimate Loss Ratio | (10%) | (203.03) | (160.22) | (160.22) | - |
| 2018-19 | Change in Assumption | Increase / (Decrease) on Gross Liability | Increase / (Decrease) on Net Liability | Increase / (Decrease) Profit Before Tax on | Increase / (Decrease) on Equity |
| Ultimate Loss Ratio | 10% | 40.26 | 36.80 | 36.80 | - |
| Ultimate Loss Ratio | (10%) | (40.26) | (36.80) | (36.80) | - |

(FY 2019-20)

62. EC Commodity Limited (ECCL), a wholly owned subsidiary of the Company, has entered into an agreement dated 28 November 2019, pursuant to which upon happening of a contingency whereupon if the investors who have subscribed for a majority in the Alternative Investment Fund (AIF) to which ECL Finance Limited (ECLF) and Edelweiss Housing Finance Limited (EHFL), subsidiaries of the Group have sold financial assets does not receive the agreed IRR (IRR) as per the agreement in which case ECCL shall be required to either arrange for a buyer thereof and/or purchase the assets at IRR.

Edelweiss Financial Services Limited

Notes to the Reformatted Ind AS Consolidated Financial information (*Continued*)

(Currency: Indian rupees in million)

Annexure V

(FY 2019-20 & FY 2018-19)

63. Pursuant to Securities Subscription Agreement dated 05 March 2019 amongst ECL Finance Limited ("ECLF"), Edelweiss Financial Services Limited ("the Company"), Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited and Edel Finance Company Limited and CDPQ Private Equity Asia Pte Limited (the "Investor"), a wholly owned subsidiary of Caisse de dépôt et placement du Québec (CDPQ), for an investment of US\$ 250 millions, amounting to approximately ₹ 18,000 millions into ECLF, the Investor has subscribed to 1,000 Equity shares of ₹ 1 each at premium of ₹ 31 per Equity Share of ECLF and 103,949,680 Compulsorily Convertible Debentures (CCDs) at ₹ 100 per CCD of ECLF and accordingly paid ECLF a total sum of ₹ 10,395 millions on 07 May 2019, towards first tranche.

(FY 2019-20)

64. CDPQ Private Equity Asia Pte. Ltd. (CDPQ), holder of cumulative convertible preference shares (CCPS) of Edelweiss Asset Reconstruction Company Limited (EARC), a subsidiary, had on 15 July 2019 given a put intimation notice to subsidiaries viz., Edelweiss Custodial Services Limited (ECSL) and ECL Finance Limited (ECL) in accordance with Option Agreement dated 14 November 2017. The Option Agreement required ECSL and ECLF to buy these CCPS at an agreed fair value. EARC had applied to Reserve Bank of India (RBI) which gave its no objection on 17 February 2020 in the name of fellow subsidiaries Edelweiss Rural and Corporate Services and Ecap Equities Limited. As the companies and CDPQ have not completed fair value of the put security in accordance with the put agreement, CDPQ has not exercised its put option.
65. The Group has process whereby periodically all long term contract (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provisions as required under any law / accounting standard for material foreseeable losses on such long terms contracts (including derivative contract) has been made in the books of accounts.

(FY 2018-19)

66. The Board of Directors at their meeting held on May 14, 2019, have recommended a final dividend of ₹ 0.30 per equity share (on face value of ₹ 1 per equity share), subject to the approval of the members at the ensuing Annual General Meeting. In terms of Indian Accounting Standard (Ind AS) 10 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016, the Company has not appropriated for the recommended final dividend (including tax) from the reformatted Ind AS consolidated Statement of Profit and Loss for the year ended March 31, 2019.
67. Previous year's figures have been regrouped / reclassified to conform to current year presentation.

The accompanying notes are an integral part of Reformatted Ind AS Consolidated Financial information.

As per our report of even date attached

For S. R. Batliboi & Co. LLP
Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No: 102102

For and on behalf of the Board of Directors

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN : 00009438

Sarju Simaria
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai 05 March 2021

Mumbai 05 March 2021

Annexure VI

Consolidated statement of dividend

| Particulars | | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|---------|-----------------------------------|-----------------------------------|
| Equity Share Capital (₹ in Million) | | 934.41 | 932.67 |
| Face Value Per Equity Share (₹) | (a) | 1.00 | 1.00 |
| | | | |
| Interim Dividend on Equity Shares (₹ per Equity Share) | (b) | - | 1.10 |
| Interim Dividend on Equity Shares (₹ in Million) | | - | 975.88 |
| Interim Dividend Declared Rate (In %) | (c=b/a) | - | 110% |
| | | | |
| Final Dividend on Equity Shares (₹ per Equity Share) | (d) | - | 0.30 |
| Final Dividend on Equity Shares (₹ in Million) | | - | 266.51 |
| Final Dividend Declared Rate (In %) | (e=d/a) | - | 30% |
| | | | |

For and on behalf of the Board of Directors

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN : 00009438

Sarju Simaria
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai 05 March 2021

Auditors' Report on the reformatted standalone statement of assets and liabilities as at March 31, 2020 and 2019 and Reformatted standalone of profit and loss, cash flows, statement of change in equity for the each of the years ended March 31, 2020 and 2019 of Edelweiss Financial Services Limited (collectively, the "Reformatted Ind AS Standalone Financial Information")

The Board of Directors
Edelweiss Financial Services Limited
Edelweiss House, Off. C.S.T. Road,
Kalina, Mumbai - 400 098

Dear Sirs / Madams,

1. We have examined the attached Reformatted Ind AS Standalone Financial Information of Edelweiss Financial Services Limited (the "Company") as at March 31, 2020 and March 31, 2019 and for each of the years ended March 31, 2020 and March 31, 2019 annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed issue of Secured Redeemable Non-Convertible Debentures of face value of Rs. 1,000 each ("NCD"). The Reformatted Ind AS Standalone Financial Information, which have been approved by the Debenture Fund Raising Committee of the Board of Directors of the Company, have been prepared by the Company in accordance with the requirements of:
 - a) Section 26 of Chapter III of The Companies Act, 2013, as amended (the "Act"); and
 - b) relevant provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ('the Regulations') issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act").

Management's Responsibility for the Reformatted Ind AS Standalone Financial Information

2. The preparation of Reformatted Ind AS Standalone Financial Information is based on audited financial statements of the Company prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India in accordance with the accounting principles generally accepted in India, which are to be included in the Draft Prospectus and the Prospectus, is the responsibility of the Management of the Company for the purpose set out in paragraph 13 below. The Management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Reformatted Ind AS Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act and the Regulations.

Auditors' Responsibilities

3. We have examined such Reformatted Ind AS Standalone Financial Information taking into consideration:
 - a) the terms of reference and our engagement agreed with you vide our engagement letter dated February 26, 2021, requesting us to carry out work on such Reformatted Ind AS Standalone Financial Information in connection with the Company's Issue of NCDs;

- b) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (the "Guidance Note"); and
 - c) the requirements of Section 26 of the Act and the Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the Regulations in connection with the Issue of NCD.
4. The Company proposes to make an offer which comprises an issue of Secured Redeemable Non-Convertible Debentures of Rs.1,000 each by the Company, as may be decided by the Board of Directors of the Company.

Reformatted Ind AS Standalone Financial Information

5. The Reformatted Ind AS Standalone Financial Information have been compiled by the management from the audited standalone Ind AS financial statements of the Company as at and for each of the years ended March 31, 2020 and March 31, 2019, which have been approved by the Board of Directors at their meetings held on July 04, 2020 and May 14, 2019 respectively;
6. For the purpose of our examination, we have relied on Auditors' reports issued by us, dated July 04, 2020 and May 14, 2019 on the standalone financial statements of the Company as at and for each the years ended March 31, 2020 and March 31, 2019 as referred in Paragraph 5 above;

Our report dated July 4, 2020 on the Audited Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020, included:

Emphasis of Matter

- We draw attention to note 52 of the standalone Ind AS financial statements, which describes the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of investments and other assets, which are highly dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

Our report dated May 14, 2019 on the Audited Standalone Financial Statement as at and for the year ended March 31, 2019, included:

Other Matter

- the comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in Audited Standalone Ind AS Financial Statement, were based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 ('IGAAP') audited by the previous auditors whose report for the year ended March 31, 2018 and March 31, 2017 dated May 3, 2018 and May 17, 2017 respectively, expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us;
- The report also included as an Annexure, a statement on certain matters by the Companies (Auditor's Report) Order, 2016 to indicate (a) slight delay in payment of undisputed statutory dues; (b) disclosure of statutory dues outstanding on account of a dispute;

7. Taking into consideration the requirements of Section 26 of Part I of Chapter III of the Act, the Regulations and the terms of our engagement agreed with you, we further report that:
- a) the Reformatted Standalone Statement of assets and liabilities and notes forming part thereof, the Reformatted Standalone Statement of profit and loss and notes forming part thereof, the Reformatted Standalone Statement of cash flows and Reformatted Standalone Statement of change in equity ("Reformatted Ind AS Standalone Financial Information") of the Company as at and for each of the years ended March 31, 2020 and March 31, 2019 have been examined by us, as set out in Annexure I to Annexure IV to this report. These Reformatted Ind AS Standalone Financial Information have been prepared after regrouping, which is more fully described in Significant Accounting policies and notes (Refer Annexure V).
 - b) based on our examination as above:
 - i) the Reformatted Ind AS Standalone Financial Information have to be read in conjunction with the notes given in Annexure V; and
 - ii) the figures of earlier period have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform to the classification adopted for the Reformatted Ind AS Standalone Financial Information as at and for the year ended March 31, 2020.

Other Financial Information

8. At the Company's request, we have also examined the following other financial information proposed to be included in the Draft Prospectus and the Prospectus prepared by the Management and approved by the Board of Directors of the Company and annexed to this report relating to the Company, as at and for each of the years ended March 31, 2020 and March 31, 2019:
- Statement of dividend paid, enclosed as Annexure VI

Opinion

9. In our opinion, the Reformatted Ind AS Standalone Financial Information and the other financial information referred to in paragraph 8 above, as disclosed in the Annexures to this report, read with respective significant accounting policies disclosed in Annexure V, and after making adjustments and regroupings as considered appropriate and disclosed has been prepared by the Company by taking into consideration the requirement of Section 26 of Part I of Chapter III of the Act and the Regulations.

Other matter

10. In the preparation and presentation of Reformatted Ind AS Standalone Financial Information based on audited standalone financial statements as referred to in paragraph 6 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 6 above.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

13. This report is intended solely for use of the management for inclusion in the Draft Prospectus and the Prospectus to be filed with Registrar of Companies, Mumbai, Maharashtra, SEBI and BSE Limited in connection with the proposed Issue of NCD of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

UDIN: 21102102AAAADC1215

per Shrawan Jalan

Partner

Membership No. 102102

Place: Mumbai

Date: March 05, 2021

Reformatted Standalone Statement of Asset and Liabilities

| (Currency: Indian rupees in million) | Note | As at March 31, 2020 | As at March 31, 2019 |
|--|---------|-------------------------|-------------------------|
| ASSETS | | | |
| Financial assets | | | |
| (a) Cash and cash equivalents | 2 | 13.66 | 109.98 |
| (b) Bank balances other than cash and cash equivalents | 2A | 9.55 | 59.97 |
| (c) Trade receivables | 5 | 618.94 | 527.62 |
| (d) Loans | 6 | 6.73 | 2,538.68 |
| (e) Investments | 7 | 34,672.87 | 33,392.51 |
| (f) Other financial assets | 8 | 393.28 | 464.96 |
| | | 35,715.03 | 37,093.72 |
| Non-financial assets | | | |
| (a) Current tax assets (net) | 9 | 618.59 | 425.77 |
| (b) Deferred tax assets (net) | 10&32 | 291.13 | 258.65 |
| (c) Property, Plant and Equipment | 11 | 8.36 | 13.75 |
| (d) Intangible assets under development | | 9.16 | 9.96 |
| (e) Other Intangible assets | 11 | 16.83 | 32.23 |
| (f) Other non- financial assets | 12 | 161.63 | 132.69 |
| | | 1,105.70 | 873.05 |
| TOTAL ASSETS | | 36,820.73 | 37,966.77 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| Financial liabilities | | | |
| (a) Derivative financial instruments | 3&4 | - | 2.48 |
| (b) Trade payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 13&41 | 0.90 | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small Enterprises | 13 | 80.30 | 106.90 |
| (c) Debt securities | 14 | 734.12 | - |
| (d) Borrowings other than debt securities | 15 | 732.51 | 3,660.63 |
| (e) Other financial liabilities | 16 | 577.09 | 602.98 |
| | | 2,124.92 | 4,372.99 |
| Non-financial liabilities | | | |
| (a) Current tax liabilities (net) | 17 | 69.84 | 45.86 |
| (b) Provisions | 18 | 9.08 | 10.27 |
| (c) Other non-financial liabilities | 19 | 71.19 | 21.64 |
| | | 150.11 | 77.77 |
| EQUITY | | | |
| (a) Equity share capital | 20 | 889.51 | 887.77 |
| (b) Other equity | 21 | 33,656.19 | 32,628.24 |
| | | 34,545.70 | 33,516.01 |
| TOTAL LIABILITIES AND EQUITY | | 36,820.73 | 37,966.77 |
| The accompanying notes are an integral part of reformatted Ind AS standalone financial information | | | |
| | 1 to 58 | | |

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

per Shrawan Jalan

Partner

Membership No: 102102

Rashesh Shah

Chairman, Managing Director & CEO

DIN: 00008322

Himanshu Kaji

Executive Director

DIN : 00009438

Sarju Simaria

Chief Financial Officer

B Renganathan

EVP & Company Secretary

Reformatted Standalone Statement of Profit and Loss

| (Currency: Indian rupees in million) | Note | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|---------|--------------------------------------|--------------------------------------|
| Revenue from operations | | | |
| Interest income | 22 | 121.16 | 263.49 |
| Dividend income | 23 | 694.72 | 1,184.02 |
| Fee and commission income | 24 | 959.81 | 1,562.24 |
| Net gain on fair value changes | 25 | 134.66 | 17.92 |
| Other operating income | 26 | 456.46 | 2.65 |
| Total revenue from operations | | 2,366.81 | 3,030.32 |
| Other income | 27 | 223.25 | 173.43 |
| Total Revenue | | 2,590.06 | 3,203.75 |
| Expenses | | | |
| Finance costs | 28 | 323.11 | 164.34 |
| Impairment / (reversal) on financial instruments | 29 | 18.73 | (43.55) |
| Employee benefits expense | 30 | 797.67 | 1,084.60 |
| Depreciation, amortisation and impairment | 11 | 32.16 | 38.60 |
| Other expenses | 31 | 622.92 | 900.49 |
| Total expenses | | 1,794.59 | 2,144.48 |
| Profit before tax | | 795.47 | 1,059.27 |
| Tax expenses | 32 | | |
| Current tax | | 1.90 | 73.02 |
| Deferred tax (net) | | (32.22) | (42.53) |
| Profit for the year | | 825.79 | 1,028.78 |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement gain / (loss) on defined benefit plans | | (0.73) | 1.26 |
| Income Tax effects of above | | 0.26 | (0.44) |
| Total | | (0.47) | 0.82 |
| Total Comprehensive Income | | 825.32 | 1,029.60 |
| Earnings Per Share (₹) (Face Value of ₹ 1/- each) | 35 | | |
| (1) Basic | | 0.93 | 1.17 |
| (2) Diluted | | 0.92 | 1.15 |
| The accompanying notes are an integral part of reformatted Ind AS standalone financial information | 1 to 58 | | |

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

per Shrawan Jalan

Partner

Membership No: 102102

Rashesh Shah

Chairman, Managing Director & CEO

DIN: 00008322

Himanshu Kaji

Executive Director

DIN : 00009438

Sarju Simaria

Chief Financial Officer

B Renganathan

EVP & Company Secretary

Mumbai 05 March 2021

Mumbai 05 March 2021

Reformatted Standalone Statement of Cash Flows

| (Currency: Indian rupees in million) | For the year ended March 31, 2020 | For the year ended March 31 2019 |
|--|--------------------------------------|-------------------------------------|
| A. Cash flow from operating activities | | |
| Profit before tax | 795.47 | 1,059.27 |
| <i>Adjustments for</i> | | |
| Depreciation and amortisation expenses | 32.16 | 38.60 |
| Fair value change in investments | 3.03 | (18.01) |
| Profit on sale of investments | (156.58) | (2.65) |
| Impairment / (reversal) on financial instruments | 18.73 | (43.55) |
| Dividend on investments | (694.72) | (1,184.02) |
| Profit on sale of property, plant and equipment | (1.44) | (1.24) |
| Interest income | (116.93) | (254.32) |
| ESOP and SAR cost | 99.65 | 65.32 |
| Finance costs | 323.11 | 164.34 |
| Operating cash flow before working capital changes | 302.48 | (176.26) |
| <i>Add / (Less): Adjustments for working capital changes</i> | | |
| Decrease in trade receivables | 192.14 | 254.75 |
| (Increase)/decrease in derivative financial instruments | (2.48) | 45.15 |
| Decrease in trade payables | (37.31) | (157.31) |
| Decrease in other financial assets | 71.68 | 7.73 |
| (Increase)/decrease in other non- financial assets | (28.97) | 187.01 |
| Decrease /(increase) in other bank balances | 50.42 | (5.21) |
| Decrease in provisions and other financial liabilities | (27.08) | (302.09) |
| (Increase)/decrease in other non-financial liabilities | 49.55 | (21.94) |
| Cash generated from / (used in) operations | 570.43 | (168.17) |
| Income taxes paid | (170.71) | (9.45) |
| Net cash generated from / (used in) operating activities - A | 399.72 | (177.62) |
| B. Cash flow from investing activities | | |
| Purchase of property, plant and equipment | (11.70) | (17.76) |
| Sale of property, plant and equipment | 2.56 | 2.89 |
| Purchase of investments | (1,558.22) | (6,854.12) |
| Sale of investments | 431.42 | 835.13 |
| Dividend on investments | 694.72 | 1,184.02 |
| Repayment of loans | 2,390.67 | 2,167.83 |
| Interest received | 258.21 | 243.60 |
| Net cash generated from / (used in) investing activities - B | 2,207.66 | (2,438.41) |
| C. Cash flow from financing activities | | |
| Proceeds from issuance of Share capital (including securities premium) | 79.92 | 675.32 |
| Repayment of non convertible debentures | - | (276.52) |
| Proceeds from debt securities | 734.12 | - |
| Proceeds from/(repayment of) borrowing (Refer note 1 below) | (2,928.12) | 3,660.63 |
| Dividend paid | (266.51) | (1,241.16) |
| Dividend distribution tax paid | - | (24.72) |
| Finance costs | (323.11) | (164.34) |
| Net cash (used in) /generated from financing activities - C | (2,703.70) | 2,629.21 |

Edelweiss Financial Services Limited

Reformatted Standalone Statement of Cash Flows (*Continued*)

Annexure III

| (Currency: Indian rupees in million) | For the year ended March 31, 2020 | For the year ended March 31 2019 |
|---|--------------------------------------|-------------------------------------|
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | (96.32) | 13.18 |
| Cash and cash equivalent as at the beginning of the year | 109.98 | 96.80 |
| Cash and cash equivalent as at the end of the year | 13.66 | 109.98 |

Notes:

1. Cash receipts and payments for transaction with group companies in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows.
2. Reformatted Standalone Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

per Shrawan Jalan

Partner

Membership No: 102102

Rashesh Shah

Chairman, Managing Director & CEO

DIN: 00008322

Himanshu Kaji

Executive Director

DIN : 00009438

Sarju Simaria

Chief Financial Officer

Mumbai 05 March 2021

B Renganathan

EVP & Company Secretary

Mumbai 05 March 2021

Edelweiss Financial Services Limited

Reformatted Standalone Statement of Cash Flows (*Continued*)

Annexure III

Cash Flow Disclosure

Change in Liabilities arising from financing activities

| Particulars | As at April 01, 2019 | Cash Flows | Changes in Fair value | Others* | As at March 31, 2020 |
|---------------------------------------|-------------------------|-------------------|--------------------------|---------------|-------------------------|
| Debt Securities | - | 733.92 | - | 0.20 | 734.12 |
| Borrowings other than Debt Securities | 3,660.63 | (3,251.03) | - | 322.91 | 732.51 |
| | 3,660.63 | (2,517.11) | - | 323.11 | 1,466.63 |

| Particulars | As at April 01, 2018 | Cash Flows | Changes in Fair value | Others* | As at March 31, 2019 |
|---------------------------------------|-------------------------|-----------------|--------------------------|---------------|-------------------------|
| Debt Securities | 276.52 | (315.43) | - | 38.91 | - |
| Borrowings other than Debt Securities | - | 3,535.20 | - | 125.43 | 3,660.63 |
| | 276.52 | 3,219.77 | - | 164.34 | 3,660.63 |

*Other column includes the effect of interest accrued during the period.

Edelweiss Financial Services Limited

Reformatted Standalone Statement of Changes in Equity

(Currency: Indian rupees in million)

Annexure IV

A. Equity Share Capital

| Particulars | Amount |
|---|---------------|
| As at April 01, 2018 | 870.60 |
| Changes in equity share capital during FY 2018-19 | 17.17 |
| As at March 31, 2019 | 887.77 |
| Changes in equity share capital during FY 2019-20 | 1.74 |
| As at March 31, 2020 | 889.51 |

Note :

- Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Company's reformatted Ind AS financial information, these trusts are holding 44,896,780 number of equity shares as on March 31, 2020 amounting to ₹ 44.90 million (as at March 31, 2019: ₹ 44.90 million).
These are treasury shares and deducted from total outstanding equity shares.
- Refer note 20 for detailed quantitative information including investors holding more than 5% of equity share capital.
- The above two -Welfare Trust(s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date. **(FY 2019-20)**

B. Other Equity

| Particulars | Securities Premium | Retained Earnings | General Reserve | Capital Redemption Reserve | Employee Stock Option Plan (ESOP) & (SAR) reserve | Share application money pending allotment | Total Attributable to equity holders |
|-------------------------------------|-----------------------|----------------------|--------------------|----------------------------------|--|---|---|
| Balance as at April 01, 2018 | 29,143.52 | 2,518.78 | 508.64 | 2.03 | 472.07 | 25.08 | 32,670.12 |
| Profit for the year | - | 1,028.78 | - | - | - | - | 1,028.78 |
| Other Comprehensive Income | - | 0.82 | - | - | - | - | 0.82 |
| Total comprehensive income | - | 1,029.60 | - | - | - | - | 1,029.60 |

Edelweiss Financial Services Limited

Reformatted Standalone Statement of Changes in Equity (Continued)

Annexure IV

(Currency: Indian rupees in million)

B. Other Equity (Contd.)

| Particulars | Securities Premium | Retained Earnings | General Reserve | Capital Redemption Reserve | Employee Stock Option Plan (ESOP) & (SAR) reserve | Share application money pending allotment | Total Attributable to equity holders |
|---|--------------------|-------------------|-----------------|----------------------------|---|---|--------------------------------------|
| Interim and final dividends to equity shareholders | - | (1,241.16) | - | - | - | - | (1,241.16) |
| Dividend distribution tax | - | (24.72) | - | - | - | - | (24.72) |
| Issue of equity instruments on ESOP | 677.08 | - | - | - | - | (694.25) | (17.17) |
| ESOP charge | - | - | - | - | 225.48 | - | 225.48 |
| Transfers to securities premium on exercise of ESOP | 236.96 | - | - | - | (236.96) | - | - |
| Share application money received during the year | - | - | - | - | - | 675.32 | 675.32 |
| Income tax effect of ESOP | - | (689.23) | - | - | - | - | (689.23) |
| Balance as at March 31, 2019 | 30,057.56 | 1,593.27 | 508.64 | 2.03 | 460.59 | 6.15 | 32,628.24 |
| Profit for the year | - | 825.79 | - | - | - | - | 825.79 |
| Other Comprehensive Income | - | (0.47) | - | - | - | - | (0.47) |
| Total comprehensive income | - | 825.32 | - | - | - | - | 825.32 |
| Final dividends to equity shareholders | - | (266.51) | - | - | - | - | (266.51) |
| Issue of equity instruments on ESOP | 84.14 | - | - | - | - | (85.88) | (1.74) |
| ESOP charge | - | - | - | - | 242.03 | - | 242.03 |
| Transfers to securities premium on exercise of ESOP | 33.37 | - | - | - | (33.37) | - | - |
| Share application money received during the year | - | - | - | - | - | 79.92 | 79.92 |
| Stock appreciation rights (SAR) | - | - | - | - | 148.93 | - | 148.93 |
| Balance as at March 31, 2020 | 30,175.07 | 2,152.08 | 508.64 | 2.03 | 818.18 | 0.19 | 33,656.19 |

The accompanying notes are an integral part of reformatted Ind AS standalone financial information

1 to 56

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership No: 102102

For and on behalf of the Board of Directors

Rashesh Shah

Chairman, Managing Director & CEO

DIN: 00008322

Sarju Simaria

Chief Financial Officer

Himanshu Kaji

Executive Director

DIN : 00009438

B Renganathan

EVP & Company Secretary

Notes to the reformatted Ind AS standalone financial information

1. Background

Edelweiss Financial Services Limited ('the Company') is registered with Securities and Exchange Board of India (SEBI) as Category I – Merchant Banker. The Company was incorporated on November 21, 1995 and is the ultimate holding company of Edelweiss group of companies. The Company has its registered office at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai, India.

The Company is principally engaged in providing investment banking services and holding company activities comprising of development, managerial and financial support to the business of Edelweiss group entities.

Significant Accounting Policies

1.1 Basis of preparation of reformatted Ind AS standalone financial information for the year ended 31 March 2020 and 31 March 2019

The Reformatted Standalone Statement of Assets and Liabilities of Edelweiss Financial Services Limited ('the Company') as at 31 March 2020 and 31 March 2019 and the Reformatted Standalone Statement of Profit and Loss and the Reformatted Standalone Statement of Cash flows and the Reformatted Standalone Statement of change in equity and the Summary of Significant Accounting Policies and explanatory notes for the year ended 31 March 2020 and 31 March 2019 (together referred as 'Reformatted Ind AS standalone financial information') have been extracted by the Management from the Standalone Ind AS Audited Financial Statements of the Company for the year ended 31 March 2020 and 31 March 2019 ("Audited Ind AS Financial Statements").

The Reformatted Ind AS standalone financial information have been prepared by the management in connection with the proposed listing of secured redeemable non-convertible debentures of the Company with BSE Limited ('the stock exchanges'), in accordance with the requirements of:

a) Section 26 of the Companies Act, 2013; and

b) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008 issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time read along with the SEBI circular CIR/IMD/DF/18/2013 dated October 29, 2013 (together referred to as the "SEBI Regulations").

The reformatted Ind AS standalone financial information of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These reformatted Ind AS standalone financial information have been prepared on a historical cost basis, except for derivative financial instruments and other financial assets held for trading, which have been measured at fair value. The reformatted Ind AS standalone financial information are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

Notes to the reformatted Ind AS standalone financial information (*Continued*)Significant Accounting Policies (*Continued*)**1.2 Presentation of reformatted Ind AS standalone financial information**

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note no.46.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the company and or its counterparties

1.3 Financial Instruments**1.3.1 Date of recognition**

Financial assets and financial liabilities, with the exception of borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. The Company recognises borrowings when funds reach the Company.

1.3.2 Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to the reformatted Ind AS standalone financial information (*Continued*)**Significant Accounting Policies (*Continued*)****1.4 Classification of financial instruments****1.4.1 Financial assets:**

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in carrying value of financial assets is recognised in profit and loss account.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognised in Profit and loss account.

1.4.1.1 Amortized cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

1.4.1.2 Financial assets held for trading

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there evidence of a recent pattern of short-term profit is taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value.

Notes to the reformatted Ind AS standalone financial information (*Continued*)**Significant Accounting Policies (*Continued*)****1.4 Classification of financial instruments (*Continued*)****1.4.1.3 Investment in equity instruments**

The Company measures all equity investments at fair value through profit or loss. However, for Investment in subsidiaries is recognised at cost, subject to impairment if any at the end of each reporting period. Cost of investment represents amount paid for acquisition of the investment.

1.4.2 Financial liabilities

All financial liabilities are measured at amortised cost except for financial guarantees, and derivative financial liabilities.

1.4.2.1 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

1.4.2.2 Financial assets and Financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using effective interest rate.

1.4.2.3 Financial guarantee:

Financial guarantees are contract that requires the Company to make specified payments to reimburse to holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial guarantee issued or commitments to provide a loan at below market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently they are measured at higher of this amortised amount and the amount of loss allowance.

Notes to the reformatted Ind AS standalone financial information (*Continued*)**Significant Accounting Policies (*Continued*)****1.4 Classification of financial instruments (*Continued*)****1.4.3 Financial liabilities and equity instruments**

Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

1.4.4 Derivative contracts (Derivative assets / Derivative liability)

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss is recognised in profit or loss immediately

1.5 Reclassification of financial assets and financial liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

1.6 Employee welfare trust

The Company is a sponsor to two trusts namely: (i) Edelweiss Employees' Welfare Trust; and (ii) Edelweiss Employees' Incentives and Welfare Trust. These trusts have been formed exclusively to provide benefits to employees of the Company and its subsidiaries and associates. These trusts have been treated as an extension of the Company for the purpose of these reformatted Ind AS standalone financial information. Accordingly, the equity shares of the Company held by these trusts have been treated as treasury shares. The excess of the cost of such shares over the face value of shares has been reduced from the securities premium account of the Company.

1.7 Derecognition of financial assets and financial liabilities**1.7.1 Derecognition of financial assets due to substantial modification of terms and conditions**

The Company derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Notes to the reformatted Ind AS standalone financial information (*Continued*)**Significant Accounting Policies (*Continued*)****1.7 Derecognition of financial assets and financial liabilities (*Continued*)****1.7.2 Derecognition of financial assets (other than due to substantial modification)**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

1.7.3 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, would be recognised in profit or loss.

1.8 Impairment of financial assets

The Company records allowance for expected credit losses for all amortised cost financial assets and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables.

Notes to the reformatted Ind AS standalone financial information (*Continued*)**Significant Accounting Policies (*Continued*)****1.8 Impairment of financial assets (*Continued*)**

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

1.9 Write off

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss.

1.10 Determination of fair value

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Notes to the reformatted Ind AS standalone financial information (*Continued*)**Significant Accounting Policies (*Continued*)****1.10 Determination of fair value (*Continued*)**

- Level 2 financial instruments—Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the reformatted Ind AS standalone financial information on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

1.11 Revenue from contract with customer

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation. The Company applies the five-step approach for recognition of revenue:

- I. Identification of contract(s) with customers;
- II. Identification of the separate performance obligations in the contract;
- III. Determination of transaction price;
- IV. Allocation of transaction price to the separate performance obligations; and
- V. Recognition of revenue when (or as) each performance obligation is satisfied

Revenue Recognition for different heads of Income are as under:

I. Investment banking advisory fees, Syndication fees (net of tax)

Advisory/Syndication fees are recognised on an accrual basis in accordance with agreement entered into with respective investment managers / advisors.

II. Interest income

Interest income is recognized using the effective interest rate.

III. Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the Shareholders approve the dividend.

Notes to the reformatted Ind AS standalone financial information (*Continued*)**Significant Accounting Policies (*Continued*)****1.12 Earnings per share**

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

1.13 Foreign currency transactions

These reformatted Ind AS standalone financial information are presented in Indian Rupees which is also the functional currency of the Company. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

1.14 Retirement and other employee benefit**Provident fund and national pension scheme**

The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method. Benefits in respect of gratuity are funded with an Insurance company approved by Insurance Regulatory and Development Authority (IRDA).

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

Notes to the reformatted Ind AS standalone financial information (*Continued*)**Significant Accounting Policies (*Continued*)****1.14 Retirement and other employee benefit (*Continued*)****Compensated Absences**

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

The liability is provided based on the number of days of unutilised leave at each balance sheet date based on a valuation by an independent actuary.

1.15 Share-based payment arrangements

Equity-settled share-based payments to employees of the Group and others providing similar services that are granted by the Company are measured by reference to the fair value of the equity instruments at the grant date. These includes Stock Appreciation Rights (SARs) which are equity settled share-based payments.

a. with respect to Company's employees:

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Employee Stock Option Plan Reserve and Stock Appreciation Rights Reserve. In cases where the share options granted vest in installments over the vesting period, the Company treats each installment as a separate grant, because each installment has a different vesting period, and hence the fair value of each installment differs.

b. with respect to employees of the Group:

The fair value determined at the grant date of the equity-settled share-based payments is accounted as a capital contribution (deemed investment) to the respective subsidiaries over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised such that the cumulative capital contribution (deemed investment) is increased so that it reflects the revised estimate, with a corresponding adjustment to the Employee Stock Option Plan Reserve. In cases where the share options granted vest in installments over the vesting period, the Company treats each installment as a separate grant, because each installment has a different vesting period, and hence the fair value of each installment differs. Whenever, these estimates are expected to get settle between the subsidiaries and the Company, they are accounted as receivable/payable.

Notes to the reformatted Ind AS standalone financial information (*Continued*)**Significant Accounting Policies (*Continued*)****1.16 Property, plant and equipment**

Property plant and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs incurred on an item of property, plant and equipment is recognised in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Estimated useful lives of the assets are as follows:

| Nature of assets | Estimated useful life |
|---|------------------------------|
| Building (other than Factory Building) | 60 years |
| Furniture and fixtures | 10 years |
| Vehicles | 8 years |
| Office equipment | 5 years |
| Computers - servers and networks | 6 years |
| Computers - end user devices, such as desktops, laptops, etc. | 3 years |

Leasehold improvements are amortised on a straight-line basis over the estimated useful lives of the assets or the period of lease, whichever is shorter.

Amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

1.17 Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any. Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

Notes to the reformatted Ind AS standalone financial information (*Continued*)**Significant Accounting Policies (*Continued*)****1.18 Impairment of non-financial assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

1.19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

1.20 Provisions and other contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

1.21 Income tax expenses

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.21.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.21.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the reformatted Ind AS standalone financial information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets are also recognised with respect to carry forward of unused tax losses and unused tax credits (including Minimum Alternative Tax credit) to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Notes to the reformatted Ind AS standalone financial information (*Continued*)**Significant Accounting Policies (*Continued*)****1.21 Income tax expenses (*Continued*)****1.21.2 Deferred tax (*Continued*)**

It is probable that taxable profit will be available against which a deductible temporary difference, unused tax loss or unused tax credit can be utilised when there are sufficient taxable temporary differences which are expected to reverse in the period of reversal of deductible temporary difference or in periods in which a tax loss can be carried forward or back. When this is not the case, deferred tax asset is recognised to the extent it is probable that:

- the entity will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or
- tax planning opportunities are available that will create taxable profit in appropriate periods.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternative Tax (MAT) credit

MAT credit asset is recognised where there is convincing evidence that the asset can be realised in future. MAT credit assets are reviewed as at the balance sheet date and written down or written up to reflects the amount that is reasonably certain to be realised.

1.21.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.21.4 Business Combination:

The acquisition method of accounting is used to account for business combinations by the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values with certain limited exceptions. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Notes to the reformatted Ind AS standalone financial information (*Continued*)**Significant Accounting Policies (*Continued*)****1.22 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described above, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1.23 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the reformatted Ind AS standalone financial information.

1.23.1 Business model assessment

Classification and measurement of financial assets depends on the results of the sole payments for principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Group of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

1.24 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when these reformatted Ind AS standalone financial information were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1.24.1 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible,

Notes to the reformatted Ind AS standalone financial information (*Continued*)**Significant Accounting Policies (*Continued*)****1.24 Key sources of estimation uncertainty (*Continued*)****1.24.1 Fair value of financial instruments (*Continued*)**

estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

1.24.2 Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

It is Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

1.25 Standards issued but not yet effective

Financial Year 2019-20

There are no new standard or amendment issued but not effective.

Financial Year 2018-19

1.25.1 Ind AS 116 Leases:

Ind AS 116 Leases replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The application of this standard is not likely to have a material impact on the Financial Statements.

1.25.2 Long-term Interests in Associates and Joint Ventures (Amendments to Ind AS 28)

The amendment clarifies that Ind AS 109, including its impairment requirements, applies to long-term interests. Furthermore, in applying Ind AS 109 to long-term interests, an entity does not take into account adjustments to their carrying amount required by Ind AS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with Ind AS 28). These amendments are to be applied retrospectively in accordance with Ind AS 8 for annual reporting periods beginning on or after April 01, 2019. Specific transition provisions apply depending on whether the first-time application of the amendments coincides with that of Ind AS 109.

Notes to the reformatted Ind AS standalone financial information (*Continued*)**Significant Accounting Policies (*Continued*)****1.25 Standards issued but not yet effective (continued)**

The application of these amendments is not likely to have a material impact on these Financial Statements.

1.25.3 Prepayment Features with Negative Compensation (Amendments to Ind AS 109)

The amendments to Ind AS 109 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. These amendments are to be applied for annual periods beginning on or after April 01, 2019.

The application of these amendments is not likely to have a material impact on the Financial Statements.

1.26 Annual Improvements to Ind AS (2018) Financial Year 2018-19**1.26.1 Ind AS 12 Income taxes**

The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. These amendments are to be applied for annual periods beginning on or after 1 April 2019.

1.26.2 Ind AS 103 Business Combinations

The amendments clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation. These amendments are to be applied for business combinations in which the date of acquisition is on or after 1 April 2019.

1.26.3 Plan Amendment, Curtailment or Settlement (Amendments to Ind AS 19)

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). The change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

An entity is also now required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under Ind AS 19 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

These amendments are to be applied to plan amendments, curtailments or settlements occurring on or after 1 April 2019. The application of these amendments is not likely to have a material impact on the Financial Statements.

Notes to the reformatted Ind AS standalone financial information (*Continued*)

Significant Accounting Policies (*Continued*)

1.26 Annual Improvements to Ind AS (2018) (continued)

1.26.4 Uncertainty over Income Tax Treatments (Appendix C of Ind AS 12)

This Appendix sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Appendix requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
 - If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
 - If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The Appendix is effective for annual periods beginning on or after 1 April 2019.

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| 2. Cash and cash equivalents | | |
| Cash in hand | 0.10 | 0.04 |
| Balances with banks | | |
| - in current accounts | 13.56 | 109.94 |
| Total | 13.66 | 109.98 |
| 2.A Bank balances other than cash and cash equivalents | | |
| Unpaid dividend accounts | 9.55 | 9.42 |
| Fixed deposits with banks | - | 50.55 |
| Total | 9.55 | 59.97 |
| 2.B Encumbrances on fixed deposits held by the Company | | |
| Fixed Deposits pledged for: | | |
| Bank overdraft facility | - | 50.00 |

3. Derivative financial instruments

The Company enters into derivative transactions to hedge its interest rate risks and currency risks.

These derivatives are held for risk management purposes i.e. economic hedges but the Company has elected not to apply hedge accounting requirements.

| Particulars | March 31, 2020 | | | | | | | |
|---|--------------------------------|----------|---------------------|---------------------|--------------------------------|----------|---------------------|-------------------------|
| | Unit | Currency | Notional amount* | Fair value Asset | Unit | Currency | Notional amount* | Fair value liability |
| (i) Currency derivatives | | | | | | | | |
| Currency Futures | Number of currency units | USD/INR | - | - | Number of currency units | USD/INR | 5,895,000 | 0.77 |
| | | GBP/INR | | | | | 300,000 | 1.12 |
| Less: Amounts Offset (refer note.4 offsetting disclosure) | | | | - | | | | (1.89) |
| Forwards | | | | | Number of currency units | USD/INR | - | - |
| Total Derivative Financial Instruments | | | Total | - | | | Total | - |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

3. Derivative financial instruments (*Continued*)

| Particulars | March 31, 2019 | | | | | | | |
|---|--------------------------|----------|------------------|------------------|--------------------------|----------|------------------|----------------------|
| | Unit | Currency | Notional amount* | Fair value Asset | Unit | Currency | Notional amount* | Fair value liability |
| (i) Currency derivatives | | | | | | | | |
| Currency Futures | Number of currency units | USD/INR | 498,000.00 | 0.16 | Number of currency units | USD/INR | 13,679,000 | 4.42 |
| Less: Amounts Offset (refer note.4 offsetting disclosure) | | | | (0.16) | | | | (4.42) |
| Forwards | Number of currency units | USD/INR | - | - | | | 35,624,205 | 2.48 |
| Total Derivative Financial Instruments | | | Total | - | | | Total | 2.48 |

* Notional amount represents quantity in case of currency linked derivatives

4. Offsetting

Certain derivative financial assets and financial liabilities are subject to master netting arrangements, whereby in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis. The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet:

Financial assets subject to offsetting 31-March 2020

| Particulars | Offsetting recognised in the balance sheet | | | Netting potential not recognised in balance sheet | | Assets not subject to netting arrangements | Total assets |
|-----------------------------|--|----------------|---------------------------------------|---|---|--|---------------------------------|
| | Gross asset before offset | Amount offset* | Net asset recognised in balance sheet | Financial liabilities | Assets after consideration of netting potential | Assets recognised on the balance sheet | Recognised in the balance sheet |
| Derivative financial Assets | - | - | - | - | - | - | - |

Financial liabilities subject to offsetting 31- March 2020

| Particulars | Offsetting recognised in the balance sheet | | | Netting potential not recognised in balance sheet | | Liabilities not subject to netting arrangements | Total liabilities |
|----------------------------------|--|----------------|---|---|--|---|---------------------------------|
| | Gross liability before offset | Amount offset* | Net liability recognised in balance sheet | Financial assets | Liabilities after consideration of netting potential | Liabilities recognised on the balance sheet | Recognised in the balance sheet |
| Derivative financial liabilities | 1.89 | 1.89 | - | - | - | - | - |

• As at the reporting date, the amount of cash margin received that has been offset against the gross derivative assets is ₹ Nil. Also, at the reporting date, the amount of cash margin paid that has been offset against the gross derivative liabilities is ₹ 1.89 million.

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

4. Offsetting (*Continued*)**Financial assets subject to offsetting 31-March 2019**

| Particulars | Offsetting recognised in the balance sheet | | | Netting potential not recognised in balance sheet | | Assets not Subject to netting arrangements | Total assets |
|-----------------------------|--|----------------|---------------------------------------|---|---|--|---------------------------------|
| | Gross asset before offset | Amount offset* | Net asset recognised in balance sheet | Financial liabilities | Assets after consideration of netting potential | Assets recognised on the balance sheet | Recognised in the balance sheet |
| Derivative financial Assets | 0.16 | 0.16 | - | - | - | - | - |

Financial liabilities subject to offsetting 31- March 2019

| Particulars | Offsetting recognised in the balance sheet | | | Netting potential not recognised in balance sheet | | Liabilities not subject to netting arrangements | Total liabilities |
|----------------------------------|--|----------------|---|---|--|---|---------------------------------|
| | Gross liability before offset | Amount offset* | Net liability recognised in balance sheet | Financial assets | Liabilities after consideration of netting potential | Liabilities recognised on the balance sheet | Recognised in the balance sheet |
| Derivative financial liabilities | 6.90 | 4.42 | 2.48 | - | 2.48 | - | 2.48 |

* As at the reporting date, the amount of cash margin received that has been offset against the gross derivative assets is ₹ 0.16 million. Also, at the reporting date, the amount of cash margin paid that has been offset against the gross derivative liabilities is ₹ 4.42 million.

5. Trade receivables

| | As at March 31, 2020 | As at March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| a) Trade receivables | | |
| Receivables considered good - Unsecured | 657.32 | 624.67 |
| Less : Allowance for expected credit losses | (38.38) | (97.05) |
| | 618.94 | 527.62 |
| b) Reconciliation of impairment allowance on trade receivables: | | |
| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| Impairment allowance measured as per simplified approach | | |
| Impairment allowance - Opening Balance | (97.05) | (254.25) |
| Add/ (less): asset originated or acquired (net) | 58.67 | 157.20 |
| Impairment allowance - Closing Balance | (38.38) | (97.05) |

Notes:

- No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.
- No trade or other receivables are due from firms or private companies in which directors is partner, a director or a member.
- Trade receivables are non-interest earning and are generally on terms of 1 to 30 days.

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

5. Trade receivables (*Continued*)

c) Trade receivables days past due

| As at March 31, 2020 | 0-90 days | 91-180 days | 181-270 days | 270- 360 days | > 360 days | Total |
|--|----------------------|------------------------|-------------------------|--------------------------|--------------------------|---------------|
| ECL Rates | 0.55% | 17.37% | 56.10% | 88.16% | 100.00% | |
| Estimated total gross carrying amount at default | 602.37 | 21.70 | - | 16.30 | 16.95 | 657.32 |
| ECL - Simplified approach | 3.29 | 3.77 | - | 14.37 | 16.95 | 38.38 |
| Net carrying amount | 599.08 | 17.93 | - | 1.93 | - | 618.94 |
| As at March 31, 2019 | 0-90 days | 91-180 days | 181-270 days | 270- 360 days | > 360 days | Total |
| ECL Rates | 0.87% | 37.11% | 64.30% | 89.00% | 100.00% | |
| Estimated total gross carrying amount at default | 519.47 | 19.13 | 0.05 | 5.94 | 80.08 | 624.67 |
| ECL - Simplified approach | 4.55 | 7.10 | 0.03 | 5.29 | 80.08 | 97.05 |
| Net carrying amount | 514.92 | 12.03 | 0.02 | 0.65 | - | 527.62 |

6. Loans

| | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------|-------------------------|-------------------------|
| (at Amortised cost) | | |
| Loans to related parties | - | 2,494.70 |
| Loans to employees | 6.73 | 43.98 |
| Total Gross | 6.73 | 2,538.68 |
| Less: Impairment loss allowance | - | - |
| Total (Net) | 6.73 | 2,538.68 |
| Unsecured | 6.73 | 2,538.68 |
| Total Gross | 6.73 | 2,538.68 |
| Less: Impairment loss allowance | - | - |
| Total (Net) | 6.73 | 2,538.68 |
| Loans outside India | | |
| Others | - | 2,353.30 |
| Loans in India | | |
| Public sector | - | - |
| Others | 6.73 | 185.38 |
| Total Gross | 6.73 | 2,538.68 |
| Less: Impairment loss allowance | - | - |
| Total (Net) | 6.73 | 2,538.68 |

Note :

These loans are considered to have low credit risk based on credit evaluation undertaken by the Company. There is no history of any defaults on these loans. Since the counter-parties are subsidiaries and employees of the Company, the Company regularly monitors to ensure that these entities have enough liquidity which safeguards the interest of investors and lenders. Accordingly, there is no Expected credit loss allowance on the aforesaid loans.

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

7. Investments

| As at March 31, 2020 | At Amortised cost (1) | Through OCI (2) | At fair value Through P&L (quoted) (3) | Designated at fair value through Profit or loss (4) | Subtotal 5 = (2+3+4) | At cost (subsidiaries) (unquoted) (6) | Total (7)= (1+5+6) |
|--|-----------------------------|--------------------|--|--|----------------------------|--|-----------------------|
| Equity instruments | - | - | 23.95 | - | 23.95 | 34,648.92 | 34,672.87 |
| Total - Gross (A) | - | - | 23.95 | - | 23.95 | 34,648.92 | 34,672.87 |
| (i) Investments outside India | - | - | - | - | - | 534.37 | 534.37 |
| (ii) Investment in India | - | - | 23.95 | - | 23.95 | 34,114.55 | 34,138.50 |
| Total (B) | - | - | 23.95 | - | 23.95 | 34,648.92 | 34,672.87 |
| Less: Allowance for impairment (C) | - | - | - | - | - | - | - |
| Total Net (A-C) | - | - | 23.95 | - | 23.95 | 34,648.92 | 34,672.87 |
| Aggregate amount of quoted investments | | | | | | | 23.95 |
| Aggregate market value of quoted investments | | | | | | | 23.95 |
| Aggregate amount of unquoted investments | | | | | | | 34,648.92 |

| As at March 31, 2019 | At Amortised cost (1) | Through OCI (2) | At fair value Through P&L (quoted) (3) | Designated at fair value through Profit or loss (4) | Subtotal 5 = (2+3+4) | At cost (subsidiaries) (unquoted) (6) | Total (7)= (1+5+6) |
|--|-----------------------------|--------------------|--|--|----------------------------|--|-----------------------|
| Equity instruments | - | - | 131.07 | - | 131.07 | 33,261.44 | 33,392.51 |
| Total - Gross (A) | - | - | 131.07 | - | 131.07 | 33,261.44 | 33,392.51 |
| (i) Investments outside India | - | - | - | - | - | 534.37 | 534.37 |
| (ii) Investment in India | - | - | 131.07 | - | 131.07 | 32,727.07 | 32,858.14 |
| Total (B) | - | - | 131.07 | - | 131.07 | 33,261.44 | 33,392.51 |
| Less: Allowance for impairment (C) | - | - | - | - | - | - | - |
| Total Net (A-C) | - | - | 131.07 | - | 131.07 | 33,261.44 | 33,392.51 |
| Aggregate amount of quoted investments | | | | | | | 131.07 |
| Aggregate market value of quoted investments | | | | | | | 131.07 |
| Aggregate amount of unquoted investments | | | | | | | 33,261.44 |

Note :

- 1) The Company has Employee Stock Option Plans (ESOP) in force. Based on such ESOP schemes, the Company has granted options to acquire equity shares of the Company that would vest in a graded manner to certain employees of subsidiaries. To the extent that the Company has not charged and recovered the fair value of such stock options from its subsidiaries, it has been included in the above carrying value of investment in the those subsidiaries.
- 2) Impairment on investment has been assessed based on business projection approved by Board of directors of respective subsidiaries. Impairment recognised, based on management assessment, if the recoverable value is less than carrying amount.

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| 8. Other financial assets | | |
| Deposits- others | 21.41 | 50.34 |
| Margin placed with broker | 15.28 | 82.91 |
| Corporate guarantee fees receivable | 356.59 | 331.71 |
| Total | 393.28 | 464.96 |
| 9. Current tax assets (net) | | |
| Advance income taxes | 618.59 | 425.77 |
| (net of provision for tax) | | |
| Total | 618.59 | 425.77 |
| 10. Deferred tax assets (net) | | |
| Deferred tax assets | | |
| Trade receivables | | |
| Provision for expected credit loss | 13.41 | 40.10 |
| Property, plant and equipment and intangibles | | |
| Difference between book and tax depreciation | 16.40 | 13.66 |
| Investments and other financial instruments | | |
| Unrealised loss on derivatives | 0.66 | 17.27 |
| Fair valuation of investments - loss in valuation | 1.06 | - |
| Employee benefit obligations | | |
| Disallowances under section 43B of the Income Tax Act, 1961 | 3.20 | 3.60 |
| Unused tax losses | | |
| Accumulated Losses | 256.40 | 219.54 |
| Total | 291.13 | 294.17 |
| Deferred tax liabilities | | |
| Investments and other financial instruments | | |
| Fair valuation of investments - gain in valuation | - | 35.52 |
| Total | - | 35.52 |
| Total | 291.13 | 258.65 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

11. Property, plant and equipment and intangible assets (FY 2019-20)

| Gross Block | | | | | Depreciation / Amortization / Impairment | | | Net Block | |
|-------------------------------|----------------------------|---------------------------------|----------------------------------|----------------------------|--|---------------------------|----------------------------------|----------------------------|----------------------------|
| Description of assets | As at April 01, 2019 | Additions during the year | Deductions during the year | As at March 31, 2020 | As at April 01, 2019 | Charge for the year | Deductions during the year | As at March 31, 2020 | As at March 31, 2020 |
| Property, Plant and Equipment | | | | | | | | | |
| Freehold Building | 1.75 | - | - | 1.75 | 0.17 | 0.08 | - | 0.25 | 1.50 |
| Leasehold Improvements | 0.63 | - | - | 0.63 | 0.62 | 0.01 | - | 0.63 | - |
| Furniture and Fixtures | 0.17 | 0.04 | 0.06 | 0.15 | 0.06 | 0.03 | 0.06 | 0.03 | 0.12 |
| Vehicles | 6.81 | - | 2.02 | 4.79 | 3.66 | 0.97 | 1.38 | 3.25 | 1.54 |
| Office Equipment | 2.28 | 0.76 | 1.34 | 1.70 | 1.40 | 0.65 | 1.33 | 0.72 | 0.98 |
| Computers | 20.77 | 1.07 | 3.39 | 18.45 | 12.75 | 4.40 | 2.92 | 14.23 | 4.22 |
| Total: A | 32.41 | 1.87 | 6.81 | 27.47 | 18.66 | 6.14 | 5.69 | 19.11 | 8.36 |
| | | | | | | | | | |
| Intangible assets | | | | | | | | | |
| Computer software | 91.23 | 10.62 | - | 101.85 | 59.00 | 26.02 | - | 85.02 | 16.83 |
| Total: B | 91.23 | 10.62 | - | 101.85 | 59.00 | 26.02 | - | 85.02 | 16.83 |
| | | | | | | | | | |
| Grand total [A+B] | 123.64 | 12.49 | 6.81 | 129.32 | 77.66 | 32.16 | 5.69 | 104.13 | 25.19 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

11. Property, plant and equipment and intangible assets (FY 2018-19)

| Description of assets | Gross Block | | | | Depreciation / Amortization / Impairment | | | Net Block | |
|-------------------------------|----------------------------|---------------------------------|----------------------------------|----------------------------|--|---------------------------|----------------------------------|----------------------------|----------------------------|
| | As at April 01, 2018 | Additions during the year | Deductions during the year | As at March 31, 2019 | As at April 01, 2018 | Charge for the year | Deductions during the year | As at March 31, 2019 | As at March 31, 2019 |
| | | | | | | | | | |
| Property, Plant and Equipment | | | | | | | | | |
| Freehold Building | 1.75 | - | - | 1.75 | 0.09 | 0.08 | - | 0.17 | 1.58 |
| Leasehold Improvements | 0.63 | - | - | 0.63 | 0.31 | 0.31 | - | 0.62 | 0.01 |
| Furniture and Fixtures | 0.17 | - | - | 0.17 | 0.02 | 0.04 | - | 0.06 | 0.11 |
| Vehicles | 9.21 | - | (2.40) | 6.81 | 2.93 | 1.80 | (1.07) | 3.66 | 3.15 |
| Office Equipment | 1.93 | 0.35 | - | 2.28 | 0.78 | 0.62 | - | 1.40 | 0.88 |
| Computers | 14.95 | 6.32 | (0.50) | 20.77 | 6.45 | 6.46 | (0.16) | 12.75 | 8.02 |
| Total: A | 28.64 | 6.67 | (2.90) | 32.41 | 10.58 | 9.31 | (1.23) | 18.66 | 13.75 |
| | | | | | | | | | |
| Intangible assets | | | | | | | | | |
| Computer software | 78.19 | 13.04 | - | 91.23 | 29.71 | 29.29 | - | 59.00 | 32.23 |
| Total: B | 78.19 | 13.04 | - | 91.23 | 29.71 | 29.29 | - | 59.00 | 32.23 |
| | | | | | | | | | |
| Grand total [A+B] | 106.83 | 19.71 | (2.90) | 123.64 | 40.29 | 38.60 | (1.23) | 77.66 | 45.98 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

| | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| 12. Other non-financial assets | | |
| Prepaid expenses | 154.21 | 70.09 |
| Vendor advances | 7.42 | 62.60 |
| Total | 161.63 | 132.69 |
| 13. Trade Payables | | |
| Total outstanding dues of micro enterprises and small enterprises (Refer note.41) | 0.90 | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises (includes sundry creditors, provision for expenses, customer payables) | 80.30 | 106.90 |
| Total | 81.20 | 106.90 |
| 14. Debt securities | | |
| (at Amortised Cost) | | |
| Unsecured | | |
| Commercial paper | 734.12 | - |
| (Interest rate payable @ 10.00% for March 31, 2020) | | |
| Total | 734.12 | - |
| Debt Securities in India | 734.12 | - |
| Debt Securities outside India | - | - |
| Total | 734.12 | - |
| 15. Borrowings other than Debt Securities | | |
| (at Amortised Cost) | | |
| Unsecured | | |
| Loan from related parties (repayable on demand) | 719.09 | 3,636.36 |
| Interest accrued and due on borrowings | 13.42 | 24.27 |
| (Repayable on demand, Interest rate payable @ 11.75% for March 31, 2020 and 9.50% for March 31, 2019) | | |
| Total | 732.51 | 3,660.63 |
| Borrowings in India | 732.51 | 3,660.63 |
| Borrowings outside India | - | - |
| Total | 732.51 | 3,660.63 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

| | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| 16. Other financial liabilities | | |
| Other payables | 0.02 | 0.02 |
| Book overdraft | - | 4.99 |
| Unpaid dividends | 9.55 | 9.42 |
| Accrued salaries and benefits | 210.93 | 256.84 |
| Financial guarantee obligation | 356.59 | 331.71 |
| Total | 577.09 | 602.98 |
| 17. Current tax liabilities (net) | | |
| Provision for taxation (net of advance tax) | 69.84 | 45.86 |
| Total | 69.84 | 45.86 |
| 18. Provisions | | |
| Provision for employee benefits | | |
| Gratuity | 2.13 | 0.93 |
| Compensated leave absences | 6.95 | 9.34 |
| Total | 9.08 | 10.27 |
| 19. Other non-financial liabilities | | |
| Statutory liabilities* | 69.28 | 19.15 |
| Others | 1.91 | 2.49 |
| Total | 71.19 | 21.64 |

* Includes withholding taxes, provident fund, profession tax and other statutory dues payables

| | | | | |
|---|-----------------------------|-----------------|-----------------------------|-----------------|
| 20. Equity share capital | As at March 31, 2020 | | As at March 31, 2019 | |
| | No of shares | Amount | No of shares | Amount |
| Authorised : | | | | |
| Equity Shares of ₹ 1 each | 1,230,000,000 | 1,230.00 | 1,230,000,000 | 1,230.00 |
| Preference shares of ₹ 5 each | 4,000,000 | 20.00 | 4,000,000 | 20.00 |
| Total | 1,234,000,000 | 1,250.00 | 1,234,000,000 | 1,250.00 |
| Issued, Subscribed and Paid up: | | | | |
| Equity Shares of ₹ 1 each | 934,409,002 | 934.41 | 932,669,564 | 932.67 |
| Less: Shares held by Edelweiss Employees Incentives and Welfare Trust | (7,301,510) | (7.30) | (7,301,510) | (7.30) |
| Less: Shares held by Edelweiss Employees Welfare Trust (Refer Note.1.6) | (37,595,270) | (37.60) | (37,595,270) | (37.60) |
| Total | 889,512,222 | 889.51 | 887,772,784 | 887.77 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

20. Equity share capital (*Continued*)

A. Reconciliation of number of shares

| (Before deducting treasury shares) | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|--------|----------------------|--------|
| | No of shares | Amount | No of shares | Amount |
| Outstanding at the beginning of the year | 932,669,564 | 932.67 | 915,498,927 | 915.50 |
| Shares issued during the year: | | | | |
| -Under Employee Stock Options Plans (ESOPs) | 1,739,438 | 1.74 | 17,170,637 | 17.17 |
| Outstanding at the end of the year | 934,409,002 | 934.41 | 932,669,564 | 932.67 |

Note :

1. The Company had bought back 2,030,048 equity shares of ₹ 1 each pursuant to the buy back programme in the financial year 2014-15.
2. Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Company's reformatted Ind AS standalone financial information, these trusts are holding 44,896,780 number of equity shares as on March 31, 2020 amounting to ₹ 44.90 million (as at March 31, 2019: ₹ 44.90 million). These are treasury shares and deducted from total outstanding equity shares.
3. The above two Employee Welfare Trust(s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date. (FY 2019-20)

B. Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

C. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| | As at March 31, 2020 | | As at March 31, 2019 | |
|------------------------|----------------------|---------------|----------------------|---------------|
| | No of shares | % holding | No of shares | % holding |
| Rashesh Shah | 145,301,730 | 15.55% | 145,301,730 | 15.58% |
| Venkatchalam Ramaswamy | 58,026,560 | 6.21% | 58,026,560 | 6.22% |
| Bih Sa | 47,007,748 | 5.03% | 37,495,800 | 4.02% |
| Total | 250,336,038 | 26.79% | 240,824,090 | 25.82% |

Note :

The Shareholding of Mr. Rashesh Chandrakant Shah and Mr. Venkatchalam A Ramaswamy in the Promoter and Promoter Group category does not include 300,000 equity shares and 100,000 equity shares purchased by them respectively on March 31, 2020, as the shares were credited to the respective demat accounts post March 31, 2020, as per the settlement cycle.

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

21. Other Equity

| | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Securities premium account | 30,175.07 | 30,057.56 |
| General reserve | 508.64 | 508.64 |
| Capital redemption reserve | 2.03 | 2.03 |
| Retained earnings | 2,152.08 | 1,593.27 |
| Stock options outstanding | 669.25 | 460.59 |
| Stock appreciation rights outstanding | 148.93 | - |
| Share application money pending allotment | 0.19 | 6.15 |
| Total | 33,656.19 | 32,628.24 |
| Movement in Other Equity | | |
| I. Securities premium account | | |
| Opening Balance | 30,057.56 | 29,143.52 |
| Add : On issue of shares on exercise of Employee Stock Options Plans (ESOPs) | 84.14 | 677.08 |
| Add : On transfer from ESOP reserve on exercise of Employee Stock Options Plans (ESOPs) | 33.37 | 236.96 |
| Total | 30,175.07 | 30,057.56 |
| II. General Reserve | | |
| Opening Balance | 508.64 | 508.64 |
| Add : Additions during the year | - | - |
| Total | 508.64 | 508.64 |
| III. Capital Redemption Reserve | | |
| Opening Balance | 2.03 | 2.03 |
| Add : Additions during the year | - | - |
| Total | 2.03 | 2.03 |
| IV. Retained earnings | | |
| Opening Balance | 1,593.27 | 2,518.78 |
| Add: Profit for the year | 825.79 | 1,028.78 |
| Add: Other Comprehensive Income | (0.47) | 0.82 |
| Add/(less): DTA on ESOP | - | (689.23) |
| Amount available for appropriation | 2,418.59 | 2,859.15 |
| Appropriations: | | |
| Interim dividend | - | (975.88) |
| Final dividend | (266.51) | (265.28) |
| Dividend distribution tax | - | (24.72) |
| Total | (266.51) | (1,265.88) |
| Total | 2,152.08 | 1,593.27 |
| V. Stock options outstanding (Refer Note. 38) | | |
| Opening Balance | 460.59 | 472.07 |
| Add : Additions during the year | 242.03 | 225.48 |
| Less : Transfer to securities premium account on exercise of ESOPs | (33.37) | (236.96) |
| Total | 669.25 | 460.59 |
| VI. Stock appreciation rights (SAR) outstanding (Refer Note. 38) | | |
| Opening Balance | - | - |
| Add : Additions during the year | 148.93 | - |
| Total | 148.93 | - |
| VII. Share application money pending allotment | 0.19 | 6.15 |
| (Received against ESOP exercised by employees. For details of ESOP plan refer note.38) | | |
| Total | 0.19 | 6.15 |
| Total | 33,656.19 | 32,628.24 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

| | For the year ended March 31, 2020 | for the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| 22. Interest Income | | |
| On Financial assets measured at Amortised Cost | | |
| Interest on loans | 116.93 | 254.32 |
| Interest on deposits with bank | 2.39 | 3.70 |
| Other interest income | 1.84 | 5.47 |
| Total | 121.16 | 263.49 |
| 23. Dividend Income | | |
| Dividend on investment | 694.72 | 1,184.02 |
| Total | 694.72 | 1,184.02 |
| 24. Fee and commission income (Refer note no.48) | | |
| Advisory and other fees | 959.81 | 1,562.24 |
| Total | 959.81 | 1,562.24 |
| 25. Net gain on fair value changes | | |
| Net gain/ (loss) on financial instruments at FVTPL | | |
| Investments | | |
| Fair value (loss) / gain - P&L - equity (unrealised) | (3.03) | 18.01 |
| Derivatives | | |
| Profit / (loss) on equity derivative instruments (net) (realised) | - | (0.09) |
| Others | | |
| Profit on sale of investments (realised) | 137.69 | - |
| Total | 134.66 | 17.92 |
| 26. Other operating income | | |
| Fee income from group (Refer note.36) | 437.57 | - |
| Profit on sale of group investments | 18.89 | 2.65 |
| Total | 456.46 | 2.65 |
| 27. Other income | | |
| Foreign exchange gain | 131.12 | 105.92 |
| Miscellaneous income | 92.13 | 67.51 |
| Total | 223.25 | 173.43 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

| | For the year ended March 31, 2020 | for the year ended 31 March 2019 |
|--|--------------------------------------|-------------------------------------|
| 28. Finance costs | | |
| On Financial Liabilities measured at Amortised Cost | | |
| Interest on borrowings | | |
| Interest on bank overdraft | - | 0.73 |
| Interest on loan from subsidiaries | 315.99 | 112.70 |
| Interest on debt securities | | |
| Discount on commercial paper | 0.20 | 32.90 |
| Interest on debentures | - | 6.01 |
| Other interest expense | | |
| Financial and bank charges | 6.89 | 0.72 |
| Interest – others | 0.03 | 11.28 |
| Total | 323.11 | 164.34 |
| 29. Impairment on financial instruments | | |
| Bad- debts written off | 77.40 | 113.65 |
| Reversal of ECL provision on trade receivables | (58.67) | (157.20) |
| Total | 18.73 | (43.55) |
| 30. Employee benefit expenses | | |
| Salaries and wages | 653.66 | 940.42 |
| Contribution to provident and other funds | 20.86 | 31.58 |
| Expense on Employee Stock Option Scheme (ESOP) & Stock Appreciation Rights (Refer note.38) | 99.65 | 65.32 |
| Staff welfare expenses | 23.50 | 47.28 |
| Total | 797.67 | 1,084.60 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

| | For the year ended March 31, 2020 | for the year ended 31 March 2019 |
|---|--------------------------------------|-------------------------------------|
| 31. Other expenses | | |
| Advertisement and business promotion | 42.54 | 209.65 |
| Auditors' remuneration (Refer Note 31.A) | 8.97 | 9.59 |
| Commission and brokerage | 28.28 | 32.77 |
| Communication | 6.53 | 7.33 |
| Directors' sitting fees | 1.82 | 2.00 |
| Commission to non-executive directors | 3.50 | 5.00 |
| Insurance | 36.76 | 22.87 |
| Legal and professional fees | 168.03 | 183.96 |
| Printing and stationery | 5.68 | 10.17 |
| Rates and taxes | 2.39 | 2.09 |
| Rent (Refer Note 31.C) | 83.32 | 90.11 |
| Repairs and maintenance | 0.51 | 1.86 |
| Electricity charges | 0.10 | 7.95 |
| Computer software | 46.48 | 104.68 |
| Corporate social responsibility -Donation (Refer Note 31.B) | 28.70 | 35.40 |
| Donation | 0.30 | 0.26 |
| Clearing & custodian charges | 4.85 | 1.10 |
| Membership and subscription | 15.41 | 18.69 |
| Office expenses | 61.71 | 56.44 |
| Postage and courier | 2.62 | 2.87 |
| Seminar & Conference | 0.65 | 4.64 |
| Goods & Service tax expenses | 14.70 | 12.20 |
| Travelling and conveyance | 54.00 | 75.33 |
| Miscellaneous expenses | 4.38 | - |
| Housekeeping and security charges | 0.69 | 3.53 |
| Total | 622.92 | 900.49 |
| 31.A Auditors' remuneration: | | |
| As a Auditor | | |
| Statutory Audit of the Company | 4.40 | 5.50 |
| Limited Review | 3.60 | 3.00 |
| Certification and Consultation | 0.51 | 0.50 |
| Towards reimbursement of expenses | 0.46 | 0.59 |
| Total | 8.97 | 9.59 |
| 31.B Details of CSR Expenditure: | | |
| As per the provisions of Section 135 of Companies Act 2013, | | |
| Gross Amount required to be spent by the Company | 28.01 | 34.73 |
| Amount Spent (Paid in Cash) | | |
| Construction/ Acquisition of any assets | - | - |
| on purpose other than (i) above | 28.70 | 35.40 |
| Amount Spent (Yet to be paid in Cash) | | |
| Construction/ Acquisition of any assets | - | - |
| on purpose other than (i) above | - | - |
| Total | 28.70 | 35.40 |

31.C Operating leases

Rental expenses for the year ended 31 March 2020 aggregated to ₹ 83.32 million (FY 2018-19: ₹ 90.11 million) which has been included under the head other expenses – Rent in the Statement of profit and loss. The Company does not have any non-cancellable operating lease.

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

32. Income Tax**32.A Component of Income Tax Expenses**

| | For the year ended March 31, 2020 | for the year ended 31 March 2019 |
|--|--------------------------------------|-------------------------------------|
| Current Tax | 45.59 | 7.24 |
| Adjustment in respect of income tax of prior years | (43.69) | 65.78 |
| Deferred tax relating to temporary differences | (32.22) | (42.53) |
| Total Tax Charge for the year | (30.32) | 30.49 |
| Current Tax | 1.90 | 73.02 |
| Deferred Tax (Refer Note 32.C) | (32.22) | (42.53) |

32.B The income tax expenses for the year can be reconciled to the accounting profit as follows:

| | | |
|---|----------------|-----------------|
| Profit before Taxes | 795.47 | 1,059.27 |
| Statutory Income Tax rate | 34.94% | 34.94% |
| Tax Charge at Statutory Rate | 277.94 | 370.11 |
| Tax effect of : | | |
| Adjustment in respect of current income tax of prior year | (43.69) | 65.78 |
| Income not subject to tax or chargeable to lower tax rate | | |
| Dividend income | (242.74) | (413.70) |
| Long term capital gain on sale of shares | (29.24) | (0.92) |
| Non Deductible Expenses | | |
| Others | 7.41 | 9.22 |
| Income Tax Expenses Reported in Statement of Profit and Loss | (30.32) | 30.49 |
| Effective Income Tax Rate | (3.81%) | 2.88% |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

32. Income Tax (*Continued*)

32.C Table below shows deferred tax recorded in the balance sheet and changes recorded in Income tax expenses:

| For the Year Ended March 2020 | As at March 31, 2019 | Recognised in profit or loss | Recognised in OCI | Recognised directly in equity | As at March 31, 2020 |
|---|-------------------------------------|---|------------------------------|--|-------------------------------------|
| Deferred Tax Assets | | | | | |
| Difference between book and tax depreciation (including intangibles) | 13.66 | 2.74 | - | - | 16.40 |
| Trade receivables - Expected credit loss | 40.10 | (26.69) | - | - | 13.41 |
| Fair valuation of investments - loss in valuation | - | 1.06 | - | - | 1.06 |
| Disallowances under section 43B of the Income Tax Act, 1961 | 3.60 | (0.66) | 0.26 | - | 3.20 |
| Accumulated Losses | 219.54 | 36.86 | - | - | 256.40 |
| Deferred Tax Liabilities | | | | | |
| Fair valuation of investments- gain in valuation | (35.52) | 35.52 | - | - | - |
| Unrealised gain on derivatives | 17.27 | (16.61) | - | - | 0.66 |
| Deferred Tax Asset (net) | 258.65 | 32.22 | 0.26 | - | 291.13 |
| For the Year Ended March 2019 | As at April 01, 2018 | Recognised in profit or loss | Recognised in OCI | Recognised directly in equity | As at March 31, 2019 |
| Deferred Tax Assets | | | | | |
| Difference between book and tax depreciation (including intangibles) | 9.29 | 4.37 | - | - | 13.66 |
| Trade receivables - Expected credit loss | 91.44 | (51.34) | - | - | 40.10 |
| Fair value of investments | 120.17 | (120.17) | - | - | - |
| Employee stock options | 659.98 | - | - | (659.98) | - |
| Disallowances under section 43B of the Income Tax Act, 1961 | 37.59 | (33.55) | (0.44) | - | 3.60 |
| Accumulated Losses | - | 219.54 | - | - | 219.54 |
| Deferred Tax Liabilities | | | | | |
| Fair valuation of investments- gain in valuation | (29.20) | (6.32) | - | - | (35.52) |
| Unrealised gain on derivatives | (12.73) | 30.00 | - | - | 17.27 |
| Deferred Tax Asset (net) | 876.54 | 42.53 | (0.44) | (659.98) | 258.65 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

33. Segment reporting**Primary Segment (Business Segment)**

The Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments.

| Segment | Activities Covered |
|----------------------------|---|
| Agency business | Advisory and transactional services |
| Holding company activities | Development, managerial and financial support to the businesses of Edelweiss group entities |

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis.

Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary Segment

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

The following table gives information as required under the Indian Accounting Standard -108 on "Segment Reporting":

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-------------------------------|--------------------------------------|--------------------------------------|
| I Segment Revenue | | |
| a) Agency business | 808.18 | 1,262.24 |
| b) Holding company activities | 1,773.51 | 1,874.00 |
| c) Unallocated | 8.37 | 67.51 |
| Total | 2,590.06 | 3,203.75 |
| II Segment Results | | |
| a) Agency business | (33.78) | 260.65 |
| b) Holding company activities | 820.88 | 731.11 |
| c) Unallocated | 8.37 | 67.51 |
| Profit before taxation | 795.47 | 1,059.27 |
| Less : Provision for taxation | (30.32) | 30.49 |
| Profit after taxation | 825.79 | 1,028.78 |
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| III Segment Assets | | |
| a) Agency business | 140.47 | 311.21 |
| b) Holding company activities | 35,761.02 | 37,017.02 |
| c) Unallocated | 919.24 | 638.54 |
| Total | 36,820.73 | 37,966.77 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

33. Segment reporting (*Continued*)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| IV Segment Liabilities | | |
| a) Agency business | 283.21 | 161.43 |
| b) Holding company activities | 1,843.15 | 4,279.91 |
| c) Unallocated | 148.67 | 9.42 |
| Total | 2,275.03 | 4,450.76 |
| V Capital Expenditure (Including intangible assets under development) | | |
| a) Agency business | 2.78 | 16.11 |
| b) Holding company activities | 9.71 | 3.60 |
| c) Unallocated | - | - |
| Total | 12.49 | 19.71 |
| VI Depreciation and Amortization | | |
| a) Agency business | 8.54 | 31.56 |
| b) Holding company activities | 23.62 | 7.04 |
| c) Unallocated | - | - |
| Total | 32.16 | 38.60 |
| VII Significant Non-Cash Expenses Other than Depreciation and Amortization | | |
| a) Agency business | 39.69 | (4.87) |
| b) Holding company activities | 81.72 | 8.63 |
| c) Unallocated | - | - |
| Total | 121.41 | 3.76 |

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure":**Financial Year 2019-20****(A) Subsidiaries which are controlled by the Company:**

| |
|---|
| Edelweiss Securities Limited |
| Edelweiss Finance & Investments Limited |
| ECL Finance Limited |
| Edelweiss Global Wealth Management Limited |
| EC Global Limited, Mauritius (through EC International Limited, Mauritius) |
| Edelweiss Gallagher Insurance Brokers Limited (formerly known as Edelweiss Insurance Brokers Limited) |
| Edelweiss Trustee Services Limited (Merged with ECap Equities Limited) (w.e.f November 30, 2019) |
| Edelcap Securities Limited (through ECap Equities Limited) |
| Edelweiss Asset Management Limited |
| Ecap Equities Limited |
| Edelweiss Broking Limited |
| Edelweiss Trusteeship Company Limited |
| Edelweiss Alternative Asset Advisors Limited |
| Edelweiss Housing Finance Limited |
| Edelweiss Investment Adviser Limited (through Edelweiss Rural & Corporate Services Limited) |
| EC Commodity Limited (through Edelweiss Rural & Corporate Services Limited) |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure": (*Continued*)
(A) Subsidiaries which are controlled by the Company: (*Continued*)

| |
|--|
| Edel Land Limited |
| Edelweiss Custodial Services Limited (through Edelweiss Securities Limited) |
| EC International Limited, Mauritius |
| Edelweiss Capital (Singapore) Pte. Limited |
| Edelweiss Alternative Asset Advisors Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited) |
| Edelweiss International (Singapore) Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited) |
| Aster Commodities DMCC, United Arab Emirates (through EC International Limited, Mauritius) |
| EAAA LLC, Mauritius (through EC International Limited) |
| EW Special Opportunities Advisors LLC, Mauritius (through EAAA LLC) |
| EW India Special Assets Advisors LLC, Mauritius (through EAAA LLC) (upto June 30, 2019) |
| Edel Investments Limited |
| Edelweiss Tokio Life Insurance Company Limited |
| Edelweiss Investment Advisors Private Limited, Singapore (through Edelweiss Capital (Singapore) Pte. Limited) |
| Edelweiss Rural & Corporate Services Limited |
| Edelweiss Comtrade Limited (through Edelweiss Rural & Corporate Services Limited) |
| Edel Finance Company Limited |
| Edelweiss Retail Finance Limited (through Edelcap Securities Limited) |
| Edelweiss Securities (Hong Kong) Private Limited (through Edelweiss Securities Limited) |
| Edelweiss Financial Services Inc, United States of America (through Edelweiss Securities Limited) |
| EdelGive Foundation |
| Edelweiss Resolution Advisors LLP (through Edelweiss Rural and Corporate Services Limited) |
| Edelweiss Multi Strategy Fund Advisors LLP (through Edelweiss Rural and Corporate Services Limited) |
| EFSL International Limited, Mauritius (through EC International Limited) |
| Edelweiss Financial Services (UK) Limited, United Kingdom (through Edelweiss Securities Limited) |
| Edelweiss Holdings Limited (Merged with ECap Equities Limited) (w.e.f November 30, 2019) |
| Edelweiss AIF Fund I - EW Clover Scheme -1 (through Edelcap Securities Limited) |
| Edelweiss General Insurance Company Limited |
| Edelweiss Finvest Private Limited (through Ecap Equities Limited) |
| Edelweiss Asset Reconstruction Company Limited (through Edelweiss Custodial Services Limited) |
| Edelweiss Private Equity Tech Fund (through Ecap Equities Limited) |
| Edelweiss Securities (IFSC) Limited |
| Edelweiss Value and Growth Fund (through Ecap Equities Limited) |
| Retra Ventures Private Limited (through Ecap Equities Limited) (ceased to become subsidiary w.e.f. March 19, 2020) |
| Allium Finance Private Limited (through Edelweiss Rural and Corporate Services Limited) |
| Edelweiss Securities Trading and Management Private Limited (Merged with Edelweiss Securities and Investments Private Limited) (w.e.f November 30, 2019) |
| Edelweiss Securities and Investments Private Limited (through Edelweiss Securities Limited) |
| Lichen Metals Private Limited (through Ecap Equities Limited) |
| Edelvalue Partners (through Edelweiss Securities and Investments Private Limited) |
| ESL Securities Limited (through Edelweiss Securities Limited) |
| Edelweiss Employees Welfare Trust |
| Edelweiss Employees Incentive and Welfare Trust |
| Alternative Investment Market Advisors Private Limited (Merged with Ecap Equities Limited) (w.e.f November 30, 2019) |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure": (*Continued*)**(B) Enterprises over which control is exercised by the Company:****Trust name :**

EARC SAF - 2 Trust

EARC Trust - SC 6

EARC Trust - SC 7

EARC Trust - SC 9

EARC Trust - SC 102

EARC Trust - SC 109

EARC Trust - SC 112

EARC Trust - SC 130

EARC SAF - 3 Trust

EARC Trust - SC 223

EARC Trust - SC 229

EARC Trust - SC 238

EARC Trust - SC 245

EARC Trust - SC 251

EARC Trust - SC 266

EARC Trust - SC 262

EARC Trust - SC 263

EARC Trust - SC 293

EARC Trust - SC 297

EARC Trust - SC 308

EARC Trust - SC 314

EARC Trust - SC 325

EARC Trust - SC 329

EARC Trust - SC 331

EARC Trust - SC 306

EARC Trust - SC 321

EARC Trust - SC 334

EARC Trust - SC 318

EARC Trust - SC 332

EARC Trust - SC 349

EARC Trust - SC 352

EARC Trust - SC 357

EARC SAF - 1 Trust Investor Account

EARC Trust - SC 298

EARC Trust - SC 347

EARC Trust - SC 351

EARC Trust - SC 360

EARC Trust - SC 361

EARC Trust - SC 363

EARC Trust - SC 344

EARC Trust - SC 370

EARC Trust SC 381

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure": (*Continued*)**(B) Enterprises over which control is exercised by the Company: (*Continued*)**

EARC Trust SC 383

EARC Trust SC 386

EARC Trust SC 384

EARC Trust SC 391

EARC Trust SC 395

EARC Trust SC 392

EARC Trust SC 372

EARC Trust SC 373

EARC Trust SC 374

EARC Trust SC 393

EARC Trust SC 380

EARC Trust SC 387

EARC Trust SC 388

EARC Trust SC 375

EARC Trust SC 399

EARC Trust SC 394

EARC Trust SC 385

EARC Trust SC 401

EARC Trust SC 402

EARC Trust SC 376

EARC Trust SC 348

EARC Trust SC 342

(C) Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them control or significant influence over the Company:

Mr. Rashesh Shah

Mr. Venkatchalam Ramaswamy

Ms. Vidya Shah

Ms. Aparna T. C.

(D) Key managerial personnel :

Mr. Rashesh Shah - Chairman, Managing Director & CEO

Mr. Venkatchalam Ramaswamy - Vice Chairman and Executive Director

Mr. Himanshu Kaji - Executive Director

Mr. Rujan Panjwani - Executive Director Mr.

S. Ranganathan - Chief Financial Officer

(E) Relatives of individuals exercising significant influence and relatives of KMP, with whom transaction have taken place:

Ms. Kaavya Venkat

Ms. Shilpa Mody

Ms. Sejal Premal Parekh

Mr. A V Ramaswamy

Ms. Sneha Sripad Desai

Ms. Shabnam Panjwani

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure": (*Continued*)**(F) Enterprises over which KMPs / Relatives exercise significant influence, with whom transactions have taken place:**

| |
|---------------------------------|
| Spire Investment Advisors LLP |
| Shah Family Discretionary Trust |

(G) Independent Directors

| |
|---|
| Mr. Berjis Desai |
| Mr. Biswamohan Mahapatra |
| Mr. Kunnasagaran Chinniah |
| Mr. Navtej S. Nandra |
| Mr. P. N. Venkatachalam |
| Mr. Sanjiv Misra (upto January 24, 2019) |
| Mr. Ashok Kini (from 01 April 2019) |
| Dr. Ashima Goyal (from 01 April 2019) |

(H) Others Directors

| |
|---|
| Ms. Anita M George (from 01 April 2019) |
|---|

FY 2018-19**(A) Subsidiaries which are controlled by the Company:**

| |
|--|
| Edelweiss Securities Limited |
| Edelweiss Finance & Investments Limited |
| ECL Finance Limited |
| Edelweiss Global Wealth Management Limited |
| EC Global Limited, Mauritius (through EC International Limited, Mauritius) |
| Edelweiss Insurance Brokers Limited |
| Edelweiss Trustee Services Limited (through ECap Equities Limited) |
| Edelweiss Business Services Limited (Merged with Edelweiss Rural and Corporate Services Limited) |
| Edelcap Securities Limited (through ECap Equities Limited) |
| Edelweiss Asset Management Limited |
| Ecap Equities Limited |
| Edelweiss Broking Limited |
| Edelweiss Trusteeship Company Limited |
| Edelweiss Alternative Asset Advisors Limited |
| Edelweiss Housing Finance Limited |
| Edelweiss Investment Adviser Limited |
| EC Commodity Limited (through Edelweiss Rural & Corporate Services Limited) |
| EFSL Trading Limited (Merged with EFSL Comtrade Limited) |
| Edel Commodities Limited (Merged with Edelweiss Rural and Corporate Services Limited) |
| Edel Land Limited |
| Edelweiss Custodial Services Limited (through Edelweiss Securities Limited) |
| EC International Limited, Mauritius |

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure": (Continued)

| |
|--|
| Edelweiss Capital (Singapore) Pte. Limited |
| Edelweiss Alternative Asset Advisors Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited) |
| Edelweiss International (Singapore) Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited) |
| Aster Commodities DMCC, United Arab Emirates (through EC International Limited, Mauritius) |
| EAAA LLC, Mauritius (through EC International Limited) |
| EW Special Opportunities Advisors LLC, Mauritius (through EAAA LLC) |
| EW India Special Assets Advisors LLC, Mauritius (through EAAA LLC) |
| Edel Investments Limited |
| Edelweiss Tokio Life Insurance Company Limited |
| Edelweiss Investment Advisors Private Limited, Singapore (through Edelweiss Capital (Singapore) Pte. Limited) |
| Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited) |
| Edelweiss Comtrade Limited (through Edelweiss Rural & Corporate Services Limited) |
| Edel Finance Company Limited |
| Edelweiss Capital Markets Limited (Merged with Edelweiss Rural and Corporate Services Limited) |
| EFSL Comtrade Limited (Merged with Edelweiss Rural and Corporate Services Limited) |
| Edelweiss Retail Finance Limited (through Edelcap Securities Limited) |
| Edelweiss Securities (Hong Kong) Private Limited (through Edelweiss Securities Limited) |
| Edelweiss Financial Services Inc, United States of America (through Edelweiss Securities Limited) |
| Edelweiss Agri Value Chain Limited (Merged with Edelweiss Rural and Corporate Services Limited) |
| EdelGive Foundation |
| Edelweiss Multi Strategy Funds Management Private Limited (Merged with Edelweiss Asset Management Limited) |
| Edelweiss Resolution Advisors LLP (through Edelweiss Rural and Corporate Services Limited) |
| Edelweiss India Capital Management, Mauritius (through Edelweiss Multi Strategy Funds Management Private Limited) (Upto June 30, 2018) |
| Edelweiss Multi Strategy Fund Advisors LLP (through Edelweiss Rural and Corporate Services Limited) |
| EFSL International Limited, Mauritius (through EC International Limited) |
| Edelweiss Financial Services (UK) Limited, United Kingdom (through Edelweiss Securities Limited) |
| Edelweiss Holdings Limited (through ECap Equities Limited) |
| Edelweiss AIF Fund I - EW Clover Scheme -1 (through Edelcap Securities Limited) |
| Edelweiss General Insurance Company Limited |
| Edelweiss Finvest Private Limited (through Edelweiss Rural and Corporate Services Limited) |
| Edelweiss Asset Reconstruction Company Limited (through Edelweiss Custodial Services Limited) |
| Edelweiss Private Equity Tech Fund (through Ecap Equities Limited) |
| Edelweiss Securities (IFSC) Limited |
| Edelweiss Value and Growth Fund (through Ecap Equities Limited) |
| Retra Ventures Private Limited (through Ecap Equities Limited) |
| Allium Finance Private Limited (through Edelweiss Rural and Corporate Services Limited) (from November 29, 2018) |
| Edelweiss Fund Advisors Private Limited (Merged with Edelweiss Rural and Corporate Services Limited) |
| Edelweiss Securities Trading and Management Private Limited (formerly known as Dahlia Commodities Services Private Limited) (through Edelweiss Securities Limited) |
| Edelweiss Securities and Investments Private Limited (formerly known as Magnolia Commodities Services Private Limited) (through Edelweiss Securities Limited) |
| Lichen Metals Private Limited (through Edelvalue Partners) |
| Edelvalue Partners (through Edelweiss Securities and Investments Private Limited) |
| Alternative Investment Market Advisors Private Limited (through Ecap Equities Limited) |

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure": (Continued)

| (B) | Enterprises over which control is exercised by the Company: |
|-----|---|
| | Trust name : |
| | EARC SAF - 2 Trust |
| | EARC Trust - SC 6 |
| | EARC Trust - SC 7 |
| | EARC Trust - SC 9 |
| | EARC Trust - SC 102 |
| | EARC Trust - SC 109 |
| | EARC Trust - SC 112 |
| | EARC Trust - SC 130 |
| | EARC SAF - 3 Trust |
| | EARC Trust - SC 223 |
| | EARC Trust - SC 229 |
| | EARC Trust - SC 238 |
| | EARC Trust - SC 245 |
| | EARC Trust - SC 251 |
| | EARC Trust - SC 266 |
| | EARC Trust - SC 262 |
| | EARC Trust - SC 263 |
| | EARC Trust - SC 293 |
| | EARC Trust - SC 297 |
| | EARC Trust - SC 308 |
| | EARC Trust - SC 314 |
| | EARC Trust - SC 325 |
| | EARC Trust - SC 329 |
| | EARC Trust - SC 331 |
| | EARC Trust - SC 306 |
| | EARC Trust - SC 321 |
| | EARC Trust - SC 334 |
| | EARC Trust - SC 318 |
| | EARC Trust - SC 332 |
| | EARC Trust - SC 348 |
| | EARC Trust - SC 349 |
| | EARC Trust - SC 350 |
| | EARC Trust - SC 352 |
| | EARC Trust - SC 354 |
| | EARC Trust - SC 357 |
| | EARC SAF - 1 Trust Investor Account |
| | EARC Trust - SC 298 |
| | EARC Trust - SC 342 |
| | EARC Trust - SC 347 |
| | EARC Trust - SC 351 |
| | EARC Trust - SC 360 |
| | EARC Trust - SC 361 |

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure": (Continued)

| | |
|------------|--|
| | EARC Trust - SC 363 |
| | EARC Trust - SC 344 |
| | EARC Trust - SC 370 |
| | EARC Trust - SC 283 |
| | EARF I - Scheme 5 |
| | EARC Trust - SC 57 |
| | EARC Trust - SC 327 |
| | |
| (C) | Associates: |
| | Allium Finance Private Limited (through Edelweiss Rural and Corporate Services Limited) (upto November 28, 2018) |
| | |
| (D) | Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them control or significant influence over the Company: |
| | Mr. Rashesh Shah |
| | Mr. Venkatchalam Ramaswamy |
| | Ms. Vidya Shah |
| | Ms. Aparna T. C. |
| | |
| (E) | Key managerial personnel: |
| | Mr. Rashesh Shah - Chairman, Managing Director & CEO |
| | Mr. Venkatchalam Ramaswamy - Executive Director |
| | Mr. Himanshu Kaji - Executive Director |
| | Mr. Rujan Panjwani - Executive Director |
| | |
| (F) | Relatives of individuals exercising significant influence and relatives of KMP, with whom transaction have taken place: |
| | Ms. Kaavya Venkat |
| | Ms. Shilpa Mody |
| | Ms. Sejal Premal Parekh |
| | Mr. A V Ramaswamy |
| | Ms. Sneha Sripad Desai |
| | Ms. Shabnam Panjwani |
| | |
| (G) | Enterprises over which KMPs / Relatives exercise significant influence, with whom transactions have taken place: |
| | Spire Investment Advisors LLP |
| | Shah Family Discretionary Trust |
| (H) | Independent Directors |
| | Mr. Berjis Desai |
| | Mr. Biswamohan Mahapatra |
| | Mr. Kunnasagaran Chinniah |
| | Mr. Navtej S. Nandra |
| | Mr. P. N. Venkatachalam |
| | Mr. Sanjiv Misra (upto January 24, 2019) |
| | Mr. Sunil Mitra (upto August 02, 2017) |

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure": (Continued)**(I) Transactions and balances with related parties**

| Sr. No. | Nature of Transaction | Related Party Name | March 31, 2020 | March 31, 2019 |
|---|--|---|----------------|----------------|
| Capital Account Transactions during the year | | | | |
| 1 | Investments in Equity shares of | Edelweiss Broking Limited | - | 1,050.99 |
| | | Edelweiss General Insurance Company Limited | 1,000.00 | 380.00 |
| | | Edelweiss Securities (IFSC) Limited | 15.00 | - |
| | | Edelweiss Global Wealth Management Limited | 70.00 | - |
| | | Edelweiss Finvest Private Limited | 473.21 | - |
| | | Edel Finance Company Limited | - | 442.20 |
| | | ECL Finance Limited | - | 3,456.10 |
| | | Edelweiss Asset Management Limited | - | 141.30 |
| | | Edelweiss Rural & Corporate Services Limited | - | 500.00 |
| | | Edelweiss Capital (Singapore) Pte. Limited | - | 203.48 |
| | | Edelweiss Housing Finance Limited | - | 500.00 |
| 2 | Sale of Investments in Equity shares of | EC Commodity Limited | - | 501.43 |
| | | Edelweiss Fund Advisors Private Limited | - | 0.50 |
| | | Edelweiss Holdings Limited | - | 150.00 |
| | | Edelweiss Trustee Services Limited | - | 0.50 |
| | | Edelweiss Securities Limited | 189.63 | - |
| 3 | Transfer Investments in Equity shares to | Edelweiss Asset Management Limited | - | 180.05 |
| 4 | Transfer Investments in Equity shares from | Edelweiss Multi Strategy Funds Management Private Limited | - | 180.05 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

35. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure": (*Continued*)(I) Transactions and balances with related parties (*Continued*)

| Sr. No. | Nature of Transaction | Related Party Name | March 31, 2020 | March 31, 2019 |
|---|--|---|----------------|----------------|
| Current Account Transactions during the year | | | | |
| 5 | Short term loans given to | Edelweiss Rural & Corporate Services Limited (Refer note 1) | 0.19 | 6,020.00 |
| | | Edelweiss Capital (Singapore) Pte. Limited | - | 1,122.44 |
| | | EC International Limited | - | 955.81 |
| | | Mr. S. Ranganathan | 5.00 | - |
| 6 | Short term loans repaid by | Edelweiss Rural & Corporate Services Limited (Refer note 1) | 6.20 | 6,020.00 |
| | | EC International Limited | 380.96 | 1,286.67 |
| | | Edelweiss Capital (Singapore) Pte. Limited | 1,972.34 | 2,108.97 |
| | | Edelweiss Securities (IFSC) Limited | - | 6.53 |
| 7 | Short term loans taken from (Refer note 1) | Edelweiss Rural & Corporate Services Limited | 8,080.00 | 11,490.00 |
| 8 | Short term loans repaid to (Refer note 1) | Edelweiss Rural & Corporate Services Limited | 8,007.49 | 11,573.23 |
| 9 | Margin placed with Broker | Edelweiss Securities Limited | 0.20 | 1.55 |
| | | Edelweiss Custodial Services Limited | 263.64 | 379.32 |
| | | Edel Investments Limited | 0.35 | - |
| 10 | Margin withdrawn from Broker | Edelweiss Securities Limited | 0.20 | 2.04 |
| | | Edelweiss Custodial Services Limited | 314.52 | 323.41 |
| | | Edel Investments Limited | 0.29 | - |
| 11 | Reimbursement paid to | Edelweiss Securities Limited | 4.67 | 429.88 |
| | | ECap Equities Limited | 4.75 | 27.58 |
| | | ECL Finance Limited | 16.07 | 268.43 |
| | | Edelweiss Rural & Corporate Services Limited | 0.93 | 108.18 |
| | | Edel Investments Limited | - | 2.24 |
| | | Edelcap Securities Limited | 0.21 | 6.77 |
| | | Edelweiss Alternative Asset Advisors Limited | 2.52 | 55.82 |
| | | Edelweiss Asset Management Limited | 4.01 | 16.47 |
| | | Edelweiss Asset Reconstruction Company Limited | 2.85 | 28.67 |
| | | Edelweiss Broking Limited | 4.94 | 53.89 |
| | | Edelweiss Comtrade Limited | - | 0.03 |
| | | Edelweiss Custodial Services Limited | 0.91 | 15.27 |
| | | Edelweiss Finance and Investments Limited | 0.10 | 11.91 |
| | | Edelweiss Finvest Private Limited | 0.09 | 6.71 |
| | | Edelweiss General Insurance Company Limited | - | 9.25 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure": (*Continued*)**(I) Transactions and balances with related parties (*Continued*)**

| Sr. No. | Nature of Transaction | Related Party Name | March 31, 2020 | March 31, 2019 |
|--|-------------------------------|--|----------------|----------------|
| Current Account Transactions during the year (<i>Continued</i>) | | | | |
| | | Edelweiss Global Wealth Management Limited | 2.18 | 24.85 |
| | | Edelweiss Housing Finance Limited | 1.59 | 64.56 |
| | | Edelweiss Gallagher Insurance Brokers Limited | 0.29 | 16.98 |
| | | Edelweiss Investment Advisors Limited | 0.01 | 0.53 |
| | | Edelweiss Retail Finance Limited | 0.10 | 10.26 |
| | | Edelweiss Tokio Life Insurance Company Limited | - | 18.66 |
| | | Edel Finance Company Limited | 0.01 | 1.22 |
| 12 | Sale of Fixed Assets to | Edelweiss Securities Limited | 0.07 | 0.01 |
| | | Edelweiss Rural & Corporate Services Limited | 0.15 | 0.11 |
| | | ECL Finance Limited | 0.07 | 0.00 |
| | | Edelweiss Finvest Private Limited* | 0.00 | 0.00 |
| | | Edelweiss Broking Limited | 0.13 | 0.10 |
| | | Edelweiss Asset Management Limited | - | 0.01 |
| | | Edelweiss Alternative Asset Advisors Limited | 0.02 | 0.04 |
| | | Edelweiss Custodial Services Limited | 0.04 | 0.08 |
| | | Edelcap Securities Limited | 0.04 | - |
| | | Edelweiss Housing Finance Limited | 0.02 | - |
| | | Edelweiss Asset Reconstruction Company Limited | 0.06 | - |
| | | Edelweiss Investment Advisors Limited | 0.01 | - |
| | | Edelweiss Gallagher Insurance Brokers Limited | 0.01 | - |
| | | Edelweiss Finance and Investments Limited | 0.01 | - |
| 13 | Purchase of Fixed Assets from | Edelweiss Housing Finance Limited* | 0.00 | 0.04 |
| | | Edelweiss Rural & Corporate Services Limited | 0.03 | 0.36 |
| | | Edelweiss Investment Advisors Limited | 0.02 | 0.03 |
| | | Edelweiss Global Wealth Management Limited | - | 0.02 |
| | | Edelweiss Retail Finance Limited | - | 0.01 |
| | | ECap Equities Limited | - | 0.01 |
| | | Edelweiss Securities Limited | 0.01 | 0.03 |
| | | Edelweiss Broking Limited | 0.05 | 0.23 |
| | | ECL Finance Limited | 0.05 | 0.05 |
| | | Edelweiss Alternative Asset Advisors Limited | 0.01 | - |
| | | Edelweiss Asset Reconstruction Company Limited | 0.01 | - |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure": (*Continued*)**(I) Transactions and balances with related parties (*Continued*)**

| Sr. No. | Nature of Transaction | Related Party Name | March 31, 2020 | March 31, 2019 |
|--|--------------------------------|--|----------------|----------------|
| Current Account Transactions during the year (<i>Continued</i>) | | | | |
| 14 | Dividend paid to | Mr. Rashesh Shah | 43.59 | 203.42 |
| | | Mr. Venkat Ramaswamy | 17.41 | 81.24 |
| | | Ms. Vidya Shah | 9.91 | 49.04 |
| | | Shah Family Discretionary Trust | 11.63 | 54.25 |
| | | Spire Investment Advisors LLP | 0.96 | 4.48 |
| | | Ms. Aparna T. C. | 3.66 | 17.09 |
| | | Mr. Rujan Panjwani | 3.89 | 18.15 |
| | | Mr. Himanshu Kaji | 1.20 | 5.58 |
| | | Ms. Kaavya Venkat | 3.54 | 16.51 |
| | | Ms. Sneha Sripad Desai | 0.31 | 1.44 |
| | | Ms. Shilpa Mody | 0.29 | 1.33 |
| | | Ms. Sejal Premal Parekh | 0.29 | 1.33 |
| | | Ms. Shabnam Panjwani | 0.17 | 0.80 |
| | | Mr. A V Ramaswamy | 0.02 | 0.07 |
| | | Mr. Navtej S. Nandra | 2.39 | 11.16 |
| | | Mr. P. N. Venkatachalam | 0.08 | 0.38 |
| | | Mr. S. Ranganathan | 0.33 | 1.53 |
| | | Mr. Berjis Desai | - | 0.19 |
| | | Mr. Sanjiv Misra | - | 0.14 |
| 15 | Remuneration paid to | Mr. Rashesh Shah | 12.69 | 72.66 |
| | | Mr. Venkat Ramaswamy | 11.20 | 53.70 |
| | | Mr. Himanshu Kaji | 11.91 | 24.93 |
| | | Mr. Rujan Panjwani | 27.97 | 19.06 |
| | | Mr. S. Ranganathan | 25.18 | 39.69 |
| 16 | Dividend Income received from | Edelweiss Securities Limited | 498.06 | 1,006.61 |
| | | EC International Limited | 196.67 | - |
| | | ECap Equities Limited | - | 1.26 |
| | | Edel Investments Limited | - | 151.65 |
| | | Edelweiss Holdings Limited | - | 12.75 |
| | | Edelweiss Trustee Services Limited | - | 11.50 |
| 17 | Rating support fee earned from | ECL Finance Limited | 1.66 | 2.10 |
| | | Edelweiss Rural & Corporate Services Limited | 0.91 | 1.31 |
| | | Edelweiss Securities Limited | 0.05 | 0.07 |
| | | Edelweiss Retail Finance Limited | 0.14 | 0.16 |
| | | Edelweiss Housing Finance Limited | 0.25 | 0.29 |
| | | Edelweiss Custodial Services Limited | 0.08 | 0.08 |
| | | ECap Equities Limited | 0.13 | 0.16 |
| | | Edelweiss Finance and Investments Limited | 0.22 | 0.12 |
| | | Edel Finance Company Limited | 0.05 | 0.06 |
| | | Edelweiss Finvest Private Limited | 0.19 | 0.18 |
| | | Edelweiss Asset Reconstruction Company Limited | 0.23 | 0.28 |
| | | Edelweiss Broking Limited | 0.02 | - |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure": (*Continued*)**(I) Transactions and balances with related parties (*Continued*)**

| Sr. No. | Nature of Transaction | Related Party Name | March 31, 2020 | March 31, 2019 |
|--|---|--|----------------|----------------|
| Current Account Transactions during the year (<i>Continued</i>) | | | | |
| 18 | Fee / commission paid to | Edelweiss Broking Limited | 1.82 | - |
| | | Edelweiss Securities Limited | 41.97 | - |
| 19 | Fee / commission received from | Edelweiss Securities Limited | 0.32 | - |
| | | Edelweiss Gallagher Insurance Brokers Limited | 10.00 | - |
| | | ECL Finance Limited | 30.00 | - |
| | | Edelweiss Finance and Investments Limited | 5.05 | - |
| 20 | Fee / Guarantee commission earned from | Edelweiss Tokio Life Insurance Company Limited | 25.10 | 20.00 |
| | | Edelweiss International (Singapore) Pte. Limited | 0.24 | 1.66 |
| | | Edelweiss Rural & Corporate Services Limited | - | 57.08 |
| | | Edelweiss Finvest Private Limited | 5.75 | 121.52 |
| | | Edelweiss Finance and Investments Limited | 4.67 | 4.38 |
| | | ECap Equities Limited | 29.08 | 49.29 |
| | | Edelweiss Custodial Services Limited | - | 12.44 |
| | | Edelweiss Housing Finance Limited | - | 11.53 |
| | | ECL Finance Limited | 0.29 | 3.21 |
| | | Edelweiss Asset Reconstruction Company Limited | 79.71 | 13.66 |
| | | Edelweiss Securities Limited | - | 0.40 |
| | | Edelweiss General Insurance Company Limited | 2.85 | - |
| 21 | Interest Income on short term loan given | Edelweiss Rural & Corporate Services Limited | 0.29 | - |
| | | EC International Limited | 10.64 | 71.24 |
| | | Edelweiss Capital (Singapore) Pte. Ltd. | 106.30 | 183.01 |
| | | Edelweiss Securities (IFSC) Limited | - | 0.07 |
| 22 | Business Service Charges income earned from | Edelweiss General Insurance Company Limited | 1.44 | - |
| | | Edelweiss Asset Reconstruction Company Limited | 2.87 | - |
| | | Edel Investments Limited | 0.68 | - |
| | | Edelweiss Tokio Life Insurance Company Limited | 1.32 | - |
| | | Edelweiss Custodial Services Limited | 1.34 | - |
| | | Edelweiss Alternative Asset Advisors Limited | 1.52 | - |
| | | Edelweiss Broking Limited | 2.07 | - |
| | | Edelweiss Global Wealth Management Limited | 1.59 | - |
| | | ECL Finance Limited | 20.77 | - |
| | | Edelweiss Gallagher Insurance Brokers Limited | 0.71 | - |
| | | Edelweiss Asset Management Limited | 1.41 | - |
| | | ECap Equities Limited | 1.63 | - |
| | | Edelweiss Housing Finance Limited | 2.80 | - |
| | | Edelweiss Finance and Investments Limited | 0.92 | - |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure": (*Continued*)(I) Transactions and balances with related parties (*Continued*)

| Sr. No. | Nature of Transaction | Related Party Name | March 31, 2020 | March 31, 2019 |
|--|--|---|----------------|----------------|
| Current Account Transactions during the year (<i>Continued</i>) | | | | |
| | | Edelweiss Securities Limited | 3.48 | - |
| | | Edelweiss Rural & Corporate Services Limited | 2.04 | - |
| | | Allium Finance Private Limited* | 0.00 | - |
| | | Alternative Investment Market Advisors Private Limited* | 0.00 | - |
| | | EC Commodity Limited* | 0.00 | - |
| | | Edelcap Securities Limited | 0.29 | - |
| | | Edelweiss Finvest Private Limited* | 0.00 | - |
| | | Edelweiss Retail Finance Limited* | 0.00 | - |
| | | Edelweiss Investment Advisors Limited* | 0.00 | - |
| | | Edelweiss Comtrade Limited* | 0.00 | - |
| | | Lichen Metals Private Limited* | 0.00 | - |
| | | Edelweiss Securities (IFSC) Limited* | 0.00 | - |
| | | Edel Land Limited* | 0.00 | - |
| | | Edelgive Foundation* | 0.00 | - |
| 23 | Enterprise / Corporate allocation income earned from | Edelweiss Securities Limited | 22.30 | - |
| | | Edelweiss Finance and Investments Limited | 5.55 | - |
| | | Edelweiss Housing Finance Limited | 11.62 | - |
| | | ECap Equities Limited | 11.34 | - |
| | | Edelcap Securities Limited | 2.40 | - |
| | | Edelweiss Asset Management Limited | 8.72 | - |
| | | Edelweiss Gallagher Insurance Brokers Limited | 5.43 | - |
| | | Edelweiss Global Wealth Management Limited | 9.88 | - |
| | | Edelweiss Broking Limited | 11.86 | - |
| | | Edelweiss Alternative Asset Advisors Limited | 9.11 | - |
| | | Edelweiss Custodial Services Limited | 8.99 | - |
| | | Edelweiss Investment Advisors Limited | 0.01 | - |
| | | EC Commodity Limited | 0.01 | - |
| | | Edel Land Limited* | 0.00 | - |
| | | Edelweiss Finvest Private Limited | 0.03 | - |
| | | Allium Finance Private Limited | 0.01 | - |
| | | Edelweiss Tokio Life Insurance Company Limited | 10.96 | - |
| | | Edel Investments Limited | 3.41 | - |
| | | Edelweiss Asset Reconstruction Company Limited | 16.90 | - |
| | | Edelgive Foundation | 0.01 | - |
| | | Lichen Metals Private Limited* | 0.00 | - |
| | | Edelweiss Comtrade Limited | 0.02 | - |
| | | Edelweiss Retail Finance Limited | 0.02 | - |
| | | Edelweiss General Insurance Company Limited | 8.87 | - |
| | | Edelweiss Securities (IFSC) Limited* | 0.00 | - |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure": (*Continued*)**(I) Transactions and balances with related parties (*Continued*)**

| Sr. No. | Nature of Transaction | Related Party Name | March 31, 2020 | March 31, 2019 |
|--|---|---|----------------|----------------|
| Current Account Transactions during the year (<i>Continued</i>) | | | | |
| | | Alternative Investment Market Advisors Private Limited* | 0.00 | - |
| | | ECL Finance Limited | 99.06 | - |
| | | Edelweiss Rural & Corporate Services Limited | 11.89 | - |
| 24 | Enterprise Cost - In | Edelweiss Rural & Corporate Services Limited | 49.80 | - |
| 25 | Corporate Cost - In | Edelweiss Rural & Corporate Services Limited | 5.33 | - |
| 26 | Corporate Cost - Out | ECap Equities Limited | 1.40 | - |
| | | Edelweiss Housing Finance Limited | 9.22 | - |
| | | ECL Finance Limited | 51.79 | - |
| | | Edelweiss Rural & Corporate Services Limited | 1.80 | - |
| | | Edel Investments Limited | 1.40 | - |
| | | Edelweiss General Insurance Company Limited | 1.34 | - |
| 27 | Enterprise Cost - Out | ECL Finance Limited | 22.15 | - |
| | | Edelweiss Rural & Corporate Services Limited | 3.19 | - |
| | | Edelweiss Securities Limited | 6.68 | - |
| | | Edelweiss Gallagher Insurance Brokers Limited | 0.50 | - |
| | | Edelweiss General Insurance Company Limited | 2.36 | - |
| | | EdelGive Foundation* | 0.00 | - |
| | | ECap Equities Limited | 0.82 | - |
| | | Edelweiss Global Wealth Management Limited | 3.39 | - |
| | | Edelweiss Broking Limited | 5.37 | - |
| | | Edelweiss Asset Management Limited | 3.03 | - |
| | | Edel Investments Limited | 0.82 | - |
| | | Edelweiss Finance and Investments Limited | 2.08 | - |
| | | Edelweiss Asset Reconstruction Company Limited | 1.59 | - |
| | | Edelweiss Alternative Asset Advisors Limited | 3.52 | - |
| | | Edelweiss Custodial Services Limited | 2.26 | - |
| | | Edelweiss Housing Finance Limited | 2.49 | - |
| | | Edelweiss Tokio Life Insurance Company Limited | 5.09 | - |
| 28 | Interest income on margin from | Edelweiss Securities Limited | - | 0.01 |
| | | Edelweiss Custodial Services Limited | 0.81 | 0.84 |
| 29 | Interest expense on short term loan taken | Edelweiss Rural & Corporate Services Limited | 316.27 | 112.70 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure": (*Continued*)**(I) Transactions and balances with related parties (*Continued*)**

| Sr. No. | Nature of Transaction | Related Party Name | March 31, 2020 | March 31, 2019 |
|--|------------------------------------|--|----------------|----------------|
| Current Account Transactions during the year (<i>Continued</i>) | | | | |
| 30 | Commission & Brokerage paid to | Edelweiss Securities Limited | 0.78 | - |
| 31 | Brokerage income earned from | ECL Finance Limited | 5.00 | - |
| 32 | Rent expense paid to | Edelweiss Rural & Corporate Services Limited | - | 61.69 |
| | | Edelweiss Securities Limited | - | 2.84 |
| | | Edelweiss Housing Finance Limited | - | 0.05 |
| | | ECap Equities Limited | - | 5.27 |
| | | Edelweiss Retail Finance Limited | - | 0.07 |
| | | Edelweiss Global Wealth Management Limited | - | 0.01 |
| | | Edelweiss Broking Limited | - | 3.91 |
| | | ECL Finance Limited | - | 0.94 |
| | | Edelweiss Asset Management Limited | - | 0.71 |
| 33 | Legal & Prof. Fees paid to | Edelweiss Financial Services Inc. | 7.48 | 31.95 |
| 34 | Other expenses paid to | Edelweiss Custodial Services Limited | 2.85 | 0.09 |
| 35 | Cost reimbursements paid to | Edelweiss Rural & Corporate Services Limited | 62.60 | 59.22 |
| | | Edelweiss Securities Limited | 4.31 | 1.15 |
| | | Edelweiss Tokio Life Insurance Company Limited | 0.06 | - |
| | | Edelweiss Asset Management Limited | 0.06 | 0.17 |
| | | Edelweiss Global Wealth Management Limited | 0.13 | - |
| | | ECap Equities Limited | 2.24 | 0.43 |
| | | ECL Finance Limited | 1.55 | 0.09 |
| | | Edelweiss Broking Limited | 3.27 | 1.46 |
| | | Edelweiss Retail Finance Limited | 0.12 | 0.05 |
| | | Edelweiss Housing Finance Limited | - | 0.05 |
| | | Edel Finance Company Limited* | 0.00 | - |
| | | Edel Investments Limited* | 0.00 | - |
| | | Edel Land Limited | 1.05 | - |
| | | Edelweiss Financial Services Inc. | 1.49 | - |
| 36 | Cost reimbursements recovered from | Edelweiss Securities Limited | 9.41 | 14.61 |
| | | Edelweiss Rural & Corporate Services Limited | 22.12 | 46.32 |
| | | ECL Finance Limited | 32.82 | 35.69 |
| | | Edelweiss Tokio Life Insurance Company Limited | 62.96 | 84.39 |
| | | Edelweiss Broking Limited | 35.08 | 57.08 |
| | | Edelweiss Investment Advisors Limited | 0.64 | 3.70 |
| | | Edelweiss Finvest Private Limited | 1.29 | 0.92 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure": (*Continued*)**(I) Transactions and balances with related parties (*Continued*)**

| Sr. No. | Nature of Transaction | Related Party Name | March 31, 2020 | March 31, 2019 |
|--|---|--|----------------|----------------|
| Current Account Transactions during the year (<i>Continued</i>) | | | | |
| | | Edelweiss Custodial Services Limited | 3.14 | 3.89 |
| | | Edelweiss Comtrade Limited | 0.26 | 1.89 |
| | | ECap Equities Limited | 1.28 | 1.78 |
| | | Edelweiss Asset Management Limited | 7.03 | 5.73 |
| | | Edelweiss Asset Reconstruction Company Limited | 6.43 | 4.31 |
| | | Edelweiss Global Wealth Management Limited | 2.29 | 1.79 |
| | | Edelvalue Partners | - | 0.01 |
| | | Edelweiss Housing Finance Limited | 15.67 | 23.48 |
| | | Edelweiss Finance and Investments Limited | 0.70 | 1.70 |
| | | Edelweiss Retail Finance Limited | 1.23 | 8.06 |
| | | Edel Land Limited | 0.49 | 0.21 |
| | | Edelweiss Multi Strategy Fund Advisors LLP | - | 0.10 |
| | | Edelweiss Alternative Asset Advisors Limited | 3.85 | 5.57 |
| | | Edelweiss Gallagher Insurance Brokers Limited | 2.54 | 4.78 |
| | | Edelweiss General Insurance Company Limited | 8.23 | 6.25 |
| | | Edel Investments Limited | 0.50 | 0.49 |
| | | Edel Finance Company Limited | 0.14 | 0.03 |
| | | EC Commodity Limited | 0.54 | 0.60 |
| | | Edelcap Securities Limited | 3.06 | 3.53 |
| | | Lichen Metals Private Limited | 0.02 | 0.06 |
| | | EdelGive Foundation | 0.12 | 0.00 |
| | | Allium Finance Private Limited | 0.61 | 0.03 |
| | | Alternative Investment Market Advisors Private Limited | 0.04 | 0.24 |
| | | Edelweiss Securities (IFSC) Limited* | 0.00 | - |
| | | EC Global Limited* | 0.00 | - |
| | | Aster Commodities DMCC* | 0.00 | - |
| | | Edelweiss International (Singapore) Pte. Limited | 0.01 | - |
| | | Edelweiss Investment Advisors Pte. Limited | 0.01 | - |
| | | Edelweiss Financial Services Inc.* | 0.00 | - |
| | | Edelweiss Securities (Hong Kong) Private Limited* | 0.00 | - |
| | | Edelweiss Financial Services (UK) Limited* | 0.00 | - |
| 37 | ESOP Cost payable | Edelweiss Tokio Life Insurance Company Limited | 0.52 | - |
| | | Edelweiss General Insurance Company Limited | 0.38 | - |
| 38 | Transfer of gratuity liability on account of employee transfer to | Edelweiss Alternative Asset Advisors Limited | - | 0.04 |
| | | Edelweiss Custodial Services Limited | - | 0.03 |
| | | Edelweiss Finvest Private Limited | - | 0.13 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure": (*Continued*)**(I) Transactions and balances with related parties (*Continued*)**

| Sr. No. | Nature of Transaction | Related Party Name | March 31, 2020 | March 31, 2019 |
|--|---|--|----------------|----------------|
| Current Account Transactions during the year (<i>Continued</i>) | | | | |
| 39 | Transfer of gratuity liability on account of employee transfer from | ECL Finance Limited | - | 0.03 |
| | | Edelweiss Securities Limited | - | 1.91 |
| 40 | Directors' sitting fees paid to | Mr. Berjis Desai | 0.26 | 0.26 |
| | | Mr. Biswamohan Mahapatra | 0.34 | 0.28 |
| | | Mr. Kunnasagaran Chinniah | 0.40 | 0.40 |
| | | Mr. Navtej S. Nandra | 0.28 | 0.30 |
| | | Mr. P N Venkatachalam | 0.34 | 0.48 |
| | | Mr. Sanjiv Misra | - | 0.28 |
| | | Dr. Ashima Goyal | 0.10 | - |
| | | Mr. Ashok Kini | 0.10 | - |
| 41 | Commission paid to Non executive directors | Mr. Berjis Desai | 1.00 | 1.30 |
| | | Mr. Biswamohan Mahapatra | 1.00 | 1.30 |
| | | Mr. Kunnasagaran Chinniah | 1.00 | 1.30 |
| | | Mr. Navtej S. Nandra | 1.00 | 1.30 |
| | | Mr. P N Venkatachalam | 1.00 | 1.30 |
| | | Mr. Sanjiv Misra | - | 1.30 |
| 42 | Contribution towards corporate social responsibility | Edelgive Foundation | 28.00 | 34.70 |
| Balances with related parties | | | | |
| 43 | Investments in Equity Shares in | ECL Finance Limited | 8,786.68 | 8,646.66 |
| | | Edelweiss Tokio Life Insurance Company Limited | 6,025.58 | 5,992.24 |
| | | Edelweiss Finance and Investments Limited | 1,536.67 | 1,692.23 |
| | | Edelweiss Alternative Asset Advisors Limited | 141.70 | 110.80 |
| | | Edelweiss Asset Management Limited | 1,558.60 | 1,546.49 |
| | | Edelweiss Broking Limited | 3,197.95 | 3,140.28 |
| | | Edelweiss Rural & Corporate Services Limited | 1,656.05 | 1,608.00 |
| | | EC International Limited | 6.15 | 6.20 |
| | | ECap Equities Limited | 1,289.95 | 1,260.00 |
| | | Edelweiss Retail Finance Limited | 914.11 | 908.18 |
| | | Edelweiss Capital (Singapore) Pte. Limited | 528.21 | 523.22 |
| | | Edel Investments Limited | 46.67 | 46.00 |
| | | Edel Land Limited | 147.61 | 147.61 |
| | | EdelGive Foundation | 0.10 | 0.10 |
| | | Edelweiss Housing Finance Limited | 1,188.96 | 1,155.50 |
| | | Edelweiss Gallagher Insurance Brokers Limited | 32.27 | 24.00 |
| | | Edelweiss Trusteeship Company Limited | 1.00 | 1.00 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure": (*Continued*)**(I) Transactions and balances with related parties (*Continued*)**

| Sr. No. | Nature of Transaction | Related Party Name | March 31, 2020 | March 31, 2019 |
|---|--------------------------------------|--|-----------------|----------------|
| Balances with related parties (<i>Continued</i>) | | | | |
| | | Edelweiss Global Wealth Management Limited | 290.01 | 195.63 |
| | | Edelweiss Investment Advisors Limited | 7.19 | 5.50 |
| | | Edelweiss General Insurance Company Limited | 3,086.16 | 2,080.00 |
| | | Edel Finance Company Limited | 1,700.00 | 1,700.00 |
| | | Edelweiss Finvest Private Limited | 1,655.42 | 1,180.64 |
| | | Edelweiss Securities (IFSC) Limited | 162.54 | 147.54 |
| | | Edelweiss Securities Limited | 241.78 | 92.00 |
| | | Edelweiss Asset Reconstruction Company Limited | 448.64 | 434.89 |
| 44 | Accrued interest on loans given to | EC International Limited | - | 29.38 |
| | | Edelweiss Capital (Singapore) Pte. Limited | - | 111.90 |
| 45 | Accrued interest on loans taken from | Edelweiss Rural & Corporate Services Limited | 13.42 | 24.33 |
| 46 | Short term loans given to | EC International Limited | - | 380.96 |
| | | Edelweiss Capital (Singapore) Pte. Limited | - | 1,972.34 |
| | | Mr. S. Ranganathan | 5.00 | - |
| 47 | Short term loans taken from | Edelweiss Rural & Corporate Services Limited | 719.09 | 3,636.36 |
| 48 | Trade payables to | EC International Limited* | 0.00 | - |
| | | Edelweiss Capital (Singapore) Pte. Limited | 0.01 | - |
| | | Edelweiss Finance and Investments Limited | 3.93 | - |
| | | EC Commodity Limited | 0.26 | - |
| | | Edelweiss Comtrade Limited | 0.04 | - |
| | | Edelvalue Partners | 0.02 | 0.02 |
| | | Edelweiss Investment Advisors Limited | 0.02 | 0.49 |
| | | Edelweiss Financial Services Inc. | 8.97 | 17.33 |
| 49 | Trade receivables from | EC Global Limited* | 0.00 | - |
| | | Edelweiss International (Singapore) Pte. Limited | 0.25 | 1.66 |
| | | Edelweiss Rural & Corporate Services Limited | 13.22 | 22.80 |
| | | Edelweiss Finvest Private Limited | 6.88 | 142.26 |
| | | Edelweiss Tokio Life Insurance Company Limited | 97.80 | 32.39 |
| | | ECap Equities Limited | 52.94 | 64.84 |
| | | ECL Finance Limited | 69.69 | 53.23 |
| | | Edelcap Securities Limited | 4.45 | 1.04 |
| | | Edel Finance Company Limited | 0.10 | 0.07 |
| | | Edelweiss Asset Management Limited | 14.64 | 2.51 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure": (*Continued*)

(i) Transactions and balances with related parties (*Continued*)

| Sr. No. | Nature of Transaction | Related Party Name | March 31, 2020 | March 31, 2019 |
|---|---|--|----------------|----------------|
| Balances with related parties (<i>Continued</i>) | | | | |
| | | Edelweiss Asset Reconstruction Company Limited | 102.60 | 17.66 |
| | | Edelweiss Securities (IFSC) Limited* | 0.00 | - |
| | | Edelweiss Custodial Services Limited | 7.18 | 17.38 |
| | | Edelweiss Finance and Investments Limited | - | 10.57 |
| | | Edelweiss Alternative Asset Advisors Limited | 25.30 | 9.37 |
| | | Edelweiss Alternative Asset Advisors Pte. Limited | 2.13 | - |
| | | Edel Land Limited | 0.86 | 0.07 |
| | | Edelweiss General Insurance Company Limited | 34.63 | 13.57 |
| | | Edelweiss Housing Finance Limited | 23.19 | 20.26 |
| | | Edelweiss Global Wealth Management Limited | 33.16 | 17.71 |
| | | EC Commodity Limited | 0.34 | 0.12 |
| | | Edelweiss Broking Limited | 48.26 | 39.31 |
| | | Edelweiss Comtrade Limited | - | 0.05 |
| | | EdelGive Foundation | 0.02 | - |
| | | Edelweiss Gallagher Insurance Brokers Limited | 0.18 | 0.43 |
| | | Edelweiss Retail Finance Limited | 2.65 | 1.07 |
| | | Alternative Investment Market Advisors Private Limited | - | 0.01 |
| | | Edelweiss Securities Limited | 48.01 | 16.91 |
| | | Allium Finance Private Limited | 0.03 | 0.00 |
| | | Edelweiss Capital (Singapore) Pte. Limited | - | 1.93 |
| | | Edel Investments Limited | 0.01 | 0.38 |
| | | Lichen Metals Private Limited* | 0.00 | - |
| | | Aster Commodities DMCC* | 0.00 | - |
| | | Edelweiss Securities (Hong Kong) Private Limited* | 0.00 | - |
| | | Edelweiss Financial Services (UK) Limited* | 0.00 | - |
| | | Edelweiss Investment Advisors Pte. Limited | 2.42 | - |
| 50 | Margin placed with broker | Edelweiss Custodial Services Limited | 15.29 | 66.18 |
| | | Edel Investments Limited* | 0.00 | - |
| 51 | Directors nomination deposits placed with | Edelweiss Securities Limited | 0.20 | 0.20 |
| | | Edelweiss Finance and Investments Limited | 0.50 | 0.50 |
| | | ECap Equities Limited | 0.10 | 0.10 |
| | | Edelweiss Alternative Asset Advisors Limited | 0.10 | 0.10 |
| | | Edel Land Limited | 0.10 | 0.10 |
| | | Edelweiss Asset Management Limited | 0.10 | 0.10 |
| | | ECL Finance Limited | 0.10 | 0.10 |
| | | Edelweiss Rural & Corporate Services Limited | 0.10 | 0.10 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

34. Disclosure as required by Indian Accounting Standard 24 - “Related Party Disclosure”: (*Continued*)**(I) Transactions and balances with related parties (*Continued*)**

| Sr. No. | Nature of Transaction | Related Party Name | March 31, 2020 | March 31, 2019 |
|---|--|--|------------------|----------------|
| Balances with related parties (<i>Continued</i>) | | | | |
| 52 | Corporate / other guarantee given on behalf of | Edelweiss Rural & Corporate Services Limited | 35,570.00 | 1,387.17 |
| | | Edelweiss Custodial Services Limited | 14,405.00 | 17,850.00 |
| | | ECap Equities Limited | 4,751.10 | 6,866.80 |
| | | Edelweiss Asset Reconstruction Company Limited | 26,509.30 | 16,067.30 |
| | | Edelweiss Finvest Private Limited | 2,749.30 | 5,030.10 |
| | | Edelweiss Finance and Investments Limited | 310.40 | 916.77 |
| | | Edelweiss Housing Finance Limited | 2,384.83 | 3,106.17 |
| | | Edelweiss Securities Limited | 1,170.00 | 2.50 |
| | | ECL Finance Limited | 3,174.17 | 54.00 |

* ₹ 0.00 refers to amount less than ₹ 0.01 million

Note:

- As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 – Related Party Disclosures, maximum amount of loans given and repaid are disclosed above as in the view of the management it provides meaningful reflection of such related party transactions on the reformatted Ind AS standalone financial information. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.
- Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and provision made for bonus which are provided for group of employees on an overall basis.

35. Earnings per share

In accordance with Indian Accounting Standard 33 – “Earnings Per Share” prescribed by Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:

| Particulars | 2020 | 2019 |
|---|--------------------|--------------------|
| a. Shareholders earnings (as per statement of profit and loss) | 825.79 | 1,028.78 |
| b. Calculation of weighted average number of equity shares of ₹ 1 each: | | |
| - Number of shares outstanding at the beginning of the year | 887,772,784 | 870,602,147 |
| - Number of shares issued during the year | 1,739,438 | 17,170,637 |
| Total number of equity shares outstanding at the end of the year | 889,512,222 | 887,772,784 |
| Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) | 888,713,129 | 882,564,701 |
| c. Number of dilutive potential equity shares | 5,575,693 | 14,761,041 |
| d. Basic earnings per share (in ₹) {a/b} | 0.93 | 1.17 |
| e. Diluted earnings per share (in ₹) {a/(b+c)} | 0.92 | 1.15 |

36. Cost sharing

Edelweiss Financial Services and its group companies provide necessary business and management oversights to its various subsidiaries inter-alia in the form of business and strategy planning, stake holder relation, marketing & publication, technology support, HR Policies including leadership & development of employees, governance and regulatory policies, policy advocacy, legal & litigation handling framework etc. (here in after collectively referred to as “Business and Management oversight”). Subsidiaries of Edelweiss group thus get benefitted from the oversight of expenses incurred by group companies. It is therefore imperative that expenses if incurred on providing such oversight, to be shared by its subsidiaries.

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

36. Cost sharing (*Continued*)

The group companies provide business and support services to each other basis of the signed agreed terms. The services provided are with the intent to create synergies at group level for e.g. sharing of empty spaces with the group companies, having common HR and admin teams, using one's available resource for the benefit of the group.

In consideration of the business and management oversight by Edelweiss group, the beneficiaries shall share and pay towards the costs, as agreed. It is expressly agreed between the parties that sharing of these cost shall be on the total cost over the financial year (April to march) adequate to compensate the function performed , assets employed and risks assumed by group companies and will be determined by the beneficiaries and edelweiss group companies. The amount payable by the beneficiaries will be reviewed intermittently and any amendment to the same will be mutually agreed upon in writing by the parties. For the purpose of total cost means all operating expense including but not limited to, normal recurring cost such as office rent, communication charges, salaries, employee benefits, cost of approved third party vendor, depreciation on assets used and amortization.

37. Employee Benefits**a. Defined contribution plan - Provident funds**

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised ₹ 20.92 million (FY 2018-19: ₹ 25.04 million) for provident fund and other contributions in the statement of profit and loss.

b. Defined benefit plan - Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972. The gratuity benefit is partially provided through funded plan and annual expense is charged to the statement of profit and loss on the basis of actuarial valuation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2020 and 31 March 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

37. Employee Benefits (*Continued*)**b. Defined benefit plan - Gratuity (*Continued*)**

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's reformatted Ind AS standalone financial information as at balance sheet date:

| Reconciliation of Defined Benefit Obligation (DBO) | | |
|---|-----------------------|-----------------------|
| | March 31 ,2020 | March 31 ,2019 |
| Present Value of DBO at Start of the year | 48.30 | 40.52 |
| Service Cost | | |
| Current Service Cost | 4.71 | 6.39 |
| Effect of Curtailment | (5.03) | - |
| Interest Cost | 3.33 | 3.09 |
| Benefits Paid | (6.84) | (2.27) |
| Re-measurements | | |
| a. Actuarial Loss/(Gain) from changes in demographic assumptions | - | - |
| b. Actuarial Loss/(Gain) from changed in financials assumptions | 2.24 | 0.68 |
| c. Actuarial Loss/(Gain) from experience over last past year | (3.08) | (1.84) |
| Transfer In / (Out) | (0.70) | 1.73 |
| Present Value of DBO at end of the year | 42.93 | 48.30 |
| Reconciliation of Fair Value of Plan Assets | | |
| | March 31 ,2020 | March 31 ,2019 |
| Fair Value of Plan Assets at start of the year | 47.37 | 41.60 |
| Contributions by Employer | 0.03 | 5.00 |
| Benefits Paid | (6.84) | (2.27) |
| Interest Income Plan Assets | 3.07 | 2.94 |
| Re-measurements | | |
| Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset) | (2.83) | 0.10 |
| Fair Value of Plan Assets at end of the year | 40.80 | 47.37 |
| Actual Return on Plan Assets | 0.23 | 3.04 |
| Expected Employer Contributions for the coming year | 2.00 | 1.00 |
| Expenses recognised in the Profit or Loss | | |
| | March 31 ,2020 | March 31 ,2019 |
| Service Cost | | |
| Current Service Cost | 4.71 | 6.39 |
| Effect of Curtailment | (5.03) | - |
| Net Interest on net defined benefit liability / (asset) | 0.25 | 0.14 |
| Employer Expenses | (0.07) | 6.53 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

37 Employee Benefits (*Continued*)**Net Liability / (Asset) recognised in the Balance sheet**

| | March 31 ,2020 | March 31 ,2019 |
|---|----------------|----------------|
| Present Value of DOB | 42.93 | 48.30 |
| Fair Value of Plan Assets | 40.80 | 47.37 |
| Liability / (Asset) recognised in the Balance Sheet | 2.13 | 0.93 |
| Funded Status [Surplus/ (Deficit)] | (2.13) | (0.93) |
| Experience Adjustment on Plan Liabilities:(Gain)/Loss | (3.08) | (1.84) |

Percentage Break-down of Total Plan Assets

| | March 31 ,2020 | March 31 ,2019 |
|---|----------------|----------------|
| Equity instruments | 0.0% | 0.0% |
| Debt instruments | 0.0% | 0.0% |
| Real estate | 0.0% | 0.0% |
| Derivatives | 0.0% | 0.0% |
| Investment Funds with Insurance Company | 99.9% | 100% |
| Of which, Unit Linked | 99.9% | 100% |
| Of which, Traditional/ Non-Unit Linked | 0.0% | 0.0% |
| Asset-backed securities | 0.0% | 0.0% |
| Structured debt | 0.0% | 0.0% |
| Cash and cash equivalents | 0.1% | 0.0% |
| Total | 100% | 100% |

Actuarial assumptions:

| | March 31 ,2020 | March 31 ,2019 |
|--|----------------------------|----------------------------|
| Salary Growth Rate (% p.a) | 7% p.a | 7% p.a |
| Discount Rate (% p.a) | 5.90% p.a | 7% p.a |
| Withdrawal Rate (% p.a) | | |
| Senior | 13% p.a | 13% p.a |
| Middle | 18% p.a | 18% p.a |
| Junior | 25% p.a | 25% p.a |
| Mortality Rate | IALM 2012-14 (Ultimate) | IALM 2012-14 (Ultimate) |
| Interest Rate on Net DBO / (Asset) (%) | 7.3% p.a | 7.3% p.a |
| Expected weighted average remaining working life (years) | 3 Years | 4 Years |

Movement in Other Comprehensive Income

| | March 31 ,2020 | March 31 ,2019 |
|---|----------------|----------------|
| Balance at start of year (Loss)/ Gain | 1.26 | NIL |
| Re-measurements on DBO | | |
| a. Actuarial Loss/(Gain) from changes in demographic assumptions | - | - |
| b. Actuarial Loss/(Gain) from changed in financials assumptions | (2.24) | (0.68) |
| c. Actuarial Loss/(Gain) from experience over last past year | 3.08 | 1.84 |
| Re-measurements on Plan Assets | | |
| Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset) | (2.83) | 0.10 |
| Balance at end of year (Loss)/ Gain | (0.73) | 1.26 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

37 Employee Benefits (*Continued*)b) Defined benefit plan - Gratuity (*Continued*)

Sensitivity Analysis

| DOB increases / (decreases) by | March 31 ,2020 | March 31 ,2019 |
|---|----------------|-------------------|
| 1 % Increase in Salary Growth Rate | 1.56 | 1.88 |
| 1 % Decrease in Salary Growth Rate | (1.42) | (1.75) |
| 1 % Increase in Discount Rate | (1.43) | (1.74) |
| 1 % Decrease in Discount Rate | 1.59 | 1.89 |
| 1 % Increase in Withdrawal Rate | (0.09) | (0.24) |
| 1 % Decrease in Withdrawal Rate | 0.09 | 0.24 |
| Mortality (Increase in expected lifetime by 1 year) | 2 | Negligible Change |
| Mortality (Increase in expected lifetime by 3 year) | 5 | Negligible Change |

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant there are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses.

Movement in Surplus / (Deficit)

| | March 31 ,2020 | March 31 ,2019 |
|--------------------------------------|----------------|----------------|
| Surplus / (Deficit) at start of year | (0.93) | 1.08 |
| Net (Acquisition) / Divestiture | - | - |
| Net Transfer (In)/ Out | 0.70 | (1.73) |
| Movement during the year | | |
| Current Service Cost | (4.71) | (6.39) |
| Effect of Curtailment | 5.03 | - |
| Net Interest on net DBO | (0.25) | (0.15) |
| Re-measurements | (1.99) | 1.26 |
| Contributions / Benefits | 0.03 | 5.00 |
| Surplus / (Deficit) at end of year | (2.12) | (0.93) |

c. Compensated absences :

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation. The leave encashment on separation is paid on basic salary.

Other Disclosures

Description of Asset Liability Matching (ALM) Policy

The Company has an insurance plans invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates. The liabilities' duration is not matched with the assets' duration.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The Company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

Maturity profile

The average expected remaining lifetime of the plan members is 5 years (March 31,2019: 4 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

38. Employee stock option plans and Stock Appreciation Right Plan

Edelweiss Financial Services Limited ("EFSL" hereafter), has recognised share based payment expenses for the years ended 31 March 2020 and 31 March 2019 based on fair value as on the grant date calculated as per option pricing model. The grants represent equity-settled options under the Employee Stock Option Plans and Stock Appreciation Rights Plans (hereafter referred to as "ESOP 2010", "ESOP 2011" and "SAR 2019" or "ESOPs" "SARs").

The Edelweiss Group has granted ESOPs under the three plans viz., ESOP 2010, ESOP 2011 SAR 2019 to its employees on an equity-settled basis as tabulated below. The ESOPs/SARs provide a right to its holders (i.e., Edelweiss group employees) to purchase one EFSL share for each option at a pre-determined strike price on the expiry of the vesting period. The ESOP/ SAR hence represents an European call option that provides a right but not an obligation to the employees of the Edelweiss group to exercise the option by paying the strike price at any time on completion of the vesting period, subject to an outer boundary on the exercise period.

EFSL has granted stock options to employees of the Edelweiss group on an equity-settled basis as tabulated below.

| | SAR 2019 | ESOP 2010 | ESOP 2011 |
|---|------------------------------|------------------------------|------------------------------|
| Dates of grant | Varying | Varying | Varying |
| Option Type | Equity settled | Equity settled | Equity settled |
| No. of outstanding options at March 31, 2020 | 11,230,000 | - | 21,126,689 |
| No. of outstanding options at March 31, 2019 | - | - | 20,588,627 |
| No. of Equity shares represented by an option | 1 share for 1 option | 1 share for 1 option | 1 share for 1 option |
| Fair Value per option | Varies as per the grant date | Varies as per the grant date | Varies as per the grant date |
| Exercise Price | Varies as per the grant date | Varies as per the grant date | Varies as per the grant date |
| Vesting Period | 2-6 years | 1-4 years | 1-4 years |
| Vesting Conditions | Service | Service | Service |

The vesting of options is subject to the employee's continued employment with the Edelweiss group. The ESOPs shall vest as follows:

| | SAR 2019 | ESOP 2010 | ESOP 2011 |
|-------------------------------|-------------------|-------------------|-------------------|
| Duration from grant date | % options vesting | % options vesting | % options vesting |
| 12 months from the grant date | 0% | 25% | 25% |
| 24 months from the grant date | 33.33% | 25% | 25% |
| 36 months from the grant date | 0% | 25% | 25% |
| 48 months from the grant date | 33.33% | 25% | 25% |
| 60 months from the grant date | 0% | 0% | 0% |
| 72 months from the grant date | 33.34% | 0% | 0% |
| Total | 100.00% | 100% | 100% |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

38. Employee stock option plans**(Continued) Plan description**

| Plan Name | Grant Date | Vesting Conditions | Term of Options | Payout |
|----------------|------------|------------------------------|-----------------|----------------|
| ESOP Plan 2010 | Various | As specified in tables above | 1-4 years | Equity settled |
| ESOP Plan 2011 | | | 1-4 years | Equity settled |
| SAR Plan 2019 | | | 2-6 years | Equity settled |

Movement of number of Options for FY 2019-20 and 2018-19

| Number of options | FY 2019-20 | | | FY 2018-19 | | |
|--------------------------------------|------------|-------------|-------------|-------------|--------------|--------------|
| | SAR 2019 | ESOP 2011 | Total | ESOP 2010 | ESOP 2011 | Total |
| Outstanding at the start of the year | - | 20,588,627 | 20,588,627 | 1,473,000 | 33,451,874 | 34,924,874 |
| Granted during the year* | 11,625,000 | 4,085,000 | 15,710,000 | - | 4,153,750 | 4,153,750 |
| Exercised during the year | - | (1,746,783) | (1,746,783) | (1,462,850) | (15,207,822) | (16,670,672) |
| Lapsed/ cancelled during the year | (395,000) | (1,800,175) | (2,195,175) | (10,150) | (1,809,175) | (1,819,325) |
| Outstanding at the end of the year* | 11,230,000 | 21,126,689 | 32,356,689 | - | 20,588,627 | 20,588,627 |
| Exercisable at the end of the year | - | 11,241,676 | 11,241,676 | - | 10,555,675 | 10,555,675 |

*Includes, SAR 2019 515,000, ESOP 2011 1,670,825 (FY 2018-19 ESOP 2011 2,090,800) approved but not granted.

Weighted Average Exercise Price for FY 2019-20 and 2018-19

| Weighted Average Exercise Price (₹) | Year ended March 31, 2020 | | Year ended March 31, 2019 | |
|---|---------------------------|-----------|---------------------------|-----------|
| | SAR 2019 | ESOP 2011 | ESOP 2010 | ESOP 2011 |
| Outstanding at the start of the year | NA | 117.34 | 49.41 | 57.84 |
| Granted during the year | 180.26 | 168.04 | - | 294.67 |
| Exercised during the year | - | 47.27 | 49.41 | 39.65 |
| Lapsed/ cancelled during the year | 180.65 | 127.91 | 48.56 | 122.76 |
| Outstanding at the end of the year | 178.75 | 131.80 | - | 117.34 |
| Exercisable at the end of the year | NA | 78.84 | - | 51.27 |
| Weighted Average Share price at the exercise date | NA | 47.61 | 49.91 | 39.61 |

Outstanding Options as at March 31, 2020 and 2019

| | Year ended March 31, 2020 | | Year ended March 31, 2019 | |
|---|---------------------------|------------|---------------------------|------------|
| | SAR 2019 | ESOP 2011 | ESOP 2010 | ESOP 2011 |
| Number of options outstanding | 11,230,000 | 21,126,689 | - | 20,588,627 |
| Weighted average strike price (₹) | 178.75 | 131.80 | - | 117.34 |
| Weighted average remaining lifetime of options (in years) | 3.18 | 0.54 | - | 0.55 |
| Number of employees covered under the scheme | 132 | 372 | - | 446 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

38. Employee stock option plans (*Continued*)**Options granted during FY 2019-20 and 2018-19**

| | Year ended March 31, 2020 | | Year ended March 31, 2019 | |
|---|---------------------------|-----------|---------------------------|-----------|
| | SAR 2019 | ESOP 2011 | ESOP 2010 | ESOP 2011 |
| Number of options granted | 11,625,000 | 4,085,000 | NA | 4,153,750 |
| Weighted average strike price (in ₹) | 180.26 | 168.04 | NA | 294.67 |
| Weighted average remaining lifetime of options (in years) | 4.00 | 3.50 | NA | 3.50 |
| Number of employees covered under the scheme | 132.00 | 216.00 | NA | 179.00 |
| Weighted Average Fair value per option (in ₹) | 85.08 | 81.21 | NA | 112.57 |
| Weighted Average Intrinsic value per option (in ₹) | 1.44 | 9.03 | NA | 2.59 |

Assumptions for Fair Value for FY 2019-20 and 2018-19

| | Year ended March 31, 2020 | | Year ended March 31, 2019 | |
|---|---------------------------|--------------------|---------------------------|------------------|
| | SAR 2019 | ESOP 2011 | ESOP 2010 | ESOP 2011 |
| Weighted average share price (in ₹) | 180.24 | 176.39 | NA | 116.93 |
| Weighted average strike price (in ₹) | 178.75 | 131.80 | NA | 117.34 |
| Weighted average remaining lifetime of options (in years) | 3.18 | 0.54 | NA | 0.55 |
| Expected volatility (% p.a.) | 56% - 62% p.a. | 56% - 62% p.a. | NA | 33% - 54% p.a. |
| Risk-free discount rate (% p.a.) | 5.4% - 6.9% p.a. | 5.4% - 6.8% p.a. | NA | 6.0% - 8.5% p.a. |
| Expected dividend yield (% p.a.) | 0.66% - 0.67% p.a. | 0.66% - 0.67% p.a. | NA | 0.4% - 3.1% p.a. |

Other Disclosures

| | Year ended March 31, 2020 | | | Year ended March 31, 2019 | | |
|---|---------------------------|-----------|--------|---------------------------|-----------|--------|
| | SAR 2019 | ESOP 2011 | Total | ESOP 2010 | ESOP 2011 | Total |
| Charges during the year due to share based payments | 148.93 | 242.03 | 390.96 | (2.57) | 228.04 | 225.47 |
| Changes in fair value of share based payments due to any modifications made during the year | - | - | - | - | - | - |
| Liability due for share based payments | 148.93 | 669.25 | 818.18 | - | 460.59 | 460.59 |
| Intrinsic value of the liability above | - | - | - | - | - | - |

39. Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 0.92 million (FY 2018-19: ₹ 2.94 million).

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

40. Contingent liabilities

- a. Claims against the Company not acknowledged as debt:
 - i. Income tax matters in respect of which appeal is pending is ₹ 11.30 million for the year (FY 2018-19: ₹ Nil).
 - ii. Service tax matters in respect of which appeal is pending is ₹ 534.36 million for the year (FY 2018-19: ₹ 534.36 million).
- b. Other claim not acknowledged as debt:

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with Income tax, service tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the reformatted Ind AS standalone financial information. The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favourable outcome in Appellate proceedings in the past and as advised by the tax advisors, company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote.

- c. Corporate/other guarantee not acknowledged as debt:

Corporate/other guarantee given by the Company on behalf of its subsidiary companies and to third party and Company which is outstanding as at March 31, 2020 and March 31, 2019 is given below:

| Sr. No | Nature of Guarantee | 2020 | 2019 |
|--------------|--|------------------|------------------|
| 1 | Guarantee to trustees of non convertible debentures and subsidiary for preference shares | 34,124.10 | 28,488.90 |
| 2 | Guarantee to Banks for loan taken by subsidiary company | 21,330.00 | 22,791.90 |
| 3 | Guarantee given for loan sold by subsidiary Company to Asset Re-construction Company | 35,570.00 | - |
| Total | | 91,024.10 | 51,280.80 |

During the year ended March 31, 2020 and March 31, 2019, ECL Finance, Edelweiss Finvest Private Limited, Edelweiss Retail Finance Limited and Edelweiss Housing Finance Limited (together 'subsidiaries') of the Company have sold certain financial assets aggregating to ₹ 53,140 million (net of provisions and losses) and ₹ 5,830 million (net of provisions of losses) respectively to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 47,650 million. Ind AS 109 - Financial Instruments, prescribed under section 133 of the Companies Act, 2013, requires substantial risks and rewards to be transferred for the purpose of de-recognition of such financial assets from these subsidiaries' reformatted Ind AS financial information. EFSL, the holding company, and Edelweiss Rural and Corporate Services Limited (ERCSL), a subsidiary, have guaranteed significant risks and assumed rewards in respect of financial assets aggregating to ₹ 35,570 million. As a result, these financial assets are de-recognized in subsidiaries' reformatted Ind AS financial information. Further, as the risks and rewards continues in the Group, these are accounted as financial assets in the Reformatted Ind AS Consolidated Financial information of the Group and the consequent expected credit loss, if any, will be recorded in the reformatted Ind AS financial information of ERCSL or the Company.

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

41. Details of dues to micro, small and medium enterprises

Trade Payables includes ₹ 0.90 million (FY 2018-19: ₹ Nil) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to “Suppliers” registered under this Act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

42. Disclosure of loans and advances given pursuant to requirements of Regulation 34(3) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

| Sr. no. | Entity | 2020 | | 2019 | |
|---------|--|------------------|--|------------------|--|
| | | Loan outstanding | Maximum amount outstanding during the year | Loan outstanding | Maximum amount outstanding during the year |
| 1 | Edelweiss Capital (Singapore) Pte. Limited | - | 2,019.05 | 1,972.34 | 3,037.88 |
| 2 | EC International Limited | - | 384.62 | 380.96 | 1,634.38 |
| 3 | Edelweiss Rural and Corporate Services Limited | - | 6.20 | - | 6,504.63 |

All the above loans are repayable on demand as per contracted terms.

43. Capital Management

The Company manages the capital structure by a balanced mix of debt and equity. The Company’s capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The Company maintains sound capitalisation both from an economic and regulatory perspective. The Company continuously monitors and adjusts overall capital demand and supply in an effort to achieve an appropriate balance of the economic and regulatory considerations at all times and from all perspectives. These perspectives include specific capital requirements from rating agencies.

Capital structure includes infusion in the form of equity and structured debt from strategic business partners in certain of Company’s subsidiaries to fund expansion and assist in achieving expected growth in the competitive market.

No changes were made in the objectives, policies or processes during the financial years ended March 31, 2020 and March 31, 2019.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment. Company monitors capital using debt-equity ratio, which is total debt divided by total equity.

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------|-------------------------|-------------------------|
| Total Debt | 1,466.63 | 3,660.63 |
| Equity | 34,545.70 | 33,516.01 |
| Debt to Equity | 0.04 | 0.11 |

44. Risk management

The Company has operations in India. Whilst risk is inherent in the Company’s activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company’s continuing profitability. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

44. Risk management (*Continued*)**Risk management structure**

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has appointed the Risk Committee which is responsible for monitoring the overall risk process within the Company and reports to the Audit Committee.

The Risk Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits.

The Company is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Company works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Credit risk

Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial /contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. The Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments. Credit risk is monitored using various internal risk management measures and within limits approved by the board within a framework of delegated authorities. It is managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers. Presently Company has credit exposure only to its subsidiaries where adequate control and monitoring is ensured.

Liquidity risk

Liquidity risk emanates from the possible mismatches due to differences in maturity and repayment profile of assets and liabilities. To avoid such a scenario, the Company has maintained cash reserves in the form of Fixed Deposits, Cash, Loans which are callable any time at the Company's discretion, etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. These would be to take care of immediate obligations while continuing to honour commitments as a going concern.

Analysis of financial assets and liabilities by remaining contractual maturities

The table below at note number 47 summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31. All OTC derivatives used for hedging are shown by maturity, based on their contractual undiscounted payment obligations. All exchange traded derivatives held for trading are analyzed based on expected maturity.

Market Risk:

Market risk is the risk which can affect the Company's profit/(loss) due to adverse movements in market prices of instrument due to interest rates, equity prices, foreign exchange rates. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters.

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

44. Risk management (*Continued*)**Market Risk: (*Continued*)**

Foreign exchange risk – Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's foreign exposure is limited to investments and loans to Group entities outside India. The Company aggregates the foreign exchange exposure emerging out of these loans and the same is hedged using OTC and exchange traded derivatives. Positions are regularly monitored by the Company and rebalanced/ rolled over based on the inflow and outflow of funds.

| Currency | 2019-20 | | | |
|----------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
| | Increase in currency rate (%) | Effect on profit before tax | Decrease in currency rate (%) | Effect on profit before tax |
| USD | 5 | (20.95) | 5 | 20.95 |

| Currency | 2018-19 | | | |
|----------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
| | Increase in currency rate (%) | Effect on profit before tax | Decrease in currency rate (%) | Effect on profit before tax |
| USD | 5 | (53.56) | 5 | 53.56 |

45. Fair Value measurement:**A. Valuation governance framework**

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

B. Fair value hierarchy

Fair values of financial assets and liabilities are determined according to the following hierarchy

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

C. Financial instruments not measured at fair value:

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade and other payables as on March 31, 2020 and March 31, 2019 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

45. Fair Value measurement: (*Continued*)

D. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

| As at March 31, 2020 | Level 1 | Level 2 | Level 3 | Total |
|--|-------------|---------------|---------|---------------|
| Assets measured at fair value on a recurring basis | | | | |
| Derivative financial instruments | | | | |
| Exchange-traded derivatives | - | - | - | - |
| Total derivative financial instruments - A | - | - | - | - |
| Investments | | | | |
| Equity instruments | 0.80 | 23.15 | - | 23.95 |
| Total investments measured at fair value - B | 0.80 | 23.15 | - | 23.95 |
| Total (A+B) | 0.80 | 23.15 | - | 23.95 |
| Liabilities measured at fair value on a recurring basis | | | | |
| Derivative financial instruments | | | | |
| Exchange-traded derivatives | 1.89 | - | - | 1.89 |
| OTC derivatives | - | - | - | - |
| Total derivative financial instruments | 1.89 | - | - | 1.89 |
| Total | 1.89 | - | - | 1.89 |
| As at March 31, 2019 | | | | |
| Assets measured at fair value on a recurring basis | | | | |
| Derivative financial instruments | | | | |
| Exchange-traded derivatives | 0.16 | - | - | 0.16 |
| OTC derivatives | - | - | - | - |
| Total derivative financial instruments - A | 0.16 | - | - | 0.16 |
| Investments | | | | |
| Equity instruments | 2.31 | 128.76 | - | 131.07 |
| Total investments measured at fair value - B | 2.31 | 128.76 | - | 131.07 |
| Total (A+B) | 2.47 | 128.76 | - | 131.23 |
| Liabilities measured at fair value on a recurring basis | | | | |
| Derivative financial instruments | | | | |
| Exchange-traded derivatives | 4.42 | - | - | 4.42 |
| OTC derivatives | - | 2.48 | - | 2.48 |
| Total derivative financial instruments | 4.42 | 2.48 | - | 6.90 |
| Total | 4.42 | 2.48 | - | 6.90 |

E. There have been no transfers between levels during the year ended March 31, 2020 and March 31, 2019.

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

45. Fair Value measurement: (*Continued*)**Note :**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

Unquoted equity instruments:

Equity instruments in non-listed entities are re-measured at each reporting date at valuation provided by external valuer at instrument level.

Derivatives:

The Company enters into certain derivative financial instruments primarily with banks with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly forward exchange contracts.

Exchange traded derivatives:

Company has entered into certain exchange-traded currency futures. The Company uses latest traded prices at the reporting date to value these derivatives and classifies these instruments as Level 1 in the hierarchy.

46. Maturity Analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

| Particulars | As at March 31, 2020 | | | As at March 31, 2019 | | |
|--|----------------------|--------------------|------------------|----------------------|--------------------|------------------|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| Financial Assets | | | | | | |
| Cash and cash equivalents | 13.66 | - | 13.66 | 109.98 | - | 109.98 |
| Bank balances other than cash and cash equivalents | 9.55 | - | 9.55 | 59.97 | - | 59.97 |
| Trade receivables | 618.94 | - | 618.94 | 527.62 | - | 527.62 |
| Loans | 6.73 | - | 6.73 | 2,538.68 | - | 2,538.68 |
| Investments | 8,314.63 | 26,358.24 | 34,672.87 | - | 33,392.51 | 33,392.51 |
| Other financial assets | 15.28 | 378.00 | 393.28 | 133.25 | 331.71 | 464.96 |
| Non-financial assets | | | | | | |
| Current tax assets (net) | - | 618.59 | 618.59 | - | 425.77 | 425.77 |
| Deferred tax assets (net) | - | 291.13 | 291.13 | - | 258.65 | 258.65 |
| Property, Plant and Equipment | - | 8.36 | 8.36 | - | 13.75 | 13.75 |
| Intangible assets under development | - | 9.16 | 9.16 | - | 9.96 | 9.96 |
| Other Intangible assets | - | 16.83 | 16.83 | - | 32.23 | 32.23 |
| Other non- financial assets | - | 161.63 | 161.63 | - | 132.69 | 132.69 |
| Total Assets | 8,978.79 | 27,841.94 | 36,820.73 | 3,369.50 | 34,597.27 | 37,966.77 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

46. Maturity Analysis of assets and liabilities (*Continued*)

| Particulars | As at March 31, 2020 | | | As at March 31, 2019 | | |
|---|----------------------|------------------|------------------|----------------------|------------------|------------------|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| Financial Liabilities | | | | | | |
| Derivative financial instruments | - | - | - | 2.48 | - | 2.48 |
| Trade payables | 81.20 | - | 81.20 | 106.90 | - | 106.90 |
| Debt securities | 734.12 | - | 734.12 | - | - | - |
| Borrowings (other than debt securities) | 732.51 | - | 732.51 | 3,660.63 | - | 3,660.63 |
| Other financial liabilities | 220.50 | 356.59 | 577.09 | 271.27 | 331.71 | 602.98 |
| Non-financial liabilities | | | | | | |
| Current tax liabilities (net) | - | 69.84 | 69.84 | - | 45.86 | 45.86 |
| Provisions | 1.36 | 7.72 | 9.08 | - | 10.27 | 10.27 |
| Other non-financial liabilities | 71.19 | - | 71.19 | 21.64 | - | 21.64 |
| Total Liabilities | 1,840.88 | 434.15 | 2,275.03 | 4,062.92 | 387.84 | 4,450.76 |
| Net | 7,137.91 | 27,407.79 | 34,545.70 | (693.42) | 34,209.43 | 33,516.01 |

Note :

The Company in addition to generating operating income from merchant banking activities, is also a holding Company of profitable subsidiaries involved in diversified businesses and receives dividend distribution at regular interval and will be comfortably able to meet its obligations at all points of time.

47. Remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31 March. All OTC derivatives used for hedging are shown by maturity, based on their contractual undiscounted payment obligations. All exchange traded derivatives held for trading are analyzed based on expected maturity.

A. Analysis of non-derivative financial liabilities and assets by remaining contractual maturities

| As at March 31, 2020 | Up to 3 months | Equal to or more than 6 months but less than 12 months | Equal to or more than 12 months but less than 3 years | Total |
|--|-----------------|--|---|-----------------|
| | | | | |
| Trade payables | 81.20 | - | - | 81.20 |
| Debt securities | 750.00 | - | - | 750.00 |
| Borrowings other than debt securities | 732.51 | - | - | 732.51 |
| Other financial liabilities | 220.50 | - | - | 220.50 |
| Total undiscounted non-derivative financial liabilities | 1,784.21 | - | - | 1,784.21 |
| | | | | |
| As at March 31, 2020 | Up to 3 months | Equal to or more than 6 months but less than 12 months | Equal to or more than 12 months but less than 3 years | Total |
| | | | | |
| Cash and cash equivalent and other bank balances | 23.21 | - | - | 23.21 |
| Trade receivables | 618.94 | - | - | 618.94 |
| Loans | 6.73 | - | - | 6.73 |
| Investments at fair value through profit or loss | 23.95 | - | - | 23.95 |
| Other financial assets | 15.28 | - | 21.41 | 36.69 |
| Total undiscounted non-derivative financial assets | 688.11 | - | 21.41 | 709.52 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

47. Remaining contractual maturities (*Continued*)A. Analysis of non-derivative financial liabilities and assets by remaining contractual maturities (*Continued*)

| As at March 31, 2019 | Up to 3 months | Equal to or more than 6 months but less than 12 months | Equal to or more than 12 months but less than 3 years | Total |
|--|-----------------|--|---|-----------------|
| Trade payables | 106.90 | - | - | 106.90 |
| Borrowings other than debt securities | 3,660.63 | - | - | 3,660.63 |
| Other financial liabilities | 271.27 | - | - | 271.27 |
| Total undiscounted non-derivative financial liabilities | 4,038.80 | - | - | 4,038.80 |

| As at March 31, 2019 | Up to 3 months | Equal to or more than 6 months but less than 12 months | Equal to or more than 12 months but less than 3 years | Total |
|---|-----------------|--|---|-----------------|
| Cash and cash equivalent and other bank balances | 169.95 | - | - | 169.95 |
| Trade receivables | 527.62 | - | - | 527.62 |
| Loans | 2,538.68 | - | - | 2,538.68 |
| Investments at fair value through profit or loss | 131.07 | - | - | 131.07 |
| Other financial assets | 82.91 | - | 50.34 | 133.25 |
| Total undiscounted non-derivative financial assets | 3,450.23 | - | 50.34 | 3,500.57 |

Note :

The Company in addition to generating operating income from merchant banking activities, is also a holding Company of profitable subsidiaries involved in diversified businesses and receives dividend distribution at regular interval and will be comfortably able to meet it's obligations at all points of time.

B. Maturity analysis for derivatives:

All derivatives which are entered into for trading purposes are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information has been given based on undiscounted cash flows.

| As at March 31, 2020 | Up to 3 months | Equal to or more than 6 months but less than 12 months | Equal to or more than 12 months but less than 3 years | Total |
|--|----------------|--|---|---------------|
| Net settled derivatives entered into for trading purposes | (1.89) | - | - | (1.89) |
| Other net settled derivatives (other than those entered into for trading purposes) | - | - | - | - |
| Total | (1.89) | - | - | (1.89) |

| As at March 31, 2019 | Up to 3 months | Equal to or more than 6 months but less than 12 months | Equal to or more than 12 months but less than 3 years | Total |
|--|----------------|--|---|---------------|
| Net settled derivatives entered into for trading purposes | (4.26) | - | - | (4.26) |
| Other net settled derivatives (other than those entered into for trading purposes) | (2.48) | - | - | (2.48) |
| Total | (6.74) | - | - | (6.74) |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

47. Remaining contractual maturities (*Continued*)

C. The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments.

| As at March 31, 2020 | Up to 3 months | Equal to or more than 6 months but less than 12 months | Equal to or more than 12 months but less than 3 years | Total |
|--------------------------------------|----------------|--|---|------------------|
| Financial guarantee contracts issued | - | 91,024.10 | - | 91,024.10 |
| Total | - | 91,024.10 | - | 91,024.10 |

| As at March 31, 2019 | Up to 3 months | Equal to or more than 6 months but less than 12 months | Equal to or more than 12 months but less than 3 years | Total |
|--------------------------------------|----------------|--|---|------------------|
| Financial guarantee contracts issued | - | 51,280.80 | - | 51,280.80 |
| Total | - | 51,280.80 | - | 51,280.80 |

Note :

- The Company has undrawn line of credit amounting to ₹ Nil as at March 31, 2020 (FY 2018-19 ₹ 2,000 Million).
- Outstanding Guarantees issued by the Company are reflected in the respective time bucket as these could be invoked any time on the Company. However, considering the credit-worthiness and soundness of the subsidiary companies on whose behalf these guarantees are given, they will be able to meet its obligations and hence the Company does not expect any devolvement of these guarantees on it.
- ECL Finance Limited, Edelweiss Finvest Private Limited, Edelweiss Retail Finance Limited (together 'subsidiaries') of the Company had initiated sale of certain financial assets before March 31, 2020 and for which definitive contracts were executed post the balance sheet date. These financial assets sold subsequent to March 31, 2020, amounted to ₹ 16,570 million to alternative assets fund and asset reconstruction companies trusts. As per Ind AS 109, Financial Instruments, prescribed under section 133 of the Companies Act, 2013 significant judgement is involved in classification of assets which has been accentuated on account of factors caused by COVID 19. Accordingly, management of these subsidiary companies assessed that such loans sold by these subsidiaries subsequent to March 31, 2020 had an increased risk but were not credit impaired. Of the above, on ₹ 8,450 million sold to alternative asset funds, the Company, has, vide a put agreement dated July 1, 2020, undertaken to purchase part of these financial assets amounting to ₹ 4,500 million under certain contingencies as per the agreement. Further, on financial assets amounting to ₹ 8,120 million sold to asset reconstruction trusts, the Company, and ERCSL, a subsidiary, have, guaranteed significant risks and assumed rewards in respect of an aggregate value of financial assets of ₹ 6,120 million. As at March 31, 2020, there are no impact on the reformatted Ind AS standalone financial information of the Company and on the Group's Reformatted Ind AS Consolidated Financial information other than expected credit loss already provided amounting to ₹ 5,560 million in the Reformatted Ind AS Consolidated Financial information.
- Pursuant to shareholders agreement between CDPQ Private Equity Asia Pte. Ltd. (CDPQ), Edelweiss Financial Services Limited (EFSL) the Company, has undertaken to make equity investment in ECL Finance (ECLF), a subsidiary company of an amount equivalent to losses, if any, incurred by ECLF on certain identified financial assets. CDPQ and the Company currently are in discussions on various matters in connection with such undertaking by the Company. Pending finalisation of these matters, the Company has determined that there is no commitment as at March 31, 2020.

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

48. Other Ind AS 115 disclosures -Revenue from contract with customers

Set out below is the disaggregation of the revenue from contracts with customers.

| Type of Services or service | March 31, 2020 | March 31, 2019 |
|--|----------------|-----------------|
| Advisory fees | 959.81 | 1,562.24 |
| Total revenue from contracts with customers | | |
| Geographical markets | | |
| India | 954.76 | 1,443.55 |
| Outside India | 5.05 | 118.69 |
| Total revenue from contracts with customers | 959.81 | 1,562.24 |
| Timing of revenue recognition | | |
| Services transferred at point in time | 959.81 | 1,562.24 |
| Services transferred over time | - | - |
| Total revenue from contract with customers | 959.81 | 1,562.24 |

Note :

The Company satisfies its performance obligations on completion of service with regards to investment banking, advisory and other fees. The payments on these contracts is due on completion of service, the contracts do not contain a significant financing component and the consideration is not variable.

Further, at the end of the reporting period, there are no unsatisfied performance obligations with respect to existing contracts.

49. Total market risk exposure

Fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. Such risks the market risk for the trading portfolio is managed and monitored based on a VaR methodology that reflects the interdependency between risk variables. Non-trading positions are managed and monitored using other sensitivity analyses.

| Particulars | As at March 31, 2020 | | | As at March 31, 2019 | | |
|--|----------------------|--------------|------------------|----------------------|---------------|------------------|
| | Carrying amount | Traded risk | Non-traded risk | Carrying amount | Traded risk | Non-traded risk |
| Assets | | | | | | |
| Cash and cash equivalent and other bank balances | 23.21 | - | 23.21 | 169.95 | - | 169.95 |
| Trade receivables | 618.94 | | 618.94 | 527.62 | | 527.62 |
| Loans at amortised cost | 6.73 | - | 6.73 | 2,538.68 | - | 2,538.68 |
| Financial investments- FVTPL | 23.95 | 23.95 | - | 131.07 | 131.07 | - |
| Financial investments- at cost | 34,648.92 | - | 34,648.92 | 33,261.44 | - | 33,261.44 |
| Other Financial assets | 393.28 | 15.28 | 378.00 | 464.96 | 82.91 | 382.05 |
| Total | 35,715.03 | 39.23 | 35,675.80 | 37,093.72 | 213.98 | 36,879.74 |
| Liability | | | | | | |
| Borrowings | | | | | | |
| (other than debt securities) | 732.51 | - | 732.51 | 3,660.63 | - | 3,660.63 |
| Derivative financial instruments | - | - | - | 2.48 | 2.48 | - |
| Debt securities | 734.12 | - | 734.12 | - | - | - |
| Trade payables | 81.20 | - | 81.20 | 106.90 | - | 106.90 |
| Other financial liabilities | 577.09 | - | 577.09 | 602.98 | - | 602.98 |
| Total | 2,124.92 | - | 2,124.92 | 4,372.99 | 2.48 | 4,370.51 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

50. Disclosure related to collateral

Following table sets out availability of Company's assets to support funding

| As at March 31, 2020 | Pledge as collateral | Available as collateral | Total carrying amount |
|---|----------------------|-------------------------|-----------------------|
| Cash and cash equivalent including bank balance | - | 23.21 | 23.21 |
| Trade receivables | - | 618.94 | 618.94 |
| Loans | - | 6.73 | 6.73 |
| Investments | - | 34,672.87 | 34,672.87 |
| Deposits- others | - | 21.41 | 21.41 |
| Margin placed with broker | - | 15.28 | 15.28 |
| Corporate guarantee fees receivable | - | 356.59 | 356.59 |
| Property, plant and equipment | - | 8.36 | 8.36 |
| Other non financial assets | - | 161.63 | 161.63 |
| Total assets | - | 35,885.02 | 35,885.02 |

| As at March 31, 2019 | Pledge as collateral | Available as collateral | Total carrying amount |
|---|----------------------|-------------------------|-----------------------|
| Cash and cash equivalent including bank balance | 50.00 | 119.95 | 169.95 |
| Trade receivables | - | 527.62 | 527.62 |
| Loans | - | 2,538.68 | 2,538.68 |
| Investments | - | 33,392.51 | 33,392.51 |
| Deposits- others | - | 50.34 | 50.34 |
| Margin placed with broker | - | 82.91 | 82.91 |
| Corporate guarantee fees receivable | - | 331.71 | 331.71 |
| Property, plant and equipment | - | 13.75 | 13.75 |
| Other non financial assets | - | 132.69 | 132.69 |
| Total assets | 50.00 | 37,190.16 | 37,240.16 |

51. Industry analysis - risk concentration for March 31, 2020

| Particulars | Financial services | Other | Total |
|--|--------------------|----------|------------------|
| Financial assets | | | |
| Cash and cash equivalent and other bank balances | 23.21 | - | 23.21 |
| Trade receivables | 618.94 | - | 618.94 |
| Loans | 6.73 | - | 6.73 |
| Investments | 34,672.87 | - | 34,672.87 |
| Other financial assets | 393.28 | - | 393.28 |
| Total | 35,715.03 | - | 35,715.03 |

Industry analysis - risk concentration for March 31, 2019

| Particulars | Financial services | Others | Total |
|--|--------------------|----------|------------------|
| Financial assets | | | |
| Cash and cash equivalent and other bank balances | 169.95 | - | 169.95 |
| Trade receivables | 527.62 | - | 527.62 |
| Loans | 2,538.68 | - | 2,538.68 |
| Investments | 33,392.51 | - | 33,392.51 |
| Other financial assets | 464.96 | - | 464.96 |
| Total | 37,093.72 | - | 37,093.72 |

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

(FY 2019-20)**52. COVID-19**

The COVID-19 pandemic outbreak across the world including India has resulted in most countries announcing lockdowns and quarantine measures that have sharply stalled economic activities across the world. The Indian Government too has imposed lockdowns starting from March 24, 2020. The Indian economy is impacted and would continue to be impacted by this pandemic and the resultant lockdown, due to the contraction in industrial and services output across small and large businesses. The impact of the COVID -19 pandemic on the Company's results, including credit quality and provisions, gain/loss on fair value changes, investment impairments, remains uncertain and dependent on the current and further spread of COVID -19, steps taken by the government and other regulators to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels.

As at 31 March 2020, the Company has sufficient capital and liquidity position. Asset quality is being reviewed as part of the risk management and provisioning assessment. With sufficient capital, liquidity and ability to raise funds, provides adequate support that Company would continue to fulfil all required contractual obligations. The management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. The Company would continue to focus on maintaining adequate capital and ensuring liquidity at all points in time.

In assessing the recoverability of loans, receivables, intangible assets, deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Since the situation is rapidly evolving, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor material changes in markets and future economic conditions.

**53. Subsequent event
(FY 2019-20)**

ECL Finance Limited, Edelweiss Finvest Private Limited, Edelweiss Retail Finance Limited (together 'subsidiaries') of the Company had initiated sale of certain financial assets before March 31, 2020 and for which definitive contracts were executed post the balance sheet date. These financial assets sold subsequent to March 31, 2020, amounted to ₹ 16,570 million to alternative assets fund and asset reconstruction companies trusts. As per Ind AS 109, Financial Instruments, prescribed under section 133 of the Companies Act, 2013 significant judgement is involved in classification of assets which has been accentuated on account of factors caused by COVID 19. Accordingly, management of these subsidiary companies assessed that such loans sold by these subsidiaries subsequent to March 31, 2020 had an increased risk but were not credit impaired. Of the above, on ₹ 8,450 million sold to alternative asset funds, the Company, has, vide a put agreement dated July 1, 2020, undertaken to purchase part of these financial assets amounting to ₹ 4,500 million under certain contingencies as per the agreement. Further, on financial assets amounting to ₹ 8,120 million sold to asset reconstruction trusts, the Company, and ERCSL, a subsidiary, have, guaranteed significant risks and assumed rewards in respect of an aggregate value of financial assets of ₹ 6,120 million. As at March 31, 2020, there are no impact on the reformatted Ind AS standalone financial information of the Company and on the Group's Reformatted Ind AS Consolidated Financial information other than expected credit loss already provided amounting to ₹ 5,560 million in the Reformatted Ind AS Consolidated Financial information.

54. The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

55. Previous year figures have been reclassified to conform to this year's classification.

Notes to the reformatted Ind AS standalone financial information (*Continued*)

(Currency: Indian rupees in million)

56. All amounts disclosed in the reformatted Ind AS standalone financial information and notes have been rounded off to the nearest million as per the requirements of Schedule III, unless otherwise stated.

(FY 2018-19)

57. The Board of Directors at their meeting held on May 14, 2019 have recommended a final dividend of ₹ 0.30 per equity share (on face value of ₹ 1 per equity share), subject to the approval of the members at the ensuing Annual General Meeting. In terms of Indian Accounting Standard (IND AS) 10 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016, the Company has not appropriated for the recommended final dividend (including tax) from the Statement of Profit and Loss for the year ended March 31, 2019.
58. These reformatted Ind AS standalone financial information have been approved for issue by the Board of Directors of the Company on 05 March 2021.

The accompanying notes are an integral part of reformatted Ind AS standalone financial information.

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

per Shrawan Jalan

Partner

Membership No: 102102

Rashesh Shah

Chairman, Managing Director & CEO

DIN: 00008322

Himanshu Kaji

Executive Director

DIN : 00009438

Sarju Simaria

Chief Financial Officer

Mumbai 05 March 2021

B Renganathan

EVP & Company Secretary

Mumbai 05 March 2021

| STANDALONE STATEMENT OF DIVIDEND | | | |
|--|---------|---|---|
| Particulars | | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| Equity Share Capital (₹ in Million) | | 934.41 | 932.67 |
| Face Value Per Equity Share (₹) | (a) | 1.00 | 1.00 |
| | | | |
| Interim Dividend on Equity Shares (₹ per Equity Share) | (b) | - | 1.10 |
| Interim Dividend on Equity Shares (₹ in Million) | | - | 975.88 |
| Interim Dividend Declared Rate (In %) | (c=b/a) | - | 110% |
| | | | |
| Final Dividend on Equity Shares (₹ per Equity Share) | (d) | - | 0.30 |
| Final Dividend on Equity Shares (₹ in Million) | | - | 266.51 |
| Final Dividend Declared Rate (In %) | (e=d/a) | - | 30% |

For and on behalf of the Board of Directors

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN : 00009438

Sarju Simaria
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai 05 March 2021

Auditors' Report on the reformatted consolidated statement of assets and liabilities as at March 31, 2018, 2017 and 2016 and reformatted consolidated profit and loss and cash flows for the each of the years ended March 31, 2018, 2017 and 2016 of Edelweiss Financial Services Limited (collectively, the "Reformatted Indian GAAP Consolidated Financial Information")

The Board of Directors
Edelweiss Financial Services Limited
Edelweiss House, Off. C.S.T. Road,
Kalina, Mumbai - 400 098

Dear Sirs / Madams,

1. We have examined the attached Reformatted Indian GAAP Consolidated Financial Information of Edelweiss Financial Services Limited (the "Company"), its subsidiary companies and associates (the Company, its subsidiaries and its associates together referred to as "the Group") as at March 31, 2018, 2017 and 2016 and for each of the years ended March 31, 2018, 2017 and 2016 annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed issue of Secured Redeemable Non-Convertible Debentures of face value of Rs. 1,000 each ("NCD"). The Reformatted Indian GAAP Consolidated Financial Information, which have been approved by the Debenture Fund Raising Committee of the Board of Directors of the Company, have been prepared by the Company in accordance with the requirements of:
 - a) Section 26 of Chapter III of The Companies Act, 2013, as amended (the "Act"); and
 - b) relevant provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ('the Regulations') issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act").

Management's Responsibility for the Reformatted Indian GAAP Consolidated Financial Information

2. The preparation of Reformatted Indian GAAP Consolidated Financial Information is based on audited financial statements of the Group prepared in accordance with the accounting principles generally accepted in India (referred to as "Indian GAAP"), including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, which are to be included in the Draft Prospectus and the Prospectus, is the responsibility of the Management of the Company for the purpose set out in paragraph 12 below. The Management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Reformatted Indian GAAP Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act and the Regulations.

Auditors' Responsibilities

3. We have examined such Reformatted Indian GAAP Consolidated Financial Information taking into consideration:
 - a) the terms of reference and our engagement agreed with you vide our engagement letter dated February 26, 2021, requesting us to carry out work on such Reformatted Indian GAAP Consolidated Financial Information in connection with the Company's Issue of NCDs;

- b) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (the "Guidance Note"); and
 - c) the requirements of Section 26 of the Act and the Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the Regulations in connection with the Issue of NCD.
4. The Company proposes to make an offer which comprises an issue of Secured Redeemable Non-Convertible Debentures of Rs. 1,000 each by the Company, as may be decided by the Board of Directors of the Company.

Reformatted Indian GAAP Consolidated Financial Information

5. The Reformatted Indian GAAP Consolidated Financial Information have been compiled by the management from:
- a) the audited consolidated financial statements of the Group as at and for the year ended March 31, 2018 prepared under Indian GAAP, which have been approved by the Board of Directors at their meeting held on May 03, 2018; and
 - b) the audited consolidated financial statements of the Group as at and for each of the years ended March 31, 2017 and 2016 prepared under Indian GAAP, which have been approved by the Board of Directors at their meetings held on May 17, 2017 and May 13, 2016 respectively.
6. For the purpose of our examination, we have relied on:
- a) Auditors' Report issued by Price Waterhouse Chartered Accountant LLP (PWC) dated May 03, 2018 on the consolidated financial statements of the Group as at and for the year ended March 31, 2018, respectively, as referred in Para 5 (a) above;
 - b) Auditors' Report issued by B S R & Associates LLP (BSR) dated May 17, 2017 and May 13, 2016 on the consolidated financial statements of the Group as at and for each of the years ended March 31, 2017 and 2016 respectively, as referred in Para 5 (b) above;
 - c) The consolidated financial statements of the Group as at and for the year ended March 31, 2018 were audited by PWC and the consolidated financial statements of the Group as at and for each of the years ended March 31, 2017 and 2016 were audited by BSR, whose audit reports have been relied upon by us and we have not carried out any additional procedures.
 - d) Examination report submitted by PWC dated November 10, 2020 on the Reformatted Consolidated Financial Information of the Group as at and for the year ended March 31, 2018 and consent letter issued by PWC dated March 5, 2021 and the Examination report submitted by BSR dated March 5, 2021 on the Reformatted Consolidated Financial Information under Indian GAAP of the Group as at and for each of the years ended March 31, 2017 and 2016. Our examination report included for the said years is based solely on these reports submitted by PWC and BSR (together referred as "Previous Auditors").
 - e) We draw attention to paragraph 8 to examination report submitted by PWC dated November 10, 2020 on the Reformatted Consolidated Financial Information of the Group as at and for the year ended March 31, 2018 which states that the PWC, have not audited any Financial Information of the Group as at any date or for any period subsequent to March 31, 2018. Accordingly, they do not express any opinion on the financial position, results of operations or cash flow of the Company as at any date or for any period subsequent to March 31, 2018.

Other matters

- a) As stated in examination report submitted by PWC on the Reformatted Consolidated Financial Information under Indian GAAP of the Group for the year ended March 31, 2018 dated November 10, 2020:
- did not audit the financial statements of 45 subsidiaries whose financial statements reflect total assets of Rs 149,945.85 million and net assets of Rs 27,403.25 million as at March 31, 2018, total revenue of Rs. 28,178.06 million, net loss of Rs 1,776.13 million and net cash flows amounting to Rs 924.27 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 51.48 million for the year ended March 31, 2018 as considered in the consolidated financial statements in respect of four associate companies, whose financial statements have not been audited by PWC. These financial statements have been audited by other auditors whose reports have been furnished to them by the Management, and their opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and associate companies and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and associate companies, is based solely on the reports of the other auditors.
 - the consolidated financial statements include the Group's share of net loss of Rs. 12.07 million for the period April 01, 2017 to August 22, 2017 as considered in the consolidated financial statements, in respect of one associate company whose financial statements have not been audited by PWC. These financial statements are unaudited and have been furnished to them by the Management, and their opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the associate company and their report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid associate company, is based solely on such unaudited financial statements. In their opinion and according to the information and explanations given to us by the Management, the financial statement is not material to the Group.
 - the auditors of Edelweiss Tokio Life Insurance Company Limited ('ETLCL'), a subsidiary of the Company, have reported in audit report that "the actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2018 is the responsibility of ETLCL's appointed Actuary ('the Appointed Actuary'). The actuarial valuation of these liabilities for the life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2018 has been duly certified by the Appointed Actuary and in his opinion, the assumption for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (the 'IRDAI' or 'Authority') and the Institute of Actuaries of India in concurrence with the Authority. The statutory auditors of ETLCL have relied upon Appointed Actuary's certificate in this regard for forming an opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists in financial statements of ETLCL.
 - have not examined the reformatted financial information of forty subsidiaries whose reformatted financial information reflect total assets of Rs 149,778.77 million and net assets of Rs 27,713.61 million as at March 31, 2018, total revenue of Rs. 28,128.11 million, net loss of Rs 1,618.10 million and net cash flows amounting to Rs 912.95 million for the year ended on that date, as considered in the Reformatted Consolidated Financial Information. The reformatted financial information have been examined by other auditors whose reports have been furnished to them by the Management, and their opinion on the Reformatted Consolidated Financial Information insofar as it relates to the amounts and disclosures included in respect of these subsidiaries insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

- have not examined the reformatted financial information of five subsidiaries whose reformatted financial information reflect total assets of Rs 167.07 million and net assets of Rs (310.33) million as at March 31, 2018, total revenue of Rs. 49.91 million, net loss of Rs 158.00 million and net cash flows amounting to Rs 11.32 million for the year ended on that date, as considered in the Reformatted Consolidated Financial Information. The Reformatted Consolidated Financial Information of the Group as of and for the year ended March 31, 2018 include the Group's share of net profit of Rs. 51.48 million in respect of four associate companies for the year ended March 31, 2018 and the Reformatted Consolidated Financial Information of the Group as of and for the year ended March 31, 2018 also include the Group's net loss of Rs. 12.07 million in respect of one associate company for the period April 01, 2017 to August 22, 2017, as considered in the Reformatted Consolidated Financial Information, in respect of these associate companies, whose reformatted financial information have not been examined by them. These reformatted financial information are unexamined and have been furnished to us by the Management, and our opinion on the Reformatted Consolidated Financial Information insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and associate companies insofar as it relates to the aforesaid subsidiaries and associate companies, is based solely on such unexamined reformatted financial information. In their opinion and according to the information and explanations given to us by the Management, this reformatted financial information are not material to the Group.
- The auditors of Edelweiss Tokio Life Insurance Company Limited ('ETLICL'), a subsidiary of the Company, have reported in their examination report that "the actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2018 is the responsibility of ETLICL's appointed Actuary ('the Appointed Actuary'). The actuarial valuation of these liabilities for the life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2018 has been duly certified by the Appointed Actuary and in his opinion, the assumption for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (the 'IRDAI' or 'Authority') and the Institute of Actuaries of India in concurrence with the Authority. The statutory auditors of ETLICL have relied upon Appointed Actuary's certificate in this regard for forming an opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists in financial statements of ETLICL".
- The auditors of Edelweiss General Insurance Company Limited ('EGICL'), a subsidiary of the Company, have reported in their examination report that The actuarial valuation for claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER), has been duly certified by the Company's Appointed Actuary in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (the "Authority") and the Institute of Actuaries of India in concurrence with the Authority and has been relied upon by them, as mentioned in "Other Matter" paragraph of our audit report on the financial statements of the Company as at and for the year ended March 31, 2018. Accordingly, their opinion on the internal financial controls over financial reporting does not include reporting on the adequacy and operating effectiveness of internal controls over actuarial liabilities.

PWC opinion is not modified in respect of the above matters.

b) As stated in examination report submitted by BSR on the Reformatted Consolidated Financial Information under Indian GAAP of the Group for each of the years ended March 31, 2017 and March 31, 2016, dated March 5, 2021:

- did not audited any Consolidated financial statements of the Group as of any date or for any period subsequent to 31 March 2017, although they have conducted an audit for the year ended 31 March 2017, the purpose and therefore the scope of the examination was to enable us to express an opinion on the financial statements as of 31 March 2017 and for the year then ended but not on the financial statements for any interim period within that year. Therefore, they are unable to and do not express any opinion on the financial position, results of operations, or cash flows as of any date or for any period, subsequent to 31 March 2017.
- did not audit the financial statements of 46 subsidiaries and 2 partnership firms whose financial statements reflects total assets of Rs. 93,519 million as at 31 March 2016, total revenues of Rs. 13,180 million and net cash outflow of Rs. 160 million for the year ended on that date as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of Rs. 88 million for the year ended 31 March 2016, as considered in the Consolidated Financial Statements, in respect of 5 associates, whose financial statements have not been audited by them. These financial statements have been audited by other auditors whose reports have been furnished to us by management, and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, partnership firms and associates, and their report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, partnership firms and associates, is based solely on the reports of the other auditors.
- the Consolidated Financial Statements of the Group as of and for the year ended March 31, 2016, also include the Group's share of net loss of Rs. 14 million for the year ended March 31, 2016, in respect of 3 associates, whose financial statements / financial information have not been audited by them. These financial statements / financial information are unaudited and have been furnished to us by management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on such unaudited financial statements / financial information. In their opinion and according to the information and explanation given to us by management, these financial statements/financial information are not material to the Group.
- The auditors of Edelweiss Tokio Life Insurance Company Limited ('ETLICL') a subsidiary of the Holding Company, have reported that the actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31 March 2016 has been duly certified by ETLICL's Appointed Actuary ('the Appointed Actuary'). The actuarial valuation of these liabilities for the life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31 March 2016 has been duly certified by the Appointed Actuary. The Appointed Actuary has certified to the life insurance subsidiary that in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority ('IRDA') and the Institute of Actuaries of India in concurrence with IRDA. The statutory auditors of ETLICL have relied upon Appointed Actuary's certificate in this regard.

- did not audit the financial statements of 49 subsidiaries and 2 partnership firms whose financial statements reflects total assets of Rs. 151,919 million as at 31 March 2017, total revenues of Rs. 22,457 million and net cash outflow of Rs. 1,277 million for the year ended on that date as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of Rs. 86 million for the year ended 31 March 2017, as considered in the Consolidated Financial Statements, in respect of 2 associates, whose financial statements have not been audited by them. These financial statements have been audited by other auditors whose reports have been furnished to us by management, and their opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, partnership firms and associates, and our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, partnership firms and associates, is based solely on the reports of the other auditors.
- The Consolidated Financial Statements of the Group as of and for the year ended March 31, 2017, also include the financial statement of an alternative investment fund whose financial statement reflects total assets of Rs. 131 million as at 31 March 2017, Nil revenues and net cash inflow of Rs. 6 million for the period ended on that date as considered in the Consolidated Financial Statements and the Group's share of net profit of Rs. 62 million for the year ended 31 March 2017, in respect of 3 associates, whose financial statements / financial information have not been audited by them. These financial statements / financial information are unaudited and have been furnished to us by management and their opinion on the Consolidated Financial Statements, in so far as it relates to these amounts and disclosures included in respect of this associates, and their report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on such unaudited financial statements/ financial information. In their opinion and according to the information and explanation given to us by management, this financial statements / financial information is not material to the Group.
- The auditors of Edelweiss Tokio Life Insurance Company Limited ('ETLICL'), a subsidiary of the Holding Company, have reported that the actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31 March 2017 is the responsibility of ETLICL's appointed Actuary ('the Appointed Actuary'). The actuarial valuation of these liabilities for the life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31 March 2017 has been duly certified by the Appointed Actuary and in his opinion, the assumption for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority ('IRDA') and the Institute of Actuaries of India in concurrence with IRDA. The statutory auditors of ETLICL have relied upon Appointed Actuary's certificate in this regard for forming an opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31 March 2017.

BSR opinion on the Consolidated Financial Statements for the year ended March 31, 2017 and March 31, 2016 is not modified in respect of these matters with respect to their reliance on the work done and the report of the other auditors.

7. Taking into consideration the requirements of Section 26 of Part I of Chapter III of the Act, the Regulations and the terms of our engagement agreed with you, and having placed reliance on the examination report provided by PWC dated November 10, 2020 and consent letter issued by PWC dated March 5, 2021 on the Reformatted Consolidated Financial Information under Indian GAAP of the Group as at and for the year ended March 31, 2018 and the examination report submitted by BSR dated March 5, 2021 on the Reformatted Consolidated Financial Information under Indian GAAP of the Group as at and for each of the years ended March 31, 2017 and 2016, we further report that:
- a) the Reformatted Consolidated Statement of assets and liabilities and notes forming part thereof, the Reformatted Consolidated Statement of profit and loss and notes forming part thereof, the Reformatted Consolidated Statement of cash flows ("Reformatted Indian GAAP Consolidated Financial Information") of the Group as at and for each of the years ended March 31, 2018, 2017 and 2016 have been examined by us, as set out in Annexure I to Annexure III to this report. These Reformatted Consolidated Financial Information under IGAAP, have been prepared after regrouping which is more fully described in Significant Accounting policies and notes (Refer Annexure IV & V).
 - b) based on our examination as above:
 - i) the Reformatted Indian GAAP Consolidated Financial Information have to be read in conjunction with the notes given in Annexure V; and
 - ii) the figures of earlier periods have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform to the classification adopted for the Reformatted Indian GAAP Consolidated Financial Information as at and for the year ended March 31, 2018.

Other Financial Information

8. At the Company's request, we have also examined the following other financial information proposed to be included in the Draft Prospectus and the Prospectus prepared by the Management and approved by the Board of Directors of the Company and annexed to this report relating to the Company, as at and for each of the years ended March 31, 2018, 2017 and 2016 and have placed reliance on the examination reports issued by PWC for the year ended March 31, 2018 and BSR for the year ended March 31, 2017 and 2016, respectively:
- Statement of dividend paid, enclosed as Annexure VI

Opinion

9. In our opinion and as per the reliance placed on the examination reports for the years ended March 31, 2018, 2017 and 2016 submitted by the Previous Auditors, the Reformatted Indian GAAP Consolidated Financial Information and the other financial information referred to in paragraph 8 above, as disclosed in the Annexures to this report, read with respective significant accounting policies disclosed in Annexure IV, and after making adjustments and regroupings as considered appropriate and disclosed has been prepared by the Company by taking into consideration the requirement of Section 26 of Part I of Chapter III of the Act and the Regulations.

Other matters

10. In the preparation and presentation of Reformatted Indian GAAP Consolidated Financial Information based on audited consolidated financial statements as referred to in paragraph 6 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 6 above.

11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. This report is intended solely for use of the management for inclusion in the Draft Prospectus and the Prospectus to be filed with Registrar of Companies, Mumbai, Maharashtra, SEBI, and BSE Limited in connection with the proposed Issue of NCD of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

UDIN: 21102102AAAACZ6469

per Shrawan Jalan

Partner

Membership No. 102102

Place: Mumbai

Date: March 5, 2021

Edelweiss Financial Services Limited
Reformatted Indian GAAP consolidated statement of assets and liabilities

Annexure I

| (Currency : Indian rupees in millions) | | Note | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-16 |
|--|---|------|--------------------|--------------------|--------------------|
| EQUITY AND LIABILITIES | | | | | |
| Shareholders' funds | | | | | |
| (a) | Share capital | 2.1 | 915.50 | 832.57 | 814.04 |
| (b) | Reserves and surplus | 2.2 | 65,790.97 | 42,421.02 | 35,914.00 |
| | | | 66,706.47 | 43,253.59 | 36,728.04 |
| Share application money pending allotment | | | | | |
| | | 2.38 | 25.08 | 40.94 | 20.58 |
| Minority interest | | | | | |
| | | 2.3 | 10,892.78 | 9,584.56 | 6,968.70 |
| Non-current liabilities | | | | | |
| (a) | Long-term borrowings | 2.4 | 2,73,060.50 | 1,69,874.07 | 1,01,036.43 |
| (b) | Other long term liabilities | 2.5 | 8,200.27 | 3,061.42 | 2,217.80 |
| (c) | Long-term provisions | 2.6 | 15,760.88 | 10,417.48 | 5,312.27 |
| | | | 2,97,021.65 | 1,83,352.97 | 1,08,566.50 |
| Current liabilities | | | | | |
| (a) | Short- term borrowings | 2.7 | 1,49,248.63 | 1,18,394.14 | 1,38,612.20 |
| (b) | Trade payables | 2.8 | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | | - | 1.50 | 0.56 |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 21,879.79 | 20,852.14 | 16,506.71 |
| (c) | Other current liabilities | 2.9 | 83,574.91 | 68,167.09 | 58,325.36 |
| (d) | Short-term provisions | 2.10 | 5,786.04 | 4,587.03 | 4,117.09 |
| | | | 2,60,489.37 | 2,12,001.90 | 2,17,561.92 |
| TOTAL | | | 6,35,135.35 | 4,48,233.96 | 3,69,845.74 |
| ASSETS | | | | | |
| Non -Current assets | | | | | |
| (a) | Fixed assets | | | | |
| | (i) Property, Plant and Equipment | 2.11 | 5,731.83 | 5,258.41 | 6,288.74 |
| | (ii) Intangible assets | 2.11 | 1,384.61 | 1,109.53 | 352.89 |
| | (iii) Capital work-in-progress | | 10.83 | 951.21 | 229.26 |
| | (iv) Intangible assets under development | | 410.82 | 58.35 | 73.56 |
| (b) | Non-current investments | 2.12 | 66,991.21 | 60,413.90 | 20,009.11 |
| (c) | Deferred tax assets (net) | 2.13 | 1,740.37 | 2,109.09 | 1,795.93 |
| (d) | Long-term loans and advances | 2.14 | 1,64,953.07 | 1,06,127.61 | 77,200.62 |
| (e) | Other non-current assets | 2.15 | 7,913.89 | 8,365.64 | 13,137.78 |
| | | | 2,49,136.63 | 1,84,393.74 | 1,19,087.89 |
| Current assets | | | | | |
| (a) | Current investments | 2.16 | 23,763.08 | 8,362.93 | 6,955.19 |
| (b) | Stock- in-trade | 2.17 | 1,61,919.70 | 1,06,524.04 | 1,15,119.12 |
| (c) | Trade receivables | 2.18 | 26,252.40 | 10,982.38 | 5,185.99 |
| (d) | Cash and bank balances | 2.19 | 39,258.82 | 26,181.91 | 19,340.05 |
| (e) | Short- term loans and advances | 2.20 | 1,08,555.05 | 94,867.79 | 90,601.92 |
| (f) | Other current assets | 2.21 | 26,249.67 | 16,921.17 | 13,555.58 |
| | | | 3,85,998.72 | 2,63,840.22 | 2,50,757.85 |
| TOTAL | | | 6,35,135.35 | 4,48,233.96 | 3,69,845.74 |

The accompanying notes are an integral part of the reformatted Indian GAAP consolidated financial information 1 to 2.65

As per our report of even date attached

For S R Batliboi & Co. LLP
Chartered Accountants
Firm's Registration No.: 301003E/E300005

For and on behalf of the Board of Directors

per Shrawan Jalan
Partner
Membership No.: 102102

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN: 00009438

Sarju Simaria
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai
05 March 2021

Mumbai
05 March 2021

Edelweiss Financial Services Limited
Reformatted Indian GAAP consolidated statement of profit and loss

Annexure II

| (Currency : Indian rupees in millions) | | For the year ended | For the year ended | For the year ended |
|---|------|--------------------|--------------------|--------------------|
| | Note | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
| Revenue from operations | | | | |
| Fee and commission income | 2.22 | 21,340.60 | 12,480.82 | 6,966.06 |
| Income from treasury | 2.23 | 5,780.28 | 6,893.77 | 3,279.88 |
| Interest income | 2.24 | 50,740.86 | 41,015.44 | 38,423.68 |
| Premium from insurance business | | 6,188.92 | 4,258.92 | 3,001.81 |
| Other operating revenue | 2.25 | 1,759.24 | 1,271.98 | 867.91 |
| Other income | 2.26 | 376.18 | 267.49 | 141.47 |
| Total revenue | | 86,186.08 | 66,188.42 | 52,680.81 |
| Expenses | | | | |
| Employee benefits expense | 2.27 | 13,549.11 | 11,021.54 | 8,821.27 |
| Finance costs | 2.28 | 35,295.22 | 28,096.99 | 26,200.89 |
| Depreciation and amortization expenses | 2.11 | 1,116.85 | 1,064.36 | 902.33 |
| Change in insurance policy liability | | 4,975.67 | 4,263.32 | 2,554.86 |
| Other expenses | 2.29 | 17,066.96 | 12,310.11 | 8,489.83 |
| Total expenses | | 72,003.81 | 56,756.32 | 46,969.18 |
| Profit before tax | | 14,182.27 | 9,432.10 | 5,711.63 |
| Tax expense: | | | | |
| Current tax | | 5,583.57 | 4,565.64 | 3,440.36 |
| Minimum alternate tax (MAT) | | (316.30) | (143.82) | (270.08) |
| Deferred tax | | 331.25 | (474.54) | (816.50) |
| Profit for the year | | 8,583.75 | 5,484.82 | 3,357.85 |
| Share in profit / (loss) of associate companies (net) | | 39.38 | 147.55 | 476.54 |
| Share of minority interest | | (278.17) | (460.69) | (309.44) |
| Profit for the year after minority interest | | 8,901.30 | 6,093.06 | 4,143.83 |
| Earnings per share (₹) (Face value ₹ 1 each) | | | | |
| - Basic | 2.32 | 10.11 | 7.26 | 5.01 |
| - Diluted | | 9.80 | 6.92 | 4.85 |

The accompanying notes are an integral part of the reformatted Indian GAAP consolidated financial information

1 to 2.65

As per our report of even date attached

For S R Batliboi & Co. LLP
Chartered Accountants
Firm's Registration No.: 301003E/E300005

For and on behalf of the Board of Directors

per Shrawan Jalan
Partner
Membership No.: 102102

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN: 00009438

Sarju Simaria
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai
05 March 2021

Mumbai
05 March 2021

| (Currency : Indian rupees in millions) | For the year ended 31-Mar-18 | For the year ended 31-Mar-17 | For the year ended 31-Mar-16 |
|---|------------------------------------|------------------------------------|------------------------------------|
| A Cash flow from operating activities | | | |
| Profit before tax (post share of profit in associate companies) | 14,221.65 | 9,579.65 | 6,188.17 |
| Adjustments for: | | | |
| Depreciation and amortisation expenses | 1,116.85 | 1,064.36 | 902.33 |
| Expense on employee stock option plans | - | - | (0.10) |
| Bad debts and advances written off | 4,269.99 | 2,447.90 | 792.40 |
| Provision for doubtful debts and advances | 776.89 | 296.22 | 206.44 |
| Provision for non-performing assets | 748.45 | 513.58 | 438.44 |
| Provision for standard assets and credit loss on securitisation | 401.48 | 299.61 | 162.71 |
| Provision for policyholders' liability | 4,975.67 | 4,263.32 | 2,554.86 |
| (Profit) / loss on sale of fixed assets (net) | (45.21) | 3.69 | (2.99) |
| Profit on sale of investment (net) | - | (100.61) | (3.27) |
| Provision for diminution in value of non-current investments | (82.10) | 248.00 | 230.43 |
| Amortised loan processing fees/origination cost | - | (4.55) | (23.07) |
| Finance costs | 12,010.20 | 9,464.79 | 10,264.50 |
| Operating cash flow before working capital changes | 38,393.87 | 28,075.96 | 21,710.85 |
| Adjustments for: | | | |
| Increase in trade receivables | (20,316.90) | (8,540.51) | (1,837.61) |
| (Increase) / decrease in stock-in-trade | (55,395.66) | 8,595.08 | (28,031.69) |
| (Increase) / decrease in loans and advances and other assets | (23,421.47) | 2,381.88 | (10,331.27) |
| Increase in receivable from financing activities | (57,491.62) | (37,122.90) | (25,577.38) |
| Increase in liabilities and provisions | 11,366.23 | 6,611.58 | 9,985.53 |
| Cash used in operations | (1,06,865.55) | 1.09 | (34,081.57) |
| Income taxes paid (net of refund) | (4,688.73) | (4,840.71) | (3,681.05) |
| Net cash used in operating activities - A | (1,11,554.28) | (4,839.62) | (37,762.62) |
| B Cash flow from investing activities | | | |
| Purchase of fixed assets | (1,387.80) | (2,304.40) | (1,206.23) |
| Proceeds from sale of fixed assets | 155.59 | 803.30 | 20.92 |
| (Purchase)/Sales of investments (Refer note 1 below) | (22,051.28) | (41,858.64) | 704.24 |
| Net cash used in investing activities - B | (23,283.49) | (43,359.74) | (481.07) |
| C Cash flow from financing activities | | | |
| Proceeds from issue of shares including premium and share application money (net of issue expenses) | 16,239.40 | 702.17 | 800.10 |
| Change in Minority interest | 2,024.04 | 4,066.70 | 5,417.92 |
| Proceeds from long / short term borrowings (Refer note 1 below) | 1,38,923.53 | 55,728.74 | 42,167.10 |
| Dividend and dividend distribution tax paid | (1,561.85) | (1,124.37) | (1,455.85) |
| Finance cost paid | (7,278.83) | (8,249.64) | (8,908.21) |
| Net cash generated from financing activities - C | 1,48,346.29 | 51,123.60 | 38,021.06 |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | 13,508.52 | 2,924.24 | (222.63) |
| Cash and cash equivalents as at the beginning of the year | 10,503.62 | 7,579.38 | 7,802.01 |
| Cash and cash equivalents as at the end of the year (Refer Note 2.49) | 24,012.14 | 10,503.62 | 7,579.38 |

Notes:

1. Net figures have been reported on account of volume of transactions.
2. The above reformatted Indian GAAP consolidated statement of cash flows has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014.
- 3 "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014.

The accompanying notes are an integral part of the reformatted Indian GAAP consolidated financial information.

As per our report of even date attached

For S R Batliboi & Co. LLP

Chartered Accountants

Firm's Registration No.: 301003E/E300005

For and on behalf of the Board of Directors

per Shrawan Jalan

Partner

Membership No.: 102102

Rashesh Shah

Chairman, Managing Director & CEO

DIN: 00008322

Himanshu Kaji

Executive Director

DIN: 00009438

Sarju Simaria

Chief Financial Officer

B Renganathan

EVP & Company Secretary

Mumbai

05 March 2021

Mumbai

05 March 2021

1 Significant accounting policies**1.1 Basis of preparation of reformatted Indian GAAP consolidated financial information*****(Financial Year 2017-18, 2016-17 and 2015-16)***

The Reformatted Indian GAAP consolidated Statement of Assets and Liabilities of Edelweiss Financial Services Limited ('the Company') as at 31 March 2018, 31 March 2017 and 31 March 2016 and the Reformatted Indian GAAP consolidated Profit and Loss and the Reformatted Indian GAAP consolidated Statement of Cash flows for the year ended 31 March 2018, 31 March 2017 and 31 March 2016 (together referred as 'Reformatted Indian GAAP consolidated Financial Information') have been extracted by the Management from the Consolidated Audited Indian GAAP Financial Statements of the Company for the year ended 31 March 2018, 31 March 2017 and 31 March 2016 ("Audited Indian GAAP Financial Statements").

The Reformatted Indian GAAP consolidated Financial Information have been prepared by the management in connection with the proposed listing of non-convertible debentures of the Company with BSE Limited and National Stock Exchange of India Limited (together 'the stock exchanges'), in accordance with the requirements of:

- a) Section 26 of the Companies Act, 2013; and
- b) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008 issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time read along with the SEBI circular CIR/IMD/DF/18/2013 dated October 29, 2013 (together referred to as the "SEBI Regulations").

The accompanying reformatted Indian GAAP consolidated financial information are prepared and presented in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Companies Act, 2013 (to the extent notified), the provisions of the Companies Act, 1956 (to the extent applicable) (hereinafter referred to as 'the Act') and the Schedule III to the Act. The reformatted Indian GAAP consolidated financial information are presented in Indian Rupees in millions.

1.2 Principles of consolidation***(Financial Year 2017-18, 2016-17 and 2015-16)***

- a) The reformatted Indian GAAP consolidated financial information relate to Edelweiss Financial Services Limited ('the Company') and its subsidiaries and associates (together 'the Group'). The reformatted Indian GAAP consolidated financial information have been prepared on the following basis:
 - In respect of subsidiaries, the reformatted Indian GAAP financial information have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after as far as possible eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard 21 - Consolidated Financial Statements.
 - In case of Associate Enterprises, the reformatted Indian GAAP financial information have been consolidated as per Accounting Standard 23 - Accounting for Investment in Associates.
 - Investments in subsidiaries where control is intended to be temporary or where the objective of control over the subsidiary is not to obtain economic benefits there from, have not been consolidated.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1.2 Principles of consolidation (continued)

- The reformatted Indian GAAP financial information of all subsidiaries incorporated outside India which are in the nature of non-integral foreign operations are converted on the following basis : (a) Income and expenses are converted at the average rate of exchange applicable for the period/year and (b) All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of period/year end translation is debited or credited as “Foreign Currency Translation Reserve” forming part of “Reserves and Surplus”.
 - The excess of cost over the Company’s share in equity and reserves of the subsidiaries is recognised in the reformatted Indian GAAP consolidated financial information as Goodwill. The excess of Company’s share in equity and reserves of the subsidiaries over the cost of acquisition is treated as Capital Reserve.
 - The share of minority interest in the net profit / loss of subsidiaries for the period/year is identified and adjusted against the income of the Group to arrive at the net income attributable to the Group.
 - The share of minority interest in net assets of subsidiaries is identified and presented in the reformatted Indian GAAP consolidated financial information separate from liabilities and the equity of the Group.
 - The reformatted Indian GAAP consolidated financial information are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate reformatted Indian GAAP financial information.
- b) Investments other than in subsidiaries and associates have been accounted as per Accounting Standard 13 – Accounting for Investments.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.2 Principles of consolidation (*Continued*)

- c) The subsidiaries and associates considered in the reformatted Indian GAAP consolidated financial information during 31 March 2018:

| Sr. No. | Name of the Entity | Country of Incorporation | Proportion of ownership interest as at 31 March 2018 |
|---------------------|--|--------------------------|--|
| Subsidiaries | | | |
| 1 | Edelweiss Securities Limited | India | 100.00% |
| 2 | Edelweiss Finance & Investments Limited | India | 100.00% |
| 3 | ECL Finance Limited | India | 100.00% |
| 4 | Edelweiss Global Wealth Management Limited | India | 100.00% |
| 5 | EC Global Limited ⁷ | Mauritius | 100.00% |
| 6 | Edelweiss Insurance Brokers Limited | India | 100.00% |
| 7 | Edelweiss Trustee Services Limited | India | 100.00% |
| 8 | Edelweiss Business Services Limited ³ | India | 100.00% |
| 9 | Edelcap Securities Limited ⁴ | India | 100.00% |
| 10 | Edelweiss Asset Management Limited | India | 100.00% |
| 11 | ECap Equities Limited | India | 100.00% |
| 12 | Edelweiss Broking Limited | India | 100.00% |
| 13 | Edelweiss Trusteeship Company Limited | India | 100.00% |
| 14 | Edelweiss Alternative Asset Advisors Limited | India | 95.00% |
| 15 | Edelweiss Housing Finance Limited ⁵ | India | 100.00% |
| 16 | Edelweiss Investment Adviser Limited | India | 100.00% |
| 17 | EC Commodity Limited | India | 100.00% |
| 18 | Edel Commodities Limited ⁵ | India | 100.00% |
| 19 | Edel Land Limited | India | 100.00% |
| 20 | Edelweiss Custodial Services Limited ¹ | India | 100.00% |
| 21 | EC International Limited | Mauritius | 100.00% |
| 22 | Edelweiss Capital (Singapore) Pte. Limited | Singapore | 100.00% |
| 23 | Edelweiss Alternative Asset Advisors Pte. Limited ⁶ | Singapore | 100.00% |
| 24 | Edelweiss International (Singapore) Pte. Limited ⁶ | Singapore | 100.00% |
| 25 | Aster Commodities DMCC ⁷ | United Arab Emirates | 100.00% |
| 26 | EAAA LLC ⁷ | Mauritius | 100.00% |
| 27 | EW Special Opportunities Advisors LLC ⁸ | Mauritius | 67.00% |
| 28 | EW India Special Assets Advisors LLC ⁸ | Mauritius | 90.00% |
| 29 | Edel Investments Limited | India | 100.00% |
| 30 | Edelweiss Tokio Life Insurance Company Limited | India | 51.00% |
| 31 | Edelweiss Investment Advisors Private Limited ⁶ | Singapore | 100.00% |
| 32 | Edelweiss Commodities Services Limited | India | 100.00% |
| 33 | Edelweiss Comtrade Limited ¹ | India | 100.00% |

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (Continued)

Annexure IV

1 Significant accounting policies (Continued)

1.2 Principles of consolidation (Continued)

- c) The subsidiaries and associates considered in the reformatted Indian GAAP consolidated financial information during 31 March 2018 (Continued):

| Sr. No. | Name of the Entity | Country of Incorporation | Proportion of ownership interest as at 31 March 2018 |
|-------------------|---|--------------------------|--|
| 34 | Edel Finance Company Limited | India | 100.00% |
| 35 | Edelweiss Capital Markets Limited ⁵ | India | 100.00% |
| 36 | EFSL Trading Limited ¹⁰ | India | 100.00% |
| 37 | EFSL Comtrade Limited ⁵ | India | 100.00% |
| 38 | Edelweiss Retail Finance Limited ¹² | India | 100.00% |
| 39 | Edelweiss Securities (Hong Kong) Private Limited ¹ | Hong Kong | 100.00% |
| 40 | Edelweiss Financial Services Inc ¹ | United States of America | 100.00% |
| 41 | Cross Border Synergy Pte. Limited ¹³ (formerly known as Edelweiss Commodities Pte. Limited) (upto December 06, 2017) | Singapore | 100.00% |
| 42 | Edelweiss Agri Value Chain Limited ⁵ | India | 100.00% |
| 43 | Edelweiss Multi Strategy Funds Management Private Limited | India | 100.00% |
| 44 | Edelweiss India Capital Management ⁹ | Mauritius | 100.00% |
| 45 | Edelweiss Multi Strategy Fund Advisors LLP ⁹ | India | 100.00% |
| 46 | Edelweiss Wealth Advisors LLP ⁵ | India | 100.00% |
| 47 | EFSL International Limited ⁷ | Mauritius | 100.00% |
| 48 | Edelweiss Financial Services (UK) Limited ¹ | United Kingdom | 100.00% |
| 49 | Edelweiss Holdings Limited | India | 100.00% |
| 50 | Edelweiss Tarim Urunleri Anonim Sirketi ¹³ (upto February 27, 2018) | Turkey | 100.00% |
| 51 | Edelweiss AIF Fund I - EW Clover Scheme - ¹ ¹² | India | 100.00% |
| 52 | Edelweiss General Insurance Company Limited | India | 100.00% |
| 53 | Edelweiss Finvest Private Limited ⁴ | India | 100.00% |
| 54 | Edelweiss Asset Reconstruction Company Limited ¹¹ | India | 74.80% |
| 55 | Edelweiss Private Equity Tech Fund ⁴ | India | 88.90% |
| 56 | Edelweiss Value and Growth Fund ⁴ | India | 88.90% |
| 57 | Edelweiss Securities (IFSC) Limited | India | 100.00% |
| 58 | EW SBI Crossover Advisors LLC (upto July 27, 2017) | India | 100.00% |
| 59 | Alternative Investment Market Advisors Private Limited ⁴ | India | 100.00% |
| Associates | | | |
| 60 | Allium Finance Private Limited ⁵ | India | 46.13% |
| 61 | Edelweiss Fund Advisors Private Limited | India | 40.00% |
| 62 | Dahlia Commodities Services Private Limited ¹ | India | 50.00% |
| 63 | Magnolia Commodities Services Private Limited ¹ | India | 50.00% |
| 64 | Aeon Credit Services India Private Limited (upto August 22, 2017) | India | 25.00% |

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.2 Principles of consolidation (*Continued*)

- c) The subsidiaries and associates considered in the reformatted Indian GAAP consolidated financial information during 31 March 2018 (*Continued*):
- ¹ held through Edelweiss Securities Limited
 - ² held through Edelweiss Finance & Investments Limited
 - ³ held through Edelweiss Broking Limited
 - ⁴ held through ECap Equities Limited
 - ⁵ held through Edelweiss Commodities Services Limited
 - ⁶ held through Edelweiss Capital (Singapore) Pte. Limited
 - ⁷ held through EC International Limited
 - ⁸ held through EAAA LLC
 - ⁹ held through Edelweiss Multi Strategy Funds Management Private Limited
 - ¹⁰ held through Edel Commodities Limited
 - ¹¹ held through Edelweiss Custodial Services Limited
 - ¹² held through Edelcap Securities Limited
 - ¹³ held through EFSL Comtrade Limited
- d) Edelgive Foundation, a 100% subsidiary and a company registered under section 8 of the Companies Act, 2013, with the sole objective of philanthropy, where no economic benefit shall be derived by the Group, has not been consolidated.
- e) With effect from 01 April 2017, Auris Corporate Centre Limited, Burlington Business Solutions Limited, Eternity Business Centre Limited, Olive Business Centre Limited and Serenity Business Park Limited have been merged with Ecap Equities Limited, a wholly owned subsidiary of the Company, pursuant to the scheme of arrangement approved by National Company Law Tribunal.
- f) With effect from 05 April 2017, Alternative Investment Market Advisors Private Limited became a subsidiary of the Company and has been consolidated from the said date.
- g) EW SBI Crossover Advisors LLC a subsidiary has been wound up on 27 July 2017 and has not been consolidated from the said date.
- h) With effect from 22 August 2017, Aeon Credit Services India Private Limited ceased to be an associate of the Company and has not been consolidated from the said date.
- i) With effect from 05 September 2017, Edelweiss Value and Growth Fund became a subsidiary of the Company and has been consolidated from the said date.
- j) The Company acquired 7.8% stake in ECL Finance Limited (a 92.2% subsidiary) from the minority stakeholders on 20 September 2017. Consequently, ECL Finance Limited has become a wholly owned subsidiary of the Company and accordingly consolidated.
- k) With effect from 06 December 2017, Cross Border Synergy Pte. Limited (formerly known as Edelweiss Commodities Pte. Limited) ceased to be a subsidiary of the Company and has not been consolidated from the said date.
- l) Edelweiss Tarim Urunleri Anonim Sirketi a subsidiary has been wound up on 27 February 2018 and has not been consolidated from the said date.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.2 Principles of consolidation (*Continued*)

- c) The subsidiaries and associates considered in the reformatted Indian GAAP consolidated financial information during 31st March 2017:

| Sr. No. | Name of the Entity | Country of Incorporation | Proportion of ownership interest as at 31 March 2017 |
|---------------------|--|--------------------------|--|
| Subsidiaries | | | |
| 1 | Edelweiss Securities Limited | India | 100.00% |
| 2 | Edelweiss Finance & Investments Limited | India | 100.00% |
| 3 | ECL Finance Limited | India | 92.20% |
| 4 | Edelweiss Global Wealth Management Limited | India | 100.00% |
| 5 | EC Global Limited ² | Mauritius | 100.00% |
| 6 | Edelweiss Insurance Brokers Limited | India | 100.00% |
| 7 | Edelweiss Trustee Services Limited | India | 100.00% |
| 8 | Edelweiss Business Services Limited ³ (formerly known as Edelweiss Web Services Limited) | India | 100.00% |
| 9 | Edelcap Securities Limited ⁴ | India | 100.00% |
| 10 | Edelweiss Asset Management Limited | India | 100.00% |
| 11 | ECap Equities Limited | India | 100.00% |
| 12 | Edelweiss Broking Limited | India | 100.00% |
| 13 | Edelweiss Trusteeship Company Limited | India | 100.00% |
| 14 | Edelweiss Alternative Asset Advisors Limited | India | 95.00% |
| 15 | Edelweiss Housing Finance Limited ⁵ | India | 100.00% |
| 16 | Edelweiss Investment Adviser Limited | India | 100.00% |
| 17 | EC Commodity Limited | India | 100.00% |
| 18 | Edel Commodities Limited ⁵ | India | 100.00% |
| 19 | Edel Land Limited | India | 100.00% |
| 20 | Edelweiss Custodial Services Limited ¹ | India | 100.00% |
| 21 | EC International Limited | Mauritius | 100.00% |
| 22 | Edelweiss Capital (Singapore) Pte. Limited | Singapore | 100.00% |
| 23 | Edelweiss Alternative Asset Advisors Pte. Limited ⁶ | Singapore | 100.00% |
| 24 | Edelweiss International (Singapore) Pte. Limited ⁶ | Singapore | 100.00% |
| 25 | Aster Commodities DMCC ⁷ | United Arab Emirates | 100.00% |
| 26 | EAAA LLC ⁷ | Mauritius | 100.00% |
| 27 | EW Special Opportunities Advisors LLC ⁸ | Mauritius | 67.00% |
| 28 | EW India Special Assets Advisors LLC ⁸ | Mauritius | 90.00% |
| 29 | Edel Investments Limited | India | 100.00% |
| 30 | Edelweiss Tokio Life Insurance Company Limited | India | 51.00% |
| 31 | Edelweiss Investment Advisors Private Limited ⁶ | Singapore | 100.00% |
| 32 | Edelweiss Commodities Services Limited | India | 100.00% |
| 33 | Edelweiss Comtrade Limited ¹ | India | 100.00% |
| 34 | Edel Finance Company Limited ³ | India | 100.00% |
| 35 | Edelweiss Capital Markets Limited ⁵ | India | 100.00% |
| 36 | EW SBI Crossover Advisors LLC ⁸ | Mauritius | 100.00% |
| 37 | EFSL Trading Limited ¹⁰ (formerly known as EFSL Commodities Limited) | India | 100.00% |
| 38 | Edel Commodities Trading Limited (upto November 17, 2016) | India | - |
| 39 | EFSL Comtrade Limited ⁵ | India | 100.00% |

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (Continued)

Annexure IV

1. Significant accounting policies (Continued)

1.2 Principles of consolidation (Continued)

- c) The subsidiaries and associates considered in the reformatted Indian GAAP consolidated financial information during 31 March 2017 (Continued):

| Sr. No. | Name of the Entity | Country of Incorporation | Proportion of ownership interest as at 31 March 2017 |
|-------------------|--|--------------------------|--|
| 40 | Edelweiss Retail Finance Limited ¹² | India | 100.00% |
| 41 | Edelweiss Securities (Hong Kong) Private Limited ¹ | Hong Kong | 100.00% |
| 42 | Edelweiss Metals Limited (upto June 30, 2016) | India | - |
| 43 | Edelweiss Financial Services Inc ¹ | United States of America | 100.00% |
| 44 | Edelweiss Commodities Pte. Limited ¹⁴ | Singapore | 100.00% |
| 45 | Edelweiss Commodities Nigeria Limited (upto November 17, 2016) | Nigeria | - |
| 46 | Edelweiss Agri Value Chain Limited ⁵ | India | 100.00% |
| 47 | Edelweiss Multi Strategy Funds Management Private Limited (formerly known as Forefront Capital Management Private Limited) | India | 100.00% |
| 48 | Edelweiss India Capital Management ⁹ | Mauritius | 100.00% |
| 49 | Edelweiss Multi Strategy Fund Advisors LLP ⁹ (formerly known as Forefront Alternate Investment Advisors LLP) | India | 100.00% |
| 50 | Edelweiss Wealth Advisors LLP ⁵ (formerly known as Forefront Wealth Advisors LLP) | India | 100.00% |
| 51 | Auris Corporate Centre Limited ⁴ | India | 100.00% |
| 52 | Olive Business Centre Limited ⁴ | India | 100.00% |
| 53 | Eternity Business Centre Limited ⁴ | India | 100.00% |
| 54 | Serenity Business Park Limited ⁴ | India | 100.00% |
| 55 | Burlington Business Solutions Limited ⁴ | India | 100.00% |
| 56 | Edelweiss Commodities (CHAD) SARL (upto November 17, 2016) | Chad | - |
| 57 | EFSL International Limited ⁷ | Mauritius | 100.00% |
| 58 | Edelweiss Financial Services (UK) Limited ¹ | United Kingdom | 100.00% |
| 59 | Edelweiss Holdings Limited | India | 100.00% |
| 60 | Edelweiss Tarim Urunleri Anonim Sirketi ¹⁴ | Turkey | 100.00% |
| 61 | Edelweiss AIF Fund I - EW Clover Scheme - 1 ¹² | India | 100.00% |
| 62 | Edelweiss General Insurance Company Limited | India | 100.00% |
| 63 | Edelweiss Finvest Private Limited ⁴ (formerly known as Arum Investments Private Limited) | India | 100.00% |
| 64 | Edelweiss Asset Reconstruction Company Limited ¹¹ | India | 74.80% |
| 65 | Edelweiss Private Equity Tech Fund ⁴ | India | 88.90% |
| 66 | Edelweiss Securities (IFSC) Limited | India | 100.00% |
| Associates | | | |
| 67 | Allium Finance Private Limited ⁵ | India | 46.13% |
| 68 | Edelweiss Fund Advisors Private Limited | India | 40.00% |
| 69 | Dahlia Commodities Services Private Limited ¹ | India | 50.00% |
| 70 | Magnolia Commodities Services Private Limited ¹ | India | 50.00% |
| 71 | Aeon Credit Services India Private Limited ¹³ | India | 25.00% |

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1. Significant accounting policies (*Continued*)

1.2 Principles of consolidation (*Continued*)

- c) The subsidiaries and associates considered in the reformatted Indian GAAP consolidated financial information during 31 March 2017 (*Continued*):
- ¹ held through Edelweiss Securities Limited
 - ² held through Edelweiss Finance & Investments Limited
 - ³ held through Edelweiss Broking Limited
 - ⁴ held through ECap Equities Limited
 - ⁵ held through Edelweiss Commodities Services Limited
 - ⁶ held through Edelweiss Capital (Singapore) Pte. Limited
 - ⁷ held through EC International Limited
 - ⁸ held through EAAA LLC
 - ⁹ held through Edelweiss Multi Strategy Funds Management Private Limited
 - ¹⁰ held through Edel Commodities Limited
 - ¹¹ held through Edelweiss Custodial Services Limited
 - ¹² held through Edelcap Securities Limited
 - ¹³ held through ECL Finance Limited
 - ¹⁴ held through EFSL Comtrade Limited
- d) Edelgive Foundation, a 100% subsidiary and a company registered under section 8 of the Companies Act, 2013, with the sole objective of philanthropy, where no economic benefit shall be derived by the Group, has not been consolidated.
- e) With effect from 30 June 2016, Edelweiss Metals Limited ceased to be a subsidiary of the Company and has not been consolidated from the said date.
- f) With effect from 16 September 2016, Edelweiss Asset Reconstruction Company Limited, formerly an associate, has become a wholly owned subsidiary of the Company and has been accordingly consolidated from the said date. (Refer note 2.54)
- g) With effect from 17 November 2016, Edel Commodities Trading Limited, Edelweiss Commodities Nigeria Limited and Edelweiss Commodities (CHAD) SARL ceased to be subsidiaries of the Company and have not been consolidated from the said date.
- h) With effect from 21 November 2016, Edelweiss Private Equity Tech Fund became a subsidiary of the Company and has been consolidated from the said date.
- i) With effect from 23 December 2016, Edelweiss Securities (IFSC) Limited became a subsidiary of the Company and has been consolidated from the said date.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

- c) The subsidiaries and associates considered in the reformatted Indian GAAP consolidated financial information during 31 March 2016:

| Sr. No. | Name of the Entity | Country of Incorporation | Proportion of ownership interest as at 31 March 2016 |
|---------------------|--|--------------------------|--|
| Subsidiaries | | | |
| 1 | Edelweiss Securities Limited | India | 100.00% |
| 2 | Edelweiss Finance & Investments Limited | India | 100.00% |
| 3 | ECL Finance Limited | India | 92.20% |
| 4 | Edelweiss Global Wealth Management Limited | India | 100.00% |
| 5 | EC Global Limited ² | Mauritius | 100.00% |
| 6 | Edelweiss Insurance Brokers Limited | India | 100.00% |
| 7 | Edelweiss Trustee Services Limited | India | 100.00% |
| 8 | Edelweiss Web Services Limited ³ | India | 100.00% |
| 9 | Edelcap Securities Limited ⁴ | India | 100.00% |
| 10 | Edelweiss Asset Management Limited | India | 100.00% |
| 11 | ECap Equities Limited | India | 100.00% |
| 12 | Edelweiss Broking Limited | India | 100.00% |
| 13 | Edelweiss Trusteeship Company Limited | India | 100.00% |
| 14 | Edelweiss Alternative Asset Advisors Limited | India | 95.00% |
| 15 | Edelweiss Housing Finance Limited ⁵ | India | 100.00% |
| 16 | Edelweiss Investment Adviser Limited | India | 100.00% |
| 17 | EC Commodity Limited | India | 100.00% |
| 18 | Edel Commodities Limited ⁵ | India | 100.00% |
| 19 | Edel Land Limited | India | 100.00% |
| 20 | Edelweiss Custodial Services Limited ¹ | India | 100.00% |
| 21 | EC International Limited | Mauritius | 100.00% |
| 22 | Edelweiss Capital (Singapore) Pte. Limited | Singapore | 100.00% |
| 23 | Edelweiss Alternative Asset Advisors Pte. Limited ⁶ | Singapore | 100.00% |
| 24 | Edelweiss International (Singapore) Pte. Limited ⁶ | Singapore | 100.00% |
| 25 | Aster Commodities DMCC ⁷ | United Arab Emirates | 100.00% |
| 26 | EAAA LLC ⁷ | Mauritius | 100.00% |
| 27 | EW Special Opportunities Advisors LLC ⁸ | Mauritius | 67.00% |
| 28 | EW India Special Assets Advisors LLC ⁸ | Mauritius | 90.00% |
| 29 | Edel Investments Limited | India | 100.00% |
| 30 | Edelweiss Tokio Life Insurance Company Limited | India | 51.00% |
| 31 | Edelweiss Investment Advisors Private Limited ⁶ | Singapore | 100.00% |
| 32 | Edelweiss Commodities Services Limited | India | 100.00% |
| 33 | Edelweiss Comtrade Limited ¹ | India | 100.00% |
| 34 | Edel Finance Company Limited ³ | India | 100.00% |
| 35 | Edelweiss Capital Markets Limited ⁵ | India | 100.00% |
| 36 | EW SBI Crossover Advisors LLC ⁸ | Mauritius | 100.00% |
| 37 | EFSL Commodities Limited ¹⁰ | India | 100.00% |
| 38 | Edel Commodities Trading Limited ¹⁰ | India | 100.00% |
| 39 | EFSL Comtrade Limited ⁵ | India | 100.00% |

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.2 Principles of consolidation (*Continued*)

- c) The subsidiaries and associates considered in the reformatted Indian GAAP consolidated financial information during 31 March 2016 (*Continued*):

| Sr. No. | Name of the Entity | Country of Incorporation | Proportion of ownership interest as at 31 March 2016 |
|-------------------|--|--------------------------|--|
| 40 | Edelweiss Retail Finance Limited ¹² | India | 100.00% |
| 41 | Edelweiss Securities (Hong Kong) Private Limited ¹ | Hong Kong | 100.00% |
| 42 | Edelweiss Metals Limited ⁵ | India | 100.00% |
| 43 | Edelweiss Financial Services Inc ¹ | United States of America | 100.00% |
| 44 | Edelweiss Commodities Pte. Limited ¹⁴ | Singapore | 100.00% |
| 45 | Edelweiss Commodities Nigeria Limited ¹⁴ | Nigeria | 100.00% |
| 46 | Edelweiss Agri Value Chain Limited ⁵ (formerly known as Edelweiss Integrated Commodity Management Limited) | India | 100.00% |
| 47 | Forefront Capital Management Private Limited | India | 100.00% |
| 48 | Edelweiss India Capital Management ⁹ (formerly known as Forefront India Capital Management) | Mauritius | 100.00% |
| 49 | Forefront Alternate Investment Advisors LLP ⁹ | India | 100.00% |
| 50 | Forefront Wealth Advisors LLP ⁵ | India | 100.00% |
| 51 | Auris Corporate Centre Limited ³ | India | 100.00% |
| 52 | Olive Business Centre Limited ² | India | 100.00% |
| 53 | Eternity Business Centre Limited ⁵ | India | 100.00% |
| 54 | Serenity Business Park Limited ⁵ | India | 100.00% |
| 55 | Burlington Business Solutions Limited ¹ | India | 100.00% |
| 56 | Edelweiss Commodities (CHAD) SARL ¹⁴ | Chad | 100.00% |
| 57 | EFSL International Limited ⁷ | Mauritius | 100.00% |
| 58 | Edelweiss Financial Services (UK) Limited ¹ | United Kingdom | 100.00% |
| 59 | Edelweiss Holdings Limited | India | 100.00% |
| 60 | Edelweiss Tarim Urunleri Anonim Sirketi ¹⁴ | Turkey | 100.00% |
| 61 | Edelweiss AIF Fund I - EW Clover Scheme - 1 ¹² | India | 100.00% |
| 62 | Edelweiss General Insurance Company Limited | India | 100.00% |
| 63 | Arum Investments Private Limited ⁴ | India | 100.00% |
| Associates | | | |
| 64 | Allium Finance Private Limited ⁵ | India | 46.13% |
| 65 | Edelweiss Asset Reconstruction Company Limited ¹¹ | India | 47.41% |
| 66 | Edelweiss Fund Advisors Private Limited | India | 40.00% |
| 67 | Dahlia Commodities Services Private Limited ¹ | India | 50.00% |
| 68 | Magnolia Commodities Services Private Limited ¹ | India | 50.00% |
| 69 | Aeon Credit Services India Private Limited ¹³ | India | 25.00% |

¹ held through Edelweiss Securities Limited

² held through Edelweiss Finance & Investments Limited

³ held through Edelweiss Broking Limited

⁴ held through ECap Equities Limited

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.2 Principles of consolidation (*Continued*)

- c) The subsidiaries and associates considered in the reformatted Indian GAAP consolidated financial information during 31 March 2016 (*Continued*):
 - ⁵ held through Edelweiss Commodities Services Limited
 - ⁶ held through Edelweiss Capital (Singapore) Pte. Limited
 - ⁷ held through EC International Limited
 - ⁸ held through EAAA LLC
 - ⁹ held through Forefront Capital Management Private Limited
 - ¹⁰ held through Edel Commodities Limited
 - ¹¹ held through Edelweiss Custodial Services Limited
 - ¹² held through Edelcap Securities Limited
 - ¹³ held through ECL Finance Limited
 - ¹⁴ held through EFSL Comtrade Limited
- d) Edelgive Foundation, a 100% subsidiary and a company registered under section 8 of the Companies Act, 2013, with the sole objective of philanthropy, where no economic benefit shall be derived by the Group, has not been consolidated.
- e) With effect from 28 July 2015, EFSL International Limited became a subsidiary of the Company and has been consolidated from the said date.
- f) With effect from 6 August 2015 EW Clover Scheme – 1 became a subsidiary of the Company and has been consolidated from the said date.
- g) With effect from 27 August 2015 Edelweiss Financial Services (UK) Limited became a subsidiary of the Company and has been consolidated from the said date.
- h) With effect from 8 December 2015 Edelweiss Holdings Limited became a subsidiary of the Company and has been consolidated from the said date.
- i) With effect from 27 January 2016 Edelweiss Tarim Urunleri Anonim Sirketi became a subsidiary of the Company and has been consolidated from the said date.
- j) Pursuant to additional infusion of equity capital by Tokio Marine & Nichido Fire Insurance Co., Limited with effect from 02 February 2016, Company's share in Edelweiss Tokio Life Insurance Company Limited has reduced from 76% to 51%.
- k) With effect from 2 March 2016 Edelweiss General Insurance Company Limited became a subsidiary of the Company and has been consolidated from the said date.
- l) With effect from 31 March 2016 Arum Investments Private Limited, formerly an associate, has become a wholly owned subsidiary of the Company and has been accordingly consolidated from the said date.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.3 Use of estimates

(Financial Year 2017-18, 2016-17 and 2015-16)

The preparation of the reformatted Indian GAAP consolidated financial information in conformity with the GAAP requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities on the date of the reformatted Indian GAAP financial information and reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying reformatted Indian GAAP consolidated financial information are based upon management's evaluation of the relevant facts and circumstances as on the date of the reformatted Indian GAAP financial information. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.4 Current / non-current classification

(Financial Year 2017-18, 2016-17 and 2015-16)

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle or it is held primarily for the purpose of being traded or it is expected to be realized within 12 months after the reporting date or it is cash or cash equivalent unless it is restricted from being exchanged or expected to be used to settle a liability for at least 12 months after the reporting date. Current assets include the current portion of non-current assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it is expected to be settled in the Company's normal operating cycle or it is held primarily for the purpose of being traded or it is due to be settled within 12 months after the reporting date or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current liabilities. All other liabilities are classified as non-current.

1.5 Revenue recognition

(Financial Year 2017-18, 2016-17 and 2015-16)

- a) Fee income including investment banking, advisory fees, syndication fees, processing fees (other than on housing loans and loans against property) and other fees is accounted for on an accrual basis in accordance with the terms and contracts entered into between the Group and the counterparty.
- b) In case of housing loans and loans against property, processing fees is amortized over a period of seven years (for Financial Year 2016-17 & 2015-16 pre-determined tenor arrived on an industry average) or original contractual tenor, whichever is shorter. In the event of a loan being foreclosed or written off, the unamortized portion of such processing fees is recognised as income at the time of such foreclosure or write-off. The unamortized balance is disclosed under "Other current liabilities" and "Other long-term liabilities" based on amortisable tenor.
- c) Brokerage income on securities and commodities broking business is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date and is reflected net of related sub-brokerage expenses, service tax, transaction charges and stock exchange expenses. Brokerage income on insurance broking business is recognised on an accrual basis at the inception of the insurance policy once the policy is issued by the insurance company based on the terms agreed with the insurance companies and is exclusive of service tax.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.5 Revenue recognition (*Continued*)

- d) Investment management fees are recognised net of service tax /(for Financial Year 2017-18 goods and service tax ("GST")) on an accrual basis in accordance with the Investment Management Agreement with Edelweiss Mutual Fund ('the mutual fund') and comply with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 based on average Assets Under Management ('AUM') confirmed by the mutual fund.
- e) Portfolio management fees are recognised on an accrual basis in accordance with portfolio management agreement entered with respective clients.
- f) Revenue from fund management services (excluding mutual fund business) is recognised in accordance with the terms and conditions of the investment management agreement between the Group and the Fund for which the Group acts as a fund manager.
- g) Revenue from rendering of trustee services is recognised in accordance with the terms and conditions of the Compensation Agreement between the trustee company and the fund. The amount recognised as revenue is exclusive of service tax/GST.
- h) Income from treasury comprises of profit/loss on sale of securities and commodities and profit/loss on derivative instruments.

- i) Profit/loss on sale of securities and commodities is determined based on the weighted average cost of the securities/commodities sold. Commodities sales are accounted when all obligations connected with the transfer of risks and rewards to the buyer have been fulfilled after the price has been determined and collection of the receivable is reasonably certain.

Sale during the course of import by transfer of documents of title i.e. high seas sale is booked upon transfer of documents of title to the goods in favour of buyer before the goods cross the custom frontiers of India.

- ii) Realised profit/loss on closed positions of derivative instruments is recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts (for Financial Year 2016-17 and 2015-16 - in the nature of forwards/future/options) are measured at fair value as at each Balance Sheet date. Fair value of derivatives is determined using quoted market prices in an actively traded market for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases, the valuation techniques used as input parameters are observable market data in order to ensure reliability of the fair value measure.
- iii) In respect of currency forward contracts entered with banks, the premium or discount arising at the inception of the contract is amortized over the life of the contract in the reformatted Indian GAAP consolidated statement of profit and loss. The difference in the opening and closing exchange rate as on the Balance Sheet date rates (mark to market) is recognised in the reformatted Indian GAAP consolidated statement of profit and loss. Any profit or loss arising on cancellation or renewal of such contracts is recognised in the reformatted Indian GAAP consolidated statement of profit and loss.

(For Financial Year 2017-18)

In respect of currency derivatives, realised profit/loss on maturity/termination of contract is recognised as 'Profit/loss on currency derivatives' in the reformatted Indian GAAP consolidated statement of profit and loss. Positions open as on Balance sheet date are marked to market and profit / (loss) is recognised in the reformatted Indian GAAP consolidated statement of profit and loss.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.5 Revenue recognition (*Continued*)

- iv) In respect of interest rate derivatives, realised profit/loss on maturity/termination of contract is recognised as 'Profit on interest rate derivatives' in the reformatted Indian GAAP consolidated statement of profit and loss and the realised profit/loss on settlement during contract period is recognised as 'Interest income others' in reformatted Indian GAAP consolidated statement of profit and loss. Positions open as on the Balance Sheet date are marked to market and recognised in the reformatted Indian GAAP consolidated statement of profit and loss.

In accordance with 'Guidance Note on Accounting for Derivative Contracts' issued by the Institute of Chartered Accountants of India effective from 1 April 2016, the Company recognises all mark to market gains or losses on derivative contracts in the reformatted Indian GAAP consolidated statement of profit and loss.

- v) Profit/loss on error trades in broking business is included in "Income from treasury".
- i) Interest income is recognised on accrual basis. Interest income in case of lending business is recognised on accrual basis except in case of non- performing assets, wherein it is accounted on realisation, as per RBI guidelines and National Housing Bank (NHB) guidelines. In case of commercial papers, deep discount bonds and certificate of deposits, the difference between the acquisition cost and redemption value are amortised on time basis and recognised as interest income.
- j) Profit/loss earned on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.
- k) Warehouse income and Rental income are recognised on accrual basis by reference to the agreements entered.
- l) Dividend income is recognised when the right to receive payment is established.
- m) As per RBI guidelines the interest spread under par structure of securitization/direct assignment of loan receivables is recognized on realization over the tenure of securitized/direct assigned loan.

Unrealised gain on securitisation comprises of future interest receivable under par structure of securitisation assignment.

Securitisation deferred consideration receivable comprises of Company's share of future interest strip receivables in case of a par structure securitised/assigned deal.
- n) Profit/loss from share in partnership firm is accounted for once the amount of the share of profit / loss is ascertained and credited/debited to the Company's account in the books of the partnership firm.
- o) Income from training centre is recognised on accrual basis.
- p) Interests on delayed payments are recognised on accrual basis by reference to the agreements entered.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.5 Revenue recognition (*Continued*)

q) In case of Asset Reconstruction business:
(*Financial Year 2017-18, 2016-17*)

- i. Management fee: The Company receives management fee from trusts declared by it for acquisition of financial assets and the same is accounted for on accrual basis as per terms of the relevant trust deeds and offer document issued by the Trust. In accordance with the Guidelines, recognition of management fee is discontinued and such unrealised fee is reversed on earlier of the following situations:
 - a) If the fee remains unrealised after the expiry of 180 days from the end of planning period, wherever applicable or from the date of recognition, in other cases.
 - b) If Net Assets Value (NAV) of the Security Receipts falls below 50% of the face value of Security Receipts.

Such unrecognised fee is recognised only on realisation.

- ii. Upside Sharing: Share in excess realization over acquisition price is accounted for as per terms of the relevant trust deed/offer document. For acquisitions on or after 1st April, 2014, upside income is recognized only after full redemption of Security Receipts.
- iii. Other fee income is recognized on accrual basis as per contractual terms.
- iv. Income by way of yield on Security Receipt is accounted for as and when the same is realized. For acquisitions on or after 1st April, 2014, yield is recognised only after the full redemption of the entire principal amount of Security Receipts.
- v. Interest Income:
 - a) Interest on bank deposits / permitted investments is accounted for on accrual basis as per the terms of the deposits / instruments
 - b) Interest on advances in terms of expenses incurred on behalf of the trusts is accounted for in terms of the provisions of the relevant trust deed and offer document and is accrued where reasonable certainty exists with respect to its recovery. Interest on advances is reversed on earlier of the following situations:
 - 1. If the interest on advance remains unrealised after the expiry of 180 days from the end of planning period, wherever applicable or from the date of recognition, in other cases
 - 2. If Net Assets Value (NAV) of the Security Receipts falls below 50% of the face value of Security Receipts.

Such interest income is recognised only on realisation.

- c) Interest income from Security Receipts is accounted for as and when the same is realized.
- d) Interest on loans provided directly to the Investee Companies for the purpose of asset reconstruction and recovery are recognized on an accrual basis in the accounts based on the terms of the loan documents except in case of non-performing assets , wherein it is accounted on realisation.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.5 Revenue recognition (*Continued*)

r) In case of Life Insurance business:

(Financial Year 2017-18)

i) **Premium Income**

Premium Income for non-linked policies is recognised as income when due from policyholders. For unit linked policies, premium is recognised as income when the associated units are created. Premium on lapsed policies is recognised as income as and when such policies are reinstated. Top up premiums paid by unit linked policyholders' are considered as single premium and recognised as income when the associated units are created.

ii) **Reinsurance Premium Ceded**

Reinsurance premium ceded is accounted in accordance with the terms and conditions of the relevant treaties with the reinsurer

iii) **Income from Investment**

Interest Income on investments is recognised on accrual basis. Dividend Income is recognised on 'ex-dividend date'. Profit or loss on sale/redemption of debt securities is calculated as the difference between net sale proceeds/redemption proceeds and the weighted average amortised cost. Profit or loss on sale/redemption of equity shares/ equity exchange traded funds (ETFs) and mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale. Gain/Yield on Security Receipts is accounted for, based on the redemption advice received from the trust. Lease rentals on investment property is recognised on accrual basis and include only the realised rent and does not include any notional rent, as prescribed by IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002. Costs related to operating and maintenance of investment property are recognised as expense in the Revenue Account or P&L Account, as applicable. Fees received on lending of equity shares under Securities Lending and Borrowing scheme (SLB) is recognised as income over the period of the lending on straight- line basis.

iv) **Income from unit linked policies**

Income from unit linked policies, which include fund management charges, policy administration charges, mortality charges and other charges, wherever applicable, are recovered from the unit linked funds in accordance with the terms and conditions of the policies issued and are recognised as and when due. Fees and other charges are recognised on receipt basis.

v) **Interest Income on policy loan**

Interest Income on policy loans is recognised on accrual basis.

vi) Fees and other charges are recognised when recovered.

vii) Acquisition costs such as commission, medical fees, etc. are costs that vary with and are primarily related to the acquisition of insurance contracts and are expensed in the period in which they are incurred.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.5 Revenue recognition (*Continued*)

viii) Benefits Paid

Benefit paid consists of the policy benefit and claim settlement costs, if any.

Non Linked Business

Death, Rider, Withdrawals and Surrender claims are accounted for on receipt of written intimation.

Maturity and survival benefit are accounted when due.

Linked Business

Death and Rider are accounted for on receipt of intimation when associated units are de-allocated. Maturity and survival benefit are accounted when due. Maturity claims are accounted for on due basis when the associated units are de-allocated. Surrenders and withdrawals are accounted for on receipt of intimation when associated units are de-allocated. Amount payable on lapsed/discontinued policies are accounted for on expiry of lock in period of these policies. Surrenders, withdrawals and lapsation are disclosed at net of charges recoverable.

Reinsurance claims receivable are accounted for in the same period as the related claim.

- ix) The policyholder liabilities are calculated in accordance with the following Acts, Regulations & Actuarial Practice Standards –

Insurance Laws (Amendment) Act 2015, IRDA Act 1999, Insurance Regulatory and Development Authority of India (Assets, Liabilities, and Solvency Margin of Life Insurance Business) Regulations 2016, IRDA (Distribution of Surplus) Regulations 2002, Insurance Regulatory and Development Authority of India (Actuarial Report and Abstract for Life Insurance Business) Regulations 2016 and Actuarial Practice Standard including APS-1, APS-2, APS-5, APS-7 (issued by Institute of Actuaries of India)

(Financial Year 2016-17 and 2015-16)

r) In case of Life Insurance business:

- i. Premium income from traditional policies is recognised when due from policyholders.
For Unit linked business, premium income is recognised as when the associated units are created.
Premium income on lapsed policies is recognised as and when such policies are reinstated.
- ii. Reinsurance premium ceded is accounted in accordance with the treaty or in principle arrangement with the reinsurer.
- iii. Acquisition costs such as commission are costs that vary with and are primarily relatable to the acquisition of insurance contracts. Such costs are expensed in the year in which they are incurred.
- iv. Claim costs consist of the policy benefit amount and claim settlement costs, where applicable. Death, rider and surrender claims are accounted for on receipt of intimation.
Maturity and survival claims are accounted when due.
Surrender/withdrawals under unit linked policies are accounted when the associated units are cancelled/ redeemed.
Reinsurance claims receivable are accounted for in the same period as the related claim.
- v. The policyholders' liabilities are determined by the Company's Appointed Actuary in accordance with the accepted actuarial practices, requirements of the Insurance Act, 1938 and Guidance notes issued by the Institute of Actuaries of India.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.5 Revenue recognition (*Continued*)

s) In case of General Insurance business:

(Financial Year 2017-18)

i) **Premium Income**

Premium including reinsurance accepted (net of goods and service tax), is recognized as income at the commencement of risk over the contract period or the period of risk, whichever is appropriate, on a gross basis and for installment cases, it is recognized on installment due dates. Reinstatement premium is recorded as and when such premiums are recovered. Any subsequent revisions to premium are recognized in the year in which they occur over the remaining period of risk or contract period, as applicable. Adjustments to premium income arising on cancellation of policies are recognized in the period in which they are cancelled. Premium received in advance represents premium received prior to the commencement of the risk.

ii) **Commission income from reinsurance ceded**

Commission on reinsurance ceded is recognized as income on ceding of reinsurance premium in the period of ceding of risk. Profit commission under reinsurance treaties, wherever applicable, is recognized as income in the year of final determination of profits as confirmed by reinsurers and combined with commission on reinsurance ceded.

iii) **Income from Investment**

Interest and rental income on investments are recognized on an accrual basis. Accretion of discount and amortization of premium relating to debt securities and non-convertible preference shares is recognized over the holding/maturity period on a constant yield to maturity basis. Dividend income is recognized when the right to receive dividend is established. Dividend income in respect of listed equity shares is recognized on ex-dividend date. The net realized gains or losses on the debt securities are the difference between the net sale consideration and the amortized cost, which is computed on a weighted average basis and recognized as on the date of sale. In case of listed equity shares and mutual fund units the profit or loss on sale of investments also includes the accumulated changes in the fair value previously recognized under "Fair value change account". The difference between the acquisition price and the maturity value of treasury bills is recognized as income in the revenue accounts or the profit and loss account, as the case may be, over the remaining term of these instruments on a yield to maturity basis. Sale consideration for the purpose of realized gain/loss is net of brokerage and taxes, if any, and excludes interest received on sale.

1.6 Loan origination costs

(Financial Year 2017-18, 2016-17 and 2015-16)

In case of housing loans and loans against property, origination costs directly attributable to disbursed loans are amortized over a pre-determined tenor arrived on an industry average or original contractual tenor, whichever is shorter. Where the loan is foreclosed or written off, the unamortized portion of such loan origination costs is recognised as a charge in the reformatted Indian GAAP consolidated statement of profit and loss at the time of such foreclosure or write-off. The unamortized balance is disclosed as part of "Long-term Loans and advances" and "Short-term Loans and advances" based on amortizable tenor.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.7 Borrowing Costs

(Financial Year 2017-18)

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the reformatted Indian GAAP consolidated statement of profit and loss over the tenure of the loan.

1.8 Benchmark linked debentures

(Financial Year 2017-18, 2016-17 and 2015-16)

The Group has issued certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debentures. Such debentures have a component of an embedded derivative which is fair valued at period/year end. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the reformatted Indian GAAP consolidated statement of profit and loss. The debt component of such debentures is measured at amortized cost using yield to maturity basis.

1.9 Securitisation/ Assignment

(Financial Year 2017-18, 2016-17 and 2015-16)

The Company enters into securitization/assignment transactions and assets are derecognized upon sale only if the Company surrenders control over the contractual rights that comprise in the financial assets.

ECL Finance Limited and Edelweiss Retail Finance Limited (NBFC's) have adopted the accounting policy for securitization/assignment transactions, as notified by RBI in its circular "Revisions to the Guidelines on Securitisation Transactions" issued on 21 August 2012.

In case of Edelweiss Housing Finance Limited, the Company has adopted the accounting policy for securitization/assignment transactions based on the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India.

1.10 Fixed assets and depreciation / amortization

(Financial Year 2017-18 and 2016-17)

Property, Plant and Equipment and Capital work in progress

Property, Plant and Equipment are stated at cost of acquisition or construction, less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided up to the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II of the Act for calculating the depreciation.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.10 Fixed assets and depreciation / amortization (*Continued*)

The estimated useful lives of the fixed assets are as follows:

| Nature of assets | Estimated useful life |
|---|-----------------------|
| Building (other than Factory Building) | 60 years |
| Factory Building | 20 years |
| Plant and Equipments | 15 years |
| Furniture and fixtures | 10 years |
| Vehicles | 8 years |
| Vessel (Boat) | 13 years |
| Office Equipment | 5 years |
| Computers - Servers and networks | 6 years |
| Computers - End user devices, such as desktops, laptops, etc. | 3 years |
| Solar power plant (<i>Financial Year 2017-18 and 2016-17</i>) | 15 years |

Leasehold improvements and premises are amortized on a straight-line basis over the estimated useful lives of the assets or the period of lease whichever is shorter.

Intangible fixed assets

Intangible fixed assets are recorded at consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Intangibles such as software are amortized over a period of 3 years or its estimated useful life whichever is shorter. In case of Life Insurance business, system software is amortized on straight line basis over its estimated useful life which is upto 5 years.

Jewellery Designing costs are amortized on a straight-line basis over 5 years or its estimated useful life whichever is shorter.

MCX membership rights are amortized over a period of 3 years.

(Financial Year 2015-16)

Tangible fixed assets and Capital work in progress

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises the cost of fixed assets that are not ready for its intended use at the reporting date.

Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided up to the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II of the Act for calculating the depreciation.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.10 Fixed assets and depreciation / amortization (*Continued*)

The estimated useful lives of the fixed assets are as follows:

| Nature of assets | Estimated useful life |
|---|-----------------------|
| Building (other than Factory Building) | 60 years |
| Factory Building | 20 years |
| Plant and Equipments | 15 years |
| Furniture and fixtures | 10 years |
| Vehicles | 8 years |
| Vessel (Boat) | 13 years |
| Office Equipment | 5 years |
| Computers - Servers and networks | 6 years |
| Computers - End user devices, such as desktops, laptops, etc. | 3 years |
| Solar power plant | 15 years |

Leasehold improvements & premises are amortized on a straight-line basis over the estimated useful lives of the assets or the period of lease whichever is shorter.

Intangible fixed assets

Intangible fixed assets are recorded at consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Intangibles such as software are amortized over a period of 3 years or its estimated useful life whichever is shorter. In case of Life Insurance business, system software is amortized on straight line basis over its estimated useful life which is upto 5 years.

Jewellery Designing costs are amortized on a straight-line basis over 5 years or its estimated useful life whichever is shorter.

MCX membership rights are amortized over a period of 3 years.

1.11 Cash and cash equivalents

(Financial Year 2017-18)

Cash and cash equivalents includes cash in hand, demand deposits with banks and other fixed deposits with bank with original maturities of three months or less.

1.12 Impairment of assets

(Financial Year 2017-18, 2016-17 and 2015-16)

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and the value in use of those assets. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the reformatted Indian GAAP consolidated statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.13 Stock-in-trade

(Financial Year 2017-18, 2016-17 and 2015-16)

- a) The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and disclosed as current assets.
- b) The securities, including those arising from error trades, held as stock-in-trade are valued at lower of weighted average cost or market value.
- c) In case of units of mutual funds held as stock-in-trade, net asset value is considered as fair value.
- d) Inventories in the form of commodities are valued at cost or net realisable value, whichever is lower.
- e) Debt instruments are valued at cost or realizable value whichever is lower. In case of debt instruments for which direct quotes are not available, they are valued at the lowest of the quotes as on valuation date as provided by market intermediaries.
- f) Commercial papers, certificate of deposits and treasury bills are valued at carrying cost.
- g) Inventory in the form of land is valued at cost or net realisable value, whichever is lower.
- h) Purchase and sale of bullion is recorded at the price which is fixed between the buyer and the seller at the future date including the contracts where the price is fixed subsequent to the balance sheet date. In case of unfixed purchase/ sale contracts as at the reporting date, the price is recorded at the forward rate for the residual maturity period of the contract.

1.14 Investments

a) Investments of Life Insurance Business

(Financial Year 2017-18, 2016-17 and 2015-16)

Investments are made in accordance with the Insurance Act, 1938, the IRDA (Investment) Regulations, 2016 and various other circulars/notifications/ amendments issued by the IRDA in this context as amended from time to time.

Investments are recorded on trade date at cost, which includes brokerage and related taxes, if any and excludes pre-acquisition interest.

Broken period interest paid/receive is debited /credited to interest receivable account.

Any impairment loss is recognized as an expense in the Revenue/reformatted Indian GAAP statement of Profit and Loss Account to the extent of the difference between the re-measured fair value of the security/investment and its acquisition cost as reduced by any previous impairment loss recognized as an expense in the Revenue/ reformatted Indian GAAP statement of Profit and Loss Account. Any reversal of impairment loss, earlier recognized in Revenue/ reformatted Indian GAAP statement of Profit and Loss Account, is recognized in the Revenue/ reformatted Indian GAAP statement of Profit and Loss Account.

Bonus and Rights entitlements are recognised as investments on the 'ex-bonus date' / 'ex-rights date' respectively.

Investments maturing within 12 months from the balance sheet date and investments made with the specific intention to dispose off within 12 months from the balance sheet date are classified as "short term" investments. Investments other than short term investments are classified as "long term" investments.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.14 Investments (*Continued*)

Debt securities

i) Non linked, non unit reserve investments and shareholders' investments

Debt securities, including government securities, are considered as "held to maturity". Debt securities are stated at amortized cost. Discount or premium on purchase of debt securities is amortized over the remaining period to maturity on straight line basis and is recognised in the revenue account or the reformatted Indian GAAP statement of profit and loss account, as applicable.

In case of security with call/put option, the first date of call/put is considered as maturity date.

ii) Linked business

All debt securities, including government securities under linked businesses are valued at market value, using CRISIL Bond Valuer/CRISIL Gilt Prices, as applicable. The discount or premium on money market instruments which is the difference between the purchase price and the redemption amount is amortized and recognized in the Revenue Account on a straight line basis over the remaining period to maturity of these securities. Unrealised gains or losses arising on such valuation are recognised in the Revenue Account.

Equity/ Preference shares

i) Non linked, non unit reserve investments and shareholders' investments

Listed equity shares and preference shares are stated at fair value, being the last quoted closing prices on National Stock Exchange (in case it is not traded on National Stock Exchange then last quoted closing price on the Bombay Stock Exchange is used) as at the balance sheet date. Unrealised gains/ losses arising due to change in fair value are recognised under the head 'Fair Value Change Account' in the reformatted Indian GAAP consolidated statement of assets and liabilities.

Unlisted equity / preference shares and other than actively traded equity / preference shares are stated at historical cost subject to provision for diminution, if any, in the value of such investment determined separately for each individual investment.

(For Financial Year 2017-18)

In case the equity exchange traded Funds (ETFs) are not traded either on the Primary or the Secondary Exchange on the Balance Sheet date, then the equity ETFs are valued at the latest available Net Asset Value (NAV).

ii) Linked business

Listed equity / preference shares are valued and stated at fair value, being the last quoted closing prices on National Stock Exchange (in case it is not traded on National Stock Exchange then last quoted closing price on the Bombay Stock Exchange is used) as at the balance sheet date. Unrealised gains or losses arising on such valuation are recognised in the Revenue Account.

Unlisted equity / preference shares and other than actively traded equity / preference shares are stated at historical cost subject to provision for diminution, if any, in the value of such Investment determined separately for each individual investment.

(For Financial Year 2017-18)

In case the equity exchange traded Funds (ETFs) are not traded either on the Primary or the Secondary Exchange on the Balance Sheet date, then the equity ETFs are valued at the latest available NAV.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.14 Investments (*Continued*)

Derivatives: Interest Rate Futures (IRF)

Non linked, non unit reserve investments and shareholders' investments

Interest Rate Futures (IRF) - Derivative contracts, as permitted by IRDA to hedge risks on forecasted transactions are recognized in the reformatted Indian GAAP financial information at fair value as on Balance Sheet date in pursuance of IRDAI guidelines on Interest Rate Derivatives. For IRF contracts the realised profit / loss is recognised as 'Profit / loss on sale of Investments' in the Revenue Account for policyholders fund or in the Profit & Loss Account for shareholders' funds. The unrealised gains / losses arising due to change in fair value of outstanding IRF contracts are recognised under the head 'Fair Value Change Account' in the reformatted Indian GAAP consolidated statement of assets and liabilities. Fair Value is determined using quoted closing market prices in an actively traded market.

Mutual Funds

i) Non linked, non unit reserve investments and shareholders' investments

Mutual Fund units as at balance sheet date are valued at previous day's net asset values. Unrealised gains/ losses arising due to changes in the fair value of mutual fund units are recognized under the head 'Fair Value Change Account' in the reformatted Indian GAAP consolidated statement of assets and liabilities.

ii) Linked business

Mutual Fund units are valued at previous day's net asset values and unrealised gains/ losses arising due to changes in the fair value of mutual fund units are recognised in Revenue Account.

AIFs (Financial Year 2017-18)

Investments in Alternate Investment Funds (AIFs) are valued at latest available NAV. Unrealised gains or losses arising due to change in the fair value of Alternate Investment Funds (AIFs) are recognised in the reformatted Indian GAAP consolidated statement of assets and liabilities under "Fair value change account".

Investment Property (Financial Year 2017-18 and 2016-17)

Investment property is held to earn rental income or for capital appreciation.

Investment property is initially valued at cost including any directly attributable transaction costs. Investment property is revalued atleast once in every three years. The change in carrying amount of investment property is taken to "Revaluation reserve" in the reformatted Indian GAAP consolidated statement of assets and liabilities.

Transfer of investments

i) Transfer from the shareholders' account to the policyholders' account

Transfers of investments made from shareholders' account to the policyholders' account, as and when made, are made at the book value or market price, whichever is lower.

ii) Transfer between policyholders' funds

No transfers of investments are made between different policyholders' funds.

iii) Purchase / Sale transactions between units linked funds

The sale/purchase of investments between Unit Linked Funds is done at prevailing market price during market hours. If the prevailing market price is not available, then it is carried out at previous day's closing market price.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.14 Investments (*Continued*)

b) Investments of General Insurance Business

(Financial Year 2017-18)

Investments are made and accounted for in accordance with the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 as amended and various other circulars / notifications issued by the IRDAI in this context.

Investments are recorded at cost on trade date and include brokerage, taxes, transfer charges etc. as applicable and exclude interest accrued up to the date of purchase.

Classification

Investments maturing within twelve months from balance sheet date and investments made with the specific intention to be disposed off within twelve months from balance sheet date are classified as 'short term investments'. Investments other than 'short term investments' are classified as 'long term investments'.

The investments funds are segregated into Policyholders' and Shareholders' fund on security level basis in compliance with IRDAI circular no. IRDA/F&A/CIR/CPM/056/03/2016 dated April 04, 2016 and circular no. IRDA/F&A/CIR/CPM/010/01/2017 dated January 12, 2017.

Debt securities and Non-convertible preference shares

All debt securities including government securities, non-convertible preference shares and Additional Tier 1 perpetual bonds are considered as 'held to maturity' and accordingly stated at amortized cost determined after amortization of premium or accretion of discount on a constant yield basis in the revenue account and reformatted Indian GAAP statement of profit and loss account over the holding period/maturity.

The realized gain or loss is the difference between the sale consideration and the amortized cost in the books of the Company as on the date of sale determined on weighted average cost basis.

Equity shares and Convertible preference shares

Listed equities and convertible preference shares at the balance sheet date are stated at fair value, being the last quoted closing price on the National Stock Exchange and in case these are not listed on National Stock Exchange, then based on the last quoted closing price on the Bombay Stock Exchange.

The realized gain or loss on the listed and actively traded equities is the difference between the sale consideration and the carrying cost as on the date of sale, determined on a weighted average cost basis and includes the accumulated changes in the fair value previously taken to the fair value change account, in respect of the particular security; such gain or loss is transferred to revenue account and reformatted Indian GAAP consolidated profit and loss account on the trade date.

Mutual funds (Other than venture capital fund)

Mutual fund investments are stated at fair value, being the closing net asset value at balance sheet date.

The realized gain or loss on the mutual fund units is the difference between the sale consideration and the carrying cost as on the date of sale, determined on a weighted average cost basis and includes the accumulated changes in the fair value previously taken to the fair value change account, in respect of the particular security; such gain or loss is transferred to revenue account and reformatted Indian GAAP statement of profit and loss account on the trade date.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.14 Investments (*Continued*)

Investment Properties – Real Estate

Investment Properties- Real Estate are stated at historical cost less accumulated depreciation.

Investments other than those mentioned above are valued at cost.

Fair Value Change Account

In accordance with the Regulations, unrealized gain/loss arising due to changes in fair value of listed equity shares, convertible preference shares and mutual fund investments are taken to the 'fair value change account'. This balance in the fair value change account is not available for distribution, pending realization.

Impairment of Investments

The Company assesses at each Balance Sheet date whether any impairment has occurred in respect of investment in equity, units of mutual fund and investment properties. The impairment loss, if any, is recognized in the reformatted Indian GAAP consolidated statement of profit and loss account and the carrying value of such investment is reduced to its recoverable value. If on the assessment at balance sheet date a previously impaired loss no longer exists, then such loss is reversed to the profit & loss account and the asset is restated to that extent.

Equity/ Preference shares

C) Investments of Asset Reconstruction Business

(Financial Year 2017-18 and 2016-17)

Investments in Security Receipts (SR) are accounted in accordance with the guidelines issued by Reserve Bank of India ("RBI"). As per RBI guidelines, initial rating / grading would be assigned within six months of acquisition of assets post 5th August, 2014, and within one year of acquisition of assets, before said date.

- i. Investments in Security Receipts (SR) held by the company are treated as "available for sale" category.
- ii. Investment in Security Receipts (SR) is valued at cost till receipt of Initial Rating and at lower of cost or realizable value thereafter. Latest available Net Asset Value (NAV) as declared by the Trusts is considered to be the realizable value. Individual scrip-wise diminution or appreciation is aggregated to arrive at 'net diminution' or 'net appreciation'.
- iii. Net appreciation, if any, is not accounted for in reformatted Indian GAAP consolidated statement of profit and loss, whereas net diminution is provided for in the reformatted Indian GAAP consolidated statement of statement of profit and loss.

d) Investments other than Insurance Business and Asset Reconstruction Business

(Financial Year 2017-18, 2016-17 and 2015-16)

Investments are classified into non-current investments and current investments. Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current and non-current classification as per Schedule III.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.14 Investments (*Continued*)

Non-current investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.

1.15 Foreign currency transactions

(Financial Year 2017-18, 2016-17 and 2015-16)

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the period/year are recognised in the reformatted Indian GAAP consolidated statement of profit and loss for the period.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences, if any, are recognised in the reformatted Indian GAAP consolidated statement of profit and loss and related assets and liabilities are accordingly restated in the reformatted Indian GAAP consolidated statement of assets and liabilities .

1.16 Employee benefits

(Financial Year 2017-18, 2016-17 and 2015-16)

The accounting policy followed by the Group in respect of its employee benefit schemes in accordance with Accounting Standard 15 (Revised 2005), is set out below:

Provident fund

The Group contributes to a recognised provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the reformatted Indian GAAP consolidated statement of profit and loss.

Gratuity

The Group's gratuity scheme is a defined benefit plan. The Group's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods. Such benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Benefits in respect of gratuity are funded with an Insurance company approved by Insurance Regulatory and Development Authority (IRDA).

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the reformatted Indian GAAP consolidated statement of profit and loss in the period in which they arise.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.16 Employee benefits (continued)

Compensated absences and leave encashment

The eligible employees of certain companies of the Group are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Group recognises the charge to the reformatted Indian GAAP consolidated statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. (For Financial Year 2017-18). The costs of providing annual leave benefits are determined using the projected unit credit method.

Two Subsidiaries of the Group provides for the encashment of leave subject to rules. The liability is provided based on the number of days of unutilised leave at each balance sheet date based on a valuation by an independent actuary.

Deferred Bonus

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time. The measurement for the same has been based on actuarial assumptions and principles. These assumptions and principles are consistent with the requirements of Accounting Standard 15 (Revised 2005).

1.17 Tax

(Financial Year 2017-18, 2016-17 and 2015-16)

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

Current tax

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred tax

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty with convincing evidence of realisation of these assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

Minimum Alternative Tax (MAT) Credit

MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.18 Operating leases

(Financial Year 2017-18, 2016-17 and 2015-16)

Lease payments for assets taken on operating lease are recognised as an expense in the reformatted Indian GAAP consolidated statement of profit and loss on a straight-line basis over the lease term.

1.19 Earnings per share

(Financial Year 2017-18, 2016-17 and 2015-16)

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – “Earnings Per Share”. Basic earnings per share is computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the period. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the period by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

1.20 Provisions and contingencies

(Financial Year 2017-18, 2016-17 and 2015-16)

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the reformatted Indian GAAP consolidated financial information. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

1.21 Provisioning on receivables from financing business

(Financial Year 2017-18, 2016-17 and 2015-16)

Provision for non-performing assets is based on the management’s assessment of the degree of impairment of the loan asset and the level of provisioning required as per the prudential norms prescribed by RBI and National Housing Bank (“NHB”).

Provision for standard assets is made on the basis of prudential norms laid down by RBI and NHB.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP consolidated financial information (*Continued*)

Annexure IV

1 Significant accounting policies (*Continued*)

1.22 Mutual Fund expenses

(Financial Year 2017-18, 2016-17 and 2015-16)

Expenses incurred on behalf of schemes of the mutual fund are recognised to the reformatted Indian GAAP consolidated statement of profit and loss unless considered recoverable from schemes of the fund in accordance with provisions of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

1.23 Expenses incurred by the Asset Reconstruction Company on behalf of the trust

(Financial Year 2017-18 and 2016-17)

Expenses incurred at pre-acquisition stage are recognised as expenses for the period in which such costs are incurred. If such expenses are contracted to be recovered from the trusts the same shall be recognised on realisation.

The expenses incurred on behalf of trusts are shown as recoverable from Trust(s)' and grouped under advances recoverable in cash or in kind in the reformatted Indian GAAP consolidated statement of assets and liabilities. These expenses are reimbursed to the Company in terms of the provisions of relevant trust deed and offer document. Expenses are reversed on earlier of the following situations:

- a) If the expenses remains unrealised after the expiry of 180 days from the end of planning period, wherever applicable or from the date of recognition, in other cases.
- b) If Net Assets Value (NAV) of the Security Receipts falls below 50% of the face value of Security Receipts.

1.24 Employee stock option plans (ESOPs)

(Financial Year 2017-18 and 2016-17)

The Group follows the intrinsic value method to account for compensation cost of its stock based employee compensation plans as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Share-based Payments issued by Securities and Exchange Board of India (SEBI) and guidance note on Employee Share-based Payments issued by Institute of Chartered Accountants of India (ICAI). The compensation cost is amortized on a straight-line basis.

(Financial Year 2015-16)

The Group follows the intrinsic value method to account for compensation cost of the stock based employee compensation plans of the Company. The compensation cost is amortised on a straight-line basis.

1.25 Presentation of financial assets and liabilities

(Financial Year 2017-18, 2016-17 and 2015-16)

Assets and liabilities are offset and the net amounts are presented in the reformatted Indian GAAP consolidated statement of assets and liabilities where the Company has a legal right to set off the recognised amounts. Such legal rights are by virtue of a binding legal contract or by an irrevocable undertaking executed by the Company. The aforesaid policy is generally applied to offset receivables from and payables to same counterparties; to offset fixed deposits specifically pledged with banks against the borrowings availed from them; and other such similar qualifying arrangements.

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information
(Currency : Indian rupees in millions)

Annexure V

| 2.1 Share capital | As at 31-Mar-2018 | | As at 31-Mar-2017 | | As at 31-Mar-2016 | |
|--|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|
| | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount |
| Authorised : | | | | | | |
| Equity shares of ₹ 1 each | 1,230,000,000 | 1,230.00 | 1,230,000,000 | 1,230.00 | 1,230,000,000 | 1,230.00 |
| Preference shares of ₹ 5 each | 4,000,000 | 20.00 | 4,000,000 | 20.00 | 4,000,000 | 20.00 |
| | | <u>1,250.00</u> | | <u>1,250.00</u> | | <u>1,250.00</u> |
| Issued, Subscribed and Paid up: | | | | | | |
| Equity shares of ₹ 1 each | 915,498,927 | 915.50 | 832,569,089 | 832.57 | 814,036,630 | 814.04 |
| | | <u>915.50</u> | | <u>832.57</u> | | <u>814.04</u> |
| Movement in share capital | 31-Mar-18 | | 31-Mar-17 | | 31-Mar-16 | |
| | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount |
| Outstanding at the beginning of the year | 832,569,089 | 832.57 | 814,036,630 | 814.04 | 791,752,619 | 791.75 |
| Shares allotted on exercise of Employee Stock Option Plans (ESOPs) during the year | 28,367,350 | 28.37 | 18,532,459 | 18.53 | 22,284,011 | 22.29 |
| Shares allotted through Qualified Institutional Placement during the year | 54,562,488 | 54.56 | - | - | - | - |
| Outstanding at the end of the year | 915,498,927 | 915.50 | 832,569,089 | 832.57 | 814,036,630 | 814.04 |

Note :

The Company has bought back 2,030,048 equity shares of ₹ 1 each pursuant to the buy back programme in the financial year 2014-15.

(FY 2017-18)

The Company through Qualified Institutional Placement (QIP) allotted 54,562,488 equity shares of ₹ 1 each at a price of ₹ 280 per equity share (inclusive of premium of ₹ 279 per share) aggregating to ₹ 15,277.50 million during the year. The issue was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Rights of equity shareholders:

The Company has only one class of equity shares having a par value of ₹ 1 each. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| | As at 31 March 2018 | | As at 31 March 2017 | | As at 31 March 2016 | |
|----------------------------------|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|
| | Number of Shares | Percentage of shareholding | Number of Shares | Percentage of shareholding | Number of Shares | Percentage of shareholding |
| Rashesh Shah | 145,301,730 | 15.87% | 145,301,730 | 17.45% | 145,301,730 | 17.85% |
| First Carlyle Ventures Mauritius | - | - | - | - | 68,048,557 | 8.36% |
| Venkatchalam Ramaswamy | 58,026,560 | 6.34% | 58,026,560 | 6.97% | 58,026,560 | 7.13% |
| Spire Investment Advisors LLP | - | - | - | - | 41,950,000 | 5.15% |

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)
(Currency : Indian rupees in millions)
Annexure V

| | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-16 |
|---|--------------------|--------------------|--------------------|
| 2.2 Reserves and surplus | | | |
| Capital reserve | | | |
| Opening balance | 6,777.59 | 5,763.05 | 4,641.76 |
| Add : Additions during the year | 437.58 | 1,014.54 | 1,121.29 |
| | 7,215.17 | 6,777.59 | 5,763.05 |
| Less : Goodwill adjustment arising on consolidation | (1,543.85) | (1,521.71) | (1,521.71) |
| | 5,671.32 | 5,255.88 | 4,241.34 |
| Capital redemption reserve | 166.74 | 166.74 | 166.74 |
| Securities premium account | | | |
| Opening balance | 13,460.15 | 13,127.06 | 12,487.54 |
| Add: On issue of shares on exercise of Employee Stock Options Plans (ESOPs) during the year | 1,002.63 | 663.28 | 799.64 |
| Add: On issue of shares on Qualified Institutional Placement (QIP) during the year | 15,222.94 | - | - |
| Less : Utilisation on account of issue related expenses | (312.33) | (330.19) | (160.12) |
| | 29,373.39 | 13,460.15 | 13,127.06 |
| Stock options outstanding | | | |
| Opening balance | - | - | 0.10 |
| Less : Expense on Employee Stock Option Plans (ESOPs) | - | - | (0.10) |
| | - | - | - |
| Foreign exchange translation reserve | (21.88) | 157.52 | 25.81 |
| Debenture redemption reserve | | | |
| Opening balance | 4,536.45 | 2,696.38 | 589.80 |
| Add : Effect of changes in Group's interest | - | 286.17 | - |
| Add : Additions during the year | 2,002.60 | 1,553.90 | 2,106.58 |
| | 6,539.05 | 4,536.45 | 2,696.38 |
| Statutory reserve u/s 45-IC of The Reserve Bank of India Act, 1934 | | | |
| Opening balance | 4,512.90 | 3,418.41 | 2,322.15 |
| Add : Effect of changes in Group's interest | - | - | 359.53 |
| Add : Additions during the year | 1,319.34 | 1,094.49 | 736.73 |
| | 5,832.24 | 4,512.90 | 3,418.41 |
| Statutory reserve u/s 29C of The National Housing Bank Act, 1987 | | | |
| Opening balance | 272.17 | 136.03 | 59.42 |
| Add : Additions during the year | 144.58 | 136.14 | 76.61 |
| | 416.75 | 272.17 | 136.03 |
| General reserve | 916.82 | 916.82 | 916.82 |
| Fair value change account | (46.10) | 107.61 | 6.33 |
| Surplus in reformatted Indian GAAP consolidated statement of Profit and loss (Refer note 2.53 and note below) | | | |
| Opening balance | 13,034.78 | 11,179.08 | 10,833.72 |
| Add: Profit for the year | 8,901.30 | 6,093.06 | 4,143.83 |
| Add / (Less): Effect of changes in Group's interest | (4.28) | (310.52) | 441.83 |
| Amount available for appropriation | 21,931.80 | 16,961.62 | 15,419.38 |
| Appropriations: | | | |
| Interim dividend | 957.28 | 832.21 | 1,019.26 |
| Final dividend for financial year 2016-17 | 255.92 | - | - |
| Dividend distribution tax | 224.04 | 227.22 | 217.03 |
| Dividend on preference shares | 85.40 | 82.88 | 84.09 |
| Transfer to debenture redemption reserve | 2,002.60 | 1,553.90 | 2,106.58 |
| Transfer to Special Reserve under Section 29C of The National Housing Bank Act, 1987 | 144.58 | 136.14 | 76.61 |
| Transfer to Special Reserve under Section 45-IC of The Reserve Bank of India Act, 1934 | 1,319.34 | 1,094.49 | 736.73 |
| | 16,942.64 | 13,034.78 | 11,179.08 |
| | 65,790.97 | 42,421.02 | 35,914.00 |

Note

- Financial year 2017-18, the Company had declared and paid interim dividend of ₹ 1.05 per equity share (on face value of ₹ 1 per equity share) and declared final dividend of ₹ 0.30 per equity share (on face value of ₹ 1 per equity share).
- Financial year 2016-17, the Company had declared and paid interim dividend of ₹ 1 per equity share (on face value of ₹ 1 per equity share) and declared final dividend of ₹ 0.30 per equity share (on face value of ₹ 1 per equity share).
- Financial year 2015-16, the Company had declared and paid interim dividend of ₹ 1.25 per equity share (on face value of ₹ 1 per equity share).

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)

(Currency : Indian rupees in millions)

Annexure V

| | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-16 |
|--|--------------------|--------------------|--------------------|
| 2.3 Minority Interest (Refer note 2.56) | | | |
| Opening balance | 9,584.56 | 6,968.70 | 3,708.77 |
| Less : Share of loss | (278.17) | (460.69) | (309.44) |
| Add : Movement during the year | 1,586.39 | 3,076.55 | 3,569.37 |
| | 10,892.78 | 9,584.56 | 6,968.70 |
| 2.4 Long-term borrowings | | | |
| Secured | | | |
| Term loan (Refer note 2.45) | | | |
| from banks | 94,522.25 | 54,564.49 | 31,596.69 |
| from other parties | 8,652.27 | 5,879.06 | 2,384.20 |
| (Secured by pari passu first charge on current and future financing and other receivables of the Company) | | | |
| Non-convertible debentures (Refer note 2.46) | 1,48,959.47 | 96,402.02 | 57,865.54 |
| (Secured by way of fixed charge on immovable property and floating charge on trade receivables, stock-in-trade and loans and advances) | | | |
| Unsecured | | | |
| Non-convertible subordinated debt (Refer note 2.46) | 16,766.78 | 11,810.00 | 9,190.00 |
| Non-convertible debentures (Refer note 2.46) | 4,159.73 | 1,218.50 | - |
| | 2,73,060.50 | 1,69,874.07 | 1,01,036.43 |

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)
(Currency : Indian rupees in millions)

Annexure V

| | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-16 |
|--|--------------------|--------------------|--------------------|
| 2.5 Other long-term liabilities | | | |
| Unamortised processing fees | 380.39 | 209.26 | 179.45 |
| Others | | | |
| Deposits from sub-brokers | 84.92 | 61.08 | 53.30 |
| Rental deposits | 105.06 | 57.95 | 35.02 |
| Interest accrued but not due on borrowings | 7,601.69 | 2,644.03 | 1,879.52 |
| Unrealised gain on loan transfer transactions | 28.21 | 89.10 | 70.51 |
| | 8,200.27 | 3,061.42 | 2,217.80 |
| 2.6 Long-term provisions | | | |
| Provision for employee benefits and related costs | | | |
| Gratuity | 141.20 | 90.47 | 57.60 |
| Compensated absences | 71.35 | 56.47 | 58.84 |
| Deferred bonus | 108.33 | 286.19 | 284.08 |
| Others | | | |
| Provision for non-performing assets | 1,306.14 | 1,073.65 | 104.75 |
| Provision for standard assets | 866.51 | 449.07 | 249.30 |
| Provision for policyholders' liability | 13,236.33 | 8,390.59 | 4,483.81 |
| Others (includes provision for credit loss on securitisation & restructured advances) | 31.02 | 71.04 | 73.89 |
| | 15,760.88 | 10,417.48 | 5,312.27 |
| 2.7 Short-term borrowings | | | |
| Secured | | | |
| Bank overdraft | 24,844.77 | 7,296.38 | 17,633.30 |
| (Secured by pledge of fixed deposits, property, trade receivables, stock-in-trade and charge on receivables of financing business) | | | |
| Collateralised borrowing and lending obligation and Clearcorp repo order matching system | 32,697.84 | 17,976.83 | 47,396.31 |
| (Secured by pledge of Government Securities and Treasury Bills) | | | |
| Working capital demand loan | 4,370.00 | - | - |
| (Secured by charge on receivables from financing business) | | | |
| Term loans | | | |
| (Secured against investments in debt securities and stock-in-trade and charge on receivables of financing business) | | | |
| from banks | 223.27 | 4,780.03 | 7,109.98 |
| from other parties | 2,337.07 | 247.57 | 635.61 |
| Non-convertible debentures (Refer note 2.46) | - | - | 2,487.50 |
| (Secured by way of fixed charge on immovable property and floating charge on trade receivables, stock-in-trade and loans and advances) | | | |
| Letter of credit discounted | - | 58.60 | 2,305.05 |
| (Secured against fixed deposits) | | | |
| Unsecured | | | |
| Inter corporate deposits | 3,344.34 | 491.40 | 1,288.20 |
| Buyer's credit | - | 316.92 | - |
| Commercial papers | 66,490.00 | 86,908.90 | 61,061.84 |
| Less: Unamortised discount | (1,470.61) | (1,844.41) | (1,305.59) |
| | 65,019.39 | 85,064.49 | 59,756.25 |
| Bank overdraft | 402.93 | 1,953.02 | - |
| Other loans | 6,009.02 | 208.90 | - |
| Term loan from banks | 10,000.00 | - | - |
| | 1,49,248.63 | 1,18,394.14 | 1,38,612.20 |

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)

(Currency : Indian rupees in millions)

Annexure V

| | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-16 |
|---|--------------------|--------------------|--------------------|
| 2.8 Trade payables | | | |
| Total outstanding dues of micro enterprises and small enterprises (Refer note 2.48) | - | 1.50 | 0.56 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises (includes sundry creditors, provision for expenses and customer payables) | 21,879.79 | 20,852.14 | 16,506.71 |
| | 21,879.79 | 20,853.64 | 16,507.27 |
| 2.9 Other current liabilities | | | |
| Current maturities of long-term debt - Secured | | | |
| Term loans from banks (Refer note 2.45) | 27,888.91 | 16,228.51 | 14,415.06 |
| Term loans from others (Refer note 2.45) | 1,484.32 | 642.29 | 627.27 |
| Non-convertible debentures (Refer note 2.46) | 21,343.68 | 28,651.17 | 23,039.54 |
| Vehicle loan from bank | - | - | 0.75 |
| Current maturities of long-term debt - Unsecured | | | |
| Non-convertible debentures (Refer note 2.46) | 207.26 | - | - |
| Interest accrued but not due on borrowings | 6,736.33 | 7,061.13 | 5,818.10 |
| Interest accrued and due on borrowings / margin | 134.16 | 35.65 | 63.52 |
| Income received in advance | 221.67 | 429.49 | 156.10 |
| Unclaimed dividends | 4.86 | 5.38 | 5.04 |
| Premium received on exchange traded options | 2,050.99 | 1,640.92 | 1,360.08 |
| Other payables | | | |
| Accrued salaries and benefits | 3,564.36 | 2,895.73 | 2,379.82 |
| Payable to exchange / clearing house (net) | 11.33 | 907.40 | 344.60 |
| Withholding taxes, service tax and other taxes payable | 1,443.57 | 620.56 | 886.16 |
| Payable to client (net)/Advances from customers | 9,471.09 | 3,488.31 | 6,308.14 |
| Book overdraft | 7,267.87 | 2,605.70 | 1,572.88 |
| Unamortised processing fees | 323.31 | 170.82 | 134.93 |
| Mark to market on interest rate swap | 35.06 | 56.17 | 412.33 |
| Unrealised gain on loan transfer transactions | 38.47 | 172.52 | 40.02 |
| Others | 1,347.67 | 2,555.34 | 761.02 |
| | 83,574.91 | 68,167.09 | 58,325.36 |

Edelweiss Financial Services Limited

Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)

(Currency : Indian rupees in millions)

Annexure V

| | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-16 |
|---|--------------------|--------------------|--------------------|
| 2.10 Short-term provisions | | | |
| Provision for employee benefits and related costs | | | |
| Gratuity | 22.39 | 14.12 | 10.25 |
| Compensated absences | 28.01 | 25.19 | 14.83 |
| Deferred bonus | 481.72 | 695.57 | 534.27 |
| Others | | | |
| Proposed dividend on preference shares | 84.28 | 82.88 | 84.67 |
| Dividend distribution tax | 17.44 | 58.05 | 38.32 |
| Provision for standard assets | 459.55 | 436.00 | 330.90 |
| Provision for policyholders' liability | 937.26 | 803.66 | 447.13 |
| Provision for tax (net of advance tax) | 1,957.67 | 1,192.43 | 946.18 |
| Provision for non-performing assets | 1,792.02 | 1,276.68 | 1,705.75 |
| Provision for capital expenditure | 5.70 | 2.45 | 4.79 |
| | 5,786.04 | 4,587.03 | 4,117.09 |

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)
(Currency : Indian rupees in millions)

Annexure V

2.11 Fixed assets

| Particulars | Gross Block | | | | Depreciation and amortization | | | | Net Block |
|----------------------------------|-------------------|---------------------------|---|-------------------|-------------------------------|---------------------|---|-------------------|-------------------|
| | As at 01-Apr-2017 | Additions during the year | Deductions/ adjustments during the year | As at 31-Mar-2018 | As at 01-Apr-2017 | Charge for the year | Deductions/ adjustments during the year | As at 31-Mar-2018 | As at 31-Mar-2018 |
| a) Property, Plant and Equipment | | | | | | | | | |
| Land | 236.79 | - | - | 236.79 | - | - | - | - | 236.79 |
| Leasehold Land | 20.91 | - | - | 20.91 | 9.73 | 0.70 | - | 10.43 | 10.48 |
| Flat and Building | 5,260.66 | 545.89 | - | 5,806.55 | 1,192.65 | 239.28 | - | 1,431.93 | 4,374.62 |
| Leasehold Premises | 262.60 | 101.87 | 4.68 | 359.79 | 161.23 | 43.10 | 3.72 | 200.61 | 159.18 |
| Plant and Equipment | 5.91 | 0.21 | 0.22 | 5.90 | 0.25 | 1.87 | 0.10 | 2.02 | 3.88 |
| Furniture and Fixtures | 257.07 | 124.45 | 2.13 | 379.39 | 148.20 | 42.95 | 1.51 | 189.64 | 189.75 |
| Vehicles | 368.96 | 40.14 | 143.36 | 265.74 | 209.55 | 51.40 | 96.87 | 164.08 | 101.66 |
| Office equipment | 578.92 | 105.90 | 62.02 | 622.80 | 429.91 | 92.69 | 59.13 | 463.47 | 159.33 |
| Vessel (Boat) | 6.96 | - | - | 6.96 | 5.89 | 0.22 | - | 6.11 | 0.85 |
| Computers | 1,205.05 | 345.14 | 167.16 | 1,383.03 | 850.06 | 258.81 | 170.45 | 938.42 | 444.61 |
| Solar Power Equipment | 62.20 | - | - | 62.20 | 0.15 | 11.37 | - | 11.52 | 50.68 |
| Total (A) | 8,266.03 | 1,263.60 | 379.57 | 9,150.06 | 3,007.62 | 742.39 | 331.78 | 3,418.23 | 5,731.83 |
| b) Intangibles | | | | | | | | | |
| Software | 1,225.54 | 712.11 | 133.07 | 1,804.58 | 784.62 | 231.45 | 70.69 | 945.38 | 859.20 |
| MCX Membership | 3.00 | - | - | 3.00 | 3.00 | - | - | 3.00 | - |
| Trademark/ Design & Copyright | 878.36 | - | 0.19 | 878.17 | 209.75 | 143.01 | - | 352.76 | 525.41 |
| Total (B) | 2,106.90 | 712.11 | 133.26 | 2,685.75 | 997.37 | 374.46 | 70.69 | 1,301.14 | 1,384.61 |
| Total (A+B) | 10,372.93 | 1,975.71 | 512.83 | 11,835.81 | 4,004.99 | 1,116.85 | 402.47 | 4,719.37 | 7,116.44 |

Note:

- 1) There is no revaluation of assets during the year.
- 2) There are no adjustments on account of borrowing costs.

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)
(Currency : Indian rupees in millions)

Annexure V

2.11 Fixed assets (continued)

| Particulars | Gross Block | | | | Depreciation and amortization | | | | Net Block |
|----------------------------------|-------------------|---------------------------|---|-------------------|-------------------------------|---------------------|---|-------------------|-------------------|
| | As at 01-Apr-2016 | Additions during the year | Deductions/ adjustments during the year | As at 31-Mar-2017 | As at 01-Apr-2016 | Charge for the year | Deductions/ adjustments during the year | As at 31-Mar-2017 | As at 31-Mar-2017 |
| a) Property, Plant and Equipment | | | | | | | | | |
| Land | 231.74 | 5.05 | - | 236.79 | - | - | - | - | 236.79 |
| Leasehold Land | 198.67 | 1.49 | 179.25 | 20.91 | 12.28 | 2.31 | 4.86 | 9.73 | 11.18 |
| Flat and Building @ | 5,538.03 | 13.17 | 290.54 | 5,260.66 | 979.71 | 241.92 | 28.98 | 1,192.65 | 4,068.01 |
| Leasehold Premises | 250.65 | 38.30 | 26.35 | 262.60 | 143.62 | 40.71 | 23.10 | 161.23 | 101.37 |
| Plant and Equipment | 426.39 | 1.38 | 421.86 | 5.91 | 85.25 | 19.68 | 104.68 | 0.25 | 5.66 |
| Furniture and Fixtures | 244.03 | 29.18 | 16.14 | 257.07 | 119.82 | 37.73 | 9.35 | 148.20 | 108.87 |
| Vehicles @ | 325.93 | 83.15 | 40.12 | 368.96 | 172.39 | 60.78 | 23.62 | 209.55 | 159.41 |
| Office equipment @ | 577.31 | 45.74 | 44.13 | 578.92 | 365.70 | 89.41 | 25.20 | 429.91 | 149.01 |
| Vessel (Boat) | 6.96 | - | - | 6.96 | 5.61 | 0.28 | - | 5.89 | 1.07 |
| Computers @ | 1,098.50 | 227.66 | 121.11 | 1,205.05 | 725.09 | 240.36 | 115.39 | 850.06 | 354.99 |
| Solar Power Equipment | - | 62.20 | - | 62.20 | - | 0.15 | - | 0.15 | 62.05 |
| Total (A) | 8,898.21 | 507.32 | 1,139.50 | 8,266.03 | 2,609.47 | 733.33 | 335.18 | 3,007.62 | 5,258.41 |
| b) Intangibles | | | | | | | | | |
| Software @ | 853.06 | 375.34 | 2.86 | 1,225.54 | 563.44 | 221.37 | 0.19 | 784.62 | 440.92 |
| MCX Membership | 3.00 | - | - | 3.00 | 3.00 | - | - | 3.00 | - |
| Trademark/ Design & Copyright | 163.36 | 715.00 | - | 878.36 | 100.09 | 109.66 | - | 209.75 | 668.61 |
| Total (B) | 1,019.42 | 1,090.34 | 2.86 | 2,106.90 | 666.53 | 331.03 | 0.19 | 997.37 | 1,109.53 |
| Total (A+B) | 9,917.63 | 1,597.66 | 1,142.36 | 10,372.93 | 3,276.00 | 1,064.36 | 335.37 | 4,004.99 | 6,367.94 |

Note: @ With effect from 16 September 2016 Edelweiss Asset Reconstruction Company Limited, formerly an associate, has become a subsidiary of the Company and has been accordingly consolidated from the said date. Accordingly, additions during the year includes ₹ 56.58 million and deductions / adjustments during the year includes ₹ 7.13 million.

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)
(Currency : Indian rupees in millions)

Annexure V

2.11 Fixed assets (continued)

| Particulars | Gross Block | | | | Depreciation and amortization | | | | | Net Block |
|----------------------------------|-------------------|---------------------------|---|-------------------|-------------------------------|----------------------------|---------------------|---|-------------------|-------------------|
| | As at 01-Apr-2015 | Additions during the year | Deductions/ adjustments during the year | As at 31-Mar-2016 | As at 01-Apr-2015 | Opening Reserve Adjustment | Charge for the year | Deductions/ adjustments during the year | As at 31-Mar-2016 | As at 31-Mar-2016 |
| a) Property, Plant and Equipment | | | | | | | | | | |
| Land | 231.74 | - | - | 231.74 | - | - | - | - | - | 231.74 |
| Leasehold Land | 177.36 | 24.80 | 3.49 | 198.67 | 0.17 | - | 14.10 | 1.99 | 12.28 | 186.39 |
| Flat and Building @ | 4,489.62 | 1,048.41 | - | 5,538.03 | 742.98 | 0.20 | 236.53 | - | 979.71 | 4,558.32 |
| Leasehold Premises | 231.79 | 40.00 | 21.14 | 250.65 | 144.00 | - | 20.87 | 21.25 | 143.62 | 107.03 |
| Plant and Equipment | 419.74 | 13.51 | 6.86 | 426.39 | 10.09 | - | 78.94 | 3.78 | 85.25 | 341.14 |
| Furniture and Fixtures | 172.27 | 78.06 | 6.30 | 244.03 | 95.84 | - | 28.90 | 4.92 | 119.82 | 124.21 |
| Vehicles @ | 275.56 | 83.70 | 33.33 | 325.93 | 136.64 | - | 58.69 | 22.94 | 172.39 | 153.54 |
| Office equipment @ | 414.68 | 169.28 | 6.65 | 577.31 | 278.36 | 0.02 | 92.90 | 5.58 | 365.70 | 211.61 |
| Vessel (Boat) | 6.96 | - | - | 6.96 | 5.25 | - | 0.36 | - | 5.61 | 1.35 |
| Computers @ | 781.71 | 327.84 | 11.05 | 1,098.50 | 545.59 | 0.04 | 190.23 | 10.77 | 725.09 | 373.41 |
| Total (A) | 7,201.43 | 1,785.60 | 88.82 | 8,898.21 | 1,958.92 | 0.26 | 721.52 | 71.23 | 2,609.47 | 6,288.74 |
| b) Intangibles | | | | | | | | | | |
| Software @ | 670.94 | 182.24 | 0.12 | 853.06 | 415.24 | - | 148.24 | 0.04 | 563.44 | 289.62 |
| MCX Membership | 3.00 | - | - | 3.00 | 2.55 | - | 0.45 | - | 3.00 | - |
| Trademark/ Design & Copyright | 163.36 | - | - | 163.36 | 67.97 | - | 32.12 | - | 100.09 | 63.27 |
| Total (B) | 837.30 | 182.24 | 0.12 | 1,019.42 | 485.76 | - | 180.81 | 0.04 | 666.53 | 352.89 |
| Total (A+B) | 8,038.73 | 1,967.84 | 88.94 | 9,917.63 | 2,444.68 | 0.26 | 902.33 | 71.27 | 3,276.00 | 6,641.63 |

Note : @ With effect from 30 March 2016 Edelweiss Finvest Private Limited, formerly an associate, has become a wholly owned subsidiary of the Company and has been accordingly consolidated from the said date. Accordingly, additions during the year includes ₹ 1.43 million, deductions / adjustments during the year includes ₹ 0.19 million and opening reserve adjustment for accumulated depreciation includes ₹ 0.26 million.

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)

(Currency : Indian rupees in millions)

Annexure V

| | | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-16 |
|---|--|--------------------|--------------------|--------------------|
| 2.12 Non-current investments | | | | |
| (valued at cost, unless stated otherwise) (Refer note 2.50) | | | | |
| Non-Traded | | | | |
| I. | Others (quoted) | | | |
| | (A) Equity Shares | (a) | 984.14 | 1,881.41 |
| | | | | 2,331.70 |
| | (B) Debentures and bonds | | | |
| | i) In associate companies | | - | 300.00 |
| | ii) In others | | 937.99 | 2,891.30 |
| | | (b) | 937.99 | 2,891.30 |
| | | | | 5,542.41 |
| | | | | 5,542.41 |
| II. | Others (unquoted) | | | |
| | (A) Equity shares | | | |
| | i) In subsidiary companies (Refer note 1.2(d)) | | 0.10 | 0.10 |
| | ii) In others | | 1,879.60 | 1,216.98 |
| | | (c) | 1,879.70 | 1,217.08 |
| | | | | 1,195.33 |
| | | | | 1,195.43 |
| | (B) Preference shares | | | |
| | i) In associate companies | | 123.88 | 123.88 |
| | ii) In others | | 47.37 | 534.11 |
| | | (d) | 171.25 | 657.99 |
| | | | | 2,145.32 |
| | (C) Government securities and security receipts | (e) | 55,596.48 | 50,224.43 |
| | | | | 5,716.99 |
| | (D) Debentures and bonds | | | |
| | i) In associate companies | | - | 1,500.00 |
| | ii) In others | | 5,426.16 | 731.78 |
| | | (f) | 5,426.16 | 731.78 |
| | | | | 1,749.76 |
| | (E) Warrants | (g) | 104.90 | 138.47 |
| | | | | 113.82 |
| | (F) Units of alternate asset funds/mutual funds | (h) | 1,547.52 | 963.37 |
| | | | | 413.84 |
| | (G) Investment in partnership firm - Capital Account | (i) | 0.02 | 0.02 |
| | | | | 0.02 |
| | (H) Property | (j) | 646.35 | 2,168.88 |
| | | | | 228.35 |
| | (I) Long-term investments in equity shares of associates | | | |
| | i) Opening balance of investment | | 201.63 | 1,016.86 |
| | ii) Further investment / (disinvestments) in associates | | (40.35) | - |
| | iii) Effect of Conversion of Associate into Subsidiary | | - | (962.78) |
| | iv) Share in profit of associates | | 39.38 | 147.55 |
| | | (k) | 200.66 | 201.63 |
| | | | | 1,016.86 |
| | Total (a to k) | | 67,495.17 | 61,076.36 |
| | | | | 20,454.50 |
| Less : Provision for diminution in value of investments | | | (503.96) | (662.46) |
| | | | | (445.39) |
| Total | | | 66,991.21 | 60,413.90 |
| | | | | 20,009.11 |

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)

(Currency : Indian rupees in millions)

Annexure V

| | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-16 |
|---|--------------------|--------------------|--------------------|
| 2.13 Deferred tax | | | |
| Deferred tax assets | | | |
| Difference between book and tax depreciation | 42.18 | 68.49 | 10.58 |
| Provision for doubtful debts/advances | 718.92 | 498.29 | 489.43 |
| Disallowances under section 43B of the Income Tax Act, 1961 | 270.98 | 395.88 | 331.51 |
| Provision for standard assets / non-performing assets | 1,371.08 | 940.52 | 794.01 |
| Amortised loan processing fees | 250.21 | 137.48 | 118.84 |
| Others | 312.63 | 791.02 | 360.08 |
| Total (A) | 2,966.00 | 2,831.68 | 2,104.45 |
| Deferred tax liabilities | | | |
| Difference between book and tax depreciation | 792.60 | 177.46 | 130.93 |
| Amortised loan origination costs | 345.06 | 130.19 | 114.08 |
| Others | 87.97 | 414.94 | 63.51 |
| Total (B) | 1,225.63 | 722.59 | 308.52 |
| Deferred Tax Assets - Net (A - B) | 1,740.37 | 2,109.09 | 1,795.93 |
| 2.14 Long-term loans and advances | | | |
| (Considered good, unless stated otherwise) | | | |
| Secured | | | |
| Receivable from financing business | | | |
| Considered good | 1,41,620.68 | 92,221.13 | 62,231.35 |
| Considered non-performing | 2,649.39 | 1,807.80 | 378.72 |
| | 1,44,270.07 | 94,028.93 | 62,610.07 |
| Unsecured | | | |
| Receivable from financing business | | | |
| Considered good | 14,099.56 | 5,310.09 | 1,965.98 |
| Considered non-performing | 81.36 | 56.24 | 20.68 |
| | 14,180.92 | 5,366.33 | 1,986.66 |
| Capital advances | 295.09 | 518.61 | 580.23 |
| Security deposits placed | 452.59 | 299.91 | 261.91 |
| Other loans and advances | | | |
| Prepaid expenses | 24.14 | 12.80 | 16.10 |
| Unamortised loan origination costs | 507.09 | 205.41 | 188.73 |
| Advance income tax (net of provision for tax) | 3,545.57 | 3,561.49 | 3,010.93 |
| MAT credit entitlement | 265.45 | 125.67 | 80.54 |
| Loans and advances to related parties (Refer note 2.31) | - | - | 6,964.97 |
| Loans and advances to others | 17.15 | 552.93 | - |
| Loans given to employees welfare trusts | 1,395.00 | 1,455.53 | 1,500.48 |
| | 1,64,953.07 | 1,06,127.61 | 77,200.62 |
| 2.15 Other non-current assets | | | |
| (Unsecured considered good) | | | |
| Long-term deposits with banks (Refer note 2.51) | 4,875.50 | 5,324.94 | 11,178.30 |
| Accrued interest on fixed deposits | 708.64 | 1,086.51 | 637.42 |
| Future interest receivable on loan transfer transactions | 28.21 | 89.10 | 70.51 |
| Interest accrued but not due on loans given | 2,281.77 | 1,843.85 | 1,236.71 |
| Other assets | 19.77 | 21.24 | 14.84 |
| | 7,913.89 | 8,365.64 | 13,137.78 |

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)
(Currency : Indian rupees in millions)
Annexure V

| | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-16 |
|---|--------------------|--------------------|--------------------|
| 2.16 Current investments | | | |
| (at lower of cost and fair value) (Refer note 2.50) | | | |
| Traded | | | |
| I. Quoted Investments | | | |
| (A) Equity shares | 3,937.83 | 2,406.95 | 1,473.36 |
| (B) Debentures and bonds | 4,009.58 | 635.00 | 1,020.93 |
| (C) Preference shares | 66.69 | - | - |
| II. Unquoted Investments | | | |
| (A) Government securities, security receipts / Collateralised borrowing and lending obligation | 11,862.51 | 2,789.99 | 1,491.86 |
| (B) Debentures and bonds | 1,108.70 | 1,092.75 | 895.47 |
| (C) Units of mutual funds | 2,773.22 | 1,402.13 | 2,073.57 |
| (D) Investment in partnership firm - Current Account | 4.55 | 36.11 | - |
| | 23,763.08 | 8,362.93 | 6,955.19 |
| 2.17 Stock-in-Trade | | | |
| (at lower of cost and fair value) | | | |
| A) Securities | | | |
| I. Quoted | | | |
| (i) Equity shares | 2,511.84 | 4,838.49 | 1,513.38 |
| (ii) Preference shares | 237.32 | 6.67 | 0.97 |
| (iii) Debentures and bonds | 57,067.33 | 40,433.37 | 72,250.97 |
| (iv) Units of mutual funds | 106.33 | - | - |
| (v) Warrants | 354.39 | 54.84 | 9.13 |
| II. Unquoted | | | |
| (i) Equity shares @ | 19.03 | 0.00 | 0.00 |
| (ii) Preference shares | 3.03 | - | - |
| (iii) Debentures and bonds | 91,070.45 | 50,851.16 | 13,123.17 |
| (iv) Units of mutual funds | 9,121.51 | 7,652.01 | 6,626.13 |
| B) Commodities | 1,427.87 | 2,681.27 | 21,585.82 |
| C) Consumables | 0.60 | 6.23 | 9.55 |
| | 1,61,919.70 | 1,06,524.04 | 1,15,119.12 |

@ Amount is less than ₹ 0.01 million

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)

(Currency : Indian rupees in millions)

Annexure V

| | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-16 |
|--|--------------------|--------------------|--------------------|
| 2.18 Trade receivables | | | |
| Outstanding for a period exceeding six months | | | |
| - Secured, considered good | 483.78 | 168.54 | 286.39 |
| - Unsecured, considered good | 333.18 | 388.56 | 54.27 |
| - Unsecured, considered doubtful | 1,039.75 | 938.39 | 648.92 |
| | 1,856.71 | 1,495.49 | 989.58 |
| Less : Provision for doubtful debts | (1,039.75) | (938.39) | (648.92) |
| | 816.96 | 557.10 | 340.66 |
| Other debts | | | |
| - Secured, considered good | 1,309.97 | 3,133.85 | 1,488.94 |
| - Unsecured, considered good | 24,125.47 | 7,291.43 | 3,356.39 |
| - Unsecured, considered doubtful | 32.52 | 43.69 | 47.85 |
| | 25,467.96 | 10,468.97 | 4,893.18 |
| Less : Provision for doubtful debts | (32.52) | (43.69) | (47.85) |
| | 25,435.44 | 10,425.28 | 4,845.33 |
| | 26,252.40 | 10,982.38 | 5,185.99 |
| 2.19 Cash and bank balances | | | |
| Cash and cash equivalents (Refer note 2.49) | | | |
| Cash in hand | 43.47 | 43.02 | 44.14 |
| Cheques in hand | 1,723.83 | 179.22 | 156.01 |
| Balances with banks | | | |
| - in Current accounts | 21,959.34 | 9,940.90 | 7,091.88 |
| - in fixed deposits with original maturity less than 3 months | 285.50 | 340.48 | 287.35 |
| | 24,012.14 | 10,503.62 | 7,579.38 |
| Other bank balances | | | |
| Fixed deposits (Refer note 2.51) | 1,761.76 | 3,180.77 | 2,453.49 |
| (held as margin money or security against borrowings, guarantees) | | | |
| Short term fixed deposits with banks with original maturity more than 3 months but less than 12 months | 13,480.06 | 12,492.14 | 9,302.14 |
| In unpaid dividend accounts | 4.86 | 5.38 | 5.04 |
| | 39,258.82 | 26,181.91 | 19,340.05 |

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)

(Currency : Indian rupees in millions)

Annexure V

| | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-17 |
|--|--------------------|--------------------|--------------------|
| 2.20 Short-term loans and advances | | | |
| (Considered good, unless stated otherwise) | | | |
| Secured | | | |
| Receivable from financing business | | | |
| Considered good | 51,771.95 | 39,132.36 | 59,739.28 |
| Considered non-performing | 2,157.63 | 1,268.31 | 1,816.22 |
| | 53,929.58 | 40,400.67 | 61,555.50 |
| Unsecured | | | |
| Receivable from financing business | | | |
| Considered good [Receivable from related parties : FY 2017-18 ₹ 6.00 million; FY 2016-17 : ₹ 44.66 million & FY 2015-16 : ₹ 32.00 million] (Refer note 2.31) | 22,748.22 | 37,397.20 | 14,022.63 |
| Considered non-performing | 47.89 | 491.93 | 387.30 |
| | 22,796.11 | 37,889.13 | 14,409.93 |
| Loans and advances to related parties (Refer note 2.31) | 1,386.92 | 2,416.55 | 9,295.82 |
| Loans and advances to others | 20,989.82 | 10,154.75 | 983.95 |
| Other loans and advances | | | |
| Deposits placed with exchange / depositories | 270.00 | 273.96 | 170.01 |
| Vendor and other advances | 685.34 | 510.72 | 1,505.80 |
| Other deposits | 352.02 | 136.89 | 132.04 |
| Unamortised loan origination costs / prepaid expenses | 812.61 | 395.68 | 282.90 |
| Loans and advances to employees | 79.38 | 57.95 | 58.59 |
| Intercompany deposits placed (Refer note 2.31) | 3,839.10 | 604.60 | 511.71 |
| Input tax credit | 1,016.69 | 528.89 | 703.46 |
| Advance income tax (net of provision for tax) | 1,355.93 | 519.29 | 494.71 |
| MAT credit entitlement | 449.79 | 396.77 | 351.90 |
| Others advances | 591.76 | 581.94 | 145.60 |
| | 1,08,555.05 | 94,867.79 | 90,601.92 |
| 2.21 Other current assets | | | |
| (Unsecured considered good) | | | |
| Accrued interest on fixed deposits and inter-corporate deposits | 597.76 | 558.57 | 239.13 |
| Accrued interest on debt instruments | 5,810.33 | 4,172.49 | 2,423.46 |
| Accrued interest on loans given | 5,067.94 | 3,365.70 | 3,179.48 |
| Receivable from exchange / clearing house (net) | 4,244.73 | 3,384.19 | 1,652.19 |
| Mark to market on derivatives | 40.35 | 94.92 | 553.58 |
| Margin placed with broker and premium paid on options | 10,409.25 | 5,085.76 | 5,461.81 |
| Dividend receivable | 30.60 | 84.49 | 5.91 |
| Future interest receivable on loan transfer transactions | 48.71 | 175.05 | 40.02 |
| | 26,249.67 | 16,921.17 | 13,555.58 |

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)
(Currency : Indian rupees in millions)

Annexure V

| | For the year ended 31-Mar-18 | For the year ended 31-Mar-17 | For the year ended 31-Mar-16 |
|--|---------------------------------|---------------------------------|---------------------------------|
| 2.22 Fee and commission income | | | |
| Income from broking | 3,682.28 | 3,011.72 | 2,374.72 |
| Advisory and other fees | 17,658.32 | 9,469.10 | 4,591.34 |
| | 21,340.60 | 12,480.82 | 6,966.06 |
| 2.23 Income from treasury | | | |
| Profit on trading of securities (net) | 782.73 | 3,817.01 | 225.33 |
| Profit / (loss) on trading in derivative instruments (net) | (673.92) | (397.53) | (811.12) |
| Gain / (loss) on foreign exchange movement on trade | 432.91 | 163.3 | (144.20) |
| Profit / (Loss) on sale of commodities (net) (Refer note 2.52) | (111.25) | 1,782.07 | 2,729.67 |
| Yield on real estate advances | 493.39 | 168.35 | 351.28 |
| Profit on sale of investments (net) | 2,374.88 | 1,085.19 | 76.67 |
| Dividend on stock-in-trade and investments | 2,470.92 | 267.91 | 857.16 |
| Share of profit in partnership firms | 10.62 | 7.47 | (4.91) |
| | 5,780.28 | 6,893.77 | 3,279.88 |
| 2.24 Interest Income | | | |
| On loans (including credit substitute instruments) | 39,110.69 | 31,741.61 | 25,073.94 |
| On inter-corporate deposits | 2,038.04 | 309.14 | 227.18 |
| On fixed deposits | 1,382.99 | 2,799.24 | 4,058.35 |
| On debt instruments | 7,575.62 | 5,394.59 | 7,318.00 |
| On others | 633.52 | 770.86 | 1746.21 |
| | 50,740.86 | 41,015.44 | 38,423.68 |
| 2.25 Other operating revenue | | | |
| Delayed payment charges | 608.34 | 433.66 | 358.33 |
| Income from training centre | 33.87 | 35.46 | 37.16 |
| Agri value chain warehousing income | 1,022.81 | 696.96 | 376.91 |
| Rental income | 94.22 | 105.9 | 95.51 |
| | 1,759.24 | 1,271.98 | 867.91 |
| 2.26 Other income | | | |
| Profit on sale of current investment | - | 100.61 | 3.27 |
| Interest income | 44.88 | 21.55 | 14.87 |
| Miscellaneous income | 331.3 | 145.33 | 123.33 |
| | 376.18 | 267.49 | 141.47 |
| 2.27 Employee benefits expense | | | |
| Salaries, wages and bonus | 12,583.25 | 10,355.94 | 8,271.76 |
| Contribution to provident and other funds (Refer note 2.33) | 497.21 | 325.76 | 291.53 |
| Expense on employee stock option scheme | - | - | (0.10) |
| Staff welfare expenses | 468.65 | 339.84 | 258.08 |
| | 13,549.11 | 11,021.54 | 8,821.27 |

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)

(Currency : Indian rupees in millions)

Annexure V

| | For the year ended 31-Mar-18 | For the year ended 31-Mar-17 | For the year ended 31-Mar-16 |
|--|---------------------------------|---------------------------------|---------------------------------|
| 2.28 Finance costs | | | |
| Interest on debentures | 12,339.32 | 8,886.08 | 5,990.22 |
| Interest on term loan / working capital demand loan | 8,905.72 | 5,496.05 | 4,512.76 |
| Interest on bank overdraft | 415.35 | 730.29 | 672.14 |
| Interest on margin and deposits | 97.41 | 44.98 | 26.06 |
| Interest - other loans | 1,215.49 | 1,025.74 | 1,378.05 |
| Discount on commercial paper | 8,389.16 | 8,789.44 | 9,336.33 |
| Financial and bank charges | 1,216.70 | 776.15 | 774.21 |
| Interest on collateralised borrowing and lending obligations | 2,518.70 | 2,190.09 | 3,458.07 |
| Other finance costs | 197.37 | 158.17 | 53.05 |
| | 35,295.22 | 28,096.99 | 26,200.89 |
| 2.29 Other expenses | | | |
| Advertisement and business promotion | 1,200.71 | 872.89 | 656.87 |
| Auditors' remuneration (Refer below) | 60.43 | 60.32 | 37.84 |
| Bad debts and advances written off | 4,269.99 | 2,447.90 | 792.40 |
| Commission and brokerage | 1,062.67 | 635.04 | 501.11 |
| Communication | 396.75 | 291.58 | 276.22 |
| Computer software and other expenses | 454.65 | 329.35 | 225.12 |
| Commission to non-executive directors | 6.80 | 10.10 | 10.00 |
| Contribution towards corporate social responsibility | 184.13 | 115.68 | 76.47 |
| Dematerialisation charges and stock exchange expenses | 100.63 | 105.56 | 81.28 |
| Diminution in value of investments | (82.10) | 248.00 | 230.43 |
| Directors' sitting fees | 12.66 | 10.27 | 8.94 |
| Insurance | 62.10 | 45.45 | 64.05 |
| Legal and professional fees | 1,107.79 | 1,044.72 | 747.79 |
| Membership and subscription | 141.81 | 139.47 | 107.45 |
| Mutual fund expenses | 212.06 | 82.77 | 66.09 |
| Office expenses | 511.76 | 489.19 | 388.14 |
| Printing and stationery | 111.33 | 87.42 | 78.43 |
| Provision for credit loss on securitisation | (38.88) | 32.03 | 3.93 |
| Provision for standard assets | 440.36 | 267.58 | 158.78 |
| Provision for non-performing assets | 748.45 | 513.58 | 438.44 |
| Provision for doubtful debts | 776.89 | 296.22 | 206.44 |
| Rates and taxes | 408.71 | 386.46 | 400.32 |
| Rent and electricity charges | 1,296.46 | 1,043.18 | 855.74 |
| Repairs and maintenance - others | 99.30 | 71.69 | 64.25 |
| Securities and commodity transaction tax | 351.07 | 298.34 | 304.39 |
| Seminar and conference expenses | 103.92 | 35.29 | 39.28 |
| Stamp duty | 183.78 | 125.91 | 135.83 |
| Travelling and conveyance | 766.57 | 580.59 | 599.51 |
| Warehousing charges | 159.54 | 43.9 | 124.96 |
| Selling and Distribution expenses | 972.55 | 936.42 | 373.03 |
| Miscellaneous expenses | 984.07 | 663.21 | 436.3 |
| | 17,066.96 | 12,310.11 | 8,489.83 |
| Auditor's remuneration: | | | |
| As Auditors | 56.48 | 57.14 | 36.28 |
| Towards reimbursement of expenses | 3.95 | 3.18 | 1.56 |
| | 60.43 | 60.32 | 37.84 |

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)
(Currency : Indian rupees in millions)

Annexure V

2.30 Segment reporting

Primary Segment (Business Segment)

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

| Segment | Activities covered |
|------------------------|--|
| Agency business | Broking, advisory, product distribution and other fee based services |
| Capital based business | Income from treasury, investment income and financing |
| Insurance Business | (FY 2017-18, FY 2016-17 and FY 2015-16) Represents results of Edelweiss Tokio Life Insurance Company Limited and (FY 2017-18) Edelweiss General Insurance Company Limited |

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis.

Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary Segment

Since the business operations of the Group are primarily concentrated in India, the Group is considered to operate only in the domestic segment.

The following table gives information as required under the Accounting Standard -17 on Segment Reporting:

| Particulars | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
|--|------------------|------------------|------------------|
| I Segment Revenue | | | |
| a) Agency business | 14,101.10 | 10,210.32 | 9,347.57 |
| b) Capital based business | 64,228.70 | 50,316.88 | 39,907.60 |
| c) Insurance business | 7,858.50 | 5,768.36 | 3,874.71 |
| d) Unallocated | 37.16 | 40.41 | 27.47 |
| Total Income | 86,225.46 | 66,335.97 | 53,157.35 |
| II Segment Results | | | |
| a) Agency business | 4,623.35 | 1,834.17 | 1,372.06 |
| b) Capital based business | 12,460.40 | 10,103.64 | 6,610.82 |
| c) Insurance business | (2,599.90) | (2,158.31) | (1,547.79) |
| d) Unallocated | (262.20) | (199.85) | (246.92) |
| Profit before taxation | 14,221.65 | 9,579.65 | 6,188.17 |
| Less : Provision for taxation | 5,598.52 | 3,947.28 | 2,353.78 |
| Profit after taxation before minority interest | 8,623.13 | 5,632.37 | 3,834.39 |

Edelweiss Financial Services Limited

Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)

(Currency : Indian rupees in millions)

Annexure V

2.30 Segment reporting (continued)

| Particulars | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
|--|--------------------|--------------------|--------------------|
| III Segment Assets | | | |
| a) Agency business | 44,758.80 | 34,072.60 | 21,708.50 |
| b) Capital based business | 5,54,291.90 | 3,90,443.51 | 3,27,401.01 |
| c) Insurance business | 29,508.50 | 17,912.76 | 15,516.81 |
| d) Unallocated | 6,576.15 | 5,805.09 | 5,219.42 |
| Total | 6,35,135.35 | 4,48,233.96 | 3,69,845.74 |
| IV Segment Liabilities | | | |
| a) Agency business | 41,201.60 | 31,779.63 | 12,652.86 |
| b) Capital based business | 4,98,305.20 | 3,51,429.37 | 3,05,837.83 |
| c) Insurance business | 16,550.60 | 10,578.68 | 6,125.70 |
| d) Unallocated | 1,453.62 | 1,567.19 | 1,512.03 |
| Total | 5,57,511.02 | 3,95,354.87 | 3,26,128.42 |
| V Capital Expenditure (Including Capital Work-In-Progress and Intangible assets under development) | | | |
| a) Agency business | 464.48 | 323.93 | 425.15 |
| b) Capital based business | 451.79 | 1,416.41 | 655.39 |
| c) Insurance business | 471.53 | 564.06 | 125.69 |
| d) Unallocated | - | - | - |
| Total | 1,387.80 | 2,304.40 | 1,206.23 |
| VI Depreciation and Amortization | | | |
| a) Agency business | 222.99 | 183.89 | 257.43 |
| b) Capital based business | 734.12 | 787.32 | 566.35 |
| c) Insurance business | 159.74 | 93.15 | 78.55 |
| d) Unallocated | - | - | - |
| Total | 1,116.85 | 1,064.36 | 902.33 |
| VII Significant Non-Cash Expenses Other than Depreciation and Amortization | | | |
| a) Agency business | 129.91 | 89.72 | 361.06 |
| b) Capital based business | 5,980.76 | 3,714.42 | 1,467.39 |
| c) Insurance business | 4,979.71 | 4,264.49 | 2,556.73 |
| d) Unallocated | - | - | - |
| Total | 11,090.38 | 8,068.63 | 4,385.18 |

2.31 Related parties

Disclosure as required by Accounting Standard 18 – “Related Party Disclosure”:

| | FY 2017-18 | FY 2016-17 | FY 2015-16 |
|--|--|---|---|
| (A) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise | | | |
| | Mr. Rashesh Shah | Mr. Rashesh Shah | Mr. Rashesh Shah |
| | Mr. Venkatchalam Ramaswamy | Mr. Venkatchalam Ramaswamy | Mr. Venkatchalam Ramaswamy |
| | Ms. Vidya Shah | Ms. Vidya Shah | Ms. Vidya Shah |
| | Ms. Aparna T.C. | Ms. Aparna T.C. | Ms. Aparna T.C. |
| (B) Key Management Personnel | Mr. Rashesh Shah - Chairman, Managing Director & CEO | Mr. Rashesh Shah - Chairman, Managing Director & CEO | Mr. Rashesh Shah - Chairman, Managing Director & CEO |
| | Mr. Venkatchalam Ramaswamy - Executive Director | Mr. Venkatchalam Ramaswamy - Executive Director | Mr. Venkatchalam Ramaswamy - Executive Director |
| | Mr. Himanshu Kaji - Executive Director | Mr. Himanshu Kaji - Executive Director | Mr. Himanshu Kaji - Executive Director |
| | Mr. Rujan Panjwani - Executive Director | Mr. Rujan Panjwani - Executive Director | Mr. Rujan Panjwani - Executive Director |
| (C) Relatives of individuals exercising significant influence and relatives of KMP, with whom transactions have taken place | | | |
| | Ms. Kaavya Venkat | Ms. Kaavya Venkat | Ms. Kaavya Venkat |
| | Ms. Shilpa Modv | Ms. Shilpa Modv | Ms. Shilpa Modv |
| | Ms. Sejal Premal Parekh | Ms. Sejal Premal Parekh | Ms. Sejal Premal Parekh |
| | Mr. A V Ramaswamy | Mr. A V Ramaswamy | Mr. A V Ramaswamy |
| | Ms. Sneha Sripad Desai | Ms. Sneha Sripad Desai | Ms. Sneha Sripad Desai |
| | Mr. Nalin Kaji | Mr. Nalin Kaji | Mr. Nalin Kaji |
| | Ms. Shabnam Panjwani | Ms. Shabnam Panjwani | Ms. Shabnam Panjwani |
| (D) Subsidiary Company (Refer note 1.2(d)) | Edelgive Foundation | Edelgive Foundation | Edelgive Foundation |
| (E) Enterprises which exercise significant influence over subsidiary | Edelweiss Tokio Life Insurance Company Limited Tokio Marine & Nichido Fire Insurance Co., Limited (Subsidiary of Tokio Marine Holdings Inc.) | Edelweiss Tokio Life Insurance Company Limited Tokio Marine & Nichido Fire Insurance Co., Limited (Subsidiary of Tokio Marine Holdings Inc.) | Edelweiss Tokio Life Insurance Company Limited Tokio Marine & Nichido Fire Insurance Co., Limited (Subsidiary of Tokio Marine Holdings Inc.) |
| (F) Enterprises where significant influence is exercised | Edelweiss Fund Advisors Private Limited Dahlia Commodities Services Private Limited Magnolia Commodities Services Private Limited Allium Finance Private Limited Aeon Credit Services India Private Limited (upto August 22, 2017) | Edelweiss Fund Advisors Private Limited Dahlia Commodities Services Private Limited Magnolia Commodities Services Private Limited Allium Finance Private Limited Aeon Credit Services India Private Limited - Edelweiss Asset Reconstruction Company Limited (upto September 15 2016; subsidiary from September 16, 2016) - | Edelweiss Fund Advisors Private Limited Dahlia Commodities Services Private Limited Magnolia Commodities Services Private Limited Allium Finance Private Limited Aeon Credit Services India Private Limited Edelweiss Asset Reconstruction Company Limited - Arum Investments Private Limited (upto March 30, 2016; subsidiary from March 31, 2016) |
| (G) Enterprises over which Promoter / KMPs / Relatives exercise significant influence, with whom transactions have taken place | Spire Investment Advisors LLP Mabella Investment Adviser LLP Shah Family Discretionary Trust | Spire Investment Advisors LLP Mabella Investment Adviser LLP Shah Family Discretionary Trust | Spire Investment Advisors LLP - - |

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)
(Currency : Indian rupees in millions)

Annexure V

2.31 Related parties (Continued)

| (H) Transactions and balances with Related Parties: | | | | |
|---|--|---|-----------|-----------|
| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-18 | 31-Mar-17 |
| Transactions with related parties | | | | |
| 1 | Equity share capital issued by subsidiary (including securities premium) | Tokio Marine & Nichido Fire Insurance Co. Limited | 4,349.97 | - |
| | | | | 5,274.71 |
| 2 | Investments in equity shares of | Aeon Credit Service India Private Limited | - | - |
| | | | | 125.00 |
| 3 | Investments in debentures of | Edelweiss Asset Reconstruction Company Limited | - | - |
| | | | | 300.00 |
| 4 | Long term loans repaid by | Edelweiss Asset Reconstruction Company Limited | - | 2,000.00 |
| | | | | 5.03 |
| 5 | Short term loans taken from | Dahlia Commodities Services Private Limited | - | 4,000.00 |
| | | Magnolia Commodities Services Private Limited | - | 3,000.00 |
| | | Edelweiss Finvest Private Limited | - | - |
| | | | | 275.01 |
| 6 | Short term loans taken repaid to | Magnolia Commodities Services Private Limited | - | 3,000.00 |
| | | Dahlia Commodities Services Private Limited | 1,600.00 | 2,400.00 |
| | | Edelweiss Finvest Private Limited | - | - |
| | | | | 940.51 |
| 7 | Short term loans given to | Magnolia Commodities Services Private Limited | 12,095.86 | 10,184.45 |
| | | Dahlia Commodities Services Private Limited | 4,545.22 | 9,302.39 |
| | | Mr. Nalin Kaji | 500.00 | 500.00 |
| | | Mabella Investment Adviser LLP | - | 246.98 |
| | | Edelweiss Asset Reconstruction Company Limited | - | 46.47 |
| | | Ms. Aparna T. C. | - | 27.31 |
| | | Ms. Vidya Shah | - | 0.17 |
| | | Edelweiss Finvest Private Limited | - | - |
| | | Mr. Rujan Panjwani | 6.00 | - |
| | | | | 14.17 |
| 8 | Short term loans given repaid by | Magnolia Commodities Services Private Limited | 12,116.13 | 8,863.61 |
| | | Dahlia Commodities Services Private Limited | 5,842.08 | 7,941.41 |
| | | Edelweiss Asset Reconstruction Company Limited | - | 6,616.12 |
| | | Mr. Nalin Kaji | 500.00 | 500.00 |
| | | Mabella Investment Adviser LLP | - | 300.00 |
| | | Ms. Aparna T. C. | 44.66 | 14.66 |
| | | Ms. Vidya Shah | - | 0.17 |
| | | Edelweiss Finvest Private Limited | - | - |
| | | Mr. Rujan Panjwani | - | - |
| | | | | 31,363.65 |
| | | | | 29.33 |
| 9 | Margin received from | Magnolia Commodities Services Private Limited | 1,055.93 | 3,801.89 |
| | | Dahlia Commodities Services Private Limited | 228.48 | 295.36 |
| | | | | 172.55 |
| | | | | 142.76 |
| 10 | Margin repaid to | Magnolia Commodities Services Private Limited | 65.22 | 3,773.77 |
| | | Dahlia Commodities Services Private Limited | 270.61 | 247.64 |
| | | | | 161.81 |
| | | | | 108.39 |
| 11 | Reimbursement recovered from | Magnolia Commodities Services Private Limited | 16.76 | 9.32 |
| | | | | 6.03 |
| | | Dahlia Commodities Services Private Limited | 16.00 | 3.15 |
| | | Edelweiss Asset Reconstruction Company Limited | - | - |
| | | Allium Finance Private Limited | 3.41 | - |
| | | Edelweiss Fund Advisors Private Limited | 0.11 | - |
| | | | | 176.23 |
| | | | | 0.55 |
| | | | | 0.08 |

2.31 Related parties (Continued)

(H) Transactions and balances with Related Parties: (continued)

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
|---------|--------------------------------------|--|-----------|-----------|-----------|
| 12 | Dividend paid | Mr. Rashesh Shah | 196.16 | 145.30 | 210.49 |
| | | Mr. Venkatchalam Ramaswamy | 78.34 | 58.03 | 83.74 |
| | | Ms. Vidya Shah | 47.29 | 35.03 | 49.66 |
| | | Shah Family Discretionary Trust | 52.31 | - | - |
| | | Spire Investment Advisors LLP | 4.32 | 41.95 | 60.83 |
| | | Ms. Aparna T. C. | 16.42 | 12.00 | 17.40 |
| | | Ms. Kaavya Venkat | 15.92 | 12.00 | 17.40 |
| | | Mr. Rujan Panjwani | 17.03 | 12.32 | 17.86 |
| | | Mr. Himanshu Kaji | 4.10 | 1.99 | 1.29 |
| | | Ms. Sneha Sripad Desai | 1.38 | 1.03 | 1.49 |
| | | Ms. Shilpa Mody | 1.35 | 1.00 | 1.45 |
| | | Ms. Sejal Premal Parekh | 1.35 | 1.00 | 1.45 |
| | | Ms. Shabnam Panjwani | 0.53 | 0.22 | 0.32 |
| | | Mr. A V Ramaswamy | 0.07 | 0.05 | 0.07 |
| 13 | Rating fee earned from | Edelweiss Asset Reconstruction Company Limited | - | 0.77 | - |
| 14 | Rental income from | Edelweiss Asset Reconstruction Company Limited | - | 12.10 | 11.00 |
| | | Allium Finance Private Limited | - | 0.42 | 0.52 |
| | | Edelweiss Finvest Private Limited | - | - | 0.51 |
| 15 | Interest income on loan from | Edelweiss Asset Reconstruction Company Limited | - | 708.52 | 1,667.16 |
| | | Magnolia Commodities Services Private Limited | 386.86 | 280.06 | 89.71 |
| | | Dahlia Commodities Services Private Limited | 141.59 | 166.39 | 21.47 |
| | | Mr. Nalin Kaji | 2.86 | 6.61 | 1.41 |
| | | Ms. Aparna T. C. | - | 3.93 | 2.61 |
| | | Mabella Investment Adviser LLP | - | 2.04 | 3.39 |
| | | Ms. Vidya Shah @ | - | 0.00 | 1.38 |
| | | Mr. Rujan Panjwani | 0.01 | - | 0.54 |
| | | Edelweiss Finvest Private Limited | - | - | 50.76 |
| 16 | Interest income on debentures | Edelweiss Asset Reconstruction Company Limited | - | 132.21 | 258.44 |
| | | Edelweiss Finvest Private Limited | - | - | 45.71 |
| 17 | Interest expenses on loan from | Dahlia Commodities Services Private Limited | 92.37 | 10.59 | - |
| | | Magnolia Commodities Services Private Limited | - | 7.56 | - |
| | | Edelweiss Finvest Private Limited | - | - | 82.21 |
| 18 | Interest expense on margin placed by | Magnolia Commodities Services Private Limited | 9.34 | 5.38 | 1.09 |
| | | Dahlia Commodities Services Private Limited | 4.91 | 0.98 | 0.63 |
| 19 | Purchase of securities from | Magnolia Commodities Services Private Limited | 570.62 | - | - |
| | | Dahlia Commodities Services Private Limited | 392.60 | - | 506.52 |
| | | Edelweiss Finvest Private Limited | - | - | 2,051.49 |

2.31 Related parties (Continued)

(H) Transactions and balances with Related Parties: (continued)

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
|---------|---|--|-----------|-----------|-----------|
| 20 | Sale of securities to | Mabella Investment Adviser LLP | - | 602.60 | 480.00 |
| | | Magnolia Commodities Services Private Limited | 782.57 | - | 2,484.80 |
| | | Dahlia Commodities Services Private Limited | 392.47 | - | 508.58 |
| | | Edelweiss Finvest Private Limited | - | - | 156.44 |
| | | Mr. Venkat Ramaswamy | - | - | 50.00 |
| 21 | Redemption of Securities | Mabella Investment Adviser LLP | - | 20.12 | - |
| 22 | Settlement of derivative transactions (net expenditure) | Dahlia Commodities Services Private Limited | - | - | 33.27 |
| 23 | Settlement of derivative transactions (net income) | Magnolia Commodities Services Private Limited | - | - | 18.13 |
| 24 | Brokerage earned from | Magnolia Commodities Services Private Limited | 71.07 | 33.93 | 1.44 |
| | | Mabella Investment Adviser LLP | 7.96 | 5.54 | 6.24 |
| | | Dahlia Commodities Services Private Limited | 0.98 | 1.11 | 0.75 |
| | | Spire Investment Advisors LLP | - | 0.39 | 0.04 |
| | | Shah Family Discretionary Trust | - | 0.37 | - |
| | | Ms. Aparna T. C. | 0.17 | 0.09 | 0.06 |
| | | Mr. Nalin Kaji | - | 0.09 | - |
| | | Ms. Vidya Shah | - | 0.07 | 0.54 |
| | | Mr. Rujan Panjwani | - | 0.02 | 0.01 |
| | | Mr. Rashes Shah | - | 0.01 | 0.05 |
| | | Ms. Shabnam Panjwani @ | - | 0.01 | 0.00 |
| | | Mr. Himanshu Kaji @ | - | 0.00 | - |
| | | Mr. A V Ramaswamy | 0.01 | - | 0.10 |
| | | Ms. Kavya Venkat | 0.03 | - | - |
| | | Edelweiss Finvest Private Limited | - | - | 0.01 |
| | | Ms. Sejal Premal Parekh @ | - | - | 0.00 |
| 25 | Clearing income from | Dahlia Commodities Services Private Limited | 0.29 | 0.22 | 0.16 |
| | | Magnolia Commodities Services Private Limited | 0.33 | 0.21 | 0.19 |
| 26 | Processing fees earned from | Edelweiss Asset Reconstruction Company Limited | - | 0.04 | - |
| 27 | Remuneration to | Mr. Rashes Shah | 131.73 | 118.66 | 105.12 |
| | | Mr. Rujan Panjwani | 73.69 | 70.83 | 61.98 |
| | | Mr. Himanshu Kaji | 71.43 | 70.99 | 57.95 |
| | | Mr. Venkatchalam Ramaswamy | 60.08 | 59.82 | 49.34 |
| | | Ms. Shabnam Panjwani | 17.36 | 40.47 | 14.92 |
| | | Ms. Vidya Shah | 7.25 | 6.72 | 4.02 |
| 28 | Contribution towards corporate social responsibility | Edelgive Foundation | 177.85 | 113.90 | 71.69 |

2.31 Related parties (Continued)

(H) Transactions and balances with Related Parties: (continued)

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
|--------------------------------------|-------------------------------------|--|-----------|-----------|-----------|
| Balances with related parties | | | | | |
| 29 | Cost reimbursements recovered from | Edelweiss Asset Reconstruction Company Limited | - | 1.95 | 3.89 |
| | | Dahlia Commodities Services Private Limited | 7.29 | 0.50 | 0.50 |
| | | Magnolia Commodities Services Private Limited | 7.25 | 0.50 | 0.50 |
| | | Edelweiss Fund Advisors Private Limited | 0.40 | - | - |
| | | Allium Finance Private Limited | 2.40 | 0.07 | 0.62 |
| | | Edelweiss Finvest Private Limited | - | - | 114.82 |
| 30 | Investments in equity shares of | Aeon Credit Service India Private Limited | - | 227.50 | 227.50 |
| | | Allium Finance Private Limited | 21.18 | 21.18 | 21.18 |
| | | Dahlia Commodities Services Private Limited | 1.00 | 1.00 | 1.00 |
| | | Magnolia Commodities Services Private Limited | 1.00 | 1.00 | 1.00 |
| | | Edelweiss Fund Advisors Private Limited | 0.50 | 0.50 | 0.50 |
| | | Edelgive Foundation | 0.10 | 0.10 | 0.10 |
| | | Edelweiss Asset Reconstruction Company Limited | - | - | 529.75 |
| 31 | Investments in preference shares of | Allium Finance Private Limited | 123.88 | 123.88 | 123.88 |
| 32 | Investment in debentures of | Edelweiss Asset Reconstruction Company Limited | - | - | 1,800.00 |
| 33 | Long term loans given to | Edelweiss Asset Reconstruction Company Limited | - | - | 6964.97 |
| 34 | Short term loans taken from | Dahlia Commodities Services Private Limited | - | 1,600.00 | - |
| 35 | Short term loans given to | Magnolia Commodities Services Private Limited | 2,209.63 | 2,229.90 | 909.06 |
| | | Dahlia Commodities Services Private Limited | 489.79 | 1,786.65 | 425.66 |
| | | Ms. Aparna T. C. | - | 44.66 | 32.00 |
| | | Mr. Rujan Panjwani | 6.00 | - | - |
| | | Edelweiss Asset Reconstruction Company Limited | - | - | 8,186.62 |
| | | Mabella Investment Adviser LLP | - | - | 53.02 |
| 36 | Debentures held by | Mr. Rujan Panjwani | 10.00 | - | - |
| 37 | Preference shares held by | Mr. Rujan Panjwani | 2.30 | - | - |
| | | Ms. Shabnam Panjwani | 1.00 | - | - |
| 38 | Trade receivables from | Magnolia Commodities Services Private Limited | 3.87 | - | 0.56 |
| | | Dahlia Commodities Services Private Limited | 3.87 | - | 0.56 |
| | | Edelweiss Fund Advisors Private Limited | 0.09 | - | - |
| | | Allium Finance Private Limited | 1.11 | - | - |
| | | Edelweiss Asset Reconstruction Company Limited | - | - | 2.58 |

2.31 Related parties (Continued)

(H) Transactions and balances with Related Parties: (continued)

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
|---------|--|--|-----------|-----------|-----------|
| 39 | Accrued interest income on loans given to | Dahlia Commodities Services Private Limited | 0.25 | 17.49 | 0.04 |
| | | Magnolia Commodities Services Private Limited | 5.79 | - | 0.07 |
| | | Edelweiss Asset Reconstruction Company Limited | - | - | 66.24 |
| | | Mr. Rujan Panjwani | 0.01 | - | - |
| 40 | Accrued interest income on debt instruments | Edelweiss Asset Reconstruction Company Limited | - | - | 3.09 |
| 41 | Accrued interest expense on loans taken from | Dahlia Commodities Services Private Limited | - | 9.53 | - |
| | | Magnolia Commodities Services Private Limited | - | 6.81 | - |
| 42 | Accrued interest expense on margin received from | Magnolia Commodities Services Private Limited | 1.02 | 0.35 | 0.06 |
| | | Dahlia Commodities Services Private Limited | 0.14 | 0.04 | 0.02 |
| 43 | Margin payable to clients | Dahlia Commodities Services Private Limited | 85.23 | 127.36 | 79.64 |
| | | Magnolia Commodities Services Private Limited | 1,102.17 | 111.46 | 83.34 |
| 44 | Accrued salaries and benefits | Mr. Rashesh Shah | - | 107.50 | 94.50 |
| | | Mr. Rujan Panjwani | - | 62.50 | 52.50 |
| | | Mr. Himanshu Kaji | - | 60.00 | 47.50 |
| | | Mr. Venkatchalam Ramaswamy | - | 50.00 | 40.00 |
| | | Ms. Shabnam Panjwani | - | 9.00 | 8.00 |
| | | Ms. Vidya Shah | - | 4.20 | 2.50 |
| 45 | Trade payables to | Dahlia Commodities Services Private Limited | 1.47 | 0.36 | 1.26 |
| | | Magnolia Commodities Services Private Limited | 0.87 | 0.33 | 1.20 |
| | | Allium Finance Private Limited | 0.01 | - | - |
| | | Edelweiss Asset Reconstruction Company Limited | - | - | 0.51 |

@ ₹ 0.00 refers to amount less than ₹ 0.01 million

Notes:

- 1) The Intra group company loans are generally in the nature of revolving demand loans unless otherwise stated. Loan given/taken to/from parties and margin money placed/refund received with/from related parties are disclosed based on the maximum incremental amount given/taken and placed/refund received during the reporting period.
- 2) Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and provision made for bonus which are provided for group of employees on an overall basis. These are included on cash basis.

2.32 Earnings per share

In accordance with Accounting Standard 20 - Earnings Per Share, the computation of earnings per share is set out below:

| | 2018 | 2017 | 2016 |
|---|-------------|-------------|-------------|
| a) Shareholders earnings (as per reformatted Indian GAAP consolidated statement of profit and loss) | 8,901.30 | 6,093.06 | 4,143.83 |
| Less: Preference dividend declared by the Company (including dividend distribution tax) | 99.75 | 99.75 | 99.75 |
| Net Profit available to equity shareholders for the purpose of calculating basic and diluted earnings per share | 8,801.55 | 5,993.31 | 4,044.08 |
| b) Calculation of weighted average number of equity shares of ₹ 1 each: | | | |
| Number of shares at the beginning of the year | 832,569,089 | 814,036,630 | 791,752,619 |
| Number of shares issued during the year | 82,929,838 | 18,532,459 | 22,284,011 |
| Total number of equity shares outstanding at the end of the year | 915,498,927 | 832,569,089 | 814,036,630 |
| Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) | 870,326,846 | 826,052,403 | 807,065,324 |
| c) Number of dilutive potential equity shares | 27,921,341 | 40,055,553 | 27,141,417 |
| d) Basic earnings per share (in ₹) {a/b} | 10.11 | 7.26 | 5.01 |
| e) Diluted earnings per share (in ₹) {a/(b+c)} | 9.80 | 6.92 | 4.85 |

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)

(Currency : Indian rupees in millions)

Annexure V
2.33 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits
A) Defined contribution plan (Provident fund and National Pension Scheme):

| | 2018 | 2017 | 2016 |
|--|--------|--------|-------|
| Amount recognised as expenses and included in "Employee benefit expense" – Note 2.27 in the reformatted Indian GAAP consolidated statement of Profit and loss. | 363.67 | 280.46 | 220.7 |

B) Defined benefit plan (Gratuity):

The following tables summarize the components of the net benefit expenses recognised in the reformatted Indian GAAP consolidated statement of profit and loss and the funded and unfunded status and amount recognised in the reformatted Indian GAAP consolidated statement of assets and liabilities for the gratuity benefit plan.

Statement of profit and loss
Expenses recognised in the reformatted Indian GAAP consolidated statement of Profit and Loss:

| | 2018 | 2017 | 2016 |
|--|---------------|--------------|--------------|
| Current service cost | 85.10 | 64.47 | 54.19 |
| Interest on defined benefit obligation | 25.86 | 23.81 | 18.56 |
| Expected return on plan assets | (18.70) | (17.99) | (14.56) |
| Past service cost | 56.52 | - | - |
| Exchange rate adjustment | 0.04 | (0.24) | 0.57 |
| Effect of limiting net assets to asset ceiling | 4.57 | 0.44 | (0.41) |
| Actuarial (gain) / losses | (28.95) | (16.93) | 37.88 |
| Total included in 'Employee benefits expense' | 124.44 | 53.56 | 96.23 |

Balance sheet
Reconciliation of defined benefit obligation (DBO) :

| | 2018 | 2017 | 2016 |
|--|---------------|---------------|---------------|
| Present value of DBO at the beginning of the year | 380.66 | 320.23 | 236.95 |
| Acquisition/ (Divestiture) | - | 11.60 | 1.32 |
| Transfer (out)/in | 4.49 | (2.65) | (0.35) |
| Interest cost | 25.86 | 23.81 | 18.56 |
| Current service cost | 85.10 | 64.47 | 54.19 |
| Benefits paid | (41.15) | (36.14) | (24.29) |
| Past service cost | 56.52 | - | - |
| Actuarial (gain)/loss | (24.33) | (0.42) | 33.28 |
| Exchange Rate Adjustment | 0.04 | (0.24) | 0.57 |
| Present value of DBO at the end of the year | 487.19 | 380.66 | 320.23 |

Reconciliation of fair value of plan assets:

| | 2018 | 2017 | 2016 |
|---|---------------|---------------|---------------|
| Fair value of plan assets at the beginning of the year | 290.19 | 257.36 | 189.82 |
| Acquisition / (Divestiture) | - | 1.26 | - |
| Contributions by Employer | 76.06 | 33.22 | 81.86 |
| Benefits paid | (41.15) | (36.14) | (24.29) |
| Actuarial gain/(loss) | 4.62 | 16.50 | (4.59) |
| Fair value of plan assets at the end of the year | 329.72 | 272.20 | 242.80 |
| Expected return on plan asset | 18.70 | 17.99 | 14.56 |

Net asset / (liability) recognised in the reformatted Indian GAAP consolidated statement of assets and liabilities:

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-----------------|----------------|----------------|----------------|----------------|
| Present value of DBO | 487.19 | 380.66 | 320.23 | 236.95 | 169.25 |
| Fair value of plan assets at the end of the year | 348.42 | 290.19 | 257.36 | 189.82 | 133.68 |
| Net Liability | (138.77) | (90.47) | (62.87) | (47.13) | (35.57) |
| Less: Effect of limiting net assets to asset ceiling | (5.97) | (1.40) | - | - | - |
| Liability recognized in the reformatted Indian GAAP consolidated statement of assets and liabilities | (144.74) | (91.87) | (62.87) | (47.13) | (35.57) |

Experience adjustments:

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--------------------------------------|---------|---------|--------|-------|-------|
| On plan liabilities: loss / (gain) | (13.02) | (11.37) | 28.52 | 5.15 | 5.90 |
| On plan assets: gain / (loss) | 2.78 | 15.53 | (4.92) | 21.61 | 5.45 |
| Estimated contribution for next year | 19.50 | 1.00 | 1.50 | - | 20.00 |

Principal actuarial assumptions at the balance sheet date:

| | 2018 | 2017 | 2016 |
|---|-----------------------|-----------------------|-----------------------|
| Discount rate | 7.00%-7.30% | 6.60%-6.80% | 7.40% |
| Salary escalation | 7.00% | 7.00% | 7.00% |
| Employees attrition rate | 13% - 60% | 13% - 60% | 13% - 60% |
| Expected return on Plan Assets | 6.80% p.a. | 7.40% p.a. | 7.80% p.a. |
| Mortality Rate | IALM 2006-08 (Utl) | IALM 2006-08 (Utl) | IALM 2006-08 (Utl) |
| Expected average remaining working lives of employees | 4 Years | 5 Years | 5 Years |

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)

(Currency : Indian rupees in millions)

Annexure V
2.34 Operating leases
Lessee

| | 2018 | 2017 | 2016 |
|---|----------|--------|--------|
| The Group has taken various premises on operating lease. Gross rental expenses which has been included under the head Other Expenses - Rent and electricity charges in the reformatted Indian GAAP consolidated statement of Profit and loss. | 1,118.92 | 872.72 | 688.13 |

Details of future minimum lease payments for non-cancellable operating leases are as follows:

| | 2018 | 2017 | 2016 |
|---|---------------|---------------|-----------------|
| Minimum lease payments for non-cancellable lease | | | |
| not later than one year | 203.10 | 174.82 | 416.95 |
| later than one year and not later than five years | 128.45 | 376.61 | 629.61 |
| later than five years | - | 92.56 | 59.13 |
| Total | 331.55 | 643.99 | 1,105.69 |

Lessor

The Company has given certain portion of owned building on cancellable and non cancellable operating lease for periods ranging from 12 months to 60 months.

| | 2018 | 2017 | 2016 |
|---|-------|--------|-------|
| Lease payments received and recognized in the reformatted Indian GAAP consolidated statement of Profit and loss during the year | 94.22 | 105.90 | 95.51 |

Details of future minimum lease payments receivable for non cancellable operating leases are as follows:

| | 2018 | 2017 | 2016 |
|--|----------|-------------|--------------|
| Minimum lease payments receivable for non-cancellable lease | | | |
| not later than one year | - | 3.16 | 17.24 |
| later than one year and not later than five years | - | - | 3.16 |
| later than five years | - | - | - |
| Total | - | 3.16 | 20.40 |

2.35 Derivatives Transactions

FY 2017-18

A) Open interest in Index futures as at 31 March 2018:

| Index Name | Maturity grouping | Long Position | | Short Position | |
|---------------|-------------------|------------------|--------------|------------------|--------------|
| | | No. of Contracts | No. of Units | No. of Contracts | No. of Units |
| NIFTY | <1 month | | 5 | 10 | 5,453 |
| | 1-2 months | | - | - | 2 |
| BANK NIFTY | <1 month | 14,548 | 342,800 | - | - |
| | 1-2 months | - | - | 2 | 80 |
| FOREIGN INDEX | <1 month | - | - | 1,571 | 164,150 |
| | 2-3 months | - | - | 258 | 5,769,800 |

B) Open interest in Equity Futures as at 31 March 2018:

| Maturity grouping | Long Position | | Short Position | |
|-------------------|------------------|--------------|------------------|--------------|
| | No. of Contracts | No. of Units | No. of Contracts | No. of Units |
| <1 month | 10,115 | 14,093,069 | 3,936 | 7,205,312 |
| 2-3 months | 13 | 650 | - | - |

C) Open interest in Commodity Futures as at 31 March 2018:

| Name of Future | Maturity grouping | Long Position | | Short Position | |
|----------------|-------------------|------------------|--------------|------------------|--------------|
| | | No. of Contracts | No. of Units | No. of Contracts | No. of Units |
| GOLD | <1 month | 109 | 109,000 | - | - |
| | 2-3 months | - | - | 163 | 163,000 |
| GOLD MINI | <1 month | 42 | 4,200 | - | - |
| | <1 month | 99 | 123,750 | - | - |
| SILVER MINI | <1 month | - | - | 9 | 45 |
| | 1-2 months | - | - | 731 | 21,930 |

D) Commodity Forwards as at 31 March 2018:

| Name of Forwards | Maturity grouping | Long Position | | Short Position | |
|------------------|-------------------|------------------|--------------|------------------|--------------|
| | | No. of Contracts | No. of Units | No. of Contracts | No. of Units |
| GOLD-USD | <1 month | - | - | - | - |

E) Open interest in Currency Futures as at 31 March 2018:

| Name of Future | Maturity grouping | Long Position | | Short Position | |
|----------------|-------------------|------------------|--------------|------------------|--------------|
| | | No. of Contracts | No. of Units | No. of Contracts | No. of Units |
| USD | <1 month | - | - | 25,044 | 25,044,000 |
| GBP | <1 month | - | - | 300 | 300,000 |
| | 2-3 months | - | - | 1 | 62,500 |
| EURO | 2-3 months | - | - | 13 | 1,625,000 |

F) Currency Forwards as at 31 March 2018:

| Name of Forwards | Maturity grouping | Long Position | | Short Position | |
|------------------|-------------------|------------------|--------------|------------------|--------------|
| | | No. of Contracts | No. of Units | No. of Contracts | No. of Units |
| USDCNH | <1 month | - | - | 213,555 | 213,555 |
| | 1-2 months | - | - | 1,693,708 | 1,693,708 |
| USDCAD | 2-3 months | 60,000 | 60,000 | - | - |
| USDEUR | <1 month | 1,846,728 | 1,846,728 | 1,083,335 | 1,083,335 |
| | 2-3 months | 37,223 | 37,223 | - | - |
| USDHKD | <1 month | 1,000,000 | 1,000,000 | 3,825 | 3,825 |
| | 6-12 months | 9,231 | 9,231 | - | - |
| USDIDR | <1 month | 135,915,000 | 135,915,000 | 132,116,000 | 132,116,000 |
| | 1-2 months | 126,520,000 | 126,520,000 | 88,303,000 | 88,303,000 |
| | 2-3 months | 15,000,000 | 15,000,000 | 15,413,000 | 15,413,000 |
| | 3-6 months | 183,605,000 | 183,605,000 | 188,655,000 | 188,655,000 |
| | 6-12 months | 50,000,000 | 50,000,000 | 75,000,000 | 75,000,000 |
| USDINR | <1 month | 27,800,098 | 27,800,098 | - | - |
| | 1-2 months | 14,045,651 | 14,045,651 | - | - |
| | 2-3 months | 4,967,136 | 4,967,136 | - | - |
| | 3-6 months | - | - | 48,951,205 | 48,951,205 |
| USDJPY | <1 month | 9,473,809 | 9,473,809 | 11,214,110 | 11,214,110 |
| | 1-2 months | 2,344,750 | 2,344,750 | 1,046,025 | 1,046,025 |
| | 2-3 months | 1,700,000 | 1,700,000 | 917,955 | 917,955 |
| | 3-6 months | 14,640 | 14,640 | 3,079,150 | 3,079,150 |
| | 6-12 months | 1,500,923 | 1,500,923 | 1,501,304 | 1,501,304 |
| USDKRW | <1 month | 807,750,000 | 807,750,000 | 721,500,000 | 721,500,000 |
| | 1-2 months | 285,900,000 | 285,900,000 | 403,000,000 | 403,000,000 |
| | 2-3 months | 400,000,000 | 400,000,000 | 689,000,000 | 689,000,000 |
| | 3-6 months | 1478,200,000 | 1478,200,000 | 1260,500,000 | 1260,500,000 |
| | 6-12 months | 1213,500,000 | 1213,500,000 | 1219,000,000 | 1219,000,000 |
| | > 12 months | 75,000,000 | 75,000,000 | - | - |
| USDSGD | <1 month | 1,819 | 1,819 | - | - |
| | 3-6 months | 89,316 | 89,316 | 3,674,097 | 3,674,097 |
| USDTWD | <1 month | 372,140,000 | 372,140,000 | 382,007,000 | 382,007,000 |
| | 1-2 months | 210,900,000 | 210,900,000 | 125,000,000 | 125,000,000 |
| | 2-3 months | 51,010,000 | 51,010,000 | 128,296,000 | 128,296,000 |
| | 3-6 months | 131,850,000 | 131,850,000 | 162,457,000 | 162,457,000 |
| | 6-12 months | 30,000,000 | 30,000,000 | 60,000,000 | 60,000,000 |

2.35 Derivatives Transactions (continued)

G) Open interest in Interest Rate Futures as at 31 March 2018:

| Maturity grouping | Long position | | Short position | |
|-------------------|------------------|--------------|------------------|--------------|
| | No. of Contracts | No. of Units | No. of Contracts | No. of Units |
| <1 month | - | - | 7078 | 14,299,022 |
| 2-3 months | | 100 | 128 | 198,000 |
| 3-6 months | | 96 | 19 | 79,173 |
| 6-12 months | | 259 | 301 | 580,836 |
| >12 months | | 501 | 543 | 1,147,500 |

H) Open interest in interest rate derivatives other than exchanges as at 31 March 2018:

| Benchmark | Notional Principal (₹ In millions) | Terms |
|-----------|---------------------------------------|--------------------------------|
| MIBOR | 41,750.00 | Pay fixed vs. receive floating |
| MIBOR | 18,648.90 | Pay floating vs. receive fixed |
| LIBOR | 61.89 | Pay fixed vs. receive floating |
| LIBOR | 2,835.50 | Pay floating vs. receive fixed |

I) Equity Swap as at 31 March 2018:

| Maturity grouping | Long position | | Short position | |
|-------------------|------------------|--------------|------------------|--------------|
| | No. of Contracts | No. of Units | No. of Contracts | No. of Units |
| >1 month | | 536 | 536 | - |
| 2-3 months | | 648,612 | 485,603 | 485,603 |
| 3-6 months | | 23,692,168 | 1,416,404 | 1,416,404 |
| 6-12 months | | 8,046,514 | 9,500 | 9,500 |
| >12 months | | 692,450 | 45,781 | 45,781 |

J) Credit default Swaps as at 31 March 2018:

| Benchmark | Notional Principal (₹ In millions) |
|---|---------------------------------------|
| ITRX Asia Ex Japan S27 | 650.4 |
| Housing Development Finance Corporation Limited | 1,626.00 |
| Tata Capital Limited | 1,626.00 |
| Power Finance Corporation Limited | 1,626.00 |

K) Other Swaps as at 31 March 2018:

| Benchmark | Notional Principal (₹ In millions) |
|---------------------------|---------------------------------------|
| Total Return Swaps | |
| CDBL Funding 1 | 63.29 |
| ICBIL Finance Co. Limited | 65.14 |
| Variance Swaps | |
| S&P 500 Index | 9.08 |
| Hang Seng Index | 3.02 |
| Kospi 200 Index | 5.85 |

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)
(Currency : Indian rupees in millions)

Annexure V

2.35 Derivatives Transactions (continued)

FY 2016-17

A) Open interest in Equity Index/Stock Futures as at 31 March 2017:

| Name of Future | Long position | | Short position | |
|-------------------|------------------|--------------|------------------|--------------|
| Maturity grouping | No. of Contracts | No. of Units | No. of Contracts | No. of Units |
| <1 month | 27,005 | 6,093,223 | 31,565 | 46,374,387 |
| 1-2 months | 1,541 | 111,875 | 14 | 14 |
| 2-3 months | 1,089 | 79,307 | 84 | 84 |

B) Open interest in Commodity Futures as at 31 March 2017:

| Name of Future | Long position | | Short position | |
|-------------------|------------------|--------------|------------------|--------------|
| Maturity grouping | No. of Contracts | No. of Units | No. of Contracts | No. of Units |
| 1-2 months | 3 | 10,375 | - | - |
| 2-3 months | 12 | 372 | 164 | 16,175 |
| 3-6 months | - | - | 160 | 16,000 |

C) Open interest in Currency Futures as at 31 March 2017:

| Name of Future | Long position | | Short position | |
|-------------------|------------------|--------------|------------------|--------------|
| Maturity grouping | No. of Contracts | No. of Units | No. of Contracts | No. of Units |
| <1 month | 2,68,165 | 224,313,000 | 1,29,300 | 4,29,000 |
| 2-3 months | 868 | 1,114,000 | 333 | 1,875,325 |

D) Open interest in Interest Rate Futures as at 31 March 2017:

| Name of Future | Long position | | Short position | |
|-------------------|------------------|--------------|------------------|--------------|
| Maturity grouping | No. of Contracts | No. of Units | No. of Contracts | No. of Units |
| <1 month | 130 | 541,710 | 15928 | 24,260,000 |
| 1-2 months | 20 | 83,340 | 130 | 541,710 |
| 2-3 months | 22 | 37,000 | 76 | 193,840 |
| 3-6 months | 198 | 487,500 | 10 | 25,000 |
| 6-12 months | 374 | 739,590 | 314 | 782,500 |
| >12 months | 625 | 1,330,000 | 841 | 1,663,750 |

FY 2015-16

A) Open interest in Equity Index/Stock Futures as at 31 March 2016:

| Name of Future | Long position | | Short position | |
|-------------------|------------------|--------------|------------------|--------------|
| Maturity grouping | No. of Contracts | No. of Units | No. of Contracts | No. of Units |
| <1 month | 52,349 | 37,086,272 | 70,950 | 6,564,545 |
| 1-2 months | 1,992 | 149,265 | 115 | 115 |
| 2-3 months | 64 | 64 | 9 | 9 |

B) Open interest in Commodity Futures as at 31 March 2016:

| Name of Future | Long position | | Short position | |
|-------------------|------------------|--------------|------------------|--------------|
| Maturity grouping | No. of Contracts | No. of Units | No. of Contracts | No. of Units |
| <1 month | 4,616 | 8,055,570 | 6,190 | 8,752,582 |
| 1-2 months | 5,280 | 488,298 | 2,023 | 59,240 |
| 2-3 months | 53 | 26,629 | 718 | 71,800 |

C) Open interest in Currency Futures as at 31 March 2016:

| Name of Future | Long position | | Short position | |
|-------------------|------------------|--------------|------------------|--------------|
| Maturity grouping | No. of Contracts | No. of Units | No. of Contracts | No. of Units |
| <1 month | 2,250,600 | 2,250,600 | 460,556 | 125,378,000 |
| 1-2 months | - | - | 81,784 | 81,514,000 |
| 2-3 months | - | - | 2,000 | 2,000 |

D) Open interest in Interest Rate Futures as at 31 March 2016:

| Name of Future | Long position | | Short position | |
|-------------------|------------------|--------------|------------------|--------------|
| Maturity grouping | No. of Contracts | No. of Units | No. of Contracts | No. of Units |
| <1 month | 40,812 | 41,140,000 | - | - |
| 1-2 months | - | - | 50 | 245,625 |
| 2-3 months | 351 | 818,334 | 303 | 698,334 |

2.36 Option contracts outstanding :

As at FY 2017-18

| Option Type | Premium Paid (Net of provision made) | Premium Received (Net of provision made) |
|------------------|---|---|
| Currency options | 167.9 | 567.2 |
| Equity Options | 7742.88 | 1633.52 |
| Index Options | 63.98 | 22.49 |

As at FY 2016-17

A) Index/Stock

| | |
|---|--------|
| Total premium carried forward at 31 March 2017 (Net of provisions made) | 271.27 |
|---|--------|

B) Currency

| | |
|--|-------|
| Total premium carried forward at 31 March 2017 (Net of provision made) | 73.23 |
|--|-------|

As at FY 2015-16

A) Index/Stock

| | |
|---|--------|
| Total premium carried forward at 31 March 2016 (Net of provisions made) | 280.19 |
|---|--------|

B) Currency

| | |
|--|--------|
| Total premium carried forward at 31 March 2016 (Net of provision made) | 762.69 |
|--|--------|

Edelweiss Financial Services Limited**Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)**

(Currency : Indian rupees in millions)

Annexure V**2.37 Employee stock option plans**

The Company has currently two Employee Stock Option Plans ('Plans') in force. The Plans provide that the Company's employees and those of its subsidiaries and associates are granted an option to acquire equity shares of the Company that vest in a graded manner. The options may be exercised within a specified period. The plans also provide that if the ESOP Committee so notifies, the participant may have an option to receive cash in lieu of exercising the vested options in the manner provided in the ESOP Scheme in this regards.

The Company follows the intrinsic value method to account for its stock based compensation plans. Compensation cost is measured as the excess, if any, of the fair market value of the underlying share on the date of grant over the exercise price.

During the year, the Company granted stock options to employees under the ESOP 2011 Plan where the exercise price was linked to either closing market price of the shares on the date of the grant or book value of the shares as per the last audited balance sheet of the Company as on the date of the grant, whichever is higher.

The schedule of stock options vesting period for ESOP 2011 Plan are as follows:-

| Sr. no. | Vesting Date | % of options that shall vest |
|--------------|----------------------------------|------------------------------------|
| 1 | 12 months from the date of grant | 25 (Twenty five)% of grant |
| 2 | 24 months from the date of grant | 25 (Twenty five)% of grant |
| 3 | 36 months from the date of grant | 25 (Twenty five)% of grant |
| 4 | 48 months from the date of grant | 25 (Twenty five)% of grant |
| Total | | 100 (One hundred)% of grant |

The options can be exercised within two years from the date of vesting.

During the years ended 31 March 2012, 31 March 2013, 31 March 2014, 31 March 2016, 31 March 2017 and 31 March 2018, the Company had granted stock options to the employees under the ESOP 2011 Plan (formulated in F.Y. 2011-12) where the exercise price was linked to either closing market price of the shares on the date of the grant or book value of the shares as per the last audited balance sheet of the Company as on the date of the grant, whichever is higher.

During the year ended 31 March 2011, the Company had formulated ESOP 2010 Plan wherein stock options were granted to employees where the exercise price was linked to either closing market price of the shares on the date of the grant or book value of the shares as per the last audited balance sheet of the Company as on the date of the grant, whichever is higher.

The schedule of stock options vesting period for ESOP 2010 Plan are as follows:-

| Sr. No. | Vesting Date | % of options that shall vest |
|--------------|----------------------------------|------------------------------------|
| 1 | 12 months from the date of grant | 25 (Twenty five)% of grant |
| 2 | 24 months from the date of grant | 25 (Twenty five)% of grant |
| 3 | 36 months from the date of grant | 25 (Twenty five)% of grant |
| 4 | 48 months from the date of grant | 25 (Twenty five)% of grant |
| Total | | 100 (One hundred)% of grant |

The options can be exercised within four years from the date of vesting.

During the year ended 31 March 2010, the Company had formulated ESOP 2009 Plan wherein stock options were granted to employees where the exercise price was linked to either closing market price of the shares on the date of the grant or book value of the shares as per the last audited balance sheet as on the date of the grant, whichever is higher.

The schedule of stock options vesting period for ESOP 2009 Plan is as follows:-

| Sr. No. | Vesting Date | % of options that shall vest |
|--------------|----------------------------------|------------------------------------|
| 1 | 36 months from the date of grant | 30 (Thirty)% of grant |
| 2 | 48 months from the date of grant | 30 (Thirty)% of grant |
| 3 | 60 months from the date of grant | 40 (forty)% of grant |
| Total | | 100 (One hundred)% of grant |

The options can be exercised within two years from the date of vesting.

For determination of compensation cost, the Company has assumed the exercise price to be the specified amount.

Since the exercise price in all the above Plans is linked to closing market price of the shares on the date of the grant date, there is no compensation cost based on intrinsic value of options.

With respect to stock options granted upto 31 March 2008, the fair market value of the underlying shares has been determined based on an independent valuer's report as these stock options were granted by the Company to its employees when it was not listed on the stock exchanges. The fair value of such stock options is arrived as stipulated in the Guidance Note on Accounting for Employee Share Based Payments issued by The Institute of Chartered Accountants of India. Based on intrinsic value method compensation cost charged in the reformatted Indian GAAP consolidated statement of profit and loss for the year FY 2017-18 is ₹ Nil (FY 2016-17 : ₹ Nil & FY 2015-16 : write back of ₹ 0.10 million).

2.37 Employee stock option plans (continued)

Details of various schemes are stated below:

Activity in the options outstanding under the employees stock option plans as at 31 March 2018:

| Exercise Price (₹) | Range of Exercise price(**) | Range of Exercise price(**) |
|---|-----------------------------|-----------------------------|
| | ESOP 2010 | ESOP 2011 |
| ESOP Plan | | |
| Scheme | | |
| Total Options approved by the members | 30,000,000 | 100,000,000 |
| Grants as at 1 April 2017 | 4,259,750 | 56,658,402 |
| Add - Options granted during the year | - | 3,387,000 |
| Less - Options lapsed / cancelled during the Year | (17,000) | (1,544,838) |
| Less - Options exercised during the year | (2,769,750) | (25,048,690) |
| Grants as at 31 March 2018 | 1,473,000 | 33,451,874 |
| Options exercisable as at 31 March 2018 | 1,473,000 | 15,190,574 |

Activity in the options outstanding under the employees stock option plans as at 31 March 2017:

| Exercise Price (₹) | Range of Exercise Price | Range of Exercise price(**) | Range of Exercise price(**) |
|--|-------------------------|-----------------------------|-----------------------------|
| | ESOP 2009 | ESOP 2010 | ESOP 2011 |
| ESOP Plan | | | |
| Scheme | | | |
| Total Options approved by the members | 50,000,000 | 30,000,000 | 100,000,000 |
| Grants as at 1 April 2016 | 4,062,900 | 8,626,375 | 69,616,939 |
| Add - Options granted during the year | - | - | 5,115,000 |
| Less - Options lapsed/ cancelled during the Year | (1,900,400) | (1,225,625) | (4,346,103) |
| Less - Options exercised during the year | (2,162,500) | (3,141,000) | (13,727,434) |
| Grants as at 31 March 2017 | - | 4,259,750 | 56,658,402 |
| Options exercisable as at 31 March 2017 | - | 4,259,750 | 25,373,099 |

Activity in the options outstanding under the employees stock option plans as at 31 March 2016:

| Exercise Price (₹) | Pricing Formula (*) | Range of Exercise price(**) | Range of Exercise price(**) | Range of Exercise price(**) |
|--|---------------------|-----------------------------|-----------------------------|-----------------------------|
| | ESOP 2007 | ESOP 2009 | ESOP 2010 | ESOP 2011 |
| ESOP Plan | | | | |
| Scheme | II | | | |
| Total Options approved by the members | 81,000,000 | 50,000,000 | 30,000,000 | 100,000,000 |
| Grants as at 1 April 2015 | 2,860,000 | 7,951,250 | 12,913,500 | 74,835,950 |
| Add - Options granted during the year | - | - | - | 11,300,000 |
| Less - Options lapsed/ cancelled during the Year | (36,000) | (1,14,500) | (4,73,375) | (5,108,175) |
| Less - Options exercised during the year | (2,824,000) | (3,773,850) | (3,813,750) | (11,410,836) |
| Grants as at 31 March 2016 | - | 4,062,900 | 8,626,375 | 69,616,939 |
| Options exercisable as at 31 March 2016 | - | 4,062,900 | 8,626,375 | 22,858,126 |

(*) Pricing formula

| | |
|--|----------------------------------|
| ESOP 2007 (II) | |
| Period during which vested options are exercised | From 1 July 2011 to 30 June 2015 |
| Exercise price payable for such vested options | ₹ 33.30 |

(**) Range of Exercise price

| | | |
|--|---|---------------------|
| ESOP 2009 | | |
| Exercise price payable for such vested options | Closing market price of the shares on the date of the grant | ₹ 39.44 to ₹ 50.26 |
| ESOP 2010 | | |
| Exercise price payable for such vested options | Closing market price of the shares on the date of the grant | ₹ 41.40 to ₹ 61.00 |
| ESOP 2011 | | |
| Exercise price payable for such vested options | Closing market price of the shares on the date of the grant | ₹ 24.60 to ₹ 118.00 |

2.37 Employee stock option plans (continued)

Following summarises the information about stock options outstanding as at 31 March 2018:

| Plan | As at 31 March 2018 | |
|---|---------------------|-------------|
| | ESOP Scheme | ESOP Scheme |
| | 2010 | 2011 |
| - Range of exercise price ** | ₹ 41.40 | ₹ 24.60 |
| | to | to |
| | ₹ 61.00 | ₹ 301.45 |
| - Number of shares arising out of options | 1,473,000 | 33,451,874 |
| - Weighted average life of Outstanding options (in years) | 0.81 | 4.49 |
| Weighted average exercise prices of stock Options (in ₹) | | |
| - outstanding at the beginning of the year | 49.19 | 39.89 |
| - granted during the year | N.A. | 207.55 |
| - forfeited/cancelled during the year | 48.55 | 51.13 |
| - exercised during the year | 49.08 | 35.10 |
| - outstanding at the end of the year | 49.40 | 59.93 |
| - exercisable at the end of the year | 49.40 | 37.94 |

The average market share price for stock options exercised during the year is ₹ 245.72

Following summarises the information about stock options outstanding as at 31 March 2017:

| Plan | As at 31 March 2017 | | |
|---|---------------------|-------------|-------------|
| | ESOP Scheme | ESOP Scheme | ESOP Scheme |
| | 2009 | 2010 | 2011 |
| - Range of exercise price ** | ₹ 39.44 | ₹ 41.40 | ₹ 24.60 |
| | to | to | to |
| | ₹ 50.26 | ₹ 61.00 | ₹ 118.00 |
| - Number of shares arising out of options | - | 4,259,750 | 56,658,402 |
| - Weighted average life of Outstanding options (in years) | - | 1.31 | 4.32 |
| Weighted average exercise prices of stock Options (in ₹) | | | |
| - outstanding at the beginning of the year | 40.54 | 48.95 | 36.28 |
| - granted during the year | N.A. | N.A. | 68.34 |
| - forfeited/cancelled during the year | 39.44 | 49.95 | 35.56 |
| - exercised during the year | 50.10 | 48.24 | 33.57 |
| - outstanding at the end of the year | N.A. | 49.19 | 39.89 |
| - exercisable at the end of the year | N.A. | 49.19 | 34.06 |

The average market share price for stock options exercised during the year is ₹ 98.68

Following summarises the information about stock options outstanding as at 31 March 2016:

| Plan | As at 31 March 2016 | | | |
|---|---------------------|-------------|-------------|-------------|
| | ESOP Scheme | ESOP Scheme | ESOP Scheme | ESOP Scheme |
| | 2007 | 2009 | 2010 | 2011 |
| - Range of exercise price ** | Pricing formula | ₹ 39.44 | ₹ 41.40 | ₹ 24.60 |
| | | to | to | to |
| | | ₹ 50.26 | ₹ 61.00 | ₹ 70.05 |
| - Number of shares arising out of options | - | 4,062,900 | 8,626,375 | 69,616,939 |
| - Weighted average life of Outstanding options (in years) | - | 0.19 | 1.38 | 0.80 |
| Weighted average exercise prices of stock Options (in ₹) | | | | |
| - outstanding at the beginning of the year | 33.30 | 40.54 | 48.91 | 32.45 |
| - granted during the year | N.A. | N.A. | N.A. | 57.18 |
| - forfeited/cancelled during the year | 33.30 | 39.44 | 52.69 | 35.07 |
| - exercised during the year | 33.30 | 40.32 | 48.35 | 32.38 |
| - outstanding at the end of the year | N.A. | 40.54 | 48.95 | 36.28 |
| - exercisable at the end of the year | N.A. | 40.54 | 48.95 | 32.60 |

The average market share price for stock options exercised during the year is ₹ 58.55

2.37 Employee stock option plans (continued)

Fair value methodology

The fair value of options used to compute pro-forma net income and earnings per share have been estimated on the dates of each grant, on or after the date the 'Guidance Note on Accounting for Employee Share-based Payments', issued by the Institute of Chartered Accountants of India, became applicable, i.e. 1 April 2005, using the Black-Scholes option pricing model. The Company has estimated the volatility based on historical market volatility. The various assumptions considered in the pricing model for the aforementioned ESOP's granted are:

| | For the year ended | For the year ended | For the year ended |
|-----------------------------|--------------------|--------------------|--------------------|
| | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
| Dividend yield | 0.43% - 0.66% | 0.85% - 3.12% | 0.92% - 3.12% |
| Expected volatility | 44.61% - 45.68% | 38.77% - 51.44% | 38.77% - 51.44% |
| Risk free interest rate | 8.00% | 7.50% - 8.00% | 7.50% - 8.00% |
| Expected life of the option | 1 – 4 years | 1.31 – 4.32 years | 0.19 – 1.38 years |

The weighted average fair value of options granted during the year ended 31st March 2018 is ₹ 69.73 (FY 2016-17: ₹ 28.51; FY 2015-16: ₹ 22.46)

Impact of fair value method on net profit and earnings per share

Had compensation cost for the Company's stock option plans outstanding been determined based on the fair value approach, the Company's net profit and earnings per share would have reduced to the pro-forma amounts as indicated below:

| | For the year ended | For the year ended | For the year ended |
|--|--------------------|--------------------|--------------------|
| | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
| Net Profit (as reported) | 8,901.30 | 6,093.06 | 4,143.83 |
| Less: Preference dividend declared by the Company | (99.75) | (99.75) | (99.75) |
| (including dividend distribution tax) | | | |
| Less: Impact of incremental cost under fair value approach | (158.67) | (213.17) | (12.35) |
| Net Profit: (pro-forma) | 8,642.88 | 5,780.14 | 4,031.73 |
| Basic earnings per share (as reported) (in ₹) | 10.11 | 7.26 | 5.01 |
| Basic earnings per share (pro-forma) (in ₹) | 9.93 | 7.00 | 4.99 |
| Diluted earnings per share (as reported) (in ₹) | 9.80 | 6.92 | 4.85 |
| Diluted earnings per share (pro-forma) (in ₹) | 9.62 | 6.67 | 4.83 |

2.38 Share Application money pending allotment

FY 2017-18

The Company has received ₹ 25.08 million towards share application on exercise of ESOPs which will result in an issue of 584,190 shares. Of the total receipts ₹ 24.50 million has been received towards share premium. These shares have since been allotted.

FY 2016-17

The Company has received ₹ 40.94 million towards share application on exercise of ESOPs which will result in an issue of 1,133,100 shares. Of the total receipts ₹ 39.81 million has been received towards share premium. These shares have since been allotted.

FY 2015-16

The Company has received ₹ 20.58 million towards share application on exercise of ESOPs which will result in an issue of 634,625 shares. Of the total receipts ₹ 19.95 million has been received towards share premium. These shares have since been allotted.

2.39 Capital commitment

| | 2018 | 2017 | 2016 |
|---|-----------|-----------|-----------|
| a. Uncalled liabilities on non-current investments as at balance sheet date | Nil | 21.67 | 245.83 |
| b. Undrawn committed credit lines subject to meeting of conditions as at balance sheet date | 50,877.36 | 26,403.42 | 20,113.89 |
| c. Estimated amount of contracts remaining to be executed on capital account and not provided for | 817.11 | 780.79 | 842.77 |

2.40 Contingent liabilities

| | 2018 | 2017 | 2016 |
|---|----------|----------|--------|
| a. Taxation matters in respect of which appeal is pending | 1,081.91 | 1,021.46 | 933.20 |
| b. Litigation pending against company | 119.60 | 17.37 | 18.27 |
| c. Claims not acknowledged as debt | 60.48 | 48.36 | 49.05 |

Note - The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with Income Tax, Excise, Custom, Sales/VAT tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the reformatted Indian GAAP consolidated financial information. The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

2.41 a) Brokerage income is disclosed net of (i) service tax, (ii) related sub brokerage expenses and (iii) transaction charges collected thereon

b) Securities received from clients as collateral for margins are held by broking companies in the Group in their own names in fiduciary capacity

2.42 Disclosure relating to Specified Bank notes (SBN's) held and transacted during the period from November 8, 2016 to December 30, 2016 pursuant to Notification No. G.S.R. 308 (E) dated March 30, 2017:

| Particulars | SBNs | Other Denomination Notes | Total |
|--|------|--------------------------|-------|
| Closing cash in hand as on 08.11.2016 | 9.78 | 0.10 | 9.88 |
| Add: Permitted receipts | - | 6.20 | 6.20 |
| Less: Permitted payments | - | 0.59 | 0.59 |
| Less: Amount deposited in Banks | 9.78 | 5.14 | 14.92 |
| Closing cash in hand as on 30.12.2016 | - | 0.57 | 0.57 |

Note: For the purpose of this clause, the term Specified Bank Notes (SBNs) means the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8 November, 2016.

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)

(Currency : Indian rupees in millions)

Annexure V
2.43 Actuarial Liability

Liabilities for life insurance policies are determined by the Appointed Actuary in accordance with the IRDAI regulations and relevant actuarial practice standards & guidance notes issued by the Institute of Actuaries of India.

For Linked business (UL), separate unit and non-unit reserve is maintained. The unit reserve is the current value of the assets underlying the unit funds and the non-unit reserve is kept to meet the liabilities due to the cost of insurance, expenses, commissions etc in excess of future charges. For lapsed policies under UL products the fund is transferred to a separate discontinuance fund as per IRDAI regulations and reserves have been kept for benefits payable post lock-in period. The discontinuance charges collected are kept as non-unit reserves till the lock-in period and the non-unit reserves for the discontinuance policies are also kept assuming the policy will continue to be in the discontinuance fund till the lock-in period of five years.

Non-linked business is reserved using a prospective gross premium method of valuation. The reserves are established having regard to the assumptions as to future experience, including the interest rate that will be earned on premiums not yet received and future bonus rates for participating business. Assumptions as to the future bonus rates are set to be consistent with the interest rate assumptions. For participating policies the valuation interest rate used is 6.00% (FY 2016-17 & FY 2015-16 : 6.00%). For non-par policies, the valuation interest rate ranges between 5.58% - 6.75% (FY 2016-17 & FY 2015-16 : 5.58% - 6.75%) for the first 5 years and 4.00% - 6.00% (FY 2016-17 & FY 2015-16 : 4.00% - 6.00%) thereafter (for annuity, 2% assumed for year greater than 50 years).

The lapse assumptions are based on various factors namely the actual experience, credibility of the experience, pricing assumptions, trend from actual experience and consistency from past year's assumptions.

For lapsed policies, revival reserves are maintained (till the policies are within the revival period) assuming 10.00% (previous year 10.00%) of them will get revived.

Mortality assumptions are set with reference to the published IALM (2006-2008) Ultimate Mortality Table. The mortality assumptions are based on various factors namely the actual experience, credibility of the experience, pricing assumptions, trend from actual experience and consistency from past year's assumptions. For annuity product, mortality rates are set with reference to the Modified Mortality for Annuitants - LIC (a) (1996-98) Ultimate Rates. Assumptions for morbidity and incidence of accidental death are based on terms available from reinsurers and the standard morbidity rate table CIBT 93 (Critical Illness Base Table for year 93).

Assumptions for future expenses are considered as per the file & use assumptions (which are derived from long term business plan of the Company) and these expenses escalated each year by 5.00% p.a. (FY 2016-17 & FY 2015-16 : 5.00%) to allow for inflation. An additional reserve has been included to allow for the contingency of closure to new business and to cover maintenance expense overrun.

Commission has been allowed for at the rates specified in the products file and use.

Further it has been ensured that for each policy the reserve is sufficient to pay the surrender value.

For participating products, terminal bonuses are provisioned such that the reserves are at least equal to asset share at product level.

The provisions have been made for incurred but not reported death claims (IBNR), free look reserve, unearned premium reserve of the extra premium collected, data inadequacy reserve, guarantee reserve, catastrophic reserve, claims in payment reserve, reinstatement of reduced paid-up reserve, in-force policies getting converted to reduced paid up reserve, provision for options, claims expense reserve, claims in payment expense reserve, reserve for bulk surrender payout for Group variable insurance plan, unearned premium reserve for mortality charge for linked and group VIP plan, cashflow mismatch reserve, reserve for 'Non-negative residual additions to meet RIY' and reinsurance default risk reserve.

For riders, both unearned premium and gross premium reserves are calculated and the higher of these two is held as reserve. For OYRGTL plan (one year renewable group term life), the Unearned Premium Reserve is calculated as premium for the unexpired duration. In addition, the premium deficiency reserve and IBNR is also kept for OYRGTL.

2.44 Policy Liabilities

(Forming part of the Policyholders' Funds)

| Particulars | As at 31 March 2018 | | | |
|---|---------------------|----------|-------------|-----------|
| | Par | Non Par | Unit Linked | Total |
| Policyholders Liabilities at end of the year * | 2,671.02 | 7,500.91 | 4,001.66 | 14,173.59 |
| Assets held to cover | | | | |
| Policyholders Liabilities | | | | |
| Investments - Schedule 8A | 2,722.72 | 7,764.07 | 136.25 | 10,623.04 |
| Investments - Schedule 8B | - | - | 3,864.91 | 3,864.91 |
| Net Investments | 2,722.72 | 7,764.07 | 4,001.16 | 14,487.95 |
| Loans | 8.46 | 10.61 | 0.50 | 19.57 |
| Fixed Assets | 156.20 | 435.04 | - | 591.24 |
| Net Current Assets | (216.36) | (708.81) | - | (925.17) |
| Total Assets | 2,671.02 | 7,500.91 | 4,001.66 | 14,173.59 |

* Includes fair value change account

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)
(Currency : Indian rupees in millions)
Annexure V
2.44 Policy Liabilities (continued)

(Forming part of the Policyholders' Funds)

| Particulars | As at 31 March 2017 | | | |
|---|---------------------|-----------------|-----------------|-----------------|
| | Par | Non Par | Unit Linked | Total |
| Policyholders Liabilities | | | | |
| At start of the year | - | - | - | - |
| Add: Change in valuation against policies in force | | | | |
| (Mathematical reserves excluding cost of bonus) | 599.11 | 2,567.59 | 1,047.18 | 4,213.88 |
| Add: Bonus to policyholders | 66.67 | - | - | 66.67 |
| Policyholders Liabilities at end of the year * | 1,947.41 | 5,044.07 | 2,217.22 | 9,208.70 |
| Assets held to cover | | | | |
| Policyholders Liabilities | | | | |
| Investments - Schedule 8A | 1,874.67 | 4,717.36 | 0.67 | 6,592.70 |
| Investments - Schedule 8B | - | - | 2,143.16 | 2,143.16 |
| Net Investments | 1,874.67 | 4,717.36 | 2,143.83 | 8,735.86 |
| Loans | 3.54 | 1.91 | 0.55 | 6.00 |
| Fixed Assets | 51.14 | 196.42 | - | 247.56 |
| Net Current Assets | 18.06 | 128.38 | 72.84 | 219.28 |
| Total Assets | 1,947.41 | 5,044.07 | 2,217.22 | 9,208.70 |

* Includes fair value change account

(Forming part of the Policyholders' Funds)

| Particulars | As at 31 March 2016 | | | |
|---|---------------------|-----------------|-----------------|-----------------|
| | Par | Non Par | Unit Linked | Total |
| Policyholders Liabilities | | | | |
| At start of the year | 745.08 | 1,030.10 | 606.86 | 2,382.04 |
| Add: Change in valuation against policies in force | | | | |
| (Mathematical reserves excluding cost of bonus) | 490.19 | 1,446.38 | 563.18 | 2,499.75 |
| Add: Bonus to policyholders | 46.36 | - | - | 46.36 |
| Policyholders Liabilities at end of the year * | 1,281.63 | 2,476.48 | 1,170.04 | 4,928.15 |
| Assets held to cover | | | | |
| Policyholders Liabilities | | | | |
| Investments - Schedule 8A | 1,336.78 | 2,560.16 | 68.30 | 3,965.24 |
| Investments - Schedule 8B | - | - | 1,140.74 | 1,140.74 |
| Net Investments | 1,336.78 | 2,560.16 | 1,209.04 | 5,105.98 |
| Loans | 1.98 | 0.87 | 0.82 | 3.67 |
| Fixed Assets | 48.56 | 141.82 | - | 190.38 |
| Net Current Assets | (105.69) | (226.37) | (39.82) | (371.88) |
| Total Assets | 1,281.63 | 2,476.48 | 1,170.04 | 4,928.15 |

* Includes fair value change account

Edelweiss Financial Services Limited

Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)

(Currency : Indian rupees in millions)

Annexure V

2.45 Long term borrowing (including current maturities of long term debt) secured by charge on loan receivables

Following is the repayment terms of term loans:

Term Loans - Secured as at 31 March 2018

| Maturities | > 3 years | 1-3 years | <1 year | Total |
|-------------------------|---------------------|------------------|-------------------|--------------------|
| Rate of interest | | | | |
| 6.00 - 6.99% | 105.43 | 57.88 | 28.94 | 192.25 |
| 8.00 - 8.99% | 9,098.10 | 67,120.39 | 22,039.69 | 98,258.18 |
| 9.00 - 9.99% | 7,627.41 | 17,102.81 | 7,054.60 | 31,784.82 |
| 10.00 - 10.99% | - | 2,000.00 | - | 2,000.00 |
| 11.00 - 11.99% | - | 62.50 | 250.00 | 312.50 |
| Total | 16,830.94 | 86,343.58 | 29,373.23 | 1,32,547.75 |

Term Loans - Secured as at 31 March 2017

| Maturities | > 3 years | 1-3 years | <1 year | Total |
|-------------------------|---------------------|------------------|-------------------|------------------|
| Rate of interest | | | | |
| 8.00 - 8.99% | 3,979.67 | 7,620.01 | 3,555.00 | 15,154.68 |
| 9.00 - 9.99% | 15,398.67 | 18,247.95 | 7,489.60 | 41,136.22 |
| 10.00 - 10.99% | 1,001.47 | 7,834.22 | 4,826.41 | 13,662.10 |
| 12.00 - 12.99% | - | 482.50 | 357.50 | 840.00 |
| Total | 20,379.81 | 34,184.68 | 16,228.51 | 70,793.00 |

Term Loans from Banks – Secured as at 31 March 2016

| Maturities | > 3 years | 1-3 years | <1 year | Total |
|-------------------------|---------------------|------------------|-------------------|------------------|
| Rate of interest | | | | |
| 9.00 - 9.99% | 1,581.25 | 2,496.89 | 654.17 | 4,732.31 |
| 10.00 - 10.99% | 9,079.28 | 18,348.36 | 13,397.25 | 40,824.89 |
| 11.00 - 11.99% | - | 90.91 | 363.64 | 454.55 |
| Total | 10,660.53 | 20,936.16 | 14,415.06 | 46,011.75 |

Edelweiss Financial Services Limited

Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)

(Currency : Indian rupees in millions)

Annexure V

2.46 Details of Non-convertible Debentures

Non-convertible Debentures - Secured as at 31 March 2018

| Maturities | > 3 years | 1-3 years | <1 year | Total |
|----------------------------|---------------------|------------------|-------------------|--------------------|
| Rate of interest | | | | |
| 8.00 - 8.99% | 17,716.83 | 45,042.53 | - | 62,759.36 |
| 9.00 - 9.99% | 19,850.65 | 22,049.91 | 2,175.00 | 44,075.56 |
| 10.00 - 10.99% | 4,373.14 | 13,603.99 | 3,964.50 | 21,941.63 |
| 11.00 - 11.99% | - | 820.00 | 1,640.79 | 2,460.79 |
| Zero Coupon Debentures | 484.66 | 591.85 | - | 1,076.51 |
| Various (benchmark linked) | 13,411.67 | 11,014.24 | 13,563.39 | 37,989.30 |
| Total | 55,836.95 | 93,122.52 | 21,343.68 | 1,70,303.15 |

Non-convertible Debentures - Secured as at 31 March 2017

| Maturities | > 3 years | 1-3 years | <1 year | Total |
|----------------------------|---------------------|------------------|-------------------|--------------------|
| Rate of interest | | | | |
| 8.00 - 8.99% | 6,563.95 | 9,919.12 | 1,775.77 | 18,258.84 |
| 9.00 - 9.99% | 16,966.43 | 16,741.17 | 4,000.00 | 37,707.60 |
| 10.00 - 10.99% | 7,963.13 | 15,804.29 | 11,114.29 | 34,881.71 |
| 11.00 - 11.99% | 1,261.04 | 3,841.82 | 150.00 | 5,252.86 |
| Zero Coupon Debentures | 180.00 | 347.77 | 500.00 | 1,027.77 |
| Various (benchmark linked) | 4,381.67 | 12,431.63 | 11,111.11 | 27,924.41 |
| Total | 37,316.22 | 59,085.80 | 28,651.17 | 1,25,053.19 |

Non-convertible Debentures – Secured as at 31 March 2016

| Maturities | > 3 years | 1-3 years | <1 year | Total |
|----------------------------|---------------------|------------------|-------------------|------------------|
| Rate of interest | | | | |
| 8.00 - 8.99% | - | - | 365.00 | 365.00 |
| 9.00 - 9.99% | 11,275.00 | 7,233.47 | 3,000.00 | 21,508.47 |
| 10.00 - 10.99% | 8,122.44 | 16,231.96 | 7,740.00 | 32,094.40 |
| 11.00 - 11.99% | 317.10 | 3,352.03 | 3,574.16 | 7,243.29 |
| Zero Coupon Debentures | - | 499.28 | 650.00 | 1,149.28 |
| Various (benchmark linked) | 3,545.29 | 7,288.97 | 10,197.88 | 21,032.14 |
| Total | 23,259.83 | 34,605.71 | 25,527.04 | 83,392.58 |

Non-convertible Debentures - Unsecured as at 31 March 2018

| Maturities | > 3 years | 1-3 years | <1 year | Total |
|----------------------------|---------------------|------------------|-------------------|------------------|
| Rate of interest | | | | |
| 9.00 - 9.99% | 2,760.00 | - | - | 2,760.00 |
| 10.00 - 10.99% | 5,950.00 | - | - | 5,950.00 |
| 11.00 - 11.99% | 4,000.00 | 4,700.00 | - | 8,700.00 |
| Various (benchmark linked) | 2,614.15 | 902.36 | 207.26 | 3,723.77 |
| Total | 15,324.15 | 5,602.36 | 207.26 | 21,133.77 |

Non-convertible Debentures - Unsecured as at 31 March 2017

| Maturities | > 3 years | 1-3 years | <1 year | Total |
|----------------------------|---------------------|------------------|-------------------|------------------|
| Rate of interest | | | | |
| 9.00 - 9.99% | 120.00 | - | - | 120.00 |
| 10.00 - 10.99% | 3,200.00 | - | - | 3,200.00 |
| 11.00 - 11.99% | 4,290.00 | - | - | 4,290.00 |
| 12.00 - 12.99% | 4,200.00 | - | - | 4,200.00 |
| Various (benchmark linked) | 568.50 | 650.00 | - | 1,218.50 |
| Total | 12,378.50 | 650.00 | - | 13,028.50 |

Non-convertible Debentures – Unsecured as at 31 March 2016

| Maturities | > 3 years | 1-3 years | <1 year | Total |
|-------------------------|---------------------|------------------|-------------------|-----------------|
| Rate of interest | | | | |
| 10.00 - 10.99% | 350.00 | - | - | 350.00 |
| 11.00 - 11.99% | 4,640.00 | - | - | 4,640.00 |
| 12.00 - 12.99% | 4,200.00 | - | - | 4,200.00 |
| Total | 9,190.00 | - | - | 9,190.00 |

Edelweiss Financial Services Limited**Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)**

(Currency : Indian rupees in millions)

Annexure V

2.47 Certain companies in the Group have received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under section 14A of Income Tax Act, 1961, read with Rule 8D of the Income Tax Rules, 1962. The Group has filed appeals and is defending its position. Due to the lack of clarity on the legal position relating to the application of Rule 8D, the outcome and quantification of the eventual tax liability on the Group, if any, at this stage cannot be estimated. The Group has been advised by its tax counsel that it has a good chance in sustaining its position.

2.48 Micro, Small and Medium Enterprises Development Act, 2006

The Company has requested its creditors to confirm the applicability to them under the Micro Small and Medium Enterprises Development Act, 2006. Based on the responses received by the Company, the details of dues to macro enterprises and small enterprises:

| Particulars | 2018 | 2017 | 2016 |
|--|------|------|------|
| i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year. | - | 1.50 | 0.56 |
| ii) The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year. | - | - | - |
| iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006. | - | - | - |
| iv) The amount of interest accrued and remaining unpaid at the end of accounting year. | - | - | - |
| v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006. | - | - | - |

2.49 Details of Cash and Cash Equivalents

| Particulars | As at | As at | As at |
|-------------------------------|------------------|------------------|-----------------|
| | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
| Cash in hand | 43.47 | 43.02 | 44.14 |
| Cheques in hand | 1,723.83 | 179.22 | 156.01 |
| Balances with banks | 21,959.34 | 9,940.90 | 7,091.88 |
| Short term deposits with bank | 285.50 | 340.48 | 287.35 |
| Total | 24,012.14 | 10,503.62 | 7,579.38 |

2.50 Details of Investments

| Particulars | As at | As at | As at |
|---|-----------|-----------|-----------|
| | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
| Book value of quoted current investments | 8,014.10 | 3,041.95 | 2,494.29 |
| Market value of quoted current investments | 8,014.83 | 3,041.95 | 2,494.29 |
| Book value of un-quoted current investments | 15,748.98 | 5,320.98 | 4,460.90 |
| Book value of quoted non-current investments | 1,922.13 | 4,768.07 | 7,874.11 |
| Market value of quoted non-current investments | 2,335.01 | 5,260.36 | 7,325.04 |
| Book value of un-quoted non-current investments | 65,069.08 | 55,645.83 | 12,135.00 |

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)
(Currency : Indian rupees in millions)
Annexure V
2.51 Encumbrance on fixed deposits

| | 2018 | 2017 | 2016 |
|--|----------|-----------|-----------|
| a) Pledged fixed deposits with Banks for securing credit facilities, obtaining bank guarantees, securitisation contracts and meeting margin requirement for trading in cross currency swap and forward margin. | 2,773.83 | 14,041.95 | 14,412.64 |
| b) Pledged fixed deposits with Exchanges for meeting Margin requirements. | 1,035.95 | 8,382.07 | 14,838.48 |
| c) Pledged fixed deposits with VAT, CST & Excise authorities for meeting deposit requirements. | 20.51 | 10.46 | 97.34 |
| d) Pledged fixed deposits with Exchanges towards arbitration. | 23.38 | 19.88 | 14.67 |
| e) Pledged fixed deposits with Agriculture Produce Market Committee for obtaining Mandi License. | 30.99 | 27.39 | 10.07 |

2.52 Details of Profit /(Loss) on sale of Commodities

| Particulars | For the year ended 31-Mar-18 | For the year ended 31-Mar-17 | For the year ended 31-Mar-16 |
|---|---------------------------------|---------------------------------|---------------------------------|
| Profit /(Loss) on sale of Commodities: | | | |
| Sale of Manufactured Goods | - | 120.44 | 1,368.02 |
| Sale of Traded Goods | 19,269.57 | 70,952.81 | 2,31,077.23 |
| | 19,269.57 | 71,073.25 | 2,32,445.25 |
| Less: Cost of Goods Sold | | | |
| Cost of Material Consumed & Overheads | - | 570.75 | 1,134.43 |
| Purchase of Stock in Trade | 18,124.07 | 54,700.89 | 2,26,940.40 |
| Change in Inventory of Finished Goods and Trading Goods | 1,256.75 | 14,019.54 | 1,640.75 |
| Cost of Goods Sold | 19,380.82 | 69,291.18 | 2,29,715.58 |
| (Loss) / Profit on sale of Commodities | (111.25) | 1,782.07 | 2,729.67 |

2.53 For FY 2017-18

The Board of Directors at their meeting held on 03 May 2018, have recommended a final dividend of ₹ 0.30 per equity share (on face value of ₹ 1 per equity share), subject to the approval of the members at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March 2016, the Company has not appropriated for the recommended final dividend (including tax) from the Reformatted Indian GAAP Consolidated Statement of Profit and Loss for the year ended 31 March 2018.

For FY 2016-17

The Board of Directors at their meeting held on 17 May 2017, have recommended a final dividend of ₹ 0.30 per equity share (on face value of ₹ 1 per equity share), subject to the approval of the members at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March 2016, the Company has not appropriated for the recommended final dividend (including tax) from the Reformatted Indian GAAP Consolidated Statement of Profit and Loss for the year ended 31 March 2017.

2.54 For FY 2017-18 & FY 2016-17

The Edelweiss Asset Reconstruction Company Limited ("EARC"), a subsidiary of the Company, offered, issued and allotted 4,400,000 (FY 2016-17: 20,000,000) 0.001% Non - Cumulative, Participating, Compulsorily Convertible Preference Shares (CCPS) of ₹ 10 each at a premium of ₹ 136.06 each (Previous year: ₹ 143.17) to CDPQ Private Equity Asia Pte Ltd. In addition, subject to applicable Law, each CCPS holder would be entitled to participate pari-passu in any dividends paid to shareholders of EARC on a pro rata, as-if-converted basis. The CCPS holders are entitled to have the proceeds of dissolution or winding up applied to pay off their CCPS investment in the EARC, prior and in preference to any other payments by EARC to the equity share holders. CCPS are convertible into equity shares of the EARC no later than the fourth anniversary from the date of issue of the CCPS. These CCPS have a dilutive impact whereby the effective holding of the Company in the EARC stands at 59.84% and accordingly the share of minority interest has been worked out and represented in the reformatted Indian GAAP consolidated financial information.

2.55 For FY 2016-17

The Company, the sponsor of Edelweiss Mutual Fund ("Edelweiss MF"), Edelweiss Trusteeship Company Limited, the trustee company of Edelweiss MF and Edelweiss Asset Management Limited, the asset management company of Edelweiss MF have entered into an agreement with JPMorgan Asset Management (Asia) Inc., the sponsor of JPMorgan Mutual Fund (JPM MF) and JPMorgan Mutual Fund India Private Limited, trustee company of JPM MF and JPMorgan Asset Management India Private Limited, the asset management company to JPM MF on March 22, 2016, for acquiring control and management of the onshore fund schemes and international fund of funds of JPM MF and the corresponding change in the sponsorship, trusteeship and administration of schemes of JPM MF, upon completion of the transaction subject to receipt of regulatory approvals. All necessary steps, including a 'No Objection' from SEBI were duly received and thereafter, all the schemes of JPMorgan Mutual Fund were transferred to and now form part of Edelweiss Mutual Fund with effect from close of business day on November 25, 2016.

For FY 2015-16

The Company, the sponsor of Edelweiss Mutual Fund ("Edelweiss MF"), Edelweiss Trusteeship Company Limited, the trustee company of Edelweiss MF and Edelweiss Asset Management Limited, the asset management company of Edelweiss MF have entered into an agreement with JPMorgan Asset Management (Asia) Inc., the sponsor of JPMorgan Mutual Fund (JPM MF) and JPMorgan Mutual Fund India Private Limited, trustee company of JPM MF and JPMorgan Asset Management India Private Limited, the asset management company to JPM MF on March 22, 2016, for acquiring control and management of the onshore fund schemes and international fund of funds of JPM MF and the corresponding change in the sponsorship, trusteeship and administration of schemes of JPM MF, upon completion of the transaction subject to receipt of regulatory approvals.

Edelweiss Financial Services Limited

Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)
(Currency : Indian rupees in millions)

Annexure V

2.56 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary or Associates

| FY 2017-18 | | Net Assets i.e. Total assets minus Total Liabilities | | | |
|--|--|--|----------------|-------------------------------------|----------------|
| Sr. No. | Name of the Entity | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount |
| | | | (₹ in Million) | | (₹ in Million) |
| Parent | | | | | |
| | Edelweiss Financial Services Limited | 43.28 | 33,597.07 | 16.02 | 1,426.60 |
| Subsidiaries | | | | | |
| Indian | | | | | |
| 1 | EC Commodity Limited | 0.53 | 409.91 | 0.15 | 13.51 |
| 2 | Ecap Equities Limited | 2.50 | 1,942.33 | 3.92 | 348.74 |
| 3 | ECL Finance Limited | 37.87 | 29,393.79 | 51.91 | 4,620.48 |
| 4 | Edel Commodities Limited | (0.86) | (671.38) | 0.43 | 38.42 |
| 5 | Edel Finance Company Limited | 1.61 | 1,249.96 | (0.05) | (4.83) |
| 6 | Edel Investments Limited | 0.51 | 397.00 | 3.23 | 287.76 |
| 7 | Edel Land Limited | 0.21 | 160.60 | 0.10 | 8.56 |
| 8 | Edelcap Securities Limited | 4.59 | 3,560.24 | 6.53 | 581.42 |
| 9 | Edelweiss Alternative Asset Advisors Limited | (0.61) | (473.43) | (1.37) | (122.35) |
| 10 | Edelweiss Asset Management Limited | 1.44 | 1,120.01 | (2.12) | (188.67) |
| 11 | Edelweiss Broking Limited | 1.87 | 1,448.10 | 0.08 | 6.74 |
| 12 | Edelweiss Capital Markets Limited | 0.38 | 291.95 | 2.30 | 204.43 |
| 13 | Edelweiss Commodities Services Limited | 7.41 | 5,754.30 | 5.80 | 516.06 |
| 14 | Edelweiss Comtrade Limited | 0.08 | 64.09 | (0.64) | (56.90) |
| 15 | Edelweiss Custodial Services Limited | 1.29 | 999.56 | 5.55 | 493.59 |
| 16 | Edelweiss Finance & Investments Limited | 2.97 | 2,308.39 | 2.38 | 212.26 |
| 17 | Edelweiss Global Wealth Management Limited | 0.03 | 24.94 | 3.04 | 270.74 |
| 18 | Edelweiss Housing Finance Limited | 6.57 | 5,098.81 | 7.90 | 702.86 |
| 19 | Edelweiss Insurance Brokers Limited | 0.40 | 308.98 | 0.74 | 65.61 |
| 20 | Edelweiss Agri Value Chain Limited | 2.09 | 1,623.38 | 1.01 | 90.02 |
| 21 | Edelweiss Investment Adviser Limited | (1.23) | (952.40) | (6.10) | (542.79) |
| 22 | Edelweiss Retail Finance Limited | 5.60 | 4,346.74 | 3.56 | 316.86 |
| 23 | Edelweiss Securities Limited | 5.84 | 4,529.99 | 4.10 | 365.05 |
| 24 | Edelweiss Tokio Life Insurance Company Limited | 14.89 | 11,555.48 | (26.14) | (2,326.96) |
| 25 | Edelweiss Trustee Services Limited | 0.02 | 14.74 | 0.02 | 1.47 |
| 26 | Edelweiss Trusteeship Company Limited | - | 3.39 | - | - |
| 27 | Edelweiss Business Services Limited | 0.09 | 68.69 | 1.71 | 151.78 |
| 28 | EFSL Trading Limited | (0.03) | (19.54) | 0.16 | 14.57 |
| 29 | EFSL Comtrade Limited | (0.09) | (71.06) | 0.63 | 55.82 |
| 30 | Edelweiss Multi Strategy Fund Advisors LLP | 0.01 | 6.15 | 0.07 | 6.04 |
| 31 | Edelweiss Multi Strategy Funds Management Private Limited | 0.11 | 84.93 | 0.45 | 39.71 |
| 32 | Edelweiss Wealth Advisors LLP | - | 1.66 | 0.49 | 43.85 |
| 33 | EW Clover Scheme-1 | 0.83 | 646.63 | 1.52 | 135.35 |
| 34 | Edelweiss Holdings Limited | 0.21 | 161.74 | 0.07 | 6.34 |
| 35 | Edelweiss Finvest Private Limited | 10.80 | 8,384.33 | 14.97 | 1,332.20 |
| 36 | Edelweiss General Insurance Company Limited | 1.81 | 1,402.40 | (3.07) | (272.93) |
| 37 | Edelweiss Asset Reconstruction Company Limited | 13.88 | 10,774.85 | 20.03 | 1,783.27 |
| 38 | Edelweiss Private Equity Tech Fund | 0.32 | 252.10 | (0.01) | (1.06) |
| 39 | Edelweiss Securities (IFSC) Limited | 0.17 | 134.36 | (0.09) | (8.45) |
| 40 | Edelweiss Value and Growth Fund | 0.91 | 707.29 | (0.04) | (3.56) |
| 41 | Alternative Investment Market Advisors Private Limited | 0.02 | 19.05 | (0.01) | (0.95) |
| Foreign | | | | | |
| 1 | Aster Commodities DMCC | 2.00 | 1,551.57 | (3.91) | (347.69) |
| 2 | EAAA LLC | 0.24 | 188.45 | 1.32 | 117.49 |
| 3 | EC Global Limited | 3.48 | 2,698.68 | 1.54 | 137.47 |
| 4 | EC International Limited | (3.07) | (2,383.86) | 1.34 | 119.41 |
| 5 | Edelweiss Alternative Asset Advisors Pte. Limited | 0.09 | 67.64 | (2.00) | (177.99) |
| 6 | Edelweiss Capital (Singapore) Pte. Limited | 0.15 | 112.80 | 0.10 | 8.65 |
| 7 | Cross Border Synergy Pte. Limited (formerly known as Edelweiss Commodities Pte. Limited) | - | - | 0.02 | 2.21 |
| 8 | Edelweiss Financial Services Inc. | 0.09 | 70.15 | 0.19 | 17.01 |
| 9 | Edelweiss International (Singapore) Pte. Limited | 2.24 | 1,735.48 | (4.22) | (375.98) |
| 10 | Edelweiss Investment Advisors Private Limited | 0.12 | 89.60 | 0.07 | 6.38 |
| 11 | Edelweiss Securities (Hong Kong) Private Limited | 0.02 | 18.09 | (0.12) | (10.59) |
| 12 | EW India Special Assets Advisors LLC | 0.01 | 5.01 | - | 0.15 |
| 13 | EW SBI Crossover Advisors LLC | - | - | - | - |
| 14 | EW Special Opportunities Advisors LLC | 0.01 | 7.58 | - | 0.09 |
| 15 | Edelweiss India Capital Management | 0.02 | 18.78 | 0.04 | 3.30 |
| 16 | EFSL International Limited | (0.43) | (334.12) | (1.82) | (162.20) |
| 17 | Edelweiss Tarim Urunleri Anonim Sirketi | - | - | (0.02) | (1.46) |
| 18 | Edelweiss Financial Services (UK) Limited | 0.03 | 23.82 | 0.01 | 0.57 |
| Minority Interests in all subsidiaries | | 14.03 | 10,892.78 | (3.13) | (278.17) |
| Associates (Investments as per the equity method) | | | | | |
| Indian | | | | | |
| 1 | Aeon Credit Services India Private Limited | - | - | (0.14) | (12.07) |
| 2 | Allium Finance Private Limited | 0.38 | 293.32 | - | 0.16 |
| 3 | Dahlia Commodities Services Private Limited | 0.24 | 182.98 | 0.59 | 52.45 |
| 4 | Edelweiss Fund Advisors Private Limited | - | 1.02 | (0.01) | (1.16) |
| 5 | Magnolia Commodities Services Private Limited | - | (0.09) | - | - |

Edelweiss Financial Services Limited

Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)
(Currency : Indian rupees in millions)

Annexure V

2.56 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary or Associates (continued)

FY 2016-17

| Sr. No. | Name of the Entity | Net Assets i.e. Total assets minus | | Share in Profit or Loss | |
|--|---|------------------------------------|----------------|--------------------------------|----------------|
| | | As % of | Amount | As % of | Amount |
| | | consolidated net assets | | consolidated profit or loss | |
| | | | (₹ in Million) | | (₹ in Million) |
| Parent | | | | | |
| | Edelweiss Financial Services Limited | 32.52 | 17,195.14 | 21.17 | 1,290.06 |
| Subsidiaries | | | | | |
| Indian | | | | | |
| 1 | Auris Corporate Centre Limited | 0.31 | 162.19 | 0.02 | 1.05 |
| 2 | Burlington Business Solutions Limited | 0.34 | 177.78 | 0.01 | 0.89 |
| 3 | EC Commodity Limited | 0.75 | 396.40 | 1.37 | 83.66 |
| 4 | Ecap Equities Limited | 4.76 | 2,518.41 | 0.30 | 18.49 |
| 5 | ECL Finance Limited | 44.58 | 23,573.30 | 64.06 | 3,903.18 |
| 6 | Edel Commodities Limited | (1.34) | (709.80) | 1.49 | 90.90 |
| 7 | Edel Commodities Trading Limited | - | - | (1.42) | (86.52) |
| 8 | Edel Finance Company Limited | 0.10 | 54.79 | 0.02 | 1.10 |
| 9 | Edel Investments Limited | 0.22 | 118.24 | 1.40 | 85.12 |
| 10 | Edel Land Limited | 0.21 | 108.42 | (0.55) | (33.65) |
| 11 | Edelcap Securities Limited | 5.92 | 3,129.09 | 9.37 | 570.99 |
| 12 | Edelweiss Alternative Asset Advisors Limited | (0.66) | (351.07) | (4.07) | (247.82) |
| 13 | Edelweiss Asset Management Limited | 2.15 | 1,138.67 | (1.08) | (65.82) |
| 14 | Edelweiss Broking Limited | 2.93 | 1,548.87 | 3.50 | 213.01 |
| 15 | Edelweiss Capital Markets Limited | 0.17 | 87.52 | 0.37 | 22.50 |
| 16 | Edelweiss Commodities Services Limited | 10.89 | 5,757.00 | 9.38 | 571.49 |
| 17 | Edelweiss Comtrade Limited | 0.12 | 60.98 | (1.16) | (70.80) |
| 18 | Edelweiss Custodial Services Limited | 1.64 | 868.06 | 1.88 | 114.73 |
| 19 | Edelweiss Finance & Investments Limited | 6.96 | 3,681.66 | 13.02 | 793.11 |
| 20 | Edelweiss Global Wealth Management Limited | 0.01 | 4.19 | (8.46) | (515.40) |
| 21 | Edelweiss Housing Finance Limited | 7.45 | 3,937.00 | 11.15 | 679.36 |
| 22 | Edelweiss Insurance Brokers Limited | 0.46 | 243.37 | 0.69 | 42.08 |
| 23 | Edelweiss Agri Value Chain Limited | 1.95 | 1,033.36 | 0.30 | 18.00 |
| 24 | Edelweiss Investment Adviser Limited | 0.02 | 10.39 | (4.82) | (293.52) |
| 25 | Edelweiss Metals Limited | - | - | (1.03) | (62.68) |
| 26 | Edelweiss Retail Finance Limited | 5.93 | 3,134.93 | 5.24 | 319.46 |
| 27 | Edelweiss Securities Limited | 8.94 | 4,726.85 | 3.55 | 216.33 |
| 28 | Edelweiss Tokio Life Insurance Company Limited | 13.87 | 7,334.08 | (35.42) | (2,158.31) |
| 29 | Edelweiss Trustee Services Limited | 0.03 | 13.28 | 0.03 | 1.57 |
| 30 | Edelweiss Trusteeship Company Limited | 0.01 | 3.39 | 0.03 | 0.58 |
| 31 | Edelweiss Business Services Limited | (0.69) | (365.30) | (2.29) | (139.45) |
| 32 | EFSL Trading Limited | (0.06) | (34.10) | 0.37 | 22.31 |
| 33 | EFSL Comtrade Limited | (0.24) | (126.88) | 3.55 | 216.07 |
| 34 | Eternity Business Centre Limited | 0.30 | 156.64 | 0.06 | 3.36 |
| 35 | Edelweiss Multi Strategy Fund Advisors LLP | (0.05) | (28.32) | (0.47) | (28.42) |
| 36 | Edelweiss Multi Strategy Funds Management Private Limited | 0.09 | 45.22 | (1.00) | (61.17) |
| 37 | Edelweiss Wealth Advisors LLP | 0.06 | 29.74 | (0.50) | (30.46) |
| 38 | Olive Business Centre Limited | 0.28 | 145.81 | 0.03 | 1.71 |
| 39 | Serenity Business Park Limited | 0.34 | 180.65 | 1.24 | 75.41 |
| 40 | EW Clover Scheme-1 | 1.35 | 711.27 | 2.30 | 139.93 |
| 41 | Edelweiss Holdings Limited | 0.29 | 155.40 | 0.11 | 6.51 |
| 42 | Edelweiss Finvest Private Limited | 10.21 | 5,396.97 | 7.60 | 463.10 |
| 43 | Edelweiss General Insurance Company Limited | 0.05 | 27.39 | (0.37) | (22.61) |
| 44 | Edelweiss Asset Reconstruction Company Limited | 15.79 | 8,348.99 | 13.59 | 829.49 |
| 45 | Edelweiss Private Equity Tech Fund | 0.25 | 129.80 | (0.09) | (5.20) |
| 46 | Edelweiss Securities (IFSC) Limited | 0.20 | 103.54 | - | (0.21) |
| Foreign | | | | | |
| 1 | Aster Commodities DMCC | 4.21 | 2,227.81 | (8.66) | (527.79) |
| 2 | EAAA LLC | 0.13 | 69.65 | 0.01 | 0.39 |
| 3 | EC Global Limited | 4.54 | 2,401.46 | 10.04 | 611.61 |
| 4 | EC International Limited | (4.72) | (2,496.47) | (3.09) | (188.35) |
| 5 | Edelweiss Alternative Asset Advisors Pte. Limited | 0.10 | 51.17 | (0.10) | (5.86) |
| 6 | Edelweiss Capital (Singapore) Pte. Limited | 0.18 | 96.64 | (2.16) | (131.44) |
| 7 | Edelweiss Commodities (CHAD) SARL | - | - | 0.49 | 29.61 |
| 8 | Edelweiss Commodities Nigeria Limited | - | - | 0.64 | 38.72 |
| 9 | Edelweiss Commodities Pte. Limited | 1.04 | 549.73 | (0.79) | (48.09) |
| 10 | Edelweiss Financial Services Inc. | 0.10 | 52.81 | - | 0.14 |
| 11 | Edelweiss International (Singapore) Pte. Limited | 3.99 | 2,108.26 | (5.91) | (360.28) |
| 12 | Edelweiss Investment Advisors Private Limited | 0.15 | 77.24 | 0.41 | 24.79 |
| 13 | Edelweiss Securities (Hong Kong) Private Limited | 0.05 | 28.69 | (0.13) | (7.84) |
| 14 | EW India Special Assets Advisors LLC | 0.01 | 4.84 | - | 0.05 |
| 15 | EW SBI Crossover Advisors LLC | - | - | - | - |
| 16 | EW Special Opportunities Advisors LLC | 0.01 | 7.46 | - | 0.18 |
| 17 | Edelweiss India Capital Management | 0.03 | 15.54 | 0.26 | 15.79 |
| 18 | EFSL International Limited | (0.32) | (169.89) | (2.90) | (176.77) |
| 19 | Edelweiss Tarim Urunleri Anonim Sirketi | 0.01 | 3.59 | (0.59) | (35.77) |
| 20 | Edelweiss Financial Services (UK) Limited | 0.04 | 20.35 | (0.06) | (3.46) |
| Minority Interests in all subsidiaries | | 18.13 | 9,584.56 | (7.56) | (460.69) |
| Associates (Investments as per the equity method) | | | | | |
| Indian | | | | | |
| 1 | Aeon Credit Services India Private Limited | 0.10 | 52.42 | (0.77) | (46.78) |
| 2 | Allium Finance Private Limited | 0.03 | 14.90 | (0.06) | (3.64) |
| 3 | Dahlia Commodities Services Private Limited | 0.25 | 133.14 | 1.79 | 108.94 |
| 4 | Edelweiss Asset Reconstruction Company Limited | - | - | 1.48 | 90.09 |
| 5 | Edelweiss Fund Advisors Private Limited | - | 2.17 | -0.02 | -1.06 |
| 6 | Magnolia Commodities Services Private Limited | - | (1.00) | - | - |

Edelweiss Financial Services Limited

Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)
(Currency : Indian rupees in millions)

Annexure V

2.56 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary or Associates (continued)

FY 2015-16

| Sr. No. | Name of the Entity | Net Assets i.e. Total assets minus | | Share in Profit or Loss | |
|--|---|------------------------------------|----------------|-------------------------------------|----------------|
| | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount |
| | | | (₹ in Million) | | (₹ in Million) |
| Parent | | | | | |
| | Edelweiss Financial Services Limited | 36.64 | 16,018.67 | 37.55 | 1,555.94 |
| Subsidiaries | | | | | |
| Indian | | | | | |
| 1 | Auris Corporate Centre Limited | 0.37 | 161.14 | (0.05) | (1.98) |
| 2 | Burlington Business Solutions Limited | 0.40 | 176.89 | (0.09) | (3.71) |
| 3 | EC Commodity Limited | 0.72 | 312.74 | 0.08 | 3.19 |
| 4 | Ecap Equities Limited | 5.72 | 2,499.88 | 12.04 | 498.95 |
| 5 | ECL Finance Limited | 45.34 | 19,822.30 | 60.35 | 2,500.63 |
| 6 | Edel Commodities Limited | (1.83) | (800.70) | 0.60 | 24.97 |
| 7 | Edel Commodities Trading Limited | 0.23 | 98.82 | 0.78 | 32.49 |
| 8 | Edel Finance Company Limited | 0.12 | 53.69 | (0.36) | (14.76) |
| 9 | Edel Investments Limited | 0.08 | 33.11 | (0.68) | (28.01) |
| 10 | Edel Land Limited | 0.32 | 142.08 | 0.65 | 27.10 |
| 11 | Edelcap Securities Limited | 5.85 | 2,558.09 | (2.45) | (101.33) |
| 12 | Edelweiss Alternative Asset Advisors Limited | (0.24) | (103.25) | (4.92) | (203.97) |
| 13 | Edelweiss Asset Management Limited | 1.31 | 574.49 | (0.95) | (39.55) |
| 14 | Edelweiss Broking Limited | 3.06 | 1,335.85 | 3.24 | 134.36 |
| 15 | Edelweiss Capital Markets Limited | 0.15 | 65.02 | (1.81) | (74.99) |
| 16 | Edelweiss Commodities Services Limited | 13.28 | 5,804.43 | 15.69 | 650.22 |
| 17 | Edelweiss Comtrade Limited | 0.03 | 11.79 | (5.34) | (221.46) |
| 18 | Edelweiss Custodial Services Limited | 1.49 | 652.58 | (0.19) | (8.00) |
| 19 | Edelweiss Finance & Investments Limited | 8.27 | 3,614.84 | 12.61 | 522.56 |
| 20 | Edelweiss Global Wealth Management Limited | 0.27 | 119.59 | 1.51 | 62.73 |
| 21 | Edelweiss Housing Finance Limited | 7.74 | 3,385.79 | 9.22 | 382.14 |
| 22 | Edelweiss Insurance Brokers Limited | 0.42 | 183.24 | 1.05 | 43.37 |
| 23 | Edelweiss Agri Value Chain Limited | 2.32 | 1,015.36 | 0.36 | 15.03 |
| 24 | Edelweiss Investment Adviser Limited | 0.70 | 303.91 | 2.62 | 108.69 |
| 25 | Edelweiss Metals Limited | (0.16) | (69.07) | (6.71) | (278.12) |
| 26 | Edelweiss Retail Finance Limited | 5.97 | 2,610.63 | 5.96 | 247.02 |
| 27 | Edelweiss Securities Limited | 10.32 | 4,510.49 | 3.64 | 150.91 |
| 28 | Edelweiss Tokio Life Insurance Company Limited | 21.48 | 9,391.11 | (37.35) | (1,547.79) |
| 29 | Edelweiss Trustee Services Limited | 0.03 | 11.71 | 0.03 | 1.32 |
| 30 | Edelweiss Trusteeship Company Limited | 0.01 | 3.45 | - | (0.02) |
| 31 | Edelweiss Web Services Limited | (0.52) | (225.85) | (7.93) | (328.59) |
| 32 | EFSL Commodities Limited | (0.15) | (63.81) | (1.05) | (43.51) |
| 33 | EFSL Comtrade Limited | (0.78) | (342.95) | (9.07) | (375.96) |
| 34 | Eternity Business Centre Limited | 0.35 | 153.28 | (0.89) | (36.84) |
| 35 | Forefront Alternative Investment Advisor LLP | (0.07) | (30.12) | (0.73) | (30.22) |
| 36 | Forefront Capital Management Private Limited | 0.08 | 36.39 | (0.73) | (30.31) |
| 37 | Forefront Wealth Advisors LLP | (0.04) | (16.17) | (0.64) | (26.37) |
| 38 | Olive Business Centre Limited | 0.33 | 144.10 | (0.87) | (36.01) |
| 39 | Serenity Business Park Limited | 0.24 | 105.24 | (2.05) | (84.88) |
| 40 | EW Clover Scheme-1 | 1.31 | 571.34 | 1.72 | 71.34 |
| 41 | Edelweiss Holdings Limited | 0.34 | 148.89 | (0.03) | (1.11) |
| 42 | Arum Investments Private Limited | 11.29 | 4,933.87 | - | - |
| Foreign | | | | | |
| 1 | Aster Commodities DMCC | 6.30 | 2,755.59 | (0.73) | (30.44) |
| 2 | EAAA LLC | 0.16 | 70.88 | 1.61 | 66.53 |
| 3 | EC Global Limited | 4.09 | 1,789.85 | 7.40 | 306.58 |
| 4 | EC International Limited | (5.42) | (2,367.78) | (6.11) | (253.31) |
| 5 | Edelweiss Alternative Asset Advisors Pte. Limited | 0.07 | 31.68 | (1.56) | (64.70) |
| 6 | Edelweiss Capital (Singapore) Pte. Limited | 0.37 | 162.19 | (0.85) | (35.38) |
| 7 | Edelweiss Commodities (CHAD) SARL | (0.06) | (27.72) | (0.97) | (40.23) |
| 8 | Edelweiss Commodities Nigeria Limited | (0.06) | (25.67) | (0.59) | (24.60) |
| 9 | Edelweiss Commodities Pte. Limited | 1.37 | 597.82 | (0.35) | (14.48) |
| 10 | Edelweiss Financial Services Inc. | 0.09 | 37.31 | (0.30) | (12.58) |
| 11 | Edelweiss International (Singapore) Pte. Limited | 4.68 | 2,047.76 | 9.26 | 383.65 |
| 12 | Edelweiss Investment Advisors Private Limited | 0.05 | 22.29 | (0.50) | (20.52) |
| 13 | Edelweiss Securities (Hong Kong) Private Limited | 0.08 | 37.11 | (0.05) | (1.87) |
| 14 | EW India Special Assets Advisors LLC | 0.01 | 4.90 | (0.05) | (2.09) |
| 15 | EW SBI Crossover Advisors LLC | 0.01 | 2.53 | 0.99 | 41.05 |
| 16 | EW Special Opportunities Advisors LLC | 0.02 | 7.45 | 0.14 | 5.85 |
| 17 | Edelweiss India Capital Management | 0.01 | 3.62 | - | 0.13 |
| 18 | EFSL International Limited | - | 0.97 | (0.14) | (5.67) |
| 19 | Edelweiss Tarim Urunleri Anonim Sirketi | - | 0.82 | (0.08) | (3.39) |
| 20 | Edelweiss Financial Services (UK) Limited | 0.01 | 6.27 | (0.02) | (0.89) |
| Minority Interests in all subsidiaries | | 15.94 | 6,968.70 | (7.47) | (309.44) |
| Associates (Investments as per the equity method) | | | | | |
| Indian | | | | | |
| 1 | Aeon Credit Services India Private Limited | 0.23 | 99.20 | (0.97) | (40.00) |
| 2 | Allium Finance Private Limited | 0.04 | 18.54 | (0.13) | (5.57) |
| 3 | Dahlia Commodities Services Private Limited | 0.06 | 24.20 | 0.28 | 11.59 |
| 4 | Edelweiss Asset Reconstruction Company Limited | 2.00 | 872.68 | 2.61 | 108.28 |
| 5 | Edelweiss Fund Advisors Private Limited | 0.01 | 3.24 | (0.01) | (0.50) |
| 6 | Magnolia Commodities Services Private Limited | - | (1.00) | 0.34 | 13.93 |
| 7 | Arum Investments Private Limited | - | - | 9.38 | 388.82 |

Edelweiss Financial Services Limited**Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)**

(Currency : Indian rupees in millions)

Annexure V**2.57 Provision on standard assets****For FY 2016-17 and FY 2015-16**

In accordance with the accounting policy set out in paragraph 1.19 of significant accounting policies, provision for standard assets created in the books as at 31 March 2017 is ₹ 885.07 million (31 March 2016: ₹ 580.20 million).

2.58 Movement of NPAs**For FY 2016-17 and FY 2015-16**

With regard to the financing business of the group in subsidiaries regulated by RBI and NHB (excluding distressed assets business), the following table sets forth, for the periods indicated, the details of movement of gross Non-Performing Assets (NPAs), net NPAs and provisions:

| Particulars | 2017 | 2016 |
|---|----------|----------|
| i) Gross NPAs | | |
| a) Opening Balance | 2,806.99 | 1,962.80 |
| b) Additions during the year | 3,422.81 | 2,019.90 |
| c) Reductions during the year | 2,605.53 | 1,175.71 |
| d) Closing balance | 3,624.27 | 2,806.99 |
| ii) Net NPAs | | |
| a) Opening Balance | 935.67 | 571.64 |
| b) Additions during the year | 1,324.02 | 592.88 |
| c) Reductions during the year | 888.14 | 228.85 |
| d) Closing balance | 1,371.55 | 935.67 |
| iii) Provisions for NPAs (excluding provision on standard assets) | | |
| a) Opening Balance | 1,871.32 | 1,391.16 |
| b) Additions during the year | 2,098.79 | 1,427.02 |
| c) Reductions during the year | 1,717.39 | 946.86 |
| d) Closing balance | 2,252.72 | 1,871.32 |

2.59 Capital to Risk Assets Ratio (CRAR)**For FY 2016-17 and FY 2015-16**

The CRAR for the key NBFC of the Group, namely ECL Finance Limited is as follows:

| Items | 2017 | 2016 |
|---------------------------------|------|------|
| i. CRAR (%) | 0.16 | 0.17 |
| ii. CRAR - Tier I capital (%) | 0.11 | 0.11 |
| iii. CRAR - Tier II Capital (%) | 0.05 | 0.05 |

2.60 Details of compliance with Single Borrower Limit and Group Borrower Limit by the NBFCs within the Group

During the years ended 31 March 2017 and 31 March 2016, all the NBFCs credit exposure to single borrowers and group borrowers were within their respective limits prescribed by RBI.

Edelweiss Financial Services Limited**Notes forming part of reformatted Indian GAAP consolidated financial information (Continued)**

(Currency : Indian rupees in millions)

Annexure V

2.61 During the year ended March 31, 2018, the Company has credited ₹ 0.66 million to Investor Education and Protection Fund. There are no amounts due and outstanding to be credited as at year end.

2.62 The details of securities held in stock in trade as referred under note 2.17 Stock-in-Trade is as under:

For FY 2017-18

| | As at |
|--|------------|
| | 31-Mar-18 |
| Aggregate amount of unquoted securities held in stock in trade | |
| - At carrying value | 100,214.02 |
| Aggregate amount of quoted securities held in stock in trade | |
| - At carrying value | 60,277.21 |
| - At market value | 60,294.26 |

2.63 The details of Margin placed with broker and premium paid on options as referred under note 2.21 Other Current Asset is as

| | As at |
|---------------------------|-----------|
| | 31-Mar-18 |
| Premium paid on options | 7,832.22 |
| Margin placed with broker | 2,577.03 |
| | 10,409.25 |

2.64 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

2.65 Previous year figures have been regrouped and rearranged wherever necessary confirm to current year's presentation/ classification.

As per our report of even date attached**For S R Batliboi & Co. LLP**

Chartered Accountants

Firm's Registration No.: 301003E/E300005

per Shrawan Jalan

per Partner

Membership No.: 102102

Mumbai

05 March 2021

For and on behalf of the Board of Directors**Rashesh Shah**

Chairman, Managing Director & CEO

DIN: 00008322

Sarju Simaria

Chief Financial Officer

Mumbai

05 March 2021

Himanshu Kaji

Executive Director

DIN: 00009438

B Renganathan

EVP & Company Secretary

CONSOLIDATED STATEMENT OF DIVIDEND

| Particulars | | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--|---------|---|---|---|
| Equity Shares | | | | |
| Equity Share Capital (₹ in Million) | | 915.50 | 832.57 | 814.04 |
| Face Value Per Equity Share (₹) | (a) | 1.00 | 1.00 | 1.00 |
| Interim Dividend on Equity Shares (₹ per Equity Share) | (b) | 1.05 | 1.00 | 1.25 |
| Interim Dividend on Equity Shares (₹ in Million) | | 957.28 | 832.21 | 1,019.26 |
| Interim Dividend Declared Rate (In %) | (c=b/a) | 105% | 100% | 125% |
| Final Dividend on Equity Shares (₹ per Equity Share) | (d) | 0.30 | 0.30 | - |
| Final Dividend on Equity Shares (₹ in Million) | | 265.28 | 255.92 | - |
| Final Dividend Declared Rate (In %) | (e=d/a) | 30% | 30% | - |
| Preference Shares | | | | |
| Total Dividend on Preference Shares (₹ in Million) | | 85.40 | 82.88 | 84.09 |

For and on behalf of the Board of Directors

Rashesh Shah

Chairman, Managing Director & CEO

DIN: 00008322

Himanshu Kaji

Executive Director

DIN: 00009438

Sarju Simaria

Chief Financial Officer

B Renganathan

EVP & Company Secretary

Mumbai

05 March 2021

Auditors' Report on the reformatted standalone statement of assets and liabilities as at March 31, 2018, 2017 and 2016 and reformatted standalone statements of profit and loss and cash flows for the each of the years ended March 31, 2018, 2017 and 2016 of Edelweiss Financial Services Limited (collectively, the "Reformatted Indian GAAP Standalone Financial Information")

The Board of Directors
Edelweiss Financial Services Limited
Edelweiss House, Off. C.S.T. Road,
Kalina, Mumbai - 400 098

Dear Sirs / Madams,

1. We have examined the attached Reformatted Indian GAAP Standalone Financial Information of Edelweiss Financial Services Limited (the "Company") as at March 31, 2018, 2017 and 2016 and for each of the years ended March 31, 2018, 2017 and 2016 annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed issue of Secured Redeemable Non-Convertible Debentures of face value of Rs. 1,000 each ("NCD"). The Reformatted Indian GAAP Standalone Financial Information which have been approved by the Debenture Fund Raising Committee of the Board of Directors of the Company, have been prepared by the Company in accordance with the requirements of:
 - a) Section 26 of Chapter III of The Companies Act, 2013, as amended (the "Act"); and
 - b) relevant provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ('the Regulations') issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act").

Management's Responsibility for the Reformatted Indian GAAP Standalone Financial Information

2. The preparation of Reformatted Indian GAAP Standalone Financial Information is based on audited financial statements of the Company prepared in accordance with the accounting principles generally accepted in India (referred to as "Indian GAAP"), including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended, which are to be included in the Draft Prospectus and the Prospectus, is the responsibility of the Management of the Company for the purpose set out in paragraph 12 below. The Management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Reformatted Indian GAAP Standalone Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act and the Regulations.

Auditors' Responsibilities

3. We have examined such Reformatted Indian GAAP Standalone Financial Information taking into consideration:
 - a) the terms of reference and our engagement agreed with you vide our engagement letter dated February 26, 2021, requesting us to carry out work on such Reformatted Indian GAAP Standalone Financial Information in connection with the Company's Issue of NCDs;
 - b) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (the "Guidance Note"); and

- c) the requirements of Section 26 of the Act and the Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the Regulations in connection with the Issue of NCD.
- 4. The Company proposes to make an offer which comprises an issue of Secured Redeemable Non-Convertible Debentures of Rs.1,000 each by the Company, as may be decided by the Board of Directors of the Company.

Reformatted Indian GAAP Standalone Financial Information

- 5. The Reformatted Indian GAAP Standalone Financial Information have been compiled by the management from:
 - a) the audited standalone financial statements of the Company as at and for the year ended March 31, 2018 prepared under Indian GAAP, which have been approved by the Board of Directors at their meeting held on May 03, 2018; and
 - b) the audited standalone financial statements of the Company as at and for each of the years ended March 31, 2017 and March 31, 2016 prepared under Indian GAAP, which have been approved by the Board of Directors at their meetings held on May 17, 2017 and May 13, 2016 respectively.
- 6. For the purpose of our examination, we have relied on:
 - a) Auditors' Report issued by Price Waterhouse Chartered Accountant LLP (PWC) dated May 03, 2018 on the standalone financial statements of the Company as at and for the year ended March 31, 2018, respectively, as referred in Para 5 (a) above;
 - b) Auditors' Report issued by B S R & Associates LLP (BSR) dated May 17, 2017 and May 13, 2016 on the standalone financial statements of the Company as at and for each of the years ended March 31, 2017 and 2016 respectively, as referred in Para 5 (b) above;
 - c) The standalone financial statements of the Company as at and for the year ended March 31, 2018 were audited by PWC and the standalone financial statements of the Company as at and for each of the years ended March 31, 2017 and 2016 were audited by BSR, whose audit reports have been relied upon by us and we have not carried out any additional procedures.
 - d) Examination report submitted by PWC dated November 10, 2020 on the Reformatted Standalone Financial Information of the Company as at and for the year ended March 31, 2018 and consent letter issued by PWC dated March 05, 2021 and the Examination report submitted by BSR dated March 05, 2021 on the Reformatted Standalone Financial Information under Indian IGAAP of the Company as at and for each of the years ended March 31, 2017 and 2016. Our examination report included for the said years is based solely on these reports submitted by PWC and BSR (together referred as "Previous Auditors").
 - e) We draw attention to paragraph 8 to examination report submitted by PWC dated November 10, 2020 on the Reformatted Standalone Financial Information of the Company as at and for the year ended March 31, 2018 which states that the PWC, have not audited any Financial Statements of the Company as at any date or for any period subsequent to March 31, 2018 and hence have not assessed impact if any pursuant to COVID 19. Accordingly, they do not express any opinion on the financial position, results of operations or cash flow of the Company as at any date or for any period subsequent to March 31, 2018.

Emphasis of Matter

- f) We draw attention to paragraph 8 to examination report submitted by BSR dated March 05, 2021 on the Reformatted Standalone Financial Information under Indian GAAP of the Company as at and for the year ended March 31, 2016 which draw attention to Note 2.39 (b) to the reformatted standalone Financial Information under Indian GAAP where the Company continues its existing practice of presenting interest income and finance cost, net of recovery from the group companies, pending disposal of reference made to Expert Advisory Committee of the Institute of Chartered Accountants of India for review its opinion on the subject matter. Their opinion is not qualified in respect of this matter for the year ended 31 March 2016.
 - g) We draw attention to paragraph 9 to examination report submitted by BSR dated March 05, 2021 on the Reformatted Standalone Financial Information under Indian GAAP of the Company as at and for the year ended March 31, 2017 which draw attention to Note 2.39 (a) to the Reformatted Standalone Financial Information under Indian GAAP which describes that from quarter ended 30 June 2016, the Company is presenting interest income recovered from the group companies on a gross basis under the head interest income based on the opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India. Till before that date, the same was reflected on a net basis. Their opinion is not qualified in respect of this matter for the year ended 31 March 2017.
7. Taking into consideration the requirements of Section 26 of Part I of Chapter III of the Act, the Regulations and the terms of our engagement agreed with you, and having placed reliance on the examination report provided by PWC dated November 10, 2020 and consent letter issued by PWC dated March 05, 2021 on the Reformatted Standalone Financial Information of the Company as at and for the year ended March 31, 2018 and the examination report submitted by BSR dated March 05, 2021 on the Reformatted Standalone Financial Information under Indian GAAP of the Company as at and for each of the years ended March 31, 2017 and 2016, we further report that:
- a) the reformatted statement of assets and liabilities and notes forming part thereof, the reformatted statement of profit and loss and notes forming part thereof, the reformatted statement of cash flows ("Reformatted Indian GAAP Standalone Financial Information") of the Company as at and for each of the years ended March 31, 2018, 2017 and 2016 have been examined by us, as set out in Annexure I to Annexure III to this report. These Reformatted Indian GAAP Standalone Financial Information have been prepared after regrouping, which is more fully described in Significant Accounting policies and notes (Refer Annexure IV & V).
 - b) based on our examination as above:
 - i) the Reformatted Indian GAAP Standalone Financial Information have to be read in conjunction with the notes given in Annexure V; and
 - ii) the figures of earlier periods have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform to the classification adopted for the Reformatted Indian GAAP Standalone Financial Information as at and for the year ended March 31, 2018.

Other Financial Information

8. At the Company's request, we have also examined the following Other Financial Information proposed to be included in the Draft Prospectus and the Prospectus prepared by the Management and approved by the Board of Directors of the Company and annexed to this report relating to the Company, as at and for each of the years ended March 31, 2018, 2017 and 2016 and have placed reliance on the examination reports issued by PWC for the year ended March 31, 2018 and BSR for each of the years ended March 31, 2017 and 2016, respectively:

- Statement of dividend paid, enclosed as Annexure VI

Opinion

9. In our opinion and as per the reliance placed on the examination reports for the years ended March 31, 2018, 2017 and 2016 submitted by the Previous Auditors, the Reformatted Indian GAAP Standalone Financial Information and the other financial information referred to in paragraph 8 above, as disclosed in the Annexures to this report, read with respective significant accounting policies disclosed in Annexure IV, and after making adjustments and regroupings as considered appropriate and disclosed has been prepared by the Company by taking into consideration the requirement of Section 26 of Part I of Chapter III of the Act and the Regulations.

Other matters

10. In the preparation and presentation of Reformatted Indian GAAP Standalone Financial Information based on audited standalone financial statements as referred to in paragraph 6 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 6 above.
11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. This report is intended solely for use of the management for inclusion in the Draft Prospectus and the Prospectus to be filed with Registrar of Companies, Mumbai, Maharashtra, SEBI and BSE Limited in connection with the proposed Issue of NCD of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

UDIN: 21102102AAAADB4044

per Shrawan Jalan

Partner

Membership No. 102102

Place: Mumbai

Date: March 05, 2021

| (Currency: Indian rupees in millions) | | Note | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-16 |
|--|--|------|--------------------|--------------------|--------------------|
| EQUITY AND LIABILITIES | | | | | |
| Shareholders' funds | | | | | |
| (a) | Share capital | 2.1 | 915.50 | 832.57 | 814.04 |
| (b) | Reserves and surplus | 2.2 | 32,656.49 | 16,321.63 | 15,204.63 |
| | | | 33,571.99 | 17,154.20 | 16,018.67 |
| Share application money pending allotment | | | | | |
| | | 2.33 | 25.08 | 40.94 | 20.58 |
| Non-current liabilities | | | | | |
| (a) | Long-term borrowings | 2.3 | - | 212.00 | 1,062.00 |
| (b) | Other long term liabilities | 2.4 | - | 38.99 | 144.79 |
| (c) | Long-term provisions | 2.5 | 27.29 | 63.09 | 75.90 |
| | | | 27.29 | 314.08 | 1,282.69 |
| Current liabilities | | | | | |
| (a) | Short- term borrowings | 2.6 | - | 7,150.33 | 5,646.75 |
| (b) | Trade payables | 2.7 | | | |
| (i) | total outstanding dues of micro enterprises and small enterprises | | - | - | - |
| (ii) | total outstanding dues of creditors other than micro enterprises and small enterprises | | 264.27 | 143.81 | 131.64 |
| (c) | Other current liabilities | 2.8 | 683.61 | 1,462.90 | 2,282.58 |
| (d) | Short-term provisions | 2.9 | 351.73 | 411.19 | 396.38 |
| | | | 1,299.61 | 9,168.23 | 8,457.35 |
| TOTAL | | | 34,923.97 | 26,677.45 | 25,779.29 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| (a) | Fixed assets | | | | |
| (i) | Property, Plant and Equipment | 2.10 | 18.06 | 22.61 | 24.73 |
| (ii) | Intangible assets | 2.10 | 48.48 | 43.23 | 19.82 |
| (iii) | Intangible assets under development | | 11.91 | 37.77 | 24.77 |
| (b) | Non-current investments | 2.11 | 26,652.73 | 16,633.38 | 15,566.70 |
| (c) | Deferred tax assets (net) | 2.12 | 236.70 | 277.57 | 245.28 |
| (d) | Long-term loans and advances | 2.13 | 2,120.07 | 2,146.36 | 2,469.56 |
| (e) | Other non-current assets | 2.14 | 1.07 | 0.39 | 0.94 |
| | | | 29,089.02 | 19,161.31 | 18,351.80 |
| Current assets | | | | | |
| (a) | Trade receivables | 2.15 | 634.01 | 522.03 | 933.15 |
| (b) | Cash and bank balances | 2.16 | 151.14 | 315.82 | 215.26 |
| (c) | Short- term loans and advances | 2.17 | 4,893.90 | 6,333.12 | 6,052.82 |
| (d) | Other current assets | 2.18 | 155.90 | 345.17 | 226.26 |
| | | | 5,834.95 | 7,516.14 | 7,427.49 |
| TOTAL | | | 34,923.97 | 26,677.45 | 25,779.29 |

The significant accounting policies and notes to the reformatted Indian GAAP standalone financial information 1 to 2.51

As per our report of even date attached

For S R Batliboi & Co. LLP

For and on behalf of the Board of Directors

Chartered Accountants
Firm's Registration No.: 301003E/E300005

per Shrawan Jalan
Partner
Membership No.: 102102

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN: 00009438

Sarju Simaria
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai
05 March 2021

Mumbai
05 March 2021

| (Currency: Indian rupees in millions) | Note | For the year ended 31-Mar-18 | For the year ended 31-Mar-17 | For the year ended 31-Mar-16 |
|--|------|---------------------------------|---------------------------------|---------------------------------|
| Revenue from operations | | | | |
| Fee and commission income | 2.19 | 2,478.90 | 2,207.46 | 2,349.51 |
| Income from investments and dividend | 2.20 | 851.75 | 1,019.45 | 812.53 |
| Interest income | 2.21 | 872.03 | 1,008.35 | 0.93 |
| Other operating revenue | 2.22 | 192.47 | 269.04 | 190.70 |
| Other income | 2.23 | 3.13 | 0.35 | 29.74 |
| Total revenue | | 4,398.28 | 4,504.65 | 3,383.41 |
| Expenses | | | | |
| Employee benefits expense | 2.24 | 903.42 | 856.52 | 700.81 |
| Finance costs | 2.25 | 749.57 | 1,405.20 | 232.27 |
| Depreciation and amortization expenses | 2.10 | 40.60 | 28.31 | 25.59 |
| Other expenses | 2.26 | 918.67 | 778.73 | 574.78 |
| Total expenses | | 2,612.26 | 3,068.76 | 1,533.45 |
| Profit before tax | | 1,786.02 | 1,435.89 | 1,849.96 |
| Tax expense: | | | | |
| (1) Current tax | | 318.54 | 178.12 | 430.68 |
| (2) Deferred tax | | 40.88 | (32.29) | (136.66) |
| Profit for year | | 1,426.60 | 1,290.06 | 1,555.94 |
| Earnings per equity share (₹) (Face value of ₹ 1 each): | 2.29 | | | |
| (1) Basic | | 1.64 | 1.56 | 1.93 |
| (2) Diluted | | 1.59 | 1.49 | 1.87 |

The significant accounting policies and notes to the reformatted Indian GAAP standalone financial information

1 to 2.51

As per our report of even date attached

For S R Batliboi & Co. LLP
Chartered Accountants
Firm's Registration No.: 301003E/E300005

For and on behalf of the Board of Directors

per Shrawan Jalan
Partner
Membership No.: 102102

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN: 00009438

Sarju Simaria
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai
05 March 2021

Mumbai
05 March 2021

| (Currency: Indian rupees in millions) | For the year ended 31-Mar-18 | For the year ended 31-Mar-17 | For the year ended 31-Mar-16 |
|---|---------------------------------|---------------------------------|---------------------------------|
| A Cash flow from operating activities | | | |
| Profit before tax | 1,786.02 | 1,435.89 | 1,849.96 |
| Adjustments for : | | | |
| Depreciation and amortisation expenses | 40.60 | 28.31 | 25.59 |
| Diminution in value of investments | - | - | 82.46 |
| Profit on sale of long-term investments | (0.91) | (1.67) | (4.94) |
| Bad debts written-off | 49.08 | - | 11.51 |
| Provision for doubtful debts | 0.09 | 90.86 | 95.74 |
| Dividend on long term investments | (850.84) | (1,010.15) | (807.59) |
| Profit on sale of fixed assets (net) | (0.16) | 0.40 | (1.16) |
| Provision for compensated absences | 0.13 | 1.50 | 0.36 |
| Profit on sale of current investments | - | (1.13) | 0.00 |
| Expense on employee stock option plans | - | - | (0.10) |
| Finance costs | 749.57 | 1,405.20 | 232.27 |
| Operating cash flow before working capital changes | 1,773.58 | 1,949.21 | 1,484.10 |
| Adjustments for : | | | |
| (Increase) / decrease in trade receivables | (161.15) | 320.26 | (774.69) |
| Decrease in loans and advances | 1,436.26 | 64.77 | 40,143.02 |
| (Increase) / decrease in other assets | (43.33) | 43.37 | 3.84 |
| Increase / (decrease) in liabilities and provisions | 54.24 | 5.61 | (241.96) |
| Cash generated from operations | 3,059.60 | 2,383.22 | 40,614.31 |
| Income taxes paid | (288.48) | (182.43) | (492.78) |
| Net cash generated from operating activities – A | 2,771.12 | 2,200.79 | 40,121.53 |
| B Cash flow from investing activities | | | |
| Purchase of fixed assets (including intangible asset under development) | (17.18) | (65.68) | (46.11) |
| Sale of fixed assets | 1.90 | 2.68 | 4.09 |
| Purchase of current investments | - | (2,000.00) | - |
| Sale of current investments | - | 2,001.13 | - |
| Purchase of long term investments | (10,046.35) | (1,066.68) | (1,011.00) |
| Redemption / sale of long term investments | 27.91 | - | 99.13 |
| Income on long term investments | - | 1.67 | - |
| Dividend on long term investments | 1,050.33 | 811.92 | 1,005.46 |
| Net cash (used in) / generated from investing activities – B | (8,983.39) | (314.96) | 51.57 |
| C Cash flow from financing activities | | | |
| Proceeds from issue of equity shares including securities premium and share application money (net of share issue expenses) | 16,221.84 | 702.17 | 795.05 |
| Non convertible debentures issued | - | - | 387.00 |
| Repayment of Non convertible debentures | (850.00) | (1,700.00) | (1,255.42) |
| Repayment of long term borrowings | - | (0.75) | (0.99) |
| Proceeds from/repayment of short term borrowing (Refer note 1 below) | (7,150.33) | 1,503.58 | (39,387.59) |
| Dividend paid | (1,213.20) | (832.21) | (1,177.76) |
| Dividend distribution tax paid | (33.31) | (25.29) | (14.16) |
| Finance costs | (976.89) | (1,432.84) | (142.56) |
| Net cash generated from / (used in) financing activities – C | 5,998.11 | (1,785.34) | (40,796.43) |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | (214.16) | 100.49 | (623.33) |
| Cash and cash equivalents as at the beginning of the year | 310.84 | 210.35 | 833.68 |
| Cash and cash equivalents as at the end of the year (Refer note 2.16) | 96.68 | 310.84 | 210.35 |

Notes:

1. Net figures have been reported on account of volume of transactions.
2. The above Reformatted Indian GAAP standalone statement of cash flows has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014.

The significant accounting policies and notes to the reformatted Indian GAAP standalone financial information

As per our report of even date attached

For S R Batliboi & Co. LLP
Chartered Accountants
Firm's Registration No.: 301003E/E300005

For and on behalf of the Board of Directors

per Shrawan Jalan
Partner
Membership No.: 102102

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN: 00009438

Sarju Simaria
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai
05 March 2021

Mumbai
05 March 2021

(Financial Year 2017-18, 2016-17 and 2015-16)

1. Significant accounting policies (Financial Year 2017-18, 2016-17 and 2015-16)

1.1 Background

Edelweiss Financial Services Limited ('the Company') is registered with the Securities & Exchange Board of India (SEBI) as a Category I – Merchant Banker and Portfolio Management Advisor. The Company was incorporated on 21 November 1995 and is the ultimate holding company of Edelweiss group of companies.

The Company is principally engaged in providing investment banking services and holding company activities comprising of development, managerial and financial support to the businesses of Edelweiss group entities.

1.2 Basis of preparation of reformatted Indian GAAP standalone financial information

The Reformatted Indian GAAP standalone Statement of Assets and Liabilities of Edelweiss Financial Services Limited ('the Company') as at 31 March 2018, 31 March 2017 and 31 March 2016 and the Reformatted Indian GAAP standalone Statement of Profit and Loss and the Reformatted Indian GAAP standalone Statement of Cash flows for the year ended 31 March 2018, 31 March 2017 and 31 March 2016 (together referred as 'Reformatted Indian GAAP standalone Financial Information') have been extracted by the Management from the Standalone Audited Indian GAAP Financial Statements of the Company for the year ended 31 March 2018, 31 March 2017 and 31 March 2016 ("Audited Indian GAAP Financial Statements").

The Reformatted Indian GAAP standalone Financial Information have been prepared by the management in connection with the proposed listing of non-convertible debentures of the Company with BSE Limited and National Stock Exchange of India Limited (together 'the stock exchanges'), in accordance with the requirements of:

a) Section 26 of the Companies Act, 2013; and

b) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008 issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time read along with the SEBI circular CIR/IMD/DF/18/2013 dated October 29, 2013 (together referred to as the "SEBI Regulations").

The accompanying reformatted Indian GAAP standalone financial information are prepared and presented in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Companies Act, 2013 (to the extent notified), the provisions of the Companies Act, 1956 (to the extent applicable)(hereinafter referred to as 'the Act') and the Schedule III to the Act. The reformatted Indian GAAP standalone financial information are presented in Indian Rupees in millions.

1.3 Use of estimates

The preparation of the reformatted Indian GAAP standalone financial information in conformity with the generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the reformatted Indian GAAP standalone financial information and reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying reformatted Indian GAAP standalone financial information are based upon management's evaluation of the relevant facts and circumstances as on the date of the reformatted Indian GAAP standalone financial information. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP standalone financial information (continued)

Annexure IV

1. Significant accounting policies (*Continued*)

1.4 Current / non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realized within 12 months after the reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the company's normal operating cycle.
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within 12 months after the reporting date; or
- d. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current

1.5 Revenue recognition

- a. Investment banking fee and other advisory fee income is recognised on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty. Guarantee commission and other fees for services rendered to group companies is recognised on an accrual basis.
- b. Interest income is recognised on accrual basis.
- c. Dividend income is recognised when the right to receive payment is established.
- d. Profit earned on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.
- e. The rating support fee for the borrowing programme of the subsidiaries is accrued on straight line basis over the rating period and as per the contractual terms agreed with the subsidiaries.
- f. Royalty income, which is generally earned based upon a percentage of sales or a fixed amount, is recognized on an accrual basis.

1.6 Fixed assets and depreciation / amortization

Property, Plant and Equipment

Property, Plant and Equipment acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or the date it is put to use, whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II of the Act for calculating the depreciation.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP standalone financial information (continued)

Annexure IV

1. Significant accounting policies (Continued)

1.6 Fixed assets and depreciation / amortization (Continued)

The estimated useful lives of the fixed assets are as follows:

| Class of asset | Estimated useful life |
|---|-----------------------|
| Building (other than Factory Building) | 60 years |
| Furniture and Fixtures | 10 years |
| Vehicles | 8 years |
| Office Equipment | 5 years |
| Computers - Servers and networks | 6 years |
| Computers - End user devices, such as desktops, laptops, etc. | 3 years |

Leasehold improvements & premises are amortized on a straight-line basis over the estimated useful lives of the assets or the period of lease, whichever is shorter.

Intangible fixed assets

Intangible fixed assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Intangibles such as software is amortized over a period of 3 years or its estimated useful life whichever is shorter.

1.7 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and the value in use of those assets. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

1.8 Investments

Investments are classified into non-current investments and current investments. Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current and non-current classification as per Schedule III.

Non-current investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.

1.9 Foreign currency transactions and currency derivatives

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any, arising out of transactions settled during the year are recognised in the statement of profit and loss for the year.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP standalone financial information (continued)

Annexure IV

1. Significant accounting policies (*Continued*)

1.9 Foreign currency transactions and currency derivatives (*Continued*)

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences, if any, are recognised in the reformatted Indian GAAP standalone statement of profit and loss and related assets and liabilities are accordingly restated in the reformatted Indian GAAP statement of assets and liabilities.

The Company enters into currency derivative transactions to economically hedge its foreign exchange exposure. These derivative transactions are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument.

In respect of currency forward contracts entered with banks, the premium or discount arising at the inception of the contract is amortised over the life of the contract in the reformatted Indian GAAP standalone statement of profit and loss. The difference in the opening and closing exchange rates (mark to market) is recognised in the reformatted Indian GAAP standalone statement of profit and loss. Any profit or loss arising on cancellation or renewal of such contracts is recognised in the reformatted Indian GAAP standalone statement of profit and loss.

1.10 Employee benefits

The accounting policy followed by the Company in respect of its employee benefit schemes in accordance with Accounting Standard 15 (Revised 2005), is set out below:

Provident fund and National Pension Scheme

The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the reformatted Indian GAAP standalone statement of profit and loss.

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods. Such benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method. The obligation is measured at present values of estimated future cash flows. The discount rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Benefits in respect of gratuity are funded with an Insurance Company approved by Insurance Regulatory and Development Authority (IRDA).

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the reformatted Indian GAAP standalone statement of profit and loss in the period in which they arise.

Compensated absences

The eligible employees of certain companies of the Group are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Group recognises the charge to the reformatted Indian GAAP standalone statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits are determined using the projected unit credit method.

Deferred Bonus

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time. The measurement for the same has been based on actuarial assumptions and principles. These assumptions and principles are consistent with the requirements of Accounting Standard 15 (Revised 2005).

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP standalone financial information (continued)

Annexure IV

1. Significant accounting policies (*Continued*)

1.11 Current and Deferred Tax

Tax expense comprises of current tax (i.e. amount of tax for the year determined in accordance with the Income Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the year) and minimum alternate tax.

Current tax

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred tax

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognised using the tax rates that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty with convincing evidence of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain, as the case may be, to be realised.

Minimum Alternate Tax (MAT)

MAT credit asset is recognised where there is convincing evidence that the asset can be realised in future. MAT credit assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

1.12 Operating leases

Lease payments for assets taken on operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

1.13 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – “Earnings Per Share”. Basic earnings per share is computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earning per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

1.14 Employee stock option plans ('ESOPs')

The Company follows the intrinsic value method to account for compensation cost of its stock based employee compensation plans as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Share-based Payments issued by Securities and Exchange Board of India (SEBI) and guidance note on Employee Share-based Payments issued by Institute of Chartered Accountants of India (ICAI). The compensation cost is amortised on a straight-line basis.

1.15 Cash and cash equivalents (FY 2017-18)

Cash and cash equivalents includes cash in hand, demand deposits with banks and other fixed deposits with bank with original maturities of three months or less.

Edelweiss Financial Services Limited

Notes to the reformatted Indian GAAP standalone financial information (continued)

Annexure IV

1. Significant accounting policies (*Continued*)

1.16 Borrowing Costs (FY 2017-18)

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the reformatted Indian GAAP standalone Statement of Profit and Loss over the tenure of the loan.

1.17 Provisions and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the reformatted Indian GAAP standalone Financial information. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs

| 2.1 Share capital | As at 31-Mar-2018 | | As at 31-Mar-2017 | | As at 31-Mar-2016 | |
|--|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|
| | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount |
| Authorised : | | | | | | |
| Equity shares of ₹ 1 each | 1,230,000,000 | 1,230.00 | 1,230,000,000 | 1,230.00 | 1,230,000,000 | 1,230.00 |
| Preference shares of ₹ 5 each | 4,000,000 | 20.00 | 4,000,000 | 20.00 | 4,000,000 | 20.00 |
| | | <u>1,250.00</u> | | <u>1,250.00</u> | | <u>1,250.00</u> |
| Issued, Subscribed and Paid up: | | | | | | |
| Equity shares of ₹ 1 each | 915,498,927 | 915.50 | 832,569,089 | 832.57 | 814,036,630 | 814.04 |
| | | <u>915.50</u> | | <u>832.57</u> | | <u>814.04</u> |

Movement in share capital

| | 31-Mar-18 | | 31-Mar-17 | | 31-Mar-16 | |
|--|--------------------|---------------|--------------------|---------------|--------------------|---------------|
| | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount |
| Outstanding at the beginning of the year | 832,569,089 | 832.57 | 814,036,630 | 814.04 | 791,752,619 | 791.75 |
| Shares issued during the year: | | | | | | |
| -Under Employee Stock Options Plans (ESOPs) | 28,367,350 | 28.37 | 18,532,459 | 18.53 | 22,284,011 | 22.29 |
| -Under Qualified institutional placement (QIP) (Refer note 2.34) | 54,562,488 | 54.56 | - | - | - | - |
| Outstanding at the end of the year | <u>915,498,927</u> | <u>915.50</u> | <u>832,569,089</u> | <u>832.57</u> | <u>814,036,630</u> | <u>814.04</u> |

Note:

The Company has bought back 2,030,048 equity shares of ₹ 1 each pursuant to the buy back programme in the financial year 2014-15.

Rights of equity shareholders:

The Company has only one class of equity shares having a par value of ₹ 1 each. Each holder of equity shares is entitled to one vote per share held.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the Company:

| | 31-Mar-18 | | 31-Mar-17 | | 31-Mar-16 | |
|----------------------------------|------------------|----------------------------|------------------|----------------------------|------------------|----------------------------|
| | Number of shares | Percentage of shareholding | Number of shares | Percentage of shareholding | Number of shares | Percentage of shareholding |
| Rashesh Shah | 145,301,730 | 15.87% | 145,301,730 | 17.45% | 145,301,730 | 17.85% |
| First Carlyle Ventures Mauritius | - | - | - | - | 68,048,557 | 8.36% |
| Spire Investment Advisors LLP | - | - | - | - | 41,950,000 | 5.15% |
| Venkatchalam Ramaswamy | 58,026,560 | 6.34% | 58,026,560 | 6.97% | 58,026,560 | 7.13% |

| | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-16 |
|---|--------------------|--------------------|--------------------|
| 2.2 Reserves and surplus | | | |
| Capital Redemption Reserve | 2.03 | 2.03 | 2.03 |
| Securities premium account | | | |
| Opening balance | 14,374.63 | 13,711.35 | 12,916.76 |
| Add : On issue of shares on exercise of Employee Stock Options Plans (ESOPs) | 1,002.63 | 663.28 | 799.65 |
| Add : On issue of shares under Qualified institutional placement | 15,222.94 | - | - |
| Less: Issue expenses on shares issued under Qualified institutional placement | (70.80) | - | - |
| Less: Utilisation on premium paid on redemption of debentures | - | - | (5.06) |
| | <u>30,529.40</u> | <u>14,374.63</u> | <u>13,711.35</u> |
| Stock options outstanding account | | | |
| Opening Balance | - | - | 0.10 |
| Less: Expense on ESOPs | - | - | (0.10) |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| General reserve | 508.64 | 508.64 | 508.64 |
| Surplus in statement of profit and loss (Refer note 2.45 & note below) | | | |
| Opening balance | 1,436.33 | 982.61 | 481.25 |
| Add: Profit for the year | <u>1,426.60</u> | <u>1,290.06</u> | <u>1,555.94</u> |
| Amount available for appropriation | <u>2,862.93</u> | <u>2,272.67</u> | <u>2,037.19</u> |
| Appropriations: | | | |
| Interim dividend during the year | 957.28 | 832.21 | 1,019.26 |
| Final dividend for financial year 2016-17 | 255.92 | - | - |
| Dividend distribution tax | <u>33.31</u> | <u>4.13</u> | <u>35.32</u> |
| | <u>1,616.42</u> | <u>1,436.33</u> | <u>982.61</u> |
| | <u>32,656.49</u> | <u>16,321.63</u> | <u>15,204.63</u> |

Note

- Financial year 2017-18, the Company had declared and paid interim dividend of ₹ 1.05 per equity share (on face value of ₹ 1 per equity share) and declared final dividend of ₹ 0.30 per equity share (on face value of ₹ 1 per equity share).
- Financial year 2016-17, the Company had declared and paid interim dividend of ₹ 1 per equity share (on face value of ₹ 1 per equity share) and declared final dividend of ₹ 0.30 per equity share (on face value of ₹ 1 per equity share).
- Financial year 2015-16, the Company had declared and paid interim dividend of ₹ 1.25 per equity share (on face value of ₹ 1 per equity share).

| | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-16 |
|--|--------------------|--------------------|--------------------|
| 2.3 Long-term borrowings | | | |
| Secured | | | |
| Non-convertible debentures (Refer note 2.40) | - | 212.00 | 1,062.00 |
| (Secured by fixed charge on immovable property and floating charge on receivables) | | | |
| | - | 212.00 | 1,062.00 |
| 2.4 Other long term liabilities | | | |
| Interest accrued but not due on borrowings | - | 38.99 | 144.79 |
| | - | 38.99 | 144.79 |
| 2.5 Long-term provisions | | | |
| Provision for employee benefits | | | |
| Compensated absences | 6.09 | 6.00 | 4.80 |
| Deferred bonus | 21.20 | 57.09 | 71.10 |
| | 27.29 | 63.09 | 75.90 |
| 2.6 Short-term borrowings | | | |
| Unsecured | | | |
| Loans and advances from related parties (Refer note 2.28) | - | 7,150.33 | - |
| (Repayable on demand and carry interest at 11% p.a.) | | | |
| | - | 7,150.33 | - |
| Commercial papers | - | - | 5,750.00 |
| Less: Unamortised discount | - | - | (103.25) |
| | - | - | 5,646.75 |
| | - | 7,150.33 | 5,646.75 |

| | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-16 |
|---|--------------------|--------------------|--------------------|
| 2.7 Trade payables | | | |
| Payable to: | | | |
| - To related parties (Refer note 2.28) | 85.69 | 10.86 | 45.60 |
| - To others | 178.58 | 132.95 | 86.04 |
| (includes sundry creditors and provision for expenses) | | | |
| | 264.27 | 143.81 | 131.64 |
| 2.8 Other current liabilities | | | |
| Current maturities of long term debt | | | |
| Non-convertible debentures (Refer note 2.40) | 212.00 | 850.00 | 1,700.00 |
| Vehicle loan | - | - | 0.75 |
| Interest accrued but not due on borrowings | 64.52 | 234.73 | 319.25 |
| Interest accrued and due on borrowings | - | 39.54 | 19.16 |
| Unclaimed dividends | 4.46 | 4.98 | 4.91 |
| Other payables | | | |
| Accrued salaries and benefits | 359.09 | 290.37 | 208.86 |
| Withholding taxes, Goods and Service tax and other taxes payable | 39.63 | 28.57 | 18.97 |
| Bank overdraft | - | - | 0.30 |
| Others | 3.91 | 14.71 | 10.38 |
| | 683.61 | 1,462.90 | 2,282.58 |
| 2.9 Short-term provisions | | | |
| Provision for employee benefits | | | |
| Compensated absences | 1.39 | 1.35 | 1.06 |
| Deferred bonus | 78.91 | 139.22 | 121.10 |
| Others | | | |
| Provision for dividend distribution tax | - | - | 21.16 |
| Provision for taxation (net of advance income tax ₹ 273.89 million; FY 2016-17: ₹ 93.93 million; FY 2015-16: ₹ 93.93 million) | 271.43 | 270.62 | 253.06 |
| | 351.73 | 411.19 | 396.38 |

2.10 Fixed assets

| Description of assets | Gross Block | | | Depreciation / Amortization | | | | Net Block | |
|------------------------|-------------|------------|------------|-----------------------------|--------|------------|------------|-----------|--------|
| | As at | Additions | Deductions | As at | As at | Charge for | Deductions | As at | As at |
| | 01-Apr | during the | during the | 31-Mar | 01-Apr | the year | during the | 31-Mar | 31-Mar |
| | 2017 | year | year | 2018 | 2017 | year | year | 2018 | 2018 |
| Tangible assets | | | | | | | | | |
| Freehold Building* | 2.78 | - | - | 2.78 | 1.04 | 0.09 | - | 1.13 | 1.65 |
| Leasehold Improvements | 1.77 | - | - | 1.77 | 1.13 | 0.31 | - | 1.44 | 0.33 |
| Furniture and Fixtures | 0.34 | 0.09 | - | 0.43 | 0.28 | 0.02 | - | 0.30 | 0.13 |
| Vehicles | 37.76 | 0.53 | 10.84 | 27.45 | 27.25 | 3.18 | 9.28 | 21.15 | 6.30 |
| Office Equipment | 10.65 | 0.85 | 4.94 | 6.56 | 9.37 | 0.83 | 4.80 | 5.40 | 1.16 |
| Computers | 25.16 | 6.61 | 3.19 | 28.58 | 16.78 | 6.46 | 3.15 | 20.09 | 8.49 |
| Total: A | 78.46 | 8.08 | 18.97 | 67.57 | 55.85 | 10.89 | 17.23 | 49.51 | 18.06 |
| Intangible assets | | | | | | | | | |
| Computer software | 113.39 | 34.96 | 2.44 | 145.91 | 70.16 | 29.71 | 2.44 | 97.43 | 48.48 |
| Total: B | 113.39 | 34.96 | 2.44 | 145.91 | 70.16 | 29.71 | 2.44 | 97.43 | 48.48 |
| Grand total [A+B] | 191.85 | 43.04 | 21.41 | 213.48 | 126.01 | 40.60 | 19.67 | 146.94 | 66.54 |

* Mortgaged for Non Convertible Debentures

Note: There are no adjustments on account of borrowing costs.

Edelweiss Financial Services Limited

Notes forming part of reformatted Indian GAAP standalone Financial information (continued)

(Currency: Indian rupees in millions)

Annexure V

2.10 Fixed assets (continued)

FY 2016-17

| Description of assets | Gross Block | | | Depreciation / Amortization | | | | Net Block | |
|--------------------------|---------------|--------------|--------------|-----------------------------|---------------|--------------|--------------|---------------|--------------|
| | As at | Additions | Deductions | As at | As at | Charge for | Deductions | As at | As at |
| | 01-Apr | during the | during the | 31-Mar | 01-Apr | the year | during the | 31-Mar | 31-Mar |
| | 2016 | year | year | 2017 | 2016 | | year | 2017 | 2017 |
| Tangible assets | | | | | | | | | |
| Freehold Building* | 2.78 | - | - | 2.78 | 0.95 | 0.09 | - | 1.04 | 1.74 |
| Leasehold Improvements | 1.77 | - | - | 1.77 | 0.82 | 0.31 | - | 1.13 | 0.64 |
| Furniture and Fixtures | 0.56 | - | 0.22 | 0.34 | 0.45 | 0.03 | 0.20 | 0.28 | 0.06 |
| Vehicles | 39.55 | 5.11 | 6.90 | 37.76 | 26.60 | 4.90 | 4.25 | 27.25 | 10.51 |
| Office Equipment | 11.14 | 0.35 | 0.84 | 10.65 | 9.22 | 0.98 | 0.83 | 9.37 | 1.28 |
| Computers | 28.49 | 7.04 | 10.37 | 25.16 | 21.52 | 5.23 | 9.97 | 16.78 | 8.38 |
| Total: A | 84.29 | 12.50 | 18.33 | 78.46 | 59.56 | 11.54 | 15.25 | 55.85 | 22.61 |
| Intangible assets | | | | | | | | | |
| Computer software | 73.21 | 40.18 | - | 113.39 | 53.39 | 16.77 | - | 70.16 | 43.23 |
| Total: B | 73.21 | 40.18 | - | 113.39 | 53.39 | 16.77 | - | 70.16 | 43.23 |
| Grand total [A+B] | 157.50 | 52.68 | 18.33 | 191.85 | 112.95 | 28.31 | 15.25 | 126.01 | 65.84 |

* Mortgaged for Non Convertible Debentures

Note: There are no adjustments on account of borrowing costs.

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP standalone Financial information (continued)
(Currency: Indian rupees in millions)

Annexure V

2.10 Fixed assets (continued)

FY 2015-16

| Description of assets | Gross Block | | | Depreciation / Amortization | | | | Net Block | |
|--------------------------|---------------|--------------|--------------|-----------------------------|--------------|--------------|-------------|---------------|--------------|
| | As at | Additions | Deductions | As at | As at | Charge for | Deductions | As at | As at |
| | 01-Apr | during the | during the | 31-Mar | 01-Apr | the year | during the | 31-Mar | 31-Mar |
| | 2015 | year | year | 2016 | 2015 | | year | 2016 | 2016 |
| Tangible assets | | | | | | | | | |
| Freehold Building* | 2.78 | - | - | 2.78 | 0.85 | 0.10 | - | 0.95 | 1.83 |
| Leasehold Improvements | 1.77 | - | - | 1.77 | 0.51 | 0.31 | - | 0.82 | 0.95 |
| Furniture and Fixtures | 0.56 | - | - | 0.56 | 0.40 | 0.05 | - | 0.45 | 0.11 |
| Vehicles | 48.98 | 2.93 | 12.36 | 39.55 | 29.90 | 6.13 | 9.43 | 26.60 | 12.95 |
| Office Equipment | 10.67 | 0.67 | 0.20 | 11.14 | 7.93 | 1.49 | 0.20 | 9.22 | 1.92 |
| Computers | 23.25 | 5.37 | 0.13 | 28.49 | 17.14 | 4.51 | 0.13 | 21.52 | 6.97 |
| Total: A | 88.01 | 8.97 | 12.69 | 84.29 | 56.73 | 12.59 | 9.76 | 59.56 | 24.73 |
| Intangible assets | | | | | | | | | |
| Computer software | 60.84 | 12.37 | - | 73.21 | 40.39 | 13.00 | - | 53.39 | 19.82 |
| Total: B | 60.84 | 12.37 | - | 73.21 | 40.39 | 13.00 | - | 53.39 | 19.82 |
| Grand total [A+B] | 148.85 | 21.34 | 12.69 | 157.50 | 97.12 | 25.59 | 9.76 | 112.95 | 44.55 |

* Mortgaged for Non Convertible Debentures

Note: There are no adjustments on account of borrowing costs.

2.11 Non-current investments

(valued at cost, unless stated otherwise)

| | As at 31 March 2018 | | | As at 31 March 2017 | | | As at 31 March 2016 | | |
|--|---------------------|---------------|------------------|---------------------|---------------|------------------|---------------------|---------------|------------------|
| | Face Value | Quantity | Amount | Face Value | Quantity | Amount | Face Value | Quantity | Amount |
| I. Others (quoted) | | | | | | | | | |
| Investments in equity instruments (fully paid up) | | | | | | | | | |
| Kotak Mahindra Bank Limited* | 5 | 5 | - | 5 | 5 | - | 5 | 5 | 0.00 |
| Healthcare Global Enterprises Limited* | 10 | 10,710 | - | 10.00 | 10,710 | - | - | - | - |
| | | | - | | | - | | | 0.00 |
| II. Others (unquoted) | | | | | | | | | |
| (A) Investments in equity instruments of subsidiary companies (fully paid up) | | | | | | | | | |
| ECL Finance Limited | 1 | 1,499,959,129 | 5,190.56 | 1 | 1,499,959,129 | 5,190.56 | 1 | 1,499,959,129 | 5,190.56 |
| Edelweiss Tokio Life Insurance Company limited | 10 | 159,436,650 | 5,992.24 | 10 | 133,412,010 | 3,642.21 | 10 | 133,412,010 | 3,642.21 |
| Edelweiss Finance & Investments Limited | 10 | 3,435,332 | 1,692.23 | 10 | 2,655,020 | 2,618.12 | 10 | 2,655,020 | 2,618.12 |
| Edelweiss Commodities Services Limited | 10 | 2,9775,368 | 1,108.00 | 10 | 29,775,368 | 1,108.00 | 10 | 29,775,368 | 1,108.00 |
| Edelweiss Asset Management Limited | 10 | 65,939,250 | 1,225.14 | 10 | 63,937,500 | 1,065.00 | 10 | 60,000,000 | 750.00 |
| EC Commodity Limited | 10 | 30,000,000 | 501.43 | 10 | 30,000,000 | 501.43 | 10 | 30,000,000 | 501.43 |
| Edelweiss Asset Reconstruction Company limited | 10 | 20,817,286 | 434.89 | 10 | 20,817,286 | 434.89 | - | - | - |
| Edelweiss Retail Finance Limited | 10 | 9,691,667 | 908.18 | 10 | 4,691,667 | 408.18 | 10 | 4,691,667 | 408.18 |
| Edelweiss Broking Limited | 10 | 113,300,000 | 2,089.29 | 10 | 4,881,000 | 305.80 | 10 | 4,881,000 | 305.80 |
| Edelweiss Capital (Singapore) Pte. Limited | SGD1 | 6,813,800 | 319.74 | SGD1 | 6,813,800 | 319.74 | SGD 1 | 5,313,800 | 249.66 |
| Edelweiss Multy Strategy Funds Management Pvt. Ltd. (formerly known as Forefront Capital Management Private Limited) | 10 | 13,214,644 | 180.05 | 10 | 13,214,644 | 180.05 | 10 | 6,214,644 | 110.05 |
| Edelweiss Housing Finance Limited | 10 | 16,050,000 | 655.50 | 10 | 11,050,000 | 155.50 | 10 | 11,050,000 | 155.50 |
| Edelweiss Holdings Limited | 10 | 15,000,000 | 150.00 | 10 | 15,000,000 | 150.00 | 10 | 15,000,000 | 150.00 |
| Edelweiss Alternative Asset Advisors limited | 10 | 2,256,000 | 110.80 | 10 | 2,256,000 | 110.80 | 10 | 2,256,000 | 110.80 |
| Edelweiss Securities (IFSC) Limited | 10 | 14,734,144 | 147.54 | 10 | 10,846,144 | 108.66 | - | - | - |
| Edelweiss Securities Limited | 10 | 26,213,676 | 92.00 | 10 | 26,213,676 | 92.00 | 10 | 26,213,676 | 92.00 |
| Edelweiss General Insurance Company limited | 10 | 170,000,000 | 1,700.00 | 10 | 5,000,000 | 50.00 | - | - | - |
| Edelweiss Global Wealth Management limited | 10 | 16,000,000 | 195.63 | 10 | 1,000,000 | 45.63 | 10 | 1,000,000 | 45.63 |
| Edel Investments Limited | 10 | 3,370,000 | 46.00 | 10 | 3,370,000 | 46.00 | 10 | 3,370,000 | 46.00 |
| Edelweiss Insurance Brokers Limited | 10 | 2,500,000 | 25.00 | 10 | 2,500,000 | 25.00 | 10 | 694,960 | 6.95 |
| Ecap Equities Limited | 10 | 740,000 | 1,260.00 | 10 | 240,000 | 10.00 | 10 | 240,000 | 10.00 |
| EC International Limited | USD1 | 125,000 | 6.20 | USD 1 | 125,000 | 6.20 | USD 1 | 125,000 | 6.20 |
| Edel Land Limited | 10 | 285,000 | 147.61 | 10 | 135,000 | 1.35 | 10 | 135,000 | 1.35 |
| Edelweiss Trusteeship Company Limited | 10 | 100,000 | 1.00 | 10 | 100,000 | 1.00 | 10 | 100,000 | 1.00 |
| Edelweiss Trustee Services Limited | 10 | 50,000 | 0.50 | 10 | 50,000 | 0.50 | 10 | 50,000 | 0.50 |
| Edelweiss Investment Adviser Limited | 10 | 550,000 | 5.50 | 10 | 50,000 | 0.50 | 10 | 50,000 | 0.50 |
| EdelGive Foundation | 10 | 10,000 | 0.10 | 10 | 10,000 | 0.10 | 10 | 10,000 | 0.10 |
| Edelweiss Finvest Private Limited | 10 | 8,279,275 | 1,180.64 | - | - | - | - | - | - |
| Edel Finance Company Limited | 100 | 7,398,823 | 1,257.80 | - | - | - | - | - | - |
| | | | <u>26,623.57</u> | | | <u>16,577.22</u> | | | <u>15,510.54</u> |

2.11 Non-current investments (continued)

(B) Investments in equity instruments of
associate companies (fully paid up)

| | | | | | | | | | |
|---|----|--------|------|-------|--------|------|-------|--------|------|
| Edelweiss Fund Advisors Private Limited | 10 | 50,000 | 0.50 | 10.00 | 50,000 | 0.50 | 10.00 | 50,000 | 0.50 |
| | | | 0.50 | | | 0.50 | | | 0.50 |

(C) Investments in equity instruments of
other companies (fully paid up)

| | | | | | | | | | |
|--|-----|-----------|--------|-----|-----------|--------|-----|-----------|--------|
| Percept Limited | 10 | 67,843 | 200.00 | 10 | 67,843 | 200.00 | 10 | 67,843 | 200.00 |
| Highmark Credit Information Services Private limited | 10 | 1,926,531 | 23.61 | 10 | 1,926,531 | 23.61 | 10 | 1,926,531 | 23.61 |
| JSM Corporation Private Limited | 10 | 16,230 | 2.70 | 10 | 16,230 | 2.70 | 10 | 16,230 | 2.70 |
| Enter Technologies Private Limited | 10 | 250,000 | 2.50 | 10 | 250,000 | 2.50 | 10 | 250,000 | 2.50 |
| EMR Technology Ventures Private Limited | 10 | 120,000 | 2.40 | 10 | 120,000 | 2.40 | 10 | 120,000 | 2.40 |
| Starcom Software Private Limited | 1 | 20,000 | 2.00 | 1 | 20,000 | 2.00 | 1 | 20,000 | 2.00 |
| UTV (TSN) Private Limited | 10 | 13,500 | 1.35 | 10 | 13,500 | 1.35 | 10 | 13,500 | 1.35 |
| Zycus Infotech Private Limited | 2.5 | 67,600 | 1.34 | 2.5 | 67,600 | 1.34 | 2.5 | 67,600 | 1.34 |
| IDS Next Business Solutions Pvt. Ltd | 10 | 1,500 | 0.37 | 10 | 1,500 | 0.37 | 10 | 1,500 | 0.37 |
| Choksi Technologies Private Limited | 10 | 30,000 | 0.30 | 10 | 30,000 | 0.30 | 10 | 30,000 | 0.30 |
| July Systems, Inc. | - | 83,695 | 0.33 | - | 83,695 | 0.33 | - | 83,695 | 0.33 |
| Mecklai Financial Services Pvt. Ltd. | 10 | 10,000 | 0.10 | 10 | 10,000 | 0.10 | 10 | 10,000 | 0.10 |
| Octon Technologies Limited | 10 | 4,165 | 0.04 | 10 | 4,165 | 0.04 | 10 | 4,165 | 0.04 |
| Enmail.com Private Limited | 10 | 1,250 | 0.01 | 10 | 1,250 | 0.01 | 10 | 1,250 | 0.01 |
| Caltiger.com Limited | 10 | 112,211 | 0.02 | 10 | 112,211 | 0.02 | 10 | 112,211 | 0.02 |
| N-Logue Communication Private Limited* | 10 | 358 | 0.00 | 10 | 358 | 0.00 | 10 | 358 | 0.00 |
| ACL India Private Limited * | - | 500 | 0.00 | - | 500 | 0.00 | - | 500 | 0.00 |
| Cadbury India Limited* | 10 | 1 | 0.00 | 10 | 1 | 0.00 | 10 | 1 | 0.00 |
| Travelanza Private Limited* | 10 | 19 | 0.00 | 10 | 19 | 0.00 | 10 | 19 | 0.00 |
| Orion Tele-Equipment Private Limited* | 10 | 857 | 0.00 | 10 | 857 | 0.00 | 10 | 857 | 0.00 |
| Rooms Tonite eBookings Private Limited* | 10 | 5 | 0.00 | 10 | 5 | 0.00 | 10 | 5 | 0.00 |
| | | 237.07 | | | 237.07 | | | 237.07 | |
| Less : Diminution in value | | (208.41) | | | (208.41) | | | (208.41) | |
| | | 28.66 | | | 28.66 | | | 28.66 | |

(D) Investments in preference shares of
subsidiary companies (fully paid up)

| | | | | | | | | | |
|--------------------------------|---|---|---|-------|-----------|-------|-------|-----------|-------|
| ECap Equities Limited | - | - | - | 10.00 | 1,800,000 | 18.00 | 10.00 | 1,800,000 | 18.00 |
| Edel Investments Limited | - | - | - | 10.00 | 450,000 | 9.00 | 10.00 | 450,000 | 9.00 |
| Edelweiss Securities Limited * | - | - | - | 10.00 | 9,575 | 0.00 | 10.00 | 9,575 | 0.00 |
| | | - | | | 27.00 | | | 27.00 | |

(E) Investments in preference shares of other
companies (fully paid up)

| | | | | | | | | |
|----------------------------|--------|--------|--|--------|--------|--|--------|--------|
| July Systems, Inc. | 27,898 | 1.37 | | 27,898 | 1.37 | | 27,898 | 1.37 |
| | | 1.37 | | | 1.37 | | | 1.37 |
| Less : Diminution in value | | (1.37) | | | (1.37) | | | (1.37) |
| | | - | | | - | | | - |

2.11 Non-current investments (continued)

(F) Investments in other instruments

| | | | | | | | | | |
|---------------------------------------|------|-----------|---------|------|-----------|---------|------|-----------|---------|
| MIC Electronics Limited - Warrants | 2.00 | 1,500,000 | 36.60 | 2.00 | 1,500,000 | 36.60 | 2.00 | 1,500,000 | 36.60 |
| Synergies Casting Limited - Warrants* | 1.00 | 190,832 | 0.00 | 1.00 | 190,832 | 0.00 | 1.00 | 190,832 | 0.00 |
| | | | 36.60 | | | 36.60 | | | 36.60 |
| Less : Diminution in value | | | (36.60) | | | (36.60) | | | (36.60) |
| | | | 0.00 | | | 0.00 | | | 0.00 |

(G) Investments in units of venture capital funds

| | | | | | | | | | |
|----------------------------|--------|--------|-----------|--------|--------|-----------|--------|--------|-----------|
| Edelweiss Property Fund I | 10,000 | 19,085 | 96.56 | 10,000 | 19,085 | 96.56 | 10,000 | 19,085 | 96.56 |
| | | | 96.56 | | | 96.56 | | | 96.56 |
| Less : Diminution in value | | | (96.56) | | | (96.56) | | | (96.56) |
| | | | - | | | - | | | - |
| Total | | | 26,652.73 | | | 16,633.38 | | | 15,566.70 |

Aggregate amount of unquoted investment

| | | | |
|---------------------|-----------|-----------|-----------|
| - At carrying value | 26,652.73 | 16,633.38 | 15,566.70 |
|---------------------|-----------|-----------|-----------|

Aggregate amount of quoted investment

| | | | |
|-----------------------|------|------|------|
| - At carrying value * | 0.00 | 0.00 | 0.00 |
|-----------------------|------|------|------|

| | | | |
|---------------------|------|------|------|
| - At market value * | 3.10 | 2.44 | 0.00 |
|---------------------|------|------|------|

| | | | |
|--|--------|--------|--------|
| Aggregate amount of provision for diminution | 342.94 | 342.94 | 342.94 |
|--|--------|--------|--------|

*₹ 0.00 refers to amount less than ₹ 0.01 million

| | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-16 |
|--|--------------------|--------------------|--------------------|
| 2.12 Deferred tax | | | |
| Deferred tax assets | | | |
| Difference between book and tax depreciation/amortisation | 9.29 | 9.19 | 11.04 |
| Provision for doubtful debts/advances / diminution in value of investments | 202.55 | 200.61 | 169.16 |
| Disallowances under section 43B of the Income Tax Act, 1961 | 37.59 | 70.49 | 68.55 |
| Total (A) | 249.43 | 280.29 | 248.75 |
| Deferred tax liabilities | | | |
| Unrealised gain on currency derivatives | 12.73 | 2.72 | 3.47 |
| Total (B) | 12.73 | 2.72 | 3.47 |
| Deferred tax assets - Net (A-B) | 236.70 | 277.57 | 245.28 |
| 2.13 Long-term loans and advances | | | |
| Unsecured, considered good | | | |
| Capital advances | - | - | 273.50 |
| Other loans and advances | | | |
| Advance income tax (net of provision for tax ₹ 1,181.18 million; FY 2016-17: ₹ 1,068.01 million; FY 2015-16: ₹ 1,062.22 million) | 725.07 | 690.83 | 695.58 |
| Loans given to employees welfare trusts | 1,395.00 | 1,455.53 | 1,500.48 |
| | 2,120.07 | 2,146.36 | 2,469.56 |
| 2.14 Other non-current assets | | | |
| Contribution to gratuity fund (net) (Refer note 2.30) | 1.07 | 0.39 | 0.94 |
| | 1.07 | 0.39 | 0.94 |
| 2.15 Trade receivables | | | |
| Outstanding for a period exceeding six months | | | |
| Unsecured, considered doubtful | 236.78 | 236.69 | 145.83 |
| Less: Provision for doubtful debts | 236.78 | 236.69 | 145.83 |
| | - | - | - |
| Other debts | | | |
| Unsecured, considered good | 634.01 | 522.03 | 933.15 |
| | 634.01 | 522.03 | 933.15 |

| | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-16 |
|--|--------------------|--------------------|--------------------|
|--|--------------------|--------------------|--------------------|

2.16 Cash and bank balances**Cash and cash equivalents**

| | | | |
|-----------------------|--------------|---------------|---------------|
| Cash in hand | 0.04 | 0.08 | 0.05 |
| Balances with banks | | | |
| - in Current accounts | 96.64 | 310.76 | 210.30 |
| | <u>96.68</u> | <u>310.84</u> | <u>210.35</u> |

Other bank balances

| | | | |
|---|---------------|---------------|---------------|
| -in unpaid dividend accounts | 4.46 | 4.98 | 4.91 |
| Short term deposits with bank (Refer note 2.41) | 50.00 | - | - |
| | <u>151.14</u> | <u>315.82</u> | <u>215.26</u> |

2.17 Short-term loans and advances

Unsecured, considered good

Loans and advances to related parties (Refer note 2.28 and note 2.38)

| | | | |
|---|-----------------|-----------------|-----------------|
| To associates companies | 0.05 | 0.05 | 0.11 |
| To subsidiary companies | 4,540.44 | 6,156.58 | 5,914.75 |
| Other loans and advances | | | |
| Advances to others | 0.94 | 0.92 | 0.96 |
| Deposits | 22.18 | 19.74 | 19.80 |
| Advances recoverable in cash or in kind or for value to be received | 317.69 | 83.49 | 63.37 |
| Loans and advances to employees | 7.18 | 3.43 | 8.99 |
| Input tax credit | - | - | 2.55 |
| Advance income tax (net of provision for taxation ₹ 178.80 million; FY 2016-17: ₹ 453.26 million; FY 2015-16: ₹ 318.02 million) | 5.42 | 68.91 | 42.29 |
| | <u>4,893.90</u> | <u>6,333.12</u> | <u>6,052.82</u> |

2.18 Other current assets**Unsecured, considered good**

| | | | |
|--|---------------|---------------|---------------|
| Accrued interest on fixed deposits | 0.31 | - | - |
| Accrued interest on loans given | 148.13 | 130.56 | 167.06 |
| Dividend receivable from related parties (Refer note 2.28) | - | 199.49 | 1.26 |
| Margin placed with broker | 7.46 | 15.12 | 57.94 |
| | <u>155.90</u> | <u>345.17</u> | <u>226.26</u> |

| | For the year ended 31-Mar-18 | For the year ended 31-Mar-17 | For the year ended 31-Mar-16 |
|---|---------------------------------|---------------------------------|---------------------------------|
| 2.19 Fee and commission income | | | |
| Advisory, rating support and other fees | 2,478.90 | 2,207.46 | 2,349.51 |
| | <u>2,478.90</u> | <u>2,207.46</u> | <u>2,349.51</u> |
| 2.20 Income from investments and dividend | | | |
| Dividend on long-term investments (Refer note 2.28) | 850.84 | 1,010.15 | 807.59 |
| Yield on real estate advances | - | 6.50 | - |
| Profit on sale of current investments | - | 1.13 | - |
| Profit on sale of long-term investments | 0.91 | 1.67 | 4.94 |
| | <u>851.75</u> | <u>1,019.45</u> | <u>812.53</u> |
| 2.21 Interest Income | | | |
| On loans to subsidiary companies (Refer note 2.28 & 2.48) | 870.06 | 1,007.83 | - |
| On fixed deposits | 1.43 | - | - |
| On Margin with brokers | 0.47 | 0.32 | - |
| On others | 0.07 | 0.20 | 0.93 |
| | <u>872.03</u> | <u>1,008.35</u> | <u>0.93</u> |
| 2.22 Other operating revenue | | | |
| Foreign exchange gain (net) | 192.47 | 269.04 | 190.70 |
| | <u>192.47</u> | <u>269.04</u> | <u>190.70</u> |
| 2.23 Other Income | | | |
| Miscellaneous income | 3.13 | 0.35 | 29.74 |
| | <u>3.13</u> | <u>0.35</u> | <u>29.74</u> |

| | For the year ended 31-Mar-18 | For the year ended 31-Mar-17 | For the year ended 31-Mar-16 |
|--|---------------------------------|---------------------------------|---------------------------------|
| 2.24 Employee benefits expense | | | |
| Salaries and wages | 805.05 | 799.17 | 646.80 |
| Contribution to provident and other funds | 28.91 | 17.12 | 18.06 |
| Expense on Employee Stock Option Plans (ESOPs) (Refer note 2.32) | - | - | (0.10) |
| Staff welfare expenses | 69.46 | 40.23 | 36.05 |
| | <u>903.42</u> | <u>856.52</u> | <u>700.81</u> |
| 2.25 Finance costs | | | |
| Interest on debentures | 76.23 | 198.31 | 4.98 |
| Interest on bank overdraft | 0.04 | 0.35 | 0.16 |
| Interest on term loan | - | - | 3.45 |
| Interest on loan from subsidiaries (Refer note 2.28) | 213.26 | 442.18 | - |
| Interest - others | 0.21 | 0.17 | 0.93 |
| Discount on commercial papers | 428.16 | 720.11 | 157.33 |
| Financial and bank charges | 31.67 | 44.08 | 65.42 |
| | <u>749.57</u> | <u>1,405.20</u> | <u>232.27</u> |

| | For the year ended 31-Mar-18 | For the year ended 31-Mar-17 | For the year ended 31-Mar-16 |
|---|---------------------------------|---------------------------------|---------------------------------|
| 2.26 Other expenses | | | |
| Advertisement and business promotion | 214.36 | 207.94 | 67.46 |
| Auditors' remuneration (Refer note below) | 7.05 | 7.56 | 4.56 |
| Bad debts and advances written off | 49.08 | - | 11.51 |
| Commission to non-executive directors | 6.80 | 10.10 | 10.10 |
| Commission and brokerage | 25.73 | 16.28 | 7.98 |
| Communication | 6.12 | 4.99 | 9.39 |
| Computer software expenses | 72.97 | 43.36 | 20.48 |
| Clearing and custodian charges | 1.20 | 0.68 | 1.14 |
| Contribution towards corporate social responsibility (Refer note 2.28 and 2.42) | 38.00 | 26.84 | 17.50 |
| Donation | 1.05 | 0.72 | - |
| Diminution in value of investments | - | - | 82.46 |
| Directors' sitting fees | 2.00 | 1.70 | 1.80 |
| Electricity charges (Refer note 2.47) | 9.59 | 11.13 | 2.72 |
| Insurance (Refer note 2.47) | 23.58 | 18.77 | 17.15 |
| Legal and professional fees | 250.22 | 175.42 | 117.99 |
| Loss / (profit) on sale/ write-off of fixed assets (net) | (0.16) | 0.40 | (1.16) |
| Membership and subscription | 21.05 | 15.80 | 8.02 |
| Office expenses | 7.11 | 5.78 | 4.95 |
| Postage and courier | 1.41 | 1.18 | 1.04 |
| Printing and stationery | 8.97 | 7.69 | 9.23 |
| Provision for doubtful debts | 0.09 | 90.86 | 95.74 |
| Rates and taxes | 10.59 | 10.20 | 6.25 |
| Rent (Refer note 2.47) | 81.06 | 72.64 | 25.57 |
| Repairs and maintenance - others | 1.45 | 1.52 | 1.21 |
| Seminar and conference | 7.20 | 3.74 | 3.30 |
| Travelling and conveyance | 72.15 | 43.43 | 47.70 |
| Miscellaneous expenses | - | - | 0.69 |
| | 918.67 | 778.73 | 574.78 |
| Auditors' remuneration: | | | |
| As Auditor | 6.78 | 7.07 | 4.33 |
| Towards reimbursement of expenses | 0.27 | 0.49 | 0.23 |
| | 7.05 | 7.56 | 4.56 |

2.27 Segment reporting**Primary Segment (Business Segment)**

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

| Segment | Activities Covered |
|----------------------------|---|
| Agency business | Advisory and transactional services |
| Holding company activities | Development, managerial and financial support to the businesses of Edelweiss group entities |

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis.

Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary Segment

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

The following table gives information as required under the Accounting Standard -17 on "Segment Reporting":

| Particulars | For the year ended 31-Mar-18 | For the year ended 31-Mar-17 | For the year ended 31-Mar-16 |
|-------------------------------|---------------------------------|---------------------------------|---------------------------------|
| I Segment Revenue | | | |
| a) Agency business | 2,101.10 | 1,652.08 | 1,779.07 |
| b) Holding company activities | 2,297.18 | 2,852.57 | 1,604.34 |
| c) Unallocated | - | - | - |
| Total Income | 4,398.28 | 4,504.65 | 3,383.41 |
| II Segment Results | | | |
| a) Agency business | 1,067.31 | 659.08 | 1,087.26 |
| b) Holding company activities | 718.71 | 776.81 | 869.81 |
| c) Unallocated | - | - | (107.11) |
| Profit before taxation | 1,786.02 | 1,435.89 | 1,849.96 |
| Less : Provision for taxation | 359.42 | 145.83 | 294.02 |
| Profit after taxation | 1,426.60 | 1,290.06 | 1,555.94 |

Edelweiss Financial Services Limited
Notes forming part of reformatted Indian GAAP standalone Financial information (continued)

(Currency: Indian rupees in millions)

Annexure V
2.27 Segment reporting (continued)

| Particulars | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
|---|------------------|------------------|------------------|
| III Segment Assets | | | |
| a) Agency business | 725.98 | 427.40 | 379.72 |
| b) Holding company activities | 33,467.50 | 25,490.31 | 24,645.88 |
| c) Unallocated | 730.49 | 759.74 | 753.69 |
| Total | 34,923.97 | 26,677.45 | 25,779.29 |
| IV Segment Liabilities | | | |
| a) Agency business | 278.88 | 357.64 | 326.19 |
| b) Holding company activities | 732.51 | 8,820.51 | 9,073.91 |
| c) Unallocated | 315.51 | 304.16 | 339.94 |
| Total | 1,326.90 | 9,482.31 | 9,740.04 |
| V Capital Expenditure | | | |
| (Including intangible assets under development) | | | |
| a) Agency business | 35.19 | 42.69 | 13.28 |
| b) Holding company activities | 7.85 | 9.99 | 5.20 |
| c) Unallocated | - | - | 2.86 |
| Total | 43.04 | 52.68 | 21.34 |
| VI Depreciation and Amortization | | | |
| a) Agency business | 33.20 | 22.94 | 15.93 |
| b) Holding company activities | 7.40 | 5.37 | 6.23 |
| c) Unallocated | - | - | 3.43 |
| Total | 40.60 | 28.31 | 25.59 |
| VII Significant Non-Cash Expenses Other than Depreciation and Amortization | | | |
| a) Agency business | 49.04 | 91.18 | 106.53 |
| b) Holding company activities | (0.03) | 0.08 | 82.18 |
| c) Unallocated | - | - | (0.16) |
| Total | 49.01 | 91.26 | 188.55 |

2.28 Disclosure as required by Accounting Standard 18 - "Related Party Disclosure":

FY 2017-18

(A) Subsidiaries which are controlled by the Company:

Edelweiss Securities Limited
Edelweiss Finance & Investments Limited
Edelweiss Global Wealth Management Limited
ECL Finance Limited
EC Global Limited, Mauritius (through EC International Limited, Mauritius)
Edelweiss Insurance Brokers Limited
Edelweiss Trustee Services Limited
Edelweiss Business Services Limited
Edelcap Securities Limited (through ECap Equities Limited)
Edelweiss Asset Management Limited
Ecap Equities Limited
Edelweiss Broking Limited
Edelweiss Trusteeship Company Limited
Edelweiss Alternative Asset Advisors Limited
Edelweiss Housing Finance Limited (through Edelweiss Commodities Services Limited)
Edelweiss Investment Adviser Limited
EC Commodity Limited
Edel Commodities Limited (through Edelweiss Commodities Services Limited)
Edel Land Limited
Edelweiss Custodial Services Limited (through Edelweiss Securities Limited)
EC International Limited, Mauritius
Edelweiss Capital (Singapore) Pte. Limited
Edelweiss Alternative Asset Advisors Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited)
Edelweiss International (Singapore) Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited)
Aster Commodities DMCC, United Arab Emirates (through EC International Limited, Mauritius)
EAAA LLC, Mauritius (through EC International Limited)
EW Special Opportunities Advisors LLC, Mauritius (through EAAA LLC)
EW India Special Assets Advisors LLC, Mauritius (through EAAA LLC)
Edel Investments Limited
Edelweiss Tokio Life Insurance Company Limited
Edelweiss Investment Advisors Private Limited, Singapore (through Edelweiss Capital (Singapore) Pte. Limited)
Edelweiss Commodities Services Limited
Edelweiss Comtrade Limited (through Edelweiss Securities Limited)
Edel Finance Company Limited
Edelweiss Capital Markets Limited (through Edelweiss Commodities Services Limited)
EW SBI Crossover Advisors LLC, Mauritius (through EAAA LLC) (Upto 29 July 2017)
EFSL Trading Limited (through Edel Commodities Limited)
EFSL Comtrade Limited (through Edelweiss Commodities Services Limited)
Edelweiss Retail Finance Limited (through Edelcap Securities Limited)
Edelweiss Securities (Hong Kong) Private Limited (through Edelweiss Securities Limited)
Edelweiss Financial Services Inc, United States of America (through Edelweiss Securities Limited)
Cross Border Synergy Pte. Limited (formerly known as Edelweiss Commodities Pte. Limited) (through EFSL Comtrade Limited) (Upto 6 December 2017)
Edelweiss Agri Value Chain Limited (through Edelweiss Commodities Services Limited)
EdelGive Foundation
Edelweiss Multi Strategy Funds Management Private Limited
Edelweiss Wealth Advisors LLP (through Edelweiss Commodities Services Limited)

Edelweiss India Capital Management, Mauritius (through Edelweiss Multi Strategy Funds Management Private Limited)

Edelweiss Multi Strategy Fund Advisors LLP (through Edelweiss Multi Strategy Funds Management Private Limited)
EFSL International Limited, Mauritius (through EC International Limited)
Edelweiss Financial Services (UK) Limited, United Kingdom (through Edelweiss Securities Limited)
Edelweiss Holdings Limited
Edelweiss Tarim Urunleri Anonim Sirketi, Turkey (through EFSL Comtrade Limited) (Upto 27 February 2018)
Edelweiss AIF Fund I - EW Clover Scheme -1 (through Edelcap Securities Limited)
Edelweiss General Insurance Company Limited
Edelweiss Finvest Private Limited (through Ecap Equities Limited)
Edelweiss Asset Reconstruction Company Limited (through Edelweiss Custodial Services Limited)
Edelweiss Private Equity Tech Fund (through Ecap Equities Limited)
Edelweiss Securities (IFSC) Limited
Edelweiss Value and Growth Fund (through Ecap Equities Limited)
Alternative Investment Market Advisors Private Limited

(B) Associates:

Allium Finance Private Limited (through Edelweiss Commodities Services Limited)
Edelweiss Fund Advisors Private Limited
Dahlia Commodities Services Private Limited (through Edelweiss Securities Limited)
Magnolia Commodities Services Private Limited (through Edelweiss Securities Limited)
Aeon Credit Service India Private Limited (through ECL Finance Limited) (Upto 22 August 2017)

2.28 Disclosure as required by Accounting Standard 18 - "Related Party Disclosure": (continued)

FY 2017-18

(C) Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them control or significant influence over the Company:

Mr. Rashes Shah
Mr. Venkatchalam Ramaswamy
Ms. Vidya Shah
Ms. Aparna T. C.

(D) Key managerial personnel :

Mr. Rashes Shah - Chairman, Managing Director & CEO
Mr. Venkatchalam Ramaswamy - Executive Director
Mr. Himanshu Kaji - Executive Director
Mr. Rujan Panjwani - Executive Director

(E) Relatives of individuals exercising significant influence and relatives of KMP, with whom transaction have taken place:

Ms. Kaavya Venkat
Ms. Shilpa Mody
Ms. Sejal Premal Parekh
Mr. A V Ramaswamy
Ms. Sneha Sripad Desai
Ms. Shabnam Panjwani

(F) Enterprises over which KMPs / Relatives exercise significant influence, with whom transactions have taken place:

Spire Investment Advisors LLP
Shah Family Discretionary Trust

FY 2016-17

(A) Subsidiaries which are controlled by the Company:

Edelweiss Securities Limited
Edelweiss Finance & Investments Limited
Edelweiss Global Wealth Management Limited
ECL Finance Limited
EC Global Limited, Mauritius (through Edelweiss Finance & Investments Limited)
Edelweiss Insurance Brokers Limited
Edelweiss Trustee Services Limited
Edelweiss Business Services Limited (formerly known as Edelweiss Web Services Limited) (through Edelweiss Broking Limited)
Edelcap Securities Limited (through ECap Equities Limited)
Edelweiss Asset Management Limited
ECap Equities Limited
Edelweiss Broking Limited
Edelweiss Trusteeship Company Limited
Edelweiss Alternative Asset Advisors Limited
Edelweiss Housing Finance Limited (through Edelweiss Commodities Services Limited)
Edelweiss Investment Adviser Limited
EC Commodity Limited
Edel Commodities Limited (through Edelweiss Commodities Services Limited)
Edel Land Limited
Edelweiss Custodial Services Limited (through Edelweiss Securities Limited)
EC International Limited, Mauritius
Edelweiss Capital (Singapore) Pte. Limited
Edelweiss Alternative Asset Advisors Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited)
Edelweiss International (Singapore) Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited)
Aster Commodities DMCC, United Arab Emirates (through EC International Limited, Mauritius)
EAAA LLC, Mauritius (through EC International Limited)
EW Special Opportunities Advisors LLC, Mauritius (through EAAA LLC)
EW India Special Assets Advisors LLC, Mauritius (through EAAA LLC)
Edel Investments Limited
Edelweiss Tokio Life Insurance Company Limited
Edelweiss Investment Advisors Private Limited, Singapore (through Edelweiss Capital (Singapore) Pte. Limited)
Edelweiss Commodities Services Limited
Edelweiss Comtrade Limited (through Edelweiss Securities Limited)
Edel Finance Company Limited
Edelweiss Capital Markets Limited (through Edelweiss Commodities Services Limited)
EW SBI Crossover Advisors LLC, Mauritius (through EAAA LLC)
EFSL Trading Limited (formerly known as EFSL Commodities Limited) (through Edel Commodities Limited)
Edel Commodities Trading Limited (Upto 17 November 2016)
EFSL Comtrade Limited (through Edelweiss Commodities Services Limited)
Edelweiss Retail Finance Limited (through Edelcap Securities Limited)
Edelweiss Securities (Hong Kong) Private Limited (through Edelweiss Securities Limited)
Edelweiss Metals Limited (upto 30 June 2016)

2.28 Disclosure as required by Accounting Standard 18 - "Related Party Disclosure": (continued)

FY 2016-17

- (A) **Subsidiaries which are controlled by the Company: (continued)**
Edelweiss Financial Services Inc, United States of America (through Edelweiss Securities Limited)
Edelweiss Commodities Pte. Ltd, Singapore (through EFSL Comtrade Limited)
Edelweiss Commodities Nigeria Limited (Upto 17 November 2016)
Edelweiss Agri Value Chain Limited (through Edelweiss Commodities Services Limited)
EdelGive Foundation

Edelweiss Multi Strategy Funds Management Private Limited (formerly known as Forefront Capital Management Private Limited)

Edelweiss Wealth Advisors LLP (Formerly known as Forefront Wealth Advisors LLP) (through Edelweiss Commodities Services Limited)
Auris Corporate Centre Limited (through Ecap Equities Limited)
Olive Business Centre Limited (through Ecap Equities Limited)
Eternity Business Centre Limited (through Ecap Equities Limited)
Serenity Business Park Limited (through Ecap Equities Limited)
Burlington Business Solutions Limited (through Ecap Equities Limited)

Edelweiss India Capital Management, Mauritius (through Edelweiss Multi Strategy Funds Management Private Limited)

Edelweiss Multi Strategy Fund Advisors LLP (Formerly known as Forefront Alternate Investment Advisors LLP) (through Edelweiss Multi Strategy Funds Management Private Limited)
Edelweiss Commodities (CHAD) SARL (Upto 17 November 2016)
EFSL International Limited (through EC International Limited)
Edelweiss Financial Services (UK) Limited (through Edelweiss Securities Limited)
Edelweiss Holdings Limited
Edelweiss Tarim Urunleri Anonim Sirketi, Turkey (through EFSL Comtrade Limited)
Edelweiss AIF Fund I - EW Clover Scheme -1 (through Edelcap Securities Limited)
Edelweiss General Insurance Company Limited
Edelweiss Finvest Private Limited (formerly known as Arum Investments Private Limited) (through Ecap Equities Limited)
Edelweiss Asset Reconstruction Company Limited (through Edelweiss Custodial Services Limited) (from 16 September 2016)
Edelweiss Private Equity Tech Fund (through Ecap Equities Limited) (from 21 November 2016)
Edelweiss Securities (IFSC) Limited (from 23 December 2016)
- (B) **Associates:**
Allium Finance Private Limited (through Edelweiss Commodities Services Limited)
Edelweiss Fund Advisors Private Limited
Dahlia Commodities Services Private Limited (through Edelweiss Securities Limited)
Magnolia Commodities Services Private Limited (through Edelweiss Securities Limited)
Aeon Credit Service India Private Limited (through ECL Finance Limited)
- (C) **Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them control or significant influence over the Company:**
Mr. Rashesh Shah
Mr. Venkatchalam Ramaswamy
Ms. Vidya Shah
Ms. Aparna T. C.
- (D) **Key managerial personnel :**
Mr. Rashesh Shah - Chairman, Managing Director & CEO
Mr. Venkatchalam Ramaswamy - Executive Director
Mr. Himanshu Kaji - Executive Director
Mr. Rujan Panjwani - Executive Director
- (E) **Relatives of individuals exercising significant influence and relatives of KMP, with whom transaction have taken place:**
Ms. Kaavya Venkat
Ms. Shilpa Mody
Ms. Sejal Premal Parekh
Mr. A V Ramaswamy
Ms. Sneha Sripad Desai
Mr. Nalin Kaji
Ms. Shabnam Panjwani
- (F) **Enterprises over which KMPs / Relatives exercise significant influence, with whom transactions have taken place:**
Spire Investment Advisors LLP

2.28 Disclosure as required by Accounting Standard 18 - "Related Party Disclosure": (continued)

FY 2015-16

| | |
|------------|---|
| (A) | Subsidiaries which are controlled by the Company : |
| | Edelweiss Securities Limited |
| | Edelweiss Insurance Brokers Limited |
| | Edelweiss Finance & Investments Limited |
| | Edelweiss Commodities Services Limited |
| | Edelweiss Trustee Services Limited |
| | ECL Finance Limited |
| | Edelweiss Custodial Services Limited (through Edelweiss Securities Limited) |
| | ECap Equities Limited |
| | Edelcap Securities Limited (through ECap Equities Limited) |
| | EC Commodity Limited |
| | Edel Commodities Limited (through Edelweiss Commodities Services Limited) |
| | Edelweiss Global Wealth Management Limited |
| | Edelweiss Trusteeship Company Limited |
| | Edelweiss Asset Management Limited |
| | Edelweiss Broking Limited |
| | Edelweiss Investment Adviser Limited |
| | Edel Land Limited |
| | Edelweiss Web Services Limited (through Edelweiss Broking Limited) |
| | EC International Limited, Mauritius |
| | EdelGive Foundation |
| | Edelweiss Alternative Asset Advisors Limited |
| | Edelweiss Housing Finance Limited (through Edelweiss Commodities Services Limited) |
| | Edelweiss Tokio Life Insurance Company Limited |
| | Edel Investments Limited |
| | Edel Finance Company Limited (through Edelweiss Broking Limited) |
| | Edelweiss Comtrade Limited (through Edelweiss Securities Limited) |
| | Edelweiss Capital (Singapore) Pte. Limited |
| | EFSL Commodities Limited (through Edel Commodities Limited) |
| | EFSL Comtrade Limited (through Edelweiss Commodities Services Limited) |
| | Edel Commodities Trading Limited (through Edel Commodities Limited) |
| | Edelweiss Capital Markets Limited (through Edelweiss Commodities Services Limited) |
| | EC Global Limited, Mauritius (through Edelweiss Finance & Investments Limited) |
| | Aster Commodities DMCC, United Arab Emirates (through EC International Limited, Mauritius) |
| | Edelweiss Retail Finance Limited (through Edelcap Securities Limited) |
| | Edelweiss Metals Limited (through Edelweiss Commodities Services Limited) |
| | EAAA LLC, Mauritius (through EC International Limited) |
| | EW Special Opportunities Advisors LLC, Mauritius (through EAAA LLC) |
| | EW India Special Assets Advisors LLC, Mauritius (through EAAA LLC) |
| | EW SBI Crossover Advisors LLC, Mauritius (through EAAA LLC) |
| | Edelweiss International (Singapore) Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited) |
| | Edelweiss Alternative Asset Advisors Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited) |
| | Edelweiss Investment Advisors Private Limited, Singapore (through Edelweiss Capital (Singapore) Pte. Limited) |
| | Edelweiss Securities (Hong Kong) Private Limited (through Edelweiss Securities Limited) |
| | Edelweiss Financial Services Inc, United States of America (through Edelweiss Securities Limited) |
| | Edelweiss Commodities Pte. Ltd, Singapore (through EFSL Comtrade Limited) |
| | Edelweiss Commodities Nigeria Limited (through EFSL Comtrade Limited) |
| | Forefront Capital Management Private Limited |
| | Edelweiss India Capital Management, Mauritius (formerly known as Forefront India Capital Management) |
| | (through Forefront Capital Management Private Limited) |
| | Forefront Alternate Investment Advisors LLP (through Forefront Capital Management Private Limited) |
| | Forefront Wealth Advisors LLP (through Edelweiss Commodities Services Limited) |
| | Auris Corporate Centre Limited (through Edelweiss Broking Limited) |
| | Olive Business Centre Limited (through Edelweiss Finance & Investments Limited) |
| | Eternity Business Centre Limited (through Edelweiss Commodities Services Limited) |
| | Serenity Business Park Limited (through Edelweiss Commodities Services Limited) |
| | Burlington Business Solutions Limited (through Edelweiss Securities Limited) |
| | Edelweiss Commodities (CHAD) SARL (through EFSL Comtrade Limited) |
| | Edelweiss Agri Value Chain Limited (formerly known as Edelweiss Integrated Commodity Management Limited) |
| | (through Edelweiss Commodities Services Limited) |
| | Edelweiss Holdings Limited (from December 8, 2015) |
| | Edelweiss Financial Services (UK) Limited (from August 27, 2015) (through Edelweiss Securities Limited) |
| | EFSL International Limited (from July 28, 2015) (through EC International Limited) |
| | Edelweiss Tarim Urunleri Anonim Sirketi, Turkey (from January 27, 2016) (through EFSL Comtrade Limited) |
| | Edelweiss AIF Fund I - EW Clover Scheme -1 (from August 6, 2015) (through Edelcap Securities Limited) |
| | Edelweiss General Insurance Company Limited (from March 2, 2016) |
| | Arum Investments Private Limited (from March 31, 2016) (through Ecap Equities Limited) |

2.28 Disclosure as required by Accounting Standard 18 - "Related Party Disclosure": (continued)

FY 2015-16

- (B) Associates:**
Edelweiss Asset Reconstruction Company Limited (through Edelweiss Custodial Services Limited)
Edelweiss Fund Advisors Private Limited
Dahlia Commodities Services Private Limited (through Edelweiss Securities Limited)
Magnolia Commodities Services Private Limited (through Edelweiss Securities Limited)
Allium Finance Private Limited (through Edelweiss Commodities Services Limited)
Aeon Credit Service India Private Limited (through ECL Finance Limited)
- (C) Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them control or significant influence over the Company:**
Mr. Rashesh Shah
Mr. Venkat Ramaswamy
Ms. Vidya Shah
Ms. Aparna T. C.
- (D) Key managerial personnel :**
Mr. Rashesh Shah - Chairman, Managing Director & CEO
Mr. Venkat Ramaswamy - Executive Director
Mr. Himanshu Kaji - Executive Director
Mr. Rujan Panjwani - Executive Director
- (E) Relatives of individuals exercising significant influence and relatives of KMP, with whom transaction have taken place:**
Ms. Kaavya Venkat
Ms. Shilpa Mody
Ms. Sejal Premal Parekh
Mr. A V Ramaswamy
Ms. Sneha Sripad Desai
Mr. Nalin Kaji
Ms. Shabnam Panjwani
- (F) Enterprises over which KMPs / Relatives exercise significant influence, with whom transactions have taken place:**
Spire Investment Advisors LLP

2.28 Disclosure as required by Accounting Standard 18 - "Related Party Disclosure" (Continued)**(G) Transactions and balances with related parties**

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
|-------------------------------------|---|--|-----------|-----------|-------------|
| Capital Account Transactions | | | | | |
| 1 | Investments in Equity shares of | Edelweiss Tokio Life Insurance Company Limited | 2,350.03 | - | - |
| | | Edelweiss Broking Limited | 1,783.49 | - | - |
| | | Edelweiss General Insurance Company Limited | 1,650.00 | - | - |
| | | Edel Finance Company Limited | 1,257.80 | - | - |
| | | Ecap Equities Limited | 1,250.00 | - | - |
| | | Edelweiss Finvest Private Limited | 1,180.64 | - | - |
| | | Edelweiss Asset Reconstruction Company Limited | - | 434.89 | - |
| | | Edelweiss Asset Management Limited | - | 315.00 | - |
| | | Edelweiss Securities (IFSC) Limited | - | 108.66 | - |
| | | Edelweiss Capital (Singapore) Pte. Limited | - | 70.08 | 97.38 |
| | | Edelweiss Multi Strategy Funds Management Pvt. Ltd | - | 70.00 | 40.00 |
| | | EC Commodity Limited | - | - | 290.43 |
| | | Edelweiss Holdings Limited | - | - | 150.00 |
| | | Edelweiss Retail Finance Limited | - | - | 408.18 |
| | | Others – Subsidiaries | 1,899.79 | 68.05 | 25.00 |
| 2 | Reduction in investments on account of demerger of (Refer Note 4) | Edelweiss Finance and Investments Limited | 1,325.40 | - | - |
| 3 | Redemption of preference shares of | Ecap Equities Limited | 18.00 | - | - |
| | | Edel Investments Limited | 9.00 | - | - |
| | | Others - Subsidiaries * | 0.00 | - | - |
| 4 | Long term loans given repaid by | Edelweiss Commodities Services Limited | - | - | 700.00 |
| Current Account Transactions | | | | | |
| 5 | Commercial paper subscribed by | Edelweiss Commodities Services Limited | - | 1,986.94 | 1,01,865.81 |
| | | Ecap Equities Limited | - | 3,732.67 | - |
| 6 | Commercial paper redeemed to | Edelweiss Commodities Services Limited | - | 10,823.88 | 22,500.00 |

2.28 Disclosure as required by Accounting Standard 18 - "Related Party Disclosure" (Continued)**(G) Transactions and balances with related parties (continued)**

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
|---------|--|--|-----------|-----------|-----------|
| 7 | Short term loans given to (Refer note 1) | Edelweiss Commodities Services Limited | 23,205.31 | 39,093.19 | 21,855.09 |
| | | ECL Finance Limited | 7,000.00 | - | 14,412.29 |
| | | Ecap Equities Limited | - | 84.00 | 11,985.07 |
| | | Edelweiss Securities Limited | - | 968.18 | 11,027.40 |
| | | Edelweiss Retail Finance Limited | - | 333.02 | 2,426.90 |
| | | Edelweiss Capital (Singapore) Pte. Limited | 2,985.74 | 3,258.65 | 1,346.93 |
| | | EC International Limited | 419.76 | 6,511.80 | 3,048.32 |
| | | Edelweiss Finvest Private Limited | - | - | 20,191.51 |
| | | Edelweiss Finance & Investments Limited | - | - | 13,982.53 |
| | | Others – Subsidiaries | - | 2,639.91 | 21,941.61 |
| | | Others - Associates | - | - | 0.47 |
| 8 | Short term loans repaid by (Refer note 1) | Edelweiss Commodities Services Limited | 22,375.91 | 39,393.77 | 34,348.51 |
| | | ECL Finance Limited | 7,000.00 | - | 14,463.75 |
| | | Ecap Equities Limited | - | 279.27 | 22,249.62 |
| | | EC International Limited | 412.14 | 5,926.90 | 4,153.95 |
| | | Edelweiss Capital (Singapore) Pte. Limited | 907.21 | 1,506.87 | 1,207.46 |
| | | Edelweiss Securities Limited | 42.65 | 1,249.43 | 13,109.63 |
| | | Edelweiss Finance & Investments Limited | - | 123.41 | 13,895.38 |
| | | Edelweiss Retail Finance Limited | - | 429.13 | 2,733.65 |
| | | Edelweiss Finvest Private Limited | - | 13.40 | 20,179.60 |
| | | Others – Subsidiaries | 2,738.27 | 3,653.35 | 35,695.26 |
| | | Others - Associates | - | - | 0.47 |
| 9 | Short term loans taken from (Refer note 1) | Edelweiss Commodities Services Limited | 2,968.60 | 10,397.01 | 8,885.16 |
| | | Edelweiss Finance & Investments Limited | - | - | 1,461.32 |
| | | Others - Subsidiaries | - | - | 21.91 |
| 10 | Short term loans repaid to (Refer note 1) | Edelweiss Commodities Services Limited | 10,118.93 | 3,246.68 | 8,885.16 |
| | | Edelweiss Finance & Investments Limited | - | - | 1,461.32 |
| | | Others - Subsidiaries | - | - | 21.91 |
| 11 | Margin placed with Broker (Refer note 1) | Edelweiss Securities Limited | 0.30 | 3.81 | 54.37 |
| | | Edelweiss Custodial Services Limited | 6.51 | 21.43 | - |
| 12 | Margin withdrawn from Broker (Refer note 1) | Edelweiss Securities Limited | 0.01 | 58.50 | 64.33 |
| | | Edelweiss Custodial Services Limited | 12.18 | 5.49 | - |
| 13 | Reimbursements recovered from | ECL Finance Limited | - | 114.63 | 851.70 |
| | | Edelweiss Commodities Services Limited | 0.14 | 267.41 | 523.58 |
| | | Edelweiss Finance & Investments Limited | - | 31.28 | 467.71 |
| | | Ecap Equities Limited | - | 122.51 | 148.61 |
| | | Edelweiss Alternative Asset Advisors Limited | 0.26 | - | - |
| | | Edelweiss Asset Reconstruction Company Limited | 0.50 | - | - |
| | | Others – Subsidiaries | 0.07 | 510.00 | 1,560.01 |
| | | Others – Associates | - | 196.95 | 85.28 |

2.28 Disclosure as required by Accounting Standard 18 - "Related Party Disclosure" (Continued)**(G) Transactions and balances with related parties (continued)**

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
|---------|---|--|-----------|-----------|-----------|
| 14 | Reimbursements paid to | Edelweiss Business Services Limited | 11.45 | 613.51 | 456.04 |
| | | Ecap Equities Limited | 96.00 | - | - |
| | | Others – Subsidiaries | 4.37 | 3.94 | 51.75 |
| 15 | Dividend paid to | Mr. Rashesh Shah | 196.16 | 145.30 | 210.49 |
| | | Mr. Venkatchalam Ramaswamy | 78.34 | 58.03 | 83.74 |
| | | Ms. Vidya Shah | 47.29 | - | - |
| | | Shah Family Discretionary Trust | 52.31 | - | - |
| | | Spire Investment Advisors LLP | 4.32 | 41.95 | 60.83 |
| | | Others - Individuals exercising significant influence | 16.42 | 47.03 | 67.06 |
| | | Others - Key managerial personnel | 21.13 | 14.30 | 19.15 |
| | | Others - Relatives of individuals exercising significant influence | 20.60 | 15.30 | 22.18 |
| 16 | Remuneration to | Mr. Rashesh Shah | 64.23 | 51.16 | 60.62 |
| | | Mr. Venkatchalam Ramaswamy | 1.20 | 1.20 | 2.70 |
| | | Mr. Himanshu Kaji | 51.43 | 50.99 | 57.95 |
| | | Mr. Rujan Panjwani | 31.34 | 31.33 | 1.24 |
| 17 | Dividend Income from | Edelweiss Securities Limited | 301.46 | - | 0.01 |
| | | Edelweiss Finance & Investments Limited | - | 557.55 | 550.92 |
| | | Edelweiss Commodities Services Limited | 248.62 | 452.59 | 104.21 |
| | | Ecap Equities Limited | 300.00 | - | 151.26 |
| 18 | Rating support fee earned from | ECL Finance Limited | 1.74 | 155.70 | 185.00 |
| | | Edelweiss Commodities Services Limited | 0.92 | 103.30 | 89.40 |
| | | Edelweiss Securities Limited | 0.15 | 11.60 | 22.80 |
| | | Others – Subsidiaries | 1.50 | 70.50 | 92.10 |
| 19 | Fee / commission earned from | Aster Commodities DMCC | 24.69 | 99.50 | 97.56 |
| | | EC Global Limited | 10.12 | 27.43 | 37.41 |
| | | Edelweiss Tokio Life Insurance Company Limited | 20.00 | 50.00 | 20.00 |
| | | Edelweiss International (Singapore) Pte. Ltd. | 2.54 | 13.80 | 15.12 |
| | | Edelweiss Commodities Pte Limited | - | 23.56 | 10.98 |
| | | Edelweiss Commodities Services Limited | 142.78 | - | - |
| | | Edelweiss Finvest Private Limited | 79.78 | - | - |
| | | Others – Subsidiaries | 93.58 | - | - |
| 20 | Interest Income on short term loan from | Edelweiss Commodities Services Limited | 513.64 | 558.69 | 1,111.63 |
| | | Edelweiss Securities Limited | 1.85 | 6.79 | 620.76 |
| | | ECL Finance Limited | 81.36 | - | 172.05 |
| | | Ecap Equities Limited | - | 1.46 | 1,064.33 |
| | | EC International Limited | 45.14 | 179.89 | 102.64 |
| | | Edelweiss Capital (Singapore) Pte. Limited | 197.98 | 172.91 | 91.97 |
| | | Others – Subsidiaries | 30.09 | 88.10 | 1,869.17 |
| 21 | Interest Income on long term loan from | Edelweiss Commodities Services Limited | - | - | 80.56 |

2.28 Disclosure as required by Accounting Standard 18 - "Related Party Disclosure" (Continued)**(G) Transactions and balances with related parties (continued)**

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
|---------|---|--|-----------|-----------|-----------|
| 22 | Interest income on margin from | Edelweiss Securities Limited | 0.01 | 0.30 | 0.60 |
| | | Edelweiss Custodial Services Limited | 0.46 | 0.02 | - |
| 23 | Interest expense on short term loan to | Edelweiss Commodities Services Limited | 213.26 | 442.18 | 21.29 |
| | | Edelweiss Finance & Investments Limited | - | - | 33.81 |
| | | Others - Subsidiaries | - | - | 0.97 |
| 24 | Interest expense on debentures | Edelweiss Commodities Services Limited | - | 1.60 | - |
| | | Edelweiss Finance & Investments Limited | - | 3.98 | - |
| 25 | Interest expense on commercial papers | Edelweiss Commodities Services Limited | - | 26.75 | - |
| | | Others – Subsidiaries | - | 0.34 | - |
| 26 | Commission & Sub-brokerage paid to | Edelweiss Securities Limited | 0.12 | 0.01 | 35.30 |
| | | Others – Subsidiaries | 0.06 | - | - |
| 27 | Rent expense to | Edelweiss Commodities Services Limited | 60.35 | 68.74 | 22.73 |
| | | Others – Subsidiaries | 10.81 | 0.51 | - |
| 28 | Other expenses to | Edelweiss Securities Limited | 0.07 | 0.07 | 0.05 |
| | | Edelweiss Business Services Limited | 29.07 | 0.05 | 0.15 |
| | | Edelweiss Tokio Life Insurance Company Limited | - | 19.09 | - |
| 29 | Cost reimbursements paid to | Edelweiss Commodities Services Limited | 36.96 | 10.79 | 2.46 |
| | | Others – Subsidiaries | 1.80 | 0.08 | - |
| 30 | Cost reimbursements recovered from | Edelweiss Securities Limited | 1.72 | 7.56 | 41.71 |
| | | Edelweiss Commodities Services Limited | 0.24 | 1.54 | 25.59 |
| | | ECL Finance Limited | 1.83 | 8.89 | 28.16 |
| | | Edelweiss Tokio Life Insurance Company Limited | 2.68 | 2.48 | 6.98 |
| | | Edelweiss Broking Limited | 1.82 | 13.31 | 4.56 |
| | | Others – Subsidiaries | 7.54 | 25.80 | 59.39 |
| | | Others – Associates* | 0.00 | 0.07 | 0.28 |
| 31 | Transfer of gratuity liability on account of employee transfer to | Edelweiss Alternative Asset Advisors Limited | 1.00 | - | 0.14 |
| | | Edelweiss Asset Reconstruction Company Limited | 0.70 | - | - |
| | | Edelweiss Securities Limited | - | - | 0.18 |
| | | Edelweiss Broking Limited | - | - | 0.70 |
| | | ECL Finance Limited | - | - | 1.48 |
| | | Edelweiss Commodities Services Limited | - | - | 0.10 |
| | | Edelweiss Investment Adviser Limited | - | - | 0.18 |
| | | Others – Subsidiaries | 0.35 | - | 0.54 |
| 32 | Transfer of gratuity liability on account of employee transfer from | ECL Finance Limited* | 0.00 | 1.00 | - |
| | | ECap Equities Limited | 0.66 | 0.64 | - |

2.28 Disclosure as required by Accounting Standard 18 - "Related Party Disclosure" (Continued)**(G) Transactions and balances with related parties (continued)**

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
|--------------------------------------|--|---|-----------|-----------|-----------|
| 33 | Directors nomination deposits placed with | Edelweiss General Insurance Company Limited | 0.30 | - | - |
| | | Edelweiss Tokio Life Insurance Company Limited | 0.30 | - | 0.40 |
| | | EC Commodity Limited | 0.20 | 0.30 | - |
| | | Edelweiss Holdings Limited | 0.30 | - | - |
| | | Edelweiss Finance & Investments Limited | - | - | 0.10 |
| | | Edelweiss Multi Strategy Funds Management Pvt. Ltd. | - | 0.10 | 0.20 |
| | | Edelweiss Securities (IFSC) Limited | 0.30 | - | - |
| | | Edelweiss Commodities Services Limited | - | - | 0.30 |
| | | Edelweiss Global Wealth Management Limited | 0.40 | - | - |
| | | Edelweiss Broking Limited | - | 0.30 | - |
| | | ECap Equities Limited | - | 0.20 | 0.10 |
| | | Edelweiss Securities Limited | 0.30 | - | 0.20 |
| | | Edelweiss Alternative Asset Advisors Limited | - | - | 0.20 |
| | | Others – Subsidiaries | 0.90 | - | 0.40 |
| 34 | Directors nomination deposits repaid by | Edelweiss Global Wealth Management Limited | 0.40 | - | - |
| | | Edelweiss Tokio Life Insurance Company Limited | 0.30 | - | 0.40 |
| | | Edelweiss General Insurance Company Limited | 0.30 | - | - |
| | | Edelweiss Securities Limited | 0.30 | - | 0.20 |
| | | Edelweiss Asset Management Limited | 0.10 | - | 0.20 |
| | | Edelweiss Holdings Limited | 0.30 | - | - |
| | | Edelweiss Securities (IFSC) Limited | 0.30 | - | - |
| | | Edelweiss Commodities Services Limited | - | 0.10 | 0.30 |
| | | Edelweiss Broking Limited | - | 0.30 | - |
| | | ECL Finance Limited | - | 0.20 | - |
| | | EC Commodity Limited | 0.20 | 0.40 | - |
| | | ECap Equities Limited | - | 0.20 | 0.20 |
| | | Edelweiss Investment Adviser Limited | - | - | 0.20 |
| | | Edelweiss Multi Strategy Funds Management Pvt. Ltd. | - | - | 0.20 |
| | | Others – Subsidiaries | 0.50 | 0.20 | 0.10 |
| 35 | Contribution towards corporate social responsibility | Edelgive Foundation | 38.00 | 26.84 | 14.00 |
| Balances with related parties | | | | | |
| 36 | Investments in Equity shares in | ECL Finance Limited | 5,190.56 | 5,190.56 | 5,190.56 |
| | | Edelweiss Tokio Life Insurance Company Limited | 5,992.24 | 3,642.21 | 3,642.21 |
| | | Edelweiss Finance & Investments Limited | 1,692.23 | 2,618.12 | 2,618.12 |
| | | Others – Subsidiaries | 13,748.54 | 5,126.33 | 4,060.15 |
| | | Others – Associates | 0.50 | 0.50 | 0.50 |
| | | Others - Enterprise over which significant influence is exercised | - | - | 0.10 |
| 37 | Investments in Preference shares in | Ecap Equities Limited | - | 18.00 | 18.00 |
| | | Edel Investments Limited | - | 9.00 | 9.00 |
| | | Edelweiss Securities Limited * | - | 0.00 | 0.00 |

2.28 Disclosure as required by Accounting Standard 18 - "Related Party Disclosure" (Continued)**(G) Transactions and balances with related parties (continued)**

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
|---------|---|--|-----------|-----------|-----------|
| 38 | Dividend receivable from | Edelweiss Commodities Services Limited | - | 199.49 | - |
| | | Ecap Equities Limited | - | - | 1.26 |
| 39 | Short term loans given to (Refer note 1) | Edelweiss Commodities Services Limited | 829.39 | - | 300.58 |
| | | EC International Limited | 711.82 | 698.63 | 113.73 |
| | | Edelweiss Broking Limited | - | 2,573.55 | 968.47 |
| | | Edelweiss Capital (Singapore) Pte. Limited | 2,958.87 | 2,632.12 | 880.34 |
| | | Ecap Equities Limited | - | - | 195.26 |
| | | Edelweiss Business Services Limited | - | - | 162.51 |
| | | Edelweiss Housing Finance Limited | - | - | 647.49 |
| | | Edelweiss Investment Adviser Limited | - | - | 672.40 |
| | | Others – Subsidiaries | 6.53 | 213.85 | 1,864.15 |
| 40 | Short term loans taken from (Refer note 1) | Edelweiss Commodities Services Limited | - | 7,150.33 | - |
| | Commercial paper subscribed by | Edelweiss Commodities Services Limited | - | - | 347.34 |
| | | Ecap Equities Limited | - | - | 999.56 |
| 41 | Accrued interest on loans given to | Edelweiss Commodities Services Limited | 29.15 | 23.09 | 13.55 |
| | | Edelweiss Securities Limited | - | 0.41 | 16.23 |
| | | EC International Limited | 23.37 | 8.82 | 7.65 |
| | | Edelweiss Capital (Singapore) Pte. Limited | 95.15 | 88.36 | 41.48 |
| | | Edelweiss Agri Value Chain Limited | - | - | 21.08 |
| | | Ecap Equities Limited | - | - | 9.54 |
| | | Others – Subsidiaries | 0.46 | 9.88 | 55.26 |
| 42 | Interest expense accrued and due on borrowings from | Edelweiss Commodities Services Limited | - | 39.54 | - |
| | | ECL Finance Limited | - | - | 19.16 |
| 43 | Advances with | Edelweiss Securities Limited | 0.01 | 0.60 | 25.46 |
| | | Edelweiss Tokio Life Insurance Company Limited | 29.66 | 32.51 | 19.89 |
| | | ECL Finance Limited | - | 1.06 | 50.28 |
| | | Edelweiss Commodities Services Limited | - | 0.64 | - |
| | | Edelweiss Broking Limited | - | - | 0.47 |
| | | Others – Subsidiaries | 3.49 | 3.62 | 3.61 |
| | | Others – Associates | 0.05 | 0.05 | 0.11 |
| 44 | Trade payables to | Edelweiss Securities Limited | 16.63 | 2.13 | 40.67 |
| | | Edelweiss Commodities Services Limited | 21.53 | 1.09 | 0.59 |
| | | Edelweiss Finance & Investments Limited | 1.05 | 1.05 | 1.05 |
| | | ECL Finance Limited* | 0.00 | 0.05 | 1.58 |
| | | Ecap Equities Limited | 1.99 | 1.14 | 0.05 |
| | | Edelweiss Broking Limited | 1.90 | 1.04 | 0.85 |
| | | Aster Commodities DMCC | 24.53 | - | - |
| | | Edelweiss Business Services Limited | 14.31 | - | - |
| | | Others – Subsidiaries | 3.75 | 4.36 | 0.81 |
| | | Others - Associates | - | - | 0.01 |

2.28 Disclosure as required by Accounting Standard 18 - "Related Party Disclosure" (Continued)**(G) Transactions and balances with related parties (continued)**

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
|---------|---|---|-----------|-----------|-----------|
| 45 | Trade receivables from | Aster Commodities DMCC | - | 99.50 | 97.63 |
| | | EC Global Limited | 10.12 | 27.43 | 37.41 |
| | | Edelweiss International (Singapore) Pte. Ltd. | 2.54 | 13.80 | 15.12 |
| | | Edelweiss Commodities Services Limited | 162.33 | - | 114.92 |
| | | Edelweiss Finvest Private Limited | 90.39 | - | - |
| | | Edelweiss Tokio Life Insurance Company Limited | - | 52.50 | - |
| | | Edelweiss Commodities Pte Limited | - | 23.56 | - |
| | | ECL Finance Limited | - | - | 224.38 |
| | | Others – Subsidiaries | 109.89 | - | 142.54 |
| 46 | Margin placed with broker (Refer note 1) | Edelweiss Securities Limited | 0.48 | 0.20 | 54.89 |
| | | Edelweiss Custodial Services Limited | 10.27 | 15.94 | - |
| 47 | Accrued salaries and benefits | Mr. Rashesh Shah | - | 40.00 | 50.00 |
| | | Mr. Himanshu Kaji | - | 40.00 | 47.50 |
| | | Mr. Rujan Panjwani | - | 30.00 | - |
| | | Mr. Venkat Ramaswamy | - | - | 1.50 |
| 48 | Non-convertible debentures held by | Edelweiss Commodities Services Limited | - | - | 51.30 |
| | | Edelweiss Finance & Investments Limited | - | - | 140.80 |
| 49 | Directors nomination deposits placed with | Edelweiss Securities Limited | 0.20 | 0.20 | 0.20 |
| | | Edelweiss Finance & Investments Limited | 0.50 | 0.40 | 0.40 |
| | | ECap Equities Limited | 0.10 | 0.10 | 0.10 |
| | | Edelweiss Alternative Asset Advisors Limited | 0.10 | 0.10 | 0.10 |
| | | Edel Land Limited | 0.10 | 0.10 | 0.10 |
| | | Edelweiss Multi Strategy Funds Management Pvt. Ltd. | 0.10 | 0.10 | - |
| | | Edelweiss Investment Adviser Limited | - | - | 0.20 |
| | | ECL Finance Limited | - | - | 0.20 |
| | | Others – Subsidiaries | 0.20 | - | 0.40 |

2.28 Disclosure as required by Accounting Standard 18 - "Related Party Disclosure" (Continued)**(G) Transactions and balances with related parties (continued)**

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
|---------|------------------------------|--|-----------|-----------|-----------|
| 50 | Corporate guarantee given to | Edelweiss Commodities Services Limited | 17,719.76 | 20,937.50 | 6,600.00 |
| | | Edelweiss Custodial Services Limited | 16,750.00 | 10,900.00 | - |
| | | Ecap Equities Limited | 9,162.50 | - | - |
| | | Edelweiss Asset Reconstruction Company Limited | 9,970.90 | 9,000.00 | - |
| | | Edelweiss Finvest Private Limited | 8,480.00 | - | - |
| | | Edelweiss Finance & Investments Limited | 1,243.54 | 6,921.20 | 12,145.50 |
| | | Edelweiss Housing Finance Limited | 323.40 | 3,447.90 | 11,555.10 |
| | | Edelweiss International (Singapore) Pte. Ltd. | 520.35 | 550.16 | 2,155.82 |
| | | ECL Finance Limited | 54.00 | 5,027.00 | 33,881.70 |
| | | Aster Commodities DMCC | - | 648.39 | 8,848.15 |
| | | EC Global Limited | - | 648.39 | 1,326.66 |
| | | Edelweiss Retail Finance Limited | - | - | 200.00 |
| | | Others – Subsidiaries | 3,172.29 | 12,423.00 | 4,753.31 |

* ₹ 0.00 refers to amount less than ₹ 0.01 million

- 1 The Intra group company loans are generally in the nature of revolving demand loans unless otherwise stated. Loan given/taken to/from parties and margin money placed/refund received with/from related parties are disclosed based on the maximum incremental amount given/taken and placed/refund received during the reporting period.
- 2 Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and provision made for bonus which are provided for group of employees on an overall basis. These are included on cash basis.
- 3 Loan given to subsidiaries and associates are for the general corporate business.
- 4 Reduction in equity shares are on account of demerger of finance division and training centre division of it's subsidiary company, Edelweiss Finance & Investments Limited, in to Edelweiss Finvest Private Limited and Edel Land Limited respectively.

2.29 Earnings per share

In accordance with Accounting Standard 20 – “Earnings Per Share” prescribed by Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below

| Particulars | 2018 | 2017 | 2016 |
|---|-------------|-------------|-------------|
| a. Shareholders earnings (as per reformatted Indian GAAP standalone statement of profit and loss) | 1,426.60 | 1,290.06 | 1,555.94 |
| b. Calculation of weighted average number of equity shares of ₹ 1 each: | | | |
| - Number of shares outstanding at the beginning of the year | 832,569,089 | 814,036,630 | 791,752,619 |
| - Number of shares issued during the year | 82,929,838 | 18,532,459 | 22,284,011 |
| Total number of equity shares outstanding at the end of the year | 915,498,927 | 832,569,089 | 814,036,630 |
| Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) | 870,326,846 | 826,052,403 | 807,065,324 |
| c. Number of dilutive potential equity shares | 27,921,341 | 40,055,553 | 27,141,417 |
| d. Basic earnings per share (in ₹) {a/b} | 1.64 | 1.56 | 1.93 |
| e. Diluted earnings per share (in ₹) {a/(b+c)} | 1.59 | 1.49 | 1.87 |

2.30 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits

A) Defined contribution plan (Provident fund and National Pension Scheme):

FY 2017-18

Amount of ₹ 19.20 million is recognised as expense and included in "Employee benefit expense" - Note 2.24 in the reformatted Indian GAAP standalone statement of profit and loss.

FY 2016-17

Amount of ₹ 14.50 million is recognised as expense and included in "Employee benefit expense" - Note 2.24 in the reformatted Indian GAAP standalone statement of profit and loss.

FY 2015-16

Amount of ₹ 13.10 million is recognised as expense and included in "Employee benefit expense" - Note 2.24 in the reformatted Indian GAAP standalone statement of profit and loss.

B) Defined benefit plan (Gratuity):

The following tables summarise the components of the net employee benefit expenses recognised in the reformatted Indian GAAP standalone statement of profit and loss, the funded status and amount recognised in the reformatted Indian GAAP standalone statement of assets and liabilities for the gratuity benefit plan.

Expenses recognised in the reformatted Indian GAAP standalone statement of profit and loss

| Particulars | For the year ended | For the year ended | For the year ended |
|---|--------------------|--------------------|--------------------|
| | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
| Current service cost | 5.80 | 3.46 | 3.21 |
| Interest on defined benefit obligation | 2.08 | 2.09 | 1.94 |
| Expected return on plan assets | (2.12) | (1.98) | (2.07) |
| Past Service Cost | 10.06 | - | - |
| Actuarial (gain)/loss | (6.12) | (2.16) | 1.42 |
| Total included in 'Employee benefit expense' | 9.70 | 1.41 | 4.50 |

Reformatted Indian GAAP standalone statement of assets and liabilities Reconciliation of defined benefit obligation (DBO)

| Particulars | As at | As at | As at |
|--|--------------|--------------|--------------|
| | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
| Present value of DBO at the beginning of the year | 32.03 | 26.62 | 26.82 |
| Interest cost | 2.08 | 2.09 | 1.94 |
| Current service cost | 5.80 | 3.46 | 3.21 |
| Past Service Cost | 10.06 | - | - |
| Benefits paid | (2.44) | (1.45) | (4.16) |
| Actuarial (gain)/loss on obligations | (5.62) | (0.33) | 0.78 |
| Transfer In /(Out) | (1.39) | 1.64 | (1.97) |
| Present value of DBO at the end of the year | 40.52 | 32.03 | 26.62 |

Reconciliation of fair value of plan assets

| Particulars | As at | As at | As at |
|---|--------------|--------------|--------------|
| | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
| Fair value at the beginning of the year | 32.42 | 27.55 | 28.78 |
| Expected return on plan assets | 2.12 | 1.98 | 2.07 |
| Contributions by employer | 9.00 | 2.50 | 1.50 |
| Benefits paid | (2.44) | (1.45) | (4.16) |
| Actuarial gain / (loss) | 0.49 | 1.84 | (0.64) |
| Fair value of plan assets at the end of the year | 41.59 | 32.42 | 27.55 |
| Actual return on plan assets | 2.61 | 3.82 | 1.43 |

2.30 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits

B) Defined benefit plan (Gratuity):

Net asset / (liability) recognised in the reformatted Indian GAAP standalone statement of assets and liabilities:

| Particulars | As at | As at | As at |
|---|-----------|-----------|-----------|
| | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
| Present value of DBO | 40.52 | 32.03 | 26.62 |
| Fair value of plan assets at end of the year | 41.59 | 32.42 | 27.55 |
| Asset /(liability) recognized in reformatted Indian GAAP standalone statement of assets and liabilities | 1.07 | 0.39 | 0.93 |

Experience adjustments:

| Particulars | As at | As at | As at | As at | As at |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|
| | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 |
| Defined Benefit Obligation | 40.52 | 32.03 | 26.62 | 26.82 | 21.80 |
| Fair Value of Plan Assets | 41.59 | 32.42 | 27.55 | 28.78 | 25.94 |
| Surplus / (Deficit) | 1.07 | 0.39 | 0.93 | 1.96 | 4.14 |
| On plan liabilities: (gain)/loss | (4.57) | (0.89) | 0.50 | (0.27) | (1.35) |
| On plan assets: gain/(loss) | 0.31 | 1.73 | (0.70) | 4.00 | 1.34 |
| Estimated contribution for next year | Nil | Nil | Nil | Nil | Nil |

Percentage Break-down of Total Plan Assets:

| Particulars | 2018 | 2017 | 2016 |
|-------------------------------------|------|------|------|
| Insurer Managed Funds (Unit-linked) | 100% | 97% | 100% |
| Cash and Bank | 0% | 3% | 0% |

Actuarial assumptions as at the balance sheet date:

| Particulars | 2018 | 2017 | 2016 |
|---|---------------------|---------------------|---------------------|
| Discount rate | 7.30% p.a. | 6.80% p.a. | 7.40% p.a. |
| Salary escalation | 7.00% p.a. | 7.00% p.a. | 7.00% p.a. |
| Employee attrition rate | 13%-25% p.a. | 13%-25% p.a. | 13%-25% p.a. |
| Expected return on plan assets | 6.80% p.a. | 7.4% p.a. | 7.8% p.a. |
| Mortality rate | IALM 2006-08 (Ult.) | IALM 2006-08 (Ult.) | IALM 2006-08 (Ult.) |
| Expected average remaining working lives of employees | 6 years | 5 years | 5 years |

2.31 Foreign currency transactions

The Company has undertaken the following transactions in foreign currency:

| Expenditure incurred in foreign currency (on accrual basis) | For the year ended 31-Mar-18 | For the year ended 31-Mar-17 | For the year ended 31-Mar-16 |
|---|---------------------------------|---------------------------------|---------------------------------|
| Membership and subscription | 5.41 | 7.74 | 0.40 |
| Legal and professional fees | 14.17 | 6.82 | 3.17 |
| Travelling and conveyance | 2.09 | 2.93 | 2.80 |
| Computer software expenses | 2.39 | 1.45 | 5.70 |
| Travel Reimbursements | 2.41 | 1.02 | 0.96 |
| Rent | 0.69 | 0.93 | - |
| Seminar & Conference | 4.41 | 0.22 | - |
| Salaries & Bonus - Stipend | - | 0.07 | - |
| Director's Sitting Fees | - | - | 0.14 |
| Commission to Non Executive Directors | - | - | 1.30 |
| Staff welfare expenses | 3.92 | - | - |
| Miscellaneous expenses | 0.09 | 0.02 | 0.63 |
| Total | 35.58 | 21.20 | 15.10 |
| Income earned in foreign currency (on accrual basis) | | | |
| Fee and commission income | 187.78 | 321.60 | 174.60 |
| Reimbursement | 1.96 | 0.42 | - |
| Total | 189.74 | 322.02 | 174.60 |

Amount remitted in foreign currency during the year ended 31 March 2018 on account of equity dividend:

| | Final Dividend | Interim dividend |
|---|----------------|------------------|
| Number of equity shareholders | 5 | 4 |
| Number of equity shares | 15,845,005 | 15,519,505 |
| Dividend relates to year ended | 31-Mar-17 | 31-Mar-18 |
| Amount remitted (Indian rupees in millions) | 4.75 | 16.30 |

Amount remitted in foreign currency during the year ended 31 March 2017 on account of equity dividend:

| | Final Dividend | Interim dividend |
|---|----------------|------------------|
| Number of equity shareholders | - | 5 |
| Number of equity shares | - | 16,252,530 |
| Dividend relates to year ended | - | 31-Mar-17 |
| Amount remitted (Indian rupees in millions) | - | 16.25 |

Amount remitted in foreign currency during the year ended 31 March 2016 on account of equity dividend:

| | Final Dividend | Interim dividend |
|---|----------------|------------------|
| Number of equity shareholders | 5 | 5 |
| Number of equity shares | 17,069,530 | 16,769,530 |
| Dividend relates to year ended | 31-Mar-15 | 31-Mar-16 |
| Amount remitted (Indian rupees in millions) | 3.41 | 20.96 |

2.32 Employee stock option plans

The Company has currently three Employee Stock Option Plans ('Plans') in force. The Plans provide that the Company's employees and those of its subsidiaries and associates are granted an option to acquire equity shares of the Company that vest in a graded manner. The options may be exercised within a specified period. The plans also provide that if the ESOP Committee so notifies, the participant may have an option to receive cash in lieu of exercising the vested options in the manner provided in the ESOP Scheme in this regards.

The Company follows the intrinsic value method to account for its stock based compensation plans. Compensation cost is measured as the excess, if any, of the fair market value of the underlying share on the date of grant over the exercise price.

During the year, the Company granted stock options to employees under the ESOP 2011 Plan where the exercise price was linked to either closing market price of the shares on the date of the grant or book value of the shares as per the last audited balance sheet of the Company as on the date of the grant, whichever is higher.

The schedule of stock options vesting period for ESOP 2011 Plan are as follows:-

| Sr. no. | Vesting Date | % of options that shall vest |
|--------------|----------------------------------|------------------------------------|
| 1 | 12 months from the date of grant | 25 (Twenty five)% of grant |
| 2 | 24 months from the date of grant | 25 (Twenty five)% of grant |
| 3 | 36 months from the date of grant | 25 (Twenty five)% of grant |
| 4 | 48 months from the date of grant | 25 (Twenty five)% of grant |
| Total | | 100 (One hundred)% of grant |

The options can be exercised within two years from the date of vesting.

During the years ended 31 March 2012, 31 March 2013, 31 March 2014, 31 March 2016, 31 March 2017 and 31 March 2018, the Company had granted stock options to the employees under the ESOP 2011 Plan (formulated in F.Y. 2011-12) where the exercise price was linked to either closing market price of the shares on the date of the grant or book value of the shares as per the last audited balance sheet of the Company as on the date of the grant, whichever is higher.

During the year ended 31 March 2011, the Company had formulated ESOP 2010 Plan wherein stock options were granted to employees where the exercise price was linked to either closing market price of the shares on the date of the grant or book value of the shares as per the last audited balance sheet of the Company as on the date of the grant, whichever is higher.

The schedule of stock options vesting period for ESOP 2010 Plan are as follows:-

| Sr. No. | Vesting Date | % of options that shall vest |
|--------------|----------------------------------|------------------------------------|
| 1 | 12 months from the date of grant | 25 (Twenty five)% of grant |
| 2 | 24 months from the date of grant | 25 (Twenty five)% of grant |
| 3 | 36 months from the date of grant | 25 (Twenty five)% of grant |
| 4 | 48 months from the date of grant | 25 (Twenty five)% of grant |
| Total | | 100 (One hundred)% of grant |

The options can be exercised within four years from the date of vesting.

During the year ended 31 March 2010, the Company had formulated ESOP 2009 Plan wherein stock options were granted to employees where the exercise price was linked to either closing market price of the shares on the date of the grant or book value of the shares as per the last audited balance sheet as on the date of the grant, whichever is higher.

The schedule of stock options vesting period for ESOP 2009 Plan is as follows:-

| Sr. No. | Vesting Date | % of options that shall vest |
|--------------|----------------------------------|------------------------------------|
| 1 | 36 months from the date of grant | 30 (Thirty)% of grant |
| 2 | 48 months from the date of grant | 30 (Thirty)% of grant |
| 3 | 60 months from the date of grant | 40 (forty)% of grant |
| Total | | 100 (One hundred)% of grant |

The options can be exercised within two years from the date of vesting.

For determination of compensation cost, the Company has assumed the exercise price to be the specified amount.

Since the exercise price in all the above Plans is linked to closing market price of the shares on the date of the grant date, there is no compensation cost based on intrinsic value of options.

With respect to stock options granted upto 31 March 2008, the fair market value of the underlying shares has been determined based on an independent valuer's report as these stock options were granted by the Company to its employees when it was not listed on the stock exchanges. The fair value of such stock options is arrived as stipulated in the Guidance Note on Accounting for Employee Share Based Payments issued by The Institute of Chartered Accountants of India. Based on intrinsic value method compensation cost charged in the statement of profit and loss for the year 2016-17 is ₹ Nil (Year 2015-16 : write back of ₹ 0.10 million).

2.32 Employee stock option plans (continued)

Details of various schemes are stated below:

Activity in the options outstanding under the employees stock option plans as at 31 March 2018:

| Exercise Price (₹) | Range of Exercise price(**) | Range of Exercise price(**) |
|---|-----------------------------|-----------------------------|
| ESOP Plan | ESOP 2010 | ESOP 2011 |
| Scheme | | |
| Total Options approved by the members | 30,000,000 | 100,000,000 |
| Grants as at 1 April 2017 | 4,259,750 | 56,658,402 |
| Add - Options granted during the year | - | 3,387,000 |
| Less - Options lapsed / cancelled during the Year | (17,000) | (1,544,838) |
| Less - Options exercised during the year | (2,769,750) | (25,048,690) |
| Grants as at 31 March 2018 | 1,473,000 | 33,451,874 |
| Options exercisable as at 31 March 2018 | 1,473,000 | 15,190,574 |

Activity in the options outstanding under the employees stock option plans as at 31 March 2017:

| Exercise Price (₹) | Range of Exercise Price | Range of Exercise price(**) | Range of Exercise price(**) |
|--|-------------------------|-----------------------------|-----------------------------|
| ESOP Plan | ESOP 2009 | ESOP 2010 | ESOP 2011 |
| Scheme | | | |
| Total Options approved by the members | 50,000,000 | 30,000,000 | 100,000,000 |
| Grants as at 1 April 2016 | 4,062,900 | 8,626,375 | 69,616,939 |
| Add - Options granted during the year | - | - | 5,115,000 |
| Less - Options lapsed/ cancelled during the Year | (1,900,400) | (1,225,625) | (4,346,103) |
| Less - Options exercised during the year | (2,162,500) | (3,141,000) | (13,727,434) |
| Grants as at 31 March 2017 | - | 4,259,750 | 56,658,402 |
| Options exercisable as at 31 March 2017 | - | 4,259,750 | 25,373,099 |

Activity in the options outstanding under the employees stock option plans as at 31 March 2016:

| Exercise Price (₹) | Pricing Formula price(*) | Range of Exercise price(**) | Range of Exercise price(**) | Range of Exercise price(**) |
|--|--------------------------|-----------------------------|-----------------------------|-----------------------------|
| ESOP Plan | ESOP 2007 | ESOP 2009 | ESOP 2010 | ESOP 2011 |
| Scheme | II | | | |
| Total Options approved by the members | 81,000,000 | 50,000,000 | 30,000,000 | 100,000,000 |
| Grants as at 1 April 2015 | 2,860,000 | 7,951,250 | 12,913,500 | 74,835,950 |
| Add - Options granted during the year | - | - | - | 11,300,000 |
| Less - Options lapsed/ cancelled during the Year | (36,000) | (114,500) | (473,375) | (5,108,175) |
| Less - Options exercised during the year | (2,824,000) | (3,773,850) | (3,813,750) | (11,410,836) |
| Grants as at 31 March 2016 | - | 4,062,900 | 8,626,375 | 69,616,939 |
| Options exercisable as at 31 March 2016 | - | 4,062,900 | 8,626,375 | 22,858,126 |

(*) Pricing formula

| | |
|--|----------------------------------|
| ESOP 2007 (II) | |
| Period during which vested options are exercised | From 1 July 2011 to 30 June 2015 |
| Exercise price payable for such vested options | ₹ 33.30 |

(**) Range of Exercise price

| | | |
|--|---|---------------------|
| ESOP 2009 | | |
| Exercise price payable for such vested options | Closing market price of the shares on the date of the grant | ₹ 39.44 to ₹ 50.26 |
| ESOP 2010 | | |
| Exercise price payable for such vested options | Closing market price of the shares on the date of the grant | ₹ 41.40 to ₹ 61.00 |
| ESOP 2011 | | |
| Exercise price payable for such vested options | Closing market price of the shares on the date of the grant | ₹ 24.60 to ₹ 118.00 |

2.32 Employee stock option plans (continued)

Following summarises the information about stock options outstanding as at 31 March 2018:

| Plan | As at 31 March 2018 | |
|---|---------------------|-------------|
| | ESOP Scheme | ESOP Scheme |
| | 2010 | 2011 |
| - Range of exercise price ** | ₹ 41.40 | ₹ 24.60 |
| | to | to |
| | ₹ 61.00 | ₹ 301.45 |
| - Number of shares arising out of options | 14,73,000 | 3,34,51,874 |
| - Weighted average life of Outstanding options (in years) | 0.81 | 4.49 |
| Weighted average exercise prices of stock Options (in ₹) | | |
| - outstanding at the beginning of the year | 49.19 | 39.89 |
| - granted during the year | N.A. | 207.55 |
| - forfeited/cancelled during the year | 48.55 | 51.13 |
| - exercised during the year | 49.08 | 35.10 |
| - outstanding at the end of the year | 49.40 | 59.93 |
| - exercisable at the end of the year | 49.40 | 37.94 |

The average market share price for stock options exercised during the year is ₹ 245.72

Following summarises the information about stock options outstanding as at 31 March 2017:

| Plan | As at 31 March 2017 | | |
|---|---------------------|-------------|-------------|
| | ESOP Scheme | ESOP Scheme | ESOP Scheme |
| | 2009 | 2010 | 2011 |
| - Range of exercise price ** | ₹ 39.44 | ₹ 41.40 | ₹ 24.60 |
| | to | to | to |
| | ₹ 50.26 | ₹ 61.00 | ₹ 118.00 |
| - Number of shares arising out of options | - | 42,59,750 | 5,66,58,402 |
| - Weighted average life of Outstanding options (in years) | - | 1.31 | 4.32 |
| Weighted average exercise prices of stock Options (in ₹) | | | |
| - outstanding at the beginning of the year | 40.54 | 48.95 | 36.28 |
| - granted during the year | N.A. | N.A. | 68.34 |
| - forfeited/cancelled during the year | 39.44 | 49.95 | 35.56 |
| - exercised during the year | 50.10 | 48.24 | 33.57 |
| - outstanding at the end of the year | N.A. | 49.19 | 39.89 |
| - exercisable at the end of the year | N.A. | 49.19 | 34.06 |

The average market share price for stock options exercised during the year is ₹ 98.68

Following summarises the information about stock options outstanding as at 31 March 2016:

| Plan | As at 31 March 2016 | | | |
|---|---------------------|-------------|-------------|-------------|
| | ESOP Scheme | ESOP Scheme | ESOP Scheme | ESOP Scheme |
| | 2007 | 2009 | 2010 | 2011 |
| - Range of exercise price ** | Pricing formula | ₹ 39.44 | ₹ 41.40 | ₹ 24.60 |
| | | to | to | to |
| | | ₹ 50.26 | ₹ 61.00 | ₹ 70.05 |
| - Number of shares arising out of options | - | 40,62,900 | 86,26,375 | 6,96,16,939 |
| - Weighted average life of Outstanding options (in years) | - | 0.19 | 1.38 | 0.80 |
| Weighted average exercise prices of stock Options (in ₹) | | | | |
| - outstanding at the beginning of the year | 33.30 | 40.54 | 48.91 | 32.45 |
| - granted during the year | N.A. | N.A. | N.A. | 57.18 |
| - forfeited/cancelled during the year | 33.30 | 39.44 | 52.69 | 35.07 |
| - exercised during the year | 33.30 | 40.32 | 48.35 | 32.38 |
| - outstanding at the end of the year | N.A. | 40.54 | 48.95 | 36.28 |
| - exercisable at the end of the year | N.A. | 40.54 | 48.95 | 32.60 |

The average market share price for stock options exercised during the year is ₹ 58.55

Fair value methodology

The fair value of options used to compute pro-forma net income and earnings per share have been estimated on the dates of each grant, on or after the date the 'Guidance Note on Accounting for Employee Share-based Payments', issued by the Institute of Chartered Accountants of India, became applicable, i.e. 1 April 2005, using the Black-Scholes option pricing model. The Company has estimated the volatility based on historical market volatility. The various assumptions considered in the pricing model for the aforementioned ESOP's granted are:

| | For the year ended | For the year ended | For the year ended |
|-----------------------------|--------------------|--------------------|--------------------|
| | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
| Dividend yield | 0.43% - 0.66% | 0.85% - 3.12% | 0.92% - 3.12% |
| Expected volatility | 44.61% - 45.68% | 38.77% - 51.44% | 38.77% - 51.44% |
| Risk free interest rate | 8.00% | 7.50% - 8.00% | 7.50% - 8.00% |
| Expected life of the option | 1 – 4 years | 1.31 – 4.32 years | 0.19 – 1.38 years |

The weighted average fair value of options granted during the year ended 31st March 2018 is ₹ 69.73 (FY 2016-17: ₹ 28.51; FY 2015-16: ₹ 22.46)

2.32 Employee stock option plans (continued)

Impact of fair value method on net profit and earnings per share

Had compensation cost for the Company's stock option plans outstanding been determined based on the fair value approach, the Company's net profit and earnings per share would have reduced to the pro-forma amounts as indicated below:

| | For the year ended 31-Mar-18 | For the year ended 31-Mar-17 | For the year ended 31-Mar-16 |
|--|---------------------------------|---------------------------------|---------------------------------|
| Net Profit (as reported) | 1,426.60 | 1,290.06 | 1,555.94 |
| Less: Impact of incremental cost under fair value approach | (158.67) | (213.17) | (12.35) |
| Net Profit: (pro-forma) | 1,267.93 | 1,076.89 | 1,543.59 |
| Basic earnings per share (as reported) (in ₹) | 1.64 | 1.56 | 1.93 |
| Basic earnings per share (pro-forma) (in ₹) | 1.46 | 1.30 | 1.91 |
| Diluted earnings per share (as reported) (in ₹) | 1.59 | 1.49 | 1.87 |
| Diluted earnings per share (pro-forma) (in ₹) | 1.41 | 1.24 | 1.85 |

2.33 Share application money pending allotment

FY 2017-18

The Company has received ₹ 25.08 million towards share application on exercise of ESOPs which will result in an issue of 584,190 shares. Of the total receipts ₹ 24.50 million has been received towards share premium. These shares have since been allotted.

FY 2016-17

The Company has received ₹ 40.94 million towards share application on exercise of ESOPs which will result in an issue of 1,133,100 shares. Of the total receipts ₹ 39.81 million has been received towards share premium. These shares have since been allotted.

FY 2015-16

The Company has received ₹ 20.58 million towards share application on exercise of ESOPs which will result in an issue of 634,625 shares. Of the total receipts ₹ 19.95 million has been received towards share premium. These shares have since been allotted.

2.34 FY 2017-18

During the year, the Company allotted 54,562,488 equity shares to the eligible Qualified Institutional Buyers (QIB) at a price of ₹ 280 per equity share of ₹ 1 each (inclusive of premium of ₹ 279 per share) aggregating to ₹ 15,277.50 million through Qualified Institutional Placement (QIP). The issue was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009.

FY 2016-17 - NIL

FY 2015-16 - NIL

2.35 Capital Commitment

FY 2017-18

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 36.01 million

FY 2016-17

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 30.66 million

FY 2015-16

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 49.33 million

2.36 Contingent liabilities

a) Claims against the Company not acknowledged as debt:

FY 2017-18

Taxation matters in respect of which appeal is pending ₹ 416.14 million;

FY 2016-17

Taxation matters in respect of which appeal is pending ₹ 566.00 million;

FY 2015-16

Taxation matters in respect of which appeal is pending ₹ 492.94 million.

b) Other claim not acknowledged as debt:

FY 2017-18

Corporate guarantees issued on behalf of subsidiaries to the extent of ₹ 67,396.74 million.

FY 2016-17

Corporate guarantees issued on behalf of subsidiaries to the extent of ₹ 70,503.54 million.

FY 2015-16

Corporate guarantees issued on behalf of subsidiaries to the extent of ₹ 81,466.24 million.

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with Income tax, service tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the reformatted Indian GAAP standalone financial information. The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favorable outcome in Appellate proceedings in the past and as advised by the tax advisors, company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote.

2.37 Details of dues to micro, small and medium enterprises

During the year ended 31 March 2018, 31 March 2017 & 31 March 2016 Trade Payables includes ₹ Nil payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this Act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

2.38 Disclosure of loans and advances given pursuant to requirements of Regulation 34(3) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

| Sr. no. | Entity | 2018 | | 2017 | | 2016 | |
|---------|--|------------------|--|------------------|--|------------------|--|
| | | Loan outstanding | Maximum amount outstanding during the year | Loan outstanding | Maximum amount outstanding during the year | Loan outstanding | Maximum amount outstanding during the year |
| 1 | Edelweiss Capital (Singapore) Pte. Limited | 2,958.87 | 3,866.08 | 2,632.12 | 4,138.99 | 880.34 | 2,087.81 |
| 2 | Edelweiss Broking Limited | - | 2,573.55 | 2,573.55 | 3,270.55 | 968.47 | 3,237.87 |
| 3 | EC International Limited | 711.82 | 1,123.96 | 698.63 | 6,625.53 | 113.73 | 4,267.68 |
| 4 | Edelweiss Multi Strategy Funds Management Private Ltd.(formerly known as Forefront Capital Management Private Limited) | - | 111.19 | 111.19 | 213.39 | 210.01 | 244.19 |
| 5 | Edelweiss Comtrade Limited | - | 53.53 | 53.53 | 130.16 | 46.87 | 733.23 |
| 6 | Edelweiss Securities Limited | - | 42.65 | 42.65 | 1,292.09 | 323.90 | 13,433.53 |
| 7 | Edelweiss Securities (IFSC) Limited | 6.54 | 6.54 | 6.48 | 6.48 | - | - |
| 8 | Edelweiss Finance & Investments Limited | - | - | - | 123.41 | 123.41 | 14,018.79 |
| 9 | Edelweiss Commodities Services Limited | 829.39 | 23,205.31 | - | 39,393.77 | 300.58 | 34,649.09 |
| 10 | Ecap Equities Limited | - | - | - | 279.27 | 195.26 | 22,444.88 |
| 11 | ECL Finance Limited | - | 7,000.00 | - | - | - | 14,463.75 |
| 12 | Edelcap Securities Limited | - | - | - | 23.62 | 23.62 | 26.25 |
| 13 | Edelweiss Global Wealth Management Limited | - | - | - | 510.90 | 503.55 | 5,423.59 |
| 14 | Edelweiss Alternative Asset Advisors Limited | - | - | - | 37.33 | 33.44 | 118.41 |
| 15 | Edel Commodities Limited | - | - | - | 52.32 | 52.32 | 456.18 |
| 16 | EC Commodity Limited | - | - | - | 39.12 | 39.12 | 640.82 |
| 17 | Edel Land Limited | - | - | - | 40.06 | 40.06 | 2,226.41 |
| 18 | Edelweiss Business Services Limited | - | - | - | 198.62 | 162.51 | 5,032.77 |
| 19 | Edelweiss Housing Finance Limited | - | - | - | 648.49 | 647.49 | 6,068.76 |
| 20 | Edelweiss Investment Adviser Limited | - | - | - | 673.00 | 672.40 | 2,450.02 |
| 21 | EFSL Comtrade Limited | - | - | - | 28.11 | 28.11 | 35.81 |
| 22 | EFSL Trading Limited | - | - | - | 76.16 | 76.16 | 3,431.09 |
| 23 | Edel Commodities Trading Limited | - | - | - | 113.89 | 113.89 | 3,178.78 |
| 24 | Edel Finance Company Limited | - | - | - | 10.74 | 9.99 | 68.89 |
| 25 | Edelweiss Custodial Services Limited | - | - | - | 7.68 | 2.31 | 40.16 |
| 26 | Edelweiss Retail Finance Limited | - | - | - | 429.13 | 96.11 | 2,829.76 |
| 27 | Edelweiss Asset Management Limited | - | - | - | 12.30 | 8.56 | 58.56 |
| 28 | Edelweiss Agri Value Chain Limited | - | - | - | 186.83 | 0.95 | 5,536.61 |
| 29 | Edelweiss Finvest Private Limited | - | - | - | 13.40 | 13.40 | 20,193.00 |
| 30 | Edelweiss Metals Limited | - | - | - | 68.99 | 68.99 | 339.00 |
| 31 | Edel Investments Limited | - | - | - | 1.12 | 1.12 | 7.81 |
| 32 | Edelweiss Asset Reconstruction Company Limited | - | - | - | - | - | 0.47 |
| 33 | Edelweiss Capital Markets Limited | - | - | - | 48.26 | 48.26 | 98.26 |
| 34 | Edelweiss Commodities Services Limited | - | - | - | - | - | 700.00 |

All the above loans are repayable on demand as per contracted terms.

2.39 Derivative Transactions:

The Company uses forward exchange contracts and futures to hedge its exposure in foreign currency. The information on open derivative instrument is as follows:

A. Open interest in currency futures with exchange

As at 31 March 2018

| Sr. no. | Name of future | Position | Purpose | Expiry Date | No. of contracts | No. of units involved |
|---------|----------------|----------|---------|-------------|------------------|-----------------------|
| 1 | GBP/INR | Short | Hedging | 25-Apr-18 | 291 | 291,000 |
| 2 | USD/INR | Short | Hedging | 25-Apr-18 | 1803 | 1,803,000 |

As at 31 March 2017

| Sr. no. | Name of future | Position | Purpose | Expiry Date | No. of contracts | No. of units involved |
|---------|----------------|----------|---------|-------------|------------------|-----------------------|
| 1 | USD/INR | Short | Hedging | 26-Apr-17 | 5,809 | 5,809,000 |

As at 31 March 2016

| Sr. no. | Name of future | Position | Purpose | Expiry Date | No. of contracts | No. of units involved |
|---------|----------------|----------|---------|-------------|------------------|-----------------------|
| 1 | USD/INR | Short | Hedging | 27-Apr-16 | 7,071 | 7,071,000 |
| 1 | USD/INR | Long | Hedging | 27-Apr-16 | 3,508 | 3,508,000 |

B. Open interest in currency forward other than exchange

As at 31 March 2018

| Sr. no. | Particulars | Purpose | Expiry date | Notional Principal |
|---------|-------------|---------|-------------|--------------------|
| 1 | USD/INR | Hedging | 28-Sep-18 | 3,249.98 |

As at 31 March 2017

| Sr. no. | Particulars | Purpose | Expiry date | Notional Principal |
|---------|-------------|---------|-------------|--------------------|
| 1 | USD/INR | Hedging | 30-Jun-17 | 3,063.51 |
| 2 | SGD/INR | Hedging | 30-Jun-17 | 589.16 |

As at 31 March 2016

| Sr. no. | Particulars | Purpose | Expiry date | Notional Principal |
|---------|-------------|---------|-------------|--------------------|
| 1 | USD/INR | Hedging | 29-Sep-16 | 348.43 |
| 2 | SGD/INR | Hedging | 30-Jun-16 | 618.44 |

**2.40 Details of secured debentures
As at 31 March 2018**

| Interest rate range | Maturity 2018-2019 |
|----------------------------|-----------------------|
| Non convertible Debentures | |
| 10.20% | 212.00 |
| Total | 212.00 |

As at 31 March 2017

| Interest rate range | Maturity | |
|----------------------------|---------------|---------------|
| | 2017-2018 | 2018-2019 |
| Non convertible Debentures | | |
| 10.20% | 175.00 | 212.00 |
| 10.75% | 100.00 | - |
| 10.90% | 175.00 | - |
| 11.00% | 250.00 | - |
| 11.05% | 150.00 | - |
| Total | 850.00 | 212.00 |

Note: The Company has an asset cover in excess of 100% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to ₹ 1,062.00 million by way of charge on immovable property, floating charge on movable properties in the form of receivables.

As at 31 March 2016

| Interest rate range | Maturity | | |
|----------------------------|-----------------|---------------|---------------|
| | 2016-2017 | 2017-2018 | 2018-2019 |
| Non convertible Debentures | | | |
| 10.20% | - | 175.00 | 212.00 |
| 10.46% | 1,000.00 | - | - |
| 10.75% | - | 100.00 | - |
| 10.90% | - | 175.00 | - |
| 11.00% | - | 250.00 | - |
| 11.05% | - | 150.00 | - |
| 11.65% | 100.00 | - | - |
| 11.84% | 600.00 | - | - |
| Total | 1,700.00 | 850.00 | 212.00 |

Note: The Company has an asset cover in excess of 100% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to ₹ 2,762.00 million by way of charge on immovable property, floating charge on movable properties in the form of receivables.

2.41 Encumbrances' on fixed deposits held by the Company

FY 2017-18

AU Small Finance Bank Limited: ₹ 50.00 million against Overdraft facility.

FY 2016-17

Nil

FY 2015-16

Nil

2.42 Corporate Social Responsibility (CSR)

As per the provisions of Section 135 of the Companies Act, 2013,

FY 2017-18

a) Gross amount required to be spent by the Company during the year was ₹ 32.00 million;

FY 2016-17

a) Gross amount required to be spent by the Company during the year was ₹ 26.31 million;

FY 2015-16

a) Gross amount required to be spent by the Company during the year was ₹ 17.39 million;

b) Amount spent during the year on: ₹ in million

| Sr. No. | Particulars | 2018 | | | 2017 | | | 2016 | | |
|---------|---|---------|------------------------|-------|---------|------------------------|-------|---------|------------------------|-------|
| | | In cash | Yet to be paid in cash | Total | In cash | Yet to be paid in cash | Total | In cash | Yet to be paid in cash | Total |
| i | Construction/ Acquisition of any assets | - | - | - | - | - | - | - | - | - |
| ii | on purpose other than (i) above | 38.00 | - | 38.00 | 26.84 | - | 26.84 | 17.50 | - | 17.50 |

2.43 The Company has taken premises on operating lease. Rental expenses for the year ended 31 March 2018 aggregated to ₹ 81.06 million (FY 2016-17: ₹ 72.64 million; FY 2015-16: ₹ 25.17 million) which has been included under the head other expenses – Rent in the reformatted statement of profit and loss. The Company does not have any non-cancellable operating lease.

FY 2016-17

2.44 Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016 pursuant to Notification No. G.S.R. 308(E) dated 30th March, 2017:

| Particulars | SBNs | Other denomination notes | Total |
|---------------------------------------|------|--------------------------|-------|
| Closing cash in hand as on 08.11.2016 | 0.09 | 0.00 | 0.09 |
| Add: Permitted receipts | - | 0.13 | 0.13 |
| Less: Permitted payments | - | 0.12 | 0.12 |
| Less: Amount deposited in Banks | 0.09 | - | 0.09 |
| Closing cash in hand as on 30.12.2016 | - | 0.01 | 0.01 |

Note:

*For the purpose of this clause, the term Specified Bank Notes (SBNs) means the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8 November, 2016.

2.45 FY 2017-18

The Board of Directors at their meeting held on 3 May 2018, have recommended a final dividend of ₹ 0.30 per equity share (on face value of ₹ 1 per equity share), subject to the approval of the members at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March 2016, the Company has not appropriated for the recommended final dividend (including tax) from the Statement of Profit and Loss for the year ended 31 March 2018.

FY 2016-17

The Board of Directors at their meeting held on 17 May 2017, have recommended a final dividend of ₹ 0.30 per equity share (on face value of ₹ 1 per equity share), subject to the approval of the members at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March 2016, the Company has not appropriated for the recommended final dividend (including tax) from the Statement of Profit and Loss for the year ended 31 March 2017.

2.46 FY 2016-17

The Company, the sponsor of Edelweiss Mutual Fund ("Edelweiss MF"), Edelweiss Trusteeship Company Limited, the trustee company of Edelweiss MF and Edelweiss Asset Management Limited, the asset management company of Edelweiss MF have entered into an agreement with JPMorgan Asset Management (Asia) Inc., the sponsor of JPMorgan Mutual Fund (JPM MF) and JPMorgan Mutual Fund India Private Limited, trustee company of JPM MF and JPMorgan Asset Management India Private Limited, the asset management company to JPM MF on March 22, 2016, for acquiring control and management of the onshore fund schemes and international fund of funds of JPM MF and the corresponding change in the sponsorship, trusteeship and administration of schemes of JPM MF, upon completion of the transaction subject to receipt of regulatory approvals. All necessary steps, including a 'No Objection' from SEBI were duly received and thereafter, all the schemes of JPMorgan Mutual Fund were transferred to and now form part of Edelweiss Mutual Fund with effect from close of business day on November 25, 2016.

FY 2015-16

The Company, the sponsor of Edelweiss Mutual Fund ("Edelweiss MF"), Edelweiss Trusteeship Company Limited, the trustee company of Edelweiss MF and Edelweiss Asset Management Limited, the asset management company of Edelweiss MF have entered into an agreement with JPMorgan Asset Management (Asia) Inc., the sponsor of JPMorgan Mutual Fund (JPM MF) and JPMorgan Mutual Fund India Private Limited, trustee company of JPM MF and JPMorgan Asset Management India Private Limited, the asset management company to JPM MF on March 22, 2016, for acquiring control and management of the onshore fund schemes and international fund of funds of JPM MF and the corresponding change in the sponsorship, trusteeship and administration of schemes of JPM MF, upon completion of the transaction subject to receipt of regulatory approvals.

FY 2016-17 & FY 2015-16

2.47 Cost Sharing

Edelweiss Financial Services Limited, being the holding company along with group companies, incurs expenditure like common senior management compensation cost in financial year 2015-16, Group mediclaim, etc. which is for the common benefit of itself and its certain subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, costs like rent, electricity charges incurred by the Company for the benefit of fellow subsidiaries and associate companies are recovered as reimbursement by the Company from the subsidiaries and associate companies on similar basis. Accordingly, and as identified by the management, the expenditure heads in note 2.24 and 2.26 include reimbursements paid and are net of the reimbursements received based on the management's best estimate.

2.48 FY 2016-17

- Based on the opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India, the Company, from the quarter ended 30 June 2016, is presenting interest income from its group companies on a gross basis under the head income from operations which until then was presented on a net basis. The Company has accordingly presented interest income from its group companies of ₹ 1,007.83 million for the year ended 31 March 2017 on gross basis. Income from operations and finance costs for the year ended 31 March 2016 are therefore not comparable. This has no impact on the net profit of the Company for the years.

FY 2015-16

- The Company by virtue of its holding company activities, charges its actual borrowing cost on the loans extended to its group companies. Consequently, in the financial statements, Finance costs have been reflected net of the interest recovered from group companies amounting to ₹ 5,113.67 million. During January 2016, Expert Advisory Committee (EAC) of the Institute of the Chartered Accountants of India ('the ICAI') has opined that the recovery of interest income from group companies should be presented separately in the Statement of Profit and Loss. In the opinion of management, principal activities of the Company is of merchant banking and extending loans to its group companies is part of parental support and hence presenting the recovery of finance cost as income does not reflect the business rationale as there is no economic benefit accruing to the Company. Accordingly, in February 2016, a reference has been made to EAC for review of its opinion. Pending response from the ICAI on the matter, existing practice of presenting finance cost, net of interest recovery from the group companies, is continued.

2.49 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

2.50 During the year ended March 31, 2018, the Company has credited ₹ 0.66 million to Investor Education and Protection Fund. There are no amounts due and outstanding to be credited as at year end.

2.51 Previous year figures have been reclassified to conform to this year's classification.

Signature to notes forming part of the reformatted Indian GAAP standalone Financial information.

For S R Batliboi & Co. LLP
Chartered Accountants
Firm's Registration No.: 301003E/E30005

For and on behalf of the Board of Directors

per Shrawan Jalan
Partner
Membership No.: 102102

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN: 00009438

Mumbai
05 March 2021

Sarju Simaria
Chief Financial Officer

Mumbai
05 March 2021

B Renganathan
EVP & Company Secretary

STANDALONE STATEMENT OF DIVIDEND

| Particulars | | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--|---------|---|---|---|
| Equity Share Capital (₹ in Million) | | 915.50 | 832.57 | 814.04 |
| Face Value Per Equity Share (₹) | (a) | 1.00 | 1.00 | 1.00 |
| Interim Dividend on Equity Shares (₹ per Equity Share) | (b) | 1.05 | 1.00 | 1.25 |
| Interim dividend on Equity Shares (₹ in Million) | | 957.28 | 832.21 | 1,019.26 |
| Interim Dividend Declared Rate (In %) | (c=b/a) | 105% | 100% | 125% |
| Final Dividend on Equity Shares (₹ per Equity Share) | (d) | 0.30 | 0.30 | - |
| Final dividend on Equity Shares (₹ in Million) | | 265.28 | 255.92 | - |
| Final Dividend Declared Rate (In %) | (e=d/a) | 30% | 30% | - |

For and on behalf of the Board of Directors

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN: 00009438

Sarju Simaria
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai
05 March 2021

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Edelweiss Financial Services Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Edelweiss Financial Services Limited (the "Holding Company"), its subsidiaries and its trusts (the Holding Company, its subsidiaries and its trusts together referred to as "the Group"), for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the subsidiaries and trusts (Refer Annexure A)
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Note 10 to the Statements, which describes the economic and social disruption as a result of COVID-19 pandemic of the Group's business and financial metrics including the Group's estimates of impairment of loans, financial assets, investments, investment in properties, intangible assets (including goodwill) which are highly dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

7. The accompanying Statement includes the unaudited interim financial results and other financial information, in respect of:

- 34 subsidiaries, whose unaudited interim financial results include total assets of Rs. 14,068.77 crores as at September 30, 2020, total revenues of Rs 842.82 crores and Rs 1,632.32 crores, total net loss after tax of Rs. 105.88 crores and Rs. 161.51 crores, total comprehensive loss of Rs. 154.33 crores and Rs. 169.61 crores, for the quarter ended September 30, 2020 and the period ended on that date respectively, and net cash inflows of Rs. 61.83 crores for the period from April 1, 2020 to September 30, 2020, as considered in the Statement which have been reviewed by their respective independent auditors. The independent auditor's reports on interim financial information/ financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.
- The auditors of Edelweiss Tokio Life Insurance Company Limited (ETLIFE), a subsidiary, have reported that the actuarial valuation of liabilities of ETLIFE for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at September 30, 2020 is the responsibility of ETLIFE's Appointed Actuary. The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at September 30, 2020 has been duly certified by the ETLIFE's Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", Ind AS 109 "Financial Instruments", the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ('IRDAI') and the Institute of Actuaries of India in concurrence with IRDAI. The auditors have relied upon the ETLIFE's Appointed Actuary's certificate for expressing their conclusion in this regard.
- The auditors of Edelweiss General Insurance Company Limited (EGICL), a subsidiary, have reported that the actuarial valuation of liabilities of EGICL for Incurred But Not Reported and Incurred But Not Enough Reported claims of EGICL as at September 30, 2020 is the responsibility of EGICL's Appointed Actuary. The actuarial valuation of these liabilities has been duly certified by the EGICL's Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with IRDAI. The auditors have relied on the EGICL's Appointed Actuary's certificate for expressing their conclusion in this regard.

Our conclusion on the Statement in respect of matters stated in para 7 above is not modified with respect to our reliance on the work done and the reports of the other auditors.

For S.R. BATLIBOI & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No.: 102102

UDIN: 20102102AAAEJE4197

Place: Mumbai
Date: October 30, 2020

Annexure A

| SUBSIDIARIES: | SUBSIDIARIES: | TRUSTS: |
|---|--|-------------------|
| ECL Finance Limited | Edelweiss Securities (Hong Kong) Private Limited | EARC Trust SC 332 |
| Edelweiss Rural & Corporate Services Limited | Edelweiss Financial Services (UK) Limited | EARC Trust SC 334 |
| Edelweiss Asset Reconstruction Company Limited | EW Special Opportunities Advisors LLC | EARC Trust SC 342 |
| Edelweiss Housing Finance Limited | Edelweiss Trusteeship Company Limited | EARC Trust SC 344 |
| Edelweiss Finance & Investments Limited | Lichen Metals Private Limited | EARC Trust SC 347 |
| Edelweiss General Insurance Company Limited | ECap Equities Limited | EARC Trust SC 348 |
| Edelweiss Finvest Private Limited | Edelweiss Investment Advisors Private Limited | EARC Trust SC 349 |
| Edelweiss Retail Finance Limited | EdelGive Foundation | EARC Trust SC 351 |
| Edelweiss Tokio Life Insurance Company Limited | | EARC Trust SC 352 |
| Edelweiss Custodial Services Limited | TRUSTS: | EARC Trust SC 357 |
| Edelweiss Securities Limited | ESAF - I Trust | EARC Trust SC 360 |
| Edelweiss Broking Limited | EARC SAF - 2 Trust | EARC Trust SC 361 |
| Edelcap Securities Limited | EARC SAF - 3 Trust | EARC Trust SC 363 |
| Allium Finance Private Limited | EARC Trust SC 6 | EARC Trust SC 370 |
| Everest Securities & Finance Limited | EARC Trust SC 7 | EARC Trust SC 381 |
| Edelweiss Securities and Investment Private Limited | EARC Trust SC 9 | EARC Trust SC 383 |
| Edelweiss International (Singapore) Pte. Limited | EARC Trust SC 102 | EARC Trust SC 386 |
| Edel Investments Limited | EARC Trust SC 109 | EARC Trust SC 384 |
| Edelweiss Capital (Singapore) Pte. Limited | EARC Trust SC 112 | EARC Trust SC 391 |
| EC Commodity Limited | EARC Trust SC 130 | EARC Trust SC 392 |
| Aster Commodities DMCC | EARC Trust SC 223 | EARC Trust SC 395 |
| Edelweiss Asset Management Limited | EARC Trust SC 229 | EARC Trust SC 380 |
| EC International Limited | EARC Trust SC 238 | EARC Trust SC 387 |
| Edelweiss Global Wealth Management Limited | EARC Trust SC 245 | EARC Trust SC 388 |
| Edel Land Limited | EARC Trust SC 251 | EARC Trust SC 393 |
| Edelweiss Comtrade Limited | EARC Trust SC 262 | EARC Trust SC 372 |
| Edelweiss Multi Strategy Fund Advisors LLP | EARC Trust SC 263 | EARC Trust SC 373 |
| Edelweiss Gallagher Insurance Brokers Limited | EARC Trust SC 266 | EARC Trust SC 374 |
| Edelweiss Private Equity Tech Fund | EARC Trust SC 293 | EARC Trust SC 375 |
| Edelweiss Value and Growth Fund | EARC Trust SC 297 | EARC Trust SC 376 |
| EAAA LLC | EARC Trust SC 298 | EARC Trust SC 385 |
| ESL Securities Limited | EARC Trust SC 306 | EARC Trust SC 394 |
| Edelweiss Alternative Asset Advisors Limited | EARC Trust SC 308 | EARC Trust SC 399 |
| Edel Finance Company Limited | EARC Trust SC 314 | EARC Trust SC 401 |
| Edelweiss Securities (IFSC) Limited | EARC Trust SC 318 | EARC Trust SC 402 |
| Edelweiss Investment Adviser Limited | EARC Trust SC 321 | EARC Trust SC 406 |
| Edelweiss Financial Services Inc. | EARC Trust SC 325 | EARC Trust SC 377 |
| Edelweiss Alternative Asset Advisors Pte. Limited | EARC Trust SC 329 | EARC Trust SC 378 |
| Edelweiss Resolution Advisors LLP | EARC Trust SC 331 | |

Edelweiss Financial Services Limited

Corporate Identity Number: L99999MH1995PLC094641
Registered Office: Edelweiss House, Off. C.S.T. Road, Kallina, Mumbai - 400 098
Tel: +91-22-40094400 Fax: +91-22-40863610
Website : www.edelweissfin.com



Consolidated Financial Results for the quarter and half year ended 30 September 2020

| Particulars | Quarter Ended | | | Half Year Ended | | (₹ in Crores) |
|---|---------------------------------|----------------------------|---------------------------------|---------------------------------|---------------------------------|--|
| | 30 September 2020 (Reviewed) | 30 June 2020 (Reviewed) | 30 September 2019 (Reviewed) | 30 September 2020 (Reviewed) | 30 September 2019 (Reviewed) | Year Ended 31 March 2020 (Audited) |
| 1 Revenue from operations | | | | | | |
| (a) Interest income | 1,085.63 | 1,055.31 | 1,481.65 | 2,140.94 | 3,072.69 | 5,901.95 |
| (b) Dividend income | 6.26 | 4.42 | 4.97 | 10.68 | 8.03 | 162.18 |
| (c) Fee and commission income | 388.85 | 357.06 | 444.64 | 745.91 | 920.56 | 2,099.30 |
| (d) Net gain / (loss) on fair value changes | 423.30 | 280.32 | 192.73 | 703.62 | 463.40 | 194.96 |
| (e) Premium from insurance business | 299.79 | 189.35 | 239.14 | 489.14 | 411.71 | 1,056.78 |
| (f) Other operating income | 18.99 | 11.66 | 26.42 | 30.65 | 61.88 | 98.15 |
| Total revenue from operations | 2,222.82 | 1,898.12 | 2,389.55 | 4,120.94 | 4,938.27 | 9,513.32 |
| 2 Other income | 34.06 | 21.56 | 15.69 | 55.62 | 48.93 | 89.31 |
| 3 Total Income (1+2) | 2,256.88 | 1,919.68 | 2,405.24 | 4,176.56 | 4,987.20 | 9,602.63 |
| 4 Expenses | | | | | | |
| (a) Finance costs | 949.07 | 1,001.98 | 1,201.47 | 1,951.05 | 2,391.69 | 4,793.04 |
| (b) Impairment on financial assets | 94.03 | 128.05 | 173.15 | 222.08 | 430.73 | 2,690.26 |
| (c) Change in valuation of credit impaired loans (Refer Note 7) | 209.56 | 132.97 | 87.16 | 342.53 | 147.06 | 871.24 |
| (d) Employee benefits expense | 286.43 | 308.41 | 332.09 | 594.84 | 708.24 | 1,407.30 |
| (e) Depreciation and amortisation expense | 57.03 | 57.04 | 49.72 | 114.07 | 97.04 | 232.23 |
| (f) Change in insurance policy liability - actuarial | 280.79 | 270.87 | 147.83 | 551.66 | 311.28 | 642.10 |
| (g) Policy benefits paid | 60.98 | 31.27 | 32.03 | 92.25 | 54.52 | 158.92 |
| (h) Other expenses | 350.21 | 231.71 | 274.12 | 581.92 | 535.84 | 1,264.19 |
| Total expenses | 2,288.10 | 2,162.30 | 2,297.57 | 4,450.40 | 4,676.40 | 12,059.28 |
| 5 Profit / (loss) before tax (3-4) | (31.22) | (242.62) | 107.67 | (273.84) | 310.80 | (2,456.65) |
| 6 Tax expense (Refer Note 8) | | | | | | |
| Current tax | 44.28 | 50.41 | 84.60 | 94.69 | 212.77 | 297.08 |
| Deferred tax and MAT | (19.38) | (29.36) | (44.90) | (48.74) | (104.43) | (709.96) |
| 7 Net profit / (loss) for the period (5-6) | (56.12) | (263.67) | 67.97 | (319.79) | 202.46 | (2,043.77) |
| 8 Other comprehensive income/(loss) | (43.04) | 40.26 | (11.89) | (2.78) | 41.61 | 472.64 |
| 9 Total comprehensive Income / (loss) (7+8) | (99.16) | (223.41) | 56.08 | (322.57) | 244.07 | (1,571.13) |
| 10 Net profit / (loss) for the period attributable to: | | | | | | |
| Owners of the company | (48.50) | (245.08) | 51.17 | (293.58) | 183.19 | (2,045.24) |
| Non controlling interests | (7.62) | (18.59) | 16.80 | (26.21) | 19.27 | 1.47 |
| 11 Other comprehensive income / (loss) for the period attributable to: | | | | | | |
| Owners of the company | (24.68) | 20.76 | (2.97) | (3.92) | 23.57 | 424.15 |
| Non controlling interests | (18.36) | 19.50 | (8.92) | 1.14 | 18.04 | 48.49 |
| 12 Total comprehensive income / (loss) for the period attributable to: | | | | | | |
| Owners of the company | (73.18) | (224.32) | 48.20 | (297.50) | 206.76 | (1,621.09) |
| Non controlling interests | (25.98) | 0.91 | 7.88 | (25.07) | 37.31 | 49.96 |
| 13 Earnings Per Share (₹) (Face Value of ₹ 1/- each) | | | | | | |
| - Basic (Refer Note 6) | (0.55) | (2.75) | 0.58 | (3.30) | 2.06 | (23.01) |
| - Diluted (Refer Note 6) | (0.55) | (2.75) | 0.57 | (3.30) | 2.04 | (23.01) |

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Notes:

- The consolidated financial results of Edelweiss Financial Services Limited ('EFSL' or 'the Company') and its subsidiaries and trusts (together referred as 'Group') for the quarter and half year ended 30 September 2020 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 30 October 2020.
- The consolidated financial results of EFSL for the quarter and half year ended 30 September 2020 have been subjected to limited review by the Statutory Auditors of the Company and the auditors have issued an unmodified review report.
- The Company has opted to publish Extracts of the Unaudited Consolidated Financial Results, pursuant to option made available as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Standalone financial results are available on the Company's website viz. www.edelweissfin.com and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com). Key standalone financial information is given below:

| Particulars | Quarter Ended | | | Half Year Ended | | (₹ in Crores) |
|--|---------------------------------|----------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------|
| | 30 September 2020 (Reviewed) | 30 June 2020 (Reviewed) | 30 September 2019 (Reviewed) | 30 September 2020 (Reviewed) | 30 September 2019 (Reviewed) | 31 March 2020 (Audited) |
| Total income | 44.78 | 68.09 | 41.61 | 112.87 | 203.34 | 259.02 |
| Profit / (loss) before tax | 12.70 | (127.40) | 1.67 | (114.70) | 117.55 | 79.56 |
| Net profit / (loss) after tax for the period | 8.14 | (129.18) | 1.25 | (121.04) | 97.38 | 82.59 |
| Other comprehensive income / (loss) after tax | (0.01) | (0.01) | 0.02 | (0.02) | 0.04 | (0.05) |
| Total comprehensive income / (loss) after tax | 8.13 | (129.19) | 1.27 | (121.06) | 97.42 | 82.54 |

- The attribution of consolidated profit / (loss) before tax between owners of the company and non controlling interests is as per below table:

| Particulars | Quarter Ended | | | Half Year Ended | | (₹ in Crores) |
|--|---------------------------------|----------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------|
| | 30 September 2020 (Reviewed) | 30 June 2020 (Reviewed) | 30 September 2019 (Reviewed) | 30 September 2020 (Reviewed) | 30 September 2019 (Reviewed) | 31 March 2020 (Audited) |
| Profit / (loss) before tax attributable to: | | | | | | |
| Owners of the company | (30.73) | (230.02) | 75.41 | (260.75) | 252.92 | (2,478.78) |
| Non controlling interests | (0.49) | (12.60) | 32.26 | (13.09) | 57.88 | 22.13 |
| Profit / (loss) before tax | (31.22) | (242.62) | 107.67 | (273.84) | 310.80 | (2,456.65) |

- During the quarter ended 30 September 2020, the Company has issued 3,46,150 equity shares of face value of ₹ 1 each to the employees of the company and its subsidiaries on exercise of employee stock options.

- Earnings per share for the quarters ended 30 September 2020, 30 June 2020, 30 September 2019 and half year ended 30 September 2020 and 30 September 2019 are not annualised.

- Change in valuation of credit impaired loans represents valuation movement of loans originated by consolidated ARC trusts.

- The Government of India, on 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019 (the Ordinance), inserted a new Section 115BAA in the Income-tax Act, 1961, which provides an option for paying income-tax at reduced rates under the new regime. During the quarter ended 30 September 2020 with respect of 2 Companies the Group have opted for paying income-tax at reduced rates and accordingly, corresponding applicable effect of the new regime has been given in tax expenses.

- Edelweiss Custodial Services Limited ("ECDSL"), a subsidiary of the Company, challenged an order, by an investigating agency, marking lien on its clearing account, before the 47th Additional Chief Metropolitan Magistrate Court, Mumbai. Since the investigation against the trading member, for which ECDSL was a clearing member, is still in initial stage, the said investigative agency contended that it had no objection to setting aside the lien order upon ECDSL providing an undertaking to keep sufficient assets unencumbered. ECDSL has since provided this undertaking to keep sufficient assets amounting to ₹ 460.32 crores belonging to the Group unencumbered and the said lien order has been set aside. National Clearing Limited ("NCL"), vide its order dated 20 October 2020 has directed ECDSL to adhere to instructions of National Stock Exchange ("NSE") / NCL, to appropriately reinstate the securities wherever trading member's clients had credit balance, but the securities had got liquidated. ECDSL has challenged the said order of NCL before Securities Appellate Tribunal. ECDSL believes that it has acted in accordance with the agreement entered with the trading member and in accordance with applicable laws and regulations. Accordingly, there is no adjustment required in the financial results for the quarter and half year ended 30 September 2020.

- Consequent to the outbreak of COVID - 19 pandemic, the Indian Government had announced a lockdown in March 2020. Subsequently, the lockdown has been lifted by the Government for certain activities in a phased manner outside specific containment zones. The impact of COVID - 19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to volatility in global and Indian financial markets and a decrease in global and local economic activity, which may persist even after the restrictions related to the COVID - 19 are lifted. While there has been some improvement in economic activities during the current quarter, the continued slowdown has led to a decrease in loan originations and efficiency in collection efforts. The extent to which the COVID - 19 will continue to impact Group's results, including credit quality and provisions, remain uncertain and would depend upon the time taken for economic activities to fully resume and reach normal levels. The Group holds provisions as at 30 September 2020 against the potential impact of COVID - 19 based on the information available at this point in time. In accordance with the regulatory package announced by the Reserve Bank of India (RBI) on 27 March 2020, 17 April 2020 and 22 May 2020, the Group has granted a moratorium for the payment of all instalments falling due between 01 March 2020 and 31 August 2020 to all eligible borrowers that have opted to avail the same. The Group has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFCs and Group's lenders to extend moratorium and various other financial support from other banks and other agencies in determining the Group's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Group will be able to pay its obligations as and when these become due in the foreseeable future. In assessing the recoverability of loans, receivables, intangible assets including goodwill, deferred tax assets and investments, the Group has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Since the situation continue to evolve, its effect on the operations of the Group may be different from that estimated as at the date of approval of these financial results. The Group will continue to closely monitor material changes in markets and future economic conditions.

- Hon'ble Supreme Court in a public interest litigation (Gajendra Sharma vs. Union of India & Anr) vide an interim order dated 03 September 2020 (interim order) has directed that accounts which were not declared NPA till 31 August 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Group has not classified any account as NPA, as per RBI norms, after 31 August 2020 which was not NPA as of 31 August 2020. Further in light of the interim order, even accounts that would have otherwise been classified as NPA post 31 August 2020 have not been and will not be, classified as NPA till such time the Hon'ble Supreme Court rules finally on the matter. Such accounts have been classified as per Ind-AS and provisioned accordingly.

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12 Consolidated Segment Results for the quarter and half year ended 30 September 2020.

| Particulars | Quarter Ended | | | Half Year Ended | | (₹ in Crores) |
|--|---------------------------------|----------------------------|---------------------------------|---------------------------------|---------------------------------|--|
| | 30 September 2020 (Reviewed) | 30 June 2020 (Reviewed) | 30 September 2019 (Reviewed) | 30 September 2020 (Reviewed) | 30 September 2019 (Reviewed) | Year Ended 31 March 2020 (Audited) |
| 1 Segment revenue [Total income] | | | | | | |
| Agency | 364.55 | 238.45 | 275.04 | 603.00 | 570.14 | 1,126.85 |
| Capital based | 756.07 | 774.34 | 1,121.89 | 1,530.41 | 2,648.30 | 4,465.20 |
| Insurance business | 443.66 | 399.05 | 289.95 | 842.71 | 575.55 | 1,246.25 |
| Asset reconstruction business | 429.75 | 359.61 | 372.09 | 789.36 | 727.52 | 1,820.71 |
| Treasury | 250.10 | 136.61 | 328.18 | 386.71 | 437.15 | 883.97 |
| Unallocated | 12.75 | 11.62 | 18.09 | 24.37 | 28.54 | 59.65 |
| Total income | 2,256.88 | 1,919.68 | 2,405.24 | 4,176.56 | 4,987.20 | 9,602.63 |
| 2 Segment results [Profit / (loss) before tax] | | | | | | |
| Agency | 65.00 | 31.64 | 74.00 | 96.64 | 168.46 | 256.00 |
| Capital based | (221.18) | (277.62) | (46.02) | (498.80) | (17.49) | (2,790.10) |
| Insurance business | (84.15) | (83.81) | (67.44) | (167.96) | (153.61) | (367.01) |
| Asset reconstruction business | 58.00 | 49.19 | 100.34 | 107.19 | 272.77 | 334.93 |
| Treasury | 155.72 | 44.45 | 47.03 | 200.17 | 51.73 | 116.16 |
| Unallocated | (4.61) | (6.47) | (0.24) | (11.08) | (11.06) | (6.63) |
| Total profit / (loss) before tax | (31.22) | (242.62) | 107.67 | (273.84) | 310.80 | (2,456.65) |
| 3 Segment assets | | | | | | |
| Agency | 4,444.88 | 4,264.13 | 4,616.56 | 4,444.88 | 4,616.56 | 4,528.77 |
| Capital based | 32,748.99 | 31,205.11 | 38,052.56 | 32,748.99 | 38,052.56 | 33,943.49 |
| Insurance business | 4,833.04 | 4,625.03 | 4,022.58 | 4,833.04 | 4,022.58 | 4,395.37 |
| Asset reconstruction business | 6,484.94 | 6,485.50 | 6,919.52 | 6,484.94 | 6,919.52 | 6,594.91 |
| Treasury | 2,120.33 | 3,037.53 | 5,436.90 | 2,120.33 | 5,436.90 | 3,277.36 |
| Unallocated | 1,606.74 | 1,564.84 | 1,072.43 | 1,606.74 | 1,072.43 | 1,540.43 |
| Total assets | 52,238.92 | 51,182.14 | 60,120.55 | 52,238.92 | 60,120.55 | 54,280.33 |
| 4 Segment liabilities | | | | | | |
| Agency | 3,706.46 | 3,591.65 | 4,135.46 | 3,706.46 | 4,135.46 | 3,888.30 |
| Capital based | 32,108.20 | 30,418.37 | 34,764.13 | 32,108.20 | 34,764.13 | 32,818.16 |
| Insurance business | 4,099.53 | 3,794.94 | 3,077.52 | 4,099.53 | 3,077.52 | 3,521.26 |
| Asset reconstruction business | 4,465.77 | 4,510.69 | 5,089.26 | 4,465.77 | 5,089.26 | 4,650.54 |
| Treasury | 621.03 | 1,567.83 | 3,779.15 | 621.03 | 3,779.15 | 1,859.22 |
| Unallocated | 304.64 | 312.44 | 445.14 | 304.64 | 445.14 | 335.77 |
| Total liabilities | 45,305.63 | 44,195.92 | 51,290.66 | 45,305.63 | 51,290.66 | 47,073.25 |
| 5 Capital employed [Segment assets - Segment liabilities] | | | | | | |
| Agency | 738.42 | 672.48 | 481.10 | 738.42 | 481.10 | 640.47 |
| Capital based | 640.79 | 786.74 | 3,288.43 | 640.79 | 3,288.43 | 1,125.33 |
| Insurance business | 733.51 | 830.09 | 945.06 | 733.51 | 945.06 | 874.11 |
| Asset reconstruction business | 2,019.17 | 1,974.81 | 1,830.26 | 2,019.17 | 1,830.26 | 1,944.37 |
| Treasury | 1,499.30 | 1,469.70 | 1,657.75 | 1,499.30 | 1,657.75 | 1,418.14 |
| Unallocated | 1,302.10 | 1,252.40 | 627.29 | 1,302.10 | 627.29 | 1,204.66 |
| Total capital employed | 6,933.29 | 6,986.22 | 8,829.89 | 6,933.29 | 8,829.89 | 7,207.08 |

The Company has made its consolidated segment reporting to meaningfully represent its business lines Agency, Capital business, Asset reconstruction business, Insurance & Treasury business. Agency includes broking, advisory, product distribution and other fee based businesses; Capital Based represents lending business; Asset reconstruction business represents purchase and resolution of distress assets; Insurance business represents life insurance business and general insurance business. Treasury business represents income from trading and investment activities.

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13 Consolidated statement of assets and liabilities as at 30 September 2020

(₹ in Crores)

| | Particulars | As at | As at |
|----------|---|------------------------------------|-------------------------------|
| | | 30 September 2020 (Reviewed) | 31 March 2020 (Audited) |
| A | ASSETS | | |
| 1 | Financial assets | | |
| | (a) Cash and cash equivalents | 4,136.04 | 4,942.52 |
| | (b) Other bank balances | 4,688.05 | 3,667.09 |
| | (c) Derivative financial instruments | 504.17 | 532.19 |
| | (d) Stock in trade | 1,113.63 | 1,745.81 |
| | (e) Trade receivables | 884.75 | 1,305.24 |
| | (f) Loans [^] | 26,789.38 | 28,360.68 |
| | (g) Investments | 8,607.60 | 8,266.60 |
| | (h) Other financial assets | 911.00 | 830.23 |
| | Sub-total - Financial assets | 47,634.62 | 49,650.36 |
| 2 | Non-financial assets | | |
| | (a) Inventories | 3.70 | 43.61 |
| | (b) Reinsurance assets | 303.49 | 294.44 |
| | (c) Current tax assets (net) | 614.17 | 583.98 |
| | (d) Deferred tax assets (net) | 992.57 | 956.47 |
| | (e) Investment property | 406.94 | 445.73 |
| | (f) Property, plant and equipment | 1,375.99 | 1,501.26 |
| | (g) Capital work-in-progress | 3.83 | 11.16 |
| | (h) Intangible assets under development | 32.91 | 32.08 |
| | (i) Goodwill on consolidation | 172.34 | 172.34 |
| | (j) Other intangible assets | 216.20 | 225.58 |
| | (k) Other non-financial assets | 482.16 | 363.32 |
| | Sub-total - Non-financial assets | 4,604.30 | 4,629.97 |
| | TOTAL - ASSETS | 52,238.92 | 54,280.33 |
| B | LIABILITIES AND EQUITY | | |
| | Liabilities | | |
| 1 | Financial liabilities | | |
| | (a) Derivative financial instruments | 69.62 | 381.25 |
| | (b) Trade payables | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | 0.17 | 0.22 |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 1,497.07 | 1,283.14 |
| | (c) Insurance claims payable | 12.76 | 7.45 |
| | (d) Debt Securities | 20,344.50 | 20,758.51 |
| | (e) Borrowings (other than debt securities) | 11,537.64 | 13,321.06 |
| | (f) Deposits | 13.04 | 216.90 |
| | (g) Subordinated Liabilities | 1,875.82 | 2,360.88 |
| | (h) Other financial liabilities | 5,669.29 | 4,925.05 |
| | Sub-total - Financial liabilities | 41,019.91 | 43,254.46 |
| 2 | Non-financial liabilities | | |
| | (a) Current tax liabilities (net) | 116.96 | 90.63 |
| | (b) Provisions | 38.64 | 35.11 |
| | (c) Provision for policyholders' liabilities | 3,568.45 | 3,007.68 |
| | (d) Deferred tax liabilities (net) | 250.26 | 264.37 |
| | (e) Other non-financial liabilities | 311.41 | 421.00 |
| | Sub-total - Non-financial liabilities | 4,285.72 | 3,818.79 |
| 3 | Equity | | |
| | (a) Equity share capital | 89.00 | 88.95 |
| | (b) Other equity | 5,777.76 | 6,039.76 |
| | Equity attributable to owners of the parent | 5,866.76 | 6,128.71 |
| | Non-controlling interest | 1,066.53 | 1,078.37 |
| | Total Equity | 6,933.29 | 7,207.08 |
| | TOTAL LIABILITIES AND EQUITY | 52,238.92 | 54,280.33 |

[^] Loans include the credit exposure held by the consolidated ARC trusts and certain loans sold to ARC & AIF for the purposes of Consolidation in accordance with Indian Accounting Standard.

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14 Consolidated statement of cash flows for the half year ended 30 September 2020

(₹ in Crores)

| Particulars | Half Year Ended | |
|--|---------------------------------|---------------------------------|
| | 30 September 2020 (Reviewed) | 30 September 2019 (Reviewed) |
| A Cash flow from operating activities | | |
| Profit / (loss) before tax | (273.84) | 310.80 |
| Adjustments for: | | |
| Depreciation and amortisation expenses | 114.07 | 97.04 |
| Expense on employee stock option plans | 17.69 | 16.09 |
| Impairment on financial instruments | 222.08 | 430.73 |
| Change in valuation of credit impaired loans | 342.53 | 147.06 |
| Interest on income tax refund | (12.48) | - |
| Dividend Income | (10.68) | (8.03) |
| (Profit) / loss on sale of property, plant and equipment | 5.72 | (0.43) |
| (Profit) / loss on sale of investment property | (0.04) | - |
| Realised fair value (gain) / loss on financial instruments | (268.72) | (528.70) |
| Unrealised fair value (gain) / loss on financial instruments | (434.89) | 65.30 |
| Provision for policyholders liability | 551.66 | 311.28 |
| Finance costs | 341.05 | 417.67 |
| Operating cash flow before working capital changes | 594.15 | 1,258.81 |
| Adjustments for: | | |
| Decrease/ (increase) in trade receivables | 420.49 | 1,846.58 |
| Decrease / (increase) in stock-in-trade and Inventory | 702.89 | 578.10 |
| Decrease / (increase) in Other financial/non financial assets | (208.65) | (65.17) |
| Decrease / (increase) in Derivative Financial Instruments | (140.77) | 5.58 |
| Decrease / (increase) in loans | 1,005.23 | 3,087.94 |
| Increase / (decrease) in trade payables | 213.89 | (230.11) |
| Increase / (decrease) in insurance claim payable | 5.30 | 2.63 |
| Increase / (decrease) in other financial liabilities | 813.79 | (482.36) |
| Increase / (decrease) in Provisions | 3.53 | 5.52 |
| Increase / (decrease) in provision for policyholders' liabilities | 9.11 | 14.81 |
| Increase / (decrease) in other non-financial liabilities | (109.60) | (59.19) |
| Cash generated / (used) in operations | 3,309.36 | 5,963.14 |
| Income taxes paid (net of refund) | (87.54) | (208.82) |
| Net cash generated / (used) in operating activities - A | 3,221.82 | 5,754.32 |
| B Cash flow from investing activities | | |
| Purchase of property, plant and equipment and intangibles ¹ | (11.63) | (96.83) |
| (Purchase) / sale of investment property ¹ | 37.95 | (72.77) |
| (Purchase) / sale of investments ¹ | 18.33 | (121.99) |
| Dividend on investments | 10.68 | 8.03 |
| (Investment) / Maturity of Bank deposits | (1,020.96) | (670.50) |
| Net cash generated / (used) in investing activities - B | (965.63) | (954.06) |
| C Cash flow from financing activities | | |
| Proceeds from issue of shares including premium and share application money | 1.82 | 5.42 |
| Investment by Non Controlling Interest | 33.06 | - |
| Proceeds / (repayment) from Debt securities ¹ | (240.01) | (2,698.91) |
| Proceeds / (repayment) from Borrowings (other than debt securities) ¹ | (1,783.41) | (1,350.04) |
| Proceeds / (repayment) from Deposits ¹ | (203.86) | (107.48) |
| Proceeds / (repayment) from Subordinated Liabilities ¹ | (485.07) | (38.97) |
| Dividend and dividend distribution tax paid | - | (36.89) |
| Finance cost paid | (385.20) | (417.67) |
| Net cash generated / (used) in financing activities - C | (3,062.67) | (4,644.54) |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | (806.48) | 155.72 |
| Cash and cash equivalents as at the beginning of the period | 4,942.52 | 3,115.82 |
| Cash and cash equivalents as at the end of the period | 4,136.04 | 3,271.54 |

¹ Net figures have been reported on account of volume of transactions.

15 The previous period/year figures have been regrouped/reclassified wherever necessary to conform to current period's/year presentation.

16 The consolidated financial results will be available on the Company's website - www.edelweissfin.com

On behalf of the Board of Directors

Mumbai, 30 October 2020.

Rashesh Shah
Chairman

Independent Auditor's Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors of
Edelweiss Financial Services Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Edelweiss Financial Services Limited (the "Company") for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to note 6 of the Statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of investments and other assets, which are highly dependent on uncertain future developments. Our conclusion is not modified in respect of this matter.

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

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 20102102AAAEJD1152

Place of Signature: Mumbai
Date: October 30, 2020

Edelweiss Financial Services Limited

Corporate Identity Number: L99999MH1995PLC094641

Registered Office: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai - 400 098

Tel: +91-22-40094400 Fax: +91-22-40863610

Website : www.edelweissfin.com



Standalone Financial Results for the quarter and half year ended 30 September 2020

| Particulars | Quarter Ended | | | Half year ended | | (₹ in Crores) |
|---|---------------------------------|----------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------|
| | 30 September 2020 (Reviewed) | 30 June 2020 (Reviewed) | 30 September 2019 (Reviewed) | 30 September 2020 (Reviewed) | 30 September 2019 (Reviewed) | 31 March 2020 (Audited) |
| 1 Revenue from operations | | | | | | |
| (a) Interest income | 7.90 | 0.04 | 3.52 | 7.94 | 7.69 | 12.12 |
| (b) Dividend income | - | 52.65 | - | 52.65 | 49.81 | 69.47 |
| (c) Fee and commission income | 23.41 | 10.93 | 21.69 | 34.34 | 65.41 | 95.98 |
| (d) Net gain / (loss) on fair value changes | - | 0.05 | (0.04) | 0.05 | 48.66 | 13.47 |
| (e) Other operating income | 9.28 | 4.42 | 10.21 | 13.70 | 21.22 | 45.65 |
| Total revenue from operations | 40.59 | 68.09 | 35.38 | 108.68 | 192.79 | 236.69 |
| 2 Other income | 4.19 | - | 6.23 | 4.19 | 10.55 | 22.33 |
| 3 Total Income (1+2) | 44.78 | 68.09 | 41.61 | 112.87 | 203.34 | 259.02 |
| 4 Expenses | | | | | | |
| (a) Finance costs | 12.89 | 3.65 | 8.02 | 16.54 | 17.88 | 32.31 |
| (b) Employee benefits expense | 2.46 | 12.72 | 15.54 | 15.18 | 31.54 | 79.77 |
| (c) Depreciation and amortisation expense | 0.42 | 0.38 | 0.88 | 0.80 | 1.74 | 3.22 |
| (d) Impairment of financial assets | (1.00) | 46.19 | (1.22) | 45.19 | 1.32 | 1.87 |
| (e) Loss on sale of financial instruments | - | 120.13 | - | 120.13 | - | - |
| (f) Other expenses | 17.31 | 12.42 | 16.72 | 29.73 | 33.31 | 62.29 |
| Total expenses | 32.08 | 195.49 | 39.94 | 227.57 | 85.79 | 179.46 |
| 5 Profit / (loss) before tax (3-4) | 12.70 | (127.40) | 1.67 | (114.70) | 117.55 | 79.56 |
| 6 Tax expense (Refer note 5) | | | | | | |
| Current tax | (1.04) | 10.16 | (6.67) | 9.12 | 11.23 | 0.19 |
| Deferred tax and MAT | 5.60 | (8.38) | 7.09 | (2.78) | 8.94 | (3.22) |
| 7 Net Profit / (loss) for the period (5-6) | 8.14 | (129.18) | 1.25 | (121.04) | 97.38 | 82.59 |
| 8 Other comprehensive income / (loss) | (0.01) | (0.01) | 0.02 | (0.02) | 0.04 | (0.05) |
| 9 Total Comprehensive Income / (loss) (7+8) | 8.13 | (129.19) | 1.27 | (121.06) | 97.42 | 82.54 |
| 10 Earnings Per Share (₹) (Face Value of ₹ 1/- each) | | | | | | |
| - Basic (Refer note 4) | 0.09 | (1.45) | 0.01 | (1.36) | 1.10 | 0.93 |
| - Diluted (Refer note 4) | 0.09 | (1.45) | 0.01 | (1.36) | 1.09 | 0.92 |

Notes:

- The standalone financial results of Edelweiss Financial Services Limited ('EFSL' or 'the Company') for the quarter and half year ended 30 September 2020 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 30 October 2020.
- The standalone financial results of EFSL for the quarter and half year ended 30 September 2020 have been subjected to limited review by the Statutory Auditors of the Company and the auditors have issued an unmodified review report.
- During the quarter ended 30 September 2020, the Company has issued 3,46,150 equity shares of face value of ₹1 each to the employees of the Company and it's subsidiaries on exercise of employee stock options.
- Earnings per share for the quarters ended 30 September 2020, 30 June 2020, 30 September 2019 and half year ended 30 September 2020 and 30 September 2019, are not annualised.
- The Government of India, on 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019 (the Ordinance), inserted a new Section 115BAA in the Income-tax Act, 1961, which provides an option for paying income-tax at reduced rates under the new regime. During the quarter ended 30 September 2020 the Company has opted for paying income-tax at reduced rates and accordingly, corresponding applicable effect of the new regime has been given in tax expenses.
- Consequent to the outbreak of COVID – 19 pandemic, the Indian Government had announced a lockdown in March 2020. Subsequently, the lockdown has been lifted by the Government for certain activities in a phased manner outside specific containment zones. The impact of COVID – 19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to volatility in global and Indian financial markets and a decrease in global and local economic activity, which may persist even after the restrictions related to the COVID – 19 are lifted, while there has been some improvement in economic activities during the current quarter. The Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various financial support from banks and other fund raising opportunities in determining the Company liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. In assessing the recoverability of loans, receivables, deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Since the situation continue to evolve, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor material changes in markets and future economic conditions.

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7 Standalone Segment Results for the quarter and half year ended 30 September 2020

| Particulars | Quarter Ended | | | Half year ended | | (₹ in Crores) |
|--|---------------------------------|----------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------|
| | 30 September 2020 (Reviewed) | 30 June 2020 (Reviewed) | 30 September 2019 (Reviewed) | 30 September 2020 (Reviewed) | 30 September 2019 (Reviewed) | 31 March 2020 (Audited) |
| 1 Segment revenue [Total income] | | | | | | |
| Agency | 17.15 | 2.41 | 16.36 | 19.56 | 53.10 | 80.82 |
| Holding Company activities | 23.48 | 65.68 | 24.64 | 89.16 | 149.63 | 177.36 |
| Unallocated | 4.15 | - | 0.61 | 4.15 | 0.61 | 0.84 |
| Total income | 44.78 | 68.09 | 41.61 | 112.87 | 203.34 | 259.02 |
| 2 Segment results [Profit / (loss) before tax] | | | | | | |
| Agency | 12.38 | (7.16) | 3.11 | 5.22 | 24.07 | (3.38) |
| Holding Company activities | (3.83) | (120.24) | (2.06) | (124.07) | 92.86 | 82.10 |
| Unallocated | 4.15 | - | 0.62 | 4.15 | 0.62 | 0.84 |
| Total Profit / (loss) before tax | 12.70 | (127.40) | 1.67 | (114.70) | 117.55 | 79.56 |
| 3 Segment assets | | | | | | |
| Agency | 15.06 | 4.18 | 21.10 | 15.06 | 21.10 | 14.05 |
| Holding Company activities | 4,334.52 | 3,453.09 | 3,705.49 | 4,334.52 | 3,705.49 | 3,576.12 |
| Unallocated | 94.81 | 100.37 | 70.14 | 94.81 | 70.14 | 91.92 |
| Total assets | 4,444.39 | 3,557.64 | 3,796.73 | 4,444.39 | 3,796.73 | 3,682.09 |
| 4 Segment Liabilities | | | | | | |
| Agency | 17.69 | 29.51 | 8.27 | 17.69 | 8.27 | 28.32 |
| Holding Company activities | 1,051.06 | 173.85 | 330.76 | 1,051.06 | 330.76 | 184.32 |
| Unallocated | 22.62 | 18.51 | 13.82 | 22.62 | 13.82 | 14.88 |
| Total liabilities | 1,091.37 | 221.87 | 352.85 | 1,091.37 | 352.85 | 227.52 |
| 5 Capital employed [Segment assets - Segment liabilities] | | | | | | |
| Agency | (2.63) | (25.33) | 12.83 | (2.63) | 12.83 | (14.27) |
| Holding Company activities | 3,283.46 | 3,279.24 | 3,374.73 | 3,283.46 | 3,374.73 | 3,391.80 |
| Unallocated | 72.19 | 81.86 | 56.32 | 72.19 | 56.32 | 77.04 |
| Total capital employed | 3,353.02 | 3,335.77 | 3,443.88 | 3,353.02 | 3,443.88 | 3,454.57 |

Agency includes investment banking; Holding Company activities comprise of development, managerial and financial support to the businesses of subsidiaries and investment activities. Segment data for previous financial period has been reclassified to conform to current financial period's presentation.

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8 Standalone statement of assets and liabilities as at 30 September, 2020

| Particulars | (₹ in Crores) | |
|---|---|--|
| | As at 30 September 2020 (Reviewed) | As at 31 March 2020 (Audited) |
| ASSETS | | |
| Financial assets | | |
| (a) Cash and cash equivalents | 3.75 | 1.37 |
| (b) Other bank balances | 0.87 | 0.96 |
| (c) Trade receivables | 37.96 | 61.89 |
| (d) Loans | 859.97 | 0.67 |
| (e) Investments | 3,397.17 | 3,467.29 |
| (f) Other financial assets | 42.02 | 39.33 |
| Sub-total - Financial assets | 4,341.74 | 3,571.51 |
| Non-financial assets | | |
| (a) Current tax assets (net) | 62.03 | 61.86 |
| (b) Deferred tax assets (net) | 31.90 | 29.11 |
| (c) Property, Plant and Equipment | 0.69 | 0.84 |
| (d) Intangible assets under development | 1.00 | 0.92 |
| (e) Other Intangible assets | 1.54 | 1.68 |
| (f) Other non- financial assets | 5.49 | 16.17 |
| Sub-total - Non-Financial assets | 102.65 | 110.58 |
| TOTAL ASSETS | 4,444.39 | 3,682.09 |
| LIABILITIES AND EQUITY | | |
| Financial liabilities | | |
| (a) Trade payables | | |
| (i) total outstanding dues of micro enterprises and small enterprises | - | 0.09 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 5.77 | 8.03 |
| (b) Debt securities | 1,013.22 | 73.41 |
| (c) Borrowings other than debt securities | - | 73.25 |
| (d) Other financial liabilities | 49.19 | 57.71 |
| Sub-total - Financial liabilities | 1,068.18 | 212.49 |
| Non-financial liabilities | | |
| (a) Current tax liabilities (net) | 19.80 | 6.98 |
| (b) Provisions | 0.94 | 0.91 |
| (c) Other non-financial liabilities | 2.45 | 7.14 |
| Sub-total - Non-financial liabilities | 23.19 | 15.03 |
| Equity | | |
| (a) Equity share capital | 89.00 | 88.95 |
| (b) Other equity | 3,264.02 | 3,365.62 |
| Total Equity | 3,353.02 | 3,454.57 |
| TOTAL LIABILITIES AND EQUITY | 4,444.39 | 3,682.09 |

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9 Standalone statement of cash flows for the half year ended 30 September 2020

(₹ in Crores)

| Particulars | Half year Ended | |
|---|---------------------------------|---------------------------------|
| | 30 September 2020 (Reviewed) | 30 September 2019 (Reviewed) |
| A Cash flow from operating activities | | |
| (Loss) / profit before tax | (114.70) | 117.55 |
| Adjustments for: | | |
| Depreciation and amortisation expenses | 0.80 | 1.74 |
| Expense on employee stock option plans | 4.81 | 3.90 |
| Impairment on financial instruments | 45.19 | 1.32 |
| Loss on sale of investments | 120.13 | - |
| Dividend income | (52.65) | (49.81) |
| Profit on sale of property, plant and equipment | (0.02) | (0.06) |
| Realised fair value gain on financial instruments | - | (13.77) |
| Unrealised fair value gain on financial instruments | (0.05) | (44.83) |
| Interest income | (7.94) | (7.34) |
| Finance costs | 16.54 | 17.88 |
| Operating cash flow before working capital changes | 12.11 | 26.58 |
| Adjustments for: | | |
| Decrease in trade receivables | 36.98 | 27.77 |
| (Increase)/decrease in other financial assets | (2.69) | 10.73 |
| Decrease/(Increase) in other non financial assets | 10.67 | (19.37) |
| Increase in derivative financial instruments | - | (1.56) |
| Decrease in trade payables | (2.35) | (1.72) |
| Decrease in other financial liabilities | (8.52) | (25.62) |
| Increase in provisions | 0.03 | 0.40 |
| Decrease in bank balances other than cash and cash equivalents | 0.07 | - |
| (Decrease)/increase in other non-financial liabilities | (4.67) | 1.23 |
| Cash generated from operations | 41.63 | 18.44 |
| Income taxes refund / (paid) | 3.53 | (9.47) |
| Net cash generated from operating activities - A | 45.16 | 8.97 |
| B Cash flow from investing activities | | |
| Purchase of property, plant and equipment and intangibles | (0.62) | (2.08) |
| Proceeds from sale of property, plant and equipment | 0.05 | 0.10 |
| Sale of investments | 383.75 | 24.18 |
| Purchase of investments | (479.11) | (21.50) |
| Dividend on investments | 52.65 | 49.81 |
| (Increase)/decrease in loans | (849.48) | 38.75 |
| Interest received | 1.19 | 2.45 |
| Net cash (used in) / generated from investing activities - B | (891.57) | 91.71 |

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9 Standalone statement of cash flows for the half year ended 30 September 2020 (Continued) (₹ in Crores)

| Particulars | Half year Ended | |
|---|---------------------------------|---------------------------------|
| | 30 September 2020 (Reviewed) | 30 September 2019 (Reviewed) |
| C Cash flow from financing activities | | |
| Proceeds from issue of shares including premium and share application money | 1.83 | 5.42 |
| Proceeds from debt securities ¹ | 939.81 | - |
| Repayment of borrowings (other than debt securities) ¹ | (76.31) | (86.35) |
| Dividend paid | - | (26.65) |
| Finance costs | (16.54) | (3.10) |
| Net cash generated from / (used in) financing activities - C | 848.79 | (110.68) |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | 2.38 | (10.00) |
| Cash and cash equivalents as at the beginning of the period | 1.37 | 11.00 |
| Cash and cash equivalents as at the end of the period | 3.75 | 1.00 |

¹ Net figures have been reported on account of volume of transactions.

Above Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.

10 The previous period/year figures have been regrouped/reclassified wherever necessary to conform to current period's/year's presentation.

11 The Standalone financial results will be available on the Company's website - www.edelweissfin.com

On behalf of the Board of Directors

Rashesh Shah
Chairman

Mumbai, 30 October 2020.

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Edelweiss Financial Services Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Edelweiss Financial Services Limited (the "Holding Company"), its subsidiaries and its trusts (the Holding Company, its subsidiaries and its trusts together referred to as "the Group"), for the quarter ended December 31, 2020 and year to date from April 1, 2020 to December 31, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the subsidiaries and trusts (Refer Annexure A).
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Note 10 to the Statements, which describes the economic and social disruption as a result of COVID-19 pandemic of the Group's business and financial metrics including the Group's estimates of impairment of loans, financial assets, investments, investment in properties and intangible assets (including goodwill) which are highly dependent on uncertain future developments. Our opinion is not modified in respect of this matter.
7. The accompanying Statement includes the unaudited interim financial results and other financial information, in respect of:
 - 34 subsidiaries, whose unaudited interim financial results include total revenues of Rs. 1050.61 crores and Rs. 2682.94 crores, total net loss after tax of Rs. 110.29 crores and Rs. 271.81 crores, total comprehensive loss of Rs. 68.96 crores and Rs. 238.57 crores, for the quarter ended December 31, 2020 and the period ended on that date respectively, as considered in the Statement which have

been reviewed by their respective independent auditors. The independent auditor's reports on interim financial information/ financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

- The auditors of Edelweiss Tokio Life Insurance Company Limited (ETLIFE), a subsidiary, have reported that the actuarial valuation of liabilities of ETLIFE for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at December 31, 2020 is the responsibility of ETLIFE's Appointed Actuary. The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at December 31, 2020 has been duly certified by the ETLIFE 's Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", Ind AS 109 "Financial Instruments", the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ('IRDAI') and the Institute of Actuaries of India in concurrence with IRDAI. ETLIFE's auditors have relied upon the ETLIFE's Appointed Actuary's certificate for expressing their conclusion in this regard.
- The auditors of Edelweiss General Insurance Company Limited (EGICL), a subsidiary, have reported that the actuarial valuation of liabilities of EGICL for Incurred But Not Reported and Incurred But Not Enough Reported claims of EGICL as at December 31, 2020 is the responsibility of EGICL's Appointed Actuary. The actuarial valuation of these liabilities has been duly certified by the EGICL's Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with IRDAI. EGICL's auditors have relied on the EGICL's Appointed Actuary's certificate for expressing their conclusion in this regard.

Our conclusion on the Statement in respect of matters stated in para 7 above is not modified with respect to our reliance on the work done and the reports of the other auditors.

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per Shrawan Jalan

Partner

Membership No.: 102102

UDIN: 21102102AAAAACL3890

Place: Mumbai

Date : February 13, 2021

Annexure A

| SUBSIDIARIES: | SUBSIDIARIES: | TRUSTS: |
|---|--|-------------------|
| ECL Finance Limited | Edelweiss Securities (Hong Kong) Private Limited | EARC Trust SC 332 |
| Edelweiss Rural & Corporate Services Limited | Edelweiss Financial Services (UK) Limited | EARC Trust SC 334 |
| Edelweiss Asset Reconstruction Company Limited | EW Special Opportunities Advisors LLC | EARC Trust SC 342 |
| Edelweiss Housing Finance Limited | Edelweiss Trusteeship Company Limited | EARC Trust SC 344 |
| Edelweiss Finance & Investments Limited | Lichen Metals Private Limited | EARC Trust SC 347 |
| Edelweiss General Insurance Company Limited | ECap Equities Limited | EARC Trust SC 348 |
| Edelweiss Finvest Limited (Formerly known as Edelweiss Finvest Private Limited) | Edelweiss Investment Advisors Private Limited | EARC Trust SC 349 |
| Edelweiss Retail Finance Limited | EdelGive Foundation | EARC Trust SC 351 |
| Edelweiss Tokio Life Insurance Company Limited | | EARC Trust SC 352 |
| Edelweiss Custodial Services Limited | TRUSTS: | EARC Trust SC 357 |
| Edelweiss Securities Limited | ESAF - I Trust | EARC Trust SC 360 |
| Edelweiss Broking Limited | EARC SAF - 2 Trust | EARC Trust SC 361 |
| Edelcap Securities Limited | EARC SAF - 3 Trust | EARC Trust SC 363 |
| Allium Finance Private Limited | EARC Trust SC 6 | EARC Trust SC 370 |
| Everest Securities & Finance Limited | EARC Trust SC 7 | EARC Trust SC 381 |
| Edelweiss Securities and Investment Private Limited | EARC Trust SC 9 | EARC Trust SC 383 |
| Edelweiss International (Singapore) Pte. Limited | EARC Trust SC 102 | EARC Trust SC 386 |
| Edel Investments Limited | EARC Trust SC 109 | EARC Trust SC 384 |
| Edelweiss Capital (Singapore) Pte. Limited | EARC Trust SC 112 | EARC Trust SC 391 |
| EC Commodity Limited | EARC Trust SC 130 | EARC Trust SC 392 |
| Aster Commodities DMCC | EARC Trust SC 223 | EARC Trust SC 395 |
| Edelweiss Asset Management Limited | EARC Trust SC 229 | EARC Trust SC 380 |
| EC International Limited | EARC Trust SC 238 | EARC Trust SC 387 |
| Edelweiss Global Wealth Management Limited | EARC Trust SC 245 | EARC Trust SC 388 |
| Edel Land Limited | EARC Trust SC 251 | EARC Trust SC 393 |
| Edelweiss Comtrade Limited | EARC Trust SC 262 | EARC Trust SC 372 |
| Edelweiss Multi Strategy Fund Advisors LLP | EARC Trust SC 263 | EARC Trust SC 373 |
| Edelweiss Gallagher Insurance Brokers Limited | EARC Trust SC 266 | EARC Trust SC 374 |
| Edelweiss Private Equity Tech Fund | EARC Trust SC 293 | EARC Trust SC 375 |
| Edelweiss Value and Growth Fund | EARC Trust SC 297 | EARC Trust SC 376 |
| EAAA LLC | EARC Trust SC 298 | EARC Trust SC 385 |
| ESL Securities Limited | EARC Trust SC 306 | EARC Trust SC 394 |
| Edelweiss Alternative Asset Advisors Limited | EARC Trust SC 308 | EARC Trust SC 399 |
| Edel Finance Company Limited | EARC Trust SC 314 | EARC Trust SC 401 |
| Edelweiss Securities (IFSC) Limited | EARC Trust SC 318 | EARC Trust SC 402 |
| Edelweiss Investment Adviser Limited | EARC Trust SC 321 | EARC Trust SC 406 |
| Edelweiss Financial Services Inc. | EARC Trust SC 325 | EARC Trust SC 377 |
| Edelweiss Alternative Asset Advisors Pte. Limited | EARC Trust SC 329 | EARC Trust SC 378 |
| Edelweiss Resolution Advisors LLP | EARC Trust SC 331 | EARC Trust SC 396 |

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Consolidated Financial Results for the quarter and nine months ended 31 December 2020

| Particulars | Quarter Ended | | | Nine months Ended | | (₹ in Crores) |
|---|--------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--|
| | 31 December 2020 (Reviewed) | 30 September 2020 (Reviewed) | 31 December 2019 (Reviewed) | 31 December 2020 (Reviewed) | 31 December 2019 (Reviewed) | Year Ended 31 March 2020 (Audited) |
| 1 Revenue from operations | | | | | | |
| (a) Interest income | 965.01 | 1,085.63 | 1,455.81 | 3,105.95 | 4,528.50 | 5,901.95 |
| (b) Dividend income | 49.73 | 6.26 | 49.51 | 60.41 | 57.54 | 162.18 |
| (c) Fee and commission income | 401.02 | 388.85 | 701.82 | 1,146.93 | 1,622.38 | 2,099.30 |
| (d) Net gain / (loss) on fair value changes | 426.96 | 423.30 | 187.85 | 1,130.58 | 651.25 | 194.96 |
| (e) Premium from insurance business | 323.77 | 299.79 | 230.40 | 812.91 | 642.11 | 1,056.78 |
| (f) Other operating income | 12.05 | 18.99 | 14.26 | 42.70 | 76.14 | 98.15 |
| Total revenue from operations | 2,178.54 | 2,222.82 | 2,639.65 | 6,299.48 | 7,577.92 | 9,513.32 |
| 2 Other income | 12.80 | 34.06 | 9.91 | 68.42 | 58.84 | 89.31 |
| 3 Total Income (1+2) | 2,191.34 | 2,256.88 | 2,649.56 | 6,367.90 | 7,636.76 | 9,602.63 |
| 4 Expenses | | | | | | |
| (a) Finance costs | 924.99 | 949.07 | 1,246.23 | 2,876.04 | 3,637.92 | 4,793.04 |
| (b) Impairment on financial assets | 105.96 | 94.03 | 220.48 | 328.04 | 651.21 | 2,690.26 |
| (c) Change in valuation of credit impaired loans (Refer Note 7) | 137.92 | 209.56 | 213.83 | 480.45 | 360.89 | 871.24 |
| (d) Employee benefits expense | 324.23 | 286.43 | 332.16 | 919.07 | 1,040.40 | 1,407.30 |
| (e) Depreciation and amortisation expense | 55.39 | 57.03 | 49.48 | 169.46 | 146.52 | 232.23 |
| (f) Change in insurance policy liability - actuarial | 396.03 | 280.79 | 198.48 | 947.69 | 509.76 | 642.10 |
| (g) Policy benefits paid | 78.50 | 60.98 | 41.76 | 170.75 | 96.28 | 158.92 |
| (h) Other expenses | 303.49 | 350.21 | 295.64 | 885.41 | 831.48 | 1,264.19 |
| Total expenses | 2,326.51 | 2,288.10 | 2,598.06 | 6,776.91 | 7,274.46 | 12,059.28 |
| 5 Profit / (loss) before tax (3-4) | (135.17) | (31.22) | 51.50 | (409.01) | 362.30 | (2,456.65) |
| 6 Tax expense | | | | | | |
| Current tax | (45.85) | 44.28 | 129.15 | 48.84 | 341.92 | 297.08 |
| Deferred tax and MAT | (26.32) | (19.38) | (112.97) | (75.06) | (217.40) | (709.96) |
| 7 Net profit / (loss) for the period (5-6) | (63.00) | (56.12) | 35.32 | (382.79) | 237.78 | (2,043.77) |
| 8 Other comprehensive income/(loss) | 51.08 | (43.04) | (54.01) | 48.30 | (12.40) | 472.64 |
| 9 Total comprehensive income / (loss) (7+8) | (11.92) | (99.16) | (18.69) | (334.49) | 225.38 | (1,571.13) |
| 10 Net profit / (loss) for the period attributable to: | | | | | | |
| Owners of the company | (69.72) | (48.50) | 16.71 | (363.30) | 199.90 | (2,045.24) |
| Non controlling interests | 6.72 | (7.62) | 18.61 | (19.49) | 37.88 | 1.47 |
| 11 Other comprehensive income / (loss) for the period attributable to: | | | | | | |
| Owners of the company | 32.10 | (24.68) | (57.56) | 28.18 | (33.99) | 424.15 |
| Non controlling interests | 18.98 | (18.36) | 3.55 | 20.12 | 21.59 | 48.49 |
| 12 Total comprehensive income / (loss) for the period attributable to: | | | | | | |
| Owners of the company | (37.62) | (73.18) | (40.85) | (335.12) | 165.91 | (1,621.09) |
| Non controlling interests | 25.70 | (25.98) | 22.16 | 0.63 | 59.47 | 49.96 |
| 13 Earnings Per Share (₹) (Face Value of ₹ 1/- each) | | | | | | |
| - Basic (Refer Note 6) | (0.78) | (0.55) | 0.19 | (4.08) | 2.25 | (23.01) |
| - Diluted (Refer Note 6) | (0.78) | (0.55) | 0.18 | (4.08) | 2.23 | (23.01) |

Edelweiss Financial Services Limited

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Website : www.edelweissfin.com



Notes:

- The consolidated financial results of Edelweiss Financial Services Limited ('EFSL' or 'the Company') and its subsidiaries and trusts (together referred as 'Group') for the quarter and nine months ended 31 December 2020 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 13 February 2021.
- The consolidated financial results of EFSL for the quarter and nine months ended 31 December 2020 have been subjected to limited review by the Statutory Auditors of the Company and the auditors have issued an unmodified review report.
- The Company has opted to publish Extracts of the Unaudited Consolidated Financial Results, pursuant to option made available as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Standalone financial results are available on the Company's website viz. www.edelweissfin.com and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com). Key standalone financial information is given below:

| Particulars | Quarter Ended | | | Nine months Ended | | (₹ in Crores) |
|--|--------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--|
| | 31 December 2020 (Reviewed) | 30 September 2020 (Reviewed) | 31 December 2019 (Reviewed) | 31 December 2020 (Reviewed) | 31 December 2019 (Reviewed) | Year Ended 31 March 2020 (Audited) |
| Total income | 69.05 | 44.78 | 6.13 | 181.92 | 209.47 | 259.02 |
| Profit / (loss) before tax | (0.80) | 12.70 | (24.88) | (115.50) | 92.67 | 79.56 |
| Net profit / (loss) after tax for the period | (0.22) | 8.14 | (13.08) | (121.26) | 84.30 | 82.59 |
| Other comprehensive income / (loss) | 0.81 | (0.01) | 0.02 | 0.79 | 0.06 | (0.05) |
| Total comprehensive income / (loss) after tax | 0.59 | 8.13 | (13.06) | (120.47) | 84.36 | 82.54 |

- The attribution of consolidated profit / (loss) before tax between owners of the company and non controlling interests is as per below table:

| Particulars | Quarter Ended | | | Nine months Ended | | (₹ in Crores) |
|--|--------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--|
| | 31 December 2020 (Reviewed) | 30 September 2020 (Reviewed) | 31 December 2019 (Reviewed) | 31 December 2020 (Reviewed) | 31 December 2019 (Reviewed) | Year Ended 31 March 2020 (Audited) |
| Profit / (loss) before tax attributable to: | | | | | | |
| Owners of the company | (150.31) | (30.73) | 6.20 | (411.06) | 259.12 | (2,478.78) |
| Non controlling interests | 15.14 | (0.49) | 45.30 | 2.05 | 103.18 | 22.13 |
| Profit / (loss) before tax | (135.17) | (31.22) | 51.50 | (409.01) | 362.30 | (2,456.65) |

- During the quarter ended 31 December 2020, the Company has issued 68,125 equity shares of face value of ₹ 1 each to the employees of the company and its subsidiaries on exercise of employee stock options.
- Earnings per share for the quarters ended 31 December 2020, 30 September 2020, 31 December 2019 and nine months ended 31 December 2020 and 31 December 2019 are not annualised.
- Change in valuation of credit impaired loans represents valuation movement of loans originated by consolidated ARC trusts.
- Two Employee Welfare Trust(s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.
- Edelweiss Custodial Services Limited ("ECdSL"), a subsidiary of the Edelweiss Financial Services Company ("EFSL"), challenged an order, by an investigating agency, marking lien on its clearing account, before the 47th Additional Chief Metropolitan Magistrate Court, Mumbai. Since the investigation against the trading member, for which ECdSL was a clearing member, is under process, the said investigative agency contended that it had no objection to setting aside the lien order upon ECdSL providing an undertaking to keep sufficient assets unencumbered. ECdSL has since provided this undertaking to keep sufficient assets amounting to ₹ 460.32 crores belonging to Group companies unencumbered and the said lien order has been set aside. The MCSGF Committee of NSE Clearing Limited ("NCL") vide its order dated 20 October 2020 has directed ECdSL to adhere to instructions of National Stock Exchange ("NSE") / NCL, to appropriately reinstate the securities wherever trading member's clients had credit balance, but the securities got liquidated. ECdSL filed an appeal against the impugned order with Securities Appellate Tribunal ("SAT"). SAT vide its order dated 05 November 2020 has directed ECdSL to give an undertaking to NCL that it will deposit ₹ 212 crores or other amount if so directed by the SAT after disposal of Appeal. ECdSL has since provided the declaration to NCL. The matter is under process of hearing before SAT. The Company believes that it has acted in accordance with the agreement entered with the trading member and in accordance with applicable laws and regulations. Accordingly, there is no adjustment required in the financial results for the quarter and nine months ended 31 December 2020.
- The impact of COVID-19, since March 2020 including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to volatility in global and Indian financial markets and a decrease in global and local economic activity. The extent to which the COVID-19 will continue to impact Group's results, including credit quality and provisions, remain uncertain and would depend upon the time taken for economic activities to fully resume and reach normal levels while there has been visible improvement in economic activities during the current quarter. The Group holds provisions as at 31 December 2020 against the potential impact of COVID-19 based on the information available at this point in time. In accordance with the regulatory package announced by the Reserve Bank of India (RBI) on 27 March 2020, 17 April 2020 and 22 May 2020, the Group has granted a moratorium for the payment of all instalments falling due between 01 March 2020 and 31 August 2020 to all eligible borrowers that have opted to avail the same. The Group has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFCs and Group's lenders to extend moratorium and various other financial support from other banks and other agencies in determining the Group's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Group will be able to pay its obligations as and when these become due in the foreseeable future. In assessing the recoverability of loans, receivables, intangible assets including goodwill, deferred tax assets and investments, the Group has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Since the situation continue to evolve, its effect on the operations of the Group may be different from that estimated as at the date of approval of these financial results. The Group will continue to closely monitor material changes in markets and future economic conditions.
- Hon'ble Supreme Court in a public interest litigation (Gajendra Sharma vs. Union of India & Anr) vide an interim order dated 03 September 2020 (interim order) has directed that accounts which were not declared NPA till 31 August 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Group has not classified any account as NPA, as per RBI norms, after 31 August 2020 which was not NPA as of 31 August 2020. Further in light of the interim order, even accounts that would have otherwise been classified as NPA post 31 August 2020 have not been and will not be, classified as NPA till such time the Hon'ble Supreme Court rules finally on the matter. Such accounts have been classified as per Ind-AS and provisioned accordingly.
- The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact if any, and account for the same once the rules are notified and become effective.

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13 Consolidated Segment Results for the quarter and nine months ended 31 December 2020.

| Particulars | Quarter Ended | | | Nine months Ended | | (₹ in Crores) |
|--|--------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--|
| | 31 December 2020 (Reviewed) | 30 September 2020 (Reviewed) | 31 December 2019 (Reviewed) | 31 December 2020 (Reviewed) | 31 December 2019 (Reviewed) | Year Ended 31 March 2020 (Audited) |
| 1 Segment revenue [Total income] | | | | | | |
| Agency | 347.98 | 364.55 | 271.21 | 950.98 | 841.35 | 1,126.85 |
| Capital based | 490.20 | 756.07 | 1,024.80 | 2,020.61 | 3,673.10 | 4,465.20 |
| Insurance business | 607.82 | 443.66 | 353.59 | 1,450.53 | 929.14 | 1,246.25 |
| Asset reconstruction business | 370.70 | 429.75 | 737.10 | 1,160.06 | 1,464.62 | 1,820.71 |
| Treasury | 367.40 | 250.10 | 251.61 | 754.11 | 688.76 | 883.97 |
| Unallocated | 7.24 | 12.75 | 11.25 | 31.61 | 39.79 | 59.65 |
| Total income | 2,191.34 | 2,256.88 | 2,649.56 | 6,367.90 | 7,636.76 | 9,602.63 |
| 2 Segment results [Profit / (loss) before tax] | | | | | | |
| Agency | 62.46 | 65.00 | 54.39 | 159.10 | 222.85 | 256.00 |
| Capital based | (398.73) | (221.18) | (164.92) | (897.53) | (182.42) | (2,790.10) |
| Insurance business | (64.74) | (84.15) | (87.81) | (232.70) | (241.42) | (367.01) |
| Asset reconstruction business | 68.22 | 58.00 | 183.23 | 175.41 | 456.00 | 334.93 |
| Treasury | 196.24 | 155.72 | 65.11 | 396.41 | 116.85 | 116.16 |
| Unallocated | 1.38 | (4.61) | 1.50 | (9.70) | (9.56) | (6.63) |
| Total profit / (loss) before tax | (135.17) | (31.22) | 51.50 | (409.01) | 362.30 | (2,456.65) |
| 3 Segment assets | | | | | | |
| Agency | 5,905.47 | 4,444.88 | 4,596.24 | 5,905.47 | 4,596.24 | 4,528.77 |
| Capital based | 30,709.74 | 32,748.99 | 37,576.86 | 30,709.74 | 37,576.86 | 33,943.49 |
| Insurance business | 5,317.90 | 4,833.04 | 4,274.02 | 5,317.90 | 4,274.02 | 4,395.37 |
| Asset reconstruction business | 6,105.31 | 6,484.94 | 7,390.42 | 6,105.31 | 7,390.42 | 6,594.91 |
| Treasury | 3,668.97 | 2,120.33 | 4,955.80 | 3,668.97 | 4,955.80 | 3,277.36 |
| Unallocated | 1,730.45 | 1,606.74 | 1,161.35 | 1,730.45 | 1,161.35 | 1,540.43 |
| Total assets | 53,437.84 | 52,238.92 | 59,954.69 | 53,437.84 | 59,954.69 | 54,280.33 |
| 4 Segment liabilities | | | | | | |
| Agency | 5,098.83 | 3,706.46 | 4,070.08 | 5,098.83 | 4,070.08 | 3,888.30 |
| Capital based | 30,466.04 | 32,108.20 | 34,575.51 | 30,466.04 | 34,575.51 | 32,818.16 |
| Insurance business | 4,580.53 | 4,099.53 | 3,369.52 | 4,580.53 | 3,369.52 | 3,521.26 |
| Asset reconstruction business | 4,032.63 | 4,465.77 | 5,444.31 | 4,032.63 | 5,444.31 | 4,650.54 |
| Treasury | 2,041.85 | 621.03 | 3,297.64 | 2,041.85 | 3,297.64 | 1,859.22 |
| Unallocated | 283.11 | 304.64 | 368.18 | 283.11 | 368.18 | 335.77 |
| Total liabilities | 46,502.99 | 45,305.63 | 51,125.24 | 46,502.99 | 51,125.24 | 47,073.25 |
| 5 Segment Capital employed [Segment assets - Segment liabilities] | | | | | | |
| Agency | 806.64 | 738.42 | 526.16 | 806.64 | 526.16 | 640.47 |
| Capital based | 243.70 | 640.79 | 3,001.35 | 243.70 | 3,001.35 | 1,125.33 |
| Insurance business | 737.37 | 733.51 | 904.50 | 737.37 | 904.50 | 874.11 |
| Asset reconstruction business | 2,072.68 | 2,019.17 | 1,946.11 | 2,072.68 | 1,946.11 | 1,944.37 |
| Treasury | 1,627.12 | 1,499.30 | 1,658.16 | 1,627.12 | 1,658.16 | 1,418.14 |
| Unallocated | 1,447.34 | 1,302.10 | 793.17 | 1,447.34 | 793.17 | 1,204.66 |
| Total capital employed | 6,934.85 | 6,933.29 | 8,829.45 | 6,934.85 | 8,829.45 | 7,207.08 |

The Company has made its consolidated segment reporting to meaningfully represent its business lines Agency, Capital business, Asset reconstruction business, Insurance & Treasury business. Agency includes broking, advisory, product distribution and other fee based businesses; Capital Based represents lending business; Asset reconstruction business represents purchase and resolution of distress assets; Insurance business represents life insurance business and general insurance business. Treasury business represents income from trading and investment activities.

14 The previous period/year figures have been regrouped/reclassified wherever necessary to conform to current period's/year presentation.

15 The consolidated financial results will be available on the Company's website - www.edelweissfin.com

On behalf of the Board of Directors

Mumbai, 13 February 2021.

Rashesh Shah
Chairman

Independent Auditor's Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors of
Edelweiss Financial Services Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Edelweiss Financial Services Limited (the "Company") for the quarter ended December 31, 2020 and year to date from April 1, 2020 to December 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to note 7 of the Statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of investments and other assets, which are highly dependent on uncertain future developments. Our conclusion is not modified in respect of this matter.

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

per Shrawan Jalan
Partner
Membership Number:102102

UDIN: 21102102AAAACK1192

Place of Signature: Mumbai
Date: February 13, 2021

Edelweiss Financial Services Limited

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Website : www.edelweissfin.com



Standalone Financial Results for the quarter and nine months ended 31 December 2020

| (₹ in Crores) | | | | | | |
|---------------|--|--------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Particulars | Quarter Ended | | | Nine Months Ended | |
| | | 31 December 2020 (Reviewed) | 30 September 2020 (Reviewed) | 31 December 2019 (Reviewed) | 31 December 2020 (Reviewed) | 31 December 2019 (Reviewed) |
| 1 | Revenue from operations | | | | | |
| | (a) Interest income | 33.79 | 7.90 | 3.03 | 41.73 | 10.72 |
| | (b) Dividend income | - | - | - | 52.65 | 49.81 |
| | (c) Fee and commission income | 28.47 | 23.41 | 6.46 | 62.81 | 71.87 |
| | (d) Net gain on fair value changes | 0.04 | - | (17.51) | 0.09 | 31.15 |
| | (e) Other operating income | 6.75 | 9.28 | 11.14 | 20.45 | 32.36 |
| | Total revenue from operations | 69.05 | 40.59 | 3.12 | 177.73 | 195.91 |
| 2 | Other income | - | 4.19 | 3.01 | 4.19 | 13.56 |
| 3 | Total Income (1+2) | 69.05 | 44.78 | 6.13 | 181.92 | 209.47 |
| 4 | Expenses | | | | | |
| | (a) Finance costs | 39.29 | 12.89 | 8.43 | 55.83 | 26.31 |
| | (b) Employee benefits expense | 4.39 | 2.46 | 13.36 | 19.57 | 44.90 |
| | (c) Depreciation and amortisation expense | 0.36 | 0.42 | 0.74 | 1.16 | 2.48 |
| | (d) Impairment on financial instruments | 1.24 | (1.00) | (0.29) | 46.43 | 1.03 |
| | (e) Loss on sale of financial instruments | - | - | - | 120.13 | - |
| | (f) Other expenses | 24.57 | 17.31 | 8.77 | 54.30 | 42.08 |
| | Total expenses | 69.85 | 32.08 | 31.01 | 297.42 | 116.80 |
| 5 | Profit / (Loss) before tax (3-4) | (0.80) | 12.70 | (24.88) | (115.50) | 92.67 |
| 6 | Tax expense (Refer note 5) | | | | | |
| | Current tax | (11.24) | (1.04) | (6.77) | (2.12) | 4.46 |
| | Deferred tax and MAT | 10.66 | 5.60 | (5.03) | 7.88 | 3.91 |
| 7 | Net Profit / (Loss) for the period (5-6) | (0.22) | 8.14 | (13.08) | (121.26) | 84.30 |
| 8 | Other Comprehensive Income / (Loss) | 0.81 | (0.01) | 0.02 | 0.79 | 0.06 |
| 9 | Total Comprehensive Income / (Loss) (7+8) | 0.59 | 8.13 | (13.06) | (120.47) | 84.36 |
| 10 | Earnings Per Share (₹) (Face Value of ₹ 1/- each) | | | | | |
| | - Basic (Refer note 4) | 0.003 | 0.09 | (0.15) | (1.36) | 0.95 |
| | - Diluted (Refer note 4) | 0.003 | 0.09 | (0.15) | (1.36) | 0.94 |

Notes:

- The standalone financial results of Edelweiss Financial Services Limited ('EFSL' or 'the Company') for the quarter and nine months ended 31 December 2020 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 13 February 2021.
- The standalone financial results of EFSL for the quarter and nine months ended 31 December 2020 have been subjected to limited review by the Statutory Auditors of the Company and the auditors have issued an unmodified review report.
- During the quarter ended 31 December 2020, the Company has issued 68,125 equity shares of face value of ₹1 each to the employees of the Company and its subsidiaries on exercise of employee stock options.
- Earnings per share for the quarters ended 31 December 2020, 30 September 2020, 31 December 2019 and nine months ended 31 December 2020 and 31 December 2019, are not annualised.
- Two Employee Welfare Trust(s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.
- The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
- The impact of COVID-19 since March 2020, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to volatility in global and Indian financial markets and a decrease in global and local economic activity, while there has been some improvement in economic activities during the current quarter. The Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various financial support from banks and other fundraising opportunities in determining the Company liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. In assessing the recoverability of loans, receivables, deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Since the situation continue to evolve, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor material changes in markets and future economic conditions.

Edelweiss Financial Services Limited

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8 Standalone Segment Results for the quarter and nine months ended 31 December 2020

| | Particulars | Quarter Ended | | | Nine Months Ended | | (₹ in Crores) |
|----------|--|--------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--|
| | | 31 December 2020 (Reviewed) | 30 September 2020 (Reviewed) | 31 December 2019 (Reviewed) | 31 December 2020 (Reviewed) | 31 December 2019 (Reviewed) | Year Ended 31 March 2020 (Audited) |
| 1 | Segment revenue [Total income] | | | | | | |
| | Agency | 21.21 | 17.15 | 7.27 | 40.77 | 60.37 | 80.82 |
| | Holding Company activities | 47.84 | 23.48 | (1.36) | 137.00 | 148.27 | 177.36 |
| | Unallocated | - | 4.15 | 0.22 | 4.15 | 0.83 | 0.84 |
| | Total income | 69.05 | 44.78 | 6.13 | 181.92 | 209.47 | 259.02 |
| 2 | Segment results [Profit / (Loss) before tax] | | | | | | |
| | Agency | 9.08 | 12.38 | (4.53) | 14.30 | 19.54 | (3.38) |
| | Holding Company activities | (9.88) | (3.83) | (20.56) | (133.95) | 72.30 | 82.10 |
| | Unallocated | - | 4.15 | 0.21 | 4.15 | 0.83 | 0.84 |
| | Total Profit before tax | (0.80) | 12.70 | (24.88) | (115.50) | 92.67 | 79.56 |
| 3 | Segment Assets | | | | | | |
| | Agency | 12.23 | 15.06 | 15.51 | 12.23 | 15.51 | 14.05 |
| | Holding Company activities | 4,370.33 | 4,334.52 | 3,725.99 | 4,370.33 | 3,725.99 | 3,576.12 |
| | Unallocated | 83.75 | 94.81 | 71.75 | 83.75 | 71.75 | 91.92 |
| | Total assets | 4,466.31 | 4,444.39 | 3,813.25 | 4,466.31 | 3,813.25 | 3,682.09 |
| 4 | Segment Liabilities | | | | | | |
| | Agency | 7.77 | 17.69 | 7.33 | 7.77 | 7.33 | 28.32 |
| | Holding Company activities | 1,088.65 | 1,051.06 | 354.45 | 1,088.65 | 354.45 | 184.32 |
| | Unallocated | 7.21 | 22.62 | 7.76 | 7.21 | 7.76 | 14.88 |
| | Total liabilities | 1,103.63 | 1,091.37 | 369.54 | 1,103.63 | 369.54 | 227.52 |
| 5 | Segment Capital employed [Segment assets - Segment liabilities] | | | | | | |
| | Agency | 4.46 | (2.63) | 8.18 | 4.46 | 8.18 | (14.27) |
| | Holding Company activities | 3,281.68 | 3,283.46 | 3,371.54 | 3,281.68 | 3,371.54 | 3,391.80 |
| | Unallocated | 76.54 | 72.19 | 63.99 | 76.54 | 63.99 | 77.04 |
| | Total capital employed | 3,362.68 | 3,353.02 | 3,443.71 | 3,362.68 | 3,443.71 | 3,454.57 |

Agency includes investment banking; Holding Company activities comprise of development, managerial and financial support to the businesses of subsidiaries and investment activities.

9 The previous period/year figures have been regrouped/reclassified wherever necessary to conform to current period's/year's presentation.

10 The Standalone financial results will be available on the Company's website - www.edelweissfin.com

On behalf of the Board of Directors

Mumbai, 13 February 2021.

Rashesh Shah
Chairman

MATERIAL DEVELOPMENTS

No material developments have taken place in our Company since December 31, 2020 till the date of filing this Prospectus, except as disclosed below and herein above:

- The following are the changes in the Equity Share capital of our Company:

| Date of allotment | Nature of allotment | Number of Equity Shares allotted | Face Value(Rs.) | Cumulative Equity Share Capital(Rs.) |
|-------------------|-----------------------------------|----------------------------------|-----------------|--------------------------------------|
| January 12, 2021 | Allotment pursuant to ESOP scheme | 58,875 | Re.1 | 93,50,53,527 |
| January 22, 2021 | Allotment pursuant to ESOP scheme | 13,250 | Re.1 | 93,50,66,777 |
| February 8, 2021 | Allotment pursuant to ESOP scheme | 75,050 | Re.1 | 93,51,41,827 |
| March 16, 2021 | Allotment pursuant to ESOP scheme | 6,56,250 | Re.1 | 93,57,98,077 |

- The Company has issued secured redeemable non-convertible debentures of face value of ₹ 1,000 each through public issue of which ₹ 2,000.00 million ("Public Issue 1"). The details of which are set forth below*:

Credit Rating: 'CARE A+; (Single A Plus; Outlook: Stable)' by CARE, and 'BWR AA-/Stable (Assigned)' by Brickwork Ratings India Private Limited.

(₹ in million)

| Sr. No. | Description | ISIN | Tenor/ Period of Maturity | Coupon (per annum) | Face Value | Issue Amount | Amount outstanding | Redemption/ Maturity Date |
|---------|--------------|--------------|---------------------------|--------------------|------------|--------------|--------------------|---------------------------|
| 1 | EFSL NCD | INE532F07BK7 | 1,095 | 9.35% | 1,000.00 | 584.00 | 584.00 | January 08, 2024 |
| 2 | EFSL NCD | INE532F07BL5 | 1,095 | 9.35% | 1,000.00 | 154.88 | 154.88 | January 08, 2024 |
| 3 | EFSL NCD | INE532F07BM3 | 1,826 | 9.80% | 1,000.00 | 559.02 | 559.02 | January 08, 2026 |
| 4 | EFSL NCD | INE532F07BN1 | 1,826 | 9.79% | 1,000.00 | 342.13 | 342.13 | January 08, 2026 |
| 5 | EFSL NCD | INE532F07BO9 | 1,826 | 9.80% | 1,000.00 | 107.99 | 107.99 | January 08, 2026 |
| 6 | EFSL NCD | INE532F07BP6 | 3,652 | 9.95% | 1,000.00 | 180.69 | 180.69 | January 08, 2031 |
| 7 | EFSL NCD | INE532F07BQ4 | 3,652 | 9.94% | 1,000.00 | 71.30 | 71.30 | January 08, 2031 |
| | Total | | | | | | 2,000.00 | |

***Security:** Company has executed the debenture trust deed dated January 7, 2021, in relation to the security for the aforesaid debentures.

Date of Allotment for secured, redeemable, non-convertible debentures issued pursuant to prospectus dated December 17, 2020 is January 8, 2021.

- One of the subsidiaries of our Company, namely Edelweiss Securities Limited, has incorporated a subsidiary under the name and style of Edelweiss Capital Services Limited on February 12, 2021.
- Redemption:** Our Company has redeemed, on March 22, 2021, the unrated, secured redeemable non-convertible debenture of face value of ₹1,000,000 on a private placement basis of which ₹10,456.68 million was outstanding (including accrued interest) as on December 31, 2020, the details of which are set forth below:

| Description | Tenor/ period of maturity (Days) | Coupon (p.a.) in % | Date of allotment | Amount outstanding** (including accrued interest) (₹ million) | Redemption/ Maturity date |
|--|----------------------------------|--------------------|-------------------|---|---------------------------|
| Secured, unrated, unlisted, non-convertible redeemable debentures* | 1,094 | 8.00% | August 31, 2020 | 10,456.68 | August 30, 2023 |

***Above debentures are fully secured by pledge over 51% of the total issued and paid-up equity share capital of Edelweiss Securities Limited on fully diluted basis at all times and any other security created in accordance with the debenture trust deed from time to time.**

- **Issuance of secured Rated Redeemable non-convertible debentures (private placements):**

| Sr. No. | Description* | ISIN | Tenor/ Period of Maturity (Days) | Coupon (per annum) | Face Value | Issue Amount | Amount outstanding (₹ million) | Redemption/ Maturity Date |
|---------|--|--------------|------------------------------------|---------------------------------|--------------------|-------------------|--------------------------------|---------------------------|
| 1 | Secured, Unlisted, Unrated, Redeemable, Non-Convertible Debentures | INE532F07BU6 | 49 months 15 days– 1506 days | 5.00% per annum payable monthly | INR 10,00,000 each | INR 3,500 million | INR 3,500 million | April 30, 2025 |

**The debentures are secured by exclusive charge, over pledge of 59.84% of the fully paid up equity share capital of Edelweiss Asset Reconstruction Company Limited; a first ranking exclusive charge by way of hypothecation over the charged account; an irrevocable and unconditional guarantee issued by each of the corporate guarantors.*

Interim Dividend. On March 25, 2021, the Board of Directors of our Company, declared an interim dividend of INR 0.90 per share on the equity shares of the face value of Re. 1/- each.

In relation to PAGAC Ecstasy Pte Ltd

- PAGAC Ecstasy Pte Ltd (**PAG**), in March 2021, has made an investment of INR 23,658 million in Edelweiss Wealth Management (**EWM**) business housed in Edelweiss Securities Limited (**ESL**), Edelweiss Global Wealth Management Limited (**EGWML**) and certain subsidiaries of ESL, by way of primary and secondary investment.
 - Additionally, PAG has also acquired the entire ownership of the prior investors in EWM, Kora Management (Kora) and Sanaka Capital (Sanaka).
 - Pursuant to the above, PAG will hold ~ 61.47%, our Company will hold ~38.53% stake in EWM on a fully diluted basis, with an option to increase it further to upto ~44%.
 - As part of PAG's investment in EWM:
 - (a) our Company has received INR 125 million from PAG for purchasing 125,000 compulsorily convertible debentures of EGWML of face value of INR 1,000 each (convertible into 99% equity share capital of EGWML) (the **CCDs**);
 - (b) EGWML has received a consideration of INR 21,919 million for PAG's subscription of 21,919,000 CCDs;
 - (c) Our Company and ECAP Equities Limited (a wholly owned subsidiary of our Company) have sold 1,27,13,376 and 26,65,235 equity shares of ESL, respectively, to EGWML for a consideration of INR 19,310 million;
 - (d) ESL has received a consideration of (i) INR 1,218.08 million for PAG's subscription of 970,087 equity shares of ESL; (ii) INR 395.88 million for Asia Pragati Strategic Investment Fund's (an affiliate of PAG) subscription to 3,95,875 compulsorily convertible debentures of ESL that will convert into 0.9% of the total issued and paid-up equity share capital of ESL on a fully diluted basis; and (iii) INR 2,734 million for EGWML's subscription to 21,77,375 equity shares of ESL; and
 - (e) pursuant to (c) and (d) above, PAG will (directly, and indirectly through acquisition of control in EGWML) control at least 61.47% of the equity share capital of ESL, on a fully diluted basis.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

| Sr. No. | Ind AS No. | Particulars | Indian GAAP | Ind AS |
|---------|------------|--------------------------------------|--|---|
| 1 | Ind AS 1 | Presentation of Financial Statements | <u>Other Comprehensive Income:</u> There is no concept of 'Other Comprehensive Income' under Indian GAAP. | <u>Other Comprehensive Income:</u> Ind AS 1 introduces the concept of Other Comprehensive Income ("OCI"). Other comprehensive income comprises items of income and expenses (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind AS. |
| | | | <u>Extraordinary items:</u> Under Indian GAAP, extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity. | <u>Extraordinary items:</u> Under Ind AS, presentation of any items of income or expense as extraordinary is prohibited. |
| | | | <u>Change in Accounting Policies:</u> Indian GAAP requires changes in accounting policies to be presented in the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material. If a change in the accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed. | <u>Change in Accounting Policies:</u> Ind AS requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise. |
| 2 | Ind AS 12 | Deferred Taxes | Under Indian GAAP, the Company determines deferred tax to be recognized in the financial statements with reference to the income statement approach i.e. with reference to the timing differences between profit offered for income taxes and profit as per the financial statements. | As per Ind AS 12 Income Taxes, deferred tax is determined with reference to the balance sheet approach i.e. based on the differences between carrying value of the assets/liabilities and their respective tax base. Using the balance sheet approach, there could be additional deferred tax charge/income on account of all Ind AS opening balance sheet adjustments |
| 3 | Ind AS 19 | Accounting for Employee benefits | Currently, under Indian GAAP the Company recognizes all short term and long term employee benefits in the profit and loss account as the services are received. For long term employee benefit, the Company uses actuarial valuation to determine the liability. | Under Ind AS 19, the change in liability is split into changes arising out of service, interest cost and re-measurements and the change in asset is split between interest income and re-measurements. Changes due to service cost and net interest cost/ income need to be recognized in the income statement and the changes arising out of re- |

| Sr. No. | Ind AS No. | Particulars | Indian GAAP | Ind AS |
|---------|---------------------|---|--|---|
| | | | | measurements are to be recognized directly in OCI. |
| 4 | Ind AS 24 | Related parties | Under Indian GAAP, the scope of related parties is limited | Under Ind AS, the scope of related parties is extensive. |
| 5 | Ind AS 27 | Separate Financial Statements | Accounting for investments in subsidiaries is governed by Accounting Standard 13 depending on the classification of the investment as current or long term | Accounting for investments in subsidiaries is governed by Ind AS 27 which gives an option to account the same at cost or in accordance with Ind AS 109 |
| 6 | Ind AS 37 | Provisions, contingent liabilities and contingent assets | Under Indian GAAP, provisions are recognised only under a legal obligation. Also, discounting of provisions to present value is not permitted | Under IND AS, provisions are recognised for legal as well as constructive obligations. IND AS requires discounting the provisions to present value, if the effect of time value of money is material |
| 7 | Ind AS 102 | Share based payments | Under Indian GAAP, company has an option to account for share based payments on the basis of intrinsic value or fair value. The company followed the intrinsic value method and gave a proforma disclosure for the fair valuation. | Under Ind AS, the share based Payments have to be mandatorily accounted basis the fair value and the same has to be recorded in the Statement of Profit or Loss over the vesting period. The fair valuation of the unvested options as on the transition date have to be adjusted against retained earnings |
| 8 | Ind AS 32/ 107/ 109 | Presentation and classification of Financial Instruments and subsequent measurement | <p>Currently, under Indian GAAP, the financial assets and financial liabilities are recognised at the transaction value. The Company classifies all its financial assets and liabilities as short term or long term. Long term investments are carried at cost less any permanent diminution in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value.</p> <p>Financial liabilities are carried at their transaction values. Disclosures under Indian GAAP are limited. Currently under Indian GAAP, processing fees and/or fees of similar nature are recognized upfront in the Statement of Profit and Loss.</p> <p>Currently, the de-recognition of financial assets under securitization/assignment transactions are governed by RBI guidelines for NBFCs</p> | <p>Ind AS 109 requires all financial assets and financial liabilities to be recognised on initial recognition at fair value. Financial assets have to be either classified as measured at amortized cost or measured at fair value. Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss, (FVTPL), or recognized in other comprehensive income (FVOCI). Financial assets include equity and debts investments, interest free deposits, loans, trade receivables etc. Assets classified at amortized cost and FVOCI and the related revenue (including interest subsidy, processing fees and fees of similar nature) net of related costs have to be measured using the Effective Interest Rate (EIR) method.</p> <p>Interest subsidy and loan processing fees and/or fees of similar nature would be measured and recognized using the Effective Interest Rate (EIR) method over the period of loan. There are two measurement categories for financial liabilities – FVTPL and amortized cost.</p> <p>Fair value adjustment on transition shall be adjusted against opening retained earnings on the date of transition. Disclosures under Ind AS are extensive.</p> <p>Ind AS 109 prescribes transfer of risk and rewards of ownership for de-recognition of financial assets</p> |

| Sr. No. | Ind AS No. | Particulars | Indian GAAP | Ind AS |
|---------|---------------------|--|--|--|
| 9 | Ind AS 32/ 107/ 109 | Financial Instruments Impairment | Under Indian GAAP, the Company assesses the provision for doubtful debts at each reporting period, which in practice, is based on relevant information like past experience, financial position of the debtor, cash flows of the debtor, guidelines issued by the regulator etc. | The impairment model in Ind AS is based on expected credit losses and it applies equally to debt instruments measured at amortized cost or FVOCI, lease receivables, contract assets within the scope of Ind AS 15 (currently deferred) and certain written loan commitments and financial guarantee contracts. |
| 10. | Ind AS 32/ 107/ 109 | Presentation and classification of Financial liabilities | Financial instruments are classified based on legal form-redeemable preference shares will be classified as equity. Preference dividends are always recognised similar to equity dividend and are never treated as interest expense. | Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement, (and not its legal form), and the definition of financial liabilities and equity instruments. Dividends on financial instruments classified as financial liability is recognised as an interest expense in the statement of profit or loss and other comprehensive income. Hence if preference shares meet the definition of financial liability, the preference dividend shall be treated as an interest expense. |
| 11. | Ind AS 110 | Consolidated financial statements | Control is: Ownership directly or indirectly through subsidiaries of more than one half of the voting power of an company control of the composition of the board of directors of the company, so to obtain economic benefits from its activities | Control is: Control is based on whether an investor has: 1) Power over the investee 2) Exposure or rights to variable return from its involvement with the investee and the ability to use its power over the investee to affect amount of return |
| 12. | Ind AS 110 | Consolidated financial statements | Minority interest are presented in the consolidated financial statements separately from liabilities and equity of the parent company | Non controlling interest are presented in the consolidated financial statements within equity, separately from equity of the owners of the parent |
| 13. | Ind AS 103 | Business combination | Amalgamation in nature of purchase are account for by recording the identifiable assets and liabilities of the acquiree either at fair value or at book value Amalgamation in nature of merger are accounted under pooling of interest method. Identified assets and liabilities acquired by purchase of shares which are not amalgamation are recorded at carrying value in consolidated financial statements. | All the business combination other than those between entities under common control are accounted using the purchase method. Business combination transaction between entities under common control should be accounted for using 'pooling of interest' method |

FINANCIAL INDEBTEDNESS

As on December 31, 2020, our Company had outstanding Total Borrowings, on a standalone basis, of ₹10,569.15 million.

Set forth below, is a summary of the borrowings by our Company outstanding as on December 31, 2020, together with a brief description of certain significant terms of such financing arrangements.

Details of secured borrowings:

Our Company's outstanding borrowings through debt securities, on a standalone basis, as on December 31, 2020 amount's to ₹10,569.15 million. The details of the secured borrowings are set out below:

1. Unrated, Secured, Redeemable Non-Convertible Debentures (private placements):

Our Company has issued unrated, secured redeemable non-convertible debenture of face value of ₹1,000,000 on a private placement basis of which ₹10,456.68 million is outstanding (including accrued interest) as on December 31, 2020, the details of which are set forth below:

| Description | Tenor/ period of maturity (Days) | Coupon (p.a.) in % | Date of allotment | Amount outstanding** (including accrued interest) (₹ million) | Redemption/ Maturity date |
|--|----------------------------------|--------------------|-------------------|---|---------------------------|
| Secured, unrated, unlisted, non-convertible redeemable debentures* | 1,094 | 8.00% | August 31, 2020 | 10,456.68 | August 30, 2023 |

*Above debentures are fully secured by pledge over 51% of the total issued and paid-up equity share capital of Edelweiss Securities Limited on fully diluted basis at all times and any other security created in accordance with the debenture trust deed from time to time.

2. Secured Redeemable non-convertible debentures (private placements):

| Sr. No. | Description | ISIN | Tenor/ Period of Maturity (Days) | Coupon (per annum) | Face Value | Issue Amount | Amount outstanding (₹ million) | Redemption/ Maturity Date |
|---------|-------------|--------------|----------------------------------|--------------------|------------|--------------|--------------------------------|---------------------------|
| 1 | J3L001A | INE532F07BJ9 | 1,095 | 9.75% | 1,00,000 | 105.70 | 102.76 | December 18, 2023 |
| 2 | J3L001A01 | INE532F07BJ9 | 1,092 | 9.78% | 1,00,000 | 10.00 | 9.71 | December 18, 2023 |

*Above debentures are fully secured by Pari Passu charge over present and future receivables of the Company excluding the receivables which are charged with other lenders, trustees or creditors

Corporate Guarantee

As on December 31, 2020, our Company has issued corporate guarantee amounting to ₹ 84,232.28 million

| Sr. No. | Company name | Nature of facility | Amount sanctioned (₹ in million) | Amount outstanding as on December 31, 2020 (₹ in million) |
|---------|--|---|----------------------------------|---|
| 1 | Ecap Equities Limited | NLDs | 12,500.00 | 2,217.60 |
| 2 | ECL Finance Limited | Banking Facility and NLDs | 3,500.00 | 2,576.90 |
| 3 | Edelweiss Asset Reconstruction Company Limited | Banking Facility and non-convertible debentures, NLDs | 35,750.00 | 22,151.50 |
| 4 | Edelweiss Custodial Services Limited | Banking facility | 13,500.00 | 8,450.00 |

| Sr. No. | Company name | Nature of facility | Amount sanctioned (₹ in million) | Amount outstanding as on December 31, 2020 (₹ in million) |
|--------------|---|------------------------------------|----------------------------------|---|
| 5 | Edelweiss Finance & Investments Limited | Preference shares trading and NLDs | 720.70 | 145.90 |
| 6 | Edelweiss Finvest Limited | NLDs | 4,700.00 | 780.40 |
| 7 | Edelweiss Housing Finance Limited | Banking facility | 3,700.00 | 2,114.15 |
| 8 | Edelweiss Securities Limited | Banking facility | 2,000.00 | 714.90 |
| 9 | Edelweiss Commodities Services Limited | Security receipts | 42,600.93 | 42,600.93 |
| 10 | Edelweiss Investment Advisers Limited | Non-convertible debentures | 2,850.00 | 2,480.00 |
| Total | | | 1,21,821.63 | 84,232.28 |

Details of unsecured borrowings:

Commercial Paper:

Our Company has not issued any commercial papers as on December 31, 2020.

Inter-Corporate Deposits:

Our Company has not borrowed any amount by way of inter-corporate deposits as on December 31, 2020.

Inter-Corporate Loans:

Our Company has not borrowed any amount by way of demand loans under the same management as on December 31, 2020.

Loan from Directors and Relatives of Directors:

Our Company has not raised any loan from directors and relatives of directors as on December 31, 2020.

Restrictive Covenants under our Financing Arrangements:

Our financing agreements include various restrictive conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the debenture trustee before carrying out such activities. For instance, our Company, inter-alia, is required to obtain the prior written consent in the following instances:

- Effect any change in control of our Company.
- Permit any transfer of the controlling interest or make any drastic change in the management set-up.
- Change or in any way alter the capital structure.
- Implement a new scheme of expansion or take up an allied line of business or manufacture.
- Effect any scheme of amalgamation or reconstruction.
- to amend the constituent documents of certain companies of our Company.

Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities.

As on the date of this Prospectus, there has been no rescheduling, default and/or delay in payment of principal or interest on any existing term loan, debt security(ies) or any other financial indebtedness including corporate guarantee issued by the Issuer in the past five years.

Details of any outstanding borrowing taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.

Nil

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS

Our Company, Directors, Promoter, Subsidiaries and our group companies are subjected to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are initiated by us and also by customers and other parties. These legal proceedings are primarily in the nature of (a) arbitration petitions (b) civil suits (c) criminal complaints, (d) consumer complaints, (e) tax matters and (f) petitions pending before appellate authorities. We believe that the number of proceedings in which we are involved in is not unusual for a company of our size in the context of doing business in India. Except as disclosed below, there is no outstanding litigation including, suits, criminal or civil prosecutions and taxation related proceedings against our Company, Subsidiaries, Promoters, Directors and group companies that would have a material adverse effect on our operations or financial position.

The Debenture Fund Raising Committee has set a materiality threshold for disclosure of events or information in relation to the Issue encompassing all pending litigation involving our Company, Promoter, Directors, Subsidiaries and group companies, other than criminal proceedings and taxation matters (which would be disclosed in a consolidated manner), as ‘material’ for the purposes of disclosure in this Prospectus if: (i) the monetary amount of claim by or against the entity or person in any such pending litigation is in excess of an amount of ₹100 million or 1% of the networth of our Company as on March 31, 2020 whichever is less, or (ii) any such litigation or regulatory action the outcome of which has a bearing on the business, operations, prospects or reputation of our Company, irrespective of the amount involved in such litigation.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors, our Promoter, Subsidiaries or our group companies shall, unless otherwise decided by our Board of Directors/Fund Raising Committee, not be considered as litigation until such time that our Company, Directors, Promoter, Subsidiaries and/or group companies, as the case maybe, is impleaded as a defendant in litigation proceedings before any judicial forum.

Except as disclosed below, there are no pending proceedings pertaining to:

- (i) matters likely to affect operations and finances of our Company, Subsidiaries, Promoter, Directors, group companies, or any other person, whose outcome could have a material adverse effect on our Company, including disputed tax liabilities and contingent liabilities of any nature;
- (ii) any default and non-payment of statutory dues;
- (iii) litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against Promoters during the last five years immediately preceding the date of the issue of this Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;
- (iv) any material fraud committed against our Company in the last five years;
- (v) there are no failures or defaults to meet statutory dues, institutional dues and dues towards instrument holders including holders of debentures, fixed deposits and arrears on cumulative preference shares, etc., by our Company;
- (vi) pending proceedings initiated against our Company for economic offences; and
- (vii) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013, or any previous companies law (including where there were any prosecutions filed) and fines imposed or compounding of offences by our Company in the last five years immediately preceding the year of issue of this Prospectus against our Company and our Subsidiaries fines imposed on or compounding of offences done by our Company and our Subsidiaries in the last five years immediately preceding the year of this Prospectus.

1. Material litigations and regulatory actions involving our Company

- (a) As on the date of this Prospectus, following are material litigations in our Company:

(i) Civil Litigation

By our Company

- A. Our Company along with ECL Finance Limited, Edelweiss Retail Finance Limited, Edel Finance Company Limited, Edelweiss Finance & Investments Limited, Edelweiss Finvest Limited, Allium Finance Private Limited, Edelweiss Housing Finance Limited (“**Plaintiff**”) jointly filed a defamation suit against Moody's Corporation and others (“**Moody's**”) before the Bombay High Court (“**Court**”), as Moody's in their research report titled "*Nonbank financial institutions - India*" and "*Economic slowdown worsened by coronavirus will exacerbate liquidity stress*", published misleading information about Edelweiss's liquidity position on May 18, 2020. On July 23, 2020, the Court has issued directions to Moody's to publish a clarification specifying that the error in the report dated May 18, 2020, pertaining to Edelweiss has been rectified and that report of May 18, 2020 should not be relied upon. The matter is currently pending.

(ii) Criminal Litigation

By our Company

- A. Our Company filed a criminal writ petition on May 10, 2012 before the Bombay High Court against the State of Maharashtra and others, praying *inter alia*, that the respondents or the Central Bureau of Investigation (“**CBI**”) or any other agency be directed to register and investigate the complaint dated December 30, 2011 made by our Company. Further, our Company *vide* its letter dated December 30, 2011 had filed a complaint under Sections 417, 419, 420, 465, 468, 469 and 471 read with Section 120-B of the IPC and under various sections of the Information Technology Act, 2000, Trademark Act, 1999 and the Copyright Act, 1957 against Vaibhav Singh, Percept Profile, Harindra Singh, Shailendra Singh, Rajeev Mehrotra and unknown persons before the Senior Inspector Police, N.M. Marg Police Station Mumbai. (“**Complaint**”). The Complaint was filed in relation to press release titled “*Edelweiss Asset Management Head Quits, to Start Own*”, which was allegedly released by the aforesaid employees of Percept Profile on behalf of our Company. The Court *vide* its order dated July 23, 2012, directed the police to register a first information report on August 6, 2012 (“**FIR**”). Subsequently, Harindra Singh and Shailendra Singh filed a Criminal Application before the Bombay High Court praying *inter alia* for quashing the FIR. Further, Rajeev Mehrotra filed a criminal application before Bombay High Court *inter alia* praying for declaration that investigation under FIR is null and void and for staying further proceedings in the FIR. The Court, *vide* its order dated December 3, 2012, directed that in case the investigating officer desires to arrest the applicants, the investigating officer shall give 72 hours’ advance notice, so that the applicants can adopt appropriate remedy. The matter is currently pending.
- B. On June 13, 2020, our Company filed a criminal complaint against LeapUp-Edutech Private Limited and its two directors (“**Accused**”) for having committed offences under provisions of Indian Penal Code, *inter alia* defamation, cheating, criminal breach of trust, hatching a criminal conspiracy along with mischief for publishing defamatory video against our Company, on its private channel on YouTube. The video has been taken down by the Accused. The matter is currently pending.

Against our Company

- A. Our Company received a notice on September 17, 2019 from the office of the Property Cell, Detection Crime Branch, CID, Mumbai (“**Detection Crime Branch**”) under Section 91 of the Criminal Procedure Code, 1973, *inter alia* informing that Detection Crime Branch is investigating an offence under Sections 419, 420, 465, 467, 468, 471 read with 34 and 120B of Indian Penal Code, 1860, and during investigation it was revealed that the Accused, Pravin Rameshbhai Bhatt had prepaid and applied to our Company for housing loan. It was further informed that based on said fake documents, our Company sanctioned the housing loan of ₹2.74 million and disbursed the said amount in February 2019 (“**Loan**”). The Detection Crime Branch had directed our Company to furnish necessary information and documents in respect of the Loan, which were subsequently furnished. The matter is currently pending.

- B. Our Company has been served with provisional attachment order dated May 18, 2020 from the office of the Director of Enforcement, Government of India Jalandhar, under various provisions of Prevention of Money Laundering Act, 2002 (“**PMLA**”) against the immovable properties and investments of Kuldeep Singh, Vikram Seth and others, based on first information report dated January 15, 2015 (“**FIR**”) by Central Bureau of Investigation, Anti-Corruption Bureau, Chandigarh against these individuals under the various provisions of the Indian Penal Code, 1860 such as criminal conspiracy, cheating, forgery of valuable security for the purpose of cheating, etc. alleging siphoning off of about ₹213.10 million from Bank of Baroda, Phagwara Branch. Our Company has been served show cause notice dated July 10, 2020 under Section 8 of PMLA, from the Registrar/Administrative Officer, New Delhi based on complaint filed by Deputy Director of Enforcement, Jalandhar, Punjab on June 15, 2020 under sub-section (5) of Section 5 of PMLA *inter-alia* inquiring about source of income, earning or assets by means of which our Company acquired attached property and directed to appear before the Adjudicating Authority, New Delhi along with supporting evidence/documents. On January 15, 2021, EFSL submitted its Application before Adjudicating Authority, PMLA and advanced submissions that it has been incorrectly arraigned in the present proceedings. Upon noting the submission of EFSL, the Adjudicating Authority adjourned the matter for final arguments. The matter is currently pending.

2. Material litigation or legal or regulatory actions involving our Promoter as on the date of this Prospectus

- (i) The Enforcement Directorate, Ministry of Finance, (“**ED**”) *vide* a letter dated January 3, 2020 (“**Summon**”), issued under Sections 37(1) and (3) of the Foreign Exchange Management Act, 1999 read with Section 131(1) of the Income Tax Act, 1961 and Section 30 of the Code of Civil Procedure 1908, the Chairman and CEO of our Company and requested his personal attendance in case of Capstone Forex Private Limited and others on January 9, 2020 to give evidence and produce books of account or other documents specified in the Summon. Our Company *vide* its letter dated January 9, 2020 requested for the deferment of the personal hearing. The ED, *vide* letter dated January 13, 2020 requested the personal attendance, on January 15, 2020. The Chairman and CEO of our Company attended the office of ED on January 15, 2020 and the authorized representative of our Company *vide* letter dated January 15, 2020, *inter alia* responded to the Summon and provided the information sought in the Summon. Subsequently, further queries were responded to *vide* email dated January 17, 2020 and letter dated January 22, 2020. No request for information or personal appearance is pending to be complied. The matter is currently pending.
- (ii) Sharad Jagtiani, a client of Edelweiss Securities Limited (“**ESL**”) filed an application dated November 11, 2008 under Section 156(3) of the Criminal Procedure Code, 1973 (“**Cr.PC**”) before the Additional Chief Metropolitan Magistrate, Rohini Courts, Delhi (“**Court**”) against ESL and others, including our Company’s Promoters Rashesh Shah and Venkatchalam Ramaswamy, alleging unauthorised trading in futures and options (“**F&O**”) in Sharad Jagtiani’s account and a loss of approximately ₹4.1 million to Sharad Jagtiani’s son on account of cheating, breach of trust and conspiracy. A first information report dated January 16, 2009 (“**FIR**”) was registered in Subhash Palace Police Station, Delhi, alleging loss of approximately ₹4.1 million in the stock market trade on account of cheating, breach of trust and conspiracy by the Sharad Jagtiani. The police proceeded to investigate the allegations and on October 11, 2010, a closure report (“**Report**”) was filed by the investigating officer before the Court. The Report was challenged by Sharad Jagtiani by way of Application under Section 173 (8) of the Cr.PC. The matter is currently pending.
- (iii) S & D Financials Private Limited (“**SDFL**”), a client of Edelweiss Securities Limited (“**ESL**”) filed an application under Section 156(3) of the Criminal Procedure Code, 1973 pursuant to which a first information report dated March 22, 2008 (“**FIR**”) was registered under Sections 406, 420 and 120B of the Indian Penal Code, 1860 with the Hare Street Police Station, Calcutta against ESL and our Company’s Directors and Promoters, Rashesh Shah and Venkatchalam Ramaswamy and others. In the FIR, SDFL *inter-alia* alleged Rashesh Shah and Venkatchalam Ramaswamy and others in unauthorised trading, criminal breach of trust and cheating SDFL in future and options transactions amounting to ₹8.48 million. ESL *vide* a letter dated September 8, 2008, denied all the allegation against it and *inter alia* stated that (a) there are arbitration proceedings initiated by ESL against SDFL for non-payment of monies which are currently pending; and (b) there was a running account maintained between ESL and SDFL and only when SDFL suffered a loss in January 2008, it chose to file a criminal complaint on frivolous grounds to avoid payment of monies to ESL. The matter is currently pending.

- (iv) Arvind Ghai (“**Petitioner**”), a resident of Ghaziabad and a retail client of ECL Finance Limited (“**ECL**”) filed an injunction suit (“**Suit**”) before the Court of Civil Judge, Senior Division, Ghaziabad (“**Court**”) against ECL and the Directors of our Company Rashesh Shah, Venkat Ramaswamy, Himanshu Kaji, Vidya Shah, RujanPanjwani and Biswamohan Mahapatra (“**Defendant**”), seeking permanent injunction and has prayed to restrain any dispossession from his residential property till the final disposal of the Suit filed by ECL before the Court. The Court *vide* an order dated July 23, 2019 dismissed the Suit. The Petitioner thereafter filed restoration application before the Upper Civil Judge (**Senor Division**) Ghaziabad against the Defendant. The matter is currently pending.
- (v) ECL Finance Limited has received notices dated December 28, 2020 from Investigating Officer (**IO**), Mahanagar Police Station, Lucknow, UP issued under Section 41 (A) of Cr. PC addressed in the name of ECL Finance Services Limited, Ms. Madhur Bhatia, relationship manager, Romanshu Tandon, Himanshu Chhatrawal, Zonal Manager and Rashesh Shah, Chairman (the “**Accused**”) *inter-alia* informing that FIR being No. 497 of 2020 has been registered against the Accused under Section 406 and 420 of IPC based on Complaint filed by one Amir Ahmad (“**Complainant**”) and directed to appear before IO for investigation with respect to the said FIR. Complainant alleged that ECL Finance Limited arbitrarily liquidated his 4383 equity shares of HDFC Bank Limited, pledged with ECL Finance Limited as Security for repayment of ESOP loan facility amounting to Rs. 5.74 million and unsecured loan facility amounting to Rs. 2.35 million availed by the Complainant. ECL Finance limited *vide* its letter dated January 12, 2021 replied the said notice alongwith relevant documents denying the allegations made by the Complainant. All addressees of notice dated December 28, 2020 are in process of filing reply in Hindi language as instructed by the IO. The investigation is pending.
- (vi) Ad impress, a client of ECL Finance have filed a Consumer Case being No. CC/144/2020 before Dakshina Kannada District Consumer Disputes Redressal Commission, Mangalore against Managing Director, ECL Finance and Manager, ECL Finance *inter-alia* alleging deficiency in service while handling their loan account and by unlawfully deducting EMI during moratorium facility granted by RBI. The said Complainant claimed an amount of Rs.0.51 million towards damages and cost of litigation. ECL Finance filed its reply opposing the said claim. The is pending for hearing.

3. Material litigations involving our Directors as on the date of this Prospectus

Other than as mentioned below and under “-Material litigation or legal or regulatory actions involving our Promoter”, there are no other civil proceedings against the Directors of EFSL.

A. Civil litigation

- (i) Betul Oil Limited, a client of Edelweiss Rural & Corporate Services Limited (“**ERCSL**”) filed a civil suit on July 22, 2019 before the District Court, Betul against ERCSL and its directors and key managerial personnel, including directors of our Company, Kunnasagaran Chinniah and RujanPanjwani (“**Defendant**”), *inter-alia* for recovery of an amount of ₹5.91 million for TDS erroneously paid on purchase transactions between the parties. On February 5, 2020, the Defendant filed their reply. The matter is currently pending.
- (ii) Vinamra Kumar Bansal (“**Complainant**”), a client of Edelweiss General Insurance Company Limited (“**EGICL**”) filed a Consumer Complaint bearing No. 488 of 2020 before the District Consumer Disputes Redressal Forum, Gurugram (“**Forum**”) against EGICL and its directors & agents (“**Opposite Parties**”) including two Directors, namely Rujan Panjwani and Navtej S. Nandra of our Company, *inter-alia* alleging deficiency in services by the Opposite Parties while rejecting his car insurance claim. The Complainant prayed for directions that the Opposite Parties to pay to the Complainant the insurance amount of Rs.0.018 million alongwith interest at the rate of 12% per annum and Rs.0.1 million as compensation and Rs.0.030 million towards cost of litigation. The matter is currently pending.

B. Criminal litigation

Other than as mentioned below and under “-Material litigation or legal or regulatory actions involving our Promoter”, there are no other criminal proceedings against the Directors of EFSL.

- (i) Smt. Iti, a client of Edelweiss Financial Advisors Limited (“EFAL”) (now amalgamated with Edelweiss Broking Limited), filed a first information report on June 30, 2012 (“FIR”), before Hari Parvat, Janpad Police Station, Agra (“Station”) against Saurabh Jain, Richa Jain and Mahendra Jain (collectively “Accused”), under Sections 420, 467, 468, 471 read with Section 120B of the Indian Penal Code, 1860 and Sections 66, 66C and 66D of the Information Technology Act, 2000, for alleged unauthorised trading by modifying her trading account and password. Pursuant to notices dated October 8, 2012 and December 12, 2012, the investigating officer sought KYC documents, trade details, trading account password, user IP details and other documentation of Smt. Iti from EFAL. The station in-charge of the Station issued notices dated July 2, 2016 under Section 160 of the Criminal Procedure Code (“Cr.PC”) to Sunil Mitra, Sanjiv Misra and Himanshu Kaji, the directors of EFSL (“Directors”) at that relevant time) for inquiry in respect of the FIR. EBL *vide* its letter dated July 15, 2016 replied to these notices, *inter alia*, stating that addressees were neither the Directors nor were they holding any official position in respect of any of the contracting entities in which Smt. Iti had opened her trading account. Pursuant to the investigation, the Hari Parvat Janpad Police Station, Agra had filed a supplemental charge sheet naming Sunil Mitra, Sanjiv Misra and Himanshu Kaji and others with the Chief Judicial Magistrate, Agra (“CJM, Agra”). Sunil Mitra, Sanjiv Misra and Himanshu Kaji have therefore, filed a joint criminal miscellaneous application challenging the Summons order before the Allahabad High Court under Section 482 of the Cr.PC to quash and set aside the supplemental charge sheet, summoning orders and issuance of process from amongst the grounds including on the ground that vicarious liabilities cannot be extended in criminal jurisprudence without substantiating the role of the officials in alleged offences. On December 4, 2018, the Allahabad High Court stayed further proceedings in the, Agra Court against Sunil Mitra, Himanshu Kaji and Sanjiv Misra under the above quashing application. On January 3, 2019, the stay order dated December 4, 2018 granted by Allahabad High Court was produced before CJM Agra, which was taken on record. Allahabad High Court *vide* an order dated May 7, 2019, granted stay in petition filed by Sanjeev Chandiramani, Nirmal Rewaria, Prashant Mody and Manish Dhanuka under Section 482 of Cr.PC challenging above referred supplemental charge sheet dated December 7, 2017 filed against them in Agra. The Allahabad High Court further directed to list for hearing in July 2019 along with first petition after parties filed their respective counter reply and rejoinder. On August 20, 2019, EBL filed Allahabad High Court Order *inter alia* clubbing both the petitions before CJM, Agra, which was taken on record. The matter is currently pending.

4. Litigation involving Subsidiaries

(a) Edelweiss Asset Reconstruction Company Limited (“EARC”)

(i) Civil proceedings by EARC

1. IDFC First Bank Limited (Assignor bank and applicant in the original application) filed an application in DRT-Hyderabad against Coastal Projects Limited, Sabineni Surendra, Sabineni Shanti Sree and Sabineni Papayya (since deceased) for recovery of the debt amount from defaulter, Coastal Projects Limited amounting to ₹2,382.76 million

EARC has acquired the debts pertaining to Coastal Projects Limited from IDFC Bank Limited *vide* Assignment Agreement dated August 24, 2018. After assignment of debts, EARC has filed an application for impleadment as an applicant, in its capacity as assignee, in the original application (“OA”) filed by IDFC Bank Limited in DRT Hyderabad, which was allowed by DRT-Hyderabad.

Defendant’s also filed their counter-claim of about ₹2,390 million against the Assignor Bank on the ground that Bank, which was holding 3,385,939 shares of the defendant company in security, have liquidated at much lower price of about ₹670 million without any notice to the defendants. Defendants alleged that the liquidation is in violation of the provisions of the agreement executed between the Bank and the Defendants and the Assignor bank ought to have realized ₹3,510 million upon liquidation of securities.

Since the corporate debtor (i.e., Coastal Projects Limited) have undergone liquidation under the Insolvency and Bankruptcy Code, 2016, EARC had filed an interim application for bringing on record the liquidator. The said interim application for bringing on record the liquidator has been allowed and the matter was listed on March 2, 2020 for carrying out

amendment in the original application and issuing notices to the liquidator. The matter is pending.

(ii) Civil proceedings against EARC

1. Smaaash Entertainment Private Limited (**"Petitioner"**) has filed a Writ Petition (Civil) being No. 10663 of 2020 before High Court at Delhi against the Respondents, namely (i) Reserve Bank of India (through Regional Director, National Capital Region, New Delhi) (**"RBI"**), (ii) EARC and (iii) ECL Finance *inter-alia* praying for an order directing RBI to call upon for information, statements pertaining to the affairs of the Respondent No 2 & 3 EARC and ECL Finance, carry out audit and inspection and pass an orders for proper management of EARC and ECL Finance. The Petitioners further prayed for an order declaring the Assignment Agreement dated June 28, 2019 executed between Respondent No. 2 and 3 as void *ab initio* and to stay operation of said Assignment Agreement and restraining Respondent No. 2 and 3 from acting therefrom (the **"Agreement"**).

Petitioner alleged that on August 17, 2017, Petitioner issued 14.75% secured redeemable non-convertible debentures at par with face value of Rs. 10,00,000/- (Rupees Ten Lakhs) per debenture or an aggregate amount of Rs. 2800 million (**"Debentures"**) to Respondent No. 3 as per terms under the Debenture Trust Deed. Petitioners further alleged that Respondent No.2, being Asset Reconstruction Company has acquired from Respondent No.3, Financial Institution the said Debentures on a bilateral basis under the Agreement in contravention of the legal and regulatory framework established under the SARFAESI Act, 2002, the SARFAESI Guidelines, 2003 and various guidelines/circulars/directions issued by the Respondent No. 1 from time to time. Respondent No. 2 and 3 have filed their counter affidavits. Matter is currently pending for filing of counter-affidavit by RBI and re-joinder by the Petitioner to the same.

2. Winsome Yarns Limited, the Plaintiffs have filed a Civil Suit being No. 444 of 2020 before Civil Judge (Junior Division), Ludhiana against the State of Punjab and EARC *inter-alia* for declaration that the assignment agreement dated December 10, 2015 executed between Punjab National Bank (**"PNB"**) and EARC, acting in its capacity of trustee of SC Trust 168 for the exposure of Winsome Yarns Ltd should not be relied upon by any legal forum. The Plaintiff also filed an application for grant of stay, which was not granted by the Court vide its order dated February 04, 2020. The purchase consideration of the assignment agreement executed between PNB and EARC, is amounting to about Rs. 479.5 million. On February 13, 2020, EARC filed its written statement and filed an application under order 7 Rule 10 of CPC for return of plaint consequent upon misjoinder of cause of actions. On February 24, 2020, the Plaintiffs filed its reply to said application. The matter is pending for hearing due to pandemic Covid-19.
3. Winsome Yarns Limited, has filed a Petition being Miscellaneous Application No. 24 of 2020 before the Court of Chief Controlling Revenue Authority-cum-Financial Commissioner (Revenue) Punjab, Chandigarh (**"CCRA"**) *inter-alia* praying for an order that EARC be directed not to act upon the assignment agreement dated December 10, 2015 executed between Punjab National Bank (**"PNB"**) and EARC for want of paying requisite stamp duty before any lawful authority including DRT/NCLT, Chandigarh etc. CCRA vide its interim order dated February 03, 2020 passed an order to issue notice to District Collector, Ludhiana to submit certified copy of the assignment agreement dated December 10, 2015 and to submit his opinion on quantum of stamp duty, if any payable and if so, by which party. CCRA further passed an order to issue notice to EARC for appearance before CCRC and to contest the stamp duty liability amounting to about Rs.14.59 million and interest, if any. On February 19, 2020 EARC entered its appearance, however on account of pandemic Covid-19, matter adjourned from time to time. On October 07, 2020 EARC filed its reply and an application for maintainability of miscellaneous application, which was rejected by CCRA. The matter is pending for final arguments..

In the meantime, EARC filed a Civil Writ Petition being No. 13346 of 2020 before the High Court at Punjab & Chandigarh against (i) State of Punjab through CRCA, Punjab, (ii) Deputy Commissioner, Ludhiana and (iii) Joint Sub Registrar cum Naib Tehsildar, Mullanpur Dhakan,

Ludhiana *inter-alia* challenging the ex-parte interim order dated February 03, 2020 passed by CCRA. The Hon'ble Court vide its order dated September 16, 2020 passed an interim order that in case the Petitioner, EARC deposits an amount of Rs.14.59 million in the court, the operation of the impugned order shall remain stayed and upon the aforesaid amount being deposited, the Registrar General of the Court shall get the same invested in FDR with nationalized bank. During said hearing, District Collector, Ludhiana also filed his reply *inter-alia* stating that notice was issued to EARC for recovery of Rs.14.59 million towards deficiency of stamp duty and registration fees.

Winsome Yarns Limited, filed an application before the Hon'ble High Court to become a party in Civil Writ Petition filed by EARC, which was allowed by the Court vide its Order dated November 05, 2020 with the observations that Winsome Yarns Limited shall assist the Court on the legal aspect of payment of stamp duty. On December 07, 2020, the Hon'ble High Court observed that the CRCA would dispose of the pending application of EARC qua maintainability and pass an appropriate order thereon in accordance with Law. The said Writ Petition is pending for hearing.

CCRA vide its Order dated December 18, 2020 held that Financial Commissioner has the jurisdiction to adjudicate the Miscellaneous Application No. 24 of 2020 and is maintainable for final adjudication. Application is pending for final adjudication. EARC is in process of challenging the said Order before High Court at Punjab and Chandigarh.

(iii) Criminal proceedings by EARC

1. Catalyst Trusteeship Limited ("**Debenture Trustee**"), on behalf of EARC Trust ("**Debenture Holder**") filed a criminal case bearing on May 24, 2019 before the Metropolitan Magistrate's 28th Court ("**MMC**"), Esplanade, Mumbai (the "**Court**"), against Smaaash Entertainment Limited and its directors and officials namely, Vishwanath NemayyaKotian, ShripalSevantilalMorakhia, VijayenderTulla, Anand Subramaniam Krishnan, Nikhil Kishorchandra Vora, Rajeev Vasant Kalambi and Amit Ram Krishnan (collectively referred to as "**Accused**") under Section 138 read with Section 141 of the Negotiable Instrument Act, 1881. The Accused issued and delivered a cheque on February 28, 2019, for an amount of ₹1,120 million drawn on HDFC Bank, Mumbai in favour of EARC towards its liabilities in respect of non-convertible debentures under the Debenture Trust Deed dated August 17, 2017 as amended and/or supplemented by the First Supplemental Deed dated January 15, 2018 and as may have further amended from time to time, and the Debenture Trust Agreement dated August 17, 2017 ("**Debenture Documents**") duly signed and executed by the Accused. The said cheque was dishonoured on its presentation vide its order July 31, 2019. The Court issued summons against the Accused under Section 138 of Negotiable Instrument Act, 1881. The Accused has been given time to settle the dues. The matter is currently pending.

(iv) Criminal proceedings against EARC

1. In 2014, State Bank of India ("**SBI**") issued show case notices containing brief details of 29 financial assets ("**Portfolio**") to various Asset Reconstruction Companies ("**ARCs**") including EARC. Pursuant to auction and post-auction negotiation with SBI, EARC acquired the Portfolio of 27 assets in March 2014 including the accounts of the perfect group consisting of (i) Perfect Engineering Products Limited; (ii) Perfect Engine Components Private Limited; and (iii) Karla Engine Components Limited.

Post-acquisition, the promoters of Perfect Group approached EARC to restructure the dues of the Perfect Group accounts. The promoters introduced, the Chhatwal brothers ("**Investors**"), including Hitesh Chhatwal to EARC as strategic investors who were purportedly willing to make an equity infusion into the Perfect Group companies and provide working capital support. EARC approved the restructuring proposal/plan of Perfect Group companies on the basis of various representations made by the Promoters and the Investors.

The Perfect Group companies failed to comply with the terms and conditions of the restructuring plan and EARC was compelled to revoke the same in 2016 and in 2018. EARC thereafter

decided to move towards recovery from secured assets in accordance with law. To stall such recovery, dated February 26, 2019 there was a complaint filed by the Hitesh Chatwal (one of the Investors) with Economic Offences Wing against the Promoters and EARC. Subsequently, the said complaint was closed by Economic Offences Wing after investigations.

EARC thereafter, received letter dated February 26, 2019 from inspector of Police G.C III, Economic Offences Wing Mumbai directing officials of EARC to attend his office regarding fresh complaint filed by Hitesh Chatwal in January 2020 along with the supporting documents namely, due diligence of Perfect Group Companies, ledger book maintained for business between Edelweiss and Perfect Group, balance sheet reports of Perfect Group between the financial years 2014-15 to 2017-2018. The matter is currently pending.

2. Pankaj Sharma filed a contempt in the Court of Civil Judge, Gurgaon under Section 94(C) read with Order XXXIX (2A) and Section 151 of the Code of Civil Procedure against EARC for disobedience and breach of injunction. The injunction was granted in civil suit filed by Pankaj Sharma against RPS Clothing ("**Borrower**"), where stay was granted in taking any action against the properties of Borrower and praying for civil imprisonment of Siby Antony, (employee of EARC). On January 31, 2020, advocates appearing for EARC argued that the present suit is infructuous since Pankaj Sharma has not even made EARC the party to the suit. The presiding judge had also asked Pankaj Sharma to withdraw the suit. The matter is currently pending for arguments on the issue of maintainability.
3. Debt of Aqua Logistics Limited ("**Aqua**") was acquired by EARC from Bank of India. Post assignment, EARC initiated action under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI**") and enforced its security interest over the secured assets. In the proceedings pending before Chief Magistrate Court ("**CMM Court**"), the third party filed an intervention application contesting the SARFAESI proceedings initiated by EARC. The said third party also filed an application dated January 30, 2016, under Section 340 of CRPC against EARC and its officers. EARC filed a chamber summons in the execution proceedings of the third party and the Bombay High Court passed an interim order staying the attachment warrant. After a series of litigation proceedings, EARC obtained possession orders from the CMM Court and the Commissioner appointed by the CMM Court took possession of the property and handed over the possession to the authorised officer of EARC. EARC put the asset for auction under the SARFAESI Act and successfully auctioned the asset in March 2020. EARC has simultaneously filed a recovery suit against Aqua Logistics Ltd, qua the principal borrower and Harish G. Uchil and Rajesh G. Uchil qua guarantors before Debt Recovery Tribunal - II, Mumbai and the same is pending adjudication and is currently at the stage of evidence. The principal borrower is undergoing liquidation under the orders of Bombay High Court. The matter is currently pending.
4. The Enforcement Director attached the Orissa plant of Bhushan Power and Steel Limited ("**BPSL**") in October 2019 while BPSL was in Corporate Insolvency Resolution Process ("**CIRP**") under Insolvency and Bankruptcy Code, 2016 ("**IBC**"). The charge over the plant was given to certain financial institutions in a consortium for the financial facilities extended to BPSL. EARC is a part of that consortium. The matter has been filed before Supreme Court of India by Committee of Creditors ("**CoC**") through Punjab National Bank, seeking clarification on retrospective applicability of Section 32A under IBC. The matter is currently pending.

(b) Edelweiss Investment Adviser Limited ("EIAL**")**

(i) Civil proceedings against EIAL

1. Om Builders Private Limited ("**Plaintiff**") filed a suit against Orbit Abode Private Limited ("**Defendant no. 1**") and Edelweiss Investments Limited ("**Defendant no. 2**") before the Bombay High Court ("**Court**"). The Plaintiff has filed the suit for declaration of the sale deed executed in favour of Defendant no. 2 for sale of 95% share in one fourth undivided share, right, title and interest in all that piece and parcel of land hereditaments and premises equivalent to 11,198 square yards equivalent to 9,363 square meters of Malabar Cumballa Hill Division together with the bungalow known as 'Kilachand House' by Defendant no.1, as null and void. The matter is currently pending.

(ii) Criminal proceedings by EIAL

1. EIAL filed a criminal complaint dated January 14, 2021 (**“Complaint”**) with the Joint Commissioner of Police, Economic Offence Wing, Mumbai against Lily Realty Private Limited, Asit Koticha, Mrs. Kanan Koticha and other unknown persons (**“Accused”**) for having committed offence *inter-alia* criminal breach of trust, fraud, criminal conspiracy, cheating punishable under various provisions of Indian Penal Code, 1860. EIAL in its Complaint has *inter-alia* alleged that the Accused in connivance with each other and with malafide intent failed to construct the residential project named “Pashmina Waterfront” at Bhattarahalli Village, Bidarahalli Hobli, Bangalore (**the “Project”**) wherein EIAL invested a sum of Rs. 300 million against certain units aggregating 82,485 sq. ft. saleable area alongwith 82 car parks under MOU dated October 29, 2015. The Accused not only failed to complete the said Project in accordance with the agreed timelines but also disposed off the three flats there were available as security in terms of the guarantee agreement, shortly after creating the security documents in favour of EIAL and did not disclose the same to the Hon’ble Delhi High Court while passing the order dated September 29, 2020 whereby the Accused were restrained from dealing with the aforesaid three flats. The Complaint is pending for investigation.

(c) ECL Finance Limited (“ECL Finance”)

(i) Civil proceedings filed by ECL Finance

Except as disclosed under *“-Material litigations and regulatory actions involving our Company – Civil Litigation – By our Company”*, there are no other civil proceedings filed by ECL Finance.

(ii) Civil proceedings against ECL Finance

Other than as mentioned below and under *“Material litigations or legal or regulatory actions involving our Promotor”*, there are no other civil proceedings filed against ECL Finance.

1. Yogendernath Bhardwaj and other (**“Petitioner”**) have filed writ petition before the Delhi High Court against Securities and Exchange Board of India (**“SEBI”**), ECL Finance and others, *inter-alia* seeking injunction against sale of shares belonging to the Petitioners in furtherance of an order likely to be passed by SEBI in pending inquiry against Amrapali Aadya Trading and Investment Private Limited (**“Respondent”**), who fraudulently and without any authorization pledged the shares with ECL Finance and two others as collateral against loan borrowed by Amrapali Aadya Trading and Investment Private Limited. The Delhi High Court *vide* an order dated September 22, 2017, directed to maintain status quo without creating any hurdle in the investigation undertaken by SEBI. The matter is currently pending.
2. A Rani (**“Plaintiff”**) has filed suit against ECL Finance and others before for the Court of District Munsiff at Poonamalee for declaration and injunction that the deed of mortgage dated February 23, 2018 which was executed in favour of ECL Finance Limited is invalid and *inter-alia* claiming ownership with respect to the mortgaged property. The suit property is one of the properties forming part of the security for the loan of ₹1,450 million sanctioned by ECL Finance to Neptune Developers Private Limited. The Plaintiff has challenged the ownership right of Neptune Developers Private Limited with respect to the said property. Subsequently, ECL Finance has assigned the debt along with underlying securities (which includes mortgage of said property) to Assets Care and Reconstruction Enterprise Limited (**“ACRE ARC”**) under deed of assignment dated March 27, 2020. The matter is currently pending.
3. ECL Finance granted secured credit facilities to Fortis Healthcare Holdings Private Limited (**“Fortis Holdings”**) and RHC Holdings Private Limited (**“RHC Holdings”**) during 2016 to 2018 amounting to about Rs.4200 million against, *inter alia*, the pledge of certain equity shares of Fortis Healthcare Ltd. (**“Fortis”**) by Fortis Holdings as a security towards repayment of loan amount (Fortis and RHC Holdings collectively referred to as the **“Borrowers”**).

One Daiichi Sankyo Company Limited (**“Daiichi”**), a creditor has obtained an arbitration award dated April 29 & 30, 2016 against Mr. Malvinder Singh & Mr. Shivendra Singh, promoters of

Fortis and RHC Holdings and others (**“Respondents”**) in Singapore whereby Daiichi was held entitled to receive Rs. 35000 million approximately from Respondents. Daiichi thereafter filed proceeding in Delhi High Court for enforcement of said award by way execution Petition being OMP (EFA) (COMM.) No. 6 of 2016. During the proceedings before Delhi High Court, the Promoters and some of their companies had given certain undertakings and subsequently Delhi High court restraint them from pledging their respective shareholding in Fortis and other Companies. These proceedings happened during the period ECL Finance lent and advanced the loans to the Borrowers. Daiichi filed SLP No. 20417/2017 before Hon’ble Supreme Court against the Respondents. Hon’ble Supreme Courts vide its Order dated August 11, 2017 directed the Respondents to maintain status qua with respect to shareholding of Fortis. Hon’ble Supreme Court vide its order dated August 31, 2017 clarified that the interim order dated August 11, 2017 also apply to the encumbered shares of Fortis. ECL Finance being one of the secured creditors, as aggrieved from aforesaid orders filed Application for Intervention No. 98913 of 2017 and Application for Directions being IA No. 98915 of 2017 before Hon’ble Supreme Court. Other secured creditors also filed similar applications. While disposing of the said applications of the secured creditors including that of ECL Finance Hon’ble Supreme Court on February 15, 2018 allowed the applications of the secured creditors and passed an order *inter-alia* clarifying that interim orders dated August 11, 2017 and August 31, 2017 to mean that the status quo granted shall not apply to shares of Fortis Healthcare Limited held by Fortis Healthcare Holdings Private Limited as may have been encumbered on or before the interim orders of this Court dated August 11, 2017 and August 31, 2017.

Thereafter ECL Finance between February 16, 2018 and February 26, 2018 sold the 3,27,75,000 shares of Fortis pledged by Fortis Holdings as security for the loans to recover its dues.

Daiichi has moved an Execution Application No. 819 of 2020 before Delhi High Court against the Promoters, various Banks and Financial Institutions including ECL Finance, in whose favour the shares of Fortis were pledged by the Promoters and their Companies. Daiichi has claimed that the Promoters and their Companies had created pledge in violation of the undertakings given and order passed by DHC. Daiichi has prayed for declaring the pledge as void and alternatively if the pledge shares are already sold then direction to Banks and NBFCs to deposit/refund the shares price of sold shares. Daiichi *inter-alia* prayed against ECL Finance to set aside the creation of 3,09,55,000 Fortis Healthcare Limited shares held by Fortis Healthcare Holdings Private Limited and pass a consequential order of attachment and sale of 3,09,55,000 Fortis Healthcare Limited shares held by Fortis Healthcare Holdings Private Limited Or in the alternative direct ECL Finance to deposit a sum equivalent to the value of 3,09,55,000 Fortis Healthcare Limited shares held by Fortis Healthcare Holdings Private Limited as on June 21, 2017 before this Hon’ble Court. On December 18, 2020 ECL Finance filed its counter reply before the Delhi High Court. The matter is pending.

4. ECL Finance and EBL have been served with Writ Petition bearing (stamp) no. 6589 of 2021 alongwith Summons filed by Yes Bank AT1 Bondholders Associations (398 bondholders) before the Bombay High Court against RBI & 15 others including UOI, SEBI, Yes Bank, CDSL, BSE *inter-alia* seeking to quash and set aside the impugned letters dated March 14, 2020 and March 17, 2020 of Yes bank as it pertains to write off of Yes Bank AT1 Bonds holding of the individual retail investor and made a claim of Rs. 160 Cr against Yes Bank. ECL Finance & EBL, have also been made a party as Respondent no. 11 and 15 respectively. Petitioner also filed an application for interim relief against ECL Finance and EBL, *inter-alia* for orders against the Directors and Promoters of EBL and ECL Finance not to leave India, during the pendency of the Proceeding. Matter is pending for appearance and hearing before Bombay High Court.

(iii) Criminal proceedings by ECL Finance

1. A criminal complaint filed by ECL Finance against Prakash Patel, Kalpesh Padhya, Vyomesh Trivedi and Gaurav Davda (together referred to as **“Accused no. 1”**) before the Joint Commissioner of Police, Economic Offences Wing, Unit – V, Crime Branch, Mumbai (**“EOW”**) under the applicable provisions of Indian Penal Code, 1860 read with Code of Criminal Procedure, 1973 for criminal breach of trust and cheating amounting to ₹82.9 million. During the investigation, one more person, Mukesh Kanani was impleaded as an accused

(“Accused No. 2” and together with the Accused No. 1 as “**Accused**”). FIR was registered against the Accused for an offence under Section 420 and Section 34 of Indian Penal Code, 1860. EOW filed charge sheet against Accused. The matter is currently pending.

2. ECL Finance has filed a criminal complaint before the BKC police station, Bandra against Mahesh Chavan, proprietor of Global Overseas, Kaushal *alias* Renu Menon, Deepali, Sandeep Kelkar and Rohit Paranjpe, Deodhar Gholat (“**Accused**”) for committing an act of cheating with respect to purchase of a car, for ECL Finance’s employee, Ram Yadav. Subsequently, a first information report dated December 2, 2014 (“**FIR**”) was filed with the BKC Police station for procurement of documents. The police filed a case on January 27, 2015 before the 9th Metropolitan Magistrate Court at Bandra (“**Court**”). The matter is currently pending.
3. ECL Finance, pursuant to the requirements under an RBI circular (No. RBI/2015-16/75DBS.CO.CFMC.BC. No. 1/23.04.001/2015-16) dated July 1, 2015, reported an instance of suspected fraud by its customer Shridhar Udhavrao Kolpe and Saraswati Bhimrao Shinde (“**Borrowers**”) under the requisite form to RBI on July 7, 2016. The Borrowers were given a loan of ₹5.83 million by ECL Finance against their property. ECL Finance upon its internal investigation found that the Borrowers have (a) obtained loan from another financial institution post the disbursement of loan from ECL Finance; and (b) sold the property (mortgaged to ECL Finance) without consent/no objection certificate from ECL Finance. Therefore, it was suspected that the Borrowers have created multiple property documents (forged documents) in connection with the property which was mortgaged with ECL Finance and taken loan from other financial institutions. Subsequently, ECL Finance filed a complaint on August 12, 2016 against the Borrowers before the Senior Police Inspector, Shivaji Nagar Police Station, Pune requesting them to take cognizance of the offences punishable under Sections 420, 465, 467, 468, 471, 34 read with 120B of the Indian Penal Code, 1860 and relevant provisions of the Maharashtra Control of Organised Crime Act, 1999 that were allegedly violated by the Borrowers. Further, ECL Finance submitted certain documents to the Senior Police Inspector, Economic Offences Wing, Pune in relation to the loan sanctioned to the Borrowers, pursuant to a notice dated March 14, 2017 issued to ECL Finance. ECL Finance filed its statement before the Economic Offences Wing, Pune on May 10, 2017. The matter is currently pending.
4. A criminal complaint dated October 31, 2019 (“**Complaint**”) was filed by ECL Finance before the Bandra Kurla Complex, Mumbai Police Station against JSK Marketing Limited, its directors, and others (“**Accused**”) for having committed offence *inter-alia* criminal breach of trust, fraud, cheating punishable under various provisions of Indian Penal Code, 1860 and Maharashtra Control of Organized Crime. ECL Finance in its Complaint has alleged the Accused for wrongful loss of towards SME equipment Loan amounting to ₹20.9 million. BKC Police Station registered FIR bearing No. 300/2020 against Directors of JSK Marketing Limited namely, Kunal Jiwarajka, Smt.. Laxmi Devi Jiwarajka, Smt. Sakshi Jiwarajka and 4 others under Section 403, 406, 420 read with Section 34 of IPC. The matter is currently pending.

(iv) Criminal proceedings against ECL Finance

Other than as mentioned below and under “*Criminal Proceedings filed against EBL*”, there are no other criminal proceedings against the ECL Finance.

1. The Directorate of Enforcement (“**Complainant**”) filed an original complaint dated September 3, 2016 with the Adjudicating Authority under the Section 5(5) of the Prevention of Money Laundering Act, 2002 against Kingfisher Airlines Limited, Vijay Mallya, and others for acquisition of property using proceeds of crime in terms of Section 2(1)(u) of Prevention of Money Laundering Act of 2002. Certain shares of Vijay Mallya and his associates were pledged with ECL as security (“**Pledged Securities**”) for various loans availed by them. The Complainant has sought for attachment of the Pledged Securities. The Adjudicating Authority, (Prevention of Money Laundering Act), New Delhi has confirmed the provisional attachment *vide* an order dated February 22, 2017 and ECL has challenged the same *vide* an appeal before the Appellate Authority. The matter is currently pending.
2. ECL Finance received a notice dated February 23, 2018 from Investigating Officer, General Cheating – 1, Economic Offence Wing (“**EOW**”), Mumbai under Section 91 and 160 of

Criminal Procedure Code, 1973 *inter-alia* seeking details of clients of ECL Finance namely, Gaurav Sudhirkumar Davda and Vipul Hiralal Shah in relation to the loan transaction in Shree Ashtavinayak Cine Vision Limited. ECL Finance filed its reply before Economic Offence Wing by providing necessary supporting documents and details in respect of loan facilities provided to the said Clients. Statement of concern officials of ECL Finance is also recorded by Economic Offence Wing officials. The matter is currently pending.

3. ECL Finance received a notice dated September 6, 2018 from the office of the Assistant Commissioner of Police, Economic Offences Wing, Delhi under Section 91 of Criminal Procedure Code, 1973 *inter-alia* asking to provide details of pledged shares belonging to client, Amrapali Aadya Trading and Investments Private Limited, along with supporting documents as regards to pledge, liquidation etc., which notice was duly complied with by furnishing the necessary documents and information. On October 24, 2018, ECL Finance has been served with fresh notice dated October 9, 2018 asking for additional about nine clarifications as regards to authorization to liquidation, pending quantities of securities, which was compiled by ECL Finance. The matter is currently pending.
4. ECL Finance received a notice addressed to Edelweiss Capital from the office of CID – RO Visakhapatnam – A P under Section 91 of Criminal Procedure Code, 1973 (“**Cr.PC**”) of Dwarakha Police Station Visakhapatnam City *inter-alia* asking to provide in respect of pledge securities, amounts, transaction statements, client’s details etc. in respect of, Amrapali Aadya Trading and Investments Private Limited and Aadya Commodities Private Limited along with supporting documents as regards to pledge, liquidation etc., which notice was duly complied with by furnishing the necessary documents and information on January 21, 2019. The Inspector of Police, CID, Visakhapatnam vide his letter dated December 19, 2020 requested ECL Finance to provide additional documents namely, details of stock pledge and transactions etc. ECL Finance vide its letter dated February 2, 2021 complied with the same..The matter is currently pending.
5. ECL Finance received a notice on February 7, 2018, addressed to Edelweiss Capital under Section 91 of Criminal Procedure Code, 1973 (“**Cr.PC**”) from Detection Investigation Wing, Crime Branch Meerut, Uttar Pradesh *inter-alia*, directing to provide details in respect of pledge securities in the matter of Amrapali Aadya Trading and Investment Private Limited. ECL Finance through its letter dated December 20, 2018, furnished necessary details to the authority. The matter is currently pending.
6. ECL Finance received a notice on January 9, 2019 under Section 91 of Criminal Procedure Code, 1973 (“**Cr.PC**”) from Assistant Commissioner of Police, Economic Offence Wing, Mandir Marg Complex Police station, Delhi (“**EOW**”) *inter-alia* informing that Economic Offence Wing commenced investigation against CPR Capital Services Limited and its directors for forgery of bonds, non-convertible debentures and shares belonging to the complainant one Ravinder Gupta and subsequently pledging the same to avail loan facilities. ECL Finance have been directed to provide all the information about loan facilities availed by CPR Capital Services Limited and its directors together with details of securities. ECL Finance provided the necessary details. The investigation is pending.
7. ECL Finance filed a criminal writ petition on June 12, 2018 against State of Maharashtra and others *inter-alia* challenging order dated April 18, 2017 passed by the 47th Magistrate Court, Esplanade Court at Mumbai directing ECL Finance to satisfy the claim of 18 Flat purchasers in project Godrej Central and Kamla Aquina, as and when said purchasers approach to the Magistrate’s Court. This case pertains to project Godrej Central and Kamla Aquina, which is one of security provided by Rajiv Construction Company (“**Kamla Group**”) for NCD of about ₹870 million subscribed by ECL Finance. Since the Promoters of the Developer Company were taken in police custody by Economic Offence Wing, Mumbai for various complaints filed by the flat purchasers alleging fraud in various projects, the Project Aquina which is offered as a security has remain incomplete. In order to complete the project through Project Management Contract (“**PMC**”) to recover ECL Finance’s dues from the flat purchasers, ECL Finance had moved an application to the Magistrate Court for allowing accused promoters of Rajiv Construction Company to execute the PMC agreement etc. However, while deciding the application, Economic Offence Wing had submitted that beside the flat purchasers, which are

known to ECL Finance, there were 18 more flat purchasers. ECLFL had refused to entertain claim of those 18 flat purchasers as the promoters were not taken no objection certificate from ECL Finance to sell those 18 flats and had not deposited the advance with ECL Finance though the property was mortgaged with ECL Finance. The Magistrate while allowing the application of ECL Finance had directed ECL Finance to consider the claim of those 18 flat purchasers. Thus, ECL Finance filed the present Petition. Subsequently, this account has been assigned by ECL Finance to Omkara Assets Reconstruction Private Limited *vide* Assignment Agreement dated June 15, 2020. The matter is currently pending.

8. Economic Offence Wing (“EOW”), Mumbai, since March 2017, has commenced investigation in respect of various project of Kamla Group, inter-alia, including project KamlaAquina, project Kamla Iris, and Project Kamla Corporate based on complaints received by various flat allottee alleging cheating. The investigating officer has sought from ECL Finance various information and documents pertaining to the funding/investment provided by ECL Finance and other group companies to Kamla Group including but not limited to the payments details, bank statement & ledgers, MOU/agreement, the copies of indenture of mortgage, debenture trust deed, monitoring agent agreement, etc. ECL Finance *vide* its various written communications and personal visits through representatives furnished the required information’s, statements and documents from time to time. The details of such investigation are as under:
 1. Economic Offence Wing, Mumbai *vide* letter dated March 8, 2017 for the particular case and for 17 other cases, called upon ECL Finance to provide details of the payments, bank statement, MOU/Agreement etc. in respect Kamla group project transactions along with supporting thereof. ECL Finance *vide* its letter dated April 5, 2017 furnished the copies of required documents including Indenture of Mortgage, Debenture Trust Deed, Monitoring Agent Agreement, etc. to comply with the said notice. The investigation is pending.
 2. Economic Offence Wing, Mumbai, Mumbai *vide* its 2 letters both dated June 16, 2017 called upon ECL Finance to furnish details of expenditure for Project Aquina, MOU or Agreement with Kamla Group, Bank Account details for loan of ₹870million provided to Rajiv Construction Company, copy of ledgers, names of committee members who sanctioned finance, MOU or Agreement entered into with Rajiv Construction Company etc. on June 16, 2017 representative of ECL Finance along with legal counsel visited the office of EOW, Mumbai and provided detailed explanation on the transaction with Kamla Group. The investigation is pending.
 3. Economic Offence Wing, Mumbai, Mumbai *vide* its letter dated June 12, 2017 of New Azad CHSL, called upon ECL Finance to remain present along with requisite papers in connection with the Loan of ₹800 million for investigation. On June 16, 2017 representative of ECL Finance along with legal counsel visited the office of Economic Offence Wing, Mumbai and provided detailed explanation on the transaction with Kamla group. On November 5, 2019 and November 11, 2019, the representatives of Edelweiss had visited the office of EOW and showed the copy of no dues letter issued earlier and refused to issue No Objection Certificate in a format as requested by New Azad CHS. The investigation is pending.
 4. Economic Offence Wing, Mumbai *vide* its letter dated June 19, 2017 called upon ECL Finance to furnish transaction details with respect to ₹870 million transaction dated May 19, 2015 with Kamla group. ECL Finance *vide* its June 27, 2017 provided required details including details about receipt of arranger fees under engagement letter dated May 4, 2025 together with copies thereof. The investigation is pending.
 5. Economic Offence Wing, Mumbai *vide* its letter dated August 11, 2017 and 18 others (Misc. Application 196-2017 regarding freezing of bank account no. 02270350000235) called upon ECL Finance to provide details of expenditure for Project Aquina, MOU or Agreement with Kamla group, Bank Account details of ₹870 million loan provided to Rajiv Construction Company, names of committee members who sanctioned finance, MOU or Agreement with Rajiv Construction Company. ECL Finance Limited *vide* its letter dated October 10, 2017 replied the said letter and furnished the required documents and bank details. The investigation is pending.

6. Economic Offence Wing, Mumbai *vide* its letter dated August 23, 2017 called upon ECL Finance to furnish information and documents relating to mortgage and bank account details of Kamla group. ECL Finance *vide* its letter dated September 1, 2017 relied the said letter and furnished necessary information and documents in support relating to mortgage and bank account details. The investigation is pending.
7. Economic Offence Wing, Mumbai *vide* its letter dated August 23, 2017 called upon ECL Finance to furnish information and documents relating to mortgage and bank account details of Kamla group. ECL Finance *vide* its letter dated September 1, 2017 relied the said letter and furnished necessary information and documents in support relating to mortgage and bank account details. The investigation is pending.
8. On or about December 6, 2017, ECL Finance received a telephonic call from office of Economic Offence Wing, Mumbai with regards to the complaint filed by Riya Tour and Travels against Kamla in respect of Project KamlaAquina. Accordingly, AliasgharAttarwala, representative of ECL Finance personally visited the office of Economic Offence Wing on same date and submitted necessary papers. EOW *vide* its letter January 2, 2018 in 47th MM Court stated that AliasgharAttarwala had submitted papers on December 6, 2017 with respect to Complaint filed by Riya Tour and Travels against Kamla group in respect of KamlaAquina) and his statement has been recorded, however he did not sign the statement. ECL Finance therefore *vide* its letter dated January 8, 2018 submitted draft preliminary documents in respect of Project Aquina namely, Agreement for Sale proposal of 39 unsold units, Project Management Consultant Agreement and Power of Attorney. On February 26, 2018, Economic Offence Wing recorded statement of official representative of ECL Finance. The investigation is pending.
9. Economic Offence Wing, Mumbai *vide* its letters dated December 15, 2017, December 28, 2017, January 31, 2018 and February 9, 2018 called upon ECL Finance to furnish information and documents relating to mortgage with respect to the loan of ₹800 million, minutes of meeting for sanctioning the said loan and details of repayment in respect of Kamla group project. On January 20, 2018 and January 30, 2018 officials of ECL Finance along with legal counsel visited the office of Economic Offence Wing, Mumbai and recorded its explanation on transaction with Kamla Group. Further, ECL Finance *vide* its letter dated February 14, 2018 furnished the required details of loan account, information memorandum for sanctioning the loan and details of repayment. Economic Offence Wing *vide* its letter dated October 10, 2019 called upon Edelweiss to submit the original loan documents. On October 17, 2019, original title documents with respect to the loan of ₹800 million loan were submitted to Economic Offence Wing against appropriate receipt. The investigation is pending.
10. Economic Offence Wing, Mumbai *vide* its letter dated February 8, 2018 called upon ECL Finance to furnish details of funding in Kamla Iris (Shambho CHS) and details of funding in Project Kamla Iris with relevant documents. ECL Finance *vide* its letter dated March 14, 2018 inter-alia informed that the loan of ₹800 million is repaid and ECL Finance has no charge on Project Kamla Iris. The investigation is pending.
11. Economic Offence Wing, Mumbai *vide* its letter dated April 25, 2018 called upon ECL Finance for information regarding loan provided to Kamla group and sister concern regarding Project Kamla Iris, nature of transaction, MOU/Agreement related documents entered into for Project Iris, allotment letters, details of sold units in project Kamla Iris. ECL Finance *vide* its letter dated April 26, 2018 furnished necessary details to Economic Offence Wing. The investigation is pending.
12. Economic Offence Wing, Mumbai *vide* letter dated April 27, 2018 called upon ECL Finance Limited to furnish details regarding mortgage created by Kamla Shiv Developers in their favour. ECL Finance *vide* its letter dated May 2, 2018 replied the said letter and placed on record the mortgaged created by Kamla Shiv Developers in favour of ECL Finance in connection with Project Kamla Iris. The investigation is currently pending.

13. Economic Offence Wing, Mumbai *vide* its letter dated May 23, 2018 and another letter dated July 9, 2018 called upon ECL Finance to produce the information and documents and to record statement in connection with Project Kamla Iris. On July 12, 2018, representative of ECL Finance visited the office of EOW and submitted the required documents. However, recording of statement was postponed for want of certain additional information. The investigation is pending.
14. Economic Offence Wing, Mumbai *vide* its letter dated June 7, 2019 and July 16, 2019 of Kishore PremchandLehrani called upon ECL Finance to furnish certain information and document pertaining to loan provided to Kamla Corporate Park including allotment letters. On July 25, 2019, August 16, 2019, August 26, 2019 and August 30, 2019 the representatives of ECL Finance had visited the office of Economic Offence Wing when the concerned . Economic Offence Wing official had sought information pertaining to loan, mortgage, repayment of loan, investment of EIAL and Edelweiss Commodities Services Limited with supporting documents including details of bank account and entries of loan disbursement, repayment and investment etc. Accordingly, on September 11, 2019 the representatives of ECL Finance had visited the office of Economic Offence Wing and provided necessary documents, bank statement, ledger regarding loan and repayment as well as the documents with respect to the investment after the repayment of loan. The investigation is pending.
15. Economic Offence Wing, Mumbai *vide* its letter dated August 25, 2020 called upon ECL Finance to submit facts and record the statement in the complaint filed by Kishore Lehrani, an investor who had been allotted unit on the fourth floor which was subsequently sold by Kamla group to another party – Subodh Shah with respect to Project Kamla Corporate Park. On September 5, 2020, representative of ECL Finance visited office of Economic Offence Wing, Mumbai and submitted before Investigating officer that the ECL Finance is one of the members of Society in Project Kamla Corporate Park and Society is working on consent terms with the complainant. The investigation is pending.
16. Rajiv Shivram Rane, proprietor of Jankie Properties *vide* his letter dated August 18, 2020 filed a complaint with Economics Offences Wing, Mumbai against Sanghvi GruhaNirman Private Limited (“**Mortgagor**”) and ECL Finance *inter-alia* alleging cheating having deprived him of getting his percentage of area shares to be allotted under the development agreement executed between him and Sanghvi Gruha Nirman Private Limited and caused him to pay rentals to Maharashtra Housing & Area Development Authority of the tenants etc. It is a case of complainant that he entered into a Development agreement dated September 6, 2005 with one Madhukar Kashinath Nagvekar, owner of properties situated as Mahim and Prabhadevi. Hethereafter, entered into joint venture for construction with Sanghvi GruhaNirman Private Limited for construction of building in the ratio of 65:35, which means he would entitled to 35% of area. Sanghvi GruhaNirman Private Limited, thereafter in order to raise finance for construction of building mortgage the said properties with ECL Finance under mortgaged deed dated March 21, 2016, wherein complainant was confirming party. Pursuant thereto ECL Finance granted a loan of ₹1,500 million to Sanghvi Gruha Nirman Private Limited, however said Sanghvi GruhaNirman Private Limited failed to utilize the loan amount towards constructions of building. Due to raising of loan against the land properties and not doing construction, he could not delivery the flats to the original tenants and compelled to pay rents to the original tenants. On December 5, 2020 representative of ECL Finance along with legal counsel had attended the office of Economics Offences Wing for recording of statement in the matter. A meeting was held with the Investigating Officer, when our representative explained the nature of transaction in brief as well as the documents executed towards mortgage of the property, being subject matter of the Complainant filed by Jankie Properties. The investigation is pending.
17. Enforcement Directorate, New Delhi (“**ED**”) *vide* its letter dated December 08, 2020 called upon ECL Finance to provide documents related to loan of INR 1400 million sanctioned to Rudra Buildwell Projects Private Limited & Rudra Buildwell Homes Private Limited in the year 2017/2018 for investigation under the provisions of FEMA, 1999 & PMLA, 2002. ECL Finance *vide* its letter dated December 10, 2020 complied with the said letter by

providing the required loan documents such as Facility Agreement, Mortgage Deeds, Guarantee Agreements and other related loan documents to ED in respect of above referred two entities. The investigation is pending.

18. ECL Finance has received notices dated December 28, 2020 from Investigating Officer (**IO**), Mahanagar Police Station, Lucknow, UP issued under Section 41 (A) of Cr. PC addressed in the name of ECL Finance Services Limited, Ms. Madhur Bhatia, relationship manager, Romanshu Tandon, Himanshu Chhatrawal, Zonal Manager and Rashesh Shah, Chairman (the “**Accused**”) *inter-alia* informing that FIR being No. 497 of 2020 has been registered against the Accused under Section 406 and 420 of IPC based on Complaint filed by one Amir Ahmad (“**Complainant**”) and directed to appear before IO for investigation with respect to the said FIR. Complainant alleged that ECL Finance arbitrarily liquidated his 4383 equity shares of HDFC Bank Limited, pledged with ECL Finance as Security for repayment of ESOP loan facility amounting to Rs. 5.74 million and unsecured loan facility amounting to Rs. 2.35 million availed by the Complainant. ECL Finance limited vide its letter dated January 12, 2021 replied the said notice alongwith relevant documents denying the allegations made by the Complainant. All addressees of notice dated December 28, 2020 are in process of filing reply in Hindi language as instructed by the IO. The investigation is pending.

(d) Edel Finance Company Limited (“Edel Finance”)

(i) Civil proceedings filed by Edel Finance

Except as disclosed under “-Material litigations and regulatory actions involving our Company – Civil Litigation – By our Company”, there are no other civil proceedings filed by Edel Finance.

(ii) Criminal proceedings by Edel Finance

Edel Finance filed criminal complaint dated August 29, 2011 (“**Complaint**”) before the Additional Chief Metropolitan Magistrate Court, Bandra, Mumbai (“**Court**”) against Vipul Shah (“**Accused**”) seeking an order from the Court to direct the Senior Inspector of Police, Bandra West Police Station to register an complaint against the Accused for committing an offence under Section 420 of the Indian Penal Code, 1860 in relation to a loan facility and defaulting on repayment of the facility, thereby causing a loss to the Complainant for an amount of ₹10 million. The matter is currently pending.

(e) Lichen Metals Private Limited (“Lichen”)

(i) Criminal proceedings against Lichen

1. Lichen has been served with summonses in the matter of P. E. Lyngdoh and others by the order of Dinesh Kumar Sharma, Patiala House Court dated January 29, 2015, for appearance, which was duly complied with. Lichen also served with copies of the proceeding’s papers February 10, 2015. On February 11, 2019, Patiala House Court proceeded with recording of plea and framing of charges and completed admission and denial of documents in March 2016. During May 2019, matter transferred to special court at Rouse Avenue Court, Mandi House, Delhi. The matter is currently pending
2. Lichen received an ex-parte Order dated March 1, 2019 from Employee State Insurance Corporation, (“**ESIC authorities**”), Kolkata directing Lichen to pay a sum of ₹0.41 million being ESIC contribution in respect of 24 employees for the period from July 2016 till December 2016 and from January 2017 to June 2018. Lichen filed an appeal before Employees Insurance Court (“**Court**”) through its application to remand back matter before the authorities for a fresh hearing and Applications for stay of operation of Order dated March 1, 2019 and waiver to deposit the amount in Court. The matter is currently pending.

(f) Edelweiss Securities Ltd (“ESL”)

(i) Criminal proceedings against ESL

Other than as mentioned below and under “-Material litigation or legal or regulatory actions involving our Promoter”, there are no other criminal proceedings against ESL.

ESL has been served with a notice dated July 8, 2020 from the office of the Director of Enforcement, Govt. of India, Lucknow Zonal office about pending enquiries under provisions of Foreign Exchange Management Act, 1999 (“**FEMA**”) and directed to produce documents such as Know Your Customer (“**KYC**”) and account opening form, transactions and holding statements, details of foreign inwards/outwards remittances in respect of client Tikri Management Private Limited. ESL has furnished all the requisite documents on June 24, 2020. The matter is currently pending.

(g) Edelweiss Tokio Life Insurance Company Limited (“Edelweiss Tokio”)

(i) Criminal proceedings against Edelweiss Tokio

An application was filed a first information report dated March 13, 2018 under Section 420, 468, 470 and 471 before Chief Judicial Magistrate at Barasat by Sekhar Kumar Chanda (“**Petitioner**”) alleging signature forgery and cheating vis-à-vis mis-selling against Edelweiss Tokio. The matter is currently pending.

(h) Edelweiss Rural and Corporate Services Limited (erstwhile Edelweiss Commodities Services Limited) (“ERCSL”)

(i) Criminal proceedings by ERCSL

Edelweiss Agri Value Chain Limited (now known as Edelweiss Rural and Corporate Services Limited) registered FIR on September 19, 2017 in Jasdan Police Station, Rajkot against Mahendrabhai Gida-Guard, Ashokbhai Dhadhal- Gunman, Babubhai Bhayabhai Ramani, Sanjaybhai Khimjibhai, Shambhubhai Jivabhai Ramani, Mansukhbhai Khimjibhai Ramani, Ravjibhai Ramani, and Sanjaybhai Ramani (collectively the “**Accused**”) under Sections 406, 409, 420, 435, 120B and 114 of Indian Penal Code, 1960 for committing intentional act of fire at warehouse. The Investigating office, Jasdan Police Station registered criminal case on August 6, 2019 before Taluka Court, Jasdan against accused and filed the charge-sheet. The matter is currently pending.

(ii) Criminal proceedings against ERCSL

1. Edelweiss Commodities Services Limited (now known as ERCSL) have been served with letter from the Enforcement Directorate (“**ED**”) on August 26, 2016, in relation to enquiry and investigation in matter of pulses by commodities importer and advised to produce certain details like memorandum of association, annual report/balance sheet, bank accounts and details of pulses import since 2011. ERCSL duly complied with the requisitions in September 2016. ERCSL also furnished with additional information about the pulses business – listing of all suppliers, imports, local sales, bank statements, warehousing details and other information with last such request for information in March 2021. Personal appearances of the ERCSL’s executives was sought and the officials have complied with the same. No further information sought by the office of ED and the matter is currently pending with authorities.
2. PravinVirchand Shah of Ashirvad Traders (“**Complainant**”) filed a criminal enquiry (“**Complaint**”) before Judicial Magistrate First Class (“**Court**”) at Unjha, Gujarat against Edelweiss Trading and Holdings Limited (“**ETHL**”), subsequently amalgamated with ERCSL, and others including its chairman, managing director and chief executive officer, ERCSL, Ashok Patni and Vimallesh Kumar Ghiya, partner of R. K. Exports (“**Accused**”) under Sections 406, 420 read with Section 120B of the Indian Penal Code, 1860 for alleged mishandling of account and alleged siphoning-off an amount of about ₹38.7 million and an alleged unauthorized sale 568 metric tonnes of commodity lying with R. K. Exports. The Court through its order dated July 30, 2014 directed the local police authorities to inquire into the Complaint. On December 3, 2014, the Accused received three notices issued by the police authorities, directing them to attend and record statements in respect of the Complaint. On December 30, 2014, Tarang Mehta recorded his statement on behalf of ERCSL, ETHL and chairman and

managing director – chief executive officer, ETHL and also submitted copies of the arbitration proceedings initiated by Ashirwad Traders against ERCSL along with the order of Bombay High Court dated August 8, 2014 appointing a sole arbitrator in the matter. ERCSL filed its reply to the Notices on December 5, 2014. However, the Bombay High Court on March 13, 2020, in the arbitration petition, has allowed the withdrawal of the arbitration petition by ERCSL, in view of the consent terms entered into between ERCSL and the Complainant. The arbitration petition has accordingly been disposed of. The matter is pending.

3. ECSL (formerly known as Comfort Project Limited/Edelweiss Trading and Holding Limited and now known as ERCSL) has been served with the notice dated February 15, 2019 from the Economic Offence Wing – National Spot Exchange Limited – Special Investigation Team, Mumbai (“**EOW**”) issued under Section 91 of the Cr. PC *inter-alia* informing that department is investigating the offences registered against National Spot Exchange Limited, its directors, FTIL, its directors, borrowers, brokers and others for committing several acts of forgery and criminal breach trust. Further, Economic Offences Wing is investigating complaint of SEBI against 300 brokers for illegal trading on National Spot Exchange Limited. ECSL furnished all the information as called for by Economic Offences Wing. The matter is currently pending.
4. ERCSL (formerly known as Edelweiss Commodities Services Limited) received notices dated April 3, 2019 and June 14, 2019 (“**Notices**”) issued under Section 41 read with Section 36(2) of the Competition Act, 2002 (“**Act**”) from the office of the Director General, Competition Commission of India, New Delhi along with copy of Commission Order dated November 9, 2018 under Section 26(1) of the Act (“the **Order**”) to conduct an investigation against 11 trading organizations which included ERCSL for allegedly being part of a cartel involved in increasing the prices of pulses in India. ERCSL vide the Notice has been *inter-alia* directed to furnish various information and documents (which include details of pulses business of ERCSL such as procurement, stocking, local sale, etc.) for the Financial Years 2010-2011 to Financial Years 2017-2018. ERCSL has furnished the said information and documents in compliance with the said Notices *vide* its letters dated April 25, 2019 and June 26, 2019. The matter is currently pending with authorities.
5. ERCSL received notices on January 8, 2020, January 23, 2020 and February 1, 2020 (“**Notices**”) from the Investigating Officer, Madhya Pradesh Warehousing and Logistics Corporation (“**MPWLC**”), Bhopal *inter-alia* informing that departmental inquiry has been initiated against its delinquent employee R. S. Sharma. ERCSL replied to the Notices and provided all the required details. The matter is currently pending.
6. ERCSL received a notice under Section 91 of Cr. PC on February 3, 2020 (“**Notice**”) from a Senior Police Inspector, Turbhe, *inter-alia* directing ERCSL to produce all the original documents listed therein, in respect of the criminal case registered against ERCSL under Sections 3, 7 and 8 of the Essential Commodities Act, 1955 and Maharashtra Scheduled Commodities Wholesale Dealers Licensing Order, 2015. The Notice emanates from a 2015 matter in which the Deputy Controller of Rationing, Civil Supply Department of Maharashtra (“**Authority**”) issued show cause notices to ERCSL for alleged violation of applicable stock limits. Pursuant to the directions issued by the Authority, the ceased stock was released. Furthermore, ERCSL received a notice from the Office of the Deputy Commissioner of Police, Cyber Crime Cell/Economic Offences Wing (“**Police**”) dated August 16, 2016, received by the Police, regarding alleged hoarding of pulses. All information sought by the authorities has been duly provided. The matter is currently pending. Additionally, ERCSL received a notice from the Directorate of Enforcement dated August 26, 2016 asking for certain documents concerning an enquiry for an alleged violation of the provisions of the Foreign Exchange Management Act, 1999, relating to the import of pulses. ERCSL has submitted all the documents and information sought. The matter is currently pending.
7. The Deputy Controller of Rationing, Civil Supply Department of Maharashtra (“**Authority**”) issued a show cause notices dated October 23, 2015, dated October 30, 2015, October 31, 2015 and dated October 31, 2015 to ERCSL for violation of applicable stock limits on imported pulses under the Essential Commodities Act, 1955 (“**Act**”) resulting in seizure of the stock stored at various warehouses by the Authority and registration of first information reports (“**FIR**”) under the Act. ERCSL argued that the stock limits were not applicable to ERCSL as the stock was

imported. Pursuant to the directions issued by the Authority, the ceased stock was released, subject to certain conditions. ERCSL, upon fulfilment of the specified conditions and execution of the undertakings, lifted and sold the released stock in open market and subsequently informed the Authority. The matter is currently pending.

8. ERCSL received a notice from Office of the Deputy Commissioner of Police, Cyber Crime Cell / Economic Offences Wing ("**Police**") on August 16, 2016 in relation to a complaint received by the Police, regarding alleged cartelization and nexus of importers-traders causing artificial scarcity of pulses. The matter is currently pending.
9. Food Safety and Standards Authority of India filed a complaint before Additional Chief Judicial Magistrate, Kasganj ("**the Court**") against erstwhile Edelweiss Agri Value Chain Limited (now known as ERCSL) and Neeresh Kumar, an employee of ERCSL, for alleged violation of Section 31(1) of the Food Safety and Standards Act, 2006 for storing of commodities in warehouse without having Food Safety and Standards Authority of India ("**FSSAI**") license. The matter is currently pending.

(i) **Edelweiss Housing Finance Limited ("EHFL")**

(i) **Civil litigation filed by EHFL**

Except as disclosed under "*-Material litigations and regulatory actions involving our Company – Civil Litigation – By our Company*", there are no other civil proceedings filed by EHFL.

(ii) **Criminal proceedings by EHFL**

1. EHFL filed a complaint before the Senior Police Inspector, Bandra Kurla Complex Police Station, Mumbai ("**Authority**") vide its letter dated November 19, 2014 against Sachin R. Jayswal and Ratan Ram Jayswal and others (collectively, the "**Accused**") for cheating and forgery in relation to a property situated at 4th Floor, Shree Samarth Ashirwad Apartment, Thane ("**Secured Property**"). Subsequently, EHFL filed a first information report ("**FIR**") dated January 20, 2015 under Section 154 of the Criminal Procedure Code, 1973 against the Accused before the Authority under sections 420, 465, 468, 471, 120-B, 467 and 34 of the Indian Penal Code, 1860. Thereafter, EHFL issued a notice dated January 20, 2016 under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI**") to the Accused for payment of the outstanding amount due to EHFL. However, EHFL did not receive any reply to such notice. Hence, EHFL filed an application under Section 14 of the SARFAESI on September 22, 2016 before Court of District Magistrate, Thane ("**Court**") seeking possession of the Secured Property. An order dated November 19, 2016 was passed by the Court directing Tahsildar, Thane to take possession of the Secured Property and to handover the articles present in the Secured Property to EHFL. Subsequently, Reshma Khan, alleged to be the real owner of the Secured Property, instituted a special civil suit dated April 19, 2017 before the Civil Judge, Senior Division, Thane against EHFL and the Executive Magistrate, Thane Tahsildar Office Station, Thane ("**Defendants**") praying, *inter alia*, to declare Reshma Khan as the legal owner of the Secured Property, to restrain the Defendants from taking possession of the Secured Property. The matter is currently pending.
2. EHFL filed a complaint before the Senior Police Inspector, Chaturshrungi Police Station, Pune against Sachin Yashwant Rananaware and Nilam Sachin Rananaware (collectively, the "**Accused**") vide its letter dated July 28, 2016 alleging fraud and cheating with reference to a property situated at flat No. 6, 2nd floor and flat No. 10 on 4th floor, Chaya Smruti, Suncity Road, Pune ("**Secured Property**"). Subsequently, EHFL filed an application dated August 9, 2016 before District Magistrate, Pune ("**Authority**") under Section 14 of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI**") seeking possession of the Secured Property. Thereafter, an order dated March 20, 2017 was passed by the Authority directing authorised personnel to take physical possession of the Secured Property. Subsequently, Anil Kenjalkar, alleging to be the original owner of the Secured Property ("**Applicant**"), instituted a special civil suit dated April 13, 2017 before the Civil Judge, Junior Division, Pune ("**Court**") against EHFL, Accused, Collector of Pune and other parties ("**Defendants**") praying, *inter alia*, to restrain the Defendants from creating any

third party interest or taking possession of Flat No. 6 on 2nd floor, Chaya Smruti, Suncity Road, Pune and for an ad-interim injunction to be passed in favour of the Applicant (“Suit dated April 13, 2017”). Further, the Applicant has filed an application for condonation of delay dated May 19, 2017 before the Debt Recovery Tribunal, Pune, praying, *inter alia*, to restrain EHFL from taking physical possession of the Secured Property. Next date December 10, 2020 for Argument. EHFL filed an application dated October 24, 2017 before the Court under Section 9A of the Civil Procedure Code, 1908 to set aside the Suit dated April 13, 2017. Thereafter, Anil Kenjalkar withdrew his case before the Debt Recovery Tribunal, Pune. Awaiting next date from Court. The matter is currently pending.

3. EHFL issued a notice dated October 20, 2016 to P. Aravindan and A. Aruna (collectively, the “**Accused**”) under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“**SARFAESI**”) for payment of the amount due to EHFL in relation to charge created on the property under a home loan dated August 30, 2014 entered between EHFL and the Accused (“**Home Loan Agreement**”). EHFL issued another notice dated January 3, 2017 under Section 13(4) of the SARFAESI to the Accused, on non-receipt of any payment under Section 13(2) notice, for taking possession of the charged property in relation to the Home Loan Agreement. The matter is currently pending. Thereafter, EHFL filed a complaint against P. Aravindan, Tholkappian, J. Vinayagamoorthy, K. Babu and B. Saravanan before the Commissioner of Police, Egmore, Chennai *vide* its letter dated September 27, 2017 alleging that pursuant to an internal investigation conducted by EHFL, it was found that P. Aravindan and Tholkappian along with the previous employees of EHFL i.e. J. Vinayagamoorthy, K. Babu and B. Saravanan (“**Ex-Employees**”) had, *inter alia*, forged the ‘Know Your Customer’ (“**KYC**”) documents and other transactional documents in relation to the Home Loan Agreement. The Accused are presently in judicial custody and the matter is currently pending.
4. EHFL issued a notice dated October 20, 2016 to Prem Anand (“**Accused**”) under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“**SARFAESI**”) for payment of the amount due to EHFL in relation to charge created on the property under a home loan dated January 1, 2015 entered between EHFL and the Accused (“**Home Loan Agreement**”). EHFL issued another notice dated January 3, 2017 under Section 13(4) of the SARFAESI to the Accused, on non-receipt of any payment under section 13(2) notice, for taking possession of the charged property in relation to the Home Loan Agreement. Thereafter, EHFL filed a complaint against the Accused, Tholkappian and J. Vinayagamoorthy before the Commissioner of Police, Egmore, Chennai *vide* its letter dated September 27, 2017 alleging that pursuant to an internal investigation conducted by EHFL, it was found that the Accused along with Tholkappian and a previous employee of EHFL i.e. J. Vinayagamoorthy, had, *inter alia*, forged the ‘Know Your Customer’ (“**KYC**”) documents and other transactional documents in relation to the Home Loan Agreement. The matter is currently pending.
5. EHFL disbursed a loan to Om Prakash Singh on December 31, 2017 for an amount of ₹ 20.05 million for purchase of Residential Property in Jangpura Extension Delhi. Om Prakash Singh owner of V3 Mobi Communication Private Limited (“**Company**”), a company engaged in developing software and proving online platform for trading. The Company had been defaulting since March 2018 and was hence declared a non-performing asset (“**NPA**”) in August 2018. EHFL filed a complaint to the Police and Economic Offences Wing, New Delhi (“**EOW**”) on June 28, 2018. EHFL filed Application before the Delhi High Court for seeking stay of sale proceeding and the Delhi High Court allowed the stay on sale proceeding and directed Punjab National Bank to file their reply on October 29, 2018. Further, EHFL also tried to obtain a certified copy pertaining to the SARFAESI proceeding filed by Punjab National Bank. A securitization application under Section 17 of the SARFAESI Act was filed before DRT-II on September 6, 2018. The complaint has been registered after rigorous follow up with EOW and the FIR was lodged on dated September 28, 2018 by the Economic Offences Wing. Application filed before Chief Metropolitan Magistrate Court for Seeking Status Report from Economic Offences Wing. The matter is currently pending.
6. EHFL issued a notice dated January 20, 2016 against Somprashant M. Patil and Sonali S. Patil (collectively, the “**Accused**”) under Section 13(2) of the Securitisation and Reconstruction of

Financial Assets and Enforcement of Security Interest Act, 2002 (“**Act**”). EHFL thereafter issued a notice dated March 29, 2016 under Section 13(4) of the Act to the Accused intimating them about the symbolic possession of the mortgaged property by EHFL. Further, EHFL received notices dated July 15, 2015 and April 25, 2016 from Chinchwad Police Station seeking certain documents in relation to the loan granted by EHFL to the Accused, pursuant to a first information report filed by Ganpat Datta Salunkhe against the Accused, to which EHFL has provided the relevant documents. The matter is currently pending.

7. Rayabharapu Ranaprathapavailed loan from Edelweiss Housing Finance for purchase of Plot at Enumamula Location. In the year 2001, Kasarala Laxminarsimha Rao; Kasarala Ranga Rao; and (3) Kodari Sadanandam, executed the registered sale deed in favour of Betheli Santosh Kumar. In the year 2012, Betheli Santosh Kumar executed the General Power of Attorney dated February 23, 2012 in favour of Masna Sampath Kumar and cancelled it in the year October 2015, in the same month Betheli Santosh Kumar executed self-declaration deed for change of boundaries. EHFL has filed a criminal complaint on February 9, 2019, against Rayabharapu Ranaprathap under various sections of Indian Penal Code (“**IPC**”) for showing the non-existing property and obtained the loan amount fraudulently before PS Hanmakonda Warangal District. The matter is currently pending.
8. EHFL has filed a criminal complaint on January 13, 2020 against Pawan Kumar Goel under various sections of IPC for showing the non-existing property and obtained the loan amount fraudulently on February 22, 2018 before Station Head Officer Barakhamba Road, New Delhi. The matter is currently pending for investigation.
9. EHFL filed five separate criminal complaints against its borrowers, Amit Sesmal Jain and nine others before Economic Offences Wing, Pune under various sections of Criminal Procedure Code for fraudulently siphoning off EHFL’s money amounting to ₹14 million while availing home loan facility from the Pune Branch. These cases and matter are pending for inquiry.
10. EHFL had provided Home Loan of Rs. 1.6 million to Ajaykumar Ashokkumar Raut (Borrower). The Borrower turned delinquent and on carrying out further checks from the Maharashtra IGR portal, Department of Registration & Stamps it was found that borrower in connivance with seller submitted fraudulent registered property agreements to EHFL towards Home Loan. The Borrower had also fraudulently obtained multiple financing from other financial institutions on the same property. Currently, charge of other financial institutions including Edelweiss Housing Finance Ltd is registered on subject property. EHFL has filed application under Section 14 of SARFAESI Act before District Magistrate Court, Nagpur on December 08, 2020 and said matter is pending for orders from District Magistrate.
11. EHFL had provided Home Loan of Rs. 3.06 million to Amol Jalinder Phuge (Borrower). The Borrower turned delinquent and on carrying out further checks, it was found that Borrower had created multiple property documents and had availed loans from other financial institutions on the same property. Charge of other financial institutions is registered by virtue of Notice of Intimation (**NOI**) however charge of Edelweiss Housing Finance Ltd (EHFL) is first as EHFL disbursement is prior to other financial institutions. EHFL has filed application under Section 14 of SARFAESI Act before District Magistrate Court, Pune. The matter is currently pending before Tahsildar, Pune for fixation of appointment to take physical possession of property as per order passed by District Magistrate. The matter is pending.
12. EHFL had provided Home Loan of Rs. 2 million to Bhausaheb Balasaheb Jahdave (Borrower). The Borrower turned delinquent and carrying out further checks, it was found that Borrower fraudulently opened account in builder’s name, siphoned off the loan amount and registered Cancellation Sale Deed. Builder sold the subject property to another buyer without intimating to EHFL. Though EHFL yet to initiate SARFAESI proceedings, EHFL reported this case as farud to National Housing Board.
13. EHFL had provided Home Loan of Rs. 2 million to Divya Florasundaram Gollapalli (Borrower). The Borrower turned delinquent and on carrying out further checks, it was found that borrower had submitted fraudulent property papers/registered agreements, unavailability of layout plan, mismatch in dimensions of property stated in Sale Deed, Technical report vis-à-vis property

taken as collateral. The Borrower is not traceable, and property is in the possession of some third party who is claiming the owner of property. EHFL has filed Criminal complaint with SR Nagar Police Station, Hyderabad City against Borrower on September 8, 2020. The matter is pending for investigation.

14. EHFL had provided Home Loan of Rs.7.4 million to M Hanumantha Rao (Borrower). The Borrower turned delinquent and on carrying out further checks, it was found that builder had done multiple transactions on the subject property and sold property to multiple buyers. Builder has provided fraudulent registered property agreement to Borrower which was submitted to Edelweiss Housing Finance Limited towards Home Loan. Builder is absconding and not traceable. Currently, subject property is occupied by third parties and claiming owner of the property. EHFL has filed criminal complaint on September 24, 2020 against Borrower at Koramangala Police station, Bangalore. The matter pending for investigation.
15. EHFL had provided Home Loan of Rs.2 million to Menta Bhanuprakash (Borrower). The Borrower turned delinquent and on carrying out further checks, it was found that Borrower defrauded EHFL by submitting colour xerox/fake property documents. Subject property falls under Prohibited Property List. EHFL has filed application u/s 14 of SARFAESI Act before District Magistrate Court, Nellore on December 22, 2019 and said is pending for order from District Magistrate, Nellore. The matter is pending.
16. EHFL had provided Home Loan of Rs. 4.99 million to Rajkumar Silarpur (Borrower). The Borrower turned delinquent and on carrying out further checks, it was found that Borrower had misrepresented the facts about seller and submitted invalid Sale Deed. General Power of Attorney (GPA) basis which Sale Deed was executed was not valid as Seller was not alive at the time of execution and consequently Sale Deed also becomes invalid. Property is in the possession of some third party, B. Karunakar, who is claiming the owner of property and alleging to be the original owner of the Secured Property, Third Party has filed application before DRT on October 06, 2020 against EHFL, which pending for hearing. EHFL has filed application under Section 14 of SARFAESI Act before District Magistrate Court, Secunderabad on January 08, 2021 and is pending for orders. The matter is pending.
17. EHFL had provided Home Loan of Rs. 2.82 million to Sham Suryawanshi (Borrower). The Borrower turned delinquent and on carrying out further checks, it was found that Borrower in connivance with builder & landowner submitted fraudulent registered property agreements to EHFL. Builder sold the property initially to Magal Jagtap, parallelly builder allotted same Flat to one of the landowner, who in turn sold the same Flat to Rahul Khadve and Rahul Khandve sold the property to the Borrower. EHFL has filed application under Section 14 of SARFAESI Act before District Magistrate Court, Pune on December 22, 2019 and said matter is pending for order from District Magistrate, Pune.
18. EHFL had provided Home Loan of Rs. 1.5 million to Yernamma Kommineni (Borrower). The Borrower turned delinquent on carrying out further checks, it was found that Borrower in connivance with seller defrauded EHFL by misrepresenting the facts and creating false profile and submitted fake business and income documents. The Borrower is not traceable. Property was overvalued by more than Rs.19 lakhs. (at acquisition - Rs.30 lakhs and latest valuation - Rs.10.80 lakhs) Valued property (Near to highway/main road) and the property as per Sale Deed (lies in interiors) both are different. Subject property is into the interiors. EHFL has sold the property in auction to third party. EHFL is in process of filing OA (Original Application) for loss on sale before Debt Recovery Tribunal. Though EHFL yet to initiate SARFAESI proceedings, EHFL reported this case as farud to National Housing Board.
19. EHFL had provided home loan of Rs. 10.5 million to Jitendra Dalchand Jain and Kavita Jain (**Borrowers**). The Borrowers turned delinquent, and on carrying out further checks, it was found the Borrowers in connivance with the developer have defrauded EHFL by misrepresenting the unit numbers being mortgaged with EHFL, submitted forged approved plan and issuing NOC, Receipts and entering into a registered sale deed for non-existent properties by the developer. The developer fraudulently submitted a plan where the Permanent Transit Cam (**PTC**) were shown as free sale units, and the Slum Redevelopment Authority (**SRA**) stamp and correct approval number was put on the fabricated plan. On February 25, 2021, EHFL has

filed criminal complaint against Borrowers, and Neeraj M Ved, Proprietor of Shreenath Corporation, Builders and Developers of Forgery, Criminal Breach of Trust and Cheating with BKC Police Station, Bandra, Mumbai. The Complaint is pending for investigation.

20. EHFL had provided Home Loan of Rs. 14.2 million to Nikesh Mohan Gajara and Gitaben Mohanlal Gajara (**Borrowers**). The Borrowers turned delinquent, and on carrying out further checks, it was found that the Borrowers in connivance with the developer have defrauded EHFL by misrepresenting the unit numbers being mortgaged with EHFL, submitted forged approved plan and issuing NOC, Receipts and entering into a registered sale deed for non-existent properties by the developer. The developer fraudulently submitted a plan where the Permanent Transit Cam (**PTC**) were shown as free sale units, and the Slum Redevelopment Authority (**SRA**) stamp and correct approval number was put on the fabricated plan. On February 25, 2021, EHFL has filed criminal complaint against Borrowers, and Neeraj M Ved, Proprietor of Shreenath Corporation, Builders and Developers of Forgery, Criminal Breach of Trust and Cheating with BKC Police Station, Bandra, Mumbai. The Complaint is pending for investigation.

(iii) Criminal proceedings against EHFL

1. EHFL sanctioned a loan for an amount of ₹31.10 million as a loan to N. K. Proteins Limited (**"Borrower"**) vide a loan agreement dated January 27, 2012 to purchase a property being flat number 1203, Tower B, 12 Floor, BhagtaniKrishaang, Powai, Mumbai (**"Suit Property"**) from Jaycee Homes Limited. A no-objection certificate for mortgage of suit property dated January 23, 2012 was issued by Jaycee Homes Limited in favour of EHFL. A notice dated August 26, 2013 was issued to the Borrower for recall of the total loan amount sanctioned to which no reply was received by EHFL. Thereafter, a first information report dated September 30, 2013, was registered against the National Spot Exchange Limited, its borrowers and trading members including the Borrower. Pursuant to the investigation conducted by the Economic Offences Wing, Mumbai Police, (**"Authority"**) the proceeds of Suit Property fraud vide its provisional attachment order dated August 27, 2014, which was confirmed vide an order dated February 20, 2015 (**"Impugned Order"**). EHFL received a show cause notice (**"SCN"**) dated September 30, 2014 issued by the Authority seeking for confirmation of the provisional attachment through the Impugned Order. Subsequently, EHFL filed a writ petition before the Delhi High Court (**"High Court"**) against the Impugned Order and the SCN. The High Court granted a stay on the Impugned Order vide its interim order dated December 18, 2014 and directed to file a petition before the Bombay High Court. The Bombay High Court disposed the writ petition filed by EHFL vide its order dated November 28, 2016, granting liberty to EHFL to approach the Appellate Tribunal, New Delhi (**"Tribunal"**) under the Prevention of Money Laundering Act, 2002 (**"Act"**). EHFL filed an appeal dated January 5, 2017 before the Tribunal under Section 26 of the Act for quashing of the Impugned Order passed by the Authority. The matter is currently pending.
2. EHFL received notice dated February 6, 2019 from Economic Offences Wing, Mumbai (**"EOW"**) under Section 91 of Criminal Procedure Code *inter-alia*, informing that case is registered against Mukesh Bhagtani, Dipesh Bhagtani and Laxman Bhagtani (**"Accused"**). The Economic Offences Wing is investigating an offence under Sections 406, 420, 34 and 120 B of IPC read with sections 3,5,6,8, and 13 of Maharashtra Ownership Flats Act, 193During investigation it was revealed that EHFL granted loan to the Accused against mortgage of property. The investigation officer therefore directed to furnish necessary information and documents in respect of the said Loan. Accordingly, on January 28, 2020 representative of EHFL produced the required documents and also recorded his statement in support before the authority. The matter is currently pending.

(iv) Regulatory matters involving EHFL

EHFL received a show cause notice (**"SCN"**) dated June 30, 2020 issued by the National Housing Bank (**"NHB"**) seeking reasons as to why the penalty of ₹0.01 million in terms of the provisions of the National Housing Bank Act, 1987, should not be imposed on EHFL *inter alia* for having non-adherence of certain policy circular. The Company has submitted its reply on SCN on July 21, 2020.

The NHB *vide* its email dated October 15, 2020 has sought for additional information. EHFL has submitted its reply on October 19, 2020. The matter is currently pending.

(j) Edelweiss Asset Management Limited (“EAML”)

(i) Criminal proceedings against EAML

Edelweiss Arbitrage Fund has been served with a Show Cause Notice (“SCN”) dated January 10, 2019, from the office of Registrar / Adjudicating Authority (Prevention of Money Laundering Act) to appear before Adjudicating Authority (Prevention of Money Laundering Act), New Delhi to show cause as to why Provisional Attachment Order dated December 8, 2018, in relation to the investment made by one of the client, Mainak Agency Private Limited and some of the directors of Edelweiss Mutual for a value of about ₹3.51 million for having alleged unethical dealing in the case of Agusta Westland, Italy VVIP Helicopter Case. On March 25, 2019, Edelweiss Assets Management Limited, being Investment Manager filed its reply *inter-alia* conforming freeze of concern mutual fund account and fluctuation of value of units depending upon NAV at the time of redemption. The Adjudicating Authority *vide* an Order dated May 30, 2019 confirmed the provisional attachment Order dated December 8, 2018. Pursuant thereto, Edelweiss Arbitrage Fund received a notice dated June 8, 2019 from the Adjudicating Authority directing to handover the investments lying in Mutual Fund account of captioned clients. Accordingly, Edelweiss Arbitrage Fund liquidated the investments on June 26, 2019 and transferred the sale proceeds to bank accounts of the Adjudicating Authority. The matter is currently pending.

(ii) Criminal proceedings by EAML

A Complaint was filed before Additional Chief Metropolitan Magistrate, 71st Court, Bandra by EAML against Anil Nath (“**Accused**”) *inter-alia* for the offences of criminal defamation, under Section 499 of the Indian Penal Code, 1860 for the defamation and loss of reputation caused to EAML, due to the acts and actions of the Accused. The matter is currently pending.

(k) Edelweiss Broking Limited (“EBL”)

(i) Civil litigation filed against EBL

Except as disclosed under – “*Civil proceedings against ECL Finance*”, there are no other civil proceedings filed against EBL.

(ii) Criminal proceedings filed by EBL

1. EBL has filed a criminal writ petition (“**Petition**”) against State of Maharashtra and BKC police station before Bombay High Court praying that Central Bureau of Investigation or any other investigating agency be directed to investigate the offence committed by Pranav Patki under the provisions of Indian Penal code. The matter is currently pending.
2. EBL filed a criminal complaint dated March 2, 2016 (“**Complaint**”) with the Gandhi Nagar Police Station, Jammu against AEN Collective Market Management Private Limited and its directors (collectively, the “**Accused**”) under the applicable criminal laws of the State of Jammu and Kashmir and the Trade Marks Act, 1999 restraining the Accused from posing as the Complainant’s franchise and conducting fraudulent transactions. Subsequently, the Complainant filed an application under the applicable Criminal Procedure Code of the State of Jammu and Kashmir (“**Application**”) before the Chief Judicial Magistrate, Jammu (“**Court**”) for investigation of the Complaint. The Court *vide* its order dated April 26, 2016, issued a direction to the Gandhi Nagar Police Station, Jammu to register a first information report and commence investigation. Additionally, the Complainant filed a complaint dated October 20, 2016 with the cyber-crime cell against the Accused for violating of Sections 66A and 66D of the Information and Technology Act, 2000 by fraudulently and dishonestly using electronic email media by creating fabricated email id ‘edelweissfal@gmail.com’ online uploaded on Cyber Cell web-site (on-line) to mislead the public at large by using the Complainant’s registered logo. The matter is currently pending. A.K. Dewan *vide* his letter dated November 17, 2016 has raised a complaint with the RBI against the Complainant demanding that the value of

bonds invested in pursuance of the fraud committed by the Accused be refunded to him stating that the Accused is related to the Complainant. A copy of this letter has also been sent to the RBI and the RBI has forwarded the letter to the Complainant advising the Complainant to resolve the complaint amicably within ten days. A.K. Dewani has through an undated letter highlighted that the total amount of fake bonds issued by Accused is ₹2.33 million. Thereafter, EBL denied any involvement of itself. The matter is currently pending.

(iii) Criminal proceedings filed against EBL

Other than as mentioned below and under “-Material litigations involving our Directors as on the date of this Prospectus- Criminal litigation”, there are no other criminal proceedings against the Directors of EBSL.

1. Rajat Tyagi (“**Complainant**”) has filed a complaint and lodged FIR on February 22, 2020 (“**FIR**”) under Section 406 of Indian Penal Code, 1860 with the Kotwali police station, Bijnor, Uttar Pradesh against Mohit Singhal, advisor EBL. The Complainant alleged unauthorised share transactions to an amount of ₹0.25 million. The matter is currently pending.
2. On June 22, 2020, EBL received an email from Investigating Office along with copy of dated June 19, 2020 issued under Section 91 and 160 of Criminal Procedure Code in the matter client, Motilal Bharti advising to produce original account opening form/KYC compliance documents along with transaction statement for the period from November 18, 2002 till February 22, 2017. On June 26, 2020, the Authorised person attended the office CBI and tendered the required documents before the Investigating Officer. The matter is currently pending.
3. EBL received a notice from Deputy Superintendent of Police, CBI, Visakhapatnam by email *inter-alia* seeking statements showing the details of shares, debentures etc., purchased by client JakkulaSwarupa Rani from inception of account till date. On October 15, 2019, EBL replied to the authorities via email and furnished all the required documents. There is no claim made on EBL or there is any liability on EBL in the matter as these notices were received in ordinary course of business merely to furnish information to the authorities about clients. EBL is not a party to the investigation or dispute. The matter is currently pending.
4. On September 6, 2019, EBL received two notices both dated June 25, 2019 from Deputy Superintendent of Police, Central Bureau of Investigation, Anti-Corruption Branch, Nagpur *inter-alia* seeking information such as Investment / Redemption of Funds and Buying and Selling of Shares since the subscription to October 12, 2017 in respect of client Anand RajjoramAzami, Meena Anand Azami and their family members / all other connected Client IDs / DP IDs. Authorized person attended office of CBI, Nagpur and furnished the details, however, authority needs additional details in tabular format regarding loss of client etc., which EBL is in process of furnishing the required details to the concerned authorities. The matter is currently pending.
5. EBL received two email Notices both dated November 14, 2018 from Inspector of Police, Office of the Deputy Inspector General of Police, CBI, Anti-corruption Branch, Hyderabad under Sections 91 and 160 of the Criminal Procedure Code, 1973 *inter-alia* seeking trading and Demat details pertaining to the client of EBL namely, P. Durga Prasad DP ID: 12032300 Client ID: 01564294 in relation to investigation in RC 12 (A)/2018/CBI/HYD and to appear before him on November 23, 2018 for the purpose of answering questions relating to the case. On November 30, 2018 EBL furnished all necessary information and documents to the authorities. EBL is not a party to the dispute. The case is currently pending.
6. EBL received Notice dated July 17, 2019 from the office of Central Bureau of Investigation, Bank Securities & Fraud Branch, Bangalore under Sections 91 & 160 of Criminal Procedure Code, 1973 *inter-alia* seeking details of mutual fund investments and other investments of client, S. V. Venkatesan during the period from 2009 till 2019 including applications, mode of payment, redemption etc. On July 24, 2019 EBL furnished the necessary information and

documents to the authority. However, EBL is not a party to the dispute. The matter is currently pending.

7. EBL received notice dated March 26, 2019 from the office of Economic Offences Wing - Mumbai under Section 91 of Cr. PC *inter-alia* informing that offence under Sections 409, 406, 420, 120 (B) of IPC and Section 3 and 4 of Maharashtra Protection of Interest of Depositors Financial Establishment Act 1999 against Arrows Dynamic Enterprises and its directors for duping the investors to the tune of ₹30.30 million. We have been directed to furnish information like transaction statement, DP holding statement, KYC etc. EBL vide its letter dated April 10, 2019 furnished the required documents. The matter is currently pending.
8. EBL received a notice under Section 91 of Cr. PC from VidhayakPuri Police Station, Jaipur *inter-alia*, directing to produce all trading details of clients Hanuman Prasad Sharma including KYC, Ledger etc. and also all the employment / contact details of ex-employee Bhanwar Lal Teli of Jaipur Branch. Trading client of EBL filed a criminal complaint before VidhayakPuri Police Station, Jaipur against ex-employee Bhanwar Lal Teli alleging unauthorized trading in his account by the employee thereby causing loss of ₹1.40million. EBL provided all the required details through Jaipur branch office. The matter is currently pending.
9. EBL received email notice dated November 15, 2018 Crime Branch Police Station, Zone-1, M.P. Nagar, Bhopal, Pin Code 462011 (M.P.) India under Section 91 of the Criminal Procedure Code, 1973 *inter-alia* informing that Crime Branch Police Bhopal is investigating crime under Section 408, 420, 467, 468, 120B of Indian Penal Code and inquired with EBL to ascertain whether the telephone numbers namely, 8085870001, 9039136189, 8305344861, 9977140007 and PAN Number: AFQPL4923E pertains to any of the account with EBL at any time.
10. EBL after ascertaining the telephone and Permanent Account Number numbers provided by authority found that Permanent Account Number: AFQPL4923E is linked with Trading and Demat Account belonging to one of our client, namely Devansh Linjara residing at H No B-26, Aamra Vihar Kolar Road, Bhopal – 462 042 having his Trading Account No. 60001377 and Demat Account No. -12032300-00710736. Accordingly, EBL provided the necessary information and documents to the authority. EBL is not a party to the dispute. The matter is currently pending.
11. EBL received an undated notice (“**Notice**”) under Section 91 of the Code of Criminal Procedure, 1973 from Kundan Singh, Investigating Officer, Udyong Vihar Police Station, Gurgaon (“**IO**”), in pursuance of first information report dated June 26, 2012 under sections 406, 420, 467, 468, 471 and 120 – B of the Indian Penal Code, 1860 (“**FIR**”). The IO has directed EBL to furnish necessary documents for purposes of investigation into the FIR. EBL replied to the Notice on May 5, 2016, seeking further information on the matter. EBL is not a party to the dispute. The matter is currently pending.
12. EBL received a notice dated February 1, 2018 from Investigating Officer, General Cheating – 1, Economic Offence Wing (“**EOW**”), Mumbai under Sections 91 and 160 of Criminal Procedure Code, 1973 *inter-alia* seeking details of clients of EBL namely, Mukesh Jayantilal Simaria, Gaurav Sudhirkumar Davda, Ashok Rasikbhai Solanki, Rahul Himatlal Mehta, Vipul Hiralal Shah, Mukesh Mansukhabhai Kanani and Smt. Jasmin Kumar Lodhiya in relation to the transaction in Shree Ashtavinayak Cine Vision Limited. EBL has provided all necessary information and documents related to trades of above clients in script of Shree Ashtavinayak Cine Vision Limited and also recorded the statements of the concern officials/dealers before Investigating Officer (“**IO**”). EBL is not a party to the dispute. The matter is currently pending.
13. Manish Varshney (“**Complainant**”) filed a first information report dated March 28, 2012 (“**FIR**”) against Anagram Capital Limited (now amalgamated with EBL) and its employees Manoj Tomar and Manoj Gupta (collectively, the “**Accused**”) under Sections 406, 417 and 506 of the Indian Penal Code, 1860 for alleged fraudulent trading using the Complainant’s trading account. Subsequently, Manoj Gupta filed a criminal petition under Article 226 of the Constitution of India, 1949 before the High Court of Judicature at Allahabad (“**Court**”), seeking a stay order and directions to quash the FIR. The Court granted a stay and directed the police to

submit a police report under Section 173(2) of the Criminal Procedure Code, 1973. The matter is currently pending.

14. Amarjeet Arora filed a complaint before Economic Offence Wing, Ludhiana for alleging wrong transactions carried out in his account. EBL received a notice from EOW asking EBL to produce documents from account opening date, which were furnished in first week of May 2013. During personal visit at Ludhiana on May 14, 2013 by EBL representative, Investigating Officer directed EBL to produce more documents in respect of trades executed from March 2012 till April 2013 along with voice recording. Statement has been recorded by Investigating Officer on July 26, 2013 and relevant documents have been taken on record. Final hearing took place on September 13, 2013 before IO for closure of complaint. Pending for further directions.
15. A first information report dated December 5, 2013 was filed by Gaurang Doshi (“**Complainant**”) against one Mehul Kantilal Vala, ex-employee of the complainant under Section 154 of the Criminal Procedure Code, 1973 for violation of Sections 408, 418, 381 and 506(2) of the Indian Penal Code, 1860 with Ellisbridge Police Station at Ahmedabad, for alleged theft of the physical share certificates of different companies, challan of the banks and cash of ₹0.03 million aggregating to value of ₹4 million. Pursuant to which EBL received a Notice dated December 11, 2013 from Ellisbridge Police Station at Ahmedabad inter-alia requesting to produce relevant documents pertaining to Delivery Instruction Slips (“**DIS**”) lodged by Mehul Kantilal Vala along with relevant share certificates as well as Demat Account Statement of the Complainant, which has been provided by EBL *vide* its letter dated December 13, 2013 and December 23, 2013. The Company official Rakesh Kori of Ahmedabad office recorded his statement on behalf of the company. The matter is currently pending.
16. Baburajan Pillai, a client of EBL, filed a police complaint before S Roopesh Raj, PSI, Anjalummoodu, Kollam Police station under Sections 408, 418, 468 and 420 of the Indian Penal Code, 1860 for unauthorised trading in his account. His complaint is that one of EBL’s officials took 300 Bank of India share certificates from the client and carried out unauthorized trading in his account. All the shares were sold at loss. Branch officials have visited the police station from time to time and have filed requisite documents. Thereafter, a notice dated January 7, 2016, was sent by the police, under Section 91 of Cr. PC (“**Notice**”) directing EBL to provide the relevant documents, which have been duly submitted. The matter is currently pending.
17. Fazal Bhai (“**Complainant**”) filed a criminal case before the Judicial Magistrate First Class, Chhindwara (Madhya Pradesh) (“**Court**”) under Sections 420 and 406 of the Indian Penal Code, 1860 against V. K. Sharma, Darshan Mehta, Mayank Shah, Abhijeet Dikshit (all employees of Anagram Stock Broking Limited (now amalgamated with EBL) and one Pramod Kumar Jain (collectively, the “**Accused**”) for an alleged fraud in the transaction of shares worth ₹0.30 million. By an order dated December 16, 2015 (“**Order**”), the Court dismissed the Complaint against the Accused. The Complainant has filed a revision petition before the First Additional Sessions Judge, Chhindwara against the Order in pursuance of which summons dated September 16, 2016 was issued to V. K. Sharma, ex-director of EBL. Summons dated June 28, 2018 were also served upon an ex-employee Abhijeet Dikshit through the Commissioner of Police, Nagpur, Maharashtra. On December 27, 2019 fresh summons was received by EBL in the name of Abhijeet Dikshit, *inter alia* advising him to appear before the Court on February 20, 2020, when statement was made before the Court by EBL that Abhijeet Dikshit is no longer in employment. The matter is currently pending.
18. H. R. Verma (“**Complainant**”) filed a criminal complaint (“**Complaint**”) before the Judicial Magistrate First Class, Bhopal (“**Judicial Magistrate**”) under Sections 406, 420, 467, 468, 471 and 120B of the Indian Penal Code, 1860 against Sanjay Kumar, Asha Batham, Anita Gupta and Edelweiss Financial Advisory Limited (now amalgamated with EBL) (collectively, the “**Accused**”) for fraudulent transfer of shares of 4,000 shares of Reliance Industries Limited from their designated accounts. The Judicial Magistrate dismissed the Complaint *vide* an order dated March 16, 2015 (“**Order**”). Subsequently, the Complainant filed a criminal revision petition under Section 397 of the Criminal Procedure Code, 1973 before the District and Sessions Court, Bhopal (“**Court**”) against the Order of the Judicial Magistrate. The Court heard the matter and directed the Judicial Magistrate to conduct further investigations *vide* an order dated December 22, 2015. The matter is currently pending.

19. George Ommen (“**Complainant**”) filed a criminal case dated July 10, 2008 (“**Criminal Case**”) before the Chief Judicial Magistrate Court at Ernakulum (“**Court**”) against Anagram Securities Limited (now amalgamated with EBL) and its employees, alleging criminal breach of trust and misappropriation of the Complainant’s money by conducting unauthorised trades leading to a loss of ₹0.03 million under Sections 406, 409 and 34 of the Indian Penal Code, 1860. Subsequently, the Complainant moved an application dated December 24, 2014 (“**Application Order**”) before the Court to implead Rashesh Shah as one of the co-accused in the Criminal Case, subsequent to the amalgamation of Anagram Securities Limited with EBL. Pursuant to an order dated July 7, 2015 (“**Order**”), the Court allowed the Application for impleading Rashesh Shah as one of the co-accused in the Criminal Case. Pursuant to a criminal miscellaneous application, Rashesh Shah applied to stay the Order and all further proceedings in the Criminal Case. EBL filed quashing petition at High Court against the order and Criminal Complaint. The High Court of Kerala subsequently stayed the Order. On November 25, 2015 a stay order passed in the Criminal Miscellaneous Application by Kerala High Court (Ernakulum) was produced before the Metropolitan Magistrate Court. By an Order dated January 10, 2018, the Kerala High Court has set aside the Order dated July 7, 2015 passed by the Magistrate Court, Ernakulum to implead Rashesh Shah as party respondent as in the finding the High Court concluded that the procedure adopted by the Metropolitan Magistrate Court to implead Rashesh Shah per se is illegal. On February 15, 2019, George Omen filed another petition to implead Rashesh Shah as an accused and the same has been dismissed by the Court. Complainant thereafter, on May 27, 2019 filed fresh Petition before Chief Judicial Magistrate, Kochi for substitution of Anagram Securities Limited to Edelweiss Financial Services Ltd. On August 31, 2019, EBL filed its objection to the fresh Petition. The matter is currently pending and adjourned to April 26, 2021 for orders.
20. EBL received a notice dated August 25, 2020 from Enforcement Director, New Delhi (“**ED**”) asking EBL to submit documents pertaining to investigation against one Hubek Engineering Limited along with trading account details of a client, viz. Leap and Bounds Private Limited. On August 27, 2020 and August 28, 2020, EBL, through its representative submitted the required documents and papers to ED office. We haven’t heard anything further from ED.
21. On December 11, 2020, EBL received a notice under section 54 of Prevention of Money Laundering Act, 2002 (PMLA) from Directorate of Enforcement, Government of India, Jaipur (“**ED**”) in respect of investigation against Clients, M/s. Bhavishya Credit Cooperative Society and 11 others inter alia requesting to provide details of share holding with present value. ED also directed not to allow any further sale/ transfer transaction in the account of said clients without NOC from ED. EBL is in process of complying with the said Notice. The matter is pending.
22. Chayya Jitendra Mohite, a client of EBL has filed a Criminal Writ Petition being No. 225 of 2020 (“**Petitioner**”) before High Court at Mumbai against Senior Police Officer, Vakola Police Station, Mumbai and State of Maharashtra, the Respondents *inter-alia* praying for an order directing Respondent No. 1 to register FIR on the Petitioner’s complaint dated June 25, 2020 filed with Respondent No. 1 against EBL, ECL Finance and S. R. Batliboi and Company LLP and thereafter transfer the same to Economics Offences Wing (**EOW**) or Central Bureau of Investigation (**CBI**) for further investigation. Petitioner, *inter-alia* alleged the opening of his and his family members loan account/s with ECL Finance without knowledge and consent.

On January 20, 2021, EBL and ECL Finance appeared before the Hon’ble Court as intervener, when Hon’ble Court allowed the Petitioner to amend the Petition and served the copies thereof upon all the Respondents and Interveners. The Petition is pending for hearing.
23. Malvika Saluja and Jyotika Saluja both of Bhubhneshwar, investors in Edelweiss Multi Strategy Fund Management Pvt Ltd (“**EMSFMPL**”) filed 2 separate criminal complaints both dated February 03, 2021 with Laxminagar Police Station, Bhubhneshwar against Employees of EBL, namely, Debasis Nayak, Dipankar Datta and Raja Ram, *inter-alia* alleging forgery in respect of documents submitted with EMSFMPL for investment in Hexogen Product. On February 09, 2021, EBL officials received telephonic directions from Laxminagar Police Station

to provide details and documents relating to the said investments in the matter. EBL is in process of complying with the same. The investigation is currently pending.

(iv) Regulatory proceedings involving EBL

1. SEBI had issued Notice under Regulation 25 of the SEBI (Intermediaries) Regulations, 2008 dated October 4, 2018 in the matter of Economic Offence Wing Investigation relating to investigation into alleged fraud involving physical shares and Demat accounts. In the notice it is alleged that there was lack of due skill, care, diligence, professionalism and efficiency by EBL while dealing with YatinPrekh, client of EBL, named in the investigation report in the aforesaid matter. EBL had duly responded to the SEBI letter on October 25, 2018. We haven't heard anything further from SEBI.
2. EBL has been served with Summons issued by Investigation Authority ("IA"), Securities and Exchange Board of India ("SEBI") under section 11C (3) of the Securities and Exchange Board of India Act, 1992 in relation to the trading activities of the EBL's client, Bhawarlal Ramnivas Jajoo in the scrip of Reliance Industries Limited for a period from March 01, 2020 to March 31, 2020. EBL vide its letter dated December 16, 2020 furnished the required information and data alongwith supporting documents and complied with the same. No further communication is received from IA. The investigation is pending.

(I) Edelweiss Custodial Services Limited ("ECSL")

(i) Civil Proceedings filed by ECSL

Trading Member Indianivesh Shares and Securities Private Limited had defaulted in its obligations amounting to about ₹903.80 million under Trading Member- Clearing Member agreement towards ECSL for settlement of F&O trades on National Stock Exchange of India Limited and ECSL had liquidated securities and other actions were taken for recovery of outstanding dues. When all possible recourses were exhausted to recover dues, ECSL had initiated invocation of the fixed deposit placed with HDFC Bank by Trading Member ("TM"). HDFC Bank disagreed to honor the same. ECSL had in order to safeguard its interest and secure the liquidation of the fixed deposit by TM had filed the Arbitration Petition with the Bombay High Court against the TM and HDFC Bank on April 29, 2020. The Bombay High Court ("Court") on May 4, 2020 and appreciating Edelweiss' concerns, has passed an order of injunction restraining liquidating the fixed deposits of ₹1,007.50 million by any party.

(ii) Civil Proceedings filed against ECSL

1. Arebee Shipping Company Private Limited and its promoter family, who claim to be clients of Anugrah Stock and Broking Private Limited ("**Anugrah**"), filed a suit before the Bombay High Court against Anugrah, Teji Mandi and ECSL ("**Suit**"). The principal allegation in this Suit is that Anugrah and Teji Mandi have misused the power of attorney given to them by the client to misappropriate securities/funds of the client. The Bombay High Court has also passed interim orders directing Anugrah and Teji Mandi to file an affidavit of disclosure to disclose ledger accounts, details of trades, etc. executed on behalf of their clients. The matter is currently pending.
2. On October 4, 2020, ECSL were served with three arbitration petitions ("**Arbitration Petitions**") filed by Lalit Shah, Lalit Shah HUF and Prafulla Shah ("**Petitioners**"), all of whom claim to be clients of Anugrah Stock and Broking Private Limited ("**Anugrah**"). The principal grievance raised in these Arbitration Petitions is that stocks / securities / units entrusted by the Petitioners with Anugrah have been wrongly sold by Anugrah and ECSL. The Petitioners have also sought a direction that Anugrah and ECSL remit back the securities / stocks / units belonging to the Petitioner or deposit in Court an equivalent aggregate sum. The matter is currently pending
3. Writ Petition has been filed before the Bombay High Court by Jaidev Krishnan Iyer, Ashwin Kantilal Mehta and Vimal Kishor Sikchi, Mahendra Kumar Mohta respectively, who claims to be end investors who have invested their monies and given shares as collateral to Anugrah Stock & Broking Private Limited ("**Anugrah**"). The Petitioners have alleged that the securities placed

by them were wrongfully liquidated by Anugrah and ECSL. The main prayers of these Petitions is to seek a Special Investigation Team to conduct investigation into the affairs of NSE, NCL, BSE, ECSL, ICICI Bank, Anugrah and Teji Mandi Analytics Private Limited and their auditors to ascertain the role played by each of the entities and submit a report. The matter is currently pending.

4. Writ Petition has been filed before the Bombay High Court by Nimish Shah and others including Alpita Apurva Mayekar & others and Karim Maredia, end clients of Anugrah Stock & Broking Private Limited (“**Anugrah**”) *inter-alia* seeking a direction against SEBI to take action against all Respondents including NSE, NCL, CDSL, ECSL, Anugrah and Teji Mandi, and pass appropriate orders to protect the interest of the Petitioners and other investors. The matter is currently pending for hearing.

(iii) Criminal Proceedings involving ECSL

1. On a complaint made by certain end-clients of Anugrah Stock and Broking Private Limited “Anugrah”, the Economic Offence Wing (“**EOW**”) registered first information report dated September 9, 2020 against Anugrah and its affiliates/promoters for defrauding customers under Ponzi scheme and lured investors with assured returns of 15% to 20%. Although ECSL is not an accused in that matter, the Economic Offence Wing passed a direction marking a debit lien on ECSL’s Clearing Account held with Citibank to the tune of ₹4,603.2 million. ECSL challenged this direction before the 47th Additional Chief Metropolitan Magistrate’s Court at Esplanade, Mumbai. The Additional Chief Metropolitan Magistrate’s 47th Court at Esplanade, Mumbai has temporarily lifted the lien on ECSL’s Clearing Account by passing a stay order. The matter is currently pending.
2. ECSL has been served with notice dated December 08, 2020 issued by the Inspector of Police, Economic Offence Wing, Cyberabad, Telangana under Section 91 of Cr. PC *inter-alia* informing that a case was registered vide Cr. No. 943/2020 at Madhapur Police Station against Anugrah Stock Broking Private Limited (“**Anugrah**”) and its directors under Section 420, 406 of IPC for cheating. ECSL, thus directed to provide certain information and documents pertains to affairs of Anugrah, which were furnished by ECSL vide its letter dated December 09, 2020. In pursuance to personal hearing of authorised person of ECSL held on December 30, 2020, the required additional documents and information was furnished by ECSL vide its letter dated January 18, 2021. The said authorities vide its notice dated January 19, 2021 asked for certain more documents, which were provided by ECSL. The investigation is pending.

(iv) Regulatory proceedings involving ECSL

- (i) NSE Clearing Limited (“**NCL**”) had issued a Show Cause Notice (“**SCN**”) dated January 8, 2020, after completing the Limited Purpose Inspection to understand the issue raised by the trading member Vrise Securities Private Limited (“**Vrise**”). NCL made *inter-alia* certain observations in its SCN and personal hearing was scheduled before Member and Core Settlement Guarantee Fund Committee (“**MCSGFC**”) of NCL. The MCSGF Committee of NCL passed an order dated February 12, 2020 stating that ECSL to reinstate such securities that are liquidated by ECSL. ECSL thereafter filed an appeal against the impugned order with Securities Appellate Tribunal (“**SAT**”) and Miscellaneous Application and SAT by its order dated February 26, 2020 granted a stay. The matter is currently pending.
- (ii) NSE Clearing Ltd (“**NCL**”) had issued a Show Cause Notice (“**SCN**”) dated September 19, 2020 after completing the Limited Purpose Inspection to understand the issue raised by the trading member Anugrah Stock & Broking Private Limited (“**Anugrah**”). NCL made *inter alia* certain observations in its SCN and personal hearing was scheduled before Member and Core Settlement Guarantee Fund Committee (“**MCSGFC**”) of NCL. The MCSGF Committee of NCL passed an order dated October 20, 2020 stating that post detailed scrutiny of NSE and the quantum of securities to be re-instated will be intimated by NSE to ECSL for further action and also has levied a penalty of ₹0.1 million. ECSL thereafter filed an appeal against the impugned order with Securities Appellate Tribunal (“**SAT**”) and SAT by its order dated November 5, 2020 while granting a stay order *inter-alia* directed ECSL to give undertaing to NCL that ECSL will

deposit ₹2, 120 million or any other amount as may be directed by Tribunal after disposal of Appeal. The matter is currently pending.

(m) Edelweiss Comtrade Limited (“Edelweiss Comtrade”)

(i) Criminal Proceedings filed against Edelweiss Comtrade

1. On March 27, 2019, Edelweiss Comtrade has been served with the notice dated March 25, 2019 from the office of the Assistant Commissioner of Police, Economic Offence Wing, Delhi (“**EOW**”) issued under Section 91 of the Criminal Procedure Code *inter-alia* informing that first information report dated March 1, 2016 under Section 420, read with 34 and 120B of Indian Penal Code is being investigated by Section I of EOW against Priya Arora alias Priya Misra (“**Accused**”). The Accused has been arrested and under judicial custody for inducing people in lieu of doubling their moneys in short period of time by trading in shares and commodities. Edelweiss Comtrade were asked to submit all the details about the trading accounts of Accused along with her family members under five different Permanent Account Number (“**PAN**”). Edelweiss Comtrade also received similar notice on April 3, 2019 to furnish the same details. Through its letter dated April 10, 2019, Edelweiss Comtrade has furnished the required details. The matter is currently pending.
2. Edelweiss Comtrade has been served with the notice dated January 9, 2019 from the office of Economic Offence Wing Special Investigation Team, Mumbai (“**EOW**”) issued under Section 91 of the Criminal Procedure Code *inter-alia* informing that department is investigating the offences registered against National Spot Exchange Limited, its directors, Financial Technology India Limited, its directors, borrowers, brokers and others for committing several acts of forgery and criminal breach of trust pursuant to criminal conspiracy hatched by them. Economic Offence Wing therefore, directed to provide the information along with supporting documents such as total year wise brokerage from AY-2009-10 till 2012-13, year wise volume of turnover executed in all pair trade contracts since AY-2009-10 till 2012-13 with brokerage earned etc. more particularly mentioned therein. Edelweiss Comtrade *vide* its letter dated January 22, 2019 provided the required details as called for. The matter is currently pending.
3. Edelweiss Comtrade has been served with the Notice dated February 15, 2019 on March 16, 2019 from the office of Economic Offence Wing, National Spot Exchange Limited – Special Investigation Team (“**EOW**”), Mumbai issued under Section 91 of the Criminal Procedure Code *inter-alia* informing that department is investigating the offences registered against National Spot Exchange Limited (“**NSEL**”), its directors, FTIL, its directors, borrowers, brokers and others for committing several acts of forgery and criminal breach of trust pursuant to criminal conspiracy hatched by them. Economic Offence Wing is investigating complaint of SEBI against 300 brokers for illegal trading on NSEL. Economic Offence Wing, directed to provide the information along with supporting documents like original membership form with agreement with NSEL, certified Registrars of Companies documents, PAN card, volume of trades, brokerage etc. and attend the office of Economic Offence Wing to record statement. Edelweiss Comtrade *vide* its letter dated March 25, 2019 provided the required details as called for. The matter is currently pending.
4. On September 26, 2018, Edelweiss Comtrade has been served with show cause notice (“**SCN**”) dated September 25, 2018 from SEBI (Designated Authority), Enquiries and Adjudication Department, Mumbai issued under Section 25(1) of SEBI (Intermediaries) Regulations, 2008. The SCN was issued with respect to pair contract in National Spot Exchange Limited (“**NSEL**”). Edelweiss Comtrade *vide* its letter dated October 15, 2018 replied to the SCN along with supporting documents. Further to written submission, SEBI granted personal hearing to Edelweiss Comtrade on December 11, 2019. The matter is currently pending.

(n) Edelweiss Global Wealth Management Limited (“EGWML”)

(i) Criminal Proceedings filed against Edelweiss Global Wealth Management Limited

EGWML received notice dated September 4, 2020 from Economic Offence Wing, Gurugram in regard to the complaint dated August 20, 2020 filed by one of its clients Parinidhi Minda against EGWML officials Anshul Kapoor, Amit Saxena and Ashish Gopal and directed to attend personally

along with necessary papers and documents to record statements. Subsequently, the complaint stands transferred to Police Station, namely, SEC-7, IMT, MSR, Manesar, District – Gurugram. EGWML and its officials, thereafter, received a notice dated October 27, 2020 from said Police Station to appear before Investigating Officer along with supporting documents for the purpose of recording statements. The inquiry is currently pending.

(o) Edelweiss Finance & Investments Limited (“EFIL”)

(i) Civil Proceedings filed by EFIL

Except as disclosed under “-Material litigations and regulatory actions involving our Company – Civil Litigation – By our Company”, there are no other civil proceedings filed by EFIL.

1. EFIL and some of group companies (“**Petitioners**”) jointly filed a writ petition (“**Writ Petition**”) against the ICRA Limited (“**ICRA**”) and SEBI, before the Bombay High Court (“**Court**”) as, ICRA proposed downgrading the credit of the Petitioners, without having adequate material information required to ascertain and analyse the financial stability of the Petitioners. The Petitioners have filed the Writ Petition *inter-alia* praying for (a) a writ of certiorari or any other appropriate writ, order or direction to quash and set aside ICRA’s proposal to downgrade the ratings of the Petitioners (b) a writ of certiorari or any other appropriate writ, order or direction, restraining ICRA, from downgrading the Petitioners or issuing / publishing any rating for a period of 3 months from the date of the writ petition (c) pending the hearing and final disposal of the writ petition, pass a temporary order restraining ICRA from downgrading the Petitioners for a period of 3 months from the date of the writ petition and (d) pending the hearing and final disposal of the writ petition, pass an order of temporary injunction directing ICRA for extending the time-frame for review or publication of any credit rating for a period of 3 months from the date of the writ petition or such time after the lifting of the lockdown as the Court may deem fit. The Bombay High Court on April 27, 2020 *inter alia* directed the Petitioners to file necessary review application before Rating Review Committee of ICRA on or before May 1, 2020 and appear before said Committee on May 4, 2020 and directed ICRA not to downgrade the rating of Petitioners. It was also clarified that the Petitioners shall not be allowed to raise any capital on the basis of its current rating until the matter is heard by the Rating Review Committee on May 4, 2020 or any date thereafter. As per the directions of the Bombay High Court, the Petitioners submitted the review application and appeared before Rating Review Committee. Rating Review Committee decided to downgrade the Petitioners and ICRA *vide* its letters/e-mails dated May, 5, 2020, communicated downgrading of rating of the Petitioners. The matter is currently pending.

(p) Everest Securities and Finance Limited (“Everest Securities”) (erstwhile known as Styrax Commodities Limited)

(i) Criminal Proceedings involving Everest Securities

Economic Offence Wing, Mumbai (“**EOW**”) *vide* its letter dated June 19, 2017 called upon Everest Securities (erstwhile known as Styrax Commodities Limited) to furnish transaction details of ₹200 million for a transaction which took place on May 21, 2015 with Kamla group. Everest Securities (erstwhile known as Styrax Commodities Limited) *vide* its letter dated July 6, 2017, provided the required transaction details to EOW along with copies of ledgers and inter corporate deposit (“**ICD**”) placement letter submitted by Kamla group prior to creation of ICD. The matter is currently pending.

(q) Edelweiss Retail Finance Limited (“Edelweiss Retail”)

Civil litigation involving Edelweiss Retail

Except as disclosed under “-Material litigations and regulatory actions involving our Company – Civil Litigation – By our Company”, there are no other civil proceedings filed by Edelweiss Retail.

(r) Edelweiss Finvest Limited (“Edelweiss Finvest”)

Civil litigation involving Edelweiss Finvest

Except as disclosed under “-Material litigations and regulatory actions involving our Company – Civil Litigation – By our Company”, there are no other civil proceedings filed by Edelweiss Finvest.

- (s) Our Company and its Subsidiaries have filed numerous cases under Section 138 of the Negotiable Instruments Act, 1881, and under Section 25 of Payment and Settlement Systems Act, 2007 against their customers for dishonour of cheques. Further, in some of the cases, customers have filed appeal against our Subsidiaries. These cases are currently pending across different courts in India.

(t) Litigation involving Group Companies

Except as disclosed under “-Material litigations and regulatory actions involving our Company – Civil Litigation – By our Company”, there are no litigations pending or taken against the group companies of our Company.

(u) Taxation

As on the date of this Prospectus, there are no tax matters wherein the amount involved is more than ₹100 million.

- (v) Details of acts of material frauds committed against our Company in the last five years immediately preceding the date of this Prospectus, if any, and if so, the action taken by our Company**

Nil

- (w) Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon.**

Nil

- (x) Pending proceedings initiated against our Company for economic offences.**

Nil

- (y) Details of inquiries, inspections or investigations initiated or conducted under the Companies Act, 1956 or the Companies Act, 2013 against our Company and its Subsidiaries in the last five years along with section wise details of prosecutions filed (whether pending or not), fines imposed or compounding of offences against our Company and its Subsidiaries in the last five years.**

Other than as disclosed below, there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 1956 or the Companies Act, 2013 against our Company and its Subsidiaries in the last five years along with section wise details of prosecutions filed (whether pending or not), fines imposed or compounding of offences against our Company and its Subsidiaries in the last five years

- On March 22, 2021, Edelweiss Asset Reconstruction Company Limited (“EARC”) received, MCA letter dated March 18, 2021, regarding inspection of the books of accounts and other books and papers of EARC under Section 206(5) of the Companies Act, 2013. EARC is in process of complying with the said letter.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of our Company held on February 13, 2021, the Board of Directors approved the issuance of NCDs of the face value ₹1,000 each, for an amount not exceeding ₹10,000 million to the public, hereinafter called the "**Issue**".

Further, the present borrowing is within the borrowing limits of ₹100,000 million under Section 180(1)(c) of the Companies Act, 2013 duly approved by the members of our Company by way of postal ballot on September 10, 2014.

Prohibition by SEBI

Our Company, persons in control of our Company and/or the Promoters and/or the Directors have not been restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our Company has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Willful Defaulter

Our Company, and/or our Directors and/or our Promoters have not been categorised as a wilful defaulter by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six months.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, EQUIRUS CAPITAL PRIVATE LIMITED HAS CERTIFIED THAT DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, EQUIRUS CAPITAL PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 26, 2021 WHICH READS AS FOLLOWS:

- 1. WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTER OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY SEBI. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THIS PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- 2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THIS PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THE ISSUE WILL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL**

THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE WILL BE GIVEN.

- 3. WE CONFIRM THAT THIS PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008.**
- 4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND TO THE EXTENT NOTIFIED, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

WE CONFIRM THAT WE HAVE NOT RECEIVED ANY COMMENTS ON THE DRAFT PROSPECTUS DATED MARCH 8, 2021 FILED ON THE WEBSITE OF BSE LIMITED (THE DESIGNATED STOCK EXCHANGE).

DISCLAIMER CLAUSE OF BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS APPROVAL DATED MARCH 17, 2021 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

- A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**
- B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**
- C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;**

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR, OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY ANY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

DISCLAIMER STATEMENT OF ACUITÉ RATINGS & RESEARCH LIMITED

AN ACUITÉ RATING DOES NOT CONSTITUTE AN AUDIT OF THE RATED ENTITY AND SHOULD NOT BE TREATED AS A RECOMMENDATION OR OPINION THAT IS INTENDED TO SUBSTITUTE FOR A FINANCIAL ADVISER'S OR INVESTOR'S INDEPENDENT ASSESSMENT OF WHETHER TO BUY, SELL OR HOLD ANY SECURITY. ACUITÉ RATINGS ARE BASED ON THE DATA AND INFORMATION PROVIDED BY THE ISSUER AND OBTAINED FROM OTHER RELIABLE SOURCES. ALTHOUGH REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE DATA AND INFORMATION IS TRUE, ACUITÉ, IN PARTICULAR, MAKES NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED WITH RESPECT TO THE ADEQUACY, ACCURACY OR COMPLETENESS OF THE INFORMATION RELIED UPON. ACUITÉ IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS AND ESPECIALLY STATES THAT IT HAS NO FINANCIAL LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT OR

CONSEQUENTIAL LOSS OF ANY KIND ARISING FROM THE USE OF ITS RATINGS. ACUITÉ RATINGS ARE SUBJECT TO A PROCESS OF SURVEILLANCE WHICH MAY LEAD TO A REVISION IN RATINGS AS AND WHEN THE CIRCUMSTANCES SO WARRANT. PLEASE VISIT OUR WEBSITE (WWW.ACUIE.IN) FOR THE LATEST INFORMATION ON ANY INSTRUMENT RATED BY ACUITÉ.

DISCLAIMER STATEMENT OF BRICKWORK RATINGS INDIA PRIVATE LIMITED

BRICKWORK RATINGS (BWR) HAS ASSIGNED THE RATING BASED ON THE INFORMATION OBTAINED FROM THE ISSUER AND OTHER RELIABLE SOURCES, WHICH ARE DEEMED TO BE ACCURATE. BWR HAS TAKEN CONSIDERABLE STEPS TO AVOID ANY DATA DISTORTION; HOWEVER, IT DOES NOT EXAMINE THE PRECISION OR COMPLETENESS OF THE INFORMATION OBTAINED. AND HENCE, THE INFORMATION IN THIS REPORT IS PRESENTED “AS IS” WITHOUT ANY EXPRESS OR IMPLIED WARRANTY OF ANY KIND. BWR DOES NOT MAKE ANY REPRESENTATION IN RESPECT TO THE TRUTH OR ACCURACY OF ANY SUCH INFORMATION. THE RATING ASSIGNED BY BWR SHOULD BE TREATED AS AN OPINION RATHER THAN A RECOMMENDATION TO BUY, SELL OR HOLD THE RATED INSTRUMENT AND BWR SHALL NOT BE LIABLE FOR ANY LOSSES INCURRED BY USERS FROM ANY USE OF THIS REPORT OR ITS CONTENTS. BWR HAS THE RIGHT TO CHANGE, SUSPEND OR WITHDRAW THE RATINGS AT ANY TIME FOR ANY REASONS.

DISCLAIMER CLAUSE OF CARE ADVISORY RESEARCH & TRAINING LIMITED

THE INDUSTRY REPORT IS PREPARED BY CARE ADVISORY RESEARCH AND TRAINING LIMITED (“CART”). CART HAS TAKEN UTMOST CARE TO ENSURE ACCURACY AND OBJECTIVITY WHILE DEVELOPING THE REPORT BASED ON INFORMATION AVAILABLE IN PUBLIC DOMAIN. HOWEVER, NEITHER THE ACCURACY NOR COMPLETENESS OF INFORMATION CONTAINED IN THE REPORT IS GUARANTEED. CART OPERATES INDEPENDENTLY OF RATINGS DIVISION AND THE REPORT DOES NOT CONTAIN ANY CONFIDENTIAL INFORMATION OBTAINED BY RATINGS DIVISION, WHICH THEY MAY HAVE OBTAINED IN THE REGULAR COURSE OF OPERATIONS. THE OPINION EXPRESSED IN THIS REPORT CANNOT BE COMPARED TO THE RATING ASSIGNED TO THE COMPANY WITHIN THIS INDUSTRY BY THE RATINGS DIVISION. THE OPINION EXPRESSED IS ALSO NOT A RECOMMENDATION TO BUY, SELL OR HOLD AN INSTRUMENT. CART IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS IN ANALYSIS/INFERENCES/VIEWS OR FOR RESULTS OBTAINED FROM THE USE OF INFORMATION CONTAINED IN THIS REPORT AND ESPECIALLY STATES THAT CARE (INCLUDING ALL DIVISIONS) HAS NO FINANCIAL LIABILITY WHATSOEVER TO THE USER OF THIS PRODUCT. THE REPORT IS FOR THE INFORMATION OF THE INTENDED RECIPIENTS ONLY AND NO PART OF THE REPORT MAY BE PUBLISHED OR REPRODUCED IN ANY FORM OR MANNER WITHOUT PRIOR WRITTEN PERMISSION OF CART.

DISCLAIMER STATEMENT FROM THE ISSUER

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS PROSPECTUS ISSUED BY OUR COMPANY IN CONNECTION WITH THE ISSUE OF THE NCDS AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS / HER / THEIR OWN RISK.

Track record of past public issues handled by the Lead Manager

The track record of past issues handled by the Lead Manager, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites

| Name of Lead Manager | Website |
|---------------------------------|--|
| Equirus Capital Private Limited | www.equirus.com |

Listing

An application will be made to the Stock Exchange for permission to deal in and for an official quotation of our NCDs. BSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within 6 Working Days from the date of closure of the relevant Issue.

For the avoidance of doubt, it is hereby clarified that in the event of zero subscription to any one or more of the series, such NCDs with series shall not be listed.

Consents

Consents in writing of: (a) the Directors, (b) Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Manager, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue; (g) Bankers to Company; (h) Acuite; (i) Brickwork, (j) the Debenture Trustee (k) Banker(s) to the Issue; (l) Lead Brokers to the Issue; (m) Public Issue Account Bank, Refund Bank and Sponsor Bank for the Issue; and (n) CARE Advisory Research & Training Limited in relation to the CARE Report have been obtained from them and the same will be filed along with a copy of this Prospectus with the ROC as required under Section 26 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of this Prospectus with the Stock Exchange.

Our Company has received the written consent dated March 26, 2021 from S.R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ILDS Regulations, in this Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination reports dated March 5, 2021, on our reformatted Ind AS standalone financial information of the Company and reformatted Ind AS consolidated financial information of the Company, its subsidiaries, associates and trusts (collectively referred to as the “Group”) as at and for each of the years ended March 31, 2020 and 2019; (ii) examination reports dated March 5, 2021, on our reformatted Indian GAAP standalone financial information of the Company and reformatted Indian GAAP consolidated financial information of the Group as at and for each of the years ended March 31, 2018, 2017 and 2016; (iii) limited review reports dated October 30, 2020 on our unaudited standalone financial results of the Company and unaudited consolidated financial results of the Group for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020 pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 as amended; (iv) limited review reports dated February 13, 2021 on our unaudited standalone financial results of the Company and unaudited consolidated financial results of the Group for the quarter ended December 31, 2020 and year to date from April 1, 2020 to December 31, 2020 pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 as amended; (v) report dated March 26, 2021 on the statement of possible tax benefits in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1993.

Expert Opinion

Except for the following, our Company has not obtained any expert opinions in connection with this Prospectus:

Our Company has received the written consent dated March 26, 2021 from S.R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ILDS Regulations, in this Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination reports dated March 5, 2021, on our reformatted Ind AS standalone financial information of the Company and reformatted Ind AS consolidated financial information of the Company, its subsidiaries, associates and trusts (collectively referred to as the “Group”) as at and for each of the years ended March 31, 2020 and 2019; (ii) examination reports dated March 5, 2021, on our reformatted Indian GAAP standalone financial information of the Company and reformatted Indian GAAP consolidated financial information of the Group as at and for each of the years ended March 31, 2018, 2017 and 2016; (iii) limited review reports dated October 30, 2020 on our unaudited standalone financial results of the Company and unaudited consolidated financial results of the Group for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020 pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 as

amended; (iv) limited review reports dated February 13, 2021 on our unaudited standalone financial results of the Company and unaudited consolidated financial results of the Group for the quarter ended December 31, 2020 and year to date from April 1, 2020 to December 31, 2020 pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 as amended; (v) report dated March 26, 2021 on the statement of possible tax benefits in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1993.

Common form of Transfer

Our Company undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 applicable as on the date of this Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

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

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Filing of the Draft Prospectus

A copy of the Draft Prospectus was filed with the BSE for seeking public comments in terms of Regulation 6(2) of the SEBI Debt Regulations.

Filing of the Prospectus with the RoC

A copy of this Prospectus will be filed with the RoC, in accordance with Section 26 of the Companies Act, 2013.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI Debt Regulations, a listed company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. Our Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

- A. in deposits with any scheduled bank, free from any charge or lien
- B. in unencumbered securities of the Central Government or any State Government;
- C. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
- D. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Reservation

No portion of the Issue has been reserved.

Underwriting

The Issue is not underwritten.

Issue Related Expenses

The expenses of the Issue include, inter alia, lead management fees and selling commission to the Lead Manager, Lead Brokers, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for the Issue is as follows*:

| Particulars | Amount (₹ in million) | As percentage of Issue proceeds (in %) | As percentage of total expenses of the Issue (in %) |
|---|--------------------------|--|---|
| Fee Payable to Intermediaries including Registrar to the Issue and Debenture Trustees | 1.00 | 0.03% | 1.11% |
| Lead Manager Fee, Selling and Brokerage Commission, SCSB Processing Fee | 83.00 | 2.08% | 92.22% |
| Advertising and Marketing, Printing and Stationery Costs | 5.00 | 0.13% | 5.56% |
| Other Miscellaneous Expenses | 1.00 | 0.03% | 1.11% |
| Grand Total | 90.00 | 2.25% | 100.0% |

**Assuming the Issue is fully subscribed. The expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors.*

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Managers/ Members of the Syndicate/ Sub- Members of the Syndicate /Brokers / Trading Members and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of INR 15 per Application Form procured (inclusive of GST and other applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee. Further, our Company shall pay the Sponsor Bank ₹8 for every valid Application that is blocked. The payment will be made on the basis of valid invoices within such timelines mutually agreed to/prescribed by the Company with the Designated Intermediaries/Sponsor Bank.

Utilisation of Issue Proceeds

Our Board of Directors certifies that:

- (i) all monies received out of the Issue of the NCDs to the public shall be transferred to a separate bank account maintained with a scheduled bank, other than the bank account referred to in section 40(3) of the Companies Act, 2013;
- (ii) details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;

- (iii) details of all unutilised monies out of the Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;
- (iv) we shall utilize the Issue proceeds only upon creation of security as stated in this Prospectus in the section titled “*Terms of the Issue*” on page 270 of this Prospectus and after (a) permissions or consents for creation of *pari passu* charge have been obtained from the creditors who have *pari passu* charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue amount; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from BSE;
- (v) the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any property; and
- (vi) the Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time.

Public / Rights Issues of Equity Shares

Public Issue:

Our Company has undertaken the following equity public issue prior to the date of this Prospectus:

| Particulars | Public Issue |
|--|---|
| Date of Opening | November 15, 2007 |
| Date of Closing | November 20, 2007 |
| Total Issue Size (in ₹ Million) | 6,918.57 |
| Date of Allotment | December 4, 2007 |
| Date of Listing | December 12, 2007 |
| Net Utilisation of Proceeds | The funds raised through the above issue has been utilized as per the objects of the issue specified in the prospectus dated November 27, 2007. |

Our Company has undertaken the following debenture public issue prior to the date of this Prospectus:

| | |
|------------------------------------|--|
| Date of Opening | December 23, 2020 |
| Date of Closing | January 04, 2021 |
| Total Issue Size | ₹ 2,000 million |
| Amount raised in the Issue | ₹ 2,000 million |
| Date of Allotment | January 8, 2021 |
| Net Utilisation of Proceeds | The funds raised through the above issue has been utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of our Company and general corporate purposes. |

Rights

Our Company has not undertaken any rights issue of equity shares in the last five years.

Public Issue by our Subsidiaries in the last five years from this Prospectus:

Our Subsidiary, Edelweiss Finance & Investments Limited, has undertaken one public issuances of debentures in the past, the particulars of such issuances are set out below:

| | |
|------------------------|------------------|
| Date of Opening | January 23, 2020 |
|------------------------|------------------|

| | |
|------------------------------------|--|
| Date of Closing | January 31, 2020 |
| Total Issue Size | ₹ 2,500 million |
| Amount raised in the Issue | ₹ 2,219.13 million |
| Date of Allotment | February 5, 2020 |
| Net Utilisation of Proceeds | The funds raised through the above issue has been utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of Edelweiss Finance & Investments Limited and general corporate purposes. |

Our Subsidiary, ECL Finance Limited, has undertaken public issuances of debentures in the past, the particulars of such issuances are set out below:

| | |
|--|---|
| Date of Opening | January 16, 2014 |
| Date of Closing | January 20, 2014 |
| Total Issue Size | ₹ 5,000 million |
| Amount raised in the Issue | ₹ 5,000 million |
| Date of Allotment | January 28, 2014 |
| Net Utilisation of Issue Proceeds | The funds raised through the above issue has been utilized for the purpose of financing activities including lending and investments, subject to applicable statutory and / or regulatory requirements, to repay existing loans and business operations including capital expenditure and working capital requirements. |

| | |
|--|---|
| Date of Opening | June 17, 2014 |
| Date of Closing | June 19, 2014 |
| Total Issue Size | ₹ 4,000 million (subordinate debt) |
| Amount raised in the Issue | ₹ 4,000 million |
| Date of Allotment | June 26, 2014 |
| Net Utilisation of Issue Proceeds | The funds raised through the above issue has been utilized for the purpose of financing activities including lending and investments, subject to applicable statutory and / or regulatory requirements, to repay existing loans and business operations including for capital expenditure and working capital requirements. |

| | |
|--|---|
| Date of Opening | February 26, 2015 |
| Date of Closing | March 2, 2015 |
| Total Issue Size | ₹ 8,000 million |
| Amount raised in the Issue | ₹ 7,892.76 million |
| Date of Allotment | March 11, 2015 |
| Net Utilisation of Issue Proceeds | The funds raised through the above issue has been utilized for the purpose of onward lending and for repayment of interest and principal of existing loans. |

| | |
|--|---|
| Date of Opening | July 24, 2018 |
| Date of Closing | July 26, 2018 |
| Total Issue Size | ₹ 20,000 million |
| Amount raised in the Issue | ₹ 19,809.01 million |
| Date of Allotment | August 6, 2018 |
| Net Utilisation of Issue Proceeds | The funds raised through the above issue has been utilized for the purpose of repayment of interest and principal of existing loans and general corporate purposes. |

| | |
|-----------------------------------|--------------------|
| Date of Opening | December 13, 2018 |
| Date of Closing | December 31, 2018 |
| Total Issue Size | ₹ 10,000 million |
| Amount raised in the Issue | ₹ 9,105.14 million |
| Date of Allotment | January 4, 2019 |

| | |
|--|---|
| Net Utilisation of Issue Proceeds | The funds raised through the above issue has been utilized for the purpose of repayment of interest and principal of existing loans and general corporate purposes. |
|--|---|

| | |
|--|---|
| Date of Opening | May 10, 2019 |
| Date of Closing | May 17, 2019 |
| Total Issue Size | ₹ 3,000 million |
| Amount raised in the Issue | ₹ 2,749 million |
| Date of Allotment | May 23, 2019 |
| Net Utilisation of Issue Proceeds | The funds raised through the above issue has been utilized for the purpose of repayment of interest and principal of existing loans and general corporate purposes. |

| | |
|--|---|
| Date of Opening | November 4, 2019 |
| Date of Closing | November 22, 2019 |
| Total Issue Size | ₹ 5,000 million |
| Amount raised in the Issue | ₹ 4,606.80 million |
| Date of Allotment | November 28, 2019 |
| Net Utilisation of Issue Proceeds | The funds raised through the above issue has been utilized for the purpose of repayment of interest and principal of existing loans and general corporate purposes. |

Our Subsidiary, Edelweiss Housing Finance Limited (“**EHFL**”) undertook a public issue of non-convertible debentures in July 2016, the particulars of which have been set out as below:

| | |
|--|--|
| Date of Opening | July 8, 2016 |
| Date of Closing | July 11, 2016 |
| Total Issue Size | ₹ 5,000 million |
| Amount raised in the Issue | ₹ 5,000 million |
| Date of Allotment | July 19, 2016 |
| Net Utilisation of Issue Proceeds | The funds raised through the above issue has been utilized: (i) For the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of EHFL; and (ii) For general corporate purposes. |

Our Subsidiary, Edelweiss Retail Finance Limited (“**ERFL**”) undertook a public issue of non-convertible debentures in March 2018, the particulars of which have been set out as below:

| | |
|--|--|
| Date of Opening | March 7, 2018 |
| Date of Closing | March 14, 2018 |
| Total Issue Size | ₹ 5,000 million |
| Amount raised in the Issue | ₹4,916.20 million |
| Date of Allotment | March 22, 2018 |
| Net Utilisation of Issue Proceeds | The funds raised through the above issue has been utilized: (i) For the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of ERFL; and (ii) For general corporate purposes. |

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on December 31, 2020, our Company has outstanding unlisted, unrated, secured, non-convertible redeemable debentures. For further details see chapter titled “*Financial Indebtedness*” on page 216.

Our Company has not issued any preference shares as on December 31, 2020.

Further, save and except as mentioned in this Prospectus, our Company has not issued any other debentures.

Dividend

Our Company has in place dividend distribution policy prepared in accordance with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 approved by the Board of Directors of our Company. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

Dividend declared to the Equity Shareholders of our Company over the last five years on a standalone basis:

(₹ in million)

| Particulars | | For the year ended March 31, 2020 | For the year ended March 31, 2019 | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--|---------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Equity Share Capital (₹ in Million) | | 934.41 | 932.67 | 915.50 | 832.57 | 814.04 |
| Face Value Per Equity Share (₹) | (a) | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Interim Dividend on Equity Shares (₹ per Equity Share) | (b) | - | 1.10 | 1.05 | 1.00 | 1.25 |
| Interim dividend on Equity Shares (₹ in Million) | | - | 975.88 | 957.28 | 832.21 | 1,019.26 |
| Interim Dividend Declared Rate (In %) | (c=b/a) | - | 110 | 105 | 100 | 125 |
| Final Dividend on Equity Shares (₹ per Equity Share) | (d) | - | 0.30 | 0.30 | 0.30 | - |
| Final dividend on Equity Shares (₹ in Million) | | - | 266.51 | 265.28 | 255.92 | - |
| Final Dividend Declared Rate (In %) | (e=d/a) | - | 30 | 30 | 30 | - |

Dividend declared to the Equity Shareholders of our Company over the last five years on a consolidated basis:

| Particulars | | For the year ended March 31, 2020 | For the year ended March 31, 2019 | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--|---------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Equity Shares | | | | | | |
| Equity Share Capital (₹ in Million) | | 934.41 | 932.67 | 915.50 | 832.57 | 814.04 |
| Face Value Per Equity Share (₹) | (a) | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Interim Dividend on Equity Shares (₹ per Equity Share) | (b) | - | 1.10 | 1.05 | 1.00 | 1.25 |
| Interim dividend on Equity Shares (₹ in Million) | | - | 975.88 | 957.28 | 832.21 | 1,019.26 |
| Interim Dividend Declared Rate (In %) | (c=b/a) | - | 110 | 105 | 100 | 125 |
| Final Dividend on Equity Shares (₹ per Equity Share) | (d) | - | 0.30 | 0.30 | 0.30 | - |
| Final dividend on Equity Shares (₹ in Million) | | - | 266.51 | 265.28 | 255.92 | - |
| Final Dividend Declared Rate (In %) | (e=d/a) | - | 30 | 30 | 30 | - |
| Preference Shares | | | | | | |
| Dividend on Preference Shares (₹ in Million) | | - | - | 85.40 | 82.88 | 84.09 |

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

The Registrar Agreement dated March 6, 2021 between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the Allotment Advice, demat credit and refund through unblocking to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

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

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

The contact details of Registrar to the Issue are as follows:

Link Intime India Private Limited

Address: C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083
Maharashtra, India

Tel.: + 91 22 4918 6200;

Fax: + 91 22 4918 6195;

Email: ncd2.efsl@linkintime.co.in;

Investor Grievance Email: ncd2.efsl@linkintime.co.in;

Website: www.linkintime.co.in;

Contact Person: Shanti Gopalkrishnan

Compliance Officer: B.N. Ramakrishnan

SEBI Registration No: INR000004058

CIN: U67190MH1999PTC118368

The Registrar shall endeavour to redress complaints of the investors within three (3) days of receipt of the complaint during the currency of this MoU and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed seven (7) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a quarterly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

The details of the person appointed to act as Company Secretary and Compliance Officer for the purposes of the Issue are set out below:

B. Renganathan

Company Secretary and Compliance Officer
Edelweiss House, Off C.S.T. Road
Kalina, Mumbai - 400 098
Maharashtra, India

Tel: +91 22 4009 4400
Fax: +91 22 4086 3759
Email: efslncd@edelweissfin.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, etc.

Change in auditors of our Company during the last three years

| Name | Address | Date of appointment | Date of resignation | Remarks |
|--|--|---------------------|---------------------|---|
| M/s. S. R. Batliboi & Co. LLP | 14 th Floor, The Ruby, 29 Senapati Bapat Marg, Dadar (West), Mumbai 400 028 | July 26, 2018 | - | Appointment post resignation of M/s. Price Waterhouse, Chartered Accountants LLP |
| M/s. S. R. Batliboi & Co. LLP | 14 th Floor, The Ruby, 29 Senapati Bapat Marg, Dadar (West), Mumbai 400 028 | May 23, 2018 | - | Appointment to fill in the causal vacancy caused by the resignation of M/s. Price Waterhouse, Chartered Accountants LLP |
| M/s. Price Waterhouse, Chartered Accountants LLP | 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai 400 028 | August 2, 2017 | May 22, 2018 | Resignation |

Details regarding lending out of issue proceeds of Previous Issues:

- (i) Loan given by our Company: Except Public Issue 1, our Company has not undertaken any prior public issuance of debentures. Further, our Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoter or others out of proceeds from previous public issuance of debentures.
- (ii) Utilisation of Issue Proceeds of the previous Issues by our Company and group companies:

Except the Public Issue 1, our Company has not undertaken any prior public issuance of debentures. Further, our Company has not provided any loans/advances to its group companies from the proceeds of previous public issue of debentures.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of SEBI Debt Regulations in compliance with the Regulation 8(1) of SEBI Debt Regulations. Material updates, if any, between the date of filing of this Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Auditors' Remarks

Other than as disclosed in the chapter titled "*Risk Factors*", on page 17 of this Prospectus, there are no reservations or qualifications or adverse remarks in the financial statements of our company in the last five financial years immediately preceding this Prospectus.

Trading

The Equity shares of our Company are listed on NSE and BSE.

Caution

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of securities to him, or any other person in a fictitious name shall be liable for action under section 447.”

Disclaimer in respect of Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The key common terms and conditions of the NCDs are as follows:

| | |
|--|--|
| Issuer | Edelweiss Financial Services Limited |
| Type of instrument/ Name of the security/ Seniority | Secured, redeemable, non-convertible debentures |
| Nature of the Instrument | Secured, redeemable, non-convertible debentures |
| Mode of the Issue | Public Issue |
| Lead Manager | Equirus Capital Private Limited |
| Debenture Trustee | Beacon Trusteeship Limited |
| Depositories | NSDL and CDSL |
| Registrar | Link Intime India Private Limited |
| Issue | Public issue by our Company of NCDs aggregating up to ₹2,000 million, with an option to retain over-subscription up to ₹2,000 million, aggregating up to ₹4,000 million, on the terms and in the manner set forth herein |
| Base Issue | ₹2,000 million |
| Option to Retain Oversubscription Amount | ₹2,000 million |
| Eligible Investors | Please refer to the section titled “ <i>Issue Procedure – Who can apply?</i> ” on page 288 of this Prospectus. |
| Objects of the Issue | Please refer to the section titled “ <i>Objects of the Issue</i> ” on page 88, of this Prospectus. |
| Details of Utilization of the Proceeds | Please refer to the section titled “ <i>Objects of the Issue</i> ” on page 88, of this Prospectus. |
| Interest Rate on each category of investor | Please see the section titled “ <i>Terms of the Issue</i> ” on page 270 of this Prospectus |
| Step up/ Step Down Interest rates | NA |
| Interest type | Please see the section titled “ <i>Terms of the Issue</i> ” on page 270 of this Prospectus |
| Interest reset process | NA |
| Frequency of interest payment | Please see the section titled “ <i>Terms of the Issue</i> ” on page 270 of this Prospectus |
| Interest payment date | Please see the section titled “ <i>Terms of the Issue</i> ” on page 270 of this Prospectus |
| Day count basis | Actual / Actual |
| Interest on application money | Please see the section titled “ <i>Terms of the Issue</i> ” on page 270 of this Prospectus |
| Default Interest rate | Our Company shall pay interest, over and above the agreed coupon rate, in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws Our Company shall pay at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed if our Company fails to execute the trust deed within the period specified in the SEBI ILDS Regulations. |
| Tenor | Please see the section titled “ <i>Terms of the Issue</i> ” on page 270 of this Prospectus |
| Redemption Date | Please see the section titled “ <i>Terms of the Issue</i> ” on page 270 of this Prospectus |
| Redemption Amount | Please see the section titled “ <i>Terms of the Issue</i> ” on page 270 of this Prospectus |
| Redemption Premium / Discount | Please see the section titled “ <i>Terms of the Issue</i> ” on page 270 of this Prospectus |
| Face Value | ₹1,000 per NCD |
| Issue Price | ₹1,000 per NCD |

| | |
|---|--|
| Discount at which security is issued and the effective yield as a result of such discount | NA |
| Put date | NA |
| Put price | NA |
| Call date | NA |
| Call price | NA |
| Put notification time | NA |
| Call notification time | NA |
| Minimum Application size and in multiples of NCD thereafter | ₹10,000 only |
| Market Lot / Trading Lot | The market lot will be 1 Debenture (“ Market Lot ”). Since the Debentures are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of debentures. |
| Pay-in date | Application Date. The entire Application Amount is payable on Application |
| Credit Ratings | The NCDs proposed to be issued under the Issue have been rated “Acuite AA (read as ACUITE double A) (Outlook: Negative)” for an amount of ₹ 4,000 million by Acuite Ratings & Research Limited vide their rating letter dated March 4, 2021 and “BWR AA-/Stable (Assigned)” for an amount of ₹4,000 million, by Brickwork Ratings India Private Limited vide their letter dated March 5, 2021. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. Please refer to <i>Annexures A and B</i> of this Prospectus for the rationale of the above ratings. |
| Listing | The NCDs are proposed to be listed on BSE. The NCDs shall be listed within 6 Working Days from the date of Issue Closure. BSE has been appointed as the Designated Stock Exchange. |
| Modes of payment | Please refer to the section titled “ <i>Issue Structure – Terms of Payment</i> ” on page 268 of this Prospectus. |
| Issuance mode of the Instrument* | In dematerialised form only |
| Trading mode of the instrument* | In dematerialised form only |
| Issue opening date | April 1, 2021 |
| Issue closing date** | April 23, 2021 |
| Record date | <p>The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors or Debenture Fund Raising Committee from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be</p> <p>In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date</p> |
| All covenants of the Issue (including side letters, accelerated payment clause, etc.) | In accordance with the Debenture Trust Deed |
| Description regarding security (where applicable) including type of security (movable/immovable/tangible etc.) type of charge (pledge/hypothecation/mortgage etc.), date of creation of security/likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture | The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of a first ranking exclusive charge over identified receivables, in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover of atleast 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date. For further details on date of creation of security/likely date of creation of security, minimum security cover etc, please refer to the “ <i>Terms of the Issue – Security</i> ” on page 270 of this Prospectus. |

| | |
|---|---|
| holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in this Prospectus% | |
| Issue documents | The Draft Prospectus, this Prospectus, read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Manager and/or other intermediaries for the purpose of this Issue including but not limited to the Issue Agreement, Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Public Issue Account Agreement, the Lead Broker Agreement and the Registrar Agreement. For further details, please refer to “ <i>Material Contracts and Documents for Inspection</i> ” on page 333 of this Prospectus. |
| Condition precedent to disbursement | Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement. |
| Condition subsequent to the disbursement | Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement. |
| Events of default (including manner of voting/conditions of joining Inter Creditor Agreement) | Please refer to the section titled “ <i>Terms of the Issue – Events of Default</i> ” on page 272 of this Prospectus. |
| Creation of recovery expense fund | Our Company undertakes to deposit in the manner as maybe specified by SEBI from time to time the amount in the recovery expense fund and inform the Debenture Trustee regarding the creation of deposit in such fund.and inform the Debenture Trustee regarding the deposit of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security. |
| Conditions for breach of covenants (as specified in Debenture Trust Deed) | The Debenture Trustee may, with the consent of all the Debenture Holder(s)/ Beneficial Owner(s), at any time, waive on such terms and conditions as it shall seem expedient, any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the Debenture Trustee or the Debenture Holder(s)/ Beneficial Owner(s) in respect of any subsequent breach thereof. |
| Deemed date of Allotment | The date on which the Board of Directors/or the Debenture Fund Raising Committeeapproves the Allotment of the NCDs or such date as may be determined by the Board of Directors/ or the Debenture Fund Raising Committeethereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment |
| Roles and responsibilities of the Debenture Trustee | Please see section titled “ <i>Terms of the Issue-Trustees for the NCD Holders</i> ” on page 271 of this Prospectus. |
| Risk factors pertaining to the Issue | Please see section titled “ <i>Risk Factors</i> ” on page 17 of this Prospectus. |
| Governing law and Jurisdiction | The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively |
| Working day convention | <p>If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it failing on a non-Working Day.</p> <p>If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest /redemption payments shall be made only on the days when the money market is functioning in Mumbai.</p> |

**In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. Trading in NCDs shall be compulsorily in dematerialized form.*

*** The subscription list shall remain open at the commencement of banking hours and close at the close of banking hours for the period as indicated, with an option for early closure or extension by such period, as may be decided by the Board of Directors of our Company or the Debenture Fund Raising Committee. In the event of such early*

closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a leading daily national newspaper on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE. For further details please refer to the section titled “General Information” on page 57 of this Prospectus.

%While the NCDs are secured to the tune of 100% of the principal and interest thereon in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

SPECIFIC TERMS FOR NCDs

| Series | I* | II | III | IV | V | VI | VII |
|--|--|-------------|-----------|-----------|-------------|------------|------------|
| Frequency of Interest Payment | Annual | Cumulative | Monthly | Annual | Cumulative | Monthly | Annual |
| Minimum Application | ₹ 10,000/- (10 NCDs) across all Series | | | | | | |
| Face Value/ Issue Price of NCDs (₹/ NCD) | ₹1,000/- | | | | | | |
| In Multiples of thereafter (₹) | ₹ 1,000/- (1 NCD) | | | | | | |
| Tenor | 36 months | 36 months | 60 months | 60 months | 60 months | 120 months | 120 months |
| Coupon (% per annum) for NCD Holders in Category I, II, III & IV | 9.10% | NA | 9.16% | 9.55% | NA | 9.30% | 9.70% |
| Effective Yield (per annum) for NCD Holders in Category I, II, III & IV | 9.09% | 9.10% | 9.55% | 9.54% | 9.55% | 9.70% | 9.69% |
| Mode of Interest Payment | Through various mode available | | | | | | |
| Amount (₹ / NCD) on Maturity for NCD Holders in Category I, II, III & IV | ₹1,000/- | ₹1,299.00/- | ₹1,000/- | ₹1,000/- | ₹1,578.25/- | ₹1,000/- | ₹1,000/- |
| Maturity / Redemption Date (Years from the Deemed Date of Allotment) | 36 months | 36 months | 60 months | 60 months | 60 months | 120 months | 120 months |
| Put and Call Option | NA | NA | NA | NA | NA | NA | NA |

*Our Company shall allocate and allot Series I NCDs wherein the Applicants have not indicated the choice of the relevant NCD Series.

All Category of Investors in the proposed Issue who are also holders of NCD(s)/Bond(s) previously issued by our Company, and/ or our group company, ECL Finance Limited, Edelweiss Housing Finance Limited, Edelweiss Retail Finance Limited and Edelweiss Finance & Investments Limited as the case may be, and/or are equity shareholder(s) of Edelweiss Financial Services Limited (“EFSL”) as the case may be, on the Deemed Date of Allotment and applying in Series I, Series III, Series IV, Series VI and/or Series VII shall be eligible for additional incentive of 0.20% p.a. provided the NCDs issued under the proposed Issue are held by the investors on the

relevant Record Date applicable for payment of respective coupons, in respect of Series I, Series III, Series IV, Series VI and/or Series VII NCDs.

For all Category of Investors in the proposed Issue who are also holders of NCD(s)/Bond(s) previously issued by our Company, and/ or our group company, ECL Finance Limited, Edelweiss Housing Finance Limited, Edelweiss Retail Finance Limited and Edelweiss Finance & Investments Limited as the case may be, and/or are equity shareholder(s) of Edelweiss Financial Services Limited (“EFSL”) as the case may be, on the Deemed Date of Allotment applying in Series II and/or V, the maturity amount at redemption along with the additional yield would be ₹ 1,305.75 per NCD and/or ₹ 1,592.75 per NCD respectively provided the NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for redemption in respect of Series II and/or Series V.

The additional incentive will be maximum of 0.20% p.a. for all Category of Investors in the proposed Issue, who are also holders of NCD(s)/Bond(s) previously issued by our Company, and/ or our group company, ECL Finance Limited, Edelweiss Housing Finance Limited, Edelweiss Retail Finance Limited and Edelweiss Finance & Investments Limited as the case may be, and/or are equity shareholder(s) of Edelweiss Financial Services Limited (“EFSL”) as the case may be, on the deemed date of allotment.

On any relevant Record Date, the Registrar and/or our Company shall determine the list of the Primary holder(s) of this Issue and identify such Investor/ NCD Holders, (based on their DP identification and/or PAN and/or entries in the Register of NCD Holders) and make the requisite payment of additional incentive.

The additional incentive will be given only on the NCDs allotted in this Issue i.e. to the Primary holder(s). In case if any NCD is bought/acquired from secondary market or from open market, additional incentive will not be paid on such bought/acquired NCD.

In case the Primary holder(s) sells/gifts/transfer any NCDs allotted in this Issue, additional incentive will not be paid on such sold/gifted/transferred NCD except in case where NCDs are transferred to the Joint holder/Nominee in case of death of the primary holder.

Terms of payment

The entire face value per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms of specified in “*Terms of Issue – Manner of Payment of Interest/ Refund*” on page 274 of this Prospectus.

Participation by any of the above-mentioned Investor classes in the Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the “**Securities Act**”) or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain

the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form.

This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

Day Count Convention

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/ IMD/ DF/ 18/ 2013 October 29, 2013 and SEBI Circular No. CIR/ IMD/ DF-1/ 122/ 2016 dated November 11, 2016. For further details refer to “*Annexure D*” on page 337 of this Prospectus

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory Permissions / consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

For further details, see the section titled “*Issue Procedure*” on page 287 of this Prospectus.

TERMS OF ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company held on February 13, 2021, the Board of Directors approved the issuance of NCDs of the face value ₹ 1,000 each, for an amount not exceeding ₹4,000 million to the public, hereinafter called the "Issue".

Further, the present borrowing is within the borrowing limits of ₹100,000 million under Section 180(1)(c) of the Companies Act, 2013 duly approved by the members of our Company by way of postal ballot on September 10, 2014.

Principal Terms & Conditions of the Issue

The NCDs being offered as part of the Issue are subject to the provisions of the Debt Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of this Prospectus, the Abridged Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE/NSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs would constitute secured obligations of ours and shall rank *pari passu* inter se, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, thereof shall be secured by way of a first ranking exclusive charge over identified receivables, in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover of 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date. The NCDs proposed to be issued under the Issue and all earlier issues of debentures outstanding in the books of our Company having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption.

Our Company is required to obtain permissions or consents from the prior creditors for proceeding with this Issue. Pursuant to SEBI Circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020, our Company undertakes, *inter alia*, that the assets on which charge is created are free from any encumbrances and if the assets are already charged, the permissions or consent to create second or *pari passu* charge on the assets of the Issuer have been obtained from the earlier creditors.

Our Company has applied to the prior creditors for such permissions or consents and has received such permissions or consents from all prior creditors.

Security

The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of a first ranking exclusive charge over identified receivables, in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date. The assets on which charge is proposed to be created, for the Issue, are free from any encumbrances.

Our Company intends to enter into an indenture/deed with the Debenture Trustee, ("Debenture Trust Deed") terms of which will govern the powers, authorities and obligations of the Debenture Trustee. Our Company proposes to complete the execution and registration of the Debenture Trust Deed within three months of the closure of the Issue and shall utilize the funds only after the stipulated security has been created. Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in this Prospectus and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI Debt Regulations, a listed company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. Our Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Face Value

The face value of each NCD shall be ₹1,000.

Trustees for the NCD Holders

Our Company has appointed Beacon Trusteeship Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 4(4) of the Debt Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. Our Company and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action.

Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a

special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed.

Indicative list of Events of Default:

- (i) default in redemption of the debentures together with redemption premium, if any, interest accrued thereon as and when the same shall have become due and payable or payment of any other amounts in terms of the Debenture Trust Deed;
- (ii) default is committed in payment of the principal amount of the NCDs on the due date(s);
- (iii) default is committed in payment of any interest on the NCDs on the due date(s);
- (iv) Default is committed in the performance of any other covenants, conditions or agreements on the part of the Company under the Debenture Trust Deed or the other Transaction Documents or deeds entered into between the Company and the Debenture Holder(s)/ Beneficial Owner(s)/ Debenture Trustee and such default shall have continued for a period of thirty (30) days after notice in writing thereof been given to the Company by the Debenture Holder(s)/ Beneficial Owner(s)/ Debenture Trustee for remedying such default;
- (v) Default is committed if any information given to the Company in the Prospectus, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s)/ Beneficial Owner(s) for financial assistance by way of subscription to the Debenture is or proves to be misleading or incorrect in any material respect or is found to be incorrect;
- (vi) Default is committed if the Company is unable to or admits in writing its inability to pay its debts as they mature or proceedings for taking it into liquidation have been admitted by any competent court;
- (vii) The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law or suffered any action to be taken for its reorganisation, liquidation or dissolution;
- (viii) Default is committed if any extraordinary circumstances have occurred which makes it impossible for the Company to fulfill its obligations under the Debenture Trust Deed and/or the Debentures; If the Company is unable to pay its debts
- (ix) The Company ceases to carry on its business or gives notice of its intention to do so;
- (x) If it is certified by an accountant or a firm of accountants appointed by the Debenture Trustee that the liabilities of the Company exceed its assets;
- (xi) Default is committed if any of the necessary clearances required or desirable in relation to the Company or the Debentures in accordance with any of the Transaction Documents is not received or is revoked or terminated, withdrawn, suspended, modified or withheld or shall cease to be in full force and effect which shall, in the reasonable opinion of Debenture Holder(s)/ Beneficial Owner(s), have material adverse effect on the Company or the Debentures;
- (xii) Default is committed if the company enters into any arrangement or composition with its creditors or commits any acts of insolvency or winding up of the Company;
- (xiii) If the Company files a petition for reorganisation, arrangement, adjustment, winding up or composition of debts of the Company or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding (other than a proceeding commenced voluntarily by the Company is not stayed, quashed or dismissed);
- (xiv) If the Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors;
- (xv) If it becomes unlawful for the company to perform any of its obligations under any transaction document;

- (xvi) Default is committed if the occurrence of any event or condition which in the Debenture Trustee/ Beneficial Owner(s) reasonable opinion can constitute a material adverse effect;
- (xvii) Any security created at any time, any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardize or endangers any hypothecated properties or any part thereof or any event occurs which causes the Debenture Deed or any related agreement to become ineffective;
- (xviii) Any security created at any time, without prior written consent of the Debenture Trustee or unless otherwise provided for in the Debenture Trust Deed, the Company, attempts or purpots to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over any of the hypothecated properties; and

Any other event described as an Event of Default in the Disclosure Documents/ Prospectus and the Transaction Documents. In accordance with the circular (SEBI/HO/MIRSD/CRADT/CIR/P/2020/203) dated October 13, 2020 issued by SEBI on “Standardisation of procedure to be followed by Debenture Trustee(s) in case of ‘Default’ by Issuers of listed debt securities”, post the occurrence of a “default”, the consent of the NCD Holders for entering into an inter-creditor agreement (the “ICA”)/enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.

Regulation 51 read with the Explanation to Clause A (11) in Part B of Schedule III of the SEBI Listing Regulations, defines ‘default’ as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest or principal on debt.

It is hereby confirmed, in case of an occurrence of a “default”, the Debenture Trustee shall abide and comply with the procedures mentioned in the abovementioned circular (SEBI/HO/MIRSD/CRADT/CIR/P/2020/203) dated October 13, 2020 issued by SEBI.

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI LODR Regulations.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company’s members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company’s members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration.
2. In terms of Section 136 (1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed at the Registered Office of our Company during business hours.
3. Subject to the above and the applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

4. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
5. The NCDs are subject to the provisions of the Debt Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
6. For the NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the NCDs in dematerialized Form. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD Holders for this purpose. The same shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD holders.
7. Subject to compliance with RBI requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing 15 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the Secured NCD holders are merely indicative. The final rights of the Secured NCD holders will be as per the terms of this Prospectus and the Debenture Trust Deed.

Nomination facility to NCD Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 (“**Rule 19**”) read with the applicable provisions of the Companies Act, 2013, the sole NCD holder, or first NCD holder, along with other joint NCD Holders’ (being individual(s)), may nominate, in the **Form No. SH.13**, any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder’s death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19 read with the applicable provisions of the Companies Act 2013, any person who becomes a nominee by virtue of the Rule 19 read with the applicable provisions of the Companies Act 2013, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

Since the allotment of NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

Application in the Issue

Applicants shall apply in the Issue in dematerialised form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in the Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under the UPI Mechanism).

In terms of Regulation 4(2)(d) of the Debt Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

Form of Allotment and Denomination of NCDs

As per the Debt Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD (“**Market Lot**”). Allotment in the Issue to all Allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

For details of allotment refer to chapter titled “*Issue Procedure*” beginning on page 287 of this Prospectus.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer’s DP account to his depository participant.

Please see “*Terms of the Issue – Interest*” on page 277 of this Prospectus for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non Individual Investors on the Record Date.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 (“**SEBI LODR IV Amendment**”), NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

Title

The NCD Holder(s) for the time being appearing in the record of beneficial owners maintained by the Depository shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes.

Register of NCD Holders

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders (for re-materialized NCDs) or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Redemption Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Procedure for rematerialisation of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of the NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the Depository Participant. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to the Issue. Pursuant to the SEBI LODR IV Amendment, NCDs held in physical form, pursuant to any re-materialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

Period of subscription

| ISSUE PROGRAMME | |
|-----------------|-------------------------|
| ISSUE OPENS ON | Thursday, April 1, 2021 |
| ISSUE CLOSES ON | Friday, April 23, 2021* |

**The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Debenture Fund Raising Committee, subject to relevant approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day post the Issue Closing Date.*

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (a) by the Designated Intermediaries at the BiddingCentres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On the Issue Closing Date, Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications not uploaded on the Stock Exchange Platform would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Manager or Trading Members of the Stock Exchange are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on a date priority basis in accordance with SEBI Circular dated October 29, 2013.

Interest

Series I NCD

In case of Series I NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series I NCD:

| Category of NCD Holders | Coupon (% p.a.) |
|---|-----------------|
| Category I, II, III and IV | 9.10% |
| For Category I, Category II, III and IV Investors eligible for additional incentive of 0.20% (p.a.) | 9.30% |

Series I NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 36 months from the Deemed Date of Allotment.

Series II NCD

In case of Series II NCDs, the NCDs shall be redeemed at the end of 36 months from the Deemed Date of Allotment as mentioned below:

| Category of NCD Holders | Face Value (₹ per NCD) | Redemption Amount (₹ per NCD) |
|----------------------------|------------------------|-------------------------------|
| Category I, II, III and IV | 1,000 | 1,299.00 |

| | | |
|--|-------|----------|
| For Category I, II, III and IV Investors eligible for additional incentive/premium amount (Rs/NCD) | 1,000 | 1,305.75 |
|--|-------|----------|

Series III NCD

In case of Series III NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series III NCD

| Category of NCD Holders | Coupon (% p.a.) |
|---|-----------------|
| Category I, II, III and IV | 9.16% |
| For Category I, II and IV Investors eligible for additional incentive of 0.20% (p.a.) | 9.36% |

Series III NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Series IV NCD

In case of Series IV NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series IV NCD

| Category of NCD Holders | Coupon (% p.a.) |
|---|-----------------|
| Category I, II, III and IV | 9.55% |
| For Category I, Category II, III and IV Investors eligible for additional incentive of 0.20% (p.a.) | 9.75% |

Series IV NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Series V NCD

In case of Series V NCDs, the NCDs shall be redeemed at the end of 60 months from the Deemed Date of Allotment as mentioned below:

| Category of NCD Holders | Face Value (₹ per NCD) | Redemption Amount (₹ per NCD) |
|--|------------------------|-------------------------------|
| Category I, II, III and IV | 1,000 | 1,578.25 |
| For Category I, II, III and IV Investors eligible for additional incentive/premium amount (Rs/NCD) | 1,000 | 1,592.75 |

Series VI NCD

In case of Series VI NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VI NCD:

| Category of NCD Holders | Coupon (% p.a.) |
|--|-----------------|
| Category I, II, III and IV | 9.30% |
| For Category I, II, III and IV Investors eligible for additional incentive of 0.20% (p.a.) | 9.50% |

Series VI NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 120 months from the Deemed Date of Allotment.

Series VII NCD

In case of Series VII NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VII NCD:

| Category of NCD Holders | Coupon (% p.a.) |
|---|-----------------|
| Category I, II, III and IV | 9.70% |
| For Category I, Category II, III and IV Investors eligible for additional incentive of 0.20% (p.a.) | 9.90% |

Series VII NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 120 months from the Deemed Date of Allotment.

All Category of Investors in the proposed Issue who are also holders of NCD(s)/Bond(s) previously issued by our Company, and/ or our group company, ECL Finance Limited, Edelweiss Housing Finance Limited, Edelweiss Retail Finance Limited and Edelweiss Finance & Investments Limited as the case may be, and/or are equity shareholder(s) of Edelweiss Financial Services Limited (“EFSL”) as the case may be, on the Deemed Date of Allotment and applying in Series I, Series III, Series IV, Series VI and/or Series VII shall be eligible for additional incentive of 0.20% p.a. provided the NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for payment of respective coupons, in respect of Series I, Series III, Series IV, Series VI and/or Series VII NCDs.

For all Category of Investors in the proposed Issue who are also holders of NCD(s)/Bond(s) previously issued by our Company, and/ or our group company, ECL Finance Limited, Edelweiss Housing Finance Limited, Edelweiss Retail Finance Limited and Edelweiss Finance & Investments Limited as the case may be, and/or are equity shareholder(s) of Edelweiss Financial Services Limited (“EFSL”) as the case may be, on the Deemed Date of Allotment applying in Series II and/or V, the maturity amount at redemption along with the additional yield would be ₹ 1,305.75 per NCD and ₹ 1,592.75 per NCD respectively provided the NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for redemption in respect of Series II and/or Series V.

The additional incentive will be maximum of 0.20% p.a. for all Category of Investors in the proposed Issue, who are also holders of NCD(s)/Bond(s) previously issued by our Company, and/ or our group company, ECL Finance Limited, Edelweiss Housing Finance Limited, Edelweiss Retail Finance Limited and Edelweiss Finance & Investments Limited as the case may be, and/or are equity shareholder(s) of Edelweiss Financial Services Limited (“EFSL”) as the case may be, on the deemed date of allotment.

On any relevant Record Date, the Registrar and/or our Company shall determine the list of the Primary holder(s) of this Issue and identify such Investor/ NCD Holders, (based on their DP identification and /or PAN and/or entries in the Register of NCD Holders) and make the requisite payment of additional incentive.

The additional incentive will be given only on the NCDs allotted in this Issue i.e. to the Primary holder(s). In case if any NCD is bought/acquired from secondary market or from open market, additional incentive will not be paid on such bought/acquired NCD.

In case the Primary holder(s) sells/gifts/transfer any NCDs allotted in this Issue, additional incentive will not be paid on such sold/gifted/transferred NCD except in case where NCDs are transferred to the Joint holder/Nominee in case of death of the primary holder.

Basis of payment of Interest

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such tenor, coupon/yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Refer to the paragraph on “*Manner of Payment of Interest / Refund*” at page 281 of this Prospectus.

Taxation

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 7 (seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company’s books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialized form.

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day, in accordance with the Working Day Convention. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force, as applicable.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated in the section titled “Issue Procedure” on page 287 of this Prospectus, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention:

Interest shall be computed on an actual / actual basis on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Effect of holidays on payments:

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force, as applicable.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Illustration for guidance in respect of the day count convention and effect of holidays on payments:

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 will be disclosed in this Prospectus. Please refer “*Annexure D*” on page 340 of this Prospectus.

Maturity and Redemption

The NCDs issued pursuant to this Prospectus have a fixed maturity date. For further details, please refer to “*Issue Structure*” on page 264 of this Prospectus.

Application Size

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereof.

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹ 1,000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of this Prospectus.

Manner of Payment of Interest / Refund

The manner of payment of interest / refund in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants are advised to keep their bank account details as appearing on the records of the depository participant updated at all points of time. Please note that failure to do so could result in delays in credit of Interest/ Redemption Amounts at the Applicant's sole risk, and the Lead Manager, our Company or the Registrar shall have no responsibility and undertake no liability for the same.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Form and Denomination of NCDs

In case of NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the NCD Holder for the aggregate amount of the NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of NCD certificates in denomination of one NCD ("**Market Lot**"). In case of NCDs held under different Options, by an NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each Option.

It is, however, distinctly to be understood that the NCDs pursuant to this issue shall be traded only in dematerialized form.

In respect of Consolidated Certificates, only upon receipt of a request from the NCD Holder, the Consolidated Certificates would be split into smaller denominations, subject to the minimum of Market Lot. No fee would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate, which would then be treated as cancelled.

Procedure for redemption by NCD Holders

The procedure for redemption is set out below:

NCDs held in physical form on account of re-materialization:

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled.

NCDs held in electronic form:

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

Payment on redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of re-materialization:

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

NCDs held in electronic form:

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs

will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Right to Reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of Information

Our Company may, at its option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Mumbai and/or will be sent by speed post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Future Borrowings

Our Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, *pari passu* or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, provided stipulated security cover is maintained on the NCDs and after obtaining the consent of, or intimation to, the NCD Holders or the Debenture Trustee regarding the creation of a charge over such security.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section(1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013.”

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

fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹20 lakh or with both.

Pre-closure

Our Company, in consultation with the Lead Manager reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in this Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement have been given.

Minimum subscription

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

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 and circular no. SEBI/HO/DDHC/CIR/P/2020/233 dated November 23, 2020 (“UPI Mechanism Circular”).

Utilisation of Application Amount

The sum received in respect of the Issue will be kept in separate bank account(s) and we will have access to such funds only upon allotment of the NCDs, execution of Debenture Trust Deeds and on receipt of listing and trading approval from the Stock Exchange as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

- (a) All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) Our Company shall utilize the Issue proceeds only up on (i) receipt of minimum subscription; (ii) completion of Allotment in compliance with Section 40 of the Companies Act, 2013; (ii) receipt of listing and trading approval from Stock Exchange and (iii) only upon execution of the documents for creation of security.
- (e) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

- (f) Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

Filing of the Prospectus with the RoC

A copy of this Prospectus will be filed with the RoC, in accordance with Section 26 of the Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of SEBI Debt Regulations in compliance with the Regulation 8(1) of SEBI Debt Regulations.

Material updates, if any, between the date of filing of this Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI Debt Regulations.

Listing

The NCDs offered through this Prospectus are proposed to be listed on the BSE . Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter dated March 17, 2021. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

Guarantee/Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent

Monitoring and Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Audit Committee shall monitor the utilization of the proceeds of the Issue. For the relevant financial years commencing from the Financial Year 2020-21, our Company will disclose in our financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Lien

Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, to the extent of all outstanding dues, if any by the NCD Holder to our Company.

Lien on Pledge of NCDs

Subject to applicable law, our Company, at its discretion, may record a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

ISSUE PROCEDURE

This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Circular CIR/DDHS/P/121/2018 dated August 16, 2018, which provides, inter-alia, that for all public issues of debt securities opening on or after October 1, 2018, all Applicants shall mandatorily use the ASBA facility for participating in the Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application.

In addition, specific attention is invited to SEBI Circular SEBI/HO/DDHC/CIR/P/2020/233 dated November 23, 2020 (“UPI Mechanism Circular”), whereby retail individual investor may use the Unified Payment Interface (“UPI”) to participate in the public issue for an amount up to INR 2, 00, 000 being conducted on or after January 01, 2021.

Applicants should note that they may submit their Applications to the Designated Intermediaries at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Prospectus.

Retail Individual Investors should note that they may use the UPI mechanism to block funds for application value upto ₹2 lakhs submitted through the app/web interface of the Stock Exchange or through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).

Please note that this section has been prepared based on the circular no. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI (“Debt Application Circular”) as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, circular no. SEBI/HO/DDHC/CIR/P/2020/233 dated November 23, 2020 (“UPI Mechanism Circular”) and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI (“ASBA Circular”), the Debt UPI Circular and the notifications issued by BSE, in relation to the UPI Mechanism, dated December 28, 2020.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the Debt Application Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Investors are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws.

Further, the Company and the Lead Manager are not liable for any adverse occurrences consequent to the UPI Mechanism for application in the Issue.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE LEAD MANAGER, THE LEAD BROKERS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN RESPECT OF THE ISSUE ON THE ELECTRONIC

APPLICATION PLATFORM PROVIDED BY STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE WILL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS/DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term “Working Day” shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai.

Availability of this Prospectus, Abridged Prospectus, and Application Forms

The copies of this, Prospectus, Abridged Prospectus together with Application Forms may be obtained from our Registered Office or Corporate Office, Lead Manager to the Issue, Lead Brokers for marketing of the Issue, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, this Prospectus and the Application Forms will be available for download on the website of BSE at www.bseindia.com. A unique application number (“UAN”) will be generated for every Application Form downloaded from the website of the Stock Exchange i.e. BSE at www.bseindia.com. Hyperlinks to the websites of the Stock Exchange for this facility will be provided on the websites of the Lead Manager and the SCSBs.

In addition, Application Forms would also be made available to all the recognised stock exchanges. Further, Application Forms will also be provided to Trading Members at their request.

Our Company may provide Application Forms for being filled and downloaded at such websites as we may deem fit. The Issuer may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, online demat account portals may also provide the facility of submitting the Application Forms online to their account holders’.

Who can apply?

The following categories of persons are eligible to apply in the Issue.

Category I

- Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds each with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements;
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

Category II

- Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;

- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III

- High Net-worth Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue

Category IV

- Retail Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.

Note: Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

The Lead Manager and their respective associates and affiliates are permitted to subscribe in the Issue.

The information below is given for the benefit of Applicants. Our Company and the Lead Manager are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus.

How to apply?

Availability of this Prospectus, Abridged Prospectus, and Application Forms

Please note that there is a single Application Form for, persons resident in India.

Copies of the Abridged Prospectus, containing the salient features of this Prospectus together with Application Form may be obtained from our Registered Office, the Lead Manager, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, this Prospectus, and the Application Forms will be available

- for download on the website of BSE at www.bseindia.com and the website of the Lead Manager at www.equirus.com and/or www.equirussecurities.com.
- at the designated branches of the SCSBs and the Syndicate Members at the Specified Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange. A unique application number ("UAN") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Method of Application

In terms of the SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized Stock Exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (“**Direct Online Application Mechanism**”). In this regard, SEBI has, through the Debt Application Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a Retail Individual Investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

Applicants should submit the Application Form only at the Bidding Centres, i.e. to the respective Syndicate Members at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <http://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB (except Application Form from RIBs using the UPI Mechanism) with whom the relevant ASBA Accounts are maintained.

For RIBs using UPI Mechanism, the Stock Exchange shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds.

For Applicants who submit the Application Form, in physical mode, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to the Issue should be made by Applicants directly to the relevant Stock Exchange.

In terms of the UPI Mechanism Circular, an eligible investor desirous of applying in this Issue can make Applications through the following modes:

1. *Self-Certified Syndicate Bank (SCSB) or intermediaries (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)*
 - a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor’s bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.
 - b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

- c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is Rs.2 lac or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.

2. Through Stock Exchanges

- a. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchange (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism.
- b. The Stock Exchanges have extended their web-based platforms i.e 'BSEDirect' to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value upto Rs. 2 Lac. To place bid through 'BSEDirect' platform/ mobile app the eligible investor is required to register himself/ herself with BSE Direct.
- c. To further clarify the submission of bids through the App or web interface, the Stock Exchange has issued operational guidelines and circulars dated December 28, 2020 available at <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60>, and <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61>.

Application Size

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereof.

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019 ("SEBI Circular 2019"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme. Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees. A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories.

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) memorandum and articles of association/charter of constitution; (ii) power of attorney ; (iii) a board resolution authorising investments; and (iv) a letter of authorisation. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

Insurance companies registered with the IRDAI can apply in the Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Indian Alternative Investments Funds

Applications made by 'alternative investment funds' eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefore.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications made by companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications under a power of attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category III and Category IV, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form.

Failing this our Company, in consultation with the Lead Manager, reserves the right to reject such Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Manager may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his or her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Funds

Application made by a National Investment Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Systematically Important Non-banking financial companies

Applications made by systematically important non-banking financial companies registered with the RBI and under other applicable laws in India must be accompanied by certified true copies of: (i) memorandum and articles of association charter of constitution; (ii) power of attorney; (iii) board Resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

The Syndicate Members and their respective associates and affiliates are permitted to subscribe in the Issue.

Applications cannot be made by:

- (a) Minors without a guardian name* (A guardian may apply on behalf of a minor. However, the name of the guardian will also need to be mentioned on the Application Form);
- (b) Foreign nationals NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;;
- (c) Persons resident outside India and other foreign entities;
- (d) Foreign Institutional Investors;
- (e) Foreign Portfolio Investors;
- (f) Non Resident Indians;
- (g) Qualified Foreign Investors;
- (h) Overseas Corporate Bodies**;
- (i) Foreign Venture Capital Funds; and

- (j) Persons ineligible to contract under applicable statutory/ regulatory requirements.

** Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Designated Intermediaries.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

***The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.*

Payment instructions

Payment mechanism for Applicants

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form.

An Applicant may submit the completed Application Form to designated intermediaries along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Designated Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

An Applicant may submit the Application Form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is Rs.2 lac or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant in this case.

An Applicant may submit the Application Form through the App or web interface developed by Stock Exchanges wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account and Sponsor Bank Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within 6 (six) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

For ASBA Applications submitted to the Lead Manager or Lead Broker or Trading Members of the Stock Exchange at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Manager or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA

Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Lead Manager or Lead Broker or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to NCDs allotted to the successful Applicants to the Public Issue Account(s). The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 5 Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Payment mechanism for Direct Online Applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for the Issue.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.
2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted on the Application Form only. In the event that physical Application Form do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.
4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Additional Instructions for Retail Individual Investors using the UPI mechanism:

- a) Before submission of the application form with the Designated Intermediary, a Retail Individual Investor shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.
- b) The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchanges App/ Web interface.
- c) The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platform using appropriate protocols.

- d) Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.
- e) The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to Stock Exchange(s) which would be shared by the Stock Exchange(s) with the Designated Intermediaries through its platform, for corrections, if any.
- f) Once the bid details are uploaded on the Stock Exchange(s) platform, the Stock Exchange(s) shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next Working Day.
- g) Post undertaking validation with the Depository, the Stock Exchange(s) shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Company.
- h) The Sponsor Bank shall initiate a mandate request on the investor i.e. request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.
- i) The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.
- j) The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the Issue.
- k) The investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the Issue period or any other modified closure date of the Issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next Working Day.
- l) The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.
- m) For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the Issue Closing Date) modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 (T being the Issue Closing Date) day till 1 pm
- n) The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5 pm on the day of bidding.
- o) Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.
- p) The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange(s). The block request status would also be displayed on the Stock Exchange(s) platform for information of the intermediary.
- q) The information received from Sponsor Bank, would be shared by Stock Exchange(s) with the Registrar to the Issue in the form of a file for the purpose of reconciliation.
- r) Post closure of the Issue, the Stock Exchange(s) shall share the bid details with the Registrar to the Issue. Further, the Stock Exchange(s) shall also provide the Registrar to the Issue, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Filing of the Prospectus with the RoC

A copy of this Prospectus will be filed with the RoC, in accordance with Section 26 of the Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of SEBI Debt Regulations in compliance with the Regulation 8(1) of SEBI Debt Regulations. Material updates, if any, between the date of filing of this Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

- (a) Applications must be made in the prescribed Application Form.
- (b) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Prospectus, and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.
- (c) Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in the Issue Documents.
- (d) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- (e) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.
- (f) If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- (g) Applicants applying for Allotment must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by the Designated Intermediaries, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- (h) Applicants must ensure that their Application Forms are made in a single name.
- (i) If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
- (j) Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.
- (k) All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.

- (1) Applications for all the series of the NCDs may be made in a single Application Form only.

The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in this Prospectus for Issue to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID, PAN AND UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM) IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID PAN AND UPI ID GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID, PAN AND UPI ID AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID, PAN and UPI ID provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchange by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for refunds (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Allotment Advice would be mailed by post or e-mail at the address of the Applicants in accordance with the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing

particulars on and mailing of the Allotment Advice through post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the four parameters, namely, DP ID, Client ID, PAN and UPI ID then such Applications are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for Retail Individual Investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

Unified Payments Interface (UPI)

SEBI has issued UPI circulars on November 23, 2020 with reference number SEBI/HO/DDHC/CIR/P/2020/233 in relation to streamlining the process of public issue of *inter alia* debt issues. Pursuant to the UPI circular, the UPI Mechanism has been introduced and will become applicable for public debt issues being conducted on or after January 01, 2021 as a payment mechanism (in addition to the mechanism of blocking funds maintained with SCSBs under ASBA) for applications by retail individual bidders through Designated Intermediaries. All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. The Company will be required to appoint one SCSB as a Sponsor Bank to act as a conduit between the Stock Exchange and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM

Submission of Applications

Applicants can apply for NCDs only using the ASBA facility pursuant to ASBA Circular. ASBA Applications can be submitted through either of the following modes:

- (a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly register such ASBA Applications.
- (b) Physically through the Lead Brokers, Lead Manager, or Trading Members of the Stock Exchange only at the Specified Cities i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Lead Brokers, Lead Manager or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Lead Brokers, Lead Manager or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

- (c) A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is upto ₹2 lakhs, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange's bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

A UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Lead Brokers, Lead Manager or Trading Members of the Stock Exchange, as the case may be, an acknowledgement shall be issued by giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Lead Brokers, Lead Manager or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

- (a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Lead Manager and Trading Members of the Stock Exchange at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Prospectus is made available on their websites.
- (b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Lead Manager or Trading Members of the Stock Exchange, as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, please refer to the section titled "*Issue Related Information*" on page 264 of this Prospectus.
- (c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Manager or Lead Broker or Trading Members of the Stock Exchange, as the case maybe, if not, the same shall be rejected. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;

- Application Forms must be completed in block letters in English, as per the instructions contained in this Prospectus the Abridged Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applicants must apply for Allotment in dematerialised form and must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- The minimum number of Applications and minimum application size shall be specified in this Prospectus. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Lead Manager, Lead Broker, Trading Members of the Stock Exchange or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Manager, Lead Broker, Trading Member of the Stock Exchange or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.
- ASBA will be the default "Mode of Application" as per the ASBA Circular.
- Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Manager, Lead Broker, Trading Member of the Stock Exchange in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Lead Manager, Lead Broker, Trading Member of the Stock Exchange, Public Issue Account Banks nor Designated Branches, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot the series I NCDs, as specified in this Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

B. Applicant's Beneficiary Account and Bank Account Details

Applicants applying for Allotment in dematerialized form must mention their DP ID, Client ID, PAN and UPI ID (in case applying through UPI Mechanism) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("MICR") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Lead Manager, Trading Members of the Stock Exchange, Public Issue Account Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Lead Manager, Trading Members of the Stock Exchange, Public Issue Account Banks, SCSBs, Registrar to the Issue nor the Stock Exchange shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

C. Permanent Account Number (PAN)

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

D. Joint Applications

If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs, subject to a minimum application size of ₹10,000 and in multiples of ₹1,000 thereafter as specified in this Prospectus. Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹1,000,000 shall be deemed such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN of the sole or the first Applicant is one and the same.

Electronic registration of Applications

- (a) The Designated Intermediaries will register the Applications using the on-line facilities of Stock Exchange. The Lead Manager, Lead Broker, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the Designated Intermediaries, (ii) the Applications uploaded by the Designated Intermediaries, (iii) the Applications accepted but not uploaded by the Designated Intermediaries, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) Applications accepted and uploaded by the Designated Intermediaries for which the Application Amounts are not blocked by the SCSBs.
- (b) The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Syndicate Members and the other Designated Intermediaries during the Issue Period. On the Issue Closing Date, the Syndicate Members and the other Designated Intermediaries shall upload the Applications till such time as may be permitted by the Stock Exchange.

This information will be available with the Syndicate Members and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

- (c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchange, would be made available at the Application centres as provided in the Application Form during the Issue Period.
- (d) At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchange.
- (e) A system generated Acknowledgement Slip will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the Acknowledgement Slip from the Syndicate Members or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.
- (f) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.
- (g) In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.
- (h) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for Allotment. The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate, Designated Intermediaries will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

Process for investor application submitted with UPI as mode of payment

- a. Before submission of the application with the intermediary, the investor would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).
- b. An investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface, or any other methods as may be permitted.
- c. The intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the stock exchange bidding platform using appropriate protocols.
- d. Once the bid has been entered in the bidding platform, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of investor with the depository.
- e. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.
- f. Once the bid details are uploaded on the Stock Exchange platform, the Stock Exchange shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next working day.
- g. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the issuer.
- h. The Sponsor Bank shall initiate a mandate request on the investor
- i. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.
- j. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the public issue bid details submitted by investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the public issue.
- k. An investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.
- l. An investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.
- m. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 day till 1 PM.
- n. The facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.
- o. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would

get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

- p. The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the intermediary.
- q. The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.
- r. Post closure of the offer, the Stock Exchange shall share the bid details with RTA. Further, the Stock Exchange shall also provide the RTA, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.
- s. The allotment of debt securities shall be done as per SEBI Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013.
- t. The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.
- u. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.
- v. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.
- w. Thereafter, Stock Exchange will issue the listing and trading approval.
- x. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSEDirect issued by BSE on December 28, 2020 the investor shall also be responsible for the following:
 - i. Investor shall check the Issue details before placing desired bids;
 - ii. Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;
 - iii. The receipt of the SMS for mandate acceptance is dependant upon the system response/ integration of UPI on Debt Public Issue System;
 - iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;
 - v. Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;
 - vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and
 - vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.

General Instructions

Do's

1. Check if you are eligible to apply as per the terms of this Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue.
4. Ensure that the DP ID and Client ID are correct and beneficiary account is activated for Allotment of NCDs in dematerialized form. The requirement for providing Depository Participant details shall be mandatory for all Applicants.
5. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
6. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Intermediaries, as the case may be.
7. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
8. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes.
9. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
10. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange, match with the DP ID, Client ID and PAN available in the Depository database;
11. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN of the HUF should be mentioned in the Application Form and not that of the Karta;
12. Ensure that the Applications are submitted to the Lead Manager, Lead Broker, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see the section titled "*Issue Related Information*" on page 264 of this Prospectus.
13. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;
14. Permanent Account Number: Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
15. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person

would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;

16. All Applicants are requested to tick the relevant column “Category of Investor” in the Application Form; and
17. Tick the series of NCDs in the Application Form that you wish to apply for.
18. Check if you are eligible to Apply under ASBA;
19. Retail individual investors using the UPI Mechanism to ensure that they submit bids upto the application value of INR 2,00,000;
20. Investor using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Bid cum Application Form;
21. Investors bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue and submit the application with any of the intermediaries or through the Stock Exchange App/ Web interface
22. Ensure that you give the correct details of your ASBA Account including bank account number/ bank name and branch;
23. Ensure that your Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Lead Manager or Lead Broker or Trading Members of the Stock Exchange at the Specified Cities, and not directly to the Public Issue Account Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Issue;
24. In case of ASBA Applications through Syndicate ASBA, before submitting the physical Application Form to the Trading Members of the Stock Exchange, ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Lead Manager or Lead Broker or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Forms (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>);
25. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, in case of an SCSB making an ASBA Application, such ASBA Application should be made through an ASBA Account utilised solely for the purpose of applying in public issues and maintained in the name of such SCSB Applicant with a different SCSB, wherein clear demarcated funds are available.
26. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the account holder;
27. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form and that your signature in the Application Form matches with your available bank records;
28. Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
29. Ensure that you receive an acknowledgement from the Designated Branch or the concerned Lead Manager or Lead Broker or Trading Member of the Stock Exchange, as the case may be, for the submission of the Application Form.
30. Retail Individual Investors submitting Application Form using the UPI Mechanism, should ensure that the:
(a) bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI

handle being used for making the Bid, are listed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Circular No. CIR/DDHS/P/121/2018 dated August 16, 2018 stipulating the time between closure of the Issue and listing at 6 Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Dont's:

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by money order or by postal order or by stockinvest;
3. Do not send Application Forms by post; instead submit the same to the Lead Brokers, sub-brokers, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be;
4. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
5. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
6. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
7. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;
8. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
9. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
10. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
11. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
12. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA); and
13. Do not make an application of the NCD on multiple copies taken of a single form.
14. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;
15. Do not submit the Application Form to the Lead Manager or Trading Members of the Stock Exchange, as the case may be, at a location other than the Specified Cities.
16. Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Lead Manager or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities; and
17. Do not submit more than five Application Forms per ASBA Account.

18. If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID;
19. Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI;
20. Do not submit a bid using UPI ID, if you are not a Retail Individual Investor and if the Application is for an amount more than INR 2,00,000;

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

Depository Arrangements

Our Company has made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

- (i) Tripartite Agreements dated April 08, 2005 and March 11, 2005 between us, the Registrar to the Issue and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.
- (ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
- (iii) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- (iv) Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to the Issue.
- (v) It may be noted that NCDs in electronic form can be traded only on Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange have connectivity with NSDL and CDSL.
- (vi) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
- (vii) The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form in multiples of One NCD only.

Allottees will have the option to rematerialise the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, please see the section titled "*Issue Procedure*" on page 287 of this Prospectus.

Communications

All future communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue related problems and/or Post-Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository's beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchange in case of any Post-Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository's beneficiary account/ etc.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Statement by the Board:

- (a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
- (e) We shall utilize the Issue proceeds only upon allotment of the NCDs, execution of the Debenture Trust Deed as stated in this Prospectus and on receipt of the minimum subscription of 75% of the Base Issue and receipt of listing and trading approval from the Stock Exchange.
- (f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
- (g) The allotment letter shall be issued, or application money shall be unblocked within 15 days from the closure of the Issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

Other Undertakings by our Company

Our Company undertakes that:

- (a) Complaints received in respect of the Issue will be attended to by our Company expeditiously and satisfactorily;
- (b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
- (c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 6 Working Days of the Issue Closing Date;
- (d) Funds required for dispatch of Allotment Advice will be made available by our Company to the Registrar to the Issue;
- (e) Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Current Statutory Auditor, to the Debenture Trustee;
- (f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in this Prospectus.

- (g) We shall make necessary disclosures/reporting under any other legal or regulatory requirement as may be required by our Company from time to time.
- (h) We shall create a recovery expense fund in the manner as may be specified by the Board from time to time and inform the Debenture Trustee about the same.
- (i) We undertake that the assets on which charge is created, are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor.
- (j) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.

Rejection of Applications

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and/or any committee of our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;
- Applications not being signed by the sole/joint Applicant(s);
- Investor Category in the Application Form not being ticked;
- Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum application size;
- Applications where a registered address in India is not provided for the Applicant;
- In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partners(s);
- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;
- DP ID and Client ID not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications by OCBs;
- Applications for an amount below the minimum application size;
- Submission of more than five ASBA Forms per ASBA Account;
- Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;

- Applications accompanied by Stock invest/ cheque/ money order/ postal order/ cash;
- Signature of sole Applicant missing or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.
- Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant.
- If the signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB Bank's records where the ASBA Account mentioned in the Application Form is maintained;
- Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;
- ASBA Applications not having details of the ASBA Account to be blocked;
- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- If an authorization to the SCSB or Sponsor Bank for blocking funds in the ASBA Account or acceptance of UPI Mandate Request raised has not been provided;
- The UPI Mandate Request is not approved by the Retail Individual Investor;
- SCSB making an ASBA application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- Authorization to the SCSB for blocking funds in the ASBA Account not provided;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by any person outside India;
- Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
- Applications not uploaded on the online platform of the Stock Exchange;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Prospectus and as per the instructions in the Application Form and this Prospectus;

- Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;
- Applications providing an inoperative demat account number;
- ASBA Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Banker to the Issue (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- Category not ticked;
- Forms not uploaded on the electronic software of the Stock Exchange and/or In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.

Kindly note that ASBA Applications submitted to the Lead Manager, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Manager, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit ASBA Applications (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please see “*Issue Procedure-Information for Applicants*” on page 315 of this Prospectus.

Information for Applicants

In case of ASBA Applications submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of Applicants submitted to the Lead Manager, Lead Broker and Trading Members of the Stock Exchange at the Specified Cities, the basis of allotment will be based on the Registrar's validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Mode of making refunds

The Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within 5 Working Days of the Issue Closing Date.

Retention of oversubscription

Our Company shall have an option to retain over-subscription up to the Issue limit.

Basis of Allotment

The Registrar will aggregate the Applications based on the Applications received through an electronic book from the Stock Exchange and determine the valid applications for the purpose of drawing the basis of allocation. Grouping of the application received will be then done in the following manner:

For the purposes of the Basis of Allotment:

- A. Applications received from Category I Applicants: Applications received from Applicants belonging to Category I shall be grouped together ("QIB Portion");
- B. Applications received from Category II Applicants: Applications received from Applicants belonging to Category II, shall be grouped together ("Corporate Portion")
- C. Applications received from Category III Applicants: Applications received from Applicants belonging to Category III shall be grouped together ("High Net Worth Individual Portion"); and
- D. Applications received from Category IV Applicants: Applications received from Applicants belonging to Category IV shall be grouped together ("Retail Individual Investor Portion").

For removal of doubt, the terms "QIB Portion", "Corporate Portion", "High Net Worth Individual Portion" and "Retail Individual Investor Portion" are individually referred to as a "Portion" and collectively referred to as "Portions".

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Issue Size up to the Issue Size i.e. aggregating up to ₹2,000 million. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the "Limit".

Allocation Ratio

| QIB Portion | Corporate Portion | High Net Worth Individual Portion | Retail Individual Investor Portion |
|-----------------------|--------------------------|--|---|
| 10% of the Issue Size | 10% of the Issue Size | 40% of the Issue Size | 40% of the Issue Size |

Basis of Allotment for NCDs

(a) Allotments in the first instance:

- (i) Applicants belonging to the QIB Portion, in the first instance, will be allocated NCDs up to 10% of the Issue Size on first come first served basis which would be determined on the basis of upload of their Applications on daily basis in to the electronic book with Stock Exchange;
- (ii) Applicants belonging to the Corporate Portion, in the first instance, will be allocated NCDs upto 10% of the issue Size on first come first served basis which would be determined on the basis of upload of their Applications on daily basis in to the electronic book with Stock Exchange;
- (iii) Applicants belonging to the High Net Worth Individual Portion, in the first instance, will be allocated NCDs up to 40% of the Issue Size on first come first served basis which would be determined on the basis of upload of their Applications on daily basis in to the electronic book with Stock Exchange;

- (iv) Applicants belonging to the Retail Individual Investor Portion, in the first instance, will be allocated NCDs up to 40% of the Issue Size on first come first served basis which would be determined on the basis of upload of their Applications on daily basis in to the electronic book with Stock Exchange;
- (b) Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application in to the Electronic Book with Stock Exchange, in each Portion subject to the Allocation Ratio. However, on the date of oversubscription, the allotments would be made to the applicants on proportionate basis.
- (c) Under Subscription
 - (i) Retail Individual Investor Person;
 - (ii) High Net worth Individual Person;
 - (iii) Corporate Portion; and
 - (iv) QIB Portion

Within each Portion, priority in Allotments will be given on a first-come-first-serve basis, based on the date of upload of each Application into the electronic system of the Stock Exchange.
- (d) For each Portion, all Applications uploaded in to the Electronic Book with Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where NCDs uploaded into the Platform of the Stock Exchange on a particular date exceeds NCDs to be allotted for each Portion respectively.
- (e) Minimum allotment of 1 (one) NCD and in multiples of 1 (one) NCD thereafter would be made in case of each valid Application.
- (f) Allotments in case of oversubscription: In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the Applicants on the date of oversubscription (based on the date of upload of each Application into the Electronic Book with Stock Exchange, in each Portion).
- (g) Proportionate Allotments: For each Portion, on the date of oversubscription:
 - (i) Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer;
 - (ii) If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Issue Size, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose allotment size, prior to rounding off, had the highest decimal point would be given preference; and
 - (iii) In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalized by draw of lots in a fair and equitable manner.
- (h) Applicant applying for more than one Series of NCDs: If an Applicant has applied for more than one Series of NCDs, and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for, the Series-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with Lead Manager and Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the seven series and in case such Applicant cannot be allotted all the seven series, then the Applicant would be allotted NCDs, at the discretion of the Company, the Registrar and the Lead Manager wherein the NCDs with the least tenor i.e. allotment of NCDs with tenor of 36 followed by allotment of NCDs with tenor of 60 and so on.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Issue Size shall be taken by our Company in consultation with the Lead Manager and the Designated Stock Exchange and in compliance with the

aforementioned provisions of this Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Manager.

Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications

The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Issue Closing Date.

Payment of Refunds:

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within the applicable regulatory timelines.

Issuance of Allotment Advice

Our Company shall ensure dispatch of Allotment Advice as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 5 Working Days of the Issue Closing Date

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities and approvals for the commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 5 Working Days from the Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be unblocked in the ASBA Accounts of the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants can withdraw their ASBA Applications till the issue closure date by submitting a request for the same to the Lead Brokers, Trading Member of the Stock Exchange or the Designated Branch, as the case may be, through whom the ASBA Application had been placed. In case of ASBA Applications submitted to the Lead Manager, Lead Broker, or Trading Members of the Stock Exchange at the Specified Cities, upon receipt of the request for withdrawal from the Applicant, the relevant Lead Manager, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange. In case of ASBA Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account directly.

In case an Applicant wishes to withdraw the Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Pre-closure

Our Company, in consultation with the Lead Manager reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in this Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement have been given.

If our Company does not receive the minimum subscription of 75% of Base Issue Size prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 (six) working days from the Issue Closing Date of the Prospectus, provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 (six) working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Revision of Applications

As per the notice no: 20120831-22 dated August 31, 2012 issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange(s), by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day after the Issue Closing Date (till 1:00 PM) to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

Utilisation of Application Amounts

The sum received in respect of the Issue will be kept in separate bank accounts and we will have access to such funds only upon allotment of the NCDs, execution of Debenture Trust Deed and on receipt of listing and trading approval from the Stock Exchange as per applicable provisions of law(s), regulations and approvals.

Utilisation of the proceeds of the Issue

- All monies received out of the Issue shall be credited / transferred to a separate bank account maintained with a Scheduled Bank as referred to in Section 40 of the Companies Act, 2013.
- The allotment letter shall be issued or application money shall be refunded within six Working days from the Issue Closing Date or such lesser time as may be specified by Securities and Exchange Board, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.
- Details of all monies unutilised out of the previous issues made by way of public offer, as well as the monies to be raised through the Issue, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested.
- Details of all monies utilised out of the previous issue made by way of public offer shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilized.
- Details of all unutilised monies out of the Issue, if any, shall be disclosed and continued to be disclosed under an appropriate head in our balance sheet till the time any part of the proceeds of the Issue remains unutilized indicating the form in which such unutilised monies have been invested.

- Our Company shall utilize proceeds of the Issue subsequent to (a) receipt of minimum subscription; (b) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (c) creation of security; and (d) obtaining Listing and Trading approval as stated in this Prospectus in “*Issue Structure*” on page 264 of this Prospectus.
- Proceeds of the Issue shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business.
- Proceeds of the Issue shall not be utilized for providing loan to or acquisition of shares of any person who is part of the same group or who is under the same management.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

Listing

The NCDs offered through this Prospectus are proposed to be listed on BSE. Our Company has received an ‘in-principle’ approval from BSE by way of its letter bearing reference number DCS/BM/PI-BOND/014/20-21 dated March 17, 2021. The application for listing of the NCDs will be made to the Stock Exchange at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within six Working Days of the Issue Closing Date.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the Series, such NCDs with Series shall not be listed.

Guarantee/Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Undertaking by our Company

Our Company undertake that:

- (a) the complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) shall be attended to by us expeditiously and satisfactorily;
- (b) we shall take necessary steps for the purpose of getting the NCDs listed within the specified time i.e. six Working Days from the Issue Closing Date;
- (c) the funds required for dispatch of allotment advice/ certificates by registered post/ speed post shall be made available to the Registrar to the Issue by our Company;
- (d) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the NCDs are outstanding;

- (e) we shall forward the details of utilisation of the funds raised through the NCDs duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year;
- (f) we shall disclose the complete name and address of the Debenture Trustee in our annual report;
- (g) we shall provide a compliance certificate to the Debenture Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of NCDs as contained in this Prospectus;
- (h) we shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time;
- (i) we shall create a recovery expense fund in the manner as maybe specified by the Board from time to time and inform the Debenture Trustee about the same; and
- (j) We undertake that the assets on which charge is created, are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor.

SECTION VIII - SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION

(The following regulations comprised in these Articles of Association were adopted by the members at the 19th Annual General Meeting of the Company held on July 25, 2014, in substitution for, and to the entire exclusion of the earlier regulations comprised in the extant Articles of Association of the Company)

APPLICABILITY OF TABLE 'F'

1. The Regulations for the management of the Company shall be those as contained in these Articles and the matters in respect of which no Regulations is specified herein, Regulations as contained in Table F in Schedule I to the Companies Act, 2013 shall be applicable.

INTERPRETATION

2. Unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force:-
 - (a) "The Act" means the Companies Act, 2013, or any statutory modification or re-enactment thereof from time to time and shall include the Rules and Regulations framed thereunder.
 - (b) "The Company" means EDELWEISS FINANCIAL SERVICES LIMITED, incorporated under the Companies Act, 1956.
 - (c) "The Directors" means the Director for the time being of the Company.
 - (d) "The Board of Directors" or "The Board" means the Board of Directors for the time being of the Company.
 - (e) "The Managing Director/Whole-time Director/Executive Director" means the Managing Director/Whole-time Director/Executive Director for the time being of the Company.
 - (f) "The Office" means the Registered Office for the time being of the Company.
 - (g) "Seal" means the Common Seal of the Company includes Attorneys duly constituted under a power of Attorney.

"In writing" and "Written" include printing, lithography and other modes of representing or reproducing words in a visible form.

Words importing the singular number only include the plural number and vice versa. Words importing persons include corporations.

Share Capital and variation of rights

1. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at par or at a premium and at such time as they may from time to time think fit.
2. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind, whatsoever, sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued either as fully paid-up or partly paid-up otherwise than for cash.

3. The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws:
 - (a) Equity Share Capital:
 - (i) With voting right; and/or
 - (ii) With differential rights as to dividend, voting or otherwise in accordance with the Act; and
 - (b) Preference Share Capital.
4. A Person subscribing to the securities of the Company shall have the option either to receive certificates for such securities or hold such securities in a dematerialised state with a depository. Where a person opts to hold any securities with the depository, the Company shall intimate such depository the details of the securities to enable the depository to enter in its records the name of such person as the beneficial owner of such securities.
5.
 - (1) The Company may exercise the powers of paying commission conferred by the Act to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act.
 - (2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Act.
6.
 - (1) If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class as prescribed by the Act.
 - (2) The provisions of this Article shall mutatis mutandis apply to other securities including debentures of the Company.
 - (3) To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
8. Subject to the provisions of the Act, the Board shall have the power to issue preference shares of one or more classes which are liable to be redeemed, or converted in to equity shares or other securities, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.
9. A further issue of securities may be made in any manner and on such terms, whatsoever, as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act.

Lien

1.
 - (1) The Company shall have a first and paramount lien—
 - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - (b) on all shares (not being fully paid shares) standing registered in the name of a person, for all monies presently payable by him or his estate to the Company: Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.
2. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—
 - (a) unless a sum in respect of which the lien exists is presently payable; or
 - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency or otherwise.
3.
 - (1) To give effect to any such sale, the Board may authorise a person to transfer the shares sold to the purchaser thereof.
 - (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
 - (3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.
 - (4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.
4.
 - (1) The proceeds of the sale shall be received by the Company and applied in the payment of such part of the amount in respect of which the lien exists as is presently payable.
 - (2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
5. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
6. The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

Alteration of Capital

7. Subject to the provisions of the Act, the Company may, by an ordinary resolution:-
 - (a) increase the share capital by such sum, to be divided into shares of such amount, as it may think expedient;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
 - (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum;
 - (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
8. The Company may, by a resolution, or as may be prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act:-
- (a) its share capital; and/or
 - (b) any capital redemption reserve account; and/or
 - (c) (any security premium account; and/or
 - (d) any other reserve in the nature of share capital.

Capitalisation of profits

- 9.
- (1) The Company by an ordinary resolution may, upon the recommendation of the Board, resolve—
 - (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's Reserve Account(s), or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
 - (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) hereunder, either in or towards—
 - (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
 - (3) The Securities Premium Account and/or the Capital Redemption Reserve Account may, for the purposes of this Article, be applied in the paying up of un- issued shares to be issued to the members of the Company as fully paid bonus shares;
 - (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
- 10.
- (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
 - (a) make all appropriations and applications of the amount resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities if any; and
 - (b) generally do all acts and things required to give effect thereto.
 - (2) The Board shall have power—
 - (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up,

of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

- (3) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of Securities

11. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities as per the Act.

General Meetings

12. All general meetings other than Annual General Meeting shall be called Extraordinary General Meeting.
13. The Board may, whenever it thinks fit, call an Extraordinary General Meeting.
14. If at any time the Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two members of the Company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at General Meetings

15. (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (2) The quorum for the general meetings shall be as provided in the Act.
16. No business shall be discussed or transacted at any general meeting except the election of the Chairperson, whilst the chair is vacant.
17. The Chairperson, if any, of the Board shall preside as a Chairperson at every general meeting of the Company
18. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairperson of the meeting, the Directors present shall elect one of their members to be Chairperson of the meeting.
19. If at any meeting no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
20. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.

Adjournment of General Meeting

- 21.
- (1) The Chairperson may, suo moto, or with the consent of the meeting at which the quorum is present and, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original.
- (4) Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting Rights

22. Subject to any rights or restrictions for the time being attached to any class or classes of shares—
- (a) on a show of hands, every member present in person shall have one vote; and
 - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
23. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
- 24.
- (1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
 - (2) For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.
25. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his Committee or other legal guardian, and any such Committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share(s) shall be by his guardian or any one of his guardians.
26. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
27. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised the right of lien.
28. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

- 29.
- (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, subject to the provisions of the Act.
 - (2) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the Office or such other place as may be fixed in that behalf, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
30. An instrument appointing a proxy shall be in the form as prescribed in the Act.
31. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:
Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

32. Unless otherwise determined by the Company in General Meeting, the number of the Directors shall not be less than 3 (three) and shall not be more than 15 (Fifteen).
33. The same individual may, at the same time, be appointed as the Chairperson of the Board as well as the Managing Director/Executive Director/Chief Executive Officer of the Company.
- 34.
- (1) The remuneration payable to the Directors, including any Managing Director, Whole-Time Director, Executive Director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act.
 - (2) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them—
 - (a) in attending and returning from meetings of the Board of Directors or any Committee thereof or general meetings of the Company; and
 - (b) in connection with the business of the Company.
35. The Company may exercise the powers conferred on it under the provisions of the Act with regard to the keeping of a foreign Register; and the Board may make and vary such Regulations as it may think fit in keeping of any such Register.
36. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
- 37.
- (1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
 - (2) Subject to the provisions of the Act, such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting.
- 38.
- (1) Subject to the provisions of the Act, the Board may appoint an alternate Director to act for a Director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India.
 - (2) The Board may appoint any person as a director nominated by the Government/any institution/financial institution/Banks and others in pursuance of the provisions of any law for the time being in force or of any agreement.
- 39.
- (1) If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
 - (2) The Director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held the office if it had not been vacated.

Proceedings of the Board

- 40.

- (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
 - (2) The Chairperson or any Director with the prior consent of the Chairperson may, and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.
 - (3) The quorum for a Board meeting shall be as provided in the Act.
 - (4) The Directors may participate in a meeting of the Board and Committee may be either in person or through video conferencing or audio-visual means or teleconferencing, as may be prescribed under the Act.
- 41.
- (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
 - (2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
- 42.
- (1) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
 - (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their member to be Chairperson of the meeting.
- 43.
- (1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committee(s) consisting of such member(s) of its body as it thinks fit.
 - (2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any Regulations that may be imposed on it by the Board.
- 44.
- (1) A Committee may elect a Chairperson of its meetings unless the Board while constituting a Committee has appointed a Chairperson of such Committee.
 - (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
- 45.
- (1) A Committee may meet and adjourn as it thinks fit.
 - (2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
46. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

Duties of Directors

47. The Director shall –
- (i) act in accordance with the provisions of the Act, Applicable law and these Articles of Association of the Company.

- (ii) act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- (iii) exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (iv) not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- (v) not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such Director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
- (vi) not assign his office and any assignment so made shall be void.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

48. Subject to the provisions of the Act—

- (1) A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board.
 - (2) A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.
49. The provisions of the Act or these Regulations requiring or authorising a thing to be done by or to a Director and Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

The Seal

50. The Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by or under the authority of the Board or a Committee thereof and every deed or other instrument to which the Seal of the Company is required to be affixed shall, be affixed in the presence of a Director/Manager/Chief Executive Officer/Chief Financial Officer/Secretary or such other person as the Board or the Committee may appoint for the purpose, who shall sign every instrument to which the Seal is so affixed in his presence.

The Company shall also be at liberty to have an official seal in accordance with the provisions of the Act or any amendment thereof for use in any territory, district or place outside India and shall be used by or under the authority of the Directors or a Committee of the Directors and granted, in favour of any person appointed for the purpose in that territory, district or place outside India.

Dividends and Reserves

- 51. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in the General Meeting may declare a lesser dividend.
- 52. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such interval as it may think fit.
- 53.
 - (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for

meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

54.

- (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
- (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

55. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

56.

- (1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post/courier/other mode specified in the Act, directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct.
- (2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

57. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

58. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

59. No dividend shall bear interest against the Company.

Registers

60. The Company shall keep and maintain the statutory registers for such duration as the Board may, unless otherwise prescribed decide, and in such manner and containing such particulars as may be prescribed in the Act.

The Registers and the other documents which are required to be kept open for inspection by the equity shareholders, shall be open for inspection during 11.00 a.m. and 1.00 p.m. (or such other time as the Board including Committee thereof may decide from time to time) on all working days, at the Office or such other place as may be fixed in this behalf, by the persons entitled thereto on payment, where required of such fees as may be fixed by the Board.

Winding up

61. Subject to the applicable provisions of the Act—

- (1) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the

whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

- (2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

- 62. Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the Court or the Tribunal.

SECTION IX - MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered and Corporate Office of our Company situated at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400 098, Maharashtra, India between 10 am to 5 pm on any Working Days from the date of the filing of this Prospectus with Stock Exchange.

MATERIAL CONTRACTS

1. Issue Agreement dated March 6, 2021 between our Company and the Lead Manager.
2. Registrar Agreement dated March 6, 2021 between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated March 5, 2021 executed between our Company and the Debenture Trustee.
4. Agreed form of Debenture Trust Deed to be executed between our Company and the Debenture Trustee.
5. Public Issue Account and Sponsor Bank Agreement dated March 23, 2021 executed between our Company, the Lead Manager, the Refund Bank, the Sponsor Bank, the Public Issue Account Bank and the Registrar.
6. Lead Broker Agreement dated March 23, 2021 executed between our Company, the Lead Manager, and the Lead Brokers.
7. Tripartite agreement dated September 25, 2007 among our Company, the Registrar and CDSL.
8. Tripartite agreement dated October 9, 2007 among our Company, the Registrar and NSDL.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Certificate of Incorporation of our Company dated November 21, 1995 issued by the RoC.
3. Certificate of commencement of business dated January 16, 1996 issued by the RoC.
4. Fresh certificate of incorporation dated August 1, 2011 issued by the RoC.
5. Securities subscription agreement dated March 5, 2019 between our Company, ECL Finance Limited and CDPQ Private Equity Asia Pte. Ltd., as amended by the Amendment agreement dated March 22, 2019 and the Amendment cum supplemental agreement dated May 6, 2019.
6. Shareholders' agreement dated March 5, 2019 between our Company, ECL Finance Limited, Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited), Edel Finance Company Limited and CDPQ Private Equity Asia Pte Ltd, as amended by the Amendment agreement dated March 22, 2019 and the Amendment cum supplement agreement dated May 6, 2019.
7. Investment Agreement dated May 21, 2019 between our Company, Arthur J. Gallagher & Co. and Edelweiss Gallagher Insurance Brokers Limited (formerly known as Edelweiss Insurance Brokers Limited) as amended by the Amendment Agreement dated October 17, 2019.
8. Shareholders Agreement dated May 21, 2019 between our Company, Arthur J. Gallagher & Co. and Edelweiss Gallagher Insurance Brokers Limited (formerly known as Edelweiss Insurance Brokers Limited), as amended by the Amendment Agreement dated October 17, 2019.
9. Co-branding Agreement dated November 29, 2019 between our Company, Arthur J. Gallagher & Co. and Edelweiss Gallagher Insurance Brokers Limited (formerly known as Edelweiss Insurance Brokers Limited).

10. Share Subscription Agreement dated November 12, 2019 between our Company, Sanaka Growth SPV I Limited and Edelweiss Securities Limited.
11. Shareholders Agreement dated November 12, 2019 between our Company, Sanaka Growth SPV I Limited and Edelweiss Securities Limited.
12. Share Subscription Agreement dated August 14, 2019 between our Company, Kora Master Fund LP and Edelweiss Securities Limited.
13. Shareholders Agreement dated August 14, 2019 between our Company, Kora Master Fund LP and Edelweiss Securities Limited.
14. Amended and Restated Share Purchase Agreement dated October 19, 2020 between our Company, ECAP Equities Limited and Edelweiss Global Wealth Management Limited.
15. Amended and Restated Securities Subscription Agreement dated October 19, 2020 between our Company, Edelweiss Global Wealth Management Limited, PAGAC Ecstasy Pte Ltd, Asia Pragati Strategic Investment Fund and Edelweiss Securities Limited read with amendment agreement dated March 19, 2021.
16. Amended and Restated Investment Agreement dated March 18, 2021 between our Company, Edelweiss Global Wealth Management Limited, PAGAC Ecstasy Pte Ltd, Asia Pragati Strategic Investment Fund and Edelweiss Securities Limited.
17. Amended and Restated Implementation Agreement dated March 18, 2021 entered between our Company, Edelweiss Global Wealth Management Limited, PAGAC Ecstasy Pte Ltd, Asia Pragati Strategic Investment Fund, Edelweiss Securities Limited, Edelweiss Custodial Services Limited, Edelweiss Alternative Asset Advisors Limited and ECAP Equities Limited.
18. Amended and Restated Shareholders' Agreement dated March 18, 2021 entered between our Company, Edelweiss Global Wealth Management Limited, PAGAC Ecstasy Pte Ltd and Edelweiss Securities Limited.
19. Share Purchase Agreement dated March 12, 2021 between PAGC Ecstasy I LLC, Kora Investments I LLC and Edelweiss Securities Limited.
20. Share Purchase Agreement dated March 17, 2021 between PAGC Ecstasy I LLC, Sanaka Growth SPV I Limited ("Seller") and Edelweiss Securities Limited.
21. Transition Services Agreement dated 19 March, 2021 executed between our Company and Edelweiss Securities Limited.
22. Brand License Agreement dated March 19, 2021 between our Company and Edelweiss Securities Limited.
23. Share Purchase Agreement dated March 17, 2021 between Edelweiss Securities Limited, our Company and Edelweiss Capital Services Limited.
24. Shareholders' Agreement dated March 17, 2021 between Edelweiss Securities Limited ("ESL"), Edelweiss Capital Services Limited and our Company
25. Copy of shareholders' resolution passed by way of postal ballot on September 10, 2014 under Section 180(1)(c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.
26. Copy of the resolution passed by the Board of Directors dated February 13, 2021 approving the issue of NCDs.
27. Copy of the resolution passed by the Debenture Fund Raising Committee at its meeting held on March 8, 2021 approving the Draft Prospectus.
28. Copy of the resolution passed by the Debenture Fund Raising Committee at its meeting held on March 26, 2021 approving this Prospectus.

29. Letter dated March 4, 2021, by Acuité Ratings & Research Limited assigning a rating of “Acuite AA (read as ACUITE double A) (Outlook: Negative)” for the Issue with rating rationale.
30. Letter dated March 5, 2021, by Brickwork Ratings India Private Limited assigning a rating of “BWR AA-/Stable (Assigned)” for the Issue with rating rationale.
31. Consents of the Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Lead Manager, Legal Advisor to the Issue, Credit Rating Agencies, Bankers to our Company, Lead Broker, Public Issue Account Bank, Sponsor Bank and Refund Bank, Registrar to the Issue and the Debenture Trustee for the NCDs, to include their names in this Prospectus, in their respective capacities.
32. Consent of CARE Advisory Research & Training Limited dated March 1, 2021 as the agency issuing the industry report titled “BFSI Services Sector - October 2020” forming part of the Industry Overview chapter.
33. Our Company has received the written consent dated March 26, 2021 from S.R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ILDS Regulations, in this Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination reports dated March 5, 2021, on our reformatted Ind AS standalone financial information of the Company and reformatted Ind AS consolidated financial information of the Company, its subsidiaries, associates and trusts (collectively referred to as the “Group”) as at and for each of the years ended March 31, 2020 and 2019; (ii) examination reports dated March 5, 2021, on our reformatted Indian GAAP standalone financial information of the Company and reformatted Indian GAAP consolidated financial information of the Group as at and for each of the years ended March 31, 2018, 2017 and 2016; (iii) limited review reports dated October 30, 2020 on our unaudited standalone financial results of the Company and unaudited consolidated financial results of the Group for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020 pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 as amended; (iv) limited review reports dated February 13, 2021 on our unaudited standalone financial results of the Company and unaudited consolidated financial results of the Group for the quarter ended December 31, 2020 and year to date from April 1, 2020 to December 31, 2020 pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 as amended; (v) report dated March 26, 2021 on the statement of possible tax benefits in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1993.
34. The examination report dated March 5, 2021 in relation to the Reformatted Ind AS Standalone Financial Information.
35. The examination report dated March 5, 2021 in relation to the Reformatted Ind AS Consolidated Financial Information.
36. The examination report dated March 5, 2021 in relation to the Reformatted Indian GAAP Standalone Financial Information.
37. The examination report dated March 5, 2021 in relation to the Reformatted Indian GAAP Consolidated Financial Information.
38. The limited review reports, each dated October 30, 2020 in relation to the Q2 2020 Unaudited Standalone Financial Results and Q2 2020 Unaudited Consolidated Financial Results.
39. The limited review reports, each dated February 13, 2021 in relation to the Q3 2020 Unaudited Standalone Financial Results and Q3 2020 Unaudited Consolidated Financial Results.
40. Report on statement of possible tax benefits dated March 26, 2021, issued by the Statutory Auditors.
41. Annual Report of our Company for the last five Fiscals.
42. In-principle listing approval from BSE by its letter no. March 17, 2021 dated DCS/BM/PI-BOND/014/20-21.
43. Due Diligence Certificate dated March 26, 2021 filed by the Lead Manager with SEBI.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the relevant provisions of the Companies Act and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, in connection with the Issue and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, to the extent applicable, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Prospectus.

We further certify that all the disclosures and statements in this Prospectus are in compliance with all the applicable legal requirements and are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, false or misleading and that this Prospectus does not contain any misstatements.

Signed by the Directors of our Company

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Venkatchalam Ramaswamy
Vice Chairman & Executive Director
DIN: 00008509

Himanshu Kaji
Executive Director
DIN: 00009438

Rujan Panjwani
Executive Director
DIN: 00237366

Vidya Shah
Non-Executive, Non-Independent Director
DIN: 00274831

P N Venkatachalam
Independent Director
DIN: 00499442

Berjis Desai
Independent Director
DIN: 00153675

Navtej S. Nandra
Independent Director
DIN: 02282617

Kunnasagaran Chinniah
Independent Director
DIN: 01590108

Biswamohan Mahapatra
Independent Director
DIN: 06990345

Ashok Kini
Independent Director
DIN: 00812946

Ashima Goyal
Independent Director
DIN: 00233635

Date: March 26, 2021
Place: Mumbai

ANNEXURE A – ACUTE RATING AND RATIONALE

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Rating Letter - Intimation of Rating Action

Letter Issued on: March 04, 2021

Letter Expires on: February 24, 2022

Edelweiss Financial Services Limited
 Edelweiss House,
 OFF. C.S.T Road, Kalina,
 Mumbai,
 Maharashtra 400098

Scan this QR Code to verify
 authenticity of this rating



Kind Attn.: Mr. Rashesh Shah, Managing Director (Tel. No. 912222864400)

Dear Mr. Shah,

Sub.: Rating(s) Assigned - Non-Convertible Debentures of Edelweiss Financial Services Limited

Please note that the current rating(s) and outlook, instrument details, and latest rating action for the aforementioned instrument are as under:

| | Long Term Instruments | Short Term Instruments |
|-----------------------------------|-----------------------|------------------------|
| Total Rated Quantum (Rs. Cr.) | 400.00 | Not applicable |
| Quantum of Enhancement (Rs. Cr.) | Not applicable | Not applicable |
| Rating | ACUITE AA | Not applicable |
| Outlook | Negative | Not applicable |
| Most recent Rating Action | Assigned | Not applicable |
| Date of most recent Rating Action | March 04, 2021 | Not applicable |
| Rating Watch | Not applicable | Not applicable |

Acuité reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité 's policies.

This letter will expire on February 24, 2022 or on the day when Acuité takes the next rating action, whichever is earlier. It may be noted that the rating is subject to change anytime even before the expiry date of this letter. Hence lenders / investors are advised to visit <https://www.acuite.in/> OR scan the QR code given above to confirm the current outstanding rating.

Acuité will re-issue this rating letter on February 25, 2022 subject to receipt of surveillance fee as applicable. If the rating is reviewed before February 24, 2022, Acuité will issue a new rating letter.



Suman Chowdhury
 Chief Analytical Officer

Annexures: A. Details of the Rated Instrument
 B. Details of the rating prior to the above rating action

Acuité Ratings & Research Limited

SEBI Registered | RBI Accredited

A-812, The Capital, G-Block, BKC, Bandra (E), Mumbai - 400051 | +91 22 49294000 SMS: +91 9969898000 |
www.acuite.in | CIN: U74999MH2005PLC155683

Annexure A. Details of the rated instrument

| Facility | Scale | Amt. (Rs. Cr) | Rating Assigned | Rating Outlook |
|--|-----------|------------------|-----------------|----------------|
| Proposed Secured Retail Non-Convertible Debentures | Long Term | 400.00 | ACUITE AA | Negative |
| | | 400.00 | | |
| | | | | |
| Total Facilities | | 400.00 | | |

Annexure B. Details of the rating prior to the above rating action

| | Long Term Instruments | Short Term Instruments |
|------------------------|-----------------------|------------------------|
| Previous Rated Quantum | Not applicable | Not applicable |
| Rating | Not applicable | Not applicable |
| Outlook | Not applicable | Not applicable |

DISCLAIMER

An Acuite rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuite ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuite, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuite is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuite ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuite, Acuite's rating scale and its definitions.

Press Release

Edelweiss Financial Services Limited

March 04, 2021

Rating Assigned



| | |
|----------------------------|-----------------------------------|
| Total Facilities Rated* | Rs.400.00 Cr. |
| Long Term Facilities Rated | Rs.400.00 Cr. |
| Long Term Rating | ACUITE AA/ Negative (Assigned) |

* Refer Annexure for details

Rating Rationale

Acuite has assigned the long term rating of '**ACUITE AA' (read as ACUITE double A)** on the Rs.400.00 Cr Proposed Secured Non-Convertible Debenture of Edelweiss Financial Services Limited (EFSL). The outlook is '**Negative**'.

The rating reaffirmation reflects Edelweiss Group's established track record in financial services with diversified business profile, adequate capitalization levels and comfortable liquidity profile. The rating considers the significant portion of revenue being generated through the fees and advisory services. This stream of income is steadily growing and provides stable cashflows to the overall earnings profile of the Group. The rating takes cognizance of the Group's **strategic intent on downsizing its wholesale book** and building its retail SME book with focus on the co-origination model which will keep it asset light and provide granularity to loan portfolio. The rating also takes into consideration **the group's demonstrated resource raising ability** as depicted by capital infusion of Rs.1040 Cr. from CDPQ (Canadian Pension Fund) in the ECL Finance Limited via compulsorily convertible debentures, Rs.117 Cr. from KORA Management and Rs.177 Cr. from Sanaka Capital in Edelweiss Global Investment Advisors (EGIA) via compulsory convertible preference shares.

The rating strength is partially offset by continued deterioration in profitability indicators as depicted by loss of Rs.383 Cr. (excluding minority interest) in 9MFY2021 coupled with declining loan book (excluding distressed assets) to Rs.17,239 Cr. as on December-2020 (Rs.21,032 Cr. as on March 31, 2020) and weak asset quality with GNPA of 5.2% as of December 31, 2020. Furthermore, high concentration in wholesale Credit in general (Top 20 borrowers accounting for ~22% of overall loan book as on December 31, 2020) and exposure to real estate developers in particular is expected to build up further pressure on asset quality in the light of challenging external environment. **Acuite takes note of group's strategic focus on reducing its wholesale book through run down/transfer of portfolio to Asset Reconstruction companies, including EARCL and AIFs.**

Acuite believes that the ability to curtail asset quality risks in wholesale book and its resultant impact on profitability along with sustainable growth in SME portfolio would remain key rating monitorables.

About the Group:

Headquartered in Mumbai, Edelweiss Financial Services Limited (EFSL), the holding company of Edelweiss Group, was incorporated in 1995 and has diversified its line of operations across various fund based and non-fund based businesses. Edelweiss Group is promoted by Mr. Rashesh Shah and Mr. Venkat Ramaswamy and offers a bouquet of financial services to a diversified client base across domestic and global geographies. Its key line of business includes; Credit (retail and corporate), Wealth management including Capital Markets, Asset Management, Asset Reconstruction and insurance (life and general).

The Edelweiss Group comprises Edelweiss Financial Services Limited, 56 subsidiaries and 66 trusts (as on March 31, 2020). Edelweiss group has a pan India presence with a global footprint extending across geographies with offices in New York, Mauritius, Dubai, Singapore, Hong Kong and UK.

Analytical approach:

Acuité has adopted a consolidated approach on Edelweiss Financial Services Limited (EFSL) along with its 56 subsidiaries (for list of subsidiaries refer Annexure I) and 66 trusts (as on March 31, 2020), collectively referred to as 'Edelweiss group'. The approach is driven by common promoters, shared brand name, significant operational and financial synergies between the companies.

Acuité has rated secured NCDs as well as perpetual NCDs issued by Edelweiss group companies. It is pertinent to note that, Unsecured Subordinated Non-Convertible Debentures (i.e. Perpetual NCDs) are rated at a lower level vis-à-vis the regular secured debt instruments. This is in view of the significant loss absorption characteristics associated with these perpetual instruments. The issuer may be required to skip/defer the coupon/interest payment in case of certain events such as decline in CAR below regulatory thresholds.

Extent of consolidation: Full

Key Rating Drivers:

Strengths:

- Strong parentage and diversified product offerings

Edelweiss Group is promoted by Mr. Rashesh Shah and Mr. Venkat Ramaswamy, who are seasoned professionals in the financial services industry with over two decades of experience. The promoters are supported by experienced professionals who are into financing, wealth, and asset management businesses. The group has a diverse business profile in financial services with presence in segments such as retail credit (including agri-finance), wholesale lending, warehousing services, asset reconstruction, wealth management, asset management, capital market including stock broking and insurance business. The various verticals of the group as mentioned above are now under five broad categories i.e. Credit (retail and corporate), Wealth management including Capital Markets, Asset Management, Asset Reconstruction and insurance (life and general).

The Group had consolidated loan book (excluding distressed assets) of Rs.17239 Cr. as on December 31, 2020 (Rs.28,183 Cr. as on December 31, 2019), of which retail credit was Rs.8,713 Cr. (Rs.14,256 Cr. as on December 31, 2019) and wholesale Credit was Rs.8,527 Cr. (Rs.13,927 Cr. as on December 31, 2019). The wholesale segment comprises loans to realtors and structured Credit. Over the last few quarters, Group has been reducing its exposure to this segment and has been attempting to gradually increase its exposure to Micro-Small and Medium Enterprise (MSME) and retail mortgage segments and is in talks with various banks for SME lending under co-origination model.

Besides the fund-based activities, Edelweiss Group also has an established franchise in the capital market related business across corporate finance and advisory domains including broking, investment banking, wealth management, and asset management. As on December 31, 2020, the group had customer assets AUM of Rs.2,24,600 Cr. under the advisory vertical. (Rs.1,61,400 Cr. as on December 31, 2019). Most of the businesses of the group present significant synergies amongst themselves and growth potential both on the assets and liabilities side. The access to a pool of HNIs can be leveraged to create fund-based structures which can be utilised to support the AUM growth of the group.

Acuité believes Edelweiss group's established position in financial services and diversified range of fee and fund-based product offerings will continue to support its business risk profile.

- Diversified funding profile

Edelweiss group has always demonstrated healthy resource raising ability from diverse lenders and investors. The Group's Net worth (including compulsorily convertible debentures and excluding minority interest) stood at Rs.7,003 Cr. as on December 31, 2020 (Rs.7,233 Cr. as on March 31, 2020). The Group's Capital adequacy stood at 20.68% as on December 31, 2020 as against 20.76 % as on March 31, 2020. The group's financial flexibility is supported by its demonstrated ability to mobilise resources from

diversified set of investors across domestic banks, Institutional investors and lenders, foreign investors and domestic retail investors, amongst others. Most of the bank borrowings and NCDs are long tenured with tenures beyond 3 years. The Group borrowings stood at Rs.29,413 Cr. as on December 31, 2020 from Rs.33,754 Cr. as on March 31, 2020 (excluding CBLO and convertible equity instruments). Of the total borrowings as on December 31, 2020, 42% is being funded through banks, 27% through retail investors, 10% by mutual funds, and the balance 21% mainly through Corporates, PFs, and Insurance. Further, the Group has attracted investments from reputed international investors such as CDPQ (Caisse de dépôt et placement du Québec), KORA Management and Sanaka Capital. In 2020, the group announced sale of 51% stake in its wealth management business to PAG Asia. This sale is valued at ~Rs.2,200 Cr. Also, the Group also has large institutional client base in its various funds such as distressed Credit fund, Real estate Credit Fund, Structured debt fund and Infrastructure Fund. In 2019, the Group has set up an AIF with South Korea based Meritz Group with a corpus of USD 425 million, demonstrating its ability to support chunky real estate projects with a need for completion.

Acuité expects the Group to continue to benefit from diversified funding mix across domestic banks, Institutional investors and lenders, foreign investors and domestic retail investors, amongst others.

Weaknesses:

- Moderation in profitability indicators

Earnings profile of the Group witnessed sharp moderation in FY2020 as reflected in losses (excluding minority interest) of Rs.2,044 Cr. as against Profit After Tax (PAT) (excluding minority interest) of Rs.1,044 Cr. in FY2019 primarily on account of deterioration in asset quality coupled with revision in Expected Credit Loss model and an upfront cost due to Covid-19 pandemic related disruptions in the economy resulting in elevated Credit costs of Rs.3,562 Cr. in FY2020 (This includes additional impairment for assets to be sold) as against Rs.485 Cr. in FY2019. The future trend in Credit costs will be linked to the fresh slippages in both the segments, i.e. retail as well as wholesale segments. The cost to income ratios (ex-insurance) has spiked from 50% for FY2019 and at 56% for FY2020. Furthermore, NIMs declined to 3.84% of average earning assets in FY2020 as against 5.06% of average earning assets in FY2019 due to degrowth in loan book resulting in decline in interest income along with higher cost of funds due to negative carry of high liquidity.

During 9MFY21, the group reported loss of Rs.383 Cr. (excluding minority interest) on account of losses in Insurance, Corporate Credit segments coupled with higher cost of funds due to negative carry of high liquidity, partly offset by profitability in Wealth management, asset management (Mutual Fund, Alternatives Asset Management), ARCs and Retail Credit (including housing) segments.

Acuité believes that Group's ability to sustain improvement in earnings profile in the current operating environment coupled with the intense competition in the retail segment will be key rating monitorable.

- Deterioration in asset quality

Edelweiss Group's key product offerings are spread across two segments i.e. retail segments and wholesale segments. The retail segment (51% of the loan book as on December 31, 2020) comprises housing finance, Loan against Property, Construction finance, SME loans, ESOP and Margin Funding Loans while the wholesale segment (49% of the loan book as on December 31, 2020) comprises Structured Collateralized Credit and Real Estate financing. The group's loan book stood at Rs.17,239 Cr. as on December 31, 2020 as against Rs.21,032 Cr. as on March 31, 2020 and Rs.36,129 Cr. as on March 31, 2019. The decline in the loan book is primarily driven by the management's strategic decision to consciously scale down the exposure to the wholesale segment coupled with subdued disbursements in the Retail segment. While there is decline in loan book, the asset quality witnessed deterioration with the Group's Gross NPAs (GNPAs) rising from Rs.677 Cr. (1.9% of loan assets) as on March 31, 2019 to Rs.1,114 Cr. (5.3% of loan assets) as on March 31, 2020 primarily due to spike in GNPAs of wholesale segment (accounting for 88% of the overall GNPAs as on March 31, 2020) from Rs.497 Cr. (2.8%) as on March 31, 2019 to Rs.980 Cr. (9.9%) as on March 31, 2020. The GNPA stood at Rs.885 Cr. (5.2%) as on December 31, 2020. As on December 31, 2020, top 20 exposures accounted for 22% of the overall loan book. The group's wholesale segment mostly comprises exposures to real estate developers for their projects. The cash flows of these realtors and the quality of these exposures

is linked to the revival in the real estate cycle. The group has already initiated steps to prune its exposure to the wholesale segment through various initiatives such as slowing down fresh sanctions and sell down of existing assets to dedicated funds. In 2020, the group launched a USD 425mn corpus last mile Real Estate Financing AIF in partnership with South Korean financial conglomerate Meritz Financial Group. The first tranche of the USD 240mn corpus is completed. Edelweiss holds 30% stake in this fund and the remaining is held by Meritz Financial Group. Since the group has decided to curtail its exposure to wholesale segment, segments like retail mortgage along with SME lending under the co-origination model with banks are expected to be the drivers of future growth. In the retail segment, SME loans and retail mortgage comprise the key products contributing to 43% of the overall loan book as on December 31, 2020. The retail portfolio is relatively more granular with a median ticket size of ~1 Cr. for secured SME loan, Rs.15 lakhs for housing loan and 19 lakhs for LAP. With the increasing focus on relatively less risky retail segment, the portfolio is expected to be more granular going forward.

Acuité believes that the Group's ability to attain any significant improvement in asset quality amidst current economic environment will remain a key rating sensitivity.

Rating Sensitivities

- Lower than expected growth in AUM
- Significant spike in Credit costs translating into material reduction in profitability and capital adequacy
- Higher than expected asset quality pressures
- Changes in Regulatory environment
- Significant capital infusion

Material Covenants

Edelweiss Group is subject to covenants stipulated by its lenders/investors in respect of various parameters like capital structure, asset quality, among others. As per confirmation received from the Group vide mail dated March 03, 2021, the Group is adhering to all terms and conditions stipulated as covenants by all its lenders/investors.

Liquidity Position: Adequate

EFSL's liquidity profile is supported by the group's centralised treasury operations and adequate liquidity position. The group has demonstrated the ability to raise medium to long term funding from banks/capital markets which should support the Group's ability to plug any possible mismatches. The Group's liquidity profile is supported by funding from diversified base i.e. banks and financial institutions along with capital market instruments like CBLO borrowings, Commercial Papers and NCDs. The Group on a consolidated basis had maintained liquidity buffers of Rs.6,200 Cr. (includes short term loan book of Rs.1200 Cr.) as on December 31, 2020.

Outlook: Negative

Acuité believes that the Edelweiss Group's Credit profile will continue to face pressures over the near to medium term on account of the deterioration of asset quality and profitability. The weakness in the operating environment and a slower than expected economic revival across the country can impinge on the near term performance. Acuité will be closely monitoring the performance of the Group and any further impairment in asset quality or reduction of profitability will impart a strong negative bias to the rating.

The outlook may be revised to Stable in case Edelweiss Group is able to demonstrate significant and sustained improvement in asset quality and profitability.

EFSL- Key financials (Consolidated)

| | Unit | FY20 (Actual) | FY19 (Actual) |
|--------------|---------|------------------|------------------|
| Total Assets | Rs. Cr. | 53,324 | 64053 |

| | | | |
|---|---------|---------|-------|
| Total Income* | Rs. Cr. | 4,810 | 6,159 |
| PAT (excluding minority interest) | Rs. Cr. | (2,044) | 1,044 |
| Net Worth (excluding minority interest) | Rs. Cr. | 7,233 | 7,674 |
| Return on Average Assets (RoAA) | (%) | (3.48) | 1.65 |
| Return on Average Net Worth (RoNW) | (%) | (27.46) | 14.33 |
| Total Debt/Tangible Net Worth (Gearing) | Times | 4.91 | 6.06 |
| Gross NPA | (%) | 5.30 | 1.87 |
| Net NPA | (%) | 4.10 | 0.83 |

*Total income equals to Total Income net off interest expense

EFSL- Key financials (Standalone)

| | Unit | FY20 (Actual) | FY19 (Actual) |
|---|---------|------------------|------------------|
| Total Assets | Rs. Cr. | 3,652.96 | 3,770.81 |
| Total Income* | Rs. Cr. | 226.70 | 303.94 |
| PAT | Rs. Cr. | 82.58 | 102.88 |
| Net Worth | Rs. Cr. | 3,454.57 | 3,351.60 |
| Return on Average Assets (RoAA) | (%) | 2.22 | 2.85 |
| Return on Average Net Worth (RoNW) | (%) | 2.43 | 3.07 |
| Total Debt/Tangible Net Worth (Gearing) | Times | 0.04 | 0.11 |
| Gross NPA | (%) | - | - |
| Net NPA | (%) | - | - |

*Total income equals to Total Income net off interest expense

Applicable Criteria

- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>
- Consolidation of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Financial Ratios and Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

| ISIN | Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings/Outlook |
|------|--|------------------|-------------|---------------|-----------------------------|-------------------------------|
| - | Proposed Secured Retail Non-Convertible Debentures | NA | NA | NA | 400.00 | ACUITE AA/Negative (Assigned) |

- The following Subsidiaries of EFSL have been considered for consolidation: As on March 31, 2020

| Sr.No. | Name of Entity | Relationship with EFSL |
|--------|---|------------------------|
| 1 | Edelweiss Securities Limited | Subsidiary |
| 2 | Edelweiss Finance & Investments Limited | Subsidiary |
| 3 | ECL Finance Limited | Subsidiary |
| 4 | Edelweiss Global Wealth Management Limited | Subsidiary |
| 5 | Edelweiss Gallagher Insurance Brokers Limited | Subsidiary |
| 6 | Edelweiss Trustee Services Limited | Subsidiary |
| 7 | Edelcap Securities Limited | Subsidiary |
| 8 | Edelweiss Asset Management Limited | Subsidiary |
| 9 | Ecap Equities Limited | Subsidiary |
| 10 | Edelweiss Broking Limited | Subsidiary |
| 11 | Edelweiss Trusteeship Company Limited | Subsidiary |
| 12 | Edelweiss Housing Finance Limited | Subsidiary |
| 13 | Edelweiss Investment Adviser Limited | Subsidiary |
| 14 | EC Commodity Limited | Subsidiary |
| 15 | Edel Land Limited | Subsidiary |
| 16 | Edelweiss Custodial Services Limited | Subsidiary |
| 17 | Edel Investments Limited | Subsidiary |
| 18 | Edelweiss Rural & Corporate Services Limited | Subsidiary |
| 19 | Edelweiss Comtrade Limited | Subsidiary |
| 20 | Edel Finance Company Limited | Subsidiary |
| 21 | Edelweiss Retail Finance Limited | Subsidiary |
| 22 | Edelweiss Multi Strategy Fund Advisors LLP | Subsidiary |
| 23 | Edelweiss Resolution Advisors LLP | Subsidiary |
| 24 | Edelweiss Holdings Limited | Subsidiary |
| 25 | Edelweiss General Insurance Company | Subsidiary |
| 26 | Edelweiss Finvest Private Limited | Subsidiary |
| 27 | Edelweiss Securities (IFSC) Limited | Subsidiary |
| 28 | Alternative Investment Market Advisors Private Limited | Subsidiary |
| 29 | Edelweiss Securities Trading and Management Private Limited | Subsidiary |
| 30 | Edelweiss Securities and Investment Private Limited | Subsidiary |
| 31 | Edelweiss Securities (Hong Kong) Private Limited | Subsidiary |
| 32 | EC Global Limited | Subsidiary |
| 33 | EC International Limited | Subsidiary |
| 34 | EAAA LLC | Subsidiary |

| | | |
|----|---|------------|
| 35 | EFSL International Limited | Subsidiary |
| 36 | Edelweiss Capital (Singapore) Pte. Limited | Subsidiary |
| 37 | Edelweiss Alternative Asset Advisors Pte. Limited | Subsidiary |
| 38 | Edelweiss International (Singapore) Pte. Limited | Subsidiary |
| 39 | Edelweiss Investment Advisors Private Limited | Subsidiary |
| 40 | Aster Commodities DMCC | Subsidiary |
| 41 | Edelweiss Financial Services (UK) Limited | Subsidiary |
| 42 | Edelweiss Financial Services Inc. | Subsidiary |
| 43 | Edelweiss Alternative Asset Advisors Limited | Subsidiary |
| 44 | EW Clover Scheme - 1 | Subsidiary |
| 45 | Edelvalue Partners | Subsidiary |
| 46 | Edelgive Foundation | Subsidiary |
| 47 | Lichen Metals Private Limited | Subsidiary |
| 48 | EW India Special Assets Advisors LLC | Subsidiary |
| 49 | Edelweiss Private Equity Tech Fund | Subsidiary |
| 50 | Edelweiss Value and Growth Fund | Subsidiary |
| 51 | Edelweiss Asset Reconstruction Company Limited | Subsidiary |
| 52 | EW Special Opportunities Advisors LLC | Subsidiary |
| 53 | Edelweiss Tokio Life Insurance Company Limited | Subsidiary |
| 54 | Allium Finance Private Limited | Subsidiary |
| 55 | Retra Ventures Private Limited | Subsidiary |
| 56 | ESL Securities Limited | Subsidiary |

Contacts

| Analytical | Rating Desk |
|---|--|
| <p>Mohit Jain Senior Vice President - Rating Operations Tel: 022-49294029 mohit.jain@acuite.in</p> <p>Shrey Khandelwal Analyst - Rating Operations Tel: 022-49294072 shrey.khandelwal@acuite.in</p> | <p>Varsha Bist Senior Manager - Rating Desk Tel: 022 - 49294011 rating.desk@acuite.in</p> |

About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 8,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.

ANNEXURE B – BRICKWORK RATING AND RATIONALE

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Brickwork Ratings India Pvt. Ltd.

Ground floor, Building No - S 14, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai - 400 093
P: +91 22 2831 1426/39 | F: +91 22 2838 9144

BWR/NCD/MUM/CRC/ABP/0582/2020-21

5 March 2021

Mr. Sarju Simaria

Chief Financial Officer

Edelweiss Financial Services Limited

Edelweiss House, Off CST Road

Kalina, Mumbai – 400 098.

Dear Sir,

Sub: Assignment of rating to **Edelweiss Financial Services Limited's** NCDs of Rs 400 Crs (Rupees Four Hundred Crores Only), PP-MLDs of Rs 200 Crs (Rupees Two Hundred Crores Only), review of rating of various debt instruments amounting to Rs 800 Crs (Rupees Eight Hundred Crores Only) and withdrawal of rating of short term PP-MLDs.

Ref: BWR rating letter BWR/NCD/MUM/CRC/VYD/0394/2020-21 dated 10 November 2020 and your mandates dated 27 January 2021 and 16 February 2021.

Thank you for giving us an opportunity to undertake the rating of various debt instruments. On review of **Edelweiss Financial Services Limited's** performance based on the information and clarifications provided by your Company as well as information available in the public sources, we inform you that the rating of Edelweiss Financial Services Limited's various debt instruments is as mentioned in the table below:

| Instrument ** | Amount Rated (Rs Crs) | | Tenure | Rating* | |
|--|-----------------------|----------------|---|------------------------|-------------------------------------|
| | Previous | Present | | Previous (9 Nov 2020) | Present |
| Non-Convertible Debentures ^ | -- | 400.00 | Long Term | -- | BWR AA-/ Stable (Assigned) |
| Principal Protected Market Linked Debentures | -- | 200.00 | Long Term | -- | BWR PP-MLD AA-/ Stable (Assigned) |
| Non-Convertible Debentures | 250.00 | 250.00 | Long Term | BWR AA-/ Stable | BWR AA-/ Stable (Reaffirmed) |
| Non-Convertible Debentures ^ | 200.00 | 200.00 | Long Term | BWR AA-/ Stable | BWR AA-/ Stable (Reaffirmed) |
| Principal Protected Market Linked Debentures | 300.00 | 300.00 | Long Term | BWR PP-MLD AA-/ Stable | BWR PP-MLD AA-/ Stable (Reaffirmed) |
| Principal Protected Market Linked Debentures | 200.00 | 0.00 | Short Term | BWR PP-MLD A1+ | Rating Withdrawn # |
| Non-Convertible Debentures | 50.00 | 50.00 | Long Term | BWR AA-/ Stable | BWR AA-/ Stable (Reaffirmed) |
| Total | 1000.00 | 1400.00 | Rupees One Thousand Four Hundred Crores Only | | |

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

** Details of NCDs/ PP-MLDs are provided in Annexure I.

^ Public Issue (Retail)



Brickwork Ratings India Pvt. Ltd.
Ground floor, Building No - S 14, Solitaire
Corporate Park, Guru Hargovindji Marg,
Chakala, Andheri (East), Mumbai - 400 093
P: +91 22 2831 1426/39 | F: +91 22 2838 9144

Not raised and the rating is withdrawn at the request of the company

Edelweiss Financial Services Limited

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.

The Rating letter validity is twelve months from the date of this letter and is subject to terms and conditions as per your mandates dated 27 January 2021 and 16 February 2021 and other correspondence, if any and Brickwork Ratings' standard disclaimer appended at the end of this letter. Brickwork would conduct surveillance every year till maturity/ redemption of the instruments. You are required to submit information for the purpose of surveillance/ review. You are also required to keep us informed of any information/ development that may affect your Company's finances/performance without any delay. You are also requested to provide No Default statement on a monthly basis.

Best Regards,

Anil Patwardhan
Senior Director - Ratings

Note: Rating Rationale of all accepted Ratings are published on Brickwork Ratings website. All non-accepted ratings are also published on Brickwork Ratings web-site . Interested persons are well advised to refer to our website www.brickworkratings.com, If they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com.

Disclaimer: Brickwork Ratings India Pvt. Ltd. (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by the Reserve Bank of India [RBI], offers credit ratings of Bank Loan facilities, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. [hereafter referred to as "Instruments"]. BWR also rates NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations.

BWR wishes to inform all persons who may come across Rating Rationales and Rating Reports provided by BWR that the ratings assigned by BWR are based on information obtained from the issuer of the instrument and other reliable sources, which in BWR's best judgement are considered reliable. The Rating Rationale / Rating Report & other rating communications are intended for the jurisdiction of India only. The reports should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in Europe and also the USA).

BWR also wishes to inform that access or use of the said documents does not create a client relationship between the user and BWR.

The ratings assigned by BWR are only an expression of BWR's opinion on the entity / instrument and should not in any manner be construed as being a recommendation to either, purchase, hold or sell the instrument.

BWR also wishes to abundantly clarify that these ratings are not to be considered as an investment advice in any jurisdiction nor are they to be used as a basis for or as an alternative to independent financial advice and judgement obtained from the user's financial advisors. BWR shall not be liable to any losses incurred by the users of these Rating Rationales, Rating Reports or its contents. BWR reserves the right to vary, modify, suspend or withdraw the ratings at any time without assigning reasons for the same.

BWR's ratings reflect BWR's opinion on the day the ratings are published and are not reflective of factual circumstances that may have arisen on a later date. BWR is not obliged to update its opinion based on any public notification, in any form or format although BWR may disseminate its opinion and analysis when deemed fit.

Neither BWR nor its affiliates, third party providers, as well as the directors, officers, shareholders, employees or agents (collectively, "BWR Party") guarantee the accuracy, completeness or adequacy of the Ratings, and no BWR Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Rating Rationales or Rating Reports. Each BWR Party disclaims all express or implied warranties, including, but not limited to, any warranties of merchantability, suitability or fitness for a particular purpose or use. In no event shall any BWR Party be liable to any one for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Rating Rationales and/or Rating Reports even if advised of the possibility of such



Brickwork Ratings India Pvt. Ltd.

Ground floor, Building No - S 14, Solitaire
Corporate Park, Guru Hargovindji Marg,
Chakala, Andheri (East), Mumbai - 400 093
P: +91 22 2831 1426/39 | F: +91 22 2838 9144

damages. However, BWR or its associates may have other commercial transactions with the company/entity. BWR and its affiliates do not act as a fiduciary.

BWR keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of BWR may have information that is not available to other BWR business units. BWR has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

BWR clarifies that it may have been paid a fee by the issuers or underwriters of the instruments, facilities, securities etc., or from obligors. BWR's public ratings and analysis are made available on its web site, www.brickworkratings.com. More detailed information may be provided for a fee. BWR's rating criteria are also generally made available without charge on BWR's website.

This disclaimer forms an integral part of the Ratings Rationales / Rating Reports or other press releases, advisories, communications issued by BWR and circulation of the ratings without this disclaimer is prohibited.

BWR is bound by the Code of Conduct for Credit Rating Agencies issued by the Securities and Exchange Board of India and is governed by the applicable regulations issued by the Securities and Exchange Board of India as amended from time to time.

Edelweiss Financial Services Limited

ANNEXURE I - Instrument Details

| Instrument | Issue Date | Amount (Rs Crs) | Maturity Date | Coupon | ISIN Particulars |
|------------|------------|--------------------|------------------|--------|------------------|
| PP-MLDs | 18-Dec-20 | 10.57 | 18-Dec-23 | NA | INE532F07BJ9 |
| PP-MLDs | 21-Dec-20 | 1.00 | 18-Dec-23 | NA | INE532F07BJ9 |
| NCDs ^ | 08-Jan-21 | 58.40 | 08-Jan-24 | 9.35 | INE532F07BK7 |
| NCDs ^ | 08-Jan-21 | 15.49 | 08-Jan-24 | 0 | INE532F07BL5 |
| NCDs ^ | 08-Jan-21 | 55.90 | 08-Jan-26 | 9.39 | INE532F07BM3 |
| NCDs ^ | 08-Jan-21 | 34.21 | 08-Jan-26 | 9.8 | INE532F07BN1 |
| NCDs ^ | 08-Jan-21 | 10.80 | 08-Jan-26 | 0 | INE532F07BO9 |
| NCDs ^ | 08-Jan-21 | 18.07 | 08-Jan-31 | 9.53 | INE532F07BP6 |
| NCDs ^ | 08-Jan-21 | 7.13 | 08-Jan-31 | 9.95 | INE532F07BQ4 |
| PP-MLDs | 14-Jan-21 | 15.00 | 15-Jan-24 | NA | INE532F07BR2 |
| PP-MLDs | 14-Jan-21 | 5.00 | 14-Jan-26 | NA | INE532F07BS0 |
| PP-MLDs | 14-Jan-21 | 35.00 | 13-Jan-26 | NA | INE532F07BT8 |
| PP-MLDs | -- | 433.43 # | -- | -- | -- |
| NCDs | -- | 300.00 # | -- | -- | -- |
| NCDs ^ | -- | 400.00 # | -- | -- | -- |

Not yet raised

^ Public Issue (Retail)

RATING RATIONALE

5 March 2021

Edelweiss Financial Services Limited

Brickwork Ratings assigns 'BWR AA-/ Stable' to the Non-convertible Debentures, 'BWR PP-MLD AA-/ Stable' to the Principal Protected Market-Linked Debentures, withdraws the short term rating of Principal Protected Market-Linked Debentures and reaffirms the existing rating for Non-convertible Debentures and Principal Protected Market-Linked Debentures at 'BWR AA-/ Stable' and 'BWR PP-MLD AA-/ Stable' respectively for Edelweiss Financial Services Limited.

Particulars

| Instrument ** | Amount Rated (Rs Crs) | | Tenure | Rating* | |
|--|-----------------------|---------|---|------------------------|-------------------------------------|
| | Previous | Present | | Previous (9 Nov 2020) | Present |
| Non-Convertible Debentures ^ | -- | 400.00 | Long Term | -- | BWR AA-/ Stable (Assigned) |
| Principal Protected Market Linked Debentures | -- | 200.00 | Long Term | -- | BWR PP-MLD AA-/ Stable (Assigned) |
| Non-Convertible Debentures | 250.00 | 250.00 | Long Term | BWR AA-/ Stable | BWR AA-/ Stable (Reaffirmed) |
| Non-Convertible Debentures ^ | 200.00 | 200.00 | Long Term | BWR AA-/ Stable | BWR AA-/ Stable (Reaffirmed) |
| Principal Protected Market Linked Debentures | 300.00 | 300.00 | Long Term | BWR PP-MLD AA-/ Stable | BWR PP-MLD AA-/ Stable (Reaffirmed) |
| Principal Protected Market Linked Debentures | 200.00 | 0.00 | Short Term | BWR PP-MLD A1+ | Rating Withdrawn # |
| Non-Convertible Debentures | 50.00 | 50.00 | Long Term | BWR AA-/ Stable | BWR AA-/ Stable (Reaffirmed) |
| Total | 1000.00 | 1400.00 | Rupees One Thousand Four Hundred Crores Only | | |

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

** Details of NCDs/ PP-MLDs are provided in Annexure I.

^ Public Issue (Retail)

Not raised and the rating is withdrawn at the request of the company

RATING ACTION / OUTLOOK

Brickwork Ratings (BWR) assigns 'BWR AA-/ Stable' to the non-convertible debentures (NCDs), 'BWR PP-MLD AA-/ Stable' to the principal protected market-linked debentures (PP-MLDs), withdraws the short term rating of PP-MLDs and reaffirms the existing rating of the NCDs and PP-MLDs of Edelweiss Financial Services Limited (EFSL or the company) at 'BWR AA-/ Stable' and 'BWR PP-MLD AA-/ Stable' respectively, as tabulated above.

The rating reaffirmation continues to factor in the group's diversified business profile, experienced management team, adequate capitalisation and liquidity cushion to meet its debt repayments. The rating is however constrained by moderation in the group's financial risk profile with a shrinkage in the loan book, both retail as well as corporate, resulting in lower income and weak asset quality, mainly in the wholesale mortgage and structured collateralised credit segments, which has resulted in a high impairment cost and has hence, impacted Edelweiss Group's overall profitability.

The group has been focusing on reducing its corporate portfolio by selling down stressed assets to asset reconstruction companies or other investors, or shifting the assets to a fund platform, which will provide the requisite completion finance to stalled projects. The corporate loan book decreased from Rs 18,055 Crs as on 31 March 2019 to Rs 8,527 Crs as on 31 December 2020. The group has already provided for most of its stressed assets and the impact of incremental provisioning on the overall profitability is expected to be limited going forward. BWR also believes the group is well-diversified into businesses such as retail credit, wealth management including broking and investment banking, asset management and asset reconstruction (ARC), which may continue to support its overall profitability. This, coupled with the group's demonstrated ability to raise capital in the past couple of years, is expected to provide balance sheet strength to the group businesses.

ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA

For arriving at its ratings, BWR has taken a consolidated view on EFSL and its subsidiaries (collectively referred to as the Edelweiss group), having common promoters, a shared brand name and strong operational, financial and managerial linkages. BWR has applied its rating methodology as detailed in the rating criteria (hyperlinks provided at the end of this rationale).

KEY RATING DRIVERS

Credit Strengths:

Diversified business profile: The group has a presence in diversified businesses such as retail lending, wholesale lending, asset reconstruction, wealth management including capital market activities like broking and investment banking, asset management and insurance. In the lending business, the total credit portfolio (including distressed credit) stood at Rs 27,413 Crs as on 31 December 2020 (Rs 17,240 Crs excluding distressed credit). The group is increasingly focusing on building a granular loan book mainly consisting of retail mortgage loans and small and medium enterprise (SME) loans. The group reduced its exposure to corporate loan portfolio from

Rs 18,055 Crs as on 31 March 2019 to Rs 10,050 Crs as on 31 March 2020, which had further reduced to Rs 8,527 Crs as on 31 December 2020.

The group has also established its healthy market standing in the wealth management business and witnessed its assets under advice (AUA) grow from Rs 18,500 Crs in FY15 to Rs 1,13,700 Crs in FY20 and further to Rs 1,45,100 Crs in December 2020. The group has a considerably large retail and high net worth individual (HNI) customer base, with around 6.70 lakh individual customers and around 2400 ultra HNI customers. In the asset management business, the group is a leading player in the alternate assets segment, with managed assets of Rs 30,500 Crs. The group is a relatively small player in the mutual fund segment with assets under management (AUM) of Rs 48,600 Crs as on 31 December 2020 (including PMS). However, the same has rapidly grown since 31 March 2019, when the AUM was Rs 17,500 Crs. The group is also engaged in investment banking and institutional equity broking businesses. It has also entered a joint venture with Tokio Marine Holdings Inc., one of the oldest and largest insurance companies in Japan, for its life insurance business. Under this vertical, the group has a network of 121 branches, over 2000 distribution partners, 51,723 agents and a customer base of ~3.70 lakh as on 31 March 2020. The solvency ratio is strong, at 219% as on 31 December 2020. BWR believes the group will continue to benefit from its diversified businesses, both for future growth and for improving profitability over the medium term.

Adequate capitalisation: The overall capital adequacy ratio of key operating entities is adequate. The total capital adequacy ratio (CAR) of ECL Finance Ltd was 24.1%, Edelweiss Retail Finance Ltd at 33.1%, Edelweiss Housing Finance Ltd at 23.7% and Edelweiss Asset Reconstruction Company Ltd at 37.2% as on 31 December 2020. EFSL's gearing on a consolidated basis reduced from 5.28 times as on 31 March 2019 to 5.06 times as on 31 March 2020 and further to 4.79 times as on 31 December 2020. The group has demonstrated its ability to raise capital on a frequent basis to support business growth and also cover for asset-side risks. During FY20, the Edelweiss group raised around Rs 294 Crs in the form of compulsorily convertible preference shares (CCPSs) and around Rs 1040 Crs in the form of compulsorily convertible debentures (CCDs). This included an investment of Rs 177 Crs and Rs.117 Crs from Kora Management and Sanaka Capital, respectively, in the form of CCPSs in the EGIA business (which includes wealth management, asset management and capital markets) and an investment of Rs 1,040 Crs from Caisse de depot et placement du Quebec (CDPQ) in ECL Finance Ltd. Considering these investments as part of capital, the adjusted gearing reduced to 3.86 times as on 31 December 2020 (4.11 times as on 31 March 2020). The group has further entered into an agreement with PAGAC Ecstasy Pte Ltd. (Asia-focused investment group) to sell a 51% stake in Edelweiss Global Wealth Management Ltd for approximately Rs 2,200 Crs. This transaction is expected to be completed soon and will further improve the capital position of the group. BWR believes that the group is adequately capitalised for future growth and to cover for asset-side risks, including those arising due to the COVID-19 crisis, over the medium term.

Experienced management team: EFSL and its various subsidiaries are led by a qualified and experienced management team having vast experience in banking and financial services. Mr. Rashesh Shah, the co-founder of the Edelweiss group, has over three decades of diverse

experience in financial markets. He is currently the chairman, managing director and chief executive officer of EFSL. Venkatchalam Ramaswamy, the co-founder of the Edelweiss group, is currently the vice chairman and executive director and has almost three decades of experience in financial markets. EFSL is led by an experienced board comprising twelve members, including seven independent directors, with most members having over three decades of experience. The company also has an experienced team of professionals at the senior and middle management levels with a long track record with the group.

Credit Risks:

Average asset quality: The asset quality in the credit business has deteriorated in the last 18 months. While the asset quality in the retail loan book remained comfortable, the asset quality in the wholesale loan book deteriorated significantly. Gross non-performing assets (NPAs) in the wholesale portfolio stood at 9.35% as on 31 December 2020 (reduced from 9.86% as on 31 March 2020). In absolute terms, corporate credit gross NPAs decreased from Rs 980 Crs as on 31 March 2020 to Rs 797 Crs as on 31 December 2020, but in % terms, the NPAs still remain high due to de-growth in the loan portfolio and low denominator effect. Gross NPAs and net NPAs for the total portfolio (excluding distressed assets business) stood at 5.14% and 3.43% respectively as on 31 December 2020. The group's asset quality has remained vulnerable to credit risks, given its high concentration in the wholesale lending segment. The group has been focusing on reducing its corporate portfolio by selling down stressed assets to asset reconstruction companies. The company has partnered with the Meritz group of South Korea and launched a completion financing platform (AIF) to buy out existing real estate loans and provide requisite completion financing. The focus is on reducing the wholesale book through the sale of assets to investors and shifting the assets to a fund platform, which will provide completion finance to the projects. With the impact of COVID-19 on the domestic economy and slowdown in the real estate sector, the group's ability to control slippages and manage its asset quality is a key rating monitorable.

Impact on earnings profile: EFSL's total income (net of interest expenses) decreased from Rs 6,378 Crs during FY19 to Rs 4,810 Crs during FY20. The total income (net of interest expenses) has further moderated to Rs 3492 Crs for 9M FY21 (Rs 3999 Crs for 9M FY20). This is largely on account of lower interest income due to the shrinkage of the loan book. EFSL reported a net loss of Rs 2,045 Crs (after minority interest) during FY20, compared with a profit of Rs 995 Crs during FY19. The profitability had been significantly impacted by the increase in impairment costs. The company reviewed and revised its expected credit loss model during Q4 FY20 taking into account changes in the market environment and did an independent review on its wholesale portfolio. This model suggested higher impairment costs. The total impairment costs increased significantly to Rs 3,562 Crs for FY20. (FY19: Rs 704 Crs). The impairment costs for 9M FY21 stood at Rs 808 Crs. EFSL reported a net loss of Rs 363 Crs (after minority interest) during 9M FY21. BWR believes the group has already provided for most of its stressed assets and the impact of incremental provisioning on the overall profitability is expected to be limited going forward.

The lending business, ARC business and EGIA business largely contributed to the profits for FY19. However during FY20, the lending business reported steep losses, the ARC business and EGIA businesses reported lower profits and the insurance business continued to be loss-making, given the long gestation period. The insurance business is expected to turn profitable by around FY23. BWR believes the overall profitability could remain impacted in FY21 mainly due to the losses in the credit business, but to be partly offset by the earnings from other capital market-related and ARC businesses, which continue to gain traction. The group's ability to improve its profitability remains a key monitorable over the medium term.

RATING SENSITIVITIES

Going forward, the company's ability to improve its asset quality and profitability, and to maintain comfortable liquidity and capitalisation will be key rating sensitivity factors.

Positive: A significant improvement in asset quality and profitability, and the group's ability to grow its various businesses are key rating positives.

Negative: The weakening of the asset quality or profitability, and/or a deterioration in capital structure are key rating negatives.

LIQUIDITY POSITION: ADEQUATE

The company had adequate liquidity, with cash/ bank balance and fixed deposits of Rs 3,100 Crs, unutilised bank lines of Rs 300 Crs, liquid investments (consisting of mutual fund investments, Gsecs and treasury assets) of Rs 1,700 Crs and other liquidable assets (securities based lending book) of Rs 1,400 Crs as on 31 January 2020. The company has debt repayments of ~Rs.5,020 Crs over next 6 months. The liquidity is adequate to meet its debt repayment obligations. As per the ALM position, there are no negative cumulative mismatches. The group has reduced its dependence on commercial paper borrowing, and it constituted 2% of its total borrowing as on 31 December 2020.

Coronavirus disease (COVID-19), declared a pandemic by the World Health Organisation (WHO), has become a full-blown crisis globally, including in India. As a containment measure, the Indian Government had announced a 21-day nationwide lockdown on 24 March 2020, which was subsequently extended until 31 May 2020. As per BWR, financial institutions, mainly those lending directly or indirectly, to the retail low-income borrower segments, could be the most impacted. The 6-month moratorium announced by the Reserve Bank of India on the interest and principal on bank debt has provided some cushion to the lending community to realign its collection machinery and operations during this period. However, lenders' ability to ensure credit discipline among borrowers and to collect accumulated interest and principal dues on a timely basis will be a key monitorable. BWR is actively engaging with its clients on a continuous basis and taking updates on the impact on its operations and liquidity situation. BWR will take appropriate rating actions as and when it deems necessary and publish the same.

COMPANY PROFILE

Edelweiss Financial Services Limited (EFSL), previously known as Edelweiss Capital Limited, was incorporated in 1995 by Mr. Rashesh Shah and Mr. Venkat Ramaswamy. It is the group's holding company. The group has a presence in diversified businesses such as retail lending, wholesale lending, asset reconstruction, wealth management including broking and capital markets, asset management, life insurance and general insurance. The company is listed on the BSE and NSE. The promoter group held a 32.91% stake, and the management and employees held a 11.7% stake in EFSL as on 31 December 2020. The group had 47 subsidiaries as on 31 December 2020.

KEY FINANCIAL INDICATORS (EFSL Consolidated)

| Key Parameters | Units | FY19 | FY20 |
|---|-------------|----------|-----------|
| Result Type | | Audited | Audited |
| Total Income | (Rs in Crs) | 11161.22 | 9602.63 |
| Net Profit / (Loss) (after minority interest) | (Rs in Crs) | 995.17 | (2045.24) |
| Net Worth | (Rs in Crs) | 8714.99 | 7207.08 |
| Gearing | (In times) | 5.28 | 5.06 |
| Total loan portfolio ^ | (Rs in Crs) | 36130 | 21032 |
| Gross NPA ^ | (%) | 1.87 | 5.30 |
| Net NPA ^ | (%) | 0.83 | 4.10 |
| Total assets | (Rs in Crs) | 64153.54 | 54280.33 |

^ excluding distressed credit

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED: NA

NON-COOPERATION WITH PREVIOUS RATING AGENCY, IF ANY: NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS (Including withdrawal & suspended)

| Sr. No. | Name of Instrument | Current Rating (2021) | | | Rating History for the past 3 years | | | | | | | | |
|---------|--------------------|-----------------------|------------------|-----------------------|---|-----|-----------------------|------------|----|------------------|------------|----|----------------|
| | | Type | Amount (Rs. Crs) | Rating | 2020 | | | 2019 | | | 2018 | | |
| 1 | NCDs ^ | Long Term | 400.00 | BWR AA-/Stable | NA | | | NA | | | NA | | |
| 2 | PP-MLDs | Long Term | 200.00 | BWR PP-MLD AA-/Stable | NA | | | NA | | | NA | | |
| 3 | NCDs | Long Term | 250.00 | BWR AA-/Stable | 9.11.2020 | | | NA | | | NA | | |
| | | | | | Long Term | 250 | BWR AA-/Stable | | | | | | |
| 4 | NCDs ^ | Long Term | 200.00 | BWR AA-/Stable | 9.11.2020 | | | NA | | | NA | | |
| | | | | | Long Term | 200 | BWR AA-/Stable | | | | | | |
| 5 | PP-MLDs | Long Term | 300.00 | BWR PP-MLD AA-/Stable | 9.11.2020 | | | NA | | | NA | | |
| | | | | | Long Term | 300 | BWR PP-MLD AA-/Stable | | | | | | |
| 6 | PP-MLDs | Short Term | -- | Rating Withdrawn # | 9.11.2020 | | | NA | | | NA | | |
| | | | | | Short Term | 200 | BWR PP-MLD A1+ | | | | | | |
| 7 | NCDs | Long Term | 50.00 | BWR AA-/Stable | 9.11.2020 | | | 21.09.2019 | | | 29.03.2018 | | |
| | | | | | Long Term | 50 | BWR AA-/Stable | Long Term | 50 | BWR AA-/Negative | Long Term | 50 | BWR AA+/Stable |
| | | | | | 21.09.2020 | | | 5.07.2019 | | | NA | | |
| | | | | | Long Term | 50 | BWR AA-/Negative | Long Term | 50 | BWR AA+/Negative | | | |
| | | | | | NA | | | 30.03.2019 | | | NA | | |
| | | | | | | | | Long Term | 50 | BWR AA+/Stable | | | |
| | Total | | 1400 | | Rupees One Thousand Four Hundred Crores Only | | | | | | | | |

^ Public Issue (Retail)

Not raised and the rating is withdrawn at the request of the company

COMPLEXITY LEVELS OF THE INSTRUMENTS

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

Hyperlink/Reference to applicable Criteria:

- [General Criteria](#)
- [Banks & Financial Institutions](#)
- [Consolidation of companies](#)
- [Market/ Equity Linked Debentures](#)

| Analytical Contacts | |
|---|---|
| Nirav Shah Senior Analyst - Ratings +91 22 6745 6623 Nirav.s@brickworkratings.com | Anil Patwardhan Senior Director - Ratings +91 22 6745 6660 anil.p@brickworkratings.com |
| 1-860-425-2742 | media@brickworkratings.com |

Edelweiss Financial Services Limited ANNEXURE I - INSTRUMENT (NCD) DETAILS

| Instrument | Issue Date | Amount (Rs Crs) | Maturity Date | Coupon | ISIN Particulars |
|------------|------------|--------------------|---------------|--------|------------------|
| PP-MLDs | 18-Dec-20 | 10.57 | 18-Dec-23 | NA | INE532F07BJ9 |
| PP-MLDs | 21-Dec-20 | 1.00 | 18-Dec-23 | NA | INE532F07BJ9 |
| NCDs ^ | 08-Jan-21 | 58.40 | 08-Jan-24 | 9.35 | INE532F07BK7 |
| NCDs ^ | 08-Jan-21 | 15.49 | 08-Jan-24 | 0 | INE532F07BL5 |
| NCDs ^ | 08-Jan-21 | 55.90 | 08-Jan-26 | 9.39 | INE532F07BM3 |
| NCDs ^ | 08-Jan-21 | 34.21 | 08-Jan-26 | 9.8 | INE532F07BN1 |
| NCDs ^ | 08-Jan-21 | 10.80 | 08-Jan-26 | 0 | INE532F07BO9 |
| NCDs ^ | 08-Jan-21 | 18.07 | 08-Jan-31 | 9.53 | INE532F07BP6 |
| NCDs ^ | 08-Jan-21 | 7.13 | 08-Jan-31 | 9.95 | INE532F07BQ4 |
| PP-MLDs | 14-Jan-21 | 15.00 | 15-Jan-24 | NA | INE532F07BR2 |
| PP-MLDs | 14-Jan-21 | 5.00 | 14-Jan-26 | NA | INE532F07BS0 |
| PP-MLDs | 14-Jan-21 | 35.00 | 13-Jan-26 | NA | INE532F07BT8 |
| PP-MLDs | -- | 433.43 # | -- | -- | -- |
| NCDs | -- | 300.00 # | -- | -- | -- |
| NCDs ^ | -- | 400.00 # | -- | -- | -- |

Not yet raised

^ Public Issue (Retail)

Edelweiss Financial Services Limited
ANNEXURE II

List of entities consolidated

| Name of Entity | % Ownership | Extent of consolidation | Rationale for consolidation |
|---|--------------------|--------------------------------|------------------------------------|
| Edelweiss Securities Limited | 100.00 | Full | Subsidiary |
| Edelweiss Finance & Investments Limited | 100.00 | Full | Subsidiary |
| ECL Finance Limited | 100.00 | Full | Subsidiary |
| Edelweiss Global Wealth Management Limited | 100.00 | Full | Subsidiary |
| Edelweiss Gallagher Insurance Brokers Limited | 74.00 | Full | Subsidiary |
| Edelcap Securities Limited | 100.00 | Full | Subsidiary |
| Edelweiss Asset Management Limited | 100.00 | Full | Subsidiary |
| ECap Equities Limited | 100.00 | Full | Subsidiary |
| Edelweiss Broking Limited | 100.00 | Full | Subsidiary |
| Edelweiss Trusteeship Company Limited | 100.00 | Full | Subsidiary |
| Edelweiss Housing Finance Limited | 100.00 | Full | Subsidiary |
| Edelweiss Investment Adviser Limited | 100.00 | Full | Subsidiary |
| EC Commodity Limited | 100.00 | Full | Subsidiary |
| Edel Land Limited | 100.00 | Full | Subsidiary |
| Edelweiss Custodial Services Limited | 100.00 | Full | Subsidiary |
| Edel Investments Limited | 100.00 | Full | Subsidiary |
| Edelweiss Rural & Corporate Services Limited | 100.00 | Full | Subsidiary |
| Edelweiss Comtrade Limited | 100.00 | Full | Subsidiary |
| Edel Finance Company Limited | 100.00 | Full | Subsidiary |
| Edelweiss Retail Finance Limited | 100.00 | Full | Subsidiary |
| Edelweiss Multi Strategy Fund Advisors LLP | 100.00 | Full | Subsidiary |
| Edelweiss Resolution Advisors LLP | 100.00 | Full | Subsidiary |
| Edelweiss General Insurance Company Limited | 100.00 | Full | Subsidiary |
| Edelweiss Finvest Private Limited | 100.00 | Full | Subsidiary |
| Edelweiss Securities (IFSC) Limited | 100.00 | Full | Subsidiary |
| Edelweiss Securities and Investment Private Limited | 100.00 | Full | Subsidiary |
| Edelweiss Securities (Hong Kong) Private Limited | 100.00 | Full | Subsidiary |
| EC Global Limited | 100.00 | Full | Subsidiary |
| EC International Limited | 100.00 | Full | Subsidiary |

| | | | |
|---|--------|------|------------|
| EAAA LLC | 100.00 | Full | Subsidiary |
| Edelweiss Capital (Singapore) Pte. Limited | 100.00 | Full | Subsidiary |
| Edelweiss Alternative Asset Advisors Pte. Limited | 100.00 | Full | Subsidiary |
| Edelweiss International (Singapore) Pte. Limited | 100.00 | Full | Subsidiary |
| Edelweiss Investment Advisors Private Limited | 100.00 | Full | Subsidiary |
| Aster Commodities DMCC | 100.00 | Full | Subsidiary |
| Edelweiss Financial Services (UK) Limited | 100.00 | Full | Subsidiary |
| Edelweiss Financial Services Inc. | 100.00 | Full | Subsidiary |
| Edelweiss Alternative Asset Advisors Limited | 95.00 | Full | Subsidiary |
| Edelgive Foundation | 100.00 | Full | Subsidiary |
| Lichen Metals Private Limited | 100.00 | Full | Subsidiary |
| Edelweiss Private Equity Tech Fund | 88.90 | Full | Subsidiary |
| Edelweiss Value and Growth Fund | 88.90 | Full | Subsidiary |
| Edelweiss Asset Reconstruction Company Limited | 74.80 | Full | Subsidiary |
| EW Special Opportunities Advisors LLC | 67.00 | Full | Subsidiary |
| Edelweiss Tokio Life Insurance Company Limited | 51.00 | Full | Subsidiary |
| Allium Finance Private Limited | 70.00 | Full | Subsidiary |
| ESL Securities Limited | 100.00 | Full | Subsidiary |



For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

About Brickwork Ratings

Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partner. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER : Brickwork Ratings India Pvt. Ltd. (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by the Reserve Bank of India [RBI], offers credit ratings of Bank Loan facilities, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. [hereafter referred to as "Instruments"]. BWR also rates NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations.

BWR wishes to inform all persons who may come across Rating Rationales and Rating Reports provided by BWR that the ratings assigned by BWR are based on information obtained from the issuer of the instrument and other reliable sources, which in BWR's best judgement are considered reliable. The Rating Rationale / Rating Report & other rating communications are intended for the jurisdiction of India only. The reports should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in Europe and also the USA).

BWR also wishes to inform that access or use of the said documents does not create a client relationship between the user and BWR.

The ratings assigned by BWR are only an expression of BWR's opinion on the entity / instrument and should not in any manner be construed as being a recommendation to either, purchase, hold or sell the instrument.

BWR also wishes to abundantly clarify that these ratings are not to be considered as an investment advice in any jurisdiction nor are they to be used as a basis for or as an alternative to independent financial advice and judgement obtained from the user's financial advisors. BWR shall not be liable to any losses incurred by the users of these Rating Rationales, Rating Reports or its contents. BWR reserves the right to vary, modify, suspend or withdraw the ratings at any time without assigning reasons for the same.

BWR's ratings reflect BWR's opinion on the day the ratings are published and are not reflective of factual circumstances that may have arisen on a later date. BWR is not obliged to update its opinion based on any public notification, in any form or format although BWR may disseminate its opinion and analysis when deemed fit.

Neither BWR nor its affiliates, third party providers, as well as the directors, officers, shareholders, employees or agents (collectively, "BWR Party") guarantee the accuracy, completeness or adequacy of the Ratings, and no BWR Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Rating Rationales or Rating Reports. Each BWR Party disclaims all express or implied warranties, including, but not limited to, any warranties of merchantability, suitability or fitness for a particular purpose or use. In no event shall any BWR Party be liable to any one for any direct, indirect,



incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Rating Rationales and/or Rating Reports even if advised of the possibility of such damages. However, BWR or its associates may have other commercial transactions with the company/entity. BWR and its affiliates do not act as a fiduciary.

BWR keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of BWR may have information that is not available to other BWR business units. BWR has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

BWR clarifies that it may have been paid a fee by the issuers or underwriters of the instruments, facilities, securities etc., or from obligors. BWR's public ratings and analysis are made available on its web site, www.brickworkratings.com. More detailed information may be provided for a fee. BWR's rating criteria are also generally made available without charge on BWR's website.

This disclaimer forms an integral part of the Ratings Rationales / Rating Reports or other press releases, advisories, communications issued by BWR and circulation of the ratings without this disclaimer is prohibited.

BWR is bound by the Code of Conduct for Credit Rating Agencies issued by the Securities and Exchange Board of India and is governed by the applicable regulations issued by the Securities and Exchange Board of India as amended from time to time.

ANNEXURE C – DEBENTURE TRUSTEE CONSENT LETTER

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CONSENT LETTER FROM THE DEBENTURE TRUSTEE TO THE ISSUE

Ref no: 14170/BTL/OPR/2020-21

Date: 04th March, 2021

Edelweiss Financial Services Limited

Edelweiss House,
Off C.S.T. Road,
Kalina, Mumbai - 400 098

Dear Sir,

SUB: PROPOSED PUBLIC ISSUE BY EDELWEISS FINANCIAL SERVICES LIMITED ("COMPANY" OR THE "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹1,000 EACH ("NCDS") FOR AN AMOUNT OF UP TO ₹2,000 MILLION ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹2,000 MILLION AGGREGATING UP TO ₹4,000 MILLION ("LIMIT") ("ISSUE")

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue and to our name being included as the Debenture Trustee to the Issue in the Draft Prospectus/Prospectus to be filed with BSE Limited ("**Stock Exchange**") and to be submitted to the Securities and Exchange Board of India ("**SEBI**") in respect of the Issue and also in all related documents, advertisements and communications pertaining to the Issue. The following details with respect to us may be disclosed:

| | |
|-----------------------|--|
| Name: | Beacon Trusteeship Limited |
| Address: | 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East), Mumbai – 400 051 |
| Tel: | 022-26558759 |
| Fax: | - |
| Email: | compliance@beacontrustee.co.in |
| Investor Grievance | |
| Email : | investorgrievances@beacontrustee.co.in |
| Website: | www.beacontrustee.co.in |
| Contact Person: | Mr. Kaustubh Kulkarni |
| SEBI Registration No: | IND000000569 |
| CIN | U74999MH2015PLC271288 |

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues.

We hereby authorise you to deliver this letter of consent to the Registrar of Companies,

pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory/statutory authorities as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company; and (iii) any other information in connection thereto.

We confirm that we will immediately inform you and the Lead Managers of any change to the above information until the receipt of trading approvals of NCD from BSE Limited. In the absence of any such communication from us, the above information should be taken as updated information.

This letter may be relied upon by the Company, the Lead Manager/s and the legal advisors to the Issue in respect of the Issue.

Sincerely

For Beacon Trusteeship Limited


Authorised Signatory

Name: Ms. Deepavali Vankalu
Designation: Senior Manager

CC:

The lead managers referred in Prospectus

Khaitan & Co

One world Centre
13th Floor, Tower 1,
Senapati Bapat Marg,
Mumbai 400 013
Maharashtra, India

BEACON TRUSTEESHIP LTD.

Corp. & Regd. Office : 4C & D , Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra
East (E), Mumbai | CIN: U74999MH2015PLC271288 2 | 4
Phone : 022-26558759 | Email : contact@beacontrustee.co.in | Website : www.beacontrustee.co.in

Annexure A

| | | |
|--|--------------------------|--------------------------|
| डिबेंचर ट्रस्टी DEBENTURE TRUSTEE | FORM 8 (Regulation 8) | DEBENTURE TRUSTEE |
| भारतीय प्रतिभूति और विनियम बोर्ड SECURITIES AND EXCHANGE BOARD OF INDIA (डिबेंचर ट्रस्टी) विनियम, 1993 (DEBENTURE TRUSTEE) REGULATIONS, 1993 | | |
| 000257 (Regulation 8) | | |
| रजिस्ट्रेशन प्रमाणपत्र INITIAL REGISTRATION CERTIFICATE OF REGISTRATION | | |
| 1) बॉर्डर, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधिनियम, डिबेंचर ट्रस्टी के रूप में कार्य करने वाले डिबेंचर ट्रस्टी के द्वारा जारी किया जाएगा। 2) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for, the debenture trustee the Board hereby issues a certificate of registration to: | | |
| BEACON TRUSTEESHIP LIMITED 3, PRABHAT KUNJ, PRABHAT COLONY, SANTACRUZ EAST Mumbai 400055 Maharashtra India | | |
| जो निम्न में, आई.ई. बोर्ड पर है और डिबेंचर ट्रस्टी के अनुसार डिबेंचर ट्रस्टी के रूप में रजिस्ट्रेशन का प्रमाणपत्र जारी करने के लिए। as a debenture trustee subject to the conditions in the rules and in accordance with the regulations. | | |
| 2) डिबेंचर ट्रस्टी के लिए रजिस्ट्रेशन कोड | INC0000000586 | |
| 2) Registration Code for the debenture trustee is: | | |
| 3) जो यह प्रमाणपत्र 4 दिनों तक, रजिस्ट्रेशन का प्रमाणपत्र | 11/04/2015 | 10/04/2021 |
| 3) Unless revoked, the certificate of registration is valid from 11/04/2015 to 10/04/2021, unless suspended or cancelled by the Board | | |
|  | | |
| भारतीय प्रतिभूति और विनियम बोर्ड Securities and Exchange Board of India | | |
| By order For and to the effect of M3 Sonparote MEDHA SONPAROTE (Authorized Signatory) | | |
| NUMBAI APRIL 11, 2016 Date | | |

Annexure B

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

| | | |
|----|---|----------------|
| 1. | Registration Number | IND000000569 |
| 2. | Date of registration/ Renewal of registration | April 11, 2016 |
| 3. | Date of expiry of registration | April 10, 2021 |
| 4. | If applied for renewal, date of application | NIL |
| 5. | Any communication from SEBI prohibiting the entity from acting as an intermediary | NIL |
| 6. | Any enquiry/ investigation being conducted by SEBI | NIL |
| 7. | Details of any penalty imposed by SEBI | NIL |

Annexure

FORMAT OF DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE AT THE TIME OF FILING THE DRAFT OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM

To,

Stock Exchange

Dear Sir / Madam,

SUB.: ISSUE OF _____ BY _____ LTD.

We, the debenture trustee(s) to the above mentioned forthcoming issue state as follows:

- 1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
- 2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications, WE CONFIRM that:
 - a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.
 - b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).
 - c) The Issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of debt securities.
 - d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.
 - e) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum.
 - f) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

PLACE:

DATE:

DEBENTURE TRUSTEE TO THE ISSUE WITH HIS STAMP

ANNEXURE D – CASH FLOW

ILLUSTRATION FOR GUIDANCE IN RESPECT OF THE DAY COUNT CONVENTION AND EFFECT OF HOLIDAYS ON PAYMENTS

Investors should note that the below examples are solely for illustrative purposes and is not specific to the Issue

3 Years - Annual Coupon Payment

| Company | Edelweiss Financial Services Limited | Edelweiss Financial Services Limited |
|--|--|--|
| | Pre-Incentive | Post Incentive |
| Face Value per NCD (in Rs.) | 1000 | 1000 |
| Number of NCDs held (assumed) | 1 | 1 |
| Date of Allotment (assumed)* | Thursday, 29 April, 2021 | Thursday, 29 April, 2021 |
| Tenor | 3 years | 3 years |
| Coupon Rate for all Categories of Investors | 9.10% | 9.30% |
| Redemption Date/Maturity Date (assumed) | Monday, 29 April, 2024 | Monday, 29 April, 2024 |
| Frequency of the interest payment with specified dates | First interest on April 29, 2022 and subsequently on April 29 every year | First interest on April 29, 2022 and subsequently on April 29 every year |
| Day Count Convention | Actual/Actual | Actual/Actual |

| Cash Flows | Due Date | Date of Payment | No. of days in Coupon Period | Coupon For all Categories of Investors (in Rs.) (Pre-Incentive) | Coupon For all Categories of Investors (in Rs.) (Post Incentive) |
|----------------------------|--------------------------|--------------------------|------------------------------|---|--|
| Deemed date of allotment | Thursday, 29 April, 2021 | Thursday, 29 April, 2021 | | -1000 | -1000 |
| 1st Coupon | Friday, 29 April, 2022 | Friday, 29 April, 2022 | 365 | 91.00 | 93.00 |
| 2nd Coupon | Saturday, 29 April, 2023 | Tuesday, 2 May, 2023 | 365 | 91.00 | 93.00 |
| 3rd Coupon | Monday, 29 April, 2024 | Monday, 29 April, 2024 | 366 | 91.00 | 93.00 |
| Principal / Maturity value | Monday, 29 April, 2024 | Monday, 29 April, 2024 | | 1000 | 1000 |
| | | | | 9.09% | 9.29% |

3 Years - Cumulative Payment

| Company | Edelweiss Financial Services Limited | Edelweiss Financial Services Limited |
|--|--------------------------------------|--------------------------------------|
| | Pre-Incentive | Post-Incentive |
| Face Value per NCD (in Rs.) | 1000 | 1000 |
| Number of NCDs held (assumed) | 1 | 1 |
| Date of Allotment (assumed)* | Thursday, 29 April, 2021 | Thursday, 29 April, 2021 |
| Tenor | 3 Years | 3 Years |
| Coupon Rate for all Categories of Investors | NA | NA |
| Redemption Date/Maturity Date (assumed) | Monday, 29 April, 2024 | Monday, 29 April, 2024 |
| Frequency of the interest payment with specified dates | NA | NA |
| Day Count Convention | Actual/Actual | Actual/Actual |

| Cash Flows | Due Date | Date of Payment | No. of days in Coupon Period | Coupon For all Categories of Investors (in Rs.) (Pre-Incentive) | Coupon For all Categories of Investors (in Rs.) (Post Incentive) |
|----------------------------|--------------------------|--------------------------|------------------------------|---|--|
| Deemed date of allotment | Thursday, 29 April, 2021 | Thursday, 29 April, 2021 | | -1000.00 | -1000.00 |
| Coupon/Interest Payment | Monday, 29 April, 2024 | Monday, 29 April, 2024 | 1096 | 299.00 | 305.75 |
| Principal / Maturity value | Monday, 29 April, 2024 | Monday, 29 April, 2024 | | 1000.00 | 1000.00 |
| | | | | 9.10% | 9.29% |

5 Years - Annual Coupon Payment

| Company | Edelweiss Financial Services Limited | Edelweiss Financial Services Limited |
|--|--|--|
| | Pre-Incentive | Post-Incentive |
| Face Value per NCD (in Rs.) | 1000 | 1000 |
| Number of NCDs held (assumed) | 1 | 1 |
| Date of Allotment (assumed)* | Thursday, 29 April, 2021 | Thursday, 29 April, 2021 |
| Tenor | 5 Years | 5 Years |
| Coupon Rate for all Categories of Investors | 9.55% | 9.75% |
| Redemption Date/Maturity Date (assumed) | Wednesday, 29 April, 2026 | Wednesday, 29 April, 2026 |
| Frequency of the interest payment with specified dates | First interest on April 29, 2022 and subsequently on April 29 every year | First interest on April 29, 2022 and subsequently on April 29 every year |
| Day Count Convention | Actual/Actual | Actual/Actual |

| Cash Flows | Due Date | Date of Payment | No. of days in Coupon Period | Coupon For all Categories of Investors (in Rs.) (Pre-Incentive) | Coupon For all Categories of Investors (in Rs.) (Post Incentive) |
|----------------------------|---------------------------|---------------------------|------------------------------|---|--|
| Deemed date of allotment | Thursday, 29 April, 2021 | Thursday, 29 April, 2021 | | -1000 | -1000 |
| 1st Coupon | Friday, 29 April, 2022 | Friday, 29 April, 2022 | 365 | 95.50 | 97.50 |
| 2nd Coupon | Saturday, 29 April, 2023 | Tuesday, 2 May, 2023 | 365 | 95.50 | 97.50 |
| 3rd Coupon | Monday, 29 April, 2024 | Monday, 29 April, 2024 | 366 | 95.50 | 97.50 |
| 4th Coupon | Tuesday, 29 April, 2025 | Tuesday, 29 April, 2025 | 365 | 95.50 | 97.50 |
| 5th Coupon | Wednesday, 29 April, 2026 | Wednesday, 29 April, 2026 | 365 | 95.50 | 97.50 |
| Principal / Maturity value | Wednesday, 29 April, 2026 | Wednesday, 29 April, 2026 | | 1000 | 1000.00 |
| | | | | 9.54% | 9.74% |

5 Years - Monthly Coupon Payment

| Company | Edelweiss Financial Services Limited | Edelweiss Financial Services Limited |
|--|---|---|
| | Pre-Incentive | Post-Incentive |
| Face Value per NCD (in Rs.) | 1000 | 1000 |
| Number of NCDs held (assumed) | 1 | 1 |
| Date of Allotment (assumed)* | Thursday, 29 April, 2021 | Thursday, 29 April, 2021 |
| Tenor | 5 Years | 5 Years |
| Coupon Rate for all Categories of Investors | 9.1600% | 9.3600% |
| Redemption Date/Maturity Date (assumed) | Wednesday, 29 April, 2026 | Wednesday, 29 April, 2026 |
| Frequency of the interest payment with specified dates | First interest on May 29, 2021 and subsequently on the 29th day of every month. | First interest on May 29, 2021 and subsequently on the 29th day of every month. |
| Day Count Convention | Actual/Actual | Actual/Actual |

| Cash Flows | Due Date | Date of Payment | No. of days in Coupon Period | Coupon For all Categories of Investors (in Rs.) (Pre-Incentive) | Coupon For all Categories of Investors (in Rs.) (Post Incentive) |
|--------------------------|-------------------------------|-------------------------------|------------------------------|---|--|
| Deemed date of allotment | Thursday, 29 April, 2021 | Thursday, 29 April, 2021 | | -1000 | -1000 |
| 1st Coupon | Saturday, 29 May, 2021 | Monday, 31 May, 2021 | 30 | 7.53 | 7.69 |
| 2nd Coupon | Tuesday, 29 June, 2021 | Tuesday, 29 June, 2021 | 31 | 7.78 | 7.95 |
| 3rd Coupon | Thursday, 29 July, 2021 | Thursday, 29 July, 2021 | 30 | 7.53 | 7.69 |
| 4th Coupon | Sunday, 29 August, 2021 | Monday, 30 August, 2021 | 31 | 7.78 | 7.95 |
| 5th Coupon | Wednesday, 29 September, 2021 | Wednesday, 29 September, 2021 | 31 | 7.78 | 7.95 |
| 6th Coupon | Friday, 29 October, 2021 | Friday, 29 October, 2021 | 30 | 7.53 | 7.69 |
| 7th Coupon | Monday, 29 November, 2021 | Monday, 29 November, 2021 | 31 | 7.78 | 7.95 |
| 8th Coupon | Wednesday, 29 December, 2021 | Wednesday, 29 December, 2021 | 30 | 7.53 | 7.69 |

| Cash Flows | Due Date | Date of Payment | No. of days in Coupon Period | Coupon For all Categories of Investors (in Rs.) (Pre-Incentive) | Coupon For all Categories of Investors (in Rs.) (Post Incentive) |
|-------------|------------------------------|------------------------------|------------------------------|---|--|
| 9th Coupon | Saturday, 29 January, 2022 | Monday, 31 January, 2022 | 31 | 7.78 | 7.95 |
| 10th Coupon | Monday, 28 February, 2022 | Monday, 28 February, 2022 | 30 | 7.53 | 7.69 |
| 11th Coupon | Tuesday, 29 March, 2022 | Tuesday, 29 March, 2022 | 29 | 7.28 | 7.44 |
| 12th Coupon | Friday, 29 April, 2022 | Friday, 29 April, 2022 | 31 | 7.78 | 7.95 |
| 13th Coupon | Sunday, 29 May, 2022 | Monday, 30 May, 2022 | 30 | 7.53 | 7.69 |
| 14th Coupon | Wednesday, 29 June, 2022 | Wednesday, 29 June, 2022 | 31 | 7.78 | 7.95 |
| 15th Coupon | Friday, 29 July, 2022 | Friday, 29 July, 2022 | 30 | 7.53 | 7.69 |
| 16th Coupon | Monday, 29 August, 2022 | Monday, 29 August, 2022 | 31 | 7.78 | 7.95 |
| 17th Coupon | Thursday, 29 September, 2022 | Thursday, 29 September, 2022 | 31 | 7.78 | 7.95 |
| 18th Coupon | Saturday, 29 October, 2022 | Monday, 31 October, 2022 | 30 | 7.53 | 7.69 |
| 19th Coupon | Tuesday, 29 November, 2022 | Tuesday, 29 November, 2022 | 31 | 7.78 | 7.95 |
| 20th Coupon | Thursday, 29 December, 2022 | Thursday, 29 December, 2022 | 30 | 7.53 | 7.69 |
| 21st Coupon | Sunday, 29 January, 2023 | Monday, 30 January, 2023 | 31 | 7.78 | 7.95 |
| 22nd Coupon | Tuesday, 28 February, 2023 | Tuesday, 28 February, 2023 | 30 | 7.53 | 7.69 |
| 23rd Coupon | Wednesday, 29 March, 2023 | Wednesday, 29 March, 2023 | 29 | 7.28 | 7.44 |
| 24th Coupon | Saturday, 29 April, 2023 | Tuesday, 2 May, 2023 | 31 | 7.76 | 7.93 |
| 25th Coupon | Monday, 29 May, 2023 | Monday, 29 May, 2023 | 30 | 7.51 | 7.67 |
| 26th Coupon | Thursday, 29 June, 2023 | Thursday, 29 June, 2023 | 31 | 7.76 | 7.93 |
| 27th Coupon | Saturday, 29 July, 2023 | Monday, 31 July, 2023 | 30 | 7.51 | 7.67 |

| Cash Flows | Due Date | Date of Payment | No. of days in Coupon Period | Coupon For all Categories of Investors (in Rs.) (Pre-Incentive) | Coupon For all Categories of Investors (in Rs.) (Post Incentive) |
|-------------|------------------------------|------------------------------|------------------------------|---|--|
| 28th Coupon | Tuesday, 29 August, 2023 | Tuesday, 29 August, 2023 | 31 | 7.76 | 7.93 |
| 29th Coupon | Friday, 29 September, 2023 | Friday, 29 September, 2023 | 31 | 7.76 | 7.93 |
| 30th Coupon | Sunday, 29 October, 2023 | Monday, 30 October, 2023 | 30 | 7.51 | 7.67 |
| 31st Coupon | Wednesday, 29 November, 2023 | Wednesday, 29 November, 2023 | 31 | 7.76 | 7.93 |
| 32nd Coupon | Friday, 29 December, 2023 | Friday, 29 December, 2023 | 30 | 7.51 | 7.67 |
| 33rd Coupon | Monday, 29 January, 2024 | Monday, 29 January, 2024 | 31 | 7.76 | 7.93 |
| 34th Coupon | Thursday, 29 February, 2024 | Thursday, 29 February, 2024 | 31 | 7.76 | 7.93 |
| 35th Coupon | Friday, 29 March, 2024 | Friday, 29 March, 2024 | 29 | 7.26 | 7.42 |
| 36th Coupon | Monday, 29 April, 2024 | Monday, 29 April, 2024 | 31 | 7.78 | 7.95 |
| 37th Coupon | Wednesday, 29 May, 2024 | Wednesday, 29 May, 2024 | 30 | 7.53 | 7.69 |
| 38th Coupon | Saturday, 29 June, 2024 | Monday, 1 July, 2024 | 31 | 7.78 | 7.95 |
| 39th Coupon | Monday, 29 July, 2024 | Monday, 29 July, 2024 | 30 | 7.53 | 7.69 |
| 40th Coupon | Thursday, 29 August, 2024 | Thursday, 29 August, 2024 | 31 | 7.78 | 7.95 |
| 41st Coupon | Sunday, 29 September, 2024 | Monday, 30 September, 2024 | 31 | 7.78 | 7.95 |
| 42nd Coupon | Tuesday, 29 October, 2024 | Tuesday, 29 October, 2024 | 30 | 7.53 | 7.69 |
| 43rd Coupon | Friday, 29 November, 2024 | Friday, 29 November, 2024 | 31 | 7.78 | 7.95 |
| 44th Coupon | Sunday, 29 December, 2024 | Monday, 30 December, 2024 | 30 | 7.53 | 7.69 |

| Cash Flows | Due Date | Date of Payment | No. of days in Coupon Period | Coupon For all Categories of Investors (in Rs.) (Pre-Incentive) | Coupon For all Categories of Investors (in Rs.) (Post Incentive) |
|----------------------------|-----------------------------|-----------------------------|------------------------------|---|--|
| 45th Coupon | Wednesday, 29 January, 2025 | Wednesday, 29 January, 2025 | 31 | 7.78 | 7.95 |
| 46th Coupon | Friday, 28 February, 2025 | Friday, 28 February, 2025 | 30 | 7.53 | 7.69 |
| 47th Coupon | Saturday, 29 March, 2025 | Monday, 31 March, 2025 | 29 | 7.28 | 7.44 |
| 48th Coupon | Tuesday, 29 April, 2025 | Tuesday, 29 April, 2025 | 31 | 7.78 | 7.95 |
| 49th Coupon | Thursday, 29 May, 2025 | Thursday, 29 May, 2025 | 30 | 7.53 | 7.69 |
| 50th Coupon | Sunday, 29 June, 2025 | Monday, 30 June, 2025 | 31 | 7.78 | 7.95 |
| 51st Coupon | Tuesday, 29 July, 2025 | Tuesday, 29 July, 2025 | 30 | 7.53 | 7.69 |
| 52nd Coupon | Friday, 29 August, 2025 | Friday, 29 August, 2025 | 31 | 7.78 | 7.95 |
| 53rd Coupon | Monday, 29 September, 2025 | Monday, 29 September, 2025 | 31 | 7.78 | 7.95 |
| 54th Coupon | Wednesday, 29 October, 2025 | Wednesday, 29 October, 2025 | 30 | 7.53 | 7.69 |
| 55th Coupon | Saturday, 29 November, 2025 | Monday, 1 December, 2025 | 31 | 7.78 | 7.95 |
| 56th Coupon | Monday, 29 December, 2025 | Monday, 29 December, 2025 | 30 | 7.53 | 7.69 |
| 57th Coupon | Thursday, 29 January, 2026 | Thursday, 29 January, 2026 | 31 | 7.78 | 7.95 |
| 58th Coupon | Saturday, 28 February, 2026 | Monday, 2 March, 2026 | 30 | 7.53 | 7.69 |
| 59th Coupon | Sunday, 29 March, 2026 | Monday, 30 March, 2026 | 29 | 7.28 | 7.44 |
| 60th Coupon | Wednesday, 29 April, 2026 | Wednesday, 29 April, 2026 | 31 | 7.78 | 7.95 |
| Principal / Maturity value | Wednesday, 29 April, 2026 | Wednesday, 29 April, 2026 | | 1000 | 1000 |
| | | | | 9.55% | 9.76% |

5 Years - Cumulative Payment

| Company | Edelweiss Financial Services Limited | Edelweiss Financial Services Limited |
|--|--------------------------------------|--------------------------------------|
| | Pre-Incentive | Post-Incentive |
| Face Value per NCD (in Rs.) | 1000 | 1000 |
| Number of NCDs held (assumed) | 1 | 1 |
| Date of Allotment (assumed)* | Thursday, 29 April, 2021 | Thursday, 29 April, 2021 |
| Tenor | 5 Years | 5 Years |
| Coupon Rate for all Categories of Investors | NA | NA |
| Redemption Date/Maturity Date (assumed) | Wednesday, 29 April, 2026 | Wednesday, 29 April, 2026 |
| Frequency of the interest payment with specified dates | NA | NA |
| Day Count Convention | Actual/Actual | Actual/Actual |

| Cash Flows | Due Date | Date of Payment | No. of days in Coupon Period | Coupon For all Categories of Investors (in Rs.) (Pre-Incentive) | Coupon For all Categories of Investors (in Rs.) (Post Incentive) |
|----------------------------|---------------------------|---------------------------|------------------------------|---|--|
| Deemed date of allotment | Thursday, 29 April, 2021 | Thursday, 29 April, 2021 | | -1000 | -1000 |
| Coupon/Interest Payment | Wednesday, 29 April, 2026 | Wednesday, 29 April, 2026 | 1826 | 578.25 | 592.75 |
| Principal / Maturity value | Wednesday, 29 April, 2026 | Wednesday, 29 April, 2026 | | 1000 | 1000 |
| | | | | 9.5503% | 9.7507% |

10 Years - Monthly Coupon Payment

| Company | Edelweiss Financial Services Limited | Edelweiss Financial Services Limited |
|--|---|---|
| | Pre-Incentive | Post-Incentive |
| Face Value per NCD (in Rs.) | 1000 | 1000 |
| Number of NCDs held (assumed) | 1 | 1 |
| Date of Allotment (assumed)* | Thursday, 29 April, 2021 | Thursday, 29 April, 2021 |
| Tenor | 10 years | 10 years |
| Coupon Rate for all Categories of Investors | 9.30% | 9.50% |
| Redemption Date/Maturity Date (assumed) | Tuesday, 29 April, 2031 | Tuesday, 29 April, 2031 |
| Frequency of the interest payment with specified dates | First interest on May 29, 2021 and subsequently on the 29th day of every month. | First interest on May 29, 2021 and subsequently on the 29th day of every month. |
| Day Count Convention | Actual/Actual | Actual/Actual |

| Cash Flows | Due Date | Date of Payment | No. of days in Coupon Period | Coupon For all Categories of Investors (in Rs.) (Pre-Incentive) | Coupon For all Categories of Investors (in Rs.) (Post Incentive) |
|--------------------------|-------------------------------|-------------------------------|------------------------------|---|--|
| Deemed date of allotment | Thursday, 29 April, 2021 | Thursday, 29 April, 2021 | | -1000 | -1000 |
| 1st Coupon | Saturday, 29 May, 2021 | Monday, 31 May, 2021 | 30 | 7.64 | 7.81 |
| 2nd Coupon | Tuesday, 29 June, 2021 | Tuesday, 29 June, 2021 | 31 | 7.90 | 8.07 |
| 3rd Coupon | Thursday, 29 July, 2021 | Thursday, 29 July, 2021 | 30 | 7.64 | 7.81 |
| 4th Coupon | Sunday, 29 August, 2021 | Monday, 30 August, 2021 | 31 | 7.90 | 8.07 |
| 5th Coupon | Wednesday, 29 September, 2021 | Wednesday, 29 September, 2021 | 31 | 7.90 | 8.07 |
| 6th Coupon | Friday, 29 October, 2021 | Friday, 29 October, 2021 | 30 | 7.64 | 7.81 |
| 7th Coupon | Monday, 29 November, 2021 | Monday, 29 November, 2021 | 31 | 7.90 | 8.07 |
| 8th Coupon | Wednesday, 29 December, 2021 | Wednesday, 29 December, 2021 | 30 | 7.64 | 7.81 |
| 9th Coupon | Saturday, 29 January, 2022 | Monday, 31 January, 2022 | 31 | 7.90 | 8.07 |

| Cash Flows | Due Date | Date of Payment | No. of days in Coupon Period | Coupon For all Categories of Investors (in Rs.) (Pre-Incentive) | Coupon For all Categories of Investors (in Rs.) (Post Incentive) |
|-------------|------------------------------|------------------------------|------------------------------|---|--|
| 10th Coupon | Monday, 28 February, 2022 | Monday, 28 February, 2022 | 30 | 7.64 | 7.81 |
| 11th Coupon | Tuesday, 29 March, 2022 | Tuesday, 29 March, 2022 | 29 | 7.39 | 7.55 |
| 12th Coupon | Friday, 29 April, 2022 | Friday, 29 April, 2022 | 31 | 7.90 | 8.07 |
| 13th Coupon | Sunday, 29 May, 2022 | Monday, 30 May, 2022 | 30 | 7.64 | 7.81 |
| 14th Coupon | Wednesday, 29 June, 2022 | Wednesday, 29 June, 2022 | 31 | 7.90 | 8.07 |
| 15th Coupon | Friday, 29 July, 2022 | Friday, 29 July, 2022 | 30 | 7.64 | 7.81 |
| 16th Coupon | Monday, 29 August, 2022 | Monday, 29 August, 2022 | 31 | 7.90 | 8.07 |
| 17th Coupon | Thursday, 29 September, 2022 | Thursday, 29 September, 2022 | 31 | 7.90 | 8.07 |
| 18th Coupon | Saturday, 29 October, 2022 | Monday, 31 October, 2022 | 30 | 7.64 | 7.81 |
| 19th Coupon | Tuesday, 29 November, 2022 | Tuesday, 29 November, 2022 | 31 | 7.90 | 8.07 |
| 20th Coupon | Thursday, 29 December, 2022 | Thursday, 29 December, 2022 | 30 | 7.64 | 7.81 |
| 21st Coupon | Sunday, 29 January, 2023 | Monday, 30 January, 2023 | 31 | 7.90 | 8.07 |
| 22nd Coupon | Tuesday, 28 February, 2023 | Tuesday, 28 February, 2023 | 30 | 7.64 | 7.81 |
| 23rd Coupon | Wednesday, 29 March, 2023 | Wednesday, 29 March, 2023 | 29 | 7.39 | 7.55 |
| 24th Coupon | Saturday, 29 April, 2023 | Tuesday, 2 May, 2023 | 31 | 7.88 | 8.05 |
| 25th Coupon | Monday, 29 May, 2023 | Monday, 29 May, 2023 | 30 | 7.62 | 7.79 |
| 26th Coupon | Thursday, 29 June, 2023 | Thursday, 29 June, 2023 | 31 | 7.88 | 8.05 |
| 27th Coupon | Saturday, 29 July, 2023 | Monday, 31 July, 2023 | 30 | 7.62 | 7.79 |
| 28th Coupon | Tuesday, 29 August, 2023 | Tuesday, 29 August, 2023 | 31 | 7.88 | 8.05 |
| 29th Coupon | Friday, 29 September, 2023 | Friday, 29 September, 2023 | 31 | 7.88 | 8.05 |
| 30th Coupon | Sunday, 29 October, 2023 | Monday, 30 October, 2023 | 30 | 7.62 | 7.79 |
| 31st Coupon | Wednesday, 29 November, 2023 | Wednesday, 29 November, 2023 | 31 | 7.88 | 8.05 |
| 32nd Coupon | Friday, 29 December, 2023 | Friday, 29 December, 2023 | 30 | 7.62 | 7.79 |
| 33rd Coupon | Monday, 29 January, 2024 | Monday, 29 January, 2024 | 31 | 7.88 | 8.05 |
| 34th Coupon | Thursday, 29 February, 2024 | Thursday, 29 February, 2024 | 31 | 7.88 | 8.05 |
| 35th Coupon | Friday, 29 March, 2024 | Friday, 29 March, 2024 | 29 | 7.37 | 7.53 |
| 36th Coupon | Monday, 29 April, 2024 | Monday, 29 April, 2024 | 31 | 7.90 | 8.07 |

| Cash Flows | Due Date | Date of Payment | No. of days in Coupon Period | Coupon For all Categories of Investors (in Rs.) (Pre-Incentive) | Coupon For all Categories of Investors (in Rs.) (Post Incentive) |
|-------------|-----------------------------|-----------------------------|------------------------------|---|--|
| 37th Coupon | Wednesday, 29 May, 2024 | Wednesday, 29 May, 2024 | 30 | 7.64 | 7.81 |
| 38th Coupon | Saturday, 29 June, 2024 | Monday, 1 July, 2024 | 31 | 7.90 | 8.07 |
| 39th Coupon | Monday, 29 July, 2024 | Monday, 29 July, 2024 | 30 | 7.64 | 7.81 |
| 40th Coupon | Thursday, 29 August, 2024 | Thursday, 29 August, 2024 | 31 | 7.90 | 8.07 |
| 41st Coupon | Sunday, 29 September, 2024 | Monday, 30 September, 2024 | 31 | 7.90 | 8.07 |
| 42nd Coupon | Tuesday, 29 October, 2024 | Tuesday, 29 October, 2024 | 30 | 7.64 | 7.81 |
| 43rd Coupon | Friday, 29 November, 2024 | Friday, 29 November, 2024 | 31 | 7.90 | 8.07 |
| 44th Coupon | Sunday, 29 December, 2024 | Monday, 30 December, 2024 | 30 | 7.64 | 7.81 |
| 45th Coupon | Wednesday, 29 January, 2025 | Wednesday, 29 January, 2025 | 31 | 7.90 | 8.07 |
| 46th Coupon | Friday, 28 February, 2025 | Friday, 28 February, 2025 | 30 | 7.64 | 7.81 |
| 47th Coupon | Saturday, 29 March, 2025 | Monday, 31 March, 2025 | 29 | 7.39 | 7.55 |
| 48th Coupon | Tuesday, 29 April, 2025 | Tuesday, 29 April, 2025 | 31 | 7.90 | 8.07 |
| 49th Coupon | Thursday, 29 May, 2025 | Thursday, 29 May, 2025 | 30 | 7.64 | 7.81 |
| 50th Coupon | Sunday, 29 June, 2025 | Monday, 30 June, 2025 | 31 | 7.90 | 8.07 |
| 51st Coupon | Tuesday, 29 July, 2025 | Tuesday, 29 July, 2025 | 30 | 7.64 | 7.81 |
| 52nd Coupon | Friday, 29 August, 2025 | Friday, 29 August, 2025 | 31 | 7.90 | 8.07 |
| 53rd Coupon | Monday, 29 September, 2025 | Monday, 29 September, 2025 | 31 | 7.90 | 8.07 |
| 54th Coupon | Wednesday, 29 October, 2025 | Wednesday, 29 October, 2025 | 30 | 7.64 | 7.81 |
| 55th Coupon | Saturday, 29 November, 2025 | Monday, 1 December, 2025 | 31 | 7.90 | 8.07 |
| 56th Coupon | Monday, 29 December, 2025 | Monday, 29 December, 2025 | 30 | 7.64 | 7.81 |
| 57th Coupon | Thursday, 29 January, 2026 | Thursday, 29 January, 2026 | 31 | 7.90 | 8.07 |
| 58th Coupon | Saturday, 28 February, 2026 | Monday, 2 March, 2026 | 30 | 7.64 | 7.81 |
| 59th Coupon | Sunday, 29 March, 2026 | Monday, 30 March, 2026 | 29 | 7.39 | 7.55 |
| 60th Coupon | Wednesday, 29 April, 2026 | Wednesday, 29 April, 2026 | 31 | 7.90 | 8.07 |
| 61st Coupon | Friday, 29 May, 2026 | Friday, 29 May, 2026 | 30 | 7.64 | 7.81 |
| 62nd Coupon | Monday, 29 June, 2026 | Monday, 29 June, 2026 | 31 | 7.90 | 8.07 |
| 63rd Coupon | Wednesday, 29 July, 2026 | Wednesday, 29 July, 2026 | 30 | 7.64 | 7.81 |

| Cash Flows | Due Date | Date of Payment | No. of days in Coupon Period | Coupon For all Categories of Investors (in Rs.) (Pre-Incentive) | Coupon For all Categories of Investors (in Rs.) (Post Incentive) |
|-------------|-------------------------------|-------------------------------|------------------------------|---|--|
| 64th Coupon | Saturday, 29 August, 2026 | Monday, 31 August, 2026 | 31 | 7.90 | 8.07 |
| 65th Coupon | Tuesday, 29 September, 2026 | Tuesday, 29 September, 2026 | 31 | 7.90 | 8.07 |
| 66th Coupon | Thursday, 29 October, 2026 | Thursday, 29 October, 2026 | 30 | 7.64 | 7.81 |
| 67th Coupon | Sunday, 29 November, 2026 | Monday, 30 November, 2026 | 31 | 7.90 | 8.07 |
| 68th Coupon | Tuesday, 29 December, 2026 | Tuesday, 29 December, 2026 | 30 | 7.64 | 7.81 |
| 69th Coupon | Friday, 29 January, 2027 | Friday, 29 January, 2027 | 31 | 7.90 | 8.07 |
| 70th Coupon | Sunday, 28 February, 2027 | Monday, 1 March, 2027 | 30 | 7.64 | 7.81 |
| 71st Coupon | Monday, 29 March, 2027 | Monday, 29 March, 2027 | 29 | 7.39 | 7.55 |
| 72nd Coupon | Thursday, 29 April, 2027 | Thursday, 29 April, 2027 | 31 | 7.88 | 8.05 |
| 73rd Coupon | Saturday, 29 May, 2027 | Monday, 31 May, 2027 | 30 | 7.62 | 7.79 |
| 74th Coupon | Tuesday, 29 June, 2027 | Tuesday, 29 June, 2027 | 31 | 7.88 | 8.05 |
| 75th Coupon | Thursday, 29 July, 2027 | Thursday, 29 July, 2027 | 30 | 7.62 | 7.79 |
| 76th Coupon | Sunday, 29 August, 2027 | Monday, 30 August, 2027 | 31 | 7.88 | 8.05 |
| 77th Coupon | Wednesday, 29 September, 2027 | Wednesday, 29 September, 2027 | 31 | 7.88 | 8.05 |
| 78th Coupon | Friday, 29 October, 2027 | Friday, 29 October, 2027 | 30 | 7.62 | 7.79 |
| 79th Coupon | Monday, 29 November, 2027 | Monday, 29 November, 2027 | 31 | 7.88 | 8.05 |
| 80th Coupon | Wednesday, 29 December, 2027 | Wednesday, 29 December, 2027 | 30 | 7.62 | 7.79 |
| 81st Coupon | Saturday, 29 January, 2028 | Monday, 31 January, 2028 | 31 | 7.88 | 8.05 |
| 82nd Coupon | Tuesday, 29 February, 2028 | Tuesday, 29 February, 2028 | 31 | 7.88 | 8.05 |
| 83rd Coupon | Wednesday, 29 March, 2028 | Wednesday, 29 March, 2028 | 29 | 7.37 | 7.53 |
| 84th Coupon | Saturday, 29 April, 2028 | Tuesday, 2 May, 2028 | 31 | 7.90 | 8.07 |
| 85th Coupon | Monday, 29 May, 2028 | Monday, 29 May, 2028 | 30 | 7.64 | 7.81 |
| 86th Coupon | Thursday, 29 June, 2028 | Thursday, 29 June, 2028 | 31 | 7.90 | 8.07 |
| 87th Coupon | Saturday, 29 July, 2028 | Monday, 31 July, 2028 | 30 | 7.64 | 7.81 |
| 88th Coupon | Tuesday, 29 August, 2028 | Tuesday, 29 August, 2028 | 31 | 7.90 | 8.07 |
| 89th Coupon | Friday, 29 September, 2028 | Friday, 29 September, 2028 | 31 | 7.90 | 8.07 |
| 90th Coupon | Sunday, 29 October, 2028 | Monday, 30 October, 2028 | 30 | 7.64 | 7.81 |

| Cash Flows | Due Date | Date of Payment | No. of days in Coupon Period | Coupon For all Categories of Investors (in Rs.) (Pre-Incentive) | Coupon For all Categories of Investors (in Rs.) (Post Incentive) |
|--------------|------------------------------|------------------------------|------------------------------|---|--|
| 91st Coupon | Wednesday, 29 November, 2028 | Wednesday, 29 November, 2028 | 31 | 7.90 | 8.07 |
| 92nd Coupon | Friday, 29 December, 2028 | Friday, 29 December, 2028 | 30 | 7.64 | 7.81 |
| 93rd Coupon | Monday, 29 January, 2029 | Monday, 29 January, 2029 | 31 | 7.90 | 8.07 |
| 94th Coupon | Wednesday, 28 February, 2029 | Wednesday, 28 February, 2029 | 30 | 7.64 | 7.81 |
| 95th Coupon | Thursday, 29 March, 2029 | Thursday, 29 March, 2029 | 29 | 7.39 | 7.55 |
| 96th Coupon | Sunday, 29 April, 2029 | Monday, 30 April, 2029 | 31 | 7.90 | 8.07 |
| 97th Coupon | Tuesday, 29 May, 2029 | Tuesday, 29 May, 2029 | 30 | 7.64 | 7.81 |
| 98th Coupon | Friday, 29 June, 2029 | Friday, 29 June, 2029 | 31 | 7.90 | 8.07 |
| 99th Coupon | Sunday, 29 July, 2029 | Monday, 30 July, 2029 | 30 | 7.64 | 7.81 |
| 100th Coupon | Wednesday, 29 August, 2029 | Wednesday, 29 August, 2029 | 31 | 7.90 | 8.07 |
| 101st Coupon | Saturday, 29 September, 2029 | Monday, 1 October, 2029 | 31 | 7.90 | 8.07 |
| 102nd Coupon | Monday, 29 October, 2029 | Monday, 29 October, 2029 | 30 | 7.64 | 7.81 |
| 103rd Coupon | Thursday, 29 November, 2029 | Thursday, 29 November, 2029 | 31 | 7.90 | 8.07 |
| 104th Coupon | Saturday, 29 December, 2029 | Monday, 31 December, 2029 | 30 | 7.64 | 7.81 |
| 105th Coupon | Tuesday, 29 January, 2030 | Tuesday, 29 January, 2030 | 31 | 7.90 | 8.07 |
| 106th Coupon | Thursday, 28 February, 2030 | Thursday, 28 February, 2030 | 30 | 7.64 | 7.81 |
| 107th Coupon | Friday, 29 March, 2030 | Friday, 29 March, 2030 | 29 | 7.39 | 7.55 |
| 108th Coupon | Monday, 29 April, 2030 | Monday, 29 April, 2030 | 31 | 7.90 | 8.07 |
| 109th Coupon | Wednesday, 29 May, 2030 | Wednesday, 29 May, 2030 | 30 | 7.64 | 7.81 |
| 110th Coupon | Saturday, 29 June, 2030 | Monday, 1 July, 2030 | 31 | 7.90 | 8.07 |
| 111th Coupon | Monday, 29 July, 2030 | Monday, 29 July, 2030 | 30 | 7.64 | 7.81 |
| 112th Coupon | Thursday, 29 August, 2030 | Thursday, 29 August, 2030 | 31 | 7.90 | 8.07 |
| 113th Coupon | Sunday, 29 September, 2030 | Monday, 30 September, 2030 | 31 | 7.90 | 8.07 |
| 114th Coupon | Tuesday, 29 October, 2030 | Tuesday, 29 October, 2030 | 30 | 7.64 | 7.81 |
| 115th Coupon | Friday, 29 November, 2030 | Friday, 29 November, 2030 | 31 | 7.90 | 8.07 |

| Cash Flows | Due Date | Date of Payment | No. of days in Coupon Period | Coupon For all Categories of Investors (in Rs.) (Pre-Incentive) | Coupon For all Categories of Investors (in Rs.) (Post Incentive) |
|---------------------|-----------------------------|-----------------------------|------------------------------|---|--|
| 116th Coupon | Sunday, 29 December, 2030 | Monday, 30 December, 2030 | 30 | 7.64 | 7.81 |
| 117th Coupon | Wednesday, 29 January, 2031 | Wednesday, 29 January, 2031 | 31 | 7.90 | 8.07 |
| 118th Coupon | Friday, 28 February, 2031 | Friday, 28 February, 2031 | 30 | 7.64 | 7.81 |
| 119th Coupon | Saturday, 29 March, 2031 | Monday, 31 March, 2031 | 29 | 7.39 | 7.55 |
| 120th Coupon | Tuesday, 29 April, 2031 | Tuesday, 29 April, 2031 | 31 | 7.90 | 8.07 |
| Maturity/Redemption | Tuesday, 29 April, 2031 | Tuesday, 29 April, 2031 | | 1000.00 | 1000.00 |
| | | | | 9.7004% | 9.9203% |

10 Years - Annual Coupon Payment

| Company | Edelweiss Financial Services Limited | Edelweiss Financial Services Limited |
|--|--|--|
| | Pre-Incentive | Post-Incentive |
| Face Value per NCD (in Rs.) | 1000 | 1000 |
| Number of NCDs held (assumed) | 1 | 1 |
| Date of Allotment (assumed)* | Thursday, 29 April, 2021 | Thursday, 29 April, 2021 |
| Tenor | 10 Years | 10 Years |
| Coupon Rate for all Categories of Investors | 9.70% | 9.90% |
| Redemption Date/Maturity Date (assumed) | Tuesday, 29 April, 2031 | Tuesday, 29 April, 2031 |
| Frequency of the interest payment with specified dates | First interest on April 29, 2022 and subsequently on April 29 every year | First interest on April 29, 2022 and subsequently on April 29 every year |
| Day Count Convention | Actual/Actual | Actual/Actual |

| Cash Flows | Due Date | Date of Payment | No. of days in Coupon Period | Coupon For all Categories of Investors (in Rs.) (Pre-Incentive) | Coupon For all Categories of Investors (in Rs.) (Post Incentive) |
|--------------------------|---------------------------|---------------------------|------------------------------|---|--|
| Deemed date of allotment | Thursday, 29 April, 2021 | Thursday, 29 April, 2021 | | -1000 | -1000 |
| 1st Coupon | Friday, 29 April, 2022 | Friday, 29 April, 2022 | 365 | 97.00 | 99.00 |
| 2nd Coupon | Saturday, 29 April, 2023 | Tuesday, 2 May, 2023 | 365 | 97.00 | 99.00 |
| 3rd Coupon | Monday, 29 April, 2024 | Monday, 29 April, 2024 | 366 | 97.00 | 99.00 |
| 4th Coupon | Tuesday, 29 April, 2025 | Tuesday, 29 April, 2025 | 365 | 97.00 | 99.00 |
| 5th Coupon | Wednesday, 29 April, 2026 | Wednesday, 29 April, 2026 | 365 | 97.00 | 99.00 |
| 6th Coupon | Thursday, 29 April, 2027 | Thursday, 29 April, 2027 | 365 | 97.00 | 99.00 |
| 7th Coupon | Saturday, 29 April, 2028 | Tuesday, 2 May, 2028 | 366 | 97.00 | 99.00 |
| 8th Coupon | Sunday, 29 April, 2029 | Monday, 30 April, 2029 | 365 | 97.00 | 99.00 |
| 9th Coupon | Monday, 29 April, 2030 | Monday, 29 April, 2030 | 365 | 97.00 | 99.00 |

| Cash Flows | Due Date | Date of Payment | No. of days in Coupon Period | Coupon For all Categories of Investors (in Rs.) (Pre-Incentive) | Coupon For all Categories of Investors (in Rs.) (Post Incentive) |
|---------------------|-------------------------|-------------------------|---------------------------------|---|--|
| 10th Coupon | Tuesday, 29 April, 2031 | Tuesday, 29 April, 2031 | 365 | 97.00 | 99.00 |
| Maturity/Redemption | Tuesday, 29 April, 2031 | Tuesday, 29 April, 2031 | | 1000.00 | 1000.00 |
| | | | | 9.69% | 9.89% |