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 52 and 137.

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

PUBLIC ISSUE BY THE COMPANY OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE ₹ 1,000 EACH ("NCDs" OR "DEBENTURES") FOR AN AMOUNT AGGREGATING UPTO ₹ 10,000 MILLION ("SHELF LIMIT") HEREINAFTER REFERRED TO AS THE "ISSUE". THE NCDs WILL BE ISSUED IN ONE OR MORE TRANCHES, ON TERMS AND CONDITIONS INCLUDING TRANCHE ISSUE SIZE AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH "TRANCHE ISSUE") WHICH SHOULD BE READ TOGETHER WITH THE DRAFT SHELF PROSPECTUS AND THIS SHELF PROSPECTUS (COLLECTIVELY, THE "OFFER DOCUMENTS"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SEBI NCS REGULATIONS, THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED AND THE SEBI OPERATIONAL CIRCULAR. THE ISSUE IS NOT UNDERWRITTEN.

OUR PROMOTERS

(i) Rashesh Shah; **Email**: efslncd@edelweissfin.com; **Tel**: +91 22 4009 4400, (ii) Venkatchalam Ramaswamy; **Email**: efslncd @edelweissfin.com ; **Tel**: +91 22 4009 4400, (iii) Vidya Shah; **Email**: efslncd@edelweissfin.com ; **Tel**: +91 22 4009 4400, and (iv) Aparna T.C; **Email**: efslncd@edelweissfin.com ; **Tel**: +91 22 4009 4400. For details of our Promoters, see *"Our Promoter"* on page 160.

GENERAL RISKS

For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the Investors is invited to the chapters *"Risk Factors"* and *"Material Developments"* on pages 16 and 437, respectively, before making an investment in such Issue. This Shelf Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), any registrar of companies or any stock exchange in Indian or do they guarantee the accuracy or adequacy of this document.

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

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the NCDs, please refer to the section titled "*Issue Related Information*" on page 485.

CREDIT RATING

The NCDs proposed to be issued under the Issue have been rated "CRISIL AA-/Negative (pronounced as CRISIL double A minus rating with Negative outlook)" for an amount of ₹ 10,000 million by CRISIL *vide* their rating letter dated October 22, 2021 and revalidated *vide* letter dated November 16, 2021 and "ACUITE AA/ Negative (pronounced as ACUITE double A rating with Negative outlook)" for an amount of ₹15,000 million by Acuité *vide* their rating letter dated October 20, 2021 and revalidated *vide* letter dated November 17, 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 Shelf Prospectus for the rationale of the above rating.

LISTING

The NCDs offered through the Shelf Prospectus and this Tranche I Prospectus are proposed to be listed on BSE Limited ("**BSE**") and BSE shall be the Designated Stock Exchange. Our Company has received an 'in-principle' approval from BSE *vide* their letter no. DCS/BM/PI-BOND/017/21-22 dated November 23, 2021.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated November 15, 2021 was filed with the BSE, pursuant to the provisions of the SEBI NCS Regulations and was kept open for public comments for a period of seven Working Days (i.e., until 5 p.m.) on November 23, 2021. No comments were received on the Draft Shelf Prospectus until 5 p.m. on November 23, 2021.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE TO THE ISSUE
Equirus Capital Private Limited 12th Floor, C Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai 400 013 **Tel:** +91 22 4332 0700 **Email:** efsl.ncd@equirus.com **Website:** www.equirus.com **Contact person:** Ankit Jain	**KFIN Technologies Private Limited** Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032 **Tel**: +91 40 6716 2222 **Fax**: +91 40 2343 1551 **Email**: efsl2.ncdipo@kfintech.com **Website**: www.kfintech.com **Contact Person**: M Murali Krishna	**Beacon Trusteeship Limited*** 4 C&D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club Bandra (East), Mumbai 400 051 **Tel**.: +91 22 2655 8759 **Email**: compliance@beacontrustee.co.in **Website**: www.beacontrustee.co.in **Contact Person**: Kaustubh Kulkarni

CREDIT RATING AGENCY		STATUTORY AUDITOR
Acuité Ratings & Research Limited 708, Lodha Supremus, Lodha iThink Techno Campus, Kanjurmarg (East), Mumbai 400 042 **Tel**: + 91 22 4929 4000 **Email**: chitra.mohan@acuite.in **Website**: www.acuite.in **Contact Person**: Chitra Mohan	**CRISIL Ratings Limited** CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076 **Tel**: + 91 22 3342 3000 **Email**: crisilratingdesk@crisil.com **Website**: www.crisil.com **Contact Person**: Krishna Sitaraman	**S. R. Batliboi & Co. LLP** 12th Floor, The Ruby 29 Senapati Bapat Marg Dadar (West), Mumbai 400 028 Maharashtra, India **Tel**: + 91 22 6819 8000 **Email**: srbc@srb.in **Contact Person**: Shrawan Jalan

ISSUE PROGRAMME**

Issue opens on: As specified in the relevant Tranche Prospectus	**Issue Closes on:** As specified in the relevant Tranche Prospectus

**Beacon Trusteeship Limited under regulation 8 of SEBI NCS Regulations has by its letter dated November 15, 2021 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Shelf Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to the Issue.*

***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 in the relevant Tranche Prospectus, 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 43.*

A copy of the Shelf Prospectus and the relevant Tranche Prospectuses shall be filed with the Registrar of Companies, Maharashtra at Mumbai in terms of Section 26 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please refer to the section titled "Material Contracts and Documents for Inspection" on page 111.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

General Terms

Term	Description
Associates	Associate would mean associates of our Company as at and for the relevant financial year/period as applicable.
"EFSL" or "Company" or "the Issuer"	Edelweiss Financial Services Limited, a public limited company incorporated under the Companies Act, 1956, and having its Registered Office at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai 400 098, Maharashtra, India.
"we" or "us" or "our"	Unless the context otherwise requires, Edelweiss Financial Services Limited together with its Subsidiaries, associates and trusts for the relevant financial year/period as applicable.
Subsidiaries	Subsidiary would mean subsidiaries of our Company as at and for the relevant financial year/period as applicable. For the details of the subsidiaries of our Company, as on September 30, 2021, see "*History and Main Objects*" on page 137.
Trusts	For the details of the trusts of our Company, as on September 30, 2021, see "*History and Main Objects*" on page 137.

Company Related Terms

Term	Description
Articles or Articles of Association or AOA	Articles of Association of our Company
Audit Committee	Audit committee of the Board of Directors
Auditors or Statutory Auditors	The current statutory auditors of our Company, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants
Board or Board of Directors or our Board or our Board of Directors	Board of Directors of our Company or any duly constituted committee thereof.
Corporate Social Responsibility Committee	Corporate social responsibility committee of the Board of Directors
Committee	A committee constituted by the Board, from time to time.
Directors	Directors of the Company
Equity Shares	Equity shares of the Company of face value of ₹ 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 and SEBI Listing Regulations
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 Shelf Prospectus and appointed in accordance with Key Managerial Personnel, as defined under Section 2(51) of the Companies Act, 2013.
LAP	Loan against property

Term	Description
Loan Book	Loan book of the Company recording relevant entries of the secured and/or unsecured loans advanced by the Company
"MoA" or "Memorandum" or "Memorandum of Association"	Memorandum of association of our Company
Nomination and Remuneration Committee	Nomination and remuneration committee of the Board of Directors
Networth	As defined in Section 2(57) of the Companies Act, 2013, as follows: "*Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.*"
Preference Shares	Preference shares of the Company having face value of ₹5 each.
Promoter Group	Includes such persons and entities constituting the promoter group of our Company pursuant to Regulation 2 (1) (pp) of the SEBI ICDR Regulations, 2018.
Promoters or our Promoter	The promoters of our Company are Rashesh Shah, Venkatchalam Ramaswamy, Vidya Shah and Aparna T.C.
Public Issue 1	Public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹2,000 million pursuant to the prospectus dated December 17, 2020
Public Issue 2	Public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹4,000 million pursuant to the prospectus dated March 26, 2021
Public Issue 3	Public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 4,000 million pursuant to the prospectus dated August 9, 2021
H1 Fiscal 2022	Six months and half year ended September 30, 2021
H1 2022 Unaudited Consolidated Financial Results	The unaudited consolidated financial information of the Company for the quarter ended September 30, 2021 and year to date April 1, 2021 to September 30, 2021 prepared by our Company in the manner and format required by the SEBI Listing Regulations
H1 2022 Unaudited Standalone Financial Results	The unaudited standalone financial information of the Company the quarter ended September 30, 2021 and year to date April 1, 2021 to September 30, 2021prepared by our Company in the manner and format required by SEBI Listing Regulations
H1 2022 Unaudited Financial Results	H1 2022 Unaudited Consolidated Financial Results and H1 2022 Unaudited Standalone Financial Results.
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, 2021, March 31, 2020 and March 31, 2019 and the reformatted consolidated statement of profit and loss for the year ended 2021, 2020 and 2019 and the reformatted consolidated statement of cash flows for the year ended 2021, 2020 and 2019 and the reformatted consolidated statement of changes in equity for the year ended 2021, 2020 and 2019. Our audited consolidated financial statements as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 form the basis for such Reformatted Consolidated Financial Information
Reformatted Ind AS Standalone Financial Information	The reformatted standalone statement of assets and liabilities of our Company as at March 31, 2021, March 31, 2020 and March 31, 2019 and the reformatted standalone statement of profit and loss for the year ended 2021, 2020 and 2019 and the reformatted standalone statement of cash flows for the year ended 2021, 2020 and 2019 and the reformatted standalone statement of changes in equity for the year ended 2021, 2020 and 2019. Our audited standalone financial statements as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 form the basis for such Reformatted Standalone Financial Information
Registered Office	The registered office of our Company is situated at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai 400 098, Maharashtra, India

Term	Description
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 Shelf Prospectus
Acknowledgement Slip/ Transaction Registration Slip/ TRS	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Acuité/ Acuite	Acuité Ratings & Research Limited
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
"Allotment", "Allot" or Allotted	Unless the context otherwise requires, the allotment of NCDs to the successful Applicants pursuant to the 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 and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of the Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus(es), the Abridged Prospectus and the Application Form
"Application" or "ASBA Application"	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the 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 ₹ 2,00,000 which will be considered as the application for Allotment in terms of this Shelf 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 Shelf Prospectus, Shelf Prospectus and the relevant Tranche Prospectus(es)
ASBA Account	An account maintained with a SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the Application Amount mentioned in the Application Form by an Applicant and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value upto ₹ 200,000
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, Refund Bank and Sponsor Bank
Base Issue Size	As will be specified in the relevant Tranche Prospectus for each Tranche Issue.
Basis of Allotment	As will be specified in the relevant Tranche Prospectus for each Tranche Issue.
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.
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

Term	Description
	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
CARE Research Report	Industry report titled "*Research Report on BFSI Services Sector*" dated October 22, 2021 prepared by CARE Advisory Research & Training Limited
Category I (Institutional Investors)	• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds and pension funds each with a minimum corpus of ₹250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance companies registered with the IRDAI; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements; • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual funds registered with SEBI.
Category II (Non Institutional Investors)	• Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; and • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009). • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons
Category III (High Net Worth Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in 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.
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 SEBI Operational Circular
Credit Rating Agencies	Acuité and CRISIL
Debentures / NCDs	Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000 each
Debenture Holder(s)/ NCD Holder(s)	The holders of the NCDs whose name appears in the database of the Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law.

Term	Description
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 November 15, 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
Deemed Date of Allotment	The date on which the Board/or the Debenture Fund Raising Committee approves the Allotment of NCDs or such date as may be determined by the Board of Directors/or the Debenture Fund Raising Committee and notified to the Designated Stock Exchange. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.
Demographic Details	The demographic details of the Applicants such as their respective addresses, email, PAN, investor status, MICR Code and bank account detail
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or at such other websites as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange at www.bseindia.com
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/or the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of the Shelf Prospectus and relevant Tranche Prospectus(es) 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
Draft Shelf Prospectus	The Draft Shelf Prospectus dated November 15, 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 NCS Regulations
Interest / Coupon Payment Date	As specified under the respective Tranche Prospectus.
Issue	Public issue by our Company of secured redeemable non-convertible debentures of face value of ₹1,000 each, aggregating up to ₹10,000 million ("**Shelf Limit**"). The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for respective tranche issue (each a "**Tranche Issue**"), which should be read together with this Shelf Prospectus and the Shelf Prospectus (collectively the "**Offer Documents**").
Issue Agreement	The Issue Agreement dated November 15, 2021 entered between the Company and Equirus Capital Private Limited, the Lead Manager to the Issue
Issue Closing Date	As specified in the relevant Tranche Prospectus
Issue Opening Date	As specified in the relevant Tranche Prospectus
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 Broker Agreement	As specified in the relevant Tranche Prospectus.

Term	Description
Lead Brokers/ Consortium Member(s)	As specified in the relevant Tranche Prospectus.
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 "*Terms of the Issue*" on page 490
"Maturity Date" or "Redemption Date"	Please see the section titled "*Terms of the Issue*" on page 490
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue
Offer Document	The Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus, the Abridged Prospectus and Application Form
Public Issue Account	As specified in the relevant Tranche Prospectus
Public Issue Account and Sponsor Bank Agreement	Agreement to be entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and the Sponsor Bank and the Lead Manager for the appointment of the Sponsor Bank in accordance with the SEBI Operational Circular for collection of the Application Amounts from ASBA Accounts and where applicable, refunds from the amounts collected from the Applicants on the terms and conditions thereof.
Public Issue Account Bank	As specified in the relevant Tranche Prospectus
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 or such other Committee (as may be authorised by the Board in this regard 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 deposited by our Company with the Designated Stock Exchange, equal to 0.01% of the issue size, subject to a maximum of deposit of ₹2,500,000 at the time of making the application for listing of NCDs.
Refund Account	Account to be opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount
Refund Bank	As specified in the relevant Tranche Prospectus
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 held in dematerialised form, and/or the register of NCD holders maintained by the Registrar
Registrar Agreement	Agreement dated November 15, 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	KFIN Technologies 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

Term	Description
Security	The principal amount of the NCDs to be issued in terms of this Shelf Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of pari-passu/ specified charge in favour of the Debenture Trustee on an identified immovable property and/or future receivables of our Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables specifically and exclusively charged in favour of certain existing charge holders, 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. We have received necessary consents from the relevant debenture trustees and security trustees for ceding pari passu charge in favour of the Debenture Trustee in relation to the NCDs. For further details on date of creation of security/likely date of creation of security, minimum security cover etc., please refer to the "*Terms of the Issue – Security*" on page 490.
"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	As specified in the relevant Tranche 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 athttps://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Sponsor Bank	A Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value upto ₹ 200,000 and carry out any other responsibilities in terms of the UPI Mechanism Circular and as specified in this Shelf Prospectus
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	As specified in the relevant Tranche 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.
Tranche Prospectus(es)	The relevant Tranche Prospectus containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts, documents for inspection and other terms and conditions in respect of the relevant Tranche Issue
Transaction Documents	Transaction documents shall mean the Draft Shelf Prospectus, this Shelf Prospectus and the relevant Tranche Prospectus(es) 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

Term	Description
	be. For further details please see the section titled, "*Material Contracts and Documents for Inspection*" on page 542.
Tripartite Agreements	Tripartite Agreement dated December 17, 2020 entered into between our Company, the Registrar to the Issue and NSDL and Tripartite Agreement dated December 8, 2020 entered into between our Company, the Registrar to the Issue and CDSL for offering demat option to the NCD Holders.
"UPI" or "UPI Mechanism"	Unified Payments Interface mechanism in accordance with SEBI Operational Circular to block funds for application value upto ₹ 200,000 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.
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 Operational Circular, however, with reference to payment of interest/redemption amount of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai.

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/Full Form
"₹", "Rupees", "Indian Rupees" or "INR"	The lawful currency of the Republic of India
"US$", "USD", and "U.S. Dollars"	The lawful currency of the United States of America
ACH	Automated Clearing House
AGM	Annual General Meeting
ALM	Asset Liability Management
ALM Guidelines	Guidelines for ALM system in relation to NBFCs
AMC	Asset Management Company
AS or Accounting Standards	Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014as 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 22, 2021 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

Term/Abbreviation	Description/Full Form
CPC	Code of Civil Procedure, 1908
CRAR	Capital to risk-weighted assets ratio means (Tier I Capital + Tier II Capital)/ Total Risk Weighted Assets *100
CrPC	Code of Criminal Procedure, 1973
CY	Calendar Year
Depositories	CDSL and NSDL
Depositories Act	Depositories Act, 1996
Depository(ies)	NSDL and /or CDSL
DIN	Director Identification Number
"DP" or "Depository Participant"	Depository Participant as defined under the Depositories Act, 1996
DT Circular	Circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 issued by SEBI on November 3, 2020, as amended from time to time
DRR	Debenture Redemption Reserve
EGM	Extraordinary General Meeting
EOW	Economic Offences Wing
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FEMA Regulations / FEMA20 (R)	FEMA (Non-debt Instruments) Rules, 2019, as amended from time to time
FII	Foreign Institutional Investor(s)
FPI	Foreign Portfolio Investor as defined and registered under the SEBI (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time.
"Financial Year", "Fiscal" or "FY" or "for the year ended"	Period of 12 months ended March 31 of that particular year
GDP	Gross Domestic Product
"Government"	Government of India
G-Sec	Government Securities
GST	Goods and Services Tax
HNI	High Net worth Individual
HFC	Housing Finance Company
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards
"Income Tax Act" or "IT Act"	Income Tax Act, 1961
Ind AS	Indian Accounting Standards as prescribed by Section 133 of the Companies Act, 2013 and notified by the Ind AS Rules
Ind AS Rules	Indian Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended from time to time
India	Republic of India
IPC	Indian Penal Code, 1860
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information Technology
ITR	Income Tax Returns
KYC	Know Your Customer
LLP	Limited Liability Partnership
LLP Act	Limited Liability Partnership Act, 2008
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
MLD	Market Linked Debentures
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

Term/Abbreviation	Description/Full Form
NAV	Net Asset Value
NBFC	Non-Banking Financial Company, as defined under Section 45-IA of the RBI Act
NEFT	National Electronic Fund Transfer
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PCR	Provisioning Coverage Ratio
PMLA	Prevention of Money Laundering Act, 2002
PP MLD	Principal Protected Market Linked Debentures
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RBI Master Directions	Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016
RERA	Real Estate Regulatory Authority
RERAD Act	Real Estate Regulation and Development Act, 2016
RTGS	Real Time Gross Settlement
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002
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 ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Banker Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and circulars issued thereunder
SEBI Operational Circular	SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021
Stage 1 Assets	Stage 1 Assets includes financial instruments that have not had a significant increase in credit risk (SICR) since initial recognition or that have low credit risk at the reporting date as defined under Ind AS
Stage 1 Provision	Stage 1 provision are 12-month ECL resulting from default events that are possible within 12 months after the reporting date as defined under Ind AS
Stage 2 Assets	Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment as defined under Ind AS
Stage 2 Provision	Stage 2 provision are lifetime ECL resulting from all default events that are 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
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 52, 16, 86, 164, 73, 532, 179 and 470, 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 113, 16, 86 and 164, respectively, 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 Shelf 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 Shelf Prospectus are to the page numbers of this Shelf Prospectus.

All references in this Shelf 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 Shelf Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the year ended on March 31 of that calendar year.

In accordance with the Road Map for Ind AS implementation, issued by MCA, our Company is required to prepare its financial statements in accordance with Ind AS for periods beginning on or after April 1, 2018. For the purposes of disclosure in this Shelf Prospectus, we have prepared and presented our reformatted Ind AS financial information for the latest Fiscals (in this case, for Fiscal 2021, 2020 and 2019).

Accordingly, our Company's audited standalone financial statements for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and our Company's audited consolidated financial statement for the year ended March 31, 2021, 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, 2021, March 31, 2020 and March 31, 2019 and our Company's audited consolidated financial statement for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 have been audited by M/s. S. R. Batliboi & Co. LLP, Chartered Accountants.

The Reformatted Ind AS Financial Information is included in this Shelf Prospectus and is referred to hereinafter as the "Reformatted Ind AS Financial Information". The examination reports on the Reformatted Ind AS Financial Information are included in this Shelf Prospectus in the section titled "*Financial Information*" on page 179.

The H1 2022 Unaudited Standalone Financial Results and H1 2022 Unaudited Consolidated Financial Results of our Company have been prepared in accordance with recognition and measurement principles laid down in the aforesaid Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there-under and other accounting principles generally accepted in India and Regulation 33 of the SEBI Listing Regulations. The limited review reports on the H1 2022 Unaudited Standalone Financial Results and H1 2022 Unaudited Consolidated Financial Results have been issued by M/s. S. R. Batliboi & Co. LLP, Chartered Accountants. For further details refer section titled "*Financial Information*" on page 179.

Unless stated otherwise or unless the context requires otherwise, the financial data on standalone and consolidated basis as at and for the year ended March 31, 2021, March 31, 2020 and March 31 2019 used in this Shelf Prospectus is derived from our Reformatted Ind AS Financial Information. Additionally, unless stated otherwise or unless the context requires otherwise, the financial data as at and for the quarter ended September 30, 2021 and year to date April 1, 2021 to September 30, 2021 used in this Shelf Prospectus, is derived from our Company's H1 2022 Unaudited Consolidated Financial Results.

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

Further, H1 2022 Unaudited Standalone Financial Results and H1 2022 Unaudited Consolidated Financial Results are 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 Shelf 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 Shelf Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Shelf 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 Shelf Prospectus, all references to 'Rupees'/'₹' /'INR'/ '₹' are to Indian Rupees, the official currency of the Republic of India.

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

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this 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 Shelf 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 Shelf 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 Shelf Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

General Risk

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

Specific attention of investors is invited to statement of risk factors contained under section "*Risk Factors*" on page 16. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the NCDs or Investor's decision to purchase such securities.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Shelf 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 Shelf 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 16.

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 86, 113 and 444. The forward-looking statements contained in this Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

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

SECTION II – RISK FACTORS

An investment in this type of security involves a certain degree of risk. The investor should carefully consider all the information contained in this Shelf 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 Shelf Prospectus. This Shelf 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 Shelf 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 Ind AS Financial Information and H1 2022 Unaudited Financial Results as included in this Shelf 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 since the end of March, 2020, the macroeconomic impacts became significant, exhibited by, among other things, a rise in unemployment and market volatility. While the COVID related lockdown of last year was gradually relaxed later in the year 2020, the emergence of second COVID-19 wave in the year 2021 forced state governments across India to again impose selective lockdowns since March 2021. While these lockdowns are now being gradually lifted and India has already achieved a milestone of 1 billion vaccinations to lessen the spread of the epidemic, the economic activity is still expected to take some more time before it returns to its earlier growth path.

   According to CARE report, Covid-19 adversely affected the economy of countries across the globe in the calendar year 2020 and the world economy contracted by -3.3% in CY2020 owing to the global outbreak of Covid-19. However, it is expected to grow by 6% in CY2021 and moderate to a growth rate of 4.4% in CY2022 on the back of vaccination inoculation drive and resumption of economic activities as pandemic induced restrictions are eased across the globe. Advanced economies are projected to grow by 5.6% in CY2021 after a negative growth of 4.6% in CY2020. It is expected to moderate to a growth of 4.4% in CY2022. The growth forecast for the advanced economies has been marked up by IMF from its April 2021 projections on the back of the pace of the vaccine rollouts and additional fiscal support. Emerging market and developing economies are estimated to grow by 6.3% in CY2021 after contracting by -2.1% in CY2020. It is projected to decline to 5.2% in CY2022. IMF highlighted in its report that the economic recovery is highly dependent on vaccine access across regions, hence economies will witness diverging recovery rates which may not remain steady as long as people are exposed to the virus and its emerging variants. CARE Ratings estimated India's GDP growth rate at 9.2% for the FY2022. India's growth outlook has improved significantly and the covid-19 vaccination drive will help the economic rebound. The Reserve Bank of India's ("**RBI**") Monetary Policy Committee ("**MPC**") kept the repo rate unchanged at 4% while maintaining an accommodative stance as long as necessary to mitigate the impact of the COVID-19 pandemic. The Indian central bank was widely expected to keep key interest steady amid a surge in COVID-19 cases in the country. *(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. However, the Wealth Management Business has ceased to be a subsidiary of our company with effect from March 26, 2021, further details in "*Material Development*" on page 437. 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 material adverse effect on our business, results of operations, cash flows and financial condition.

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

We have reported significant growth in our profits or loan book size the past. For instance, our consolidated profit for the year attributable to owners of the parent was ₹ 9,951.66 million for Fiscal 2019. During the same period, our credit book grew to ₹ 361,294.67 million growing at compounded annual growth rate of 25.87%. However, our consolidated (loss) for the year attributable to owners of the parent was (₹ 20,452.45) million for Fiscal 2020 as we faced the impact of downturn in economy coupled with the COVID-19 related disruptions. Our credit book has degrown during Fiscal 2020 and 2021 due to NBFC industry facing resources crunch since a credit event in September 2018 and now stands at ₹ 140,588.24 million as on March 31, 2021. At the same time, we are back on the path of profitability as our consolidated profit for the year attributable to owners of the parent was ₹ 2,653.36 million for the Fiscal 2021. While we were profitable during the Fiscal 2021 and will continue to endeavour to grow our profitability going forward, no assurance can be given that our growth will continue at a similar rate or that we will be able to manage our rapid growth. If we are unable to implement or sustain our growth strategy effectively it could adversely affect our business, results of operations, cash flows and financial condition.

Our growth strategy includes growing our asset management, asset reconstruction, wealth management, 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 retail credit, insurance, asset management and brokerage also exposes us to a wide range of increased risks, including business, regulatory, legal, fraud, compliance and reputation risks.

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

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

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

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

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

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

As a financial services firm, our businesses are materially affected by conditions in the domestic and global financial markets, as well as economic conditions in India. We provide a variety of services and products to participants in the Indian capital markets, including working capital funding and margin funding to share brokers, personal loans secured by securities, initial public offering finance for retail customers, stock exchange clearing services, and depository accounts. We also offer capital markets financing, broking services, distribution of initial public offerings, mutual funds, and investment banking services. We may add that as the Wealth Management Business has ceased to be a subsidiary of our Company with effect from March 26, 2021, further details in "*Material Development*" on page 437, and as we have recently divested 61% stake in EGIBL and balance 9% transfer is expected by March 2022 to Arthur J. Gallagher & Co., our agency revenue is likely to be lower going forward. Apart from that, if there is a prolonged or significant downturn or extreme volatility in the Indian capital markets, our revenue generated from these products and services, as well as our net investment income and fund management fees, could decrease, which would have a material adverse effect on our business, results of operations, cash flows and financial condition.

We also offer capital markets products and services to foreign institutional investors as part our Wealth Management business. 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, results of operations, cash flows and financial condition.

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 2021 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, results of operations, cash flows and financial condition.

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. 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 cyclicality 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 and the impact of the COVID-19 pandemic. Any negative trends or financial difficulties affecting our customers could increase the risk of their default. Our customers could also be adversely affected by factors such as, bankruptcy, lack of liquidity, lack of business and operational failure. If our customers fail to repay loans in a timely manner or at all, then our results of operations,

cash flows and financial condition will be adversely impacted. If we are not able to successfully manage the risks associated with lending to these customers, then it may become difficult for us to make recoveries on these loans. We may also experience higher delinquency rates due to prolonged adverse economic conditions or a sharp increase in interest rates. Any increase in delinquency rates could result in a reduction in our total interest income (i.e., our accrued interest income from loans, including any interest income from credit substitutes) and as a result, lower revenue from our operations, while increasing our costs due to increased expenses associated with the servicing and collection of delinquent loans. We may also be required to make loss provisions in respect of loans to such customers in accordance with applicable regulations and, in certain cases, may be required to write-off such loans. This is also corroborated by the fact that our loan loss provisions and write offs have been at an elevated levels during the past year or two.

We have previously faced certain instances of customers defaulting and/or failing to repay dues in connection with loans or finance provided by us. We have, in certain instances, initiated legal proceedings to recover amounts due from delinquent customers. For further details in relation to some of such litigations, see *"Outstanding Litigations"* on page 444 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 8.41%, 5.30% and 1.87% of our gross advances as at March 31 2021, 2020 and 2019, respectively. Our Net NPA were 4.46%, 4.10% and 0.83% of our gross advances as at March 31 2021, 2020 and 2019, respectively. Our Gross NPA and Net NPA of our gross advances have improved to 4.99% and 2.52%, respectively as at September 30, 2021 though there can be no assurance that the trend of improvement in the asset quality will be maintained in the future. As our loan portfolio matures, we may experience increased defaults in principal or interest repayments. If we are not able to control or reduce our level of NPA, the overall quality of our loan portfolio may deteriorate, and our results of operations may be adversely affected. Our provision coverage ratio was 49.43%, 46.92%, 22.77% and 55.66% as at September 30, 2021, March 31, 2021, 2020 and 2019, respectively. Our loan loss provisions may not be comparable to that of other similar financial institutions. There can be no assurance that there will be no further deterioration in our provisioning coverage ratio or that the percentage of NPA that we will be able to recover will be similar to our past experience in recovering our NPA. In the event of any deterioration in the quality of our loan portfolio, there could be further adverse impact on our results of operations. If we are unable to effectively perform credit appraisal, portfolio monitoring and recovery processes and the related deterioration in the credit quality of our loan portfolio, the proportion of NPA in our loan portfolio could increase, which would, in turn, have a material adverse effect on our business, results of operations, cash flows and financial condition.

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 results of operations, cash flows and financial condition.

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

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

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

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

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, cash flows and financial condition. Following the introduction of the SARFAESI Act, we are allowed to foreclose on secured property after 60 days' notice to a borrower, whose loan has been classified as non-performing. Although the enactment of the SARFAESI Act has strengthened the rights of creditors by allowing expedited enforcement of security in an event of default, there is still no assurance that we will be able to realize the full value of our collateral, due to, among other things, delays on our part in taking action to secure the property, delays in bankruptcy foreclosure proceedings, stock market downturns, defects in the perfection of collateral and fraudulent transfers by borrowers.

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

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

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 ₹ 2,272.34 million, ₹19,742.76 million and ₹40,894.77 million as at March 31, 2021, 2020 and 2019, respectively. As at March 31, 2021, 2020 and 2019 ESOP and margin funding loans as a percentage of our credit book were 1.62%, 9.40% and 11.32% 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 results of operations, cash flows and financial condition.

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 ₹ 16,661.97 million, ₹ 23,370.38 million and ₹ 45,911.14 million as at March 31, 2021, 2020 and 2019, respectively. As at March 31, 2021, 2020 and 2019, the SME & other business loans as a percentage of our credit book were 11.85%, 11.13% and 12.71%, 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 advise could have a material adverse effect on our business, results of operations, cash flows and financial condition.

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 as part of our Wealth Management business. 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	Fiscal 2021	Fiscal 2020	Fiscal 2019
ECL Finance Limited	650.69	9,464.93	13,196.23
Edelweiss Retail Finance Limited	833.85	738.03	1,705.87
Edelweiss Housing Finance Limited	1,133.83	1,461.05	2,236.23

We borrow and lend funds on both fixed and floating rates. While any reduction in interest rates at which we borrow may be passed on to our customers, we are unable to pass on any increase in interest rates to customers who have existing loans on fixed interest rates. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, and conversely, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted. Competitive pressure may also require us to reduce the interest rates at which we lend to our customers without a proportionate reduction in interest rates at which we raise funds. Our customers may also prepay their loans to take advantage of a declining interest rate environment. An increase in interest rates could result in our customers, particularly those with

variable interest rate loans, prepaying their loans if less expensive loans are available from other sources. In a declining interest rate environment, especially if the decline is sudden or sharp, we could be adversely affected by a decline in the market value of fixed income securities and this could reduce our earnings from liability management operations.

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

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 (on a consolidated basis) were ₹ 38,340.33 million, ₹ 47,930.39 million, ₹ 47,832.25 million for the Fiscals 2021, 2020 and 2019, respectively. Our business growth, liquidity and profitability depend and will continue to depend on our ability to access diversified, relatively stable and low-cost funding sources as well as our financial performance, capital adequacy levels, credit ratings and relationships with lenders. As a financial services company, we face certain additional regulatory restrictions on our ability to obtain financing. For example, recent regulatory developments have affected NBFCs' access to select funding sources and have affected costs of borrowings. NBFC industry is also facing a resources crunch after a credit event in September 2018 which has also increased the cost of borrowing for some players in the industry. Any adverse developments or changes in applicable laws and regulations, which limit our ability to raise funds through securitisation or direct assignment transactions or through private placements of non-convertible debentures can disrupt our sources of funding and as a consequence, could have a material adverse effect on our liquidity and financial condition.

Our Total Borrowings (on a consolidated basis) was ₹ 284,360.49 million as at March 31, 2021 out of which ₹ 109,772.72 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, results of operations, cash flows and financial condition 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 Shelf Prospectus, various rating agencies had rated our company's long-term credit ratings as: "Acuité AA (read as ACUITE double A) (Outlook: Negative)", "BWR AA-/Stable (BWR double A Minus)", "CARE A+ (CARE Single A Plus; Outlook: Stable)", "ICRA A+ (ICRA Single A Plus; Outlook: Negative)","CRISIL AA- (read as CRISIL double A Minus) (Outlook : Negative)" and our short term credit ratings as CRISIL A1+ and CARE A1+. The long-term and short-term rating or 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 "CRISIL AA-" for an amount of ₹ 10,000 million by CRISIL Ratings Limited vide their rating letter dated October 22, 2021 and revalidated vide letter dated November 16, 2021, and "Acuité AA" for an amount of ₹ 15,000 million, by Acuité Ratings and Research Limited vide their letter dated October 26, 2021 and revalidated vide letter dated November 17, 2021. For rating letter and rationale, including the risk and key drivers mentioned therein, please refer to "*Annexure A"* and "*Annexure B"* of this Shelf Prospectus.

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

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

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 ₹ 1,054.32 million, ₹ 1,392.36 million and ₹ 1,376.24 million for Fiscals 2021, 2020 and 2019, respectively.

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

Further, 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 ₹ 910.34 million, ₹ 940.12 million and ₹ 595.05 million, for Fiscals 2021, 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, results of operations, cash flows and financial condition.

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, results of operations, cash flows and financial condition.

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

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

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

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

of our products, thereby adversely affecting future sales of insurance policies. If we are unable to accurately price our insurance products, it may adversely affect our results of operations and financial condition.

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

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 results of operations, cash flows and financial condition.

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

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 25.29%, 21.02% and 19.27% as at March 31, 2021, 2020 and 2019 respectively, while its Tier 1 Capital as at March 31, 2021 was 13.70%.

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 March 31, 2021, March 31, 2020 and March 31, 2019 was 26.49%, 28.57% and 21.40%, respectively.

As we have an insurance business, IRDAI requires us to maintain a minimum Solvency Ratio of 150%. ETLI's Solvency Ratio – calculated on the basis of IRDAI norms applicable to insurance companies – was 215%, 232% and 229% as at March 31, 2021, March 31, 2020 and 2019, respectively. Meanwhile, EGICL's Solvency Ratio – calculated on the basis of IRDAI norms applicable to insurance companies – was 209%, 236% and 240% as at March 31, 2021, 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 results of operations, cash flows and financial condition.Any adverse revisions in the regulations governing the sale of distressed assets would have a material adverse effect on our asset reconstruction business and our results of operations, cash flows and financial condition. Further, the RBI prohibits ARCs from acquiring financial assets on a bilateral basis from a bank or financial institution, which is either a lender to the ARC or a sponsor to the fund, if any, raised by the ARC for its operations. These and other regulations may also limit the opportunities of growth for our asset reconstruction business.

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

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

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, 2021 our Total Borrowings (on a consolidated basis) were ₹ 284,360.49 million. We have in the past incurred significant indebtedness and will continue to incur additional indebtedness in the future. Certain of our financing agreements also include certain conditions and covenants that require us to maintain certain financial ratios and obtain consents from lenders prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or to obtain these consents could have significant adverse consequences on our business and operations. Under certain of our financing agreements, for example, we are required, but may be unable to obtain lender consents for, among others, the following matters:

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

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

Additionally, our Company in certain instances, has provided corporate guarantees assuring repayment of certain

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

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, 2021, our contingent liabilities not provided for, as per Ind AS 37 issued by MCA, were amounting to ₹ 1,372.67 million which included taxation matters in respect of which appeal is pending amounting to ₹ 1,174.52 million, litigation pending against group amounting to ₹ 195.61 million and claims not acknowledged as debt amounting to ₹ 2.54 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, 2021 as per Ind AS 37, see "*Financial Information*" on page 179.

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, 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, results of operations, cash flows and financial condition.

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

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

There is also the risk of our customers blaming us and terminating their accounts with us for a cyber-incident that

might have occurred on their own system or with that of an unrelated third party. Any cyber-security breach could also subject us to additional regulatory scrutiny and expose us to civil litigation and related financial liability.

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

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

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

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

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

28. Our Statutory Auditors have included an emphasis of matter in their Auditors report on our audited standalone financial statements and audited consolidated financial statements as at and for years ended March 31, 2021 and March 31, 2020 as well as in their review report on the H1 2022 Unaudited Standalone Financial Results and H1 2022 Unaudited Consolidated Financial Results.

Our Statutory Auditors, have included an emphasis of matter in their reports on our audited consolidated financial statements as at and for year ended March 31, 2021 with respect to the note included in such audited consolidated financial statements on the economic and social disruption as a result of COVID-19 pandemic of the Group's business and financial metrics including the Group's estimates of impairment of loans, financial assets, investments, investment in properties, intangible assets (including goodwill) and in case of life insurance business, estimate of claims which are highly dependent on uncertain future developments. Our Statutory Auditors have not modified their opinion in respect of this matter. For details of such note see "*Financial Information*" on page 179.

Our Statutory Auditors, have also included an emphasis of matter in their reports on our audited standalone financial statements as at and for year ended March 31, 2021 with respect to the note included in such audited standalone financial statements on the economic and social disruption as a result of COVID-19 pandemic of our Company's business and financial metrics including our Company's estimates of impairment of investments and other assets,

which are highly dependent on uncertain future developments. Our Statutory Auditors have not modified their opinion in respect of this matter. For details of such note see "*Financial Information*" on page 179.

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 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 179.

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 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 179.

Our Statutory Auditors, have included an emphasis of matter in their review reports on the unaudited consolidated financial results of the Group for the quarter ended September 30, 2021 and year to date from April 1, 2021 to September 30, 2021 with respect to the note included in such H1 2022 Unaudited Consolidated Financial with respect to the economic and social disruption as a result of continued COVID-19 pandemic on the Group's business and financial metrics including the Group's estimates of impairment of loans, financial assets, investment properties, investments, intangible assets (including goodwill) and in case of life insurance business, estimate of claims which are highly dependent 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 179.

Our Statutory Auditors, have included an emphasis of matter in their review reports on the unaudited standalone financial results of the Company for the quarter ended September 30, 2021 and year to date from April 1, 2021 to September 30, 2021 with respect to the note included in such H1 2022 Unaudited Standalone Financial with respect to the economic and social disruption as a result of continued COVID-19 pandemic on the Company's business and financial metrics including the Company's estimates of impairment of investments and other financial assets, which are highly dependent 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 179.

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

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

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

Factors such as competition, culture, regulatory regimes, business practices and customs and customer requirements in these new markets may differ from those in our current markets and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with other banks and financial institutions that already have a presence in those jurisdictions and markets. As these banks and financial institutions are more familiar with local regulations, business practices and customs, they may have developed stronger relationships with customers. Our business expansion may be exposed to various additional challenges, including obtaining the necessary governmental approvals, identifying and collaborating with local business and partners with whom we may have no previous working relationship, successfully gauging market

conditions in the local markets in which we have no previous familiarity, attracting potential customers in a market in which we do not have significant experience or visibility, being susceptible to local laws, including taxation in additional geographical areas in India and overseas adapting our marketing strategy and operations to the different regions of India in which different languages are spoken. Expansion in new markets could also lead to a change in existing risk exposures, and the data and models we use to manage such exposures may not be as sophisticated or effective as those we use in existing markets or with existing products. This, in turn, could lead to losses in excess of our expectations. If we are unable to expand our current operations it may adversely affect our business prospects, results of operations, cash flows and financial condition.

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

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

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

The RBI *vide* its Circular DBR.No.BP.BC.43/ 21.01.003/2016-17 dated December 1, 2016 and Circular DBR.No.BP.BC.31/21.01.003/2018-19 dated April 1, 2019 and circular No. DBR.No.BP.BC.43/21.01.003/2018-19 dated June 3, 2019 as amended from time to time, has amended the regulatory framework governing banks to address concerns arising from divergent regulatory requirements for banks and NBFCs. These Circulars 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, results of operations, cash flows and financial condition.

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

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

RBI had issued a Discussion Paper on January 22, 2021 proposing a revised scale-based framework for NBFCs with increasing level of supervision and regulations with the scale. Now post receipt of public comments, RBI has decided to put in place the said framework which, may require NBFCs to adopt stricter norms for conducting their business

which may affect their profitability and results of operations. The revised framework will be effective from October 1, 2022, i.e. approximately one year time period has been provided for implementing the new guidelines.

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

We are also subject to periodic inspections by RBI, NHB, SEBI, IRDAI and other regulators. In the past certain observations were made by the regulators during such inspections regarding our business and operations. These observations relate to, amongst others, financial aspects such as calculation of CRAR in our NBFC, operational aspects such as data errors and use of customer data, and governance aspects such as formulation of fit and proper criteria for appointment of directors on one of the Subsidiaries. While we generally respond to the observations issued by the regulators in the inspection reports, we cannot assure you that such responses would be found to be acceptable by the regulators in all cases. For instance, Edelweiss Rural and Corporate Services Limited has, in the past, been subject to penalties arising out of inspections carried out by the FMC and the MCX. While we attempt to be in compliance with all regulatory provisions applicable to us, in the event we are not able to comply with the observations made by the regulators, we could be subject to supervisory actions, which may have a material adverse effect on our reputation, results of operations, cash flows and financial condition. For details of outstanding proceedings in this respect, see "*Outstanding Litigations*" on page 444.

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

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

Our Company and our subsidiaries in India are subject to regulations and supervision by the RBI, NHB, SEBI, IRDAI and other regulators. In addition to the numerous conditions required for the registration with each of these regulatory bodies, we are also required to comply with certain other regulatory requirements for our business imposed by the regulators. There could be circumstances where we or our subsidiaries may be required to renew applicable permits and approvals and obtain new permits and approvals for our current and any proposed operations,

or in the event of a change in applicable law and regulations. There can be no assurance that the concerned regulators or other relevant authorities will issue any such permits or approvals in the timeframe anticipated by us, or at all. Our failure to renew, maintain or obtain the required permits or approvals may result in an interruption of our operations and may have a material adverse effect on our business, results of operations, cash flows and financial condition.

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

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

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

35. 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 and Others), *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. This was subsequently vacated pursuant to order of Supreme Court dated November 27, 2000. 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. Oct 23, 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, more so with the selective lockdowns due to emergence of the second COVID-19 wave, 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.

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

We had announced divestment of our stake in our wealth management business recently subject to regulatory approvals and entered into partnerships with the aim of growing the business by building strong capabilities with the help of partners. Wealth Management business accordingly has ceased to be our subsidiary and became our Associate with effect from March 26, 2021. We have also recently divested 61% stake in EGIBL and balance 9% transfer is expected by March 2022 to Arthur J. Gallagher & Co.. We continue to explore various fund-raising opportunities, including the option to raise capital from the strategic investor(s) and we may consider divesting certain or all of our existing investments and businesses. To this effect, subject to receipt of requisite regulatory and customary approvals and compliance with applicable law, our Board has approved a restructuring exercise involving the sale of investments by our Company (either in part or whole) in our Subsidiaries by transferring, hiving off, demerging,

selling etc., whole or part of our wealth management business, asset management business and general insurance business to any strategic investor(s)/person, at an appropriate time, including by listing the equity shares of the holding company of the respective businesses or one or more of the identified subsidiaries. Timing of outcomes and impact thereof of these initiatives cannot be predicted or assessed accurately at this juncture and our Company may have a lower stake in these businesses in the future. For details in relation to the various agreements entered into by our Company and our Subsidiaries, please refer to "*History and Main Objects-Key terms of Material Agreements and Material Contracts"* on page 138.

37. 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 and finally upto March 25, 2021 under Section 10A vide an MCA Notification.

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

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

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

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

39. 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 444.

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.

40. 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.

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

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

If we are unable to hire additional qualified personnel or to retain them, our ability to expand our business may be impaired. We will need to recruit new employees who will have to be trained and integrated within our operations.

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

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

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

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

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

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

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

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

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

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

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

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

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

45. 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.

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

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

47. 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.

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

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

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

49. 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.

50. 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.

51. Significant differences exist between IFRS 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 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, 2021, 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 H1 2022 Unaudited Financial Results of our Company for the quarter ended September 30, 2021 and year to date April 1, 2021 to September 30, 2021 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 financial statements of our Company prior to Fiscal 2019 have been prepared in accordance with the requirements of Indian GAAP. Hence, the reformatted Ind AS Standalone Financial Information, Reformatted Ind AS Consolidated Financial Information and H1 2022 Unaudited Financial Results of our Company may not be comparable with the financials of our Company for Fiscal 2018 and before.

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 consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar.

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

Our business is dependent on our Group's goodwill and the 'Edelweiss' brand name. Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent in our business. The reputation of the financial services industry in general has been closely monitored as a result of the global financial crisis and other

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

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

We have entered into related party transactions. For more details, see "*Related Party Transactions*" on page 163. While we believe that all related party transactions entered into in the past are conducted on an arm's length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Further, our Company may continue to enter into related party transactions in the future, which may involve conflicts of interest.

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

We have not independently verified data obtained from industry publications and other external sources referred to herein and therefore, while we believe them to be accurate, complete and reliable, we cannot assure you that they are accurate, complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. Therefore, discussions of matters relating to India, its economy, the financial services industry and the life and general insurance industry are subject to the caveat that the statistical and other data upon which such discussions are based may be inaccurate, incomplete or unreliable. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. The data and other information sourced from the CARE Research Report is subject to CARE Research's disclaimer set forth in "*Industry Overview*" on page 86. 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 86.

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

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

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

As part of our ordinary decision making process, we rely on various models for risk and data analysis. These models include credit scoring models used for approving retail loans. These models are based on historical data and supplemented with managerial input and comments. There are no assurances that these models and the data they analyse

are accurate or adequate to guide our strategic and operational decisions and protect us from risks. Any misspecification, deficiencies or inaccuracies in the models or the data might have a material adverse effect on our business, results of operations, cash flows and financial condition.

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

We 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 as certain of our employees. Intermediaries aid the customer in choosing the correct product by advising on appropriate benefits and affordable premiums, disclosing product features and advising on whether to continue with a particular product or switch products.

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

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

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

Cases of mis-selling, or recurring cases of mis-selling, which are sub-judice or initiated against us, could result in substantial claims and fines. We establish reserves for legal claims when payments associated with claims become probable and the costs can be reasonably estimated. We may still incur legal costs for a matter even if we have not established a reserve. In addition, the actual cost of resolving a suit, proceeding or a legal claim may be substantially higher than any amounts reserved for that matter. The final outcome of any pending or future legal proceeding, depending on the remedy sought and granted, could materially adversely affect our results of operations, cash flows and financial condition. For more details see "*Outstanding Litigations*" on page 444.

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

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

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

As of September 30, 2021, we employed approximately 5,685 full-time employees on a consolidated basis excluding wealth and insurance broking businesses. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business, results of operations, cash flows and financial condition.

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

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

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

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

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

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

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

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

The size of our loans portfolios is dependent upon the demand for loans in India, which is inversely related to the general income level of our customers. A rise in the general income level in India could make our loans unattractive to some customers due to their having increased disposable income, making them less reliant on loans. Such a shift

in income levels could lower our interest income, which could in turn adversely affect our business, financial condition, cash flows and results of operations.

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

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

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

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

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

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

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

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

67. This Shelf 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 Shelf Prospectus includes the H1 2022 Unaudited Financial Results in respect of which the Auditors have issued their review report dated October 28, 2021. For further details in relation to H1 2022 Unaudited Financial Results, see the chapter titled "*Financial Information*" beginning on page 179. 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 Shelf 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 COVID-19 outbreak across the world has for past 18 months adversely affected the world economy including India. However in recent times the industry is showing signs of revival signaling a slow but steady return of growth of economy.

The Indian economy was impacted by this pandemic and the resultant lockdown, due to the contraction in industrial and services output across small and large businesses. The impact of the COVID-19 pandemic, on Company's results, including credit quality and provisions, gain/loss on fair value changes, investment, remains uncertain and dependent on actual visibility of growth over coming quarters and steps taken by the government, RBI and other regulators to mitigate the economic impact and foster speedier growth.

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 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.

As of the date of this Shelf 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. Our 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's 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, intangible assets (including goodwill), investments and in case of life insurance business, estimate of claims, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports. Since the situation continue to evolve, its effect on the operations of the Company may be different from that estimated. 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, results of operations, cash flows and financial condition.

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

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

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

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

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

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

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

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

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

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

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

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

polices and taken initiatives that support continued economic liberalization.

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

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

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

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

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

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

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

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

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

Risks relating to the Issue and NCDs.

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

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

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

Sale of NCDs by any holder may give rise to tax liability, as discussed in section entitled "*Statement of Possible Tax Benefits*" on page 73.

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 485. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. The utilization details of the proceeds of the Issue shall be adequately disclosed as per applicable law. Further, as per the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

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

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to the Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will

require all relevant documents to be submitted and carrying out of necessary procedures with the Stock Exchange. There could be a failure or delay in listing the NCDs on the Stock Exchange for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchange, our Company will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Shelf 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 113.

Registration:

CIN: L99999MH1995PLC094641
LEI: 335800GA1YN8NAGS8V55

Permanent Account Number: AAACE1461E

Registered Office:

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

For further details regarding changes to our Registered Office, see "*History and Main Objects*" beginning on page 137.

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
Fax: +91 22 4086 3610
Email: efslncd@edelweissfin.com

Company Secretary and Compliance Officer:

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

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

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

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

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

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

Lead Manager

Equirus Capital Private Limited
12th Floor, C Wing, Marathon Futurex
N.M. Joshi Marg, Lower Parel, Mumbai 400 013
Tel: +91 22 4332 0700
Fax: +91 22 4332 0750
Email: efsl.ncd@equirus.com
Investor Grievance Email: investorsgrievance@equirus.com
Website: www.equirus.com
Contact person: Ankit Jain
Compliance Officer: Parth Pankhaniya
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 2655 8759
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 8 of SEBI NCS Regulations, by its letter dated November 15, 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 Shelf 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 485.

For details on the terms of the Debenture Trust Deed see, "*Issue Related Information*" beginning on page 485.

Consortium member/Lead Brokers to the Issue

As specificed in the relevant Tranche Prospectus.

Public Issue Account Bank, Sponsor Bank and Refund Bank:

As specificed in the relevant Tranche Prospectus.

Registrar to the Issue

KFIN Technologies Private Limited

KFINTECH

Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad 500 032
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
Email: efsl2.ncdipo@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration Number: INR000000221
CIN: U72400TG2017PTC117649

KFIN Technologies Private Limited, has by its letter dated October 19, 2021, given its consent for its appointment as Registrar to the Issue and for its name to be included in this Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to the Issue.

Statutory Auditors

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

S. R. Batliboi & Co. LLP. has been the statutory auditors of our Company since July 26, 2018.

Credit Rating Agency

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

CRISIL Ratings Limited
CRISIL House,
Central Avenue,
Hiranandani Business Park,
Powai, Mumbai 400076
Tel: + 91 22 3342 3000
Email: crisilratingdesk@crisil.com
Website: www.crisil.com
Contact Person: Krishna Sitaraman
SEBI Registration No: IN/CRA/008/15

Credit Rating and Rationale

The NCDs proposed to be issued under the Issue have been rated "CRISIL AA-/Negative (pronounced as CRISIL double A minus rating with Negative outlook)" for an amount of ₹ 10,000 million by CRISIL vide their rating letter dated October 22, 2021 and revalidated vide letter dated November 16, 2021, and "ACUITE AA" for an amount of ₹ 15,000 million, by Acuite vide their letter dated October 20, 2021 and revalidated vide letter dated November 17, 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 Shelf Prospectus for the rationale of the above ratings.

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Disclaimer clause of CRISIL

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Legal Counsel to the Issue

Khaitan & Co
One World Centre
13th& 10th Floor, Tower 1C,
Senapati Bapat Marg,
Mumbai 400 013
Maharashtra, India
Tel: +91 22 6636 5000

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.

Guarantor to the Issue

There are no guarantors to the Issue.

Minimum subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to 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 or such time as may be specified by SEBI provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 Working Days from 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 490.

Issue Programme*

ISSUE OPENS ON	As specified in the relevant Tranche Prospectus
ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus
PAY IN DATE	Application Date. The entire Application Amount is payable on Application
DEEMED DATE OF ALLOTMENT	The date on which the Board or the Debenture Fund Raising Committee approves the Allotment of the NCDs for each Tranche Issue 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. 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 (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to NCD Holders from the Deemed Date of Allotment.

**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 September 30, 2021 is set forth below:

Share Capital	(in ₹)
AUTHORISED SHARE CAPITAL	
12,300,00,000 Equity Shares of ₹ 1 each	1,230,000,000
4,000,000 Preference Shares of ₹ 5 each	20,000,000
Total Authorised Share Capital	**1,250,000,000**
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
937,602,552 Equity Shares of ₹ 1 each fully paid up	937,602,552

Note: *Securities Premium account as of September 30, 2021 was ₹ 30,338.55 million.*
Note: *There will be no change in the capital structure and securities premium account due to the issue and allotment of the NCDs.*

Details of change in authorised share capital of our company as on September 30, 2021, for last three years:
There have been no changes in authorized share capital of our Company in the last three years preceding September 30, 2021.

Issue of Equity Shares for consideration other than cash

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

Changes in the Equity Share capital of our Company in the three years preceding September 30, 2021:

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 ₹)
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
		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

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 ₹)
		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
		3,000		59.05		93,20,56,989	93,20,56,989	31,23,13,54,606.45
February 15, 2019	Allotment pursuant to ESOP scheme	56,500	1	30.00	Cash	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 ESOP scheme	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
		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

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 ₹)
		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
		22,250		59.05		93,40,40,627	93,40,40,627	31,32,26,34,255.75
December 17, 2019	Allotment pursuant to ESOP scheme	25,000	1	30.00	Cash	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
		31,250		70.05		93,42,28,402	93,42,28,402	31,33,10,83,357.00
January 17, 2020	Allotment pursuant to ESOP scheme	5,000	1	30.45	Cash	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
		1,250		59.05		93,42,44,702	93,42,44,702	31,33,17,54,474.50

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 ₹)
		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
January 12, 2021	Allotment pursuant to ESOP scheme	50,000	1	30.00	Cash	93,50,44,652	93,50,44,652	31,36,10,43,362.00
		3,025		30.45		93,50,47,677	93,50,47,677	31,36,11,32,448.00
		4,475		34.60		93,50,52,152	93,50,52,152	31,36,12,82,808.00
		1,375		57.10		93,50,53,527	93,50,53,527	31,36,13,59,946.00
January 22, 2021	Allotment pursuant to ESOP scheme	2,750	1	30.45	Cash	93,50,56,277	93,50,56,277	31,36,14,40,933.50
		2,250		34.60		93,50,58,527	93,50,58,527	31,36,15,16,533.50
		6,250		57.10		93,50,64,777	93,50,64,777	31,36,18,67,158.50
		2,000		59.05		93,50,66,777	93,50,66,777	31,36,19,83,258.50
		3,750	1	30.00	Cash	93,50,70,527	93,50,70,527	31,36,20,92,008.50

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 ₹)
February 8, 2021	Allotment pursuant to ESOP scheme	2,750		30.45		93,50,73,277	93,50,73,277	31,36,21,72,996.00
		2,250		34.60		93,50,75,527	93,50,75,527	31,36,22,48,596.00
		50,000		51.60		93,51,25,527	93,51,25,527	31,36,47,78,596.00
		7,050		57.10		93,51,32,577	93,51,32,577	31,36,51,74,101.00
		9,250		59.05		93,51,41,827	93,51,41,827	31,36,57,11,063.50
March 16, 2021	Allotment pursuant to ESOP scheme	1,94,700	1	30.00	Cash	93,53,36,527	93,53,36,527	31,37,13,57,363.50
		3,98,600		30.45		93,57,35,127	93,57,35,127	31,38,30,96,133.50
		10,450		34.60		93,57,45,577	93,57,45,577	31,38,34,47,253.50
		5,000		37.30		93,57,50,577	93,57,50,577	31,38,36,28,753.50
		33,750		57.10		93,57,84,327	93,57,84,327	31,38,55,22,128.50
		13,750		59.05		93,57,98,077	93,57,98,077	31,38,63,20,316.00
May 4, 2021	Allotment pursuant to ESOP scheme	42,750	1	30.00	Cash	93,58,40,827	93,58,40,827	31,38,75,60,066.00
		1,62,000		30.45		93,60,02,827	93,60,02,827	31,39,23,30,966.00
		4,04,750		34.60		93,64,07,577	93,64,07,577	31,40,59,30,566.00
		28,125		57.10		93,64,35,702	93,64,35,702	31,40,75,08,378.50
		35,000		59.05		93,64,70,702	93,64,70,702	31,40,95,40,128.50
May 19, 2021	Allotment pursuant to ESOP scheme	11,925	1	57.10	Cash	93,64,82,627	93,64,82,627	31,41,02,09,121.00
June 21, 2021	Allotment pursuant to ESOP scheme	29,300	1	34.60	Cash	93,65,11,927	93,65,11,927	31,41,11,93,601.00
		23,750		57.10		93,65,35,677	93,65,35,677	31,41,25,25,976.00
		11,875		59.05		93,65,47,552	93,65,47,552	31,41,32,15,319.75
July 15, 2021	Allotment pursuant to ESOP scheme	11,875	1	30.00	Cash	93,65,59,427	93,65,59,427	31,41,35,59,694.75
		51,775	-	30.45		93,66,11,202	93,66,11,202	31,41,50,84,468.50
		48,525	-	34.60		93,66,59,727	93,66,59,727	31,41,67,14,908.50
		23,750	-	57.10		93,66,83,477	93,66,83,477	31,41,80,47,283.50
		21,625	-	59.05		93,67,05,102	93,67,05,102	31,41,93,02,614.75
August 16, 2021	Allotment pursuant to ESOP scheme	7,500	1	30.00	Cash	93,67,12,602	93,67,12,602	31,41,95,20,114.75
		7,575	-	30.45		93,67,20,177	93,67,20,177	31,41,97,43,198.50
		600	-	34.60		93,67,20,777	93,67,20,777	31,41,97,63,358.50
		2,500	-	55.10		93,67,23,277	93,67,23,277	31,41,98,98,608.50
		62,750	-	57.10		93,67,86,027	93,67,86,027	31,42,34,18,883.50
		59,500	-	59.05		93,68,45,527	93,68,45,527	31,42,68,72,858.50
September 16, 2021	Allotment pursuant to ESOP scheme	87,500	1	30.00	Cash	93,69,33,027	93,69,33,027	31,42,94,10,358.50
		1,94,500		30.45		93,71,27,527	93,71,27,527	31,43,51,38,383.50
		1,80,025		34.60		93,73,07,552	93,73,07,552	31,44,11,87,223.50
		11,250		55.10		93,73,18,802	93,73,18,802	31,44,17,95,848.50
		1,72,500		57.10		93,74,91,302	93,74,91,302	31,45,14,73,098.50
		1,11,250		59.05		93,76,02,552	93,76,02,552	31,45,79,31,161.00

Shareholding pattern of our Company on September 30, 2021

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)	No. of Locked in shares		No. of Shares pledged or otherwise encumbered		No. 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	307,684,490	-	-	307,684,490	32.8161%	307,684,490	-	307,684,490	32.8161%	-	32.8161%	-	-	-	-	307,684,490
(B)	Public	220,857	585,021,282	-	-	585,021,282	62.3954%	585,021,282	-	585,021,282	62.3954%	-	62.3954%	-	-	-	-	584,440,172
(C)	Non Promoter - Non Public	2	44,896,780	-	-	44,896,780	4.7885%	44,896,780	-	44,896,780	4.7885%	-	4.7885%	-	-	-	-	44,896,780
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares Held By Employee Trust	2	44,896,780	-	-	44,896,780	4.7885%	44,896,780	-	44,896,780	4.7885%	-	4.7885%	-	-	-	-	44,896,780
	Total	220,872	937,602,552	-	-	937,602,552	100.00%	937,602,552	-	937,602,552	100.00%	-	100.00%	-	-	-	-	937,021,442

List of top 10 holders of Equity Shares of our Company as on September 30, 2021:

Sr. No.	Name of the Shareholder	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares
1.	Rashesh Chandrakant Shah	145,601,730	145,601,730	15.53
2.	Venkatchalam A Ramaswamy	58,126,560	58,126,560	6.20
3.	BIH Sa	48,257,748	48,257,748	5.15
4.	M/s. Shah Family Discretionary Trust (Mabella Trustee Services Private Limited)	38,750,000	38,750,000	4.13
5.	Baron Emerging Markets Fund	38,114,302	38,114,302	4.07
6.	Edelweiss Employees Welfare Trust	37,595,270	37,595,270	4.01
7.	Vidya Rashesh Shah	31,031,200	31,031,200	3.31
8.	The Pabrai Investment Fund IV, lp	26,140,000	26,140,000	2.79
9.	Life Insurance Corporation of India	24,282,094	24,282,094	2.59
10.	College Retirement Equities Fund - Stock Account	24,027,505	24,027,505	2.56

List of top 10 holders of non-convertible securities as on September 30, 2021 (on cumulative basis):

(₹ in million)

S. No.	Name	Amount	% of total non-convertible securities outstanding
1.	Burlington Loan Management Designated Activity Company	3,412.50	25.67
2.	Agnus Ventures LLP	347.50	2.61
3.	Ashutosh Vinayak Joshi	250.00	1.88
4.	Naresh Bhavanji Shah	200.00	1.50
5.	Edelweiss Finance and Investments Limited	128.94	0.97
6.	Balanadu Narayan	105.00	0.79
7.	Vrindavan Finvest Private Ltd	100.00	0.75
8.	Edelweiss Gi Investment Assets	100.00	0.75
9.	Siddhartha Roy Burman	80.00	0.60
10.	Vinod Bhavanji Chheda	60.00	0.45

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 Shelf 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 Shelf Prospectus.

Sr. No.	Name of the person	Date of purchase/ transfer	Whether purchase/ transfer	Number of Equity Shares
1	Shabnam Panjwani	May 4, 2021	Purchase (ESOP)	187,500
2	Himanshu Kaji	August 10, 2021	Sale	500,000
3	Himanshu Kaji	August 11, 2021	Sale	823,652
4	Himanshu Kaji	August 12, 2021	Sale	540,348
5	Himanshu Kaji	August 13, 2021	Sale	500,000
6	Rujan Panjwani	August 17, 2021	Sale	300,000
7	Rujan Panjwani	August 20, 2021	Sale	350,000
8	Rujan Panjwani	September 16, 2021	Purchase (ESOP)	650,000
9	Himanshu Kaji	November 25, 2021	Purchase (ESOP)	1,487,500

Statement of capitalization (Debt to Equity Ratio) of our Company as on September 30, 2021 on a consolidated basis:

(₹ in million)

Particulars	Pre issue as at September 30, 2021	Post issue*
Borrowing/ Debt		
Debt securities	165,004.30	175,004.30
Borrowings (other than debt securities)	76,811.00	76,811.00
Deposits	15.20	15.20
Subordinated Liabilities	15,391.90	15,391.90

(₹ in million)

Particulars	Pre issue as at September 30, 2021	Post issue*
Total Borrowing/ Total Debt (A)	**257,222.40**	**267,222.40**
Equity		
Equity Share Capital	892.70	892.70
Other Equity	65,299.10	65,299.10
Non-Controlling Interest	11,802.30	11,802.30
Total Equity (B)	**77,994.10**	**77,994.10**
Debt/Equity (A/B)	**3.30**	**3.43**

**The debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹10,000 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, 2021 on a standalone basis:

(₹ in million)

Particulars	Pre issue as at September 30, 2021	Post issue*
Borrowing/ Debt		
Debt Securities	13,533.75	23,533.75
Borrowings (Other than Debt Securities)	0	0
Total Borrowing/ Total Debt (A)	**13,533.75**	**23,533.75**
Equity		
Equity Share Capital	892.71	892.71
Other Equity	42,520.67	42,520.67
Total Equity (B)	**43,413.38**	**43,413.38**
Debt / Equity (A/ B)	**0.31**	**0.54**

**The debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹10,000 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 32 Subsidiaries as on September 30, 2021. Except the shares held in our Subsidiaries as nominee of our Company, our Promoters do not hold any equity shares in our Subsidiaries, as on September 30, 2021.

Shareholding of Directors in our Company

The shareholding of the Directors in our Company as on the date of this Shelf Prospectus 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	2,975,000
4.	Rujan Panjwani	11,951,380
5.	Vidya Shah	31,031,200
6.	P. N. Venkatachalam	270,000
7.	Navtej S. Nandra	7,974,180
8.	Kunnasagaran Chinniah	200,000

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

Except the shares held in our Subsidiaries, Associates and JVs as nominee of our Company, our Directors do not hold any equity shares in our Subsidiaries, Associate and Joint Ventures, as on September 30, 2021.

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 Shelf 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 Shelf Prospectus. However, the Board of Directors at their meeting held on August 27, 2020 has *inter alia* accorded its in-principle approval, subject to receipt of appropriate regulatory and other customary approvals, to explore various

alternatives to transfer, hive off, demerge, sell etc., whole or part of the asset management business of the group ("EAM") comprising of asset reconstruction, PMS, AIF and mutual fund businesses, carried on by various subsidiaries, to a strategic investor at an appropriate time, including evaluating the option to list the equity shares of EAM holding company or one or more of its identified subsidiaries on the stock exchanges.

The following reorganization is envisaged (in a phased manner and in compliance with applicable laws):

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

2. Application submitted to NCLT for 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.

3. Application submitted to NCLT for 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.

4. 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.

Employee Stock Option Scheme

The details of our ESOP Schemes in force as on the date of this Shelf 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 ₹ 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 September 30, 2021:

Sr. No.	Particulars	Number of Equity Shares
1	Stock options granted	19,956,300
2	Stock options vested	Nil
3	Stock options exercised	1,12,24,750
4	Total number of shares arising out of exercise of Stock options	1,12,24,750
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 September 30, 2021:

Sr. 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 September 30, 2021:

Sr. No.	Particulars	Number of Equity Shares
1	Stock options granted	124,923,723
2	Stock options vested	12,357,913
3	Stock options exercised	95,412,408
4	Total number of shares arising out of exercise of Stock options	95,412,408
5	Stock options lapsed	9,440,164
6	Exercise price (In ₹)	Between 24.6 – 314.40

Edelweiss Employee Stock Appreciation Rights Plan 2019:

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

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

Please refer below for the details of SAR 2019 as on September 30, 2021:

Sr. No.	Particulars	Number of Equity Shares
1	Stock options granted	18,050,500
2	Stock options vested	41,250
3	Stock options exercised	12,512,000
4	Total number of shares arising out of exercise of Stock options	12,512,000
5	Stock options lapsed	3,049,200
6	Exercise price (In ₹)	Between 61 – 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., ₹ 1 per Equity Share granted.

OBJECTS OF THE ISSUE

Issue Proceeds

Our Company has filed this Shelf Prospectus for a public issue of secured, redeemable, NCDs for an amount aggregating up to ₹10,000 million (the "**Shelf Limit**"). The NCDs will be issued in one or more tranches up to the Shelf Limit, on the terms and conditions as set out in the relevant Tranche Prospectus for anyTranche Issue, which should read together with this Shelf Prospectus.

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

Particulars	Estimated amount (₹ in million)
Gross proceeds of the Issue	As per relevant Tranche Prospectus(es)
Less: Issue related expenses*	As per relevant Tranche Prospectus(es)
Net proceeds	As per relevant Tranche Prospectus(es)

**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:

Sr. 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 NCS Regulations.

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

Purpose for which there is a requirement of funds

As stated in this section.

Funding Plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Monitoring of utilization of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee of our Company shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from Fiscal 2022, 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 NCS 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.

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

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 for this Issue include, inter alia, lead management fees and selling commission to the Lead Manager, Lead Broker(s) and intermediaries as provided for in the SEBI Operational Circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue. The Issue expenses and listing fees will be paid by our Company.

The estimated Issue expenses for each Tranche Prospectus shall be specified in respective Tranche Prospectus.

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 Shelf 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 Shelf 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 secured redeemable non-convertible debentures of face value of Rs. 1,000/- each (the "Debentures" or the "NCDs") (hereinafter referred to as the "Issue")

1. We hereby confirm that the enclosed Annexure, prepared by Edelweiss Financial Services Limited ('the Company'), provides the possible tax benefits available to the 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 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

per Shrawan Jalan
Partner
Membership No. 102102
Place of Signature: Mumbai
Date: November 15, 2021

Annexure

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

The Annexure is based on the provisions of the Income-tax Act, 1961 (IT Act) as on date, taking into account the amendments made by the Finance Act, 2021 (FA 2021).

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 return 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.

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' has 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 immoveable 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 lakhs[1]. 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.

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.

[1] 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 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 information[2] 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***

[2] - 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.

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	➢ Interest paid to residents other than insurance companies will be subject to withholding tax as per section 193 of the IT Act at the rate of 10 per cent. ➢ No tax is required to be deducted on interest paid to an individual or a HUF, in respect of debentures issued by a company in which the public is substantially interested if; • the amount of interest paid to such person in a financial year does not exceed INR 5,000; and • such interest is paid by an account payee cheque ➢ Further, no tax is required to be deducted on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder.
2	Withholding tax rate on interest on NCD issued to Foreign Portfolio Investor (FPI)	➢ 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. 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. ➢ 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.
3	Withholding tax rate on interest on NCD issued to non-residents other than FPIs	➢ 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. 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. ➢ 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.
4	Withholding tax rate on purchase of 'goods'	➢ As per section 194Q of the IT Act, any sum payable by a 'buyer' to a resident for purchase of 'goods' of the value exceeding INR 50 Lakhs shall be liable to withholding at the rate of 0.1 percent.

Sr. No	Scenarios	Provisions
		➢ Buyer means a person whose total sales, turnover or gross receipts from the business carried on by him exceeds INR 10 crores in the financial year immediately preceeding the financial year in which the purchase is carried out. ➢ TDS shall not be applicable where; a. Tax is deductible under any of the provisions of the IT Act; or b. Tax is collectible under the provisions of section 206C of the IT Act other than a transaction to which section 206C(1H) of the IT Act applies ➢ The CBDT has issued Circular No 13 of 2021 dated 30 June 2021 laying down guidelines under section 194Q of the Act. It *inter alia* provides that TDS under section 194Q of the Act shall not apply to transaction in securities and commodities which are traded through recognised stock exchanges or cleared and settled by the recognised clearing corporation (including exchanges or corporation located in IFSC). ➢ Given that the Circular does not provide clarity in respect of shares/ securities traded off-market, it is advisable that the investors obtain specific advice from their tax advisors regarding the same.

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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 assessees 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	- 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
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	- 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	- 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	- 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 assessees 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 availing benefit under section 115BAA and section 115BAB of the IT Act)	Nil where taxable income does not exceed Rs 1 crore
	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

1.1 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.

1.2 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 a pooled investment vehicle 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 infrastructure debt 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 infrastructure debt 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 XVIIB 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.
- Further, as per section 206AB of the IT Act, with effect from 1 July 2021, payments made to specified persons will be subject to TDS at rate which is 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 of the IT Act 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 is 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 2022-23 pursuant to the Financial year 2021-22.
- 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"* dated October 22, 2021 *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 Shelf 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 16 and 113.

Global Economy

The world economy contracted by -3.3% in CY2020 owing to the global outbreak of Covid-19. However, it is expected to grow by 6% in CY2021 and moderate to a growth rate of 4.4% in CY2022 on the back of vaccination inoculation drive and resumption of economic activities as pandemic induced restrictions are eased across the globe.

Summary of World Economic Outlook Projections is given below (in %):

Country/Group	2020	2021E	2022E
World Output	–3.2	6.0	4.9
Advanced Economies	–4.6	5.6	4.4
United States	–3.5	7.0	4.9
Euro Area	–6.5	4.6	4.3
Japan	–4.7	2.8	3.0
United Kingdom	–9.8	7.0	4.8
Canada	–5.3	6.3	4.5
Remaining Advanced Economies	–2.0	4.9	3.6
Developing Economies	–2.1	6.3	5.2
Emerging and Developing Asia	–0.9	7.5	6.4
China	2.3	8.1	5.7
India*	–7.3	9.5	8.5
ASEAN**	–3.4	4.3	6.3
Emerging and Developing Europe	–2.0	4.9	3.6
Latin America and the Caribbean	–7.0	5.8	3.2
Middle East and Central Asia	–2.6	4.0	3.7
Sub-Saharan Africa	–1.8	3.4	4.1

1 Note: E- Expected
*2*For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.*
***Includes Indonesia, Malaysia, Philippines, Thailand and Vietnam*
(Source: World Economic Outlook July 2021 as published by IMF)

Advanced economies are projected to grow by 5.6% in CY2021 after a negative growth of 4.6% in CY2020. It is expected to moderate to a growth of 4.4% in CY2022. The growth forecast for the advanced economies has been marked up by IMF from its April 2021 projections on the back of the pace of the vaccine rollouts and additional fiscal support. Amongst the advanced economies, United States is projected to grow by 7% in CY21 and moderate to a growth of 4.9% in CY2022. Meanwhile, the projections for Japan has been downgraded due to strict restrictions in first half of CY2021 and is expected to see stronger recovery in the second half of CY2021.

Emerging market and developing economies are estimated to grow by 6.3% in CY2021 after contracting by -2.1% in CY2020. It is projected to decline to 5.2% in CY2022.The projections for emerging market and developing economies were downgraded by IMF from its April 2021 estimates primarily due to markdowns carried out in the emerging Asian economies group. Within this group, India was marked down on account surge in Covid-19 cases during March-May 2021. Similarly, the ASEAN-5 group is also witnessing rise in cases which is in turn impacting the pace of economic recovery. China's forecast was downgraded too due to scaling back of overall government support. Meanwhile, growth projections for other regions in general in the emerging market and developing economies have been marked up depending on the vaccine rollouts and government policy support which in turn has led to stronger than expected recovery in Q1CY2021.

IMF highlighted in its report that the economic recovery is highly dependent on vaccine access across regions, hence economies will witness diverging recovery rates which may not remain steady as long as people are exposed to the virus and its emerging variants. Close to 40% of the population is vaccinated in the advanced economies while only around 10% of the population is vaccinated in the emerging market and developing economies and only a tiny proportion of population is vaccinated in low income group. Hence, the economic growth projections are dependent on several factors such as access to vaccine, pace of its rollout, its ability to fight emerging variants of the virus and the fiscal and monetary support provided by the governments.

Indian Economy outlook

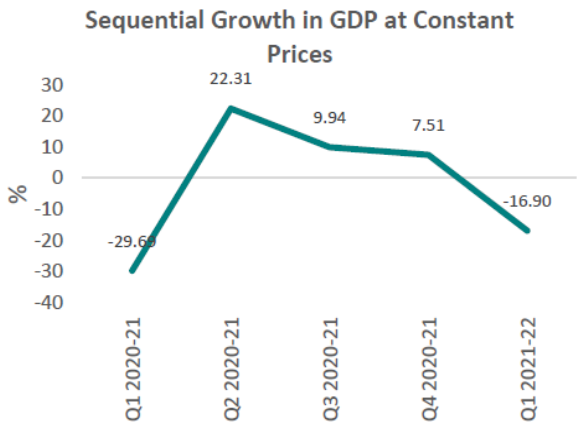
The Indian economy has registered high growth in Q1 FY22 from that in Q1 FY21. This however is a statistical phenomenon owing to the record low reading of year ago and is not reflective of the weakness in the domestic economy.

The second wave of the pandemic has indeed been a setback to the nascent recovery of the domestic economy that was underway during the three quarters to Q4 FY21. The re-imposition of the restrictions/lockdowns, which were localised in many regions since the start of the current financial year has impacted economic output in Q1 FY22. This brings into question the optimism that the localised and targeted confinement measures tend to have a less severe impact on the economy and that businesses and households have adapted to restrictions.

The country's economy continues to be stressed and the level of economic activity is significantly lower than the pre-pandemic period i.e., Q1 FY20. Even though, the Q1 FY22 GDP on a year-on-year basis grew by 20.1%, on a sequential (quarter-on-quarter) basis the domestic economy contracted by 16.9% during the quarter following three quarters of positive growth i.e., Q2 FY21-Q4 FY21. When compared with the pre-pandemic period i.e., Q1 FY20, the GDP growth rate in Q1 FY22 is negative 9.2%. CARE Ratings Economics Research had estimated the country's economy to grow by 13.1% in Q1 FY22 (year-on-year).

Quarterly GDP Growth at Constant Prices: Y-o-Y (%)				
	Q1 FY20	Q1 FY21	Q1 FY22	Q1 FY22 over Q1 FY20
Real GDP	5.2	-24.4	20.1	-9.2
Nominal GDP	8.1	-22.6	31.7	4.2

Source: MOSPI



Growth in GDP
(Source: MOSPI, CARE Ratings Economics Research report)

CARE Ratings estimated India's GDP growth rate at 9.2% for the FY2022. India's growth outlook has improved significantly and the covid-19 vaccination drive will help the economic rebound. The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) kept the repo rate unchanged at 4% while maintaining an accommodative stance as

long as necessary to mitigate the impact of the COVID-19 pandemic. The Indian central bank was widely expected to keep key interest steady amid a surge in COVID-19 cases in the country.

The recent surge in covid-19 cases has caused lockdown and curfew in many states resulting in a dip in consumer confidence and reignited uncertainty regarding the near-term outlook. Second wave of Covid-19 infections and subsequent lockdowns are derailing economic momentum, RBI interventions will help maintain adequate liquidity as well as prevent hardening of yields in bond market. These measures will ensure economic stability.

Government has declared that vaccine will be given to every adult citizen (above 18 years) which may help to reduce the transmission of Covid-19 in the near future. The world's largest vaccine maker, Serum Institute of India (SII), has sought Rs.30 billion grant from the government to ramp up capacity of the Covishield Covid-19 vaccine beyond 100 million doses a month that the institute is expected to reach by the end of May 2021.

In the 2021-22 Union Budget, for FY22 capital expenditure is likely to increase by 34.5% at US$ 76 billion over FY21 to boost the economy.
Governments Increased expenditure is expected to attract private investments, providing excellent opportunities with production-linked incentive scheme. Consistently policy support is anticipated to boost the Indian economy.

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

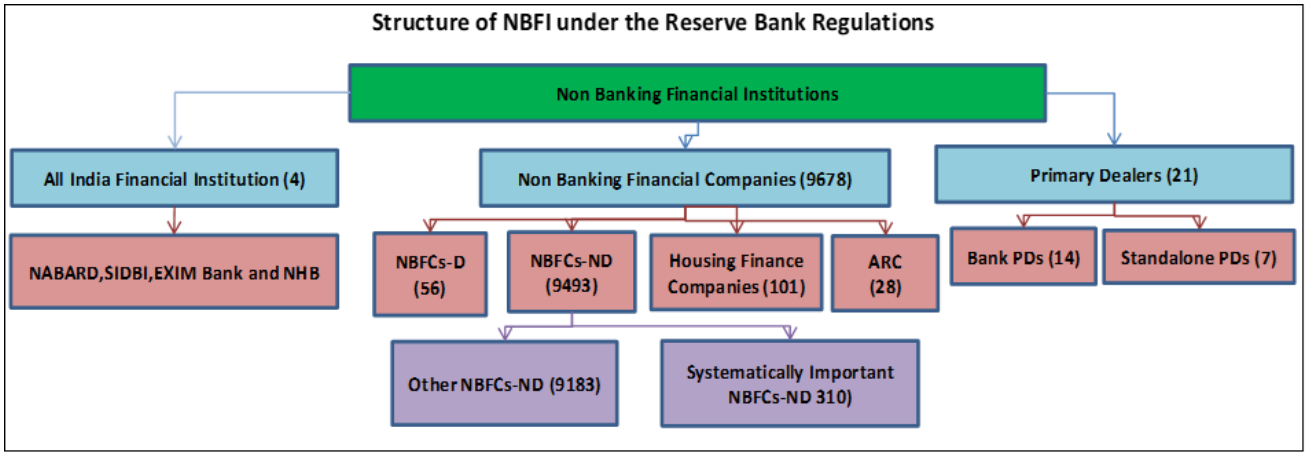
- Agriculture and rural development;
- Trade;
- Small industries; and
- Housing.

During 2019-20, non-banking finance companies (NBFCs) faced headwinds in the aftermath of the IL&FS episode1 in the form of an erosion of confidence, rating downgrades and liquidity stress all of which became exacerbated by the COVID-19 pandemic. However, in H1:2020- 21 NBFC sector rebounded. Non-banking financial institutions (NBFIs) play an important role in facilitating credit intermediation in India as an alternative to bank financing, in addition to niche financing and last mile outreach. NBFIs regulated by the Reserve Bank2 comprise nonbanking financial companies (NBFCs), housing finance companies (HFCs), all-India financial institutions (AIFIs), and primary dealers (PDs). AIFIs, i.e., the National Bank for Agriculture and Rural Development (NABARD), the EXIM Bank of India, the Small Industries Development Bank of India (SIDBI) and the National Housing Bank (NHB) are apex financial institutions that play an important role in meeting the long-term funding requirements of agriculture and the rural sector, foreign trade, small industries, HFCs, NBFCs, Micro Finance Institutions (MFIs) and other specialised segments and institutions. NBFCs are government/public/private limited companies that play an important role in credit delivery and financial intermediation. They specialise in delivering credit to a wide variety of specific segments, ranging from infrastructure to consumer durables and vehicle financing. HFCs extend housing finance to individuals, co-operative societies, corporate bodies and lease commercial and residential premises to support housing activity in the country (Chart VI.1). PDs came into existence in 1995 and act as market makers in the government securities (G-secs) market, besides ensuring subscription to primary issuances.

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

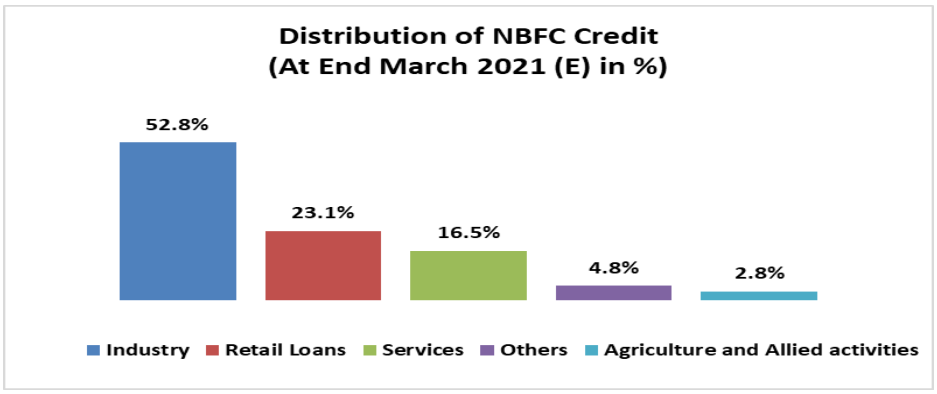
NBFCs can be classified on the basis of a) their asset/liability structures; b) their systemic importance; and c) the activities they undertake. In terms of liability structures, NBFCs are subdivided into deposit-taking NBFCs (NBFCs-D) - which accept and hold public deposits - and non-deposit taking 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 May 2021, there were 56 NBFCs-D and 310 NBFCs ND-SI as compared to 64 and 292, respectively at the end of July 2020.

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

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. In line with the overall credit deceleration, there was sharp reduction in credit growth to all sectors, barring retail. Credit to agriculture, industry and services recorded absolute declines, while the retail sector expanded at a slower pace during 2019-20. The share of the retail loan portfolio increased in 2020-21 with a corresponding fall in the shares of all other sectors.

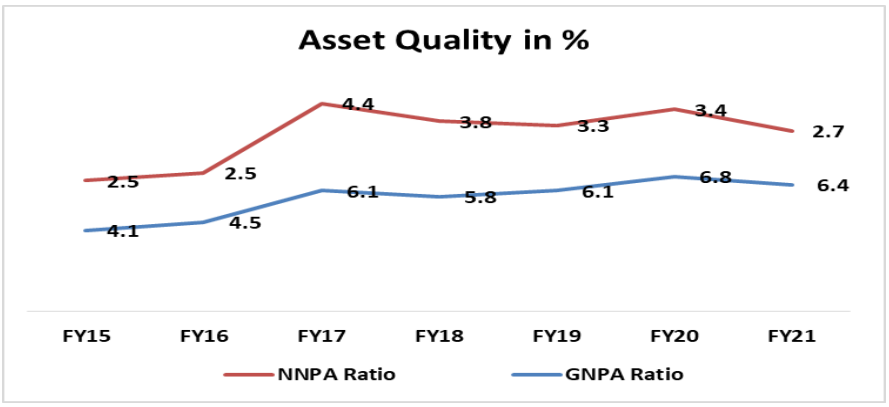
Distribution of NBFC Credit



(Source: Supervisory Returns-RBI, CARE Advisory), E- Estimated)

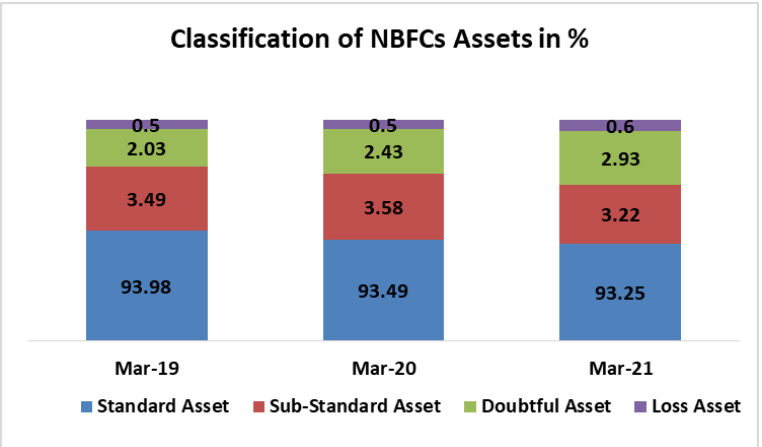
Asset Quality

Credit extended by NBFCs rose 8.8% (y-o-y) during 2020-21 after a deceleration in the preceding year that was marred by credit events in the sector and muted demand. Despite the pandemic conditions during the year, the GNPA ratio for the sector declined with a more than commensurate fall in the NNPA ratio attesting to higher provisioning, and capital adequacy improved marginally.



(Source: Supervisory Returns, RBI)

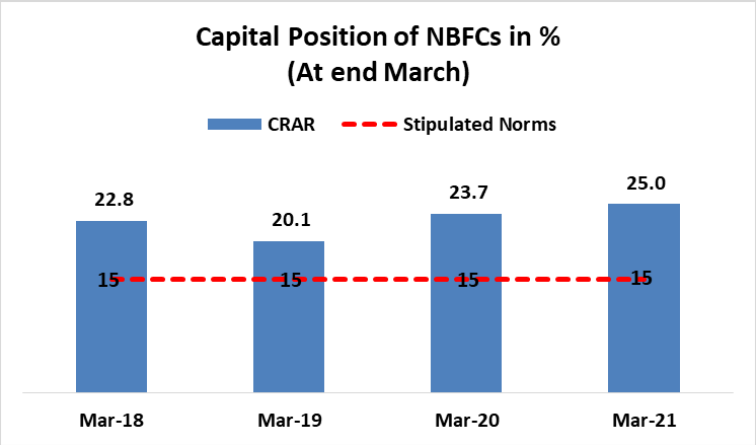
On the basis of the duration for which an asset remains non-performing, NPAs can be categorized into sub- standard, doubtful and loss assets. Since 2018-19, the proportion of standard assets has declined, as slippages to sub-standard category increased. In 2019-20, doubtful assets also registered a marginal uptick while the share of loss assets remained constant. In 2020-21, standard assets shrunk further even as the proportion of doubtful and loss assets increased.



(Source: Supervisory Returns, RBI)

Capital Adequacy

The system-level capital to risk-weighted assets ratio (CRAR) of NBFCs dipped marginally due to an uptick in NPAs in 2018-19. However, they remained well-capitalised, maintaining Tier-1 capital of 16% at end- March 2020, much higher than the regulatory stipulation of 10%.Capital adequacy ratios of seven NBFCs were below the minimum regulatory requirement of 15% in March 2021.



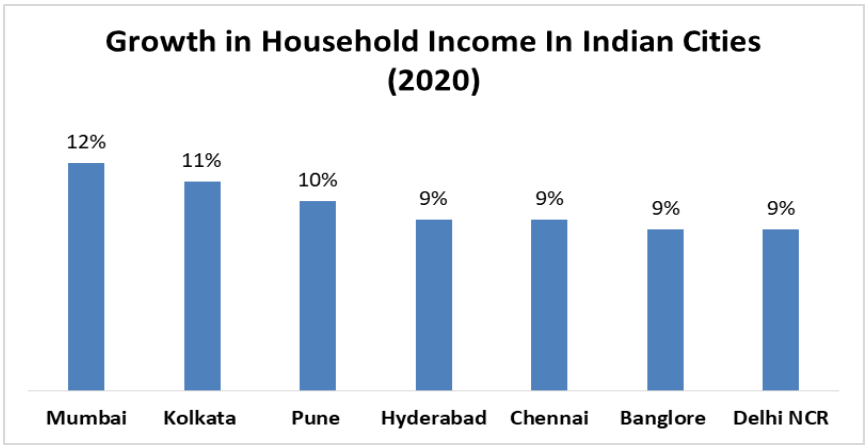
(Source: Supervisory Returns, RBI)
(Capital to Risk- Weighted Assets Ratio (CRAR)= Tier 1+Tier 2 Capital by Risk-weighted Assets)

Amongst NBFCs-ND-SI, IFCs registered an improvement, buoyed by an increase in Tier- 1 capital. CRARs of NBFCs-MFI deteriorated due to capital erosion and increase in their risk weighted assets. On the other hand, NBFCs-D registered an increase in their CRARs on the back of equity infusion, which led to a strengthening of their balance sheets. Both NBFCs-ND-SI and NBFCs-D adhered to capital adequacy norms prescribed by the Reserve Bank.

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)

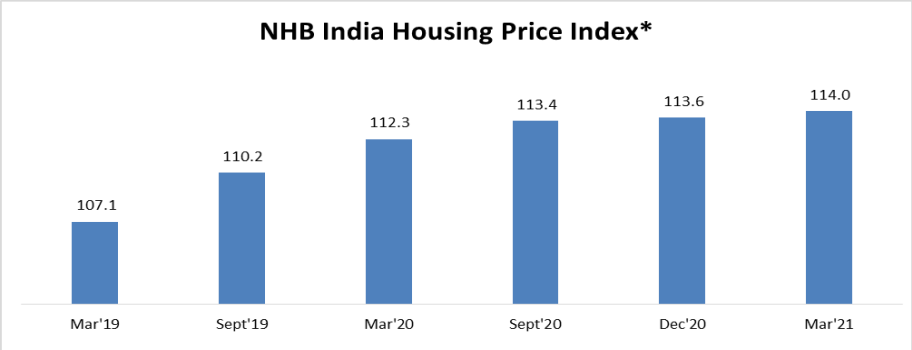
Housing is one of the key priority areas for both at the Centre and the States governments, since the Independence and will continue to remain so. Housing development is a key driver of broader economic and community development, employment creation, asset creation, and wealth accumulation.

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.

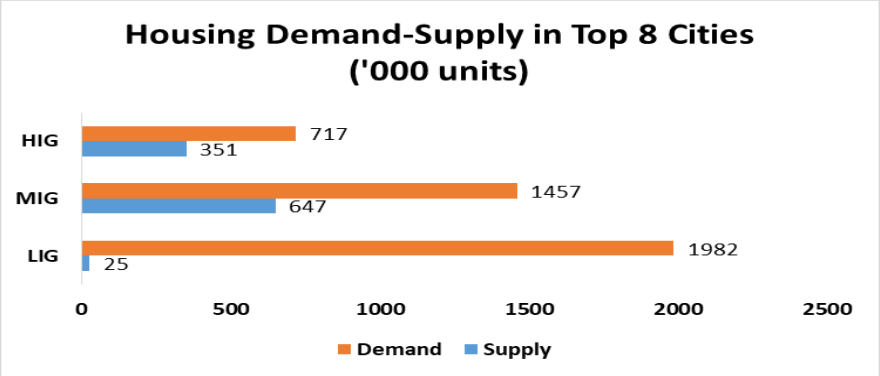
Real estate sector in India is expected to reach US$ 1 trillion in market size by 2030, up from US$ 120 billion in 2017. India's real estate market is estimated to grow at a CAGR of 19.5% during 2017-2028. The market is forecast to reach US$650 billion, representing 13% of India's GDP by 2025.

*NHB India Housing Price Index**



(Sources: NHB reports)
*average of indices of all cities

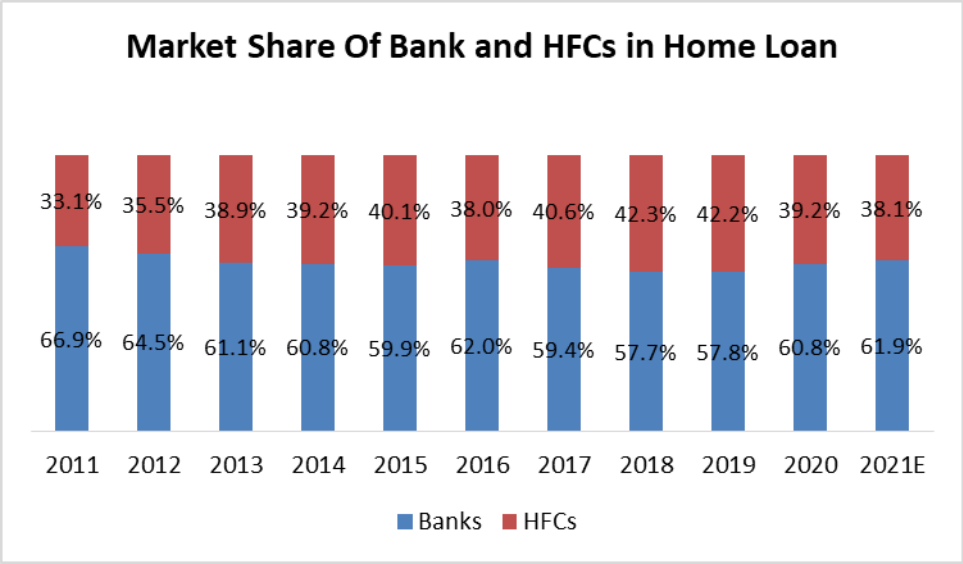
Housing Demand-Supply Units in top 8 Cities 2016-2020



(Sources: NHB reports)

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 2021 total home loans outstanding in the banking system were Rs.13.8 trillion, representing around 62% of the total home loans outstanding. HFCs, on the other hand, had outstanding home loans of Rs. 8.5 trillion, around 38% of the total home loans.



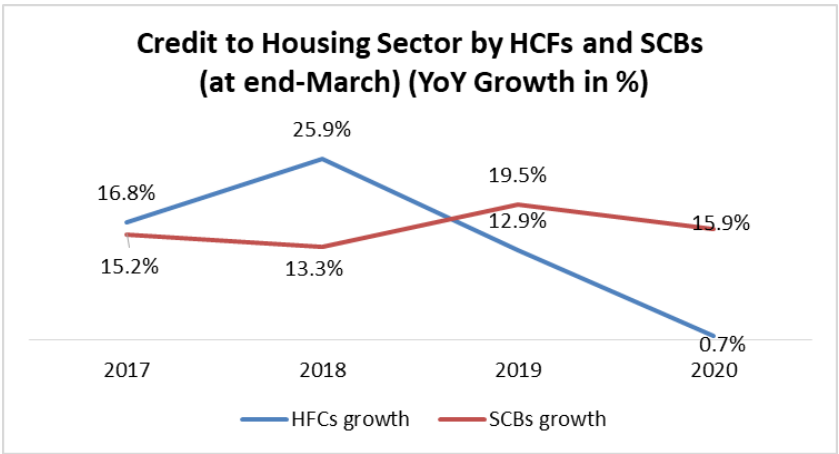
(Source: RBI)

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

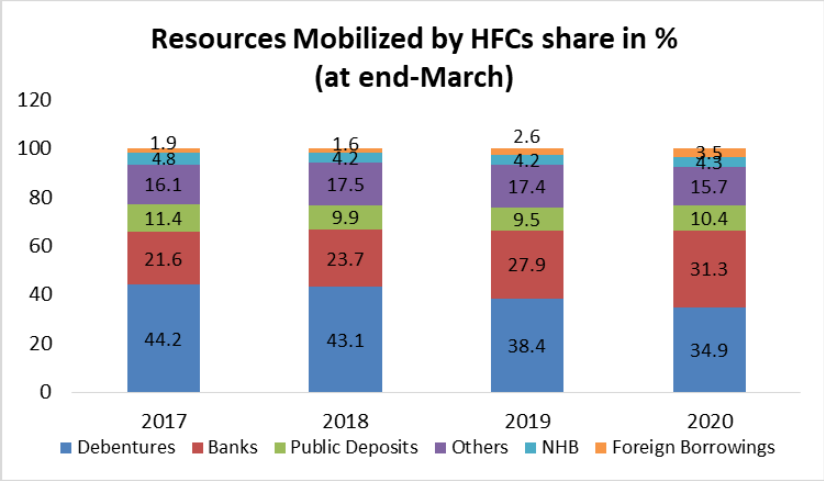
Housing finance companies (HFCs) are specialised lending institutions which, along with SCBs, are the main providers of housing finance. HFCs experienced headwinds in 2019-20 due to liquidity stress and constraints on market access post DHFL event. Bank credit to the housing sector decelerated in 2019-20.



(Source: RBI and NHB)

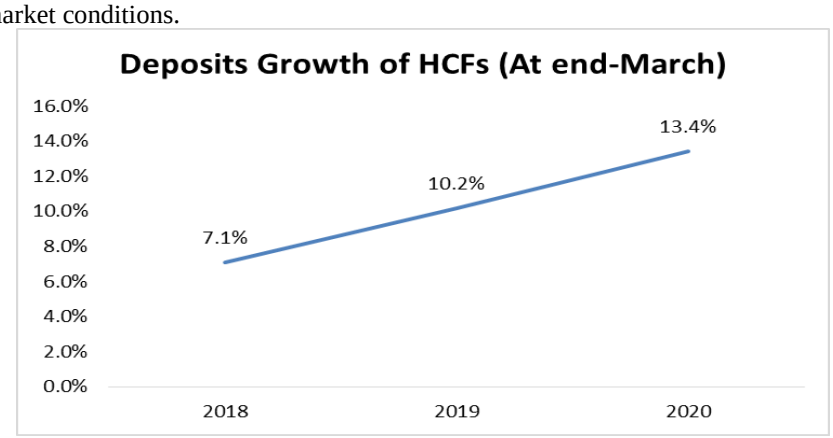
Resource Profile of HFCs

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)

HFCs predominantly rely on debentures and bank borrowings for funds, constituting around 66% of total resources. The dependence of HFCs on bank borrowings grew significantly in 2019-20, reflecting rising reliance on long term-resources amidst risk averse market conditions.

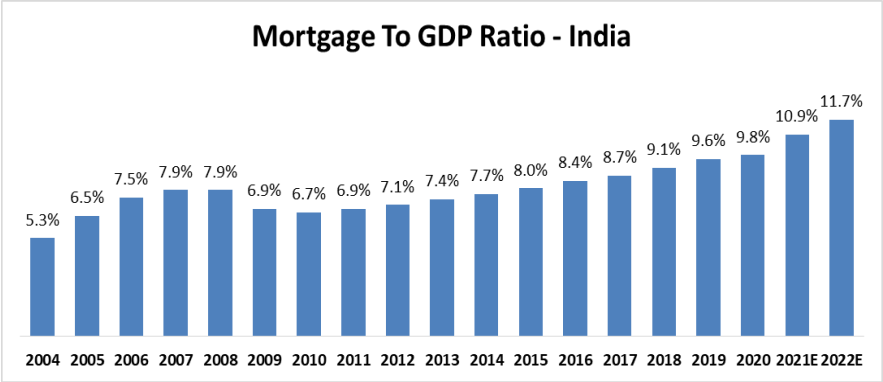


(Source: NHB report)

Public deposits are another important source of funding for HFCs. Public deposit growth accelerated in 2019-20; however, the share of deposits in total liabilities of HFCs has been steadily declining since 2015-16 till 2018-19, although it increased during 2019-20.

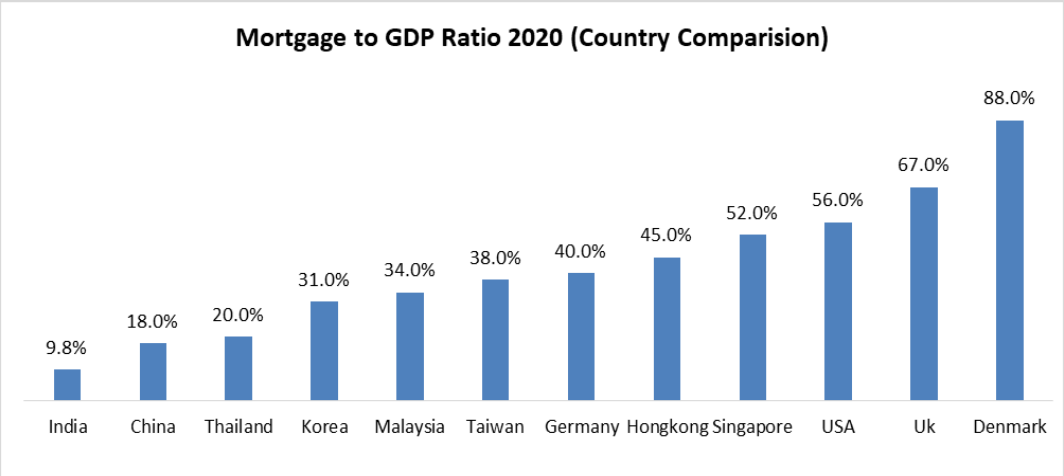
Mortgage-to-GDP ratio

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: CART)

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 Rs. 22 trillion in FY2021 to Rs.36 trillion by FY2024.



(Sources: CART)

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 FY2022, which would lead to slower-than-envisaged 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 6%-11% in FY2022 lower than the previous years. The growth is expected to be slower in H1 FY2022 while recovery in H2 FY2022 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 1.4% as of 2020 excluding 2 major HFC's.

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 increases 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

(In million)

Sector	Micro	Small	Medium	Total	Share (%)
Rural	32.40	0.07	0.001	32.48	51.00
Urban	30.64	0.25	0.004	30.90	49.00
Total	**63.05**	**0.33**	**0.005**	**63.38**	**100.00**

(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). *(Source: MSME Annual Report 2020-21)*

Credit Support

- Prime Minister's Employment Generation Programme (PMEGP)- As of December 31, 2019, expenditure incurred under this scheme was Rs. 27.13 billion (US$ 384.95 million).

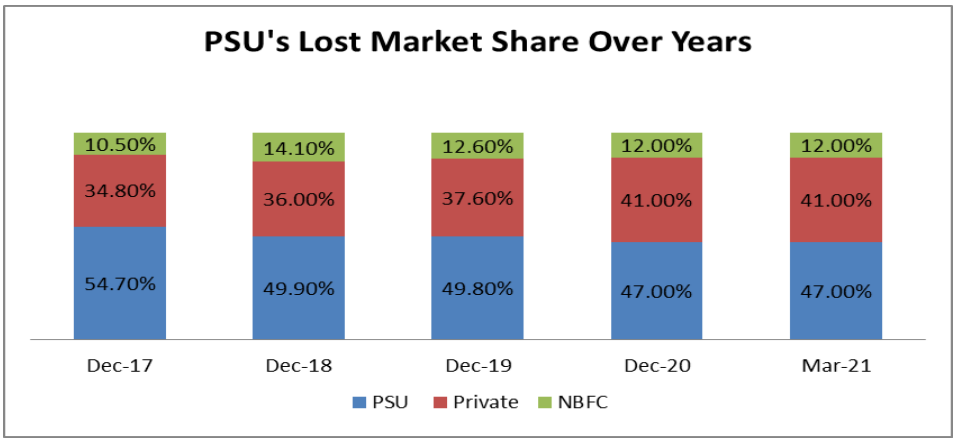
- Credit Linked Capital Subsidy Scheme (CLCSS) - As large number of MSEs in India are running their business with outdated technology and machinery, the objective of the Credit Linked Capital Subsidy Scheme (CLCSS) is to facilitate technology upgrade among MSEs by providing capital subsidy of 15% (limited to a maximum Rs. 1.5 Million (US$ 0.02 million)).

- Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE)- Fund and non-fund-based credit facilities (such as letters of credit and bank guarantee) up to Rs. 20 Million (US$ 0.28 million) per eligible borrower are covered, under the guarantee scheme, provided they are extended on the project viability without collateral security or third-party guarantee.

Credit growth in MSME lending

In FY 2021, the country disbursed loans worth Rs. 9.5 Trillion to MSME sector, which is higher than preceding years of 6.8 Trillion in FY 2020. This sharp jump in MSME lending in 2021 has been supported by Atmanirbhar Bharat scheme of ECLGS which provided 100% credit guarantee to lenders.

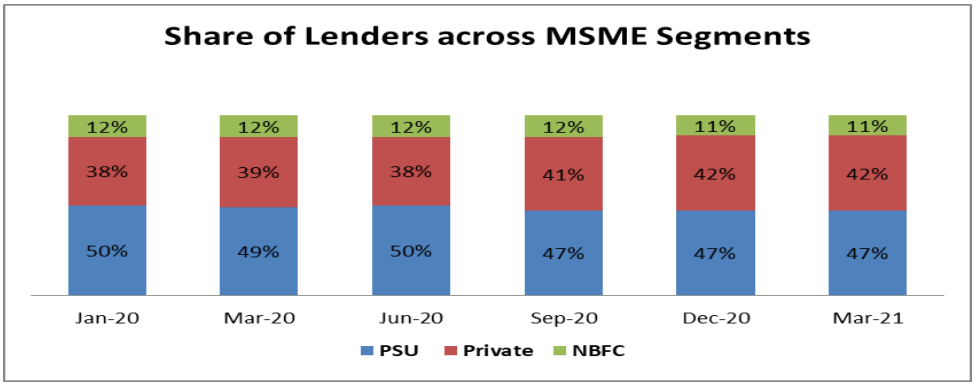
Proportionate share of Lenders in MSME over 3.25 years



(Source- www.msme.gov.in)

Share of lenders across segments

PSBs continue to be the dominant contributors in providing credit, holding almost 47% share. PSBs are playing a critical role in enabling financial inclusion of Micro Enterprises.



(Source- www.msme.gov.in)

Conclusion

Banks and credit institutions of India have played a significant role in strengthening India's MSME sector. The situation led due to covid pandemic has thrown many challenges and opportunities to MSME lending ecosystem over the last 12 months. All the players have been adapting continuously to the new normal of lending to MSMEs.

The Government of India has envisioned doubling the Indian economy to US$ 5 trillion in five years. In order to achieve this goal the government has taken up promotion of MSMEs in order to create new jobs in the sector. Further, the government aims to enhance MSME's share in exports and its contribution to GDP. In order to achieve these targets, the government should invest in providing more back-end services to improve performance of the MSME sector as it supplies goods and services to big industrial enterprises. Lack of technology-based production activities and low investment in R&D activities are bottlenecks hindering the sector to become competent. Globally available technology could be subsidised by the government so that the product quality of MSME players can be improved using the existing resources. This also requires the help of academic institutions in the form of providing research and development (R&D) services for product innovation.
As we progress further the requirement of closely monitoring of MSMEs at an industry level and taking timely and optimal interventions shall be the cornerstone of sustained growth for lenders, MSMEs and the economy in the long run.

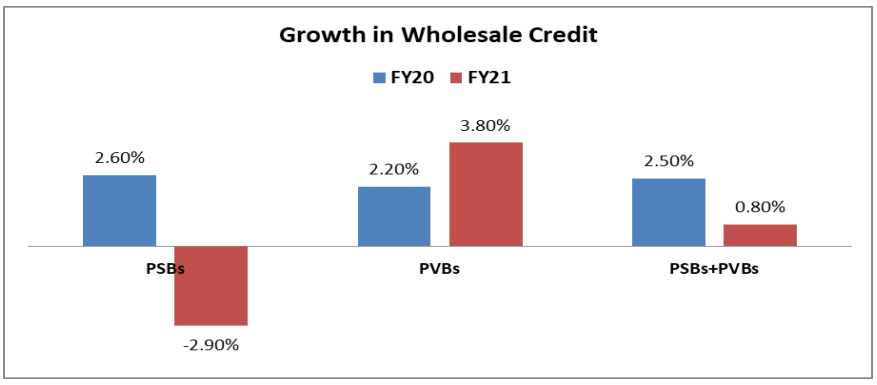
Wholesale Finance

Introduction

Wholesale finance refers to financial services conducted between financial services companies and institutions such as banks, insurers, fund managers, and stockbrokers.

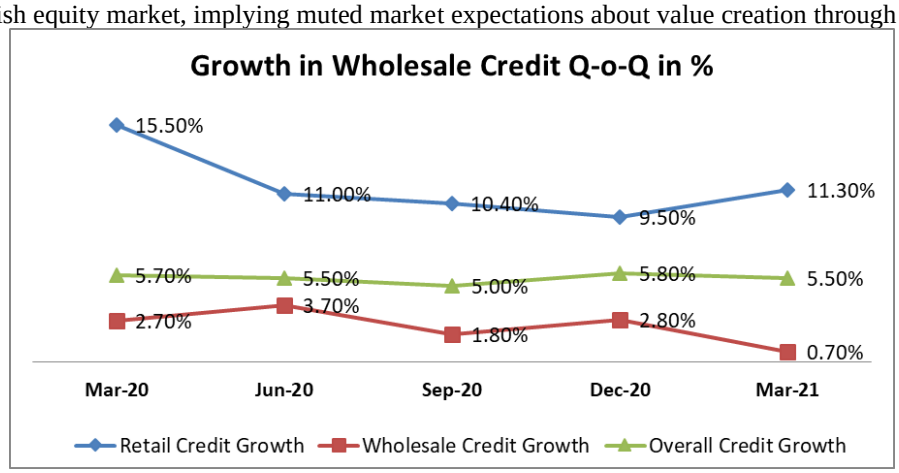
Banking System – Wholesale Credit

The profile of wholesale credit in 2020-21 reflects a subdued credit situation across bank groups, pointing to risk aversion and muted demand weighing on the outlook. With the onset of COVID-19, retail credit growth (y-o-y) has suffered, while wholesale credit growth has held up though at low levels. With stress tests pointing to a deterioration in asset quality of banks, early identification of impairment and aggressive capitalisation is imperative for supporting credit growth across various sectors alongside pre-emptive strategies for dealing with potential NPAs.



(Source: CRILC and RBI staff calculations)

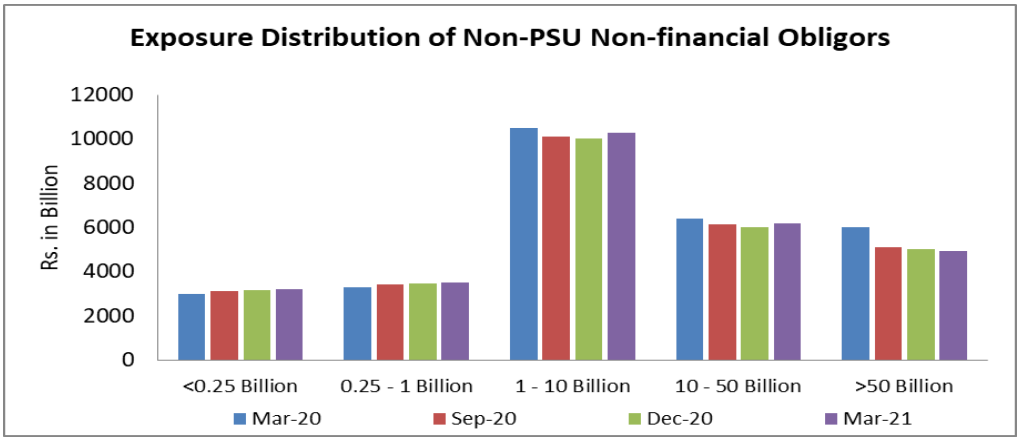
For the purpose of wholesale credit analysis, funded amount outstanding of companies (which account for about 88% of the total funded amount outstanding to wholesale obligors) has been considered as opposed to other organisational forms such as cooperatives, partnerships, trusts and societies. Credit growth in respect of public sector undertakings (PSUs) was comparatively resilient during the pandemic, although the aggregate PSU credit exposure declined between December-March, 2021. The market capitalisation of central public sector enterprises (CPSEs) has, however, fallen in an otherwise bullish equity market, implying muted market expectations about value creation through the PSU channel.



(Source: Supervisory returns of RBI)

An analysis of wholesale credit flows, based on rating grades of non-PSU obligors, reveals sharp deleveraging (q-o-q) at rating grades 'AA and above' during 2020-21, across both PSBs and PVBs. This reflects a reversal from the position in March 2020 when a rush to access credit was observed in the early phase of the pandemic breakout.

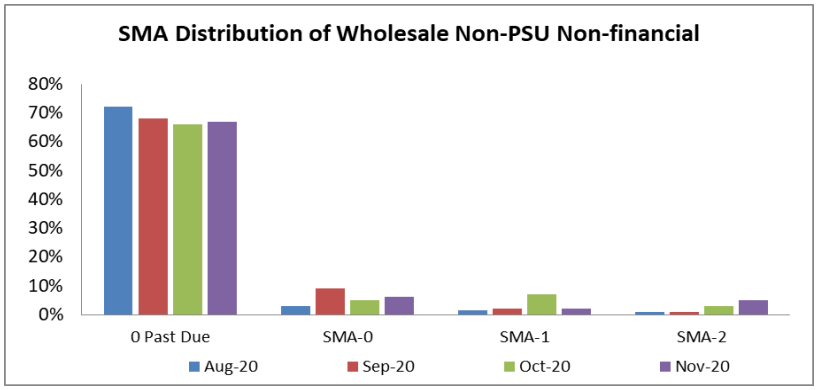
A size-wise disaggregation of wholesale credit growth points to deleveraging by large wholesale borrowers even as relatively smaller borrowers (loans size: ₹50 - ₹1000 Million) continued to record sustained credit appetite.



Note: Data as on March 2021 is provisional and not audited.
(Source: CRILC and RBI Staff calculation)

An examination of the transition in asset quality of a constant sample of wholesale performing exposures (non-PSU non-financial companies) shows that between September 2020 and April 2021, there was considerable deterioration, with migration to impaired status across all SMA categories. Over half of SMA-2 loans moved to the NPA category in April 2021, pursuant to the vacation of the Supreme Court order on asset classification standstill.

SMA Distribution of Wholesale Non-PSU Non-financial Obligors Portfolio between August and November, 2020
Obligors Portfolio between August and November, 2020



Note: Data as on August 2020, October 2020 and November 2020 is provisional and not audited.
(Source: CRILC and RBI Staff calculation)

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.

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

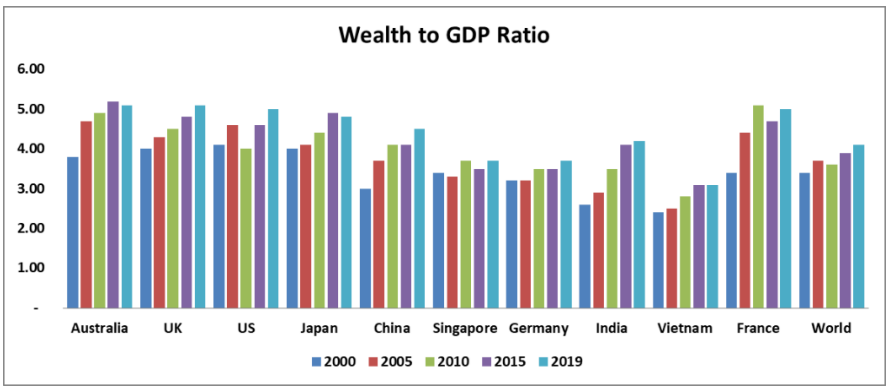
The Indian Wealth Management market is on a sustained path of growth, given India's long-term economic prospects, positive demographics, rising income levels and current low penetration. While the percentage of wealthy individuals in India is very small compared with developed markets, very high potential 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)

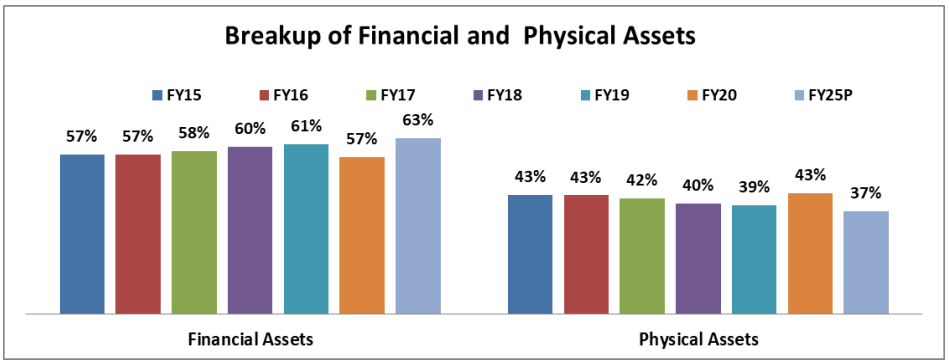
The average per capita GDP of India rose from US$443 in 2000 to US$2,104 in 2019. While India's GDP is expected to grow at much faster rate, it is estimated that it will mirror similar increase in its wealth/GDP ratio as growth observed by developing nations. Wealth per adult grew by 1.2%, raising global 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	FY15	FY16	FY17	FY18	FY19	FY20	FY25P
Financial Assets	160,560	177,880	201,289	236,347	2,62,106	2,62,912	5,12,157
Physical Assets	119,890	132,270	142,894	156,101	1,67,942	2,02,282	2,99,136
Total	**280,450**	**310,150**	**344,182**	**392,448**	**4,30,048**	**4,65,194**	**8,11,293**

(Source-Karvy India Wealth Report 2020)



(Source-Karvy India Wealth Report 2020)

With a likely growth rate of India's GDP projected at 9.2% in 2022, 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 11.76% till FY25 and is likely to nearly double to Rs. 8,11,293 billion by FY25*. In the next five years, financial assets will witness much faster growth rate as compared to physical assets. As far as individual contribution is concerned, financial assets are expected to form almost 63% of the total individual assets by FY25 vs 57% in FY20, physical assets are expected to be restricted to 37% of the total wealth vs 43% in FY20*.The reduction in bank deposit rates in the past year has further led to a shift in investment to mutual funds and the stock markets.
*(Source-Karvy India Wealth Report 2020)

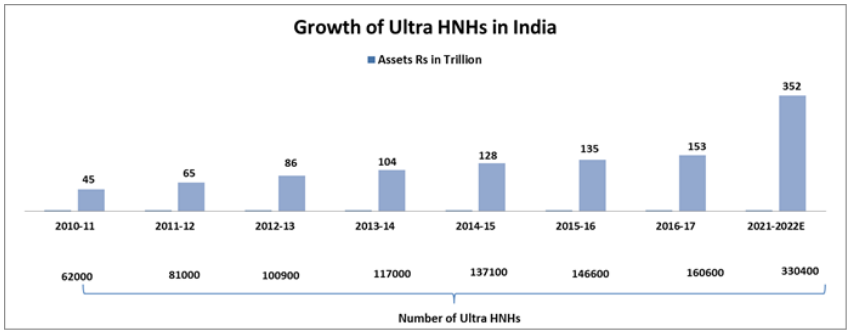
Projected financial wealth – asset class wise distribution in FY25:

Financial assets are likely to almost double by FY25 to reach a figure of Rs. 5,12,157 billion as compared to Rs. 2,62,912 billion in FY20. Direct Equity investments is expected to be the key growth driver for the future and expected to grow at a CAGR of more than 21.9% over the next 5 years. The positive sentiment also helped propel Mutual Funds which grew at over 17.9% over the previous year as individuals increasingly identify this asset class as a better way to participate in the equity markets. It is therefore expected that by FY25, the share of financial assets in the total investment pool will rise to 63% from 57% in FY20.

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 October 31, 2020, there were 331 portfolio managers registered under the SEBI. This avenue has seen a sharp rise in the asset size, which increased more than thrice to Rs.4,601 billion as of October 2021 from Rs.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 an 84.1% share, followed by advisory (9.1%) and non-discretionary (6.8%).

Conclusion

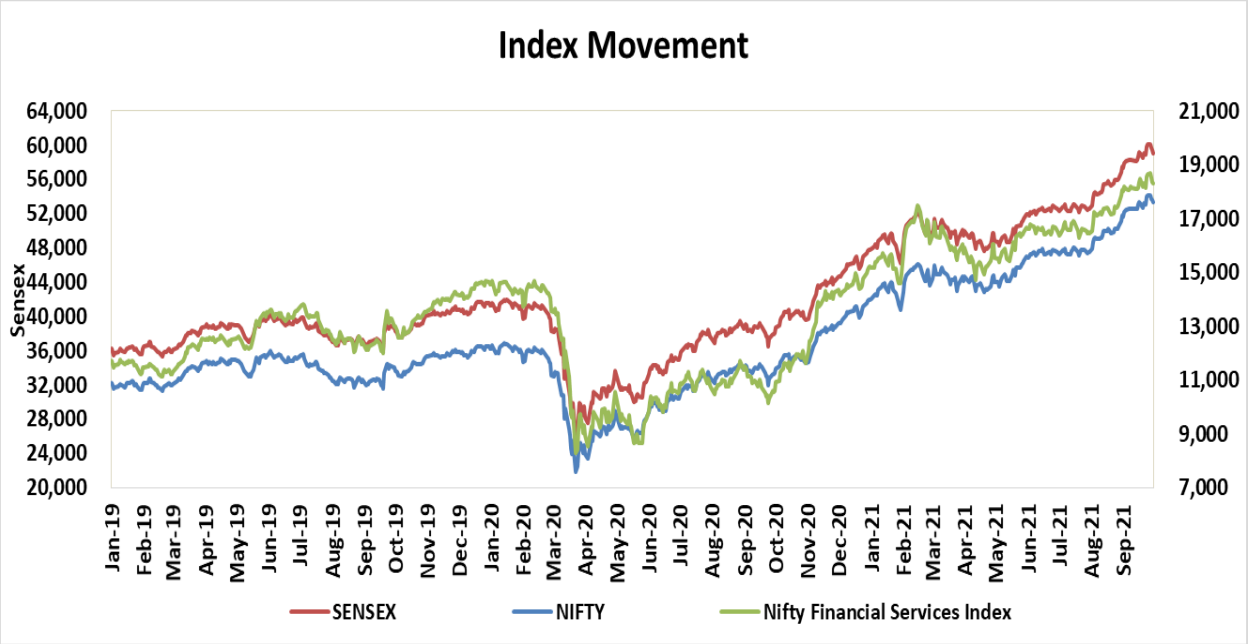
India has the lowest mutual fund penetration globally. The total AUM to GDP ratio of India stands at a mere 16%, way below the global average of 63%. Countries like the US have AUM to GDP ratios of over 100%. So, the mutual fund industry in the country provides huge scope for growth and development. 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.

Financial Assets are expected to reach Rs.512 trillion at a CAGR of 14.27% and Physical Assets would grow at 8.14% CAGR to reach Rs.299 Trillion.

India is expected to be the fourth largest private wealth market globally by 2028.

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:



(Source-NSE, BSE)

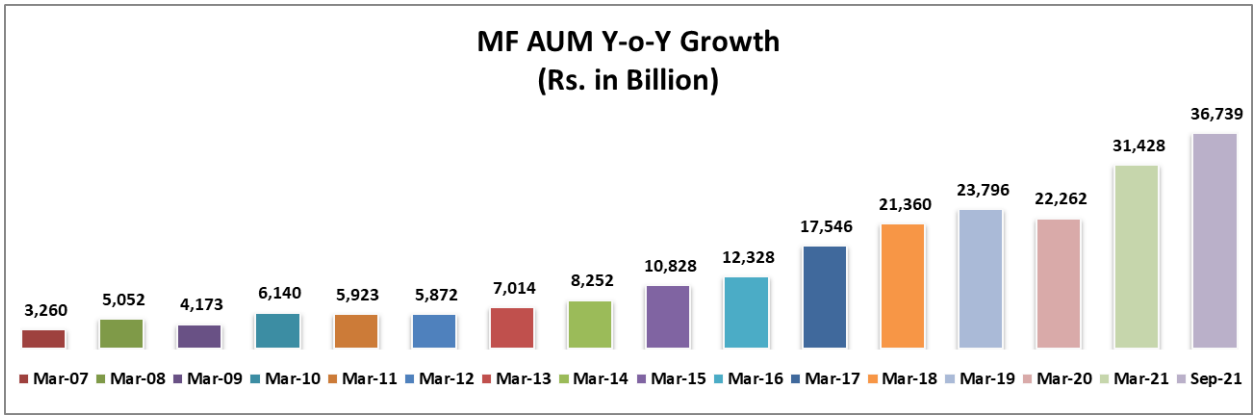
Government initiative of introducing GST and the Insolvency & Bankruptcy Code (IBC) and increasing participation of the domestic mutual fund industry as a strong counterbalance to foreign funds has been an important factor for the shift in the country's financial space. The BSE Sensex on 30th September 2021, closing at 59,126 witnessing 63.09% rise from its 1st January, 2019 closing at 36,255. The Nifty 50 index also rose 61.48% at 17,618 on 30th September 2021 compared to closing on 1st January, 2019 at 10,910. Increase in global liquidity, 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 2021. Total amount mobilized through public issues and private placement of both debt and equity was Rs. 520.82 billion with total issue of 57 from April 1st 2021 till August 31st 2021 as compared to Rs. 1207.05 billion with total issue of 96 from April 1st2020 till March 31st 2021 a decrease of 56.85% in the amount mobilized and 40.62% decrease in No. of issues.

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.

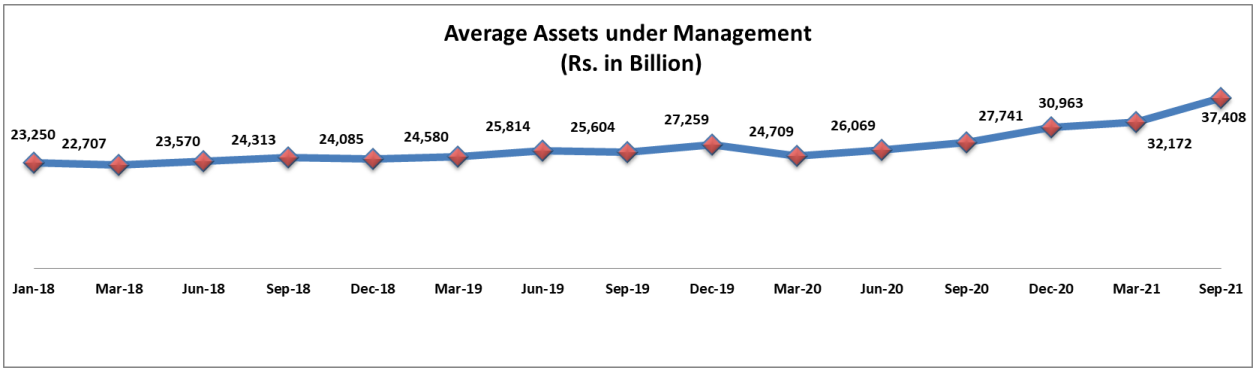
Indian Mutual Fund Industry Overview



(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 ₹ 36.73 trillion as on 30th September, 2021, more than 11.27 times in a span of about 14.5 years.

Penetration, Current Structure and Trend in Mutual Fund Industry



(Source: AMFI)

Average Assets managed by the Indian mutual fund industry have grown from Rs. 23,250 billion in January 2018 to Rs. 37,408 billion in September 2021. That represents a 60.89% growth in assets over January 2018.

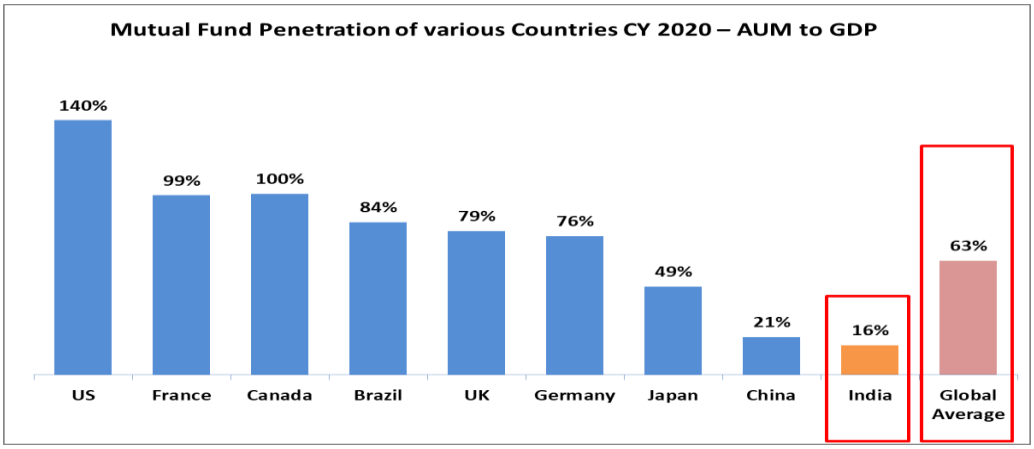
Key Growth Drivers

Increasing Penetration of Mutual Fund Market in India

Assets managed by the Indian mutual fund industry have grown from Rs. 32.17 trillion in March 2021 to Rs. 37.40 trillion in September 2021. That represents a 16.27% growth in assets over March 2021. (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 16.0% in 2020, as compared to 140% in the United States, 84% in Brazil and a global average of 63%. Further, India accounts for less than 2% of the global mutual fund industry, representing a significant growth opportunity.

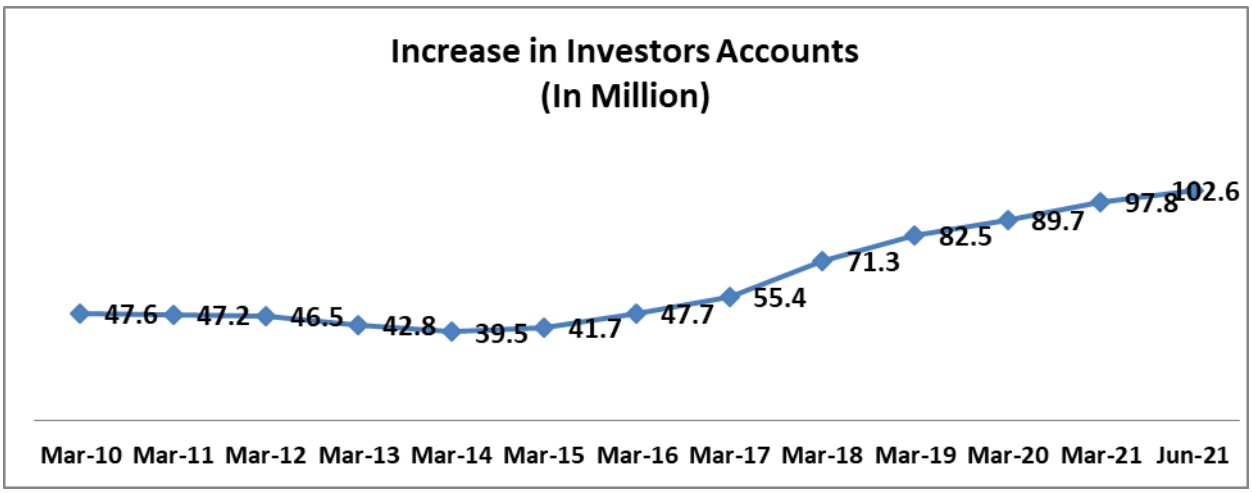
Mutual Fund Penetration of various Countries CY2020 – AUM to GDP



(Source: CART, Statista.com)

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.

Increase in folios



(Source: AMFI)

Retail investor's preference is becoming more mature as they get more informed regarding equities potential and risk associated in investing in it. Since March 2014, there is an increase in investor accounts from 39.5 million to 97.8 million in March 2021. Increase in penetration of mutual funds products driven by increase in number of folios and participation from mass affluent segment. Total number of accounts (or folios as per mutual fund parlance) as on March 31, 2021 stood at 97.8 million, while the number of folios under Equity, ELSS and Balanced schemes, wherein the maximum investment is from retail segment stood at 88.2 million. 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 45.40 million as of March 31, 2016 to 88.2 million as of March 31, 2021, adding 42.8 million folios in 5 years growing at CAGR of 14.20%.

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. 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 16.0% in 2020, as compared to 140% in the United States, 84% in Brazil and a global average of 63%. Further, India accounts for less than 2% of the global mutual fund industry, representing a significant growth opportunity. CART expects these drivers to aid growth in industry net profits are forecast to log a robust growth to Rs 113bn by FY25 as the mix of high yield equity business rises, direct sourcing aids operating leverage, and AMC pricing power improves with distributors.

Alternate investment funds (AIF)

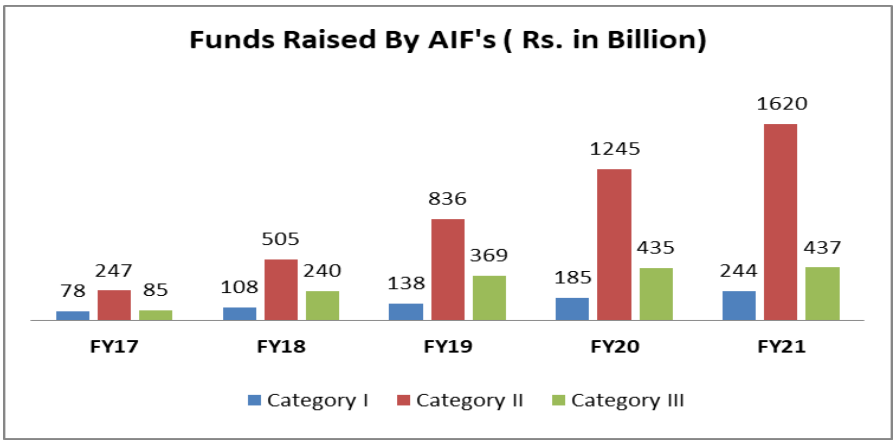
Introduction

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
• Venture Capital Funds • SME Funds • Social Venture funds • Infrastructure Funds • And other such other funds which may be prescribed under the regulation. • "Angel Investment Funds" introduced by SEBI in 2013, under the head of Venture Capital.	• Funds which is not included under "Category 1 "and "Category 3" • And other funds which are not used for borrowing and only for carrying day to day operation • Private Equity Funds and Debt Funds.	• Hedge Funds • Funds which trade for the intention of making short term returns. • Other open funds which are specified by the Regulation. • Other funds provided that no incentives or concessions were given by the Government and Regulations as mentioned.

The AIF market in India is at a very early stage. Since SEBI regulations came into effect in 2012, the number of AIFs registered in India has grown to 799 as of 07th October 2021. Funds raised have increased significantly from Rs 410 Billion as of FY17, to Rs 2.30 trillion as of FY21.



(Source: SEBI)

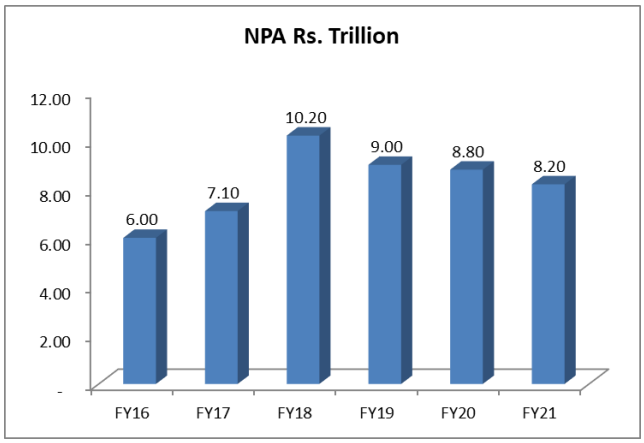
Asset Reconstruction Companies (An Overview)

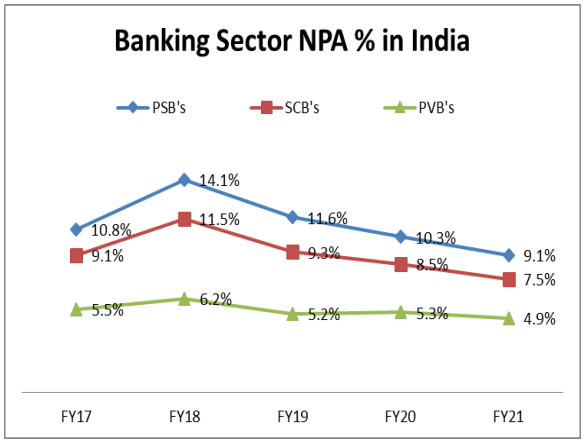
Asset Reconstruction Companies (ARCs), as an institutional framework for NPA management, have been in existence for about 18 years. With the amendment of SARFESAI Act in September 2016 and subsequent regulatory modification, along with transformational reforms such as the Insolvency and Bankruptcy Code, 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 at Rs. 8.90 Trillion as on March 31, 2020 and is estimated to decline to Rs. 7.90 Trillion as on March 31, 2021, 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.



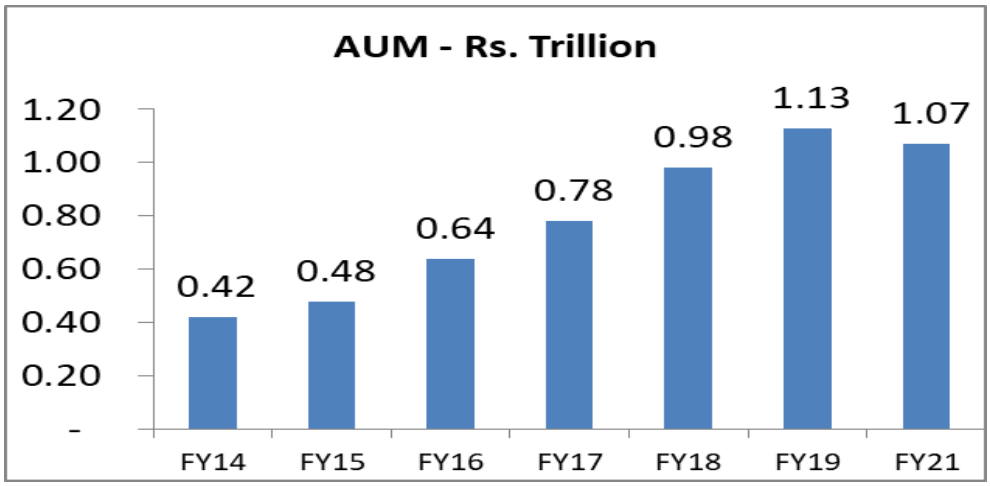


(Source: Care Ratings)

PSB – Public Sector Bank; SCB- Scheduled Commercial Banks; PVB- Private Banks

Assets under Management IN ARCs

Assets under Management for ARCs, as measured by Security Receipts (SR) outstanding, decreased to Rs. 1.07 Trillion as on March 2021.



Source: RBI, Industry Commentary

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 10% -12% 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.

Bad Bank

In Feb 2021, RBI announced a structure for a proposed bad bank, "What you call a bad bank is not really that; an ARC-type entity will be set up to take over bad loans from the books of public sector banks and it will try to resolve just like any other ARC," RBI Governor Shatikanta Das had said. As per industry report.

The Reserve Bank of India (RBI) said the aggregation of assets by the proposed National Asset Reconstruction Company Limited (NARCL) is expected to assist in turning around the assets and eventually offloading them to Alternative Investment Funds (AIFs) and other potential investors for further value unlocking. Banks are understood to have identified 22 stressed consortium loans (₹5 billion and above) aggregating about ₹890 billion for transferring to NARCL, popularly termed as a "bad bank".

Normally the NPA loans at the time of takeover by an ARC are valued around 30-40% of the principal amount. As per industry reports, in the case of NARCL the loans may be acquired at the current book value. The NARCL would pay 15% in cash and the balance 85% in security receipts or any other proportion as they may decide. If the bad bank is unable to sell the bad loan, or has to sell it at a loss, then the government guarantee will be invoked and the difference between what the commercial bank was supposed to get and what the bad bank was able to raise will be paid from the Rs 306 billion that has been provided by the government.

Outlook

There is a significant opportunity for the stressed assets investors, given around 8.20 Trillion NPAs in the banking system as on March 31, 2021 (estimated).

With increase in number of cash deals, the ARCs are expected to grow at CAGR of 10% - 12 % in coming 3-5 years.

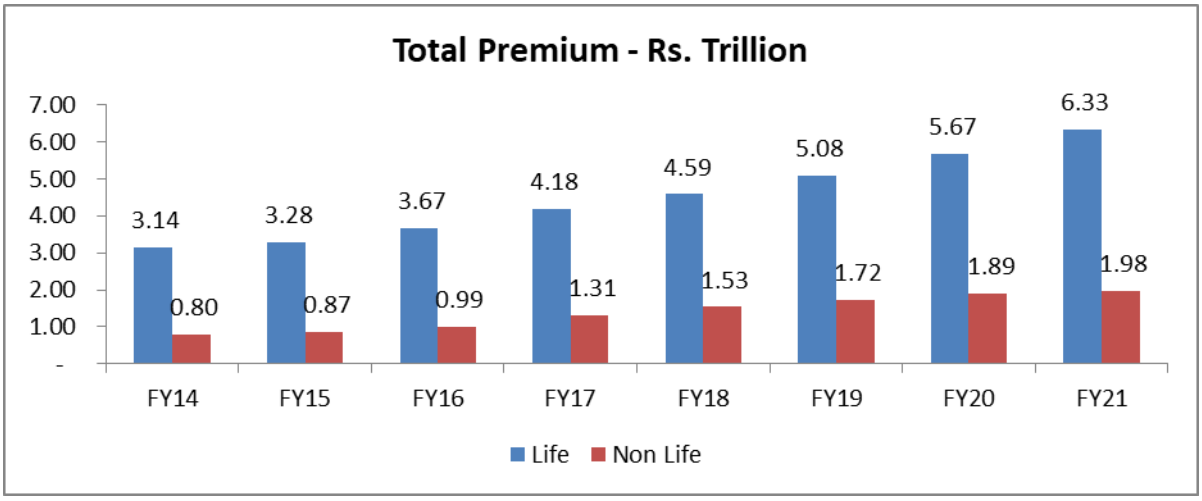
Further, Introduction of a bad bank may help "shape the operations" of the existing asset reconstruction companies (ARCs), noting that a sizable bulk of assets bought by such entities have not been resolved for a long time.

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:

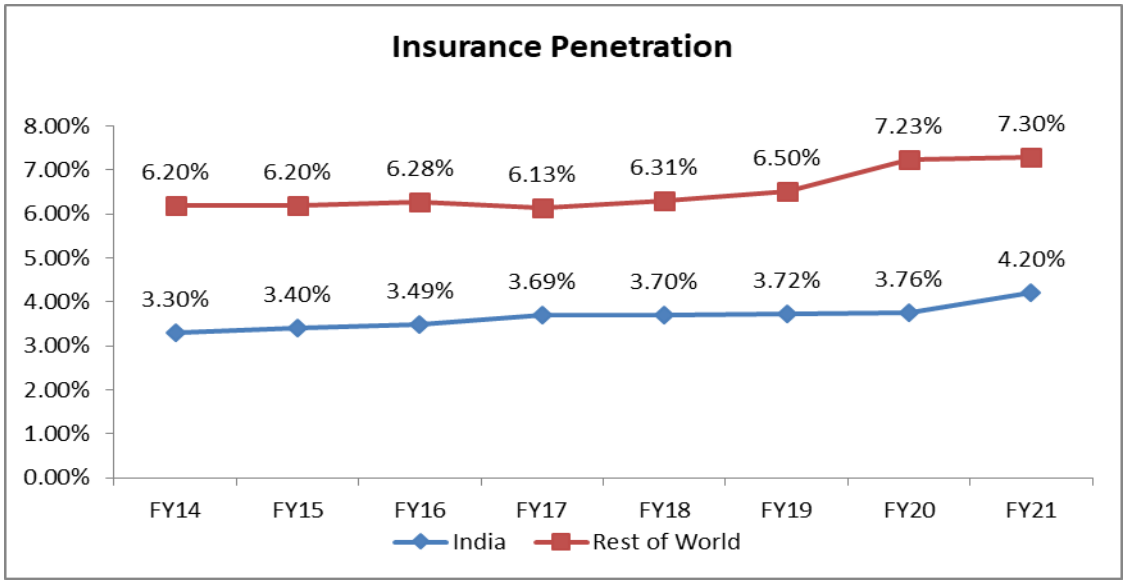
The insurance industry seeks to protect a country's people, assets and businesses. Hence, the business of insurance has always been closely linked to a country's business performance and asset ownership. Life insurance protects the livelihoods of people and future earnings and has a direct correlation 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 FY10, the life insurance industry recorded a premium income of Rs. 2.65 trillion, which increased to Rs. 5.67 trillion in FY20. The non-life insurance industry collected direct premiums worth Rs. 0.39 trillion in 2009–10, which grew to Rs. 1.89 Trillion in FY20. Further, Non-life premium in FY21 grew to Rs. 1.98 trillion whereas, Life insurance premium is estimated to be Rs. 6.33 trillion.



(Source: IRDAI –Handbook on Indian Insurance Statistics FY 2019-20, Industry Research)

Currently, the insurance penetration in India is 4.20% of the gross domestic product (GDP) as against the world average which is 7.30%. Indian insurance industry is still under penetrated



(Source: CART, Industry Data)

Life Insurance Industry in India:

Life insurance is one of the fastest growing sectors in India since 2000. Parliament on March 22 passed the Insurance Amendment Bill 2021 to increase the foreign direct investment (FDI) limit in the insurance sector to 74% from 49%. As of June 30, 2021, 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 60.77% (based on total new business premium).

First Year Premium of life insurers grew at a much sharper rate of 22.2% in September 2021 vs a much more modest rate of 2.9% in August 2021 to reach Rs 3,10,010 Million from Rs. 2,53,660 Million in September 2020. The growth can be attributed to a rise in the individual non-single premiums and group single premiums for September 2021. For H1 FY22, the life insurance sector reported a growth rate of 5.8% compared to the drop of 0.8% for H1 FY21. Due to the Covid-19 pandemic lockdown and resultant impact, premiums were lower in the Q1FY21 and resultant different growth after the same, base effect may also be possible in monthly FY22 numbers. Hence, if we look at the two-year CAGR performance, private players have continued to show a strong growth momentum.

Movement of Monthly New Business Premium

(*Rs. In Million*)

Month	FY20	FY21	FY22	% Change FY20 Over FY19	% Change FY21 Over FY20	% Change FY22 Over FY21
April	99,820	67,280	97,390	37.10%	-32.60%	44.80%
May	184,140	137,390	129,770	43.40%	-25.39%	-5.50%
June	322,410	288,690	300,090	94.10%	-10.46%	4.00%
July	215,090	229,860	204,350	6.40%	6.87%	11.10%
August	235,550	270,400	278,210	26.40%	14.80%	2.90%
September	200,570	253,660	310,010	14.70%	26.47%	22.20%
October	172,720	227,760	-	11.60%	31.87%	-
November	262,210	191,590	-	76.50%	-26.93%	-
December	250,800	243,830	-	37.50%	-2.78%	-
January	206,230	213,900	-	18.40%	3.72%	-
February	185,330	224,250	-	1.80%	21.00%	-
March	254,090	434,170	-	-32.20%	70.87%	-

(Source – IRDAI)

First Year Premium Growth of Life Insurance Companies

(Rs in Million)

Insurer	Premium			Market Share		
	Sep-19	Sep-20	Sep-21	Sep-19	Sep-20	Sep-21
Private Total	**72,975**	**87,636**	**1,24,810**	**36.38%**	**34.55%**	**40.26%**
Individual Single Premium	6,981	12,164	16,818			
Individual Non-Single Premium	35,944	36,741	49,575			
Group Single Premium	26,656	31,552	50,939			
Group Non-Single Premium	344	135	183			
Group Yearly Renewable Premium	3,050	7,044	7,295			
LIC of India	**1,27,593**	**1,66,029**	**1,85,202**	**63.62%**	**65.45%**	**59.74%**
Individual Single Premium	9,782	26,576	22,922			
Individual Non-Single Premium	20,552	19,916	25,239			
Group Single Premium	87143	113662	1,33,67			
Group Non-Single Premium	6,965	4,426	1,912			
Group Yearly Renewable Premium	3151	1449	1458			
Grand Total	**2,00,568**	**2,53,665**	**3,10,012**	**100.00%**	**100.00%**	**100.00%**
Individual Single Premium	16,763	38,740	39,740			
Individual Non-Single Premium	56,496	56,657	74,814			
Group Single Premium	1,13,799	1,45,214	184610			
Group Non-Single Premium	7309	4561	2095			
Group Yearly Renewable Premium	6,201	8,493	8,753			

Source - IRDAI

LIC's first year premium increased by 11.5% in September 2021 compared to a stronger growth of 30.1% in September 2020, while private companies grew by a robust 42.4% in September 2021 after witnessing a slower growth rate of 20.1% in September 2020. For H1 FY22, LIC reported a drop of 3.3% vs. the significantly higher growth of 27.7% reported by the private companies.

LIC continues to maintain its dominant share in the first-year premium for H1 FY22 (LIC share of 64.5% vs. 35.5% share of private companies). Private sector has continued to gain market share, given that it has been growing at a faster pace compared to LIC.

Movement in Premium Type of Life Insurance Companies

(Rs. in Million)

Premium Type	Premium		Y-O-Y Growth		Market Share	
	For Sep 2020	For Sep 2021	For Sep 2020	For Sep 2021	For Sep 2020	For Sep 2021
Single	1,83,953	2,24,350	40.9%	22.0%	71.95%	71.90%
Non-Single	69,710	85,662	-0.4%	22.9%	27.26%	27.45%

(Source – IRDAI)

For September 2021, non-single premiums grew by 22.9% which was higher by 90 bps compared to the growth reported by the single premiums. For H1FY22, Non-single premiums have grown at a faster pace given the private companies focus on protection plans. As per channel discussions, lower interest rates have marginally impacted individual single premiums. However, single premiums continue to account for a substantial portion of the overall premiums. The share of single premiums has grown from 59% for H1 FY20 to 72% in H1 FY22.

The private sector has a larger share in the non-single sub-segment (given their focus on individual premiums), while LIC continues to dominate the single premium sub-segment.

Outlook for Life Insurance

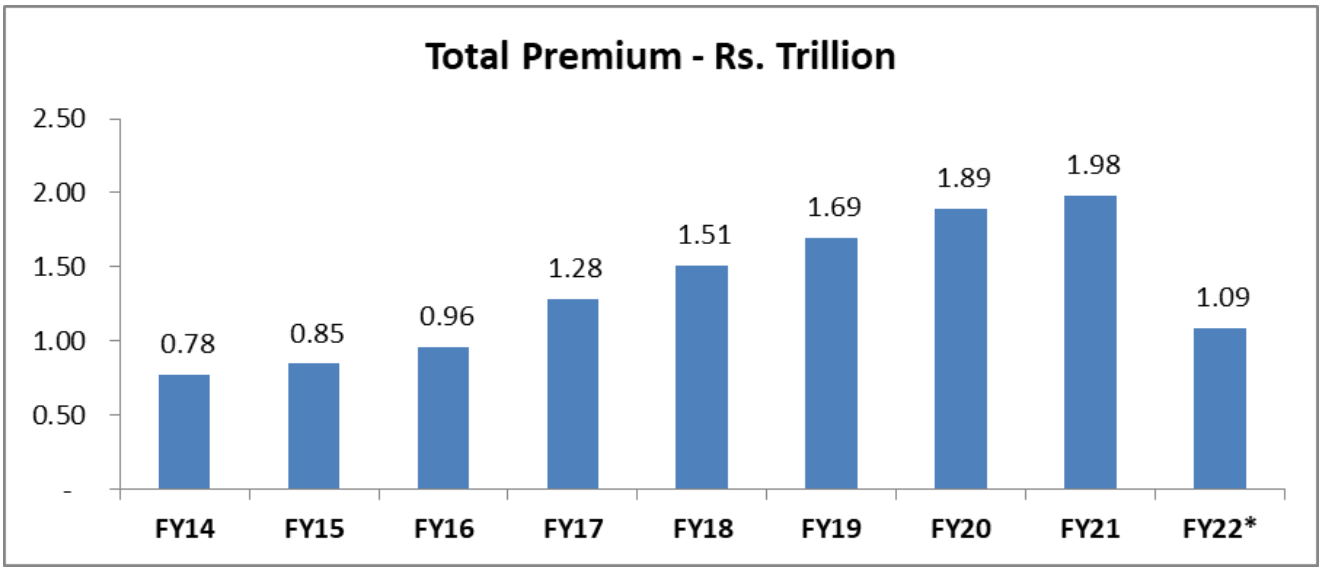
Despite the manifold challenges present in the current scenario, the life industry has begun the current fiscal on a positive note. The growth is expected to be driven by the private sector who grew at a much faster pace compared to the public sector. The pandemic has created a rise in the demand for protection plans, even as the market volatility continued to affect the demand for linked plans. In FY22, along with the increased awareness of insurance, a digital push for insurance and any increase in term plan premiums are expected to drive the life premiums.

General Insurance Industry in India

The insurance segment in India is divided into two categories – life insurance and general insurance. While life insurance policies cover the financial loss suffered due to loss of life, general insurance policies cover the financial loss suffered due to the loss of an asset. General insurance, therefore, covers the loss of economic value of assets or the financial loss suffered due to specific contingencies. General insurance has different types of plans, each of which is designed to cover specific risks related to health, motor, fire, travel or any assets etc.

As of September 2021, there were total of 33 players in General Insurance Sector off which there are 6 companies are in public sector.

General Insurance industry recorded premium of Rs. 1.08 trillion in FY22* and posted y-o-y growth of 12.8% compared to previous year. The total premium collection and growth for last 7.5 years is as below:



(Source: IRDAI)

The non-life insurance industry broke its monthly growth and reported a drop of 2.8% in its monthly premiums in September 2021, however this decrease was lower than the fall of 5.2% reported in September 2020 and is attributed mainly to decline in crop insurance by 29.7%. Non-life insurance premium reached Rs 2,22,264 million for the month of September 2021 compared to Rs. 2,28,708 million in September 2020. The growth has continued to be driven by the health segment; with fire and the PA segments also emerging as significant contributors of growth for the month of September 2021.

Movement in Monthly Premium

(Rs. Million)

Segment	Premium		% Share		Y-O-Y Growth	
	H1FY21	**H1FY22**	**H1FY21**	**H1FY22**	**H1FY21**	**H1FY22**
Health	2,87,162	3,71,080	29.80%	34.10%	15.50%	29.20%
Motor	2,79,636	2,93,398	29.00%	27.00%	13.70%	4.90%
Crop Insurance	1,83,514	1,74,552	19.00%	16.10%	-4.50%	-4.90%
Fire	1,13,451	1,22,118	11.80%	11.20%	31.20%	7.60%
Personal Accident	23,280	34,901	2.40%	3.20%	-7.60%	49.90%
Marine	16,110	20,773	1.70%	1.90%	14.00%	28.90%
Liability	16,817	20,322	1.70%	1.90%	9.80%	20.80%
Engineering	13,967	17,742	1.40%	1.60%	5.70%	27.00%
Credit Insurance	6,084	6,395	0.60%	0.60%	10.50%	5.10%
Aviation	3,141	3,970	0.30%	0.40%	12.70%	26.40%
All Other Miscellaneous	20,750	21,802	2.20%	2.00%	-5.90%	5.10%
Grand Total	**9,63,911**	**10,87,053**	**100.00%**	**100.00%**	**0.90%**	**12.80%**

(Source- IRDAI)

Movement in Gross Direct Premium Underwritten

(Rs Million)

Premium Type	**Premium**		**Y-O-Y Growth**	
	For Sep 20	**For Sep 21**	**For Sep 20**	**For Sep 21**
General Insurers	1,89,040	1,90,217	-4.90%	0.60%
Stand Alone Pvt. Health Insurers	13,250	17,430	42.70%	31.60%
Specialized PSU Insurers	26,419	14,617	20.20%	44.70%
Total	**2,28,708**	**2,22,264**	**-5.20%**	**-2.80%**

(Source – IRDAI)

General Insurers grew marginally at 0.6% for September 2021 compared to the drop of 4.9% reported in September 2020. The YTD numbers grew at a 10.9% for H1FY22 vs a decline of 1.7% in H1FY21. The General Insurance segment continues to maintain the highest share; however, its continued growth can be attributed to the health portfolio, with motor also accounting for some growth.

Standalone Pvt Health issuers have reported a sustained premium y-o-y growth of 31.6% in September 2021 (lower compared to last September's growth rate of 42.7%) to Rs. 17,430 million. Further, the premiums have also grown sequentially compared to Rs 16,135 million in August 2021. On the other hand, a much sharper growth has been observed in the H1FY22 numbers which reached Rs 93,320 million from Rs 66,946 million in H1 FY21, a jump of 39.4% vs. a growth of 32.9% in H1 FY21, indicative of the robust growth in the retail health premiums. On the other hand, Specialized insurers reported a significant drop of 44.7% in September 2021 (significantly higher vs. the last year) but rose by 9.8% for H1FY22.

Outlook for General Insurance

Q1FY22 was adversely impacted on account of the rise in claims due to the second wave of the pandemic. Given the opening of the economy and anticipated growth in the same, the industry performance is expected to improve over time. However, given that no increase in the motor TP premium has been announced, the sector is expected to witness pressure on near-term profitability. The non-life industry has continued its FY22 journey on a positive note. H1FY22 growth has continued to be driven by the private sector which grew at a significantly faster pace (growth of 16.4% in H1 FY22) compared to the public sector (growth of 8.4% in H1FY22). The non-life premiums are expected to be driven by (1)

continued uptick in the health segment and as covid claims are moderating compared to earlier levels (claims are going in at increasing level compared to the covid levels due to delayed reporting), (2) motor insurance segment reporting a growth in premiums, albeit on a lower base, (3) rising travel could also lead to a boost in PA/ travel insurance, and (4) enhanced digital solutions complemented by the offline offerings.

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 14, 16 and 197*, respectively. Unless otherwise indicated or unless the context otherwise requires, the financial information included herein is derived from our Reformatted Ind AS Financial Information and H1 2022 Unaudited Financial Results, as included in this Shelf 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.

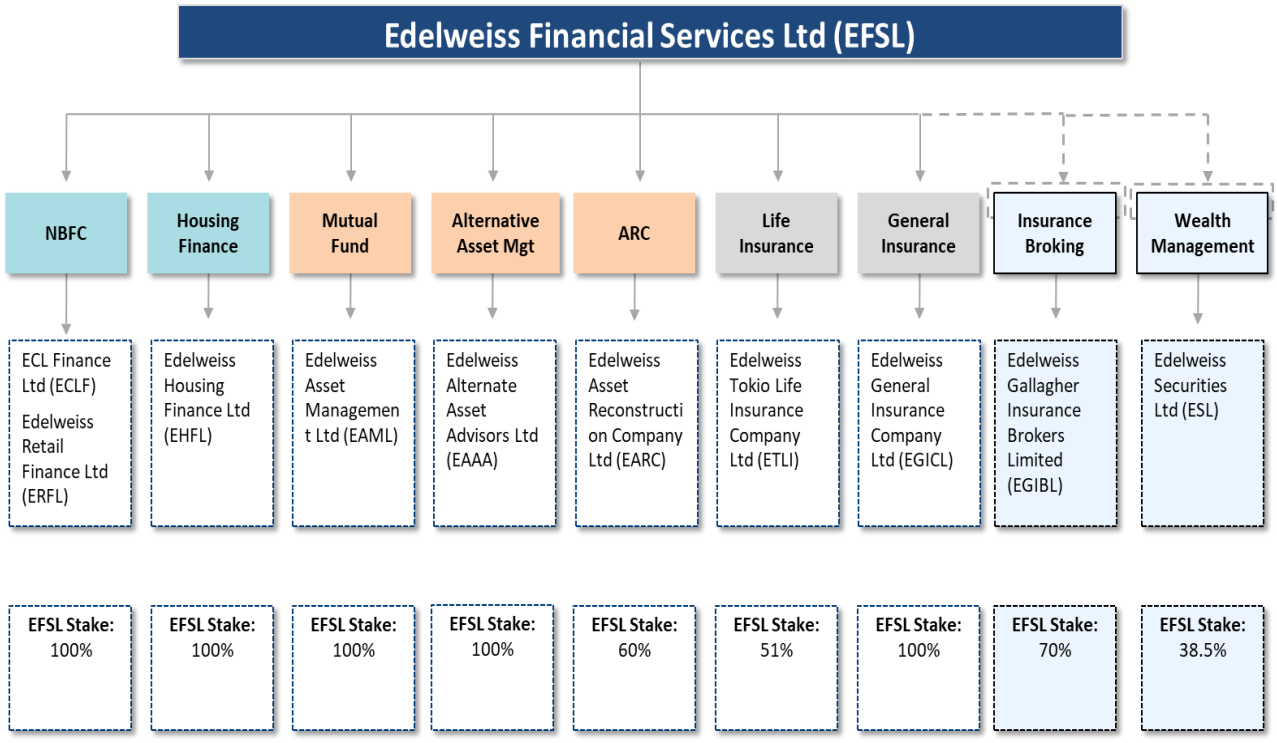
After commencing the business as an investment banking firm, the Company, through its subsidiaries has now diversified its businesses to include credit including retail and corporate credit, asset management, asset reconstruction, insurance including life and general insurance business, and wealth management businesses, which are conducted through its subsidiaries. However, the Edelweiss Wealth Management ("**EWM**") Business and Edelweiss Gallagher Insurance Broking Limited ("**EGIBL**") have ceased to be a subsidiary of our company with effect from March 26, 2021 and October 18, 2021, respectively (further details in "*Material Developments*" on page 437). 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 219 domestic offices, and seven international offices (total 226 offices), in approximately 124 cities in India and three international locations and employed approximately 5,685 employees as at September 30, 2021, excluding EWM and EGIBL offices and employees.

Our group comprises 32 subsidiaries and 10 associate companies as at September 30, 2021. Our profit/(loss)attributable to owners of the Company was ₹ 753.80 million for the six months ended September 30, 2021 on a consolidated basis. We believe that our diversified business strategy has improved the resilience of our business model across economic cycles. We constantly pursue innovation and invest in new ideas, newer products, 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 32 subsidiaries and 10 associate companies as at September 30, 2021. Our principal business lines and major subsidiaries engaged in those business lines are as follows:



Divested 61% stake in EGIBL to Arthur J Gallagher & Co. in Oct 21 and balance 9% transfer expected by Mar 22
We have an option to increase our stake to ~44% in Wealth Management

Our Strengths

We believe that the following strengths position us well for continued growth:

Diversified business model

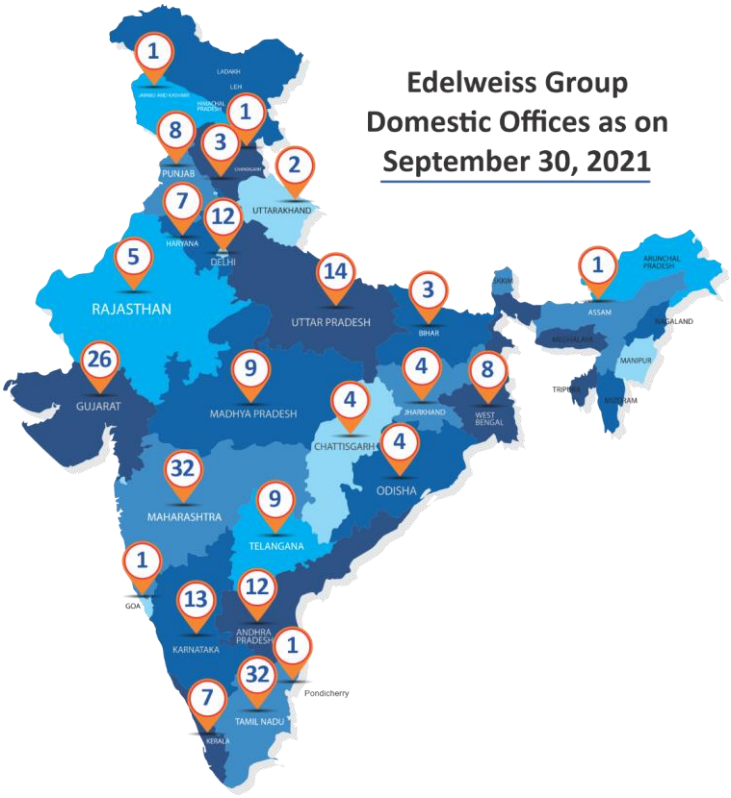
We have grown from a capital markets advisory business to become a diversified financial services group engaged in retail credit, corporate credit, asset management, asset reconstruction, insurance business and wealth management business. We believe that our diversified service platform allows us to 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 2,000 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 excluding EWM and EGIBL offices spanned across a total of 226 offices (including approximately 219 domestic offices in approximately 124 Indian cities and seven international offices in three international locations) as at September 30, 2021

The following map shows a snapshot of our pan-India distribution network of 219 domestic offices as at September 30, 2021.



Notes: Map is not according to scale and is only for illustration purposes. Offices exclude EWM and EGIBL offices.

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 1,250,000 as at March 31, 2019 and approximately 1,325,000 as at March 31, 2021 to approximately 1,570,000 as at September 30, 2021, excluding EWM clients as at March 31, 2021 and September 30, 2021.

Our Life Insurance business has also expanded its distribution footprint across India and had approximately 109 branches in around 88 cities as at September 30, 2021.

Adequately capitalised

Our retail credit and corporate 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, 2021 and September 30, 2021, on standalone basis are as under:

Name of the NBFC	Minimum Regulatory CRAR	CRAR as on March 31, 2021	CRAR as on September 30, 2021
ECL Finance Limited	15%	25.29%	25.53%
Edelweiss Retail Finance Limited	15%	39.85%	34.19%
Edelweiss Housing Finance Limited (HFC) (calculated as per Ind AS) Total Capital Ratio	14% by March 31, 2021 15% by March 31, 2022	26.49%	22.00%

While we believe that we are currently adequately capitalised, we continue to seek fresh capital or release capital through securitisation of assets 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 on a consolidated basis were ₹ 284,360.49 million as at March 31, 2021 out of which ₹ 109,772.72 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 14 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 with Gross NPLs at 4.99% (as per Ind AS) and Net NPLs at 2.52% as on September 30, 2021, Gross NPLs at 8.41% (as per Ind AS) and Net NPLs at 4.46% as on March 31, 2021, 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. While the asset quality deteriorated during the Fiscal 2020 and Fiscal 2021 due to environmental headwinds including the effects of the pandemic, it has started improving in Fiscal 2022 following a multi-pronged strategy adopted by us. 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 September 30, 2021, our employees (including EWM and EGIBL employees) hold ESOPs entitling them to approximately 3.22% 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, co-origination 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.

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, 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 and residential projects construction finance. Housing loans, construction finance and LAP portfolio has grown to ₹ 43,534.53 million as on September 30, 2021 from commencement of operations in the Fiscal 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 ₹ 48,344.91 million as on March 31, 2021 catering to around 21,000 clients and around 96 locations and served a loan book of ₹ 43,534.53 million as of September 30, 2021. The loan to value ratio in its home loans and LAP portfolio remained at a comfortable level.

SME & Business Loans

SME finance business is our key focus areas in retail credit and caters to the underserved and highly scalable market. Among our products for SMEs, we offer secured and unsecured business loans to them. We believe that the SME sector has significant unmet demand that is not currently adequately serviced by banks and financial institutions and NBFCs are increasing their penetration of this sector. The collateral for secured SME loans is typically a pledge of residential or commercial property.

SME business operated in approximately100 locations and had a book of ₹ 16,661.97 million as at March 31, 2021, including other Business Loans, catering to around 14,000 clients. It has a loan book of ₹ 11,792.21 million as of September 30, 2021.

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.

Rural Finance

Rural finance comprises unsecured loans given to rural population in the nature of micro finance through our channel partners and had a book of ₹ 673.29 million and ₹ 815.08 million as on September 30, 2021 and March 31, 2021, 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 ERFL was ₹ 11,872.80 million, ₹ 12,548.63 million, ₹ 16,136.80 million and ₹ 19,078.69 million as at September 30, 2021 and as at March 31, 2021, 2020 and 2019, respectively on a standalone basis. Gross Stage 3 loans % and/or Gross NPA % of ERFL were 4.60%, 12.44%, 2.36% and 3.14%, of the gross advances as at September 30, 2021 and as at March 31, 2021, 2020 and 2019, respectively on a standalone basis. Net Stage 3 loans % and/or Net NPA % of ERFL were 3.96%, 10.21%, 1.90% and 2.68% of the gross advances as at September 30, 2021 and as at March 31, 2021, 2020 and 2019, respectively on a standalone basis.

Gross Loans/ Gross Loan Book of EHFL was ₹ 35,444.15 million, ₹ 36,453.58 million, ₹ 43,610.39 million and ₹ 53,961.94 million as at September 30, 2021 and as at March 31, 2021, 2020 and 2019, respectively on a standalone basis. Gross Stage 3 loans % of EHFL were 3.41%, 3.50%, 1.74% and 1.82% of the gross advances as at September 30, 2021 and as at March 31, 2021, 2020 and 2019, respectively on a standalone basis. Net Stage 3 loans % and/or Net NPA % of EHFL were 2.97%, 3.15%, 1.49% and 1.56% of the gross advances as at September 30, 2021 and as at March 31, 2021, 2020 and 2019, respectively on a standalone basis.

Total retail credit for the group accounted for 48.46% of total credit as at March 31, 2021 compared to 52.29% as at March 31, 2020. As of September 30, 2021 retail credit accounted for 46.62% 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, immoveable property may also be used as collateral. These loans also include bridge financing or other short-term loans. The tenure of the loans is generally up to three years. The funds raised are to be utilised for the working capital requirement of the corporates, expansion and diversification of business among other uses.

In addition to ERFL and EHFL, some retail loans (SME, LAP and ESOP & Margin Funding) are also booked in ECL Finance Limited.

ECL Finance Limited's Gross Loans/ Gross Loan Book was ₹ 74,269.70 million, ₹ 86,342.50 million, ₹ 136,317.20 million and ₹ 244,085.43 million as at September 30, 2021 and as at March 31, 2021, 2020 and 2019, respectively. Our Gross Stage 3 loans % were 2.31%, 7.23%, 3.76% and 2.33%, of our gross advances as at September 30, 2021 and as at March 31, 2021, 2020 and 2019, respectively. Our Net stage 3 loans % were 1.85%, 6.40%, 3.27% and 0.97% of our gross advances as at September 30, 2021 and as at March 31, 2021, 2020 and 2019, 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, co-origination and securitisation model) and/or adopt Alternate Investment Funds model to run our wholesale credit business. We will also resort to continued sell-down which will release equity, generate liquidity and reduce debt-equity ratio further. 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 include collateral valuation, title search, document verification, fraud and KYC verifications, personal meetings with clients and audit before the disbursement of loans. Furthermore, our processes have been standardised with the objective of providing high quality of service and ensuring efficiency. This is achieved by facilitating the integration of our workforce, processes and technology. Our key business processes are regularly monitored by the respective business or operations head. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

We believe that we have the necessary internal controls and risk management systems to assess and monitor risks across various business lines. The risk management systems function through an independent department concerning accounts and operations and a dedicated centralised risk management team. We seek to monitor and control risk exposure through a variety of separate but complementary financial, credit and operational reporting systems.

Capital to Risk Assets Ratio

Our Credit business is subject to the CRAR requirements as prescribed by the RBI or NHB, as applicable. We are currently required to maintain in respect of our NBFCs a minimum of 15.00% as prescribed under the Prudential norms of the RBI based on our total capital to risk weighted assets. We are currently also required to maintain in respect of our HFC a minimum of 14.00% by March 31, 2021 as prescribed under the Prudential Norms of the NHB based on our total capital to risk weighted assets. As part of our governance policy, we maintain capital adequacy higher than the statutorily prescribed CRAR.

The table below sets out our CRAR for our key NBFC subsidiaries/HFC engaged in the credit business, which is computed on the basis of the applicable RBI/NHB requirements, as at the dates indicated:

Particulars	As at September 30, 2021	As at March 31,		
		2021	2020	2019
ECL Finance Limited				
CRAR – Tier I capital (%)	14.49	13.70	10.51	14.27
CRAR – Tier II capital (%)	11.04	11.59	10.51	5.00
Total CRAR (%)	**25.53**	**25.29**	**21.02**	**19.27**
Edelweiss Retail Finance Limited				
CRAR – Tier I capital (%)	22.38	26.70	19.73	24.92
CRAR – Tier II capital (%)	11.81	13.15	9.65	8.96
Total CRAR (%)	**34.19**	**39.85**	**29.38**	**33.87**
Edelweiss Housing Finance Limited (calculated as per Ind AS)				
CET1 Capital ratio	22.00	26.49	28.03	20.80
CET2 Capital ratio	0.00	0.00	0.54	0.60
Total Capital Ratio	**22.00**	**26.49**	**28.57**	**21.40**

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 around ₹ 302 billion spread over 15 funds and ~₹ 300 billion and ~₹ 217 billion at the end of Fiscal 2021 and Fiscal 2020, respectively. AUMs have grown ~9 times since Fiscal 2016 till the end of Fiscal 2021. This business has been 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 37 debt and liquid funds with AUM of ₹ 710 billion has approximately 620,000 clients and a large distribution network as at September 30, 2021. Its AUM was ₹ 550 billion and ₹ 291 billion serving approximately 420,000 clients and 275,000 clients at March 31, 2021 and March 31, 2020, respectively. The Mutual Fund AUM includes the AUM of our Multi Strategy Funds described below. 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 Fiscal 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 in Fiscal 2021 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
  - 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. Its AUM is included in the AUM of our Mutual Fund given above.

Our total AUM in our Asset Management business were approximately ₹ 1,012 billion, ₹ 850 billion, ₹ 508 billion and ₹ 370 billion as at September 30, 2021 and as at March 31, 2021, 2020 and 2019, 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 ₹ 428 billion, ₹ 408 billion, ₹ 432 billion and ₹ 466 billion as at September 30, 2021 and as at March 31, 2021, 2020 and 2019, respectively placing EARC as one of the largest ARC in India. EARC has been able to maintain its market leadership with approximately 42% of market share as at September 30, 2021. 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 ₹ 54 billion in Fiscal 2021 as compared to more than ₹ 112 billion in Fiscal 2020. Recoveries in the six months period ended September 30, 2021 have been ₹ 16.4 billion. Total recoveries during four years covering Fiscal 2018 to Fiscal 2021 have been approximately ₹ 262 billion. The recovery scenario got a major boost during Fiscal 2020 with the successful resolution of several large accounts under IBC.

Insurance Business

Edelweiss expanded its addressable retail markets by launching life insurance business during 2011. We completed our insurance offering by entering general insurance business in Fiscal 2018.

Life Insurance Business

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 ₹21,774.70 million and had approximately 339,000 unique policy holders as at September 30, 2021. ETLI had issued approximately 25,700 individual policies in the six months ended September 30, 2021. ETLI operated approximately 109 branches and has appointed approximately 59,600 personal financial advisors ("**PFA**") as at September 30, 2021.

The Gross Premium income in Fiscal 2021 was ₹ 12.48 billion compared to ₹ 10.48 billion in the previous year, a growth of 19%. The Collected Individual Annualised Premium Equivalent (APE) increased by 25% to ₹ 4.04 billion in Fiscal 2021 and the CAGR since Fiscal 2016 is 24% compared to 11% recorded by the industry. The 13th month persistency is at 76.5% in Fiscal 2021 compared to 77.6% in Fiscal 2020 and Individual Claims Settlement Ratio is at 97% in Fiscal 2021 compared to 83% in Fiscal 2020. The Embedded Value of the business, calculated on market consistent basis, stands at ₹ 12.56 billion as on March 31, 2021.

ETLI's Solvency Ratio – calculated on the basis of IRDAI norms applicable to insurance companies – was 206%, 215%, 232% and 229% as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, respectively.

As our life insurance business is just over 10 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 ₹1,054.32 million, ₹1,392.36 million and ₹1,376.24 million for the Fiscals 2021, 2020 and 2019, 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 created many industry first products and features, and has been consistently recognized for its Product Innovation capabilities at several forums, including India Insurance Summit & Awards 2020 for Wealth Secure+. It has also received the "Best Product Innovator" for Covid Shield Plus, which is industry's first Covid product in Life Insurance

industry from BFSI excellence awards, 2021. Continuing the path of innovation, it launched two new products in 2021, Total Protect Plus and Premier Guaranteed income.

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 and reserves of ₹ 4,530.00 million and had approximately 210,000 unique policy holders as at September 30, 2021. EGICL had issued approximately 1,05,000 policies in the six months period ended September 30, 2021. EGICL operates through approximately 9 offices as at September 30, 2021.

The company generated Gross Written Premium ("**GWP**") of ₹ 1,589.79 million, ₹ 2,264.46 million, ₹1,586.04 million and ₹1,043.09 million for the half year ended September 30, 2021 and Fiscals 2021, 2020 and 2019, respectively.

EGICL's loss after tax was ₹ 516.68 million, ₹ 910.34 million, ₹ 940.12 million and ₹ 595.05 million, for the half year ended September 30, 2021 and for the Fiscals 2021, 2020 and 2019, respectively. EGIC's Solvency Ratio – calculated on the basis of IRDAI norms applicable to insurance companies – was 179%, 209%, 236% and 240% as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 respectively.

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.

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 ("**UHNI**"), HNIs, affluent clients and corporate as well as institutional clients and is conducted through our Associate companies.

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 ₹ 1,801 billion, ₹ 1,550 billion, ₹ 1,137 billion and ₹ 1,060 billion as at September 30, 2021, March 31, 2021, 2020 and 2019, 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, 2021 and 2020 are not comparable with the prior period AUA numbers. EWM Business had approximately 750,000 number of affluent clients as at September 30, 2021.

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 Fiscal 2020*)

PAG investment in Edelweiss Wealth Management (EWM)

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. The stake sale to PAGAC was completed in March, 2021 at a valuation of approximately ₹ 44 billion giving them a stake of ~61.5% and EFSL will hold 38.5% stake in EWM with an option to increase it to ~44%. As a result of this transaction, EWM has ceased to be a subsidiary of our Company and is now an Associate with effect from March 26, 2021.

For details in relation to the agreements entered into with PAG, please refer "*History and Main Objects*" on page 137.

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: Asiamoney 2020 Best for Family Offices
- Best Private Bank - India Domestic at Asian Private Banker Awards for Distinction 2020
- 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:

Edelweiss Investment Banking is a full service advisory platform with proven track record across products including Equity/Debt capital markets, M&A, Private Equity, Special Situations and Structured Finance. It continues to be among leaders and has executed 60+ equity and debt transactions in Fiscal 2021 across marquee clients.

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 5 years period from April 2017 to March 2021 with a market share of ~16% in terms of number of issues handled. We are also ranked joint second advisor in Venture Intelligence M&A league table for CY2020 by number of deals and ranked 1 private equity advisor in BSFI and Food & Beverages category.

Edelweiss Debt Capital Markets business maintained its number one position in Fiscal 2021 in public issuance of bonds for the 7th year running. We were lead arrangers to ~70% of the amount mobilized via this route (*Source: Prime Database*). In CP issuances, Edelweiss stood at 3rd position in Fiscal 2021 with a market share of ~13%. We have

maintained our position in top 4 CP issuers since Fiscal 2015 and in other league tables by leveraging on the experience and competence developed and sharpened over the years (*Source: Prime Database*).

This business 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.

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 September 30, 2021. 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 provide custodial services to institutional clients our clients range from private to public sector and mid-cap to large-cap corporates across a wide range of industries.

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 groupand 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. These responsibilities are now devolved at entity level to ensure compliance and efficiency.

Asset and Liability Management

Our business requires significant working capital and, accordingly, our day-to-day liquidity management is a critical function. 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, 2021 our available liquidity, which includes unencumbered government bonds, mutual fund investments, bank fixed deposits, unutilised overdraft lines, sanctioned term loans from banks, Exchange margin, and other high quality liquid assets which can be converted into cash in a short period of time if needed, was approximately ₹ 68 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. These responsibilities are devolved at entity level to ensure compliance and efficiency.

We also seek to continue to reduce dependence on short-term money market borrowings, diversify our sources of borrowings and increase the proportion of our medium to long term borrowings.

Ever since the collapse of 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 ~2% of borrowings with the borrowings from NCDs and bank finance accounting for ~98% of total adjusted borrowings at the end of Fiscal 2021. The proportion of funding from retail sources was ~26% as at the end of Fiscal 2021. Overall share of borrowings maturing in less than one year and more than one year stands at 38.60% and 61.40% respectively as at March 31, 2021.

During the year Fiscal 2021 we have also been able to raise resources in the form of equity from strategic investors amounting to ~₹ 23.66 billion and have done retail securitization of ~₹ 9 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 ₹ 2,653.36 million, ₹ (20,452.45) million and ₹ 9,951.66 million for the Fiscals 2021, 2020 and 2019, respectively. Our profit/(loss) attributable to owners of the Company was ₹ 753.80 million for the six months period ended September 30, 2021- on a consolidated basis.

The following table sets forth the Key Operational and Financial Parameters on a consolidated basis:

(₹ in million)

Parameters	As at and for the six months period ended September 30, 2021	As at and for the year ended March 31		
		2021	2020	2019
Balance Sheet				
Net Fixed assets (Refer Note I)	17,047.00	17,939.09	23,881.40	13,084.51
Total assets (Refer Note II)	4,43,819.10	4,59,750.13	5,42,803.21	6,41,535.44
Networth (Refer Note III)	77,994.10	76,769.95	72,070.77	87,149.91
Total equity and liabilities (Refer Note IV)	4,43,819.10	4,59,750.13	5,42,803.21	6,41,535.44
Profit and Loss				
Total revenue	35,025.60	1,08,488.50	96,026.29	1,11,612.29
From operations	34,543.50	93,573.60	95,133.14	1,10,775.16
Other income	482.10	14,914.90	893.15	837.13
Total Expenses	35,453.00	1,07,025.91	1,20,592.81	94,217.18
Exceptional Item	-	-	-	-
Profit / (Loss) before tax	144.30	1,456.24	(24,566.52)	17,437.10
Profit / (Loss) after tax	905.10	2,539.20	(20,437.72)	10,443.69
Other comprehensive income	(118.50)	(17.97)	4,726.42	573.35
Total comprehensive income	786.60	2,521.23	(15,711.30)	11,017.04
EPS				
(a) Basic	0.85	2.98	(23.01)	11.28
(b) Diluted	0.84	2.97	(23.01)	11.09
Cash Flow				
Net cash generated from / (used in) operating activities	14,557.50	34,580.26	1,20,984.10	56,852.95
Net cash used in / generated from investing activities	(9,260.30)	40,849.12	1,992.49	(13,124.46)
Net cash used in / generated from financing activities	(30,589.90)	(85,869.42)	(1,04,709.61)	(36,651.24)

(₹ in million)

Parameters	As at and for the six months period ended September 30, 2021	As at and for the year ended March 31		
		2021	2020	2019
Cash and cash equivalents as at the beginning of the year	38,985.20	49,425.19	31,158.21	24,080.96
Cash and cash equivalents at the end of the year	13,692.50	38,985.15	49,425.19	31,158.21
Net (decrease) / increase in cash and cash equivalents	(25,292.70)	(10,440.04)	18,266.98	7,077.25
Additional information				
Cash and Cash Equivalents	13,692.50	38,985.15	49,425.19	31,158.21
Interest Income	15,634.40	40,344.01	59,019.46	68,378.86
Finance Costs	15,507.20	38,340.33	47,930.39	47,832.25

Notes: *"Debt to equity ratio" refers to aggregate of Debt securities, Borrowings (other than debt securities), Subordinated Liabilities at the end of the period divided by equity.*

I. Net Fixed assets

(₹ in million)

Particulars	As on			
	September 30, 2021	March 31, 2021	March 31,2020	March 31,2019
Investment property	3,103.00	3,394.63	4,457.27	3,144.51
Property, Plant and Equipment	11,786.70	12,281.27	15,012.58	5,477.86
Capital work in progress	9.70	7.93	111.56	102.94
Intangible assets under development	163.60	124.17	320.79	333.90
Goodwill on consolidation	663.30	663.35	1,723.41	1,742.72
Other Intangible assets	1,320.70	1,467.74	2,255.79	2,282.58
Total Net Fixed Assets	**17,047.00**	**17,939.09**	**23,881.40**	**13,084.51**

II. Total Assets

(₹ in million)

Particulars	As on			
	September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Total Financial assets	**399,432.50**	**417,807.89**	**496,503.54**	**611,343.96**
Cash and cash equivalents	13,692.50	38,985.15	49,425.19	31,158.21
Bank balances other than cash and cash equivalents	11,152.30	8,616.91	36,670.89	33,396.05
Derivative financial instruments	2,979.20	2,902.03	5,321.87	1,940.90
Stock in trade (Securities held for trading)	16,825.90	15,746.76	17,458.07	39,136.66
Trade Receivables	6,206.80	5,060.49	13,052.38	27,540.06
Loans	211,309.00	219,105.46	283,606.79	384,083.10
Investments	125,366.60	114,763.02	82,666.02	87,990.47
Other financial assets	11,900.20	12,628.07	8,302.33	6,098.51
Total Non-financial assets	**44,386.60**	**41,942.24**	**46,299.67**	**30,191.48**
Inventories	-	-	436.09	1,691.32
Reinsurance assets	3,453.20	3,393.36	2,944.42	2,886.19
Current tax assets (net)	8,440.20	7,218.14	5,839.78	4,326.64
Deferred tax assets (net)	10,828.70	9,584.99	9,564.75	4,905.87
Investment property	3,103.00	3,394.63	4,457.27	3,144.51
Property, Plant and Equipment	11,786.70	12,281.27	15,012.58	5,477.86
Capital work in progress	9.70	7.93	111.56	102.94
Intangible assets under development	163.60	124.17	320.79	333.90
Goodwill on consolidation	663.30	663.35	1,723.41	1,742.72
Other Intangible assets	1,320.70	1,467.74	2,255.79	2,282.58
Other non- financial assets	4,617.50	3,806.66	3,633.23	3,296.95
Total Assets	**443,819.10**	**459,750.13**	**542,803.21**	**641,535.44**

III. Networth

(₹ in million)

Particulars	As on			
	September 30, 2021	**March 31, 2021**	**March 31,2020**	**March 31,2019**
Equity Share capital	892.70	890.90	889.51	887.77
Other equity	65,299.10	64,880.69	60,397.60	75,882.03
Non-controlling interest	11,802.30	10,998.36	10,783.66	10,380.11
Networth	**77,994.10**	**76,769.95**	**72,070.77**	**87,149.91**

IV. Total equity and liabilities

(₹ in million)

Particulars	As on			
	September 30, 2021	**March 31, 2021**	**March 31,2020**	**March 31,2019**
Derivative Instrument	3,168.30	1,845.51	3,812.48	1,929.51
Trade Payables	8,677.60	4,894.78	12,833.60	19,752.83
Insurance claims payable	750.20	194.41	74.52	45.61
Debt securities	165,004.30	174,858.54	207,585.06	245,910.48
Borrowings (other than debt securities)	76,811.00	94,318.19	133,210.55	190,453.51
Deposits	15.20	96.01	2,168.97	1,436.76
Subordinated Liabilities	15,391.90	15,087.75	23,608.81	23,676.58
Other financial liabilities	38,421.90	41,457.17	49,250.54	39,126.98
Current tax liabilities (net)	311.40	253.00	906.30	1,435.14
Provisions	454.20	1,118.55	351.11	327.71
Policyholders' liabilities	49,564.40	43,549.30	30,076.82	24,492.79
Deferred tax liabilities (net)	2,072.10	2,157.62	2,643.73	2,532.70
Other non-financial liabilities	5,182.50	3,149.35	4,209.95	3,264.93
Equity Share capital	892.70	890.90	889.51	887.77
Other equity	65,299.10	64,880.69	60,397.60	75,882.03
Non-controlling interest	11,802.30	10,998.36	10,783.66	10,380.11
Total Equities and Liabilities	**443,819.10**	**459,750.13**	**542,803.21**	**641,535.44**

The following tables sets forth the Key Operational and Financial Parameters on a standalone basis:

(₹ in million)

Parameters	As at and for the six months period ended September 30, 2021	As at and for the year ended March 31		
		2021	**2020**	**2019**
Balance Sheet				
Net Fixed assets (Refer Note I below)	7.50	7.18	34.35	55.94
Total assets (Refer Note II below)	63,696.10	59,809.30	36,792.88	37,966.77
Net Worth (Refer Note III below)	43,413.40	41,259.88	34,545.70	33,516.01
Total equity and liabilities (Refer Note IV below)	63,696.10	59,809.30	36,792.88	37,966.77
Profit and Loss				
Total revenue	3,528.20	17,218.73	2,455.40	3,185.83
Total Revenue from operations	1,812.00	3,436.06	2,213.26	3,009.75
Other income	1,716.20	13,782.67	242.14	176.08
Total Expenses	1,842.70	10,279.54	1,659.93	2,126.56
Exceptional Item	-	-	-	-
Profit before tax	1,685.50	6,939.19	795.47	1,059.27
Profit for the year	2,605.40	7,162.12	825.79	1,028.78
Other comprehensive income	0	9.54	(0.47)	0.82
Total comprehensive income	2,605.40	7,171.66	825.32	1,029.60
EPS				
(a) Basic	2.92	8.05	0.93	1.17
(b) Diluted	2.91	8.01	0.92	1.15
Cash Flow				
Net cash used in / generated from operating activities	(3,428.30)	1,174.28	399.72	(177.62)

(₹ in million)

Parameters	As at and for the six months period ended September 30, 2021	As at and for the year ended March 31		
		2021	2020	2019
Net cash used in / generated from investing activities	(1,135.80)	(5,695.88)	2,207.66	(2,438.41)
Net cash used in / generated from financing activities	3,162.70	5,989.75	(2,703.70)	2,629.21
Cash and cash equivalents as at the beginning of the year	1,481.80	13.66	109.98	96.80
Cash and cash equivalents at the end of the year	80.40	1,481.81	13.66	109.88
Net (decrease) / increase in cash and cash equivalents	(1,401.40)	1468.15	(96.32)	13.18
Additional information				
Cash and Cash Equivalents	80.40	1,481.81	13.66	109.98
Interest Income	1,005.30	834.96	121.16	263.39
Finance Costs	749.70	973.34	323.11	164.34

Notes: *"Debt to equity ratio" refers to aggregate of Debt securities, Borrowings (other than debt securities), Subordinated Liabilities at the end of the period divided by equity.*

I. Net Fixed Assets

(in ₹ million)

Particulars	As on			
	September 30,2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Property, Plant and Equipment	6.40	5.99	8.36	13.75
Intangible assets under development	0	0	9.16	9.96
Other intangible Assets	1.10	1.19	16.83	32.23
Total Net Fixed Assets	**7.50**	**7.18**	**34.35**	**55.94**

II. Total Assets

(in ₹ million)

Particulars	As on			
	September 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Total Financial assets	**61,124.50**	**58,600.10**	**35,715.03**	**37,093.72**
Cash and cash equivalents	80.40	1,481.81	13.66	109.98
Other bank balances	39.60	8.19	9.55	59.97
Trade receivables	70.80	191.00	316.80	366.96
Loans	16,964.40	12,472.43	6.73	2,538.68
Investments	43,575.80	43,817.32	34,672.87	33,392.51
Other financial assets	393.50	629.35	695.42	625.62
Total Non-financial assets	**2,571.60**	**1,209.20**	**1,077.85**	**873.05**
Current tax assets (net)	836.20	688.06	618.59	425.77
Deferred tax assets (net)	1,297.90	378.08	291.13	258.65
Property, plant and equipment	6.40	5.99	8.36	13.75
Intangible assets under development	0	0	9.16	9.96
Other intangible assets	1.10	1.19	16.83	32.23
Other non-financial assets	430.00	135.88	133.78	132.69
Total Assets	**63,696.10**	**59,809.30**	**36,792.88**	**37,966.77**

III. Networth

(in ₹ million)

Particulars	As on			
	September 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Equity Share Capital	892.70	890.90	889.51	887.77
Other Equity	42,520.70	40,368.98	33,656.19	32,628.24
Networth	**43,413.40**	**41,259.88**	**34,545.70**	**33,516.01**

IV. Total Equity and Liabilities

(in ₹ million)

Particulars	As on			
	September 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Financial Liabilities	**20,087.30**	**17,576.02**	**2,097.07**	**4,372.99**
Derivative financial instruments	-	-	-	2.48
Trade payables	717.00	2,354.43	53.35	106.90
Debt securities	13,533.70	7,288.95	734.12	-
Borrowings other than debt securities	-	1,091.16	732.51	3,660.63
Other financial liabilities	5,836.60	6,841.48	577.09	602.98
Non-financial Liabilities	**195.40**	**973.40**	**150.11**	**77.77**
Current tax liabilities (net)	17.00	7.26	69.84	45.86
Provisions	8.20	845.81	9.08	10.27
Other non-financial liabilities	170.20	120.33	71.19	21.64
Equity	**43,413.40**	**41,259.88**	**34,545.70**	**33,516.01**
Equity Share Capital	892.70	890.90	889.51	887.77
Other Equity	42,520.70	40,368.98	33,656.19	32,628.24
Total Equities and Liabilities	**63,696.10**	**59,809.30**	**36,792.88**	**37,966.77**

Key Parameters of Edelweiss Retail Finance Limited

(₹ in million, except percentage)

Particulars	As at and for the six months period ended September 30, 2021	As at and for the year ended March 31	
		2021	2020
Gross Stage III Loan (A)	546.40	1,561.17	381.38
Total Gross Loan (B)	11,872.80	12,548.63	16,136.80
Gross Stage 3 % (A/B)	4.60%	12.44%	2.36%
Gross Stage III Loan	546.39	1,561.17	381.38
Less: Allowance for ECL on Stage III	79.36	279.81	75.20
Net Stage III (A)	467.00	1,281.36	306.18
Total Gross Loan	11,872.80	12,548.63	16,136.80
Less: Allowance for ECL on Stage III	79.36	279.81	75.20
Net Loan (B)	11,793.40	12,268.82	16,061.60
Net Stage 3 % (A/B)	3.96%	10.44%	1.91%

Key Parameters of Edelweiss Housing Finance Limited

(₹ in million, except percentage)

Particulars	As at and for the six months period ended September 30, 2021	As at and for the year ended March 31	
		2021	2020
Gross Stage III Loan (A)	1,207.60	1,275.78	760.57
Total Gross Loan (B)	35,444.15	36,453.58	43,610.39
Gross Stage 3 % (A/B)	3.41%	3.50%	1.74%
Gross Stage III Loan	1,207.60	1,275.78	760.57
Less: Allowance for ECL on Stage III	161.14	131.73	110.58
Net Stage III (A)	1,046.46	1,144.05	649.97
Total Gross Loan	35,444.15	36,453.58	43,610.39
Less: Allowance for ECL on Stage III	161.14	131.73	110.58
Net Loan (B)	35,283.01	36,321.85	43,499.79
Net Stage 3 % (A/B)	2.97%	3.15%	1.49%

Key Parameters of ECL Finance Limited

(₹ in million except percentage)

Particulars	As at and for the six months period ended September 30, 2021	As at and for the year ended March 31	
		2021	2020
Gross Stage III Loan (A)	1,717.25	6,241.92	5,128.47
Total Gross Loan (B)	74,269.70	86,342.50	136,317.20
Gross Stage 3 % (A/B)	2.31%	7.23%	3.76%
Gross Stage III Loan	1,717.25	6,241.92	5,128.47
Less: Allowance for ECL on Stage III	347.25	769.43	694.38
Net Stage III (A)	1,370.00	5,472.49	4434.09
Total Gross Loan	74,269.70	86,342.50	136,317.20
Less: Allowance for ECL on Stage III	347.25	769.43	694.38
Net Loan (B)	73,922.45	85,573.07	135,622.82
Net Stage 3 % (A/B)	1.85%	6.40%	3.27%

Our Credit Ratings

Credit Ratings for Edelweiss Financial Services Limited as at September 30, 2021:

Credit Rating Agency	Instruments	Ratings
CRISIL	Long Term SP	CRISIL PPMLD AA-r
CRISIL	Long Term NCD	CRISIL AA-
CRISIL	Short-term – Commercial Paper	CRISIL A1+
CARE	Short-term – Commercial Paper	CARE A1+
CARE	Long Term - NCDs	CARE A+
ACUITE	Long Term - NCD	ACUITE AA
ICRA	Long Term - NCD	[ICRA]A+ (Negative)
Brickwork	Long Term SPs	BWR PP-MLD AA-
Brickwork	Long Term NCDs	BWR AA-

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 treading carefully is central to our mission and risk management has been a core focus since our inception for the growth of our business. By embedding risk management into the culture of the organisation, we have tried to ensure that the first line of defence starts with each individual and pervades throughout our organisation.

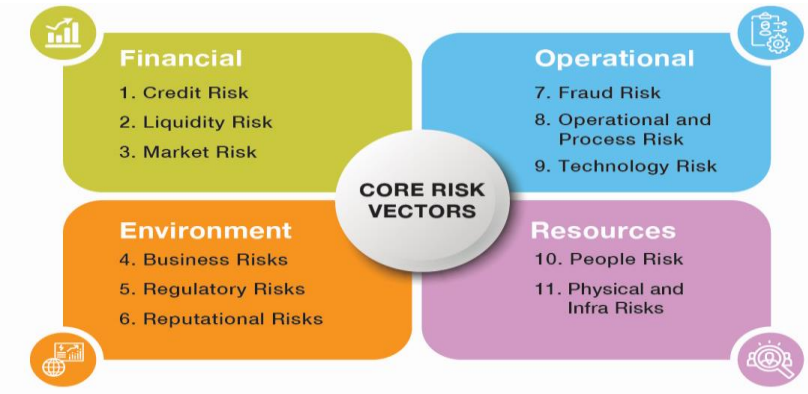
- Customers – Customer experience is a key component of the long-term growth of our business. Our brand building mission has been intensified by digitalisation and easy access of customers to our products. We have also increasingly enhanced our focus on customers with three new guiding principles added 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 grouphave facilitated navigating through environmentally turbulent times. Respect for risk is an integral part of business at Edelweiss. The good risk management practices of the Group have facilitated navigating through environmentally turbulent times. Our Enterprise Risk Management (ERM) framework has helped us strategically benchmark our practices across different business lines to the desired levels.

We have also put in place an in-house "Eleven-risk framework" as under to formalize the process of assess, avoid, manage and mitigate risks across business verticals in a continuous manner.



A brief description of the risks we face is as under:

Risk Vector	Description
Business Risk	Risk of failure of strategy or execution or adverse change in environment or inability to innovate
Market Risk	Risk of loss resulting from adverse movements in market variables
Liquidity Risk	Risk of not being able to timely monetize an asset at a fair price; or inability to meet financial obligations
Credit Risk	Risk of loss due to inability or unwillingness of a counterparty to meet financial / contractual obligations
Operational & Process Risk	Risk of loss resulting from inadequate or failed processes, system controls or human negligence

Risk Vector	Description
Fraud Risk	Activities undertaken by an individual or entity in a dishonest or illegal manner for personal gains
Regulatory Risk	Risk of not adhering to the letter and spirit of laws and regulations leading to fines or other penal action
Reputation Risk	Risk arising from negative perception about the organization on the part of stakeholders
Technology Risk	Risk of loss due to technology failures such as information security incidents or service outrages
Physical & Infra Risk	Risk of loss and people safety due to disruption of basic services/infra due to natural or manmade events
People Risk	Risk of not having the right people with the right skills/competencies at the right time to achieve business goals

A number of new initiatives have been taken in these eleven risk areas. For Regulatory risk, introduction of analytics to identify early warning signs has facilitated in effective implementation of pro-active mitigant measures along with compliance training programs to employees on policies and framework. For Operational & Process risk, all businesses have identified its critical as well as non-critical processes and thorough review of the standard operating procedures (SOPs) for all the critical processes. For Credit risk, a comprehensive framework for asset quality review was put in place in Fiscal 2019 and the recalibration of the expected credit loss (ECL) model has been concluded during Fiscal 2020.

Reputational risk has been factored in all business strategies and it is managed with effective crisis management approach and timely transparent response to all stakeholders. For Technology risk, significant progress has been made on IT security front to manage the risk emanating from the changing ecosystem.

The elaborate risk governance structure at Edelweiss includes Risk Committee of the Board of the listed company. In addition, key subsidiaries also have risk committee of their respective boards. At individual business level we have Investment Committees and Business Risk Groups to Access, Avoid, Manage and Mitigate various risks.

Since the last year, 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. We are using all our learnings from the pandemic to manage various types of emerging and newer risks in our businesses.

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.

Human Resources

Employee Inclusion and Diversity are an important element at the heart of Edelweiss. As at September 30, 2021, approximately 24.20% of our employees are women out of a total of approximately 5,685 employees excluding EWM and EGIBL employees.

We reinforce tenets that enable employees with different backgrounds, gender, ways to thinking, style of operating to work effectively together and holistically play to their strengths. A significant component of our value-based culture is commitment to acknowledge and appreciate 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 September 30, 2021, approximately 3 to 4% of our employees are in our centralised three-tiered leadership pool, comprising of Management Committee members, senior leaders and business leaders, each of whom undergo a structured engagement, communication and development programme during their membership period in the leadership pool. The tenure of the current batch of Emerging Leaders is over and its continuation is under review.

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 September 30, 2021, our employees (not including our Promoters) hold ESOPs entitling them to approximately 3.22% of our Equity Shares (post exercise of ESOPs) on a fully diluted basis.

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).

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. It was also recognised for "CSR Initiative of the Year – India" for Organ Donation at the 6th Insurance Asia Awards in August 2021. Similarly, it was also felicitated by Times of India in September 2021 for Organ Donation.

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 the premises 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 Alibag. As at September 30, 2021, we had approximately 226 offices (including 219 domestic offices and seven international offices) in around 127 cities (including approximately 124 domestic and three international cities) and excluding EWM and EGIBL offices. Except the three owned properties mentioned above, other domestic 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 113.

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 400 021, 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 Shelf 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 Edelweiss Gallagher Insurance Brokers Limited

Share Purchase Agreement dated July 1, 2021 between our Company, Arthur J. Gallagher & Co ("AJG") and Edelweiss Gallagher Insurance Brokers Limited

AJG entered into a share purchase agreement dated July 01, 2021 ("Share Purchase Agreement") with Edelweiss Gallagher Insurance Brokers Limited ("**EGIBL**") and Edelweiss Financial Services Limited ("**EFSL**") in relation to sale of 3,700,000 (three million seven hundred thousand) equity shares comprising 70.0% (seventy percent) of the issued and paid up equity share capital of EGIBL (on a fully diluted basis) held by EFSL along with EFSL nominees to AJG. Pursuant to a discussion between EFSL and AJG, it has been decided to sell the sale shares to AJG subject to the terms and conditions contained in the Share Purchase Agreement. EFSL shall simultaneously on receiving the consideration on the completion date, sell, transfer and deliver the sale shares with full title of EGIBL shares to AJG. The parties have also agreed to grant a call option and a put option in respect of the option sale shares, as per the terms and conditions set out in this agreement. The Share Purchase Agreement contains the customary provisions relating to the condition precedent, obligations, completion, grant and exercise of options, warranties, limitation on liability, indemnity, confidentiality, assignment, further assurance, severance and validity, and specific performance.

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:

(a) 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 ₹ 1,000 each aggregating to USD16,453,333;

(b) The second tranche comprising of CCPS of ESL aggregating to USD 16,453,333; and

(c) 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 Limited ("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 ₹ 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 PAGAC 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**"):

(a) 1,695,327 equity shares to be issued to the Seller upon conversion of all of 1,773,313 compulsorily convertible preference shares owned by the Seller on the execution date i.e. March 12, 2021 ("**Kora CCPS**"); and

(b) 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 ₹ 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**"):

(a) 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

(b) 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 ₹ 1,596,750,204 (Indian Rupees One Hundred and Fifty Nine Crore Sixty Seven Lakh Fifty Thousand Two Hundred and Four only).

Share Purchase Agreement dated May 19, 2021 between our Company, Pagac Ecstasy Pte Ltd and Edelweiss Securities Limited

Pagac Ecstasy Pte Ltd ("**Seller**") entered into a share purchase agreement dated May 19, 2021 ("**Share Purchase Agreement**") with Edelweiss Financial Services Limited ("**Purchaser**") and Edelweiss Securities Limited ("**Company**"). In consideration of mutual promises, covenants and conditions that the Seller has agreed to sell, and the Purchaser has agreed to purchase, the sale shares, in the manner set out in the Share Purchase Agreement. The parties agree that the Seller shall transfer to the Purchaser and/or to the affiliate the sale shares free from any encumbrance. The Share Purchase Agreement contains the customary provisions relating to representations, warranties and indemnities, covenants of the parties, events of default, assignment, specific performance, and termination.

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 ₹ 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 ₹ 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 ₹ 10 (the "**ESL Shares**") for an aggregate consideration of ₹ 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 ₹ 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 ₹ 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 ₹ 1,000 each (the "**CCDs**") for a consideration of ₹ 21,919 million; and (ii) the Investor 1 is to purchase 125,000 CCDs held by our Company in EGWML for a consideration of ₹ 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 ourself 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 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.

Share Purchase Agreement dated May 19, 2021 between our Company, PAGAC Ecstasy Pte Ltd (the "PAG Investor") and Edelweiss Securities Limited ("ESL")

PAG Investor entered into a share purchase agreement dated May 19, 2021 with the Company and Edelweiss Securities Limited where-in, in consideration of mutual promises, covenants and conditions PAG Investor has agreed to sell, and the Purchaser has agreed to purchase, 1,834,455 equity shares of ESL (of the 36,70,537 equity shares of ESL held by it), in the manner set out in the Share Purchase Agreement. The seller shall transfer to the purchaser and/or to the affiliate the sale shares free from any encumbrance at the sale price agreed between the PAG Investor and the Company. The Share Purchase Agreement contains the customary provisions relating to representations, warranties and indemnities, covenants of the parties, events of default, assignment, specific performance, and termination.

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 ₹ 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 September 30, 2021, our Company has following subsidiaries:

1. ECap Equities Limited
2. Edelweiss Investment Adviser Limited
3. EC Commodity Limited*
4. Edel Land Limited
5. Edel Finance Company Limited

6. Edelweiss Rural & Corporate Services Limited
7. EdelGive Foundation
8. ECL Finance Limited
9. Edelweiss Housing Finance Limited
10. Edelweiss Retail Finance Limited
11. Edelweiss Asset Reconstruction Company Limited
12. Edelweiss Alternative Asset Advisors Limited
13. Edelweiss Asset Management Limited
14. Edelweiss Trusteeship Company Limited
15. Allium Finance Private Limited
16. Edel Investments Limited
17. Edelcap Securities Limited
18. Edelweiss Capital Services Limited
19. Edelweiss Comtrade Limited
20. Edelweiss Securities and Investments Private Limited
21. Edelweiss Real Assets Managers Limited
22. Sekura India Management Limited
23. Edelweiss Tokio Life Insurance Company Limited
24. Edelweiss General Insurance Company Limited
25. Edelweiss Gallagher Insurance Brokers Limited
26. EC International Limited
27. Edelweiss Alternative Asset Advisors Pte. Limited
28. Edelweiss International (Singapore) Pte. Limited
29. Aster Commodities DMCC
30. EAAA LLC
31. EW Special Opportunities Advisors LLC
32. Edelweiss Global Wealth Management Limited

**Pursuant to the Composite Scheme of Arrangement and Amalgamation amongst Edel Land Limited ("Amalgamated Company") and ECap Equities Limited ("Resulting Company") and EC Commodity Limited ("Amalgamating Company") and their respective shareholders and creditors, Amalgamating Company would merge with the Amalgamated Company.*

Associates

As on September 30, 2021, our Company has following associates:

1. Edelweiss Securities Limited
2. Edelweiss Finance & Investments Limited
3. Edelweiss Broking Limited
4. Edelweiss Custodial Services Limited
5. ESL Securities Limited
6. Edelweiss Securities (Hong Kong) Private Limited
7. Edelweiss Investment Advisors Private Limited
8. Edelweiss Financial Services Inc.
9. Edelweiss Financial Services (UK) Limited
10. Edelweiss Securities (IFSC) Limited

Enterprises over which control is exercised by the Company

As on September 30, 2021, our Company exercises control on the following enterprises:

- 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
- EARC Trust SC 321
- EARC Trust SC 325
- EARC Trust SC 329
- EARC Trust SC 331
- EARC Trust SC 332
- EARC Trust SC 334
- EARC Trust SC 342
- EARC Trust SC 344
- EARC Trust SC 347

- EARC Trust SC 363
- EARC Trust SC 370
- EARC Trust SC 372
- EARC Trust SC 373
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- EARC Trust SC 377
- EARC Trust SC 378
- EARC Trust SC 380
- EARC Trust SC 381
- EARC Trust SC 383
- EARC Trust SC 384
- EARC Trust SC 385
- EARC Trust SC 418
- EARC Trust SC 422
- EARC Trust SC 436
- EARC Trust SC 423
- EARC Trust SC 406
- EARC Trust SC 434
- EARC Trust SC 424
- Edelweiss Resolution Advisors LLP
- Edelweiss Value and Growth Fund
- India Credit Investments Fund - II
- EARC Trust SC 293
- EARC Trust SC 297
- EARC Trust SC 298
- EARC Trust SC 306
- EARC Trust SC 308
- EARC Trust SC 314
- EARC Trust SC 318
- EARC Trust SC 386
- EARC Trust SC 387
- EARC Trust SC 388
- EARC Trust SC 391
- EARC Trust SC 392
- EARC Trust SC 393
- EARC Trust SC 394
- EARC Trust SC 395
- EARC Trust SC 396
- EARC Trust SC 399
- EARC Trust SC 401
- EARC Trust SC 402
- EARC Trust SC 405
- EARC Trust SC 421
- Edelweiss Multi Strategy Fund Advisors LLP
- Edelweiss Employees Welfare Trust
- EARC Trust SC 348
- EARC Trust SC 349
- EARC Trust SC 351
- EARC Trust SC 352
- EARC Trust SC 357
- EARC Trust SC 360
- EARC Trust SC 361
- EARC Trust SC 410
- EARC Trust SC 412
- EARC Trust SC 415
- EARC Trust SC 427
- EARC Trust SC 428
- EARC Trust SC 429
- EARC Trust SC 430
- EARC Trust SC 227
- EARC Trust SC 228
- EARC Trust SC 397
- EARC Trust SC 413
- EARC Trust SC 416
- EARC Trust SC 417
- EARC Trust SC 431
- Edelweiss Private Equity Tech Fund
- Edelweiss Employees Incentive and Welfare Trust

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 Shelf Prospectus, we have eleven Directors on the Board, out of which four Directors are Executive Directors, one Director is Non-Executive Non-Independent Director and six 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 Shelf Prospectus:

Name, designation, and DIN	Age (in years)	Address	Date of Appointment	Other directorships
Rashesh Shah Designation: Chairman & Managing Director DIN: 00008322	58	223/B Kalpataru Horizon-B, S. K. Ahire Marg, Worli, Mumbai 400 018, Maharashtra, India	*Date of appointment:* November 21, 1995 *Date of re-appointment*: April 1, 2017 (The Board at its Meeting held on June 11, 2021, re-appointed Mr. Shah for a further period of 5 years with effect from April 1, 2022. The Members at the Annual General Meeting held on September 3, 2021, had approved the aforesaid re-appointment.)	• ECL Finance Limited; • Edelweiss Asset Reconstruction Company Limited; • Edelweiss Tokio Life Insurance Company Limited; • Mabella Trustee Services Private Limited; • Rashesh & Vidya Shah Family Foundation; and • Edelweiss Securities Limited
Venkatchalam Ramaswamy *Designation*: Vice-Chairman & Executive Director DIN: 00008509	55	142, Beach Towers, P. Balu Road, Prabhadevi, Mumbai 400 025, Maharashtra, India	*Date of appointment*: February 20, 1996 *Date of re-appointment*: April 1, 2017 (The Board at its Meeting held on June 11, 2021, re-appointed Mr. Venkatchalam Ramaswamy for a further period of 5 years with effect from April 1, 2022. The Members at the Annual General Meeting held on September 3, 2021, had approved the aforesaid re-appointment.)	• ECL Finance Limited; • Edelweiss Asset Reconstruction Company Limited; • Edelweiss Alternative Asset Advisors Pte. Ltd.; • Edelweiss Investment Advisors Pte. Ltd.; • Edelweiss Global Wealth Management Limited; and • Edelweiss Securities Limited
Himanshu Kaji *Designation*: Executive Director DIN: 00009438	56	C/5, C/7, Ishwar Niwas, Sicka Nagar, V. P. Road, Mumbai 400 004, Maharashtra, India	*Date of appointment*: November 1, 2011 *Date of re-appointment*: November 1, 2019	None

Name, designation, and DIN	Age (in years)	Address	Date of Appointment	Other directorships
Rujan Panjwani *Designation*: Executive Director DIN: 00237366	58	26 Hem Prabha, 68, Marine Drive, Mumbai - 400 020, Maharashtra, India	*Date of appointment*: June 24, 2013 *Date of re-appointment*: June 24, 2021	• Ecap Equities Limited • Edelweiss General Insurance Company Limited; • Edel Land Limited; and • Edelweiss Tokio Life Insurance Company Limited
Vidya Shah *Designation*: Non-Executive Non-Independent Director DIN: 00274831	55	223, Kalpataru Horizon B, S K Ahire Marg, Worli, Mumbai 400 018, Maharashtra, India	*Date of appointment*: August 1, 2014	• Edelgive Foundation; • Edelweiss Asset Reconstruction Company Limited; • ECL Finance Limited; • Foundation for Reinventing Governance; • Kimyo Learning Private Limited; • Mabella Trustee Services Private Limited ; • Toolbox India Foundation; • Rashesh & Vidya Shah Family Foundation; • Foundation for Promotion of Sports and Games; • Jan Sahas Foundation; • Edelweiss Securities Limited; and • Edel Finance Company Limited.
P. N. Venkatachalam *Designation*: Independent Director DIN: 00499442	77	Flat No. 3C, Settlur Manor, No. 2, Sivaswamy Street, Opposite Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004, Tamil Nadu, India	*Date of appointment*: August 9, 2007 *Date of re-appointment*: August 2, 2017	• ECL Finance Limited; • Edelweiss Tokio Life Insurance Company Limited; • Edelweiss Asset Reconstruction Company Limited; • Sundaram Finance Limited; and • Sundaram Home Finance Limited
Navtej S. Nandra *Designation*: Independent Director DIN: 02282617	55	22 West, 15th Street, #18A, New York – 10 011, United States of America	*Date of appointment:* May 15, 2013 *Date of re-appointment*: August 2, 2017	• Percent Technologies • Edelweiss Tokio Life Insurance Company Limited; • Edelweiss General Insurance Company Limited; • Oak North Bank Limited; • Pidilite USA, Inc; and • Edelweiss Securities Limited

Name, designation, and DIN	Age (in years)	Address	Date of Appointment	Other directorships
Kunnasagaran Chinniah *Designation*: Independent Director DIN: 01590108	64	12, Countryside Grove, Singapore 789 967	*Date of appointment*: October 1, 2013 *Date of re-appointment*: August 2, 2017	• 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.; • Changi Airport International Pte. Ltd.; • Edelweiss Rural & Corporate Services Limited; • Edelweiss Securities Limited; • Edelweiss Tokio Life Insurance Company Limited • ECL Finance Limited • Edelweiss Finance & Investments Limited • Hindu Endowments Board; • Greenko Energy Holdings; • Keppel Infrastructure Fund Management Pte Ltd.; and • Nirlon Limited
Biswamohan Mahapatra *Designation*: Independent Director DIN: 06990345	66	502, M1 Wing, Riddhi Gardens, Gen. A. K. Vaidya Marg, Malad (East), Mumbai 400 097, Maharashtra, India	*Date of appointment*: March 26, 2015	• 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.
Ashok Kini *Designation*: Independent Director DIN:00812946	75	B202, Mantri Pride Apts, Behind Madhavan Park, 1st Block, Jayanagar, Bengaluru – 560011, Karnataka, India	*Date of appointment*: April 1, 2019	• Fino Finance Private Limited; • FinoPaytech Limited; and • Nihilent Limited.
Dr. Ashima Goyal *Designation*: Independent Director DIN:00233635	66	A/2, IGIDR, Santosh Nagar, Gen A K Vaidya Marg, Goregaon East, Mumbai- 400065, Maharashtra, India	Date of appointment: April 1, 2019	• SBI General Insurance Company Limited

Brief profile of the Directors of our Company

Rashesh Shah

Rashesh Shah, co-founder of the Edelweiss group, is the Chairman & Managing Director 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 & 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 has over three decades of 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 Edelweiss Group, he oversees finance, governance, legal, technology and other shared services. He is co-chairperson of the FICCI Capital Markets Committee, a member of the Secondary Market Advisory Committee of SEBI and Trading Member Advisory Committee of the NSE. He is also member of various CII Committees viz, National Forum on NBFCs and HFCs, Financial Markets Committee and Task force on FinTech. In the past, he has served on the board of the BSE and played a key role in the overhaul of the Exchange, contributing largely to the demutualization and corporatization of BSE. He has been a Corporate Advisor to eminent Indian and global financial services companies. A Chartered Accountant, he holds a Post-Graduate Diploma in Securities Law.

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.

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, Percent Technologies, 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 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 period ended September 30, 2021 and during the Fiscals 2021, 2020 and 2019 by our Company (on a standalone basis):

(₹ in million)

Name of Director	For the six months period ended September 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Rashesh Shah	67.93	11.48	12.69	72.66
Venkatchalam Ramaswamy	51.35	9.36	11.20	53.70
Himanshu Kaji	30.90	10.77	11.91	24.93
Rujan Panjwani	42.01	2.25	27.97	19.06

Details of remuneration paid to the Directors for the six months ended September 30, 2021 and for the Fiscals 2021, 2020 and 2019 by our Subsidiaries and Associates:

Our Directors do not receive any remuneration from our Subsidiaries and Associates except as mentioned below:

(₹ in million)

Name of Director	Name of Subsidiary	For the six months period ended September 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Rashesh Shah	ECL Finance Limited	-	-	37.50	68.00
Venkatchalam Ramaswamy	Edelweiss Finance & Investments Limited	-	-	24.43	9.40
Himanshu Kaji	ECL Finance Limited	-	-	25.00	50.00
Rujan Panjwani	Ecap Equities Limited	4.98	5.36	-	-
	Edelweiss Rural & Corporate Services Limited	-	3.68	10.22	60.22
Vidya Shah	Edelweiss Finance & Investments Limited	-	-	4.24	7.70
	Edelweiss Rural & Corporate Services Limited	21.60	1.84	-	-
Biswamohan Mahapatra*	ECL Finance Limited	0.18	0.44	0.44	0.30
	Edelweiss General Insurance Company Limited	-	-	0.14	0.20
	Edelweiss Housing Finance Limited	0.20	0.10	--	--
Kunnasagaran Chinniah*	Edelweiss Securities Limited	2.72	0.46	0.10	0.30
	Edelweiss Finvest Limited[#]	-	-	0.14	-
	Edelweiss Tokio Life Insurance Company Limited	0.08	0.20	0.14	0.04
	ECL Finance Limited	0.12	0.20	0.08	0.02
	Edelweiss Agri Value Chain Limited[##]	-	-	-	0.10
	Edelweiss Rural and Corporate Services Limited	0.20	0.22	0.24	0.54
	Edelweiss Finance & Investments Limited	0.14	0.26	-	-
Navtej S. Nandra*	Edelweiss Tokio Life Insurance Company limited	0.16	0.26	0.22	0.20
	Edelweiss General Insurance Company Limited	0.12	0.24	0.24	0.24
	Edelweiss Securities Limited	0.83	-	-	-
P.N Venkatchalam*	Edelweiss Finance & Investments Limited	-	0.32	0.26	0.34
	Edelweiss Asset Reconstruction Company Limited	0.46	0.38	0.44	0.35
	Edelweiss Tokio Life Insurance Company limited	0.20	0.30	0.30	0.28
	ECL Finance Limited	0.20	0.44	0.48	0.44
	Edelweiss Housing Finance Limited	0.14	0.40	0.48	0.30
Ashok Kini*	Edelweiss Asset Reconstruction Company Limited	-	0.18	0.37	0.25
	Edelgive Foundation	-	-	-	0.04

[*]Sitting fees/ Commission paid to Independent Directors
[#]Merged with Edel Finance Company Limited
[##]Merged with Edelweiss Rural & Corporate Services Limited

The terms of remuneration of the Managing Director and Executive Directors are as below:

1. Rashesh Shah

The following table sets forth terms of remuneration to Rashesh Shah, Chairman & Managing Director, re-appointed 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

The Board at its Meeting held on June 11, 2021, had subject to the approval of the Shareholders, re-appointed him for a further period of 5 years with effect from April 1, 2022. The Members at the Annual General Meeting held on September 3, 2021, had approved the aforesaid re-appointment.

2. Venkatchalam Ramaswamy

The following table sets forth terms of remuneration to Venkatchalam Ramaswamy, Vice-Chairman & Executive Director, re-appointed 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

The Board at its Meeting held on June 11, 2021, had subject to the approval of the Shareholders, re-appointed him for a further period of 5 years with effect from April 1, 2022. The Members at the Annual General Meeting held on September 3, 2021, had approved the aforesaid re-appointment.

3. Himanshu Kaji

The following table sets forth terms of remuneration to Himanshu Kaji, Executive Director, re-appointed 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, 2021, for a period of five years as approved by the Shareholders of our Company at their Annual General Meeting held on September 28, 2020:

Particulars	Remuneration (₹per annum)
Salary	Not exceeding ₹ 20 million
Bonus	Not exceeding ₹40 million
Perquisites	Not exceeding ₹20 million

Remuneration of Non-Executive 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 per meeting to the Non-Executive Independent Directors for attending the meetings of the Board and Committees thereof.

Apart from above, the Non-Executive Independent Directors are eligible for commission. 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.

The following table sets forth all compensation recorded by our Company (on a standalone basis) to the Non-Executive Directors during the Fiscals 2021, 2020 and 2019, and as on six months ended September 30, 2021:

(₹ in million)

Name of Director	For the six months period ended September 30, 2021		For Fiscal 2021		For Fiscal 2020		For Fiscal 2019	
	Commission*	Sitting fees	Commission*	Sitting Fees*	Commission*	Sitting Fees*	Commission*	Sitting Fees*
P N Venkatachalam	2.00	0.16	0.50	0.36	1.00	0.34	1.30	0.48
Berjis Desai#	2.00	0.24	0.50	0.50	1.00	0.26	1.30	0.26
Navtej S. Nandra	2.00	0.12	0.50	0.28	1.00	0.28	1.30	0.30
Kunnasagaran Chinniah	2.00	0.36	0.50	0.12	1.00	0.40	1.30	0.40
Biswamohan Mahapatra	2.00	0.14	0.50	0.34	1.00	0.34	1.30	0.28
Ashok Kini	2.00	0.06	0.50	0.12	-	0.10	-	-
Ashima Goyal	2.00	0.06	0.50	0.12	-	0.10	-	-
Vidya Shah	2.00	-	-	-	-	-	-	-
Sanjiv Misra^	-	-	-	-	-	-	1.30	0.28

#Berjis Desai an Independent Director on our Board resigned with effect from November 6, 2021
^Sanjiv Misra an Independent Director on our Board resigned with effect from January 24, 2019.
**Commission pertains to the immediately preceding Fiscal.*

Other understandings and confirmations

None of the Director of our Company is a director or is otherwise associated in any manner with any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, willful defaulter list maintained by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority.

None of our Directors is, or was, a director of any listed company, which has been or was delisted from any recognised stock exchange, during the term of his/her directorship in such company.

None of our Directors have committed any violation of securities laws in the past and no such proceedings are pending against any of our Directors.

None of our Directors is, or was, a director of any listed company, which has been or was delisted from any recognised stock exchange, during the term of his/her directorship in such company.

None of our Directors have been categorised as a wilful defaulter by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution. None of our Directors are in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

Borrowing Powers of the Board:

Pursuant to resolution passed by the shareholders of our Company on September 10, 2014 through a postal ballot and in accordance with provisions of 180(1)(c) and all other applicable provisions of the Companies Act and Articles of Association, the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purposes) by a sum not exceeding ₹100,000 million.

Interest of the Directors:

Except Rashesh Shah, Venkatchalam Ramaswamy, Vidya Shah and Aparna T.C. (Aparna T.C. is not a director of the Company), no other directors are interested in the promotion of the Company.

All the directors of our Company, including our independent directors, may be deemed to be interested to the extent of 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 Shelf 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 Shelf 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 of the date of this Shelf Prospectus, our Directors have not taken any loan from our Company. Except as disclosed in the Section "*Related Party Transaction*" on page 163 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.

No contribution has been made by the directors as part of the Issue or separately.

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 16, 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 163 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 Shelf 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 September 30, 2021, 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 Shelf Prospectus:

Name of Director, Designation and DIN	Date of Appointment/ Resignation	Director of our Company since (in case of resignation)	Remarks
Sanjiv Misra, *Independent Director* *DIN:03511635*	January 24, 2019	May 16, 2011	Resignation

Name of Director, Designation and DIN	Date of Appointment/ Resignation	Director of our Company since (in case of resignation)	Remarks
Ashok Kini *Independent Director* *DIN:00812946*	April 1, 2019	-	Appointment
Ashima Goyal *Independent Director* *DIN:00233635*	April 1, 2019	-	Appointment
Anita M. George *Independent Director* *DIN:00441131*	April 1, 2019	-	Appointment
Anita M. George *Non-Executive Non -Independent Director* *DIN:00441131*	May 14, 2019	-	Change in designation
	July 13, 2020	April 1, 2019	Resignation
Berjis Desai *Independent Director* *DIN: 00153675*	November 6, 2021	November 18, 2009	Resignation

Shareholding of Directors, including details of qualification shares held by Directors as on the date of this Shelf Prospectus:

As per the Articles, our Directors are not required to hold any qualification shares in our company.

Shareholding of our Directors in our Company is as follows:

As on September 30, 2021, the shareholding of our Directors in our Company is as follows:

Sr. No.	Name of the Director, Designation and DIN	No. of Equity Shares of ₹ 1 each	Number of Stock Options	% of total Equity Shares of our Company
1.	Rashesh Shah Chairman & Managing Director DIN: 00008322	145,601,730	-	15.53
2.	Venkatchalam Ramaswamy Vice Chairman & Executive Director DIN: 00008509	58,126,560	-	6.20
3.	Himanshu Kaji Executive Director DIN: 00009438	1,487,500	1,824,500	0.16
4.	Rujan Panjwani Executive Director DIN: 00237366	11,951,380	210,000	1.27
5.	Vidya Shah Non-Executive Non Independent Director DIN: 00274831	31,031,200	-	3.31
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 and Associate companies, including details of qualification shares held by Directors as on the date of this Shelf Prospectus*:**

As of the date of this Shelf Prospectus, except the shares held in our Subsidiaries and Associate Companies as nominee of our Company, our Promoters do not hold any equity shares in our Subsidiaries and Associate Companies.

Key Managerial Personnel of our Company:

Provided below are the details of the Key Managerial Personnel of our Company, other than our Chairman & Managing Director and our Executive Directors, as of the date of this Shelf Prospectus.

Sarju Simaria- Chief Financial Officer

Sarju Simaria is the Chief Financial Officer of our Company and is chartered accountant. He has an overall association of more than a decade with the Edelweiss Group and worked at various level of senior functions.

Tarun Khurana – Company Secretary

Tarun Khurana is the Company Secretary of our Company. Tarun Khurana is a company secretary and has been associated with the Edelweiss group for more than a decade and worked at various level.

As on the date of this Shelf 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 November 10, 2021. As on the date of this Shelf Prospectus, it comprises of:

Name	Designation	Nature of directorship
P. N. Venkatachalam	Chairman	Independent Director
Ashok Kini	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 section3 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 November 10, 2021. As on the date of this Shelf Prospectus, it comprises:

Name	Designation	Nature of directorship
Navtej S. Nandra	Member	Independent Director
Kunnasagaran Chinniah	Member	Independent Director
Vidya Shah	Member	Non-executive Director

The scope of activities of the Nomination and Remuneration Committee is as set out in Regulation 19 of SEBI Listing Regulations and as amended read with Section 178 of the Companies Act, 2013. The terms of reference of the Nomination and Remuneration Committee are broadly as follows:

1. Identify the persons who can become directors;

2. Formulating the criteria for determining the qualifications, positive attributes etc. and independence of a Director;

3. Recommending to the Board, a policy relating to the remuneration for the directors and key managerial personnel, for the approval of the Board;

4. Recommend to the Board, all remuneration, in whatever form, payable to senior management; and

5. Specify the manner for effective annual evaluation of performance of the Board, its committees and individual directors.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was last reconstituted vide a resolution passed by the Board on November 10, 2021. As on the date of this Shelf Prospectus, it comprises:

Name	Designation	Nature of Directorship
Ashok Kini	Member	Independent Director

Name	Designation	Nature of Directorship
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 Shelf 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 Shelf Prospectus, it comprises:

Name	Designation	Nature of directorship
Venkatchalam Ramaswamy	Chairman	Executive Director

Name	Designation	Nature of directorship
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

The Promoters of our Company are:

	Rashesh Shah **Address**: 223/B Kalpataru Horizon-B, S. K. Ahire Marg, Worli, Mumbai - 400 018, Maharashtra, India **Date of Birth**: September 30, 1963 **Age**: 58 years **PAN**: AAGPS5933G
	Venkatchalam Ramaswamy **Address**: 142, Beach Towers, P. Balu Road, Prabhadevi, Mumbai - 400 025, Maharashtra, India **Date of Birth**: August 12, 1966 **Age**: 55 years **PAN**: AADPR1740H
	Vidya Shah **Address**: 223, Kalpataru Horizon B, S K Ahire Marg, Worli, Mumbai - 400 018, Maharashtra, India **Date of Birth**: June 18, 1966 **Age**: 55 years **PAN**: AMEPS3037M
	Aparna T.C. **Address**: 142, Beach Towers, P. Balu Road, Prabhadevi, Mumbai - 400 025, Maharashtra, India **Date of Birth**: January 5, 1967 **Age**: 54 years **PAN**: AEUPC2507C

As on September 30, 2021, our Promoters collectively with other Promoter Group hold 307,684,490 Equity Shares equivalent to 32.82 % 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 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 & 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.

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

Our Company confirms that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the Promoters, as available, and Permanent Account Number of Directors have been submitted to the BSE at the time of filing this Shelf Prospectus.

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 444.

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 Shelf 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 disclosed under the "*Related Party Transactions*", available at page 163, remuneration paid as directors as disclosed in "*Our Management*" at page 146, 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 Shelf 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 163 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 Shelf Prospectus.

Details of shares pledged or encumbered by our Promoter

No shares of the Company have been pledged or encumbered by our Promoter as of the date of this Shelf Prospectus**.**

Shareholding pattern of our Promoter in our Company as on September 30, 2021:

Name of Promoter shareholder	Total number of Equity Shares	Number of Equity Shares in demat form	Total shareholding 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	15.53	-	-
Venkatchalam Ramaswamy	58,126,560	58,126,560	6.20	-	-
Vidya Shah	31,031,200	31,031,200	3.31	-	-
Aparna T.C	12,210,000	12,210,000	1.30	-	-

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 Shelf 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 Fiscals 2021, 2020 and 2019 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 179.

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 NBFCs and Subsidiaries of NBFC

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

In the interests of counter cyclicality 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. 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 per cent by March 31, 2018 and onwards.

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 unfavourable 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 are 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 Fiscal 2020 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 an 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 '*Wilful Defaulters*' the term 'wilful 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 Wilful 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) Wilful 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.

SECTION V – FINANCIAL STATEMENTS

FINANCIAL INFORMATION

S. No.	Particulars	Page Nos.
1.	Reformatted Ind AS Standalone Financial Information	180
2.	Reformatted Ind AS Consolidated Financial Information	267
3.	H1 2022 Unaudited Financial Results	424

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

Auditors' Report on the reformatted standalone statement of assets and liabilities as at March 31, 2021, 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, 2021, 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, 2021, March 31, 2020 and March 31, 2019 and for each of the years ended March31, 2021, 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 Non-Convertible Securities) Regulations, 2021 ('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") vide notification no. SEBI/LAD-NRO/GN/2021/39 dated August 09, 2021.

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 Shelf Prospectus / Draft Prospectus and the Shelf Prospectus / 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 November 9, 2021, requesting us to carry out work on such Reformatted Ind AS Standalone Financial Information in connection with the Company's Issue of NCDs;

S.R. Batliboi & Co. LLP, a Limited Liability Partnership with LLP Identity No. AAB-4294
Regd. Office : 22, Camac Street, Block 'B', 3rd Floor, Kolkata-700 016

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, 2021, March 31, 2020 and March 31, 2019, which have been approved by the Board of Directors at their meetings held on June 11,2021, 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 June 11, 2021, 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, 2021, March 31, 2020 and March 31, 2019 as referred in Paragraph 5 above;

Our report dated June 11, 2021 on the Audited Standalone Ind AS Financial Statement as at and for the year ended March 31, 2021, 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 financial assets, which are highly dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

- 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;

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.

- 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;

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, 2021, 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, 2021.

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 Shelf Prospectus / Draft Prospectus and the Shelf Prospectus / 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, 2021, 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 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 Shelf Prospectus / Draft Prospectus and the Shelf Prospectus / 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.

Yours faithfully,

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005
UDIN: 21102102AAAEPY7029

per Shrawan Jalan
Partner
Membership No. 102102
Place: Mumbai
Date: November 12, 2021

Edelweiss Financial Services Limited

Annexure I

Reformatted Ind AS Standalone Statement of Asset & Liabilties

(Currency:Indian rupees in million)

		Note	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
I.	**ASSETS**				
(1)	**Financial assets**				
	(a) Cash and cash equivalents	2	**1,481.81**	13.66	109.98
	(b) Bank balances other than cash and cash equivalents	2A	**8.19**	9.55	59.97
	(c) Trade receivables	5	**191.00**	316.80	366.96
	(d) Loans	6	**12,472.43**	6.73	2,538.68
	(e) Investments	7	**43,817.32**	34,672.87	33,392.51
	(f) Other financial assets	8	**629.35**	695.42	625.62
			58,600.10	35,715.03	37,093.72
(2)	**Non-financial assets**				
	(a) Current tax assets (net)	9	**688.06**	618.59	425.77
	(b) Deferred tax assets (net)	10 & 32	**378.08**	291.13	258.65
	(c) Property, Plant and Equipment	11	**5.99**	8.36	13.75
	(d) Intangible assets under development		**-**	9.16	9.96
	(e) Other Intangible assets	11	**1.19**	16.83	32.23
	(f) Other non- financial assets	12	**135.88**	133.78	132.69
			1,209.20	1,077.85	873.05
	TOTAL ASSETS		**59,809.30**	36,792.88	37,966.77
II.	**LIABILITIES AND EQUITY**				
	LIABILITIES				
(1)	**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	**2,354.43**	52.45	106.90
	(c) Debt securities	14	**7,288.95**	734.12	-
	(d) Borrowings other than debt securities	15	**1,091.16**	732.51	3,660.63
	(e) Other financial liabilities	16	**6,841.48**	577.09	602.98
			17,576.02	2,097.07	4,372.99
(2)	**Non-financial liabilities**				
	(a) Current tax liabilities (net)	17	**7.26**	69.84	45.86
	(b) Provisions	18	**845.81**	9.08	10.27
	(c) Other non-financial liabilities	19	**120.33**	71.19	21.64
			973.40	150.11	77.77
	EQUITY				
	(a) Equity share capital	20	**890.90**	889.51	887.77
	(b) Other equity	21	**40,368.98**	33,656.19	32,628.24
			41,259.88	34,545.70	33,516.01
	TOTAL LIABILITIES AND EQUITY		**59,809.30**	36,792.88	37,966.77

The accompanying notes are an integral part of reformatted Ind AS standalone financial information — 1 to 63

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

Mumbai November 12, 2021

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Rujan Panjwani
Executive Director
DIN : 00237366

Sarju Simaria
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai November 12, 2021

Edelweiss Financial Services Limited

Annexure II

Reformatted Ind AS Standalone Statement of Profit & Loss
(Currency:Indian rupees in million)

	Note	**For the year ended March 31, 2021**	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations				
Interest income	22	**834.96**	121.16	263.49
Dividend income	23	**1,365.31**	694.72	1,184.02
Fee and commission income	24	**991.19**	959.81	1,562.24
Other operating income	25	**244.60**	437.57	-
Total Revenue from operations		**3,436.06**	2,213.26	3,009.75
Other income	26	**13,782.67**	242.14	176.08
Total Revenue		**17,218.73**	2,455.40	3,185.83
Expenses				
Finance costs	27	**973.34**	323.11	164.34
Net loss / (gain) on fair value changes	28	**4,422.85**	(134.66)	(17.92)
Impairment on financial instruments	29	**1,486.98**	18.73	(43.55)
Employee benefits expense	30	**1,912.18**	797.67	1,084.60
Depreciation, amortisation and impairment	11	**14.04**	32.16	38.60
Other expenses	31	**1,470.15**	622.92	900.49
Total expenses		**10,279.54**	1,659.93	2,126.56
Profit before tax		**6,939.19**	795.47	1,059.27
Tax expenses	32			
Current tax		**(135.98)**	1.90	73.02
Deferred tax (net)		**(86.95)**	(32.22)	(42.53)
Profit for the year		**7,162.12**	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		**9.54**	(0.47)	0.82
Total		**9.54**	(0.47)	0.82
Total Comprehensive Income		**7,171.66**	825.32	1,029.60
Earnings Per Share (₹) (Face Value of ₹ 1/- each)	35			
(1) Basic		**8.05**	0.93	1.17
(2) Diluted		**8.01**	0.92	1.15

The accompanying notes are an integral part of reformatted Ind AS standalone financial information — 1 to 63

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

Mumbai November 12, 2021

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Rujan Panjwani
Executive Director
DIN : 00237366

Sarju Simaria
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai November 12, 2021

Edelweiss Financial Services Limited

Annexure III

Reformatted Ind AS Standalone Statement of Cash flows

	(Currency:Indian rupees in million)	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
A	**Cash flow from operating activities**			
	Profit before tax	**6,939.19**	**795.47**	**1,059.27**
	Adjustments for :			
	Depreciation and amortisation expenses	14.04	32.16	38.60
	Fair value change in investments	(3.45)	3.03	(18.01)
	Fair value change in provisions	4,426.30	-	-
	Profit on sale of investments (net)	(13,714.85)	(156.58)	(2.65)
	Impairment / (reversal) on financial instruments	1,486.98	18.73	(43.55)
	Dividend on investments	(1,365.31)	(694.72)	(1,184.02)
	(Profit)/loss on sale of property, plant and equipment	9.16	(1.44)	(1.24)
	Interest income	(834.96)	(116.93)	(254.32)
	ESOP and SAAR cost	84.68	99.65	65.32
	Finance costs	973.34	323.11	164.34
	Operating cash flow before working capital changes	(1,984.88)	302.48	(176.26)
	Add/(Less): Adjustments for working capital changes			
	Decrease /(Increase) in trade receivables	47.28	192.14	254.75
	Decrease/(Increase) in derivative financial instruments	-	(2.48)	45.15
	(Decrease)/increase in in trade payables	900.99	(37.31)	(157.31)
	Decrease /(Increase) in other financial assets	316.52	71.68	7.73
	Decrease /(Increase) in other non-financial assets	7.34	(28.97)	187.01
	Decrease /(Increase) in other bank balances	1.36	50.42	(5.21)
	(Decrease)/increase in provisions and other financial liabilities	1,832.60	(27.08)	(302.09)
	(Decrease)/increase in other non-financial liabilities	49.14	49.55	(21.94)
	Cash generated from /(used in) operations	1,170.35	570.43	(168.17)
	Income taxes paid/(refund) during the year	3.93	(170.71)	(9.45)
	Net cash generated from / (used in) operating activities - A	**1,174.28**	**399.72**	**(177.62)**
B	**Cash flow from investing activities**			
	Purchase of property, plant and equipment	(3.93)	(11.70)	(17.76)
	Sale of property, plant and equipment	7.90	2.56	2.89
	Purchase of investments	(16,618.52)	(1,558.22)	(6,854.12)
	Sale of investments	21,186.33	431.42	835.13
	Dividend on investments	1,365.31	694.72	1,184.02
	Loan (given) / Repayment of loans (Refer note 1 below)	(12,467.93)	2,390.67	2,167.83
	Interest received	834.96	258.21	243.60
	Net cash generated from / (used in) investing activities - B	**(5,695.88)**	**2,207.66**	**(2,438.41)**
C	**Cash flow from financing activities**			
	Proceeds from issuance of Share capital (including securities premium)	49.61	79.92	675.32
	Repayment of non convertible debentures	(12,734.12)	-	(276.52)
	Proceeds from debt securities	19,230.83	734.12	-
	Proceeds from/(repayment of) borrowing (Refer note 1 below)	358.65	(2,928.12)	3,660.63
	Dividend paid	-	(266.51)	(1,241.16)
	Dividend distribution tax paid	-	-	(24.72)
	Finance costs	(915.22)	(323.11)	(164.34)
	Net cash (used in) /generated from financing activities - C	**5,989.75**	**(2,703.70)**	**2,629.21**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**1,468.15**	**(96.32)**	**13.18**
	Cash and cash equivalents as at the beginning of the year	13.66	109.98	96.80
	Cash and cash equivalents as at the end of the year	1,481.81	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 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 (as ammended) 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

per Shrawan Jalan
Partner
Membership No: 102102

Mumbai November 12, 2021

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Rujan Panjwani
Executive Director
DIN : 00237366

Sarju Simaria
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai November 12, 2021

Edelweiss Financial Services Limited

Annexure III

(Currency:Indian rupees in million)

Reformatted Ind AS Standalone Statement of Cash flows (continued)
Cash Flow Disclosure

Change in Liabilities arising from financing acitivies

Particulars	As at April 01, 2020	Cash Flows	Changes in Fair value	Others*	As at March 31, 2021
Debt Securities	734.12	6,496.71	-	58.12	7,288.95
Borrowings other than Debt Securities	732.51	358.65	-	-	1,091.16
	1,466.63	**6,855.36**	**-**	**58.12**	**8,380.11**

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 Ind AS Standalone Statement of Changes in Equity

Annexure IV

(Currency:Indian rupees in million)

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**
Changes in equity share capital during FY 2020-21	1.39
As at March 31, 2021	**890.90**

Note :

1. 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 4,48,96,780 number of equity shares as on March 31, 2021 amounting to ₹ 44.90 million (as at March 31, 2020: ₹ 44.90 million; March 31, 2019 : ₹ 44.90 million). These are deducted from total outstanding equity shares.

2. Refer note 20 for detailed quantitative information including investors holding more than 5% of equity share capital.

(FY 2019-2020 and FY 2020-2021)

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.

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**
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**
Profit for the year	-	7,162.12	-	-	-	-	7,162.12
Other Comprehensive Income	-	9.54	-	-	-	-	9.54
Total comprehensive income	**-**	**7,171.66**	**-**	**-**	**-**	**-**	**7,171.66**
Interim dividends to equity shareholders	-	(842.22)	-	-	-	-	(842.22)
Issue of equity instruments on ESOP	46.71	-	-	-	-	(48.10)	(1.39)
ESOP charge	-	-	-	-	139.42	-	139.42
Transfers to securities premium on exercise of ESOP	25.03	-	-	-	(25.03)	-	-
Share application money received during the year	-	-	-	-	-	49.61	49.61
Stock appreciation rights (SAR)	-	-	-	-	195.71	-	195.71
Balance as at March 31, 2021	**30,246.81**	**8,481.52**	**508.64**	**2.03**	**1,128.28**	**1.70**	**40,368.98**

The accompanying notes are an integral part of reformatted Ind AS standalone financial information

1 to 63

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

per Shrawan Jalan
Partner
Membership No: 102102

Mumbai November 12, 2021

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Rujan Panjwani
Executive Director
DIN : 00237366

Sarju Simaria
Chief Financial officer

Tarun Khurana
Company Secretary

Mumbai November 12, 2021

Edelweiss Financial Services Limited

Notes to the reformatted Ind AS Standalone financial information

(Currency:Indian rupees in million)

Annexure V

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 2021, 31 March 2020 and 31 March 2019

The Reformatted standalone statement of Assets and Liabilities of the Company as at 31 March 2021, 31 March 2020 and 31 March 2019 and Reformatted Standalone Statement of Profit and Loss and the Reformatted Statement of Cash Flows and Refromatted Standalone Statement of change in equity and the Summary of Significant Accounting Policies and explanatory notes for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 (together refererd as "Reformatted Ind AS standalone financial information" have been extracted by the Management from the Ind AS Audited Financial Statements of the Company for the year ended 31 March 2021, 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) Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021 ('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")

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)

(Currency:Indian rupees in million)

Annexure V

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 (noncurrent) 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.

1.4 Classification of financial instruments

1.4.1 Financial assets:

The Company classifies all 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 amortized 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.

Notes to the reformatted Ind AS Standalone financial information (Continued)

(Currency:Indian rupees in million)

Annexure V

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 is 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.

1.4.1.3 Investment in equity instruments

The Company measures all equity investments at fair value through profit or loss except, for Investment in subsidiaries and associates are 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.

Notes to the reformatted Ind AS Standalone financial information (Continued)
(Currency:Indian rupees in million)

Annexure V

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.

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.

Notes to the reformatted Ind AS Standalone financial information (Continued)

(Currency:Indian rupees in million)

Annexure V

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 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.

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.

Notes to the reformatted Ind AS Standalone financial information (Continued)
(Currency:Indian rupees in million)

Annexure V

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.

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 on 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

Notes to the reformatted Ind AS Standalone financial information (Continued)
(Currency:Indian rupees in million)

Annexure V

1.10 Determination of fair value (continued)

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.

- 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 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.

Notes to the reformatted Ind AS Standalone financial information (Continued)

(Currency:Indian rupees in million)

Annexure V

1.11 Revenue from contract with customer (continued)

(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.

(iv) **Profit or loss on sale of investments**

Profit or loss on sale of investments is recognised on trade date basis. Difference between the sale price and average cost of acquisition is recognized as profit or loss on sale of investments.

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 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.

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.

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 up to the date of disposal.

Notes to the reformatted Ind AS Standalone financial information (Continued)
(Currency:Indian rupees in million)

Annexure V

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.

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.

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.

Notes to the reformatted Ind AS Standalone financial information (Continued)

(Currency:Indian rupees in million)

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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 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.

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.

Notes to the reformatted Ind AS Standalone financial information (Continued)

(Currency:Indian rupees in million)

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Minimum Alternative Tax (MAT) credit

FY 2018-2019; FY 2019-2020

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

FY 2018-2019; FY 2019-2020

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.

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 ASstandalone financial information.

Notes to the reformatted Ind AS Standalone financial information (Continued)
(Currency:Indian rupees in million)

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1.23.1 Business model assessment

Classification and measurement of financial assets depends on the results of the solely 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 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, 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.

Notes to the reformatted Ind AS Standalone financial information (Continued)

(Currency:Indian rupees in million)

Annexure V

1.25 Standards issued but not yet effective

FY 2020-2021 and FY 2019-2020

There are no new standard or amendment issued but not effective.

FY 2018-2019

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-ofuse asset. The application of this standard is not likely to have a material impact on the Financial information.

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.

The application of these amendments is not likely to have a material impact on these Financial inormation.

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 information.

1.26 Annual Improvements to Ind AS (2018) FY 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.

Notes to the reformatted Ind AS Standalone financial information (Continued)

(Currency:Indian rupees in million)

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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 information.

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, 2021	As at March 31, 2020	As at March 31, 2019
2. Cash and cash equivalents			
Cash in hand	**0.01**	0.10	0.04
Balances with banks			
- in current accounts	**1,481.80**	13.56	109.94
Total	**1,481.81**	13.66	109.98

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
2.A Bank balances other than cash and cash equivalents			
Unpaid dividend accounts	**8.19**	9.55	9.42
Fixed deposits with banks	-	-	50.55
Total	**8.19**	9.55	59.97

2.B Encumbrances on fixed deposits held by the Company

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Fixed Deposits pledged for:			
Bank overdraft facility			
Bank overdraft facility	-	-	50.00
Total	-	-	50.00

(Currency:Indian rupees in million)

Annexure V

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.

	March 31, 2021							
Particulars	**Unit**	**Currency**	**Notional amount***	**Fair value Asset**	**Unit**	**Currency**	**Notional amount***	**Fair value liability**
(i)Currency derivatives								
Currency Futures	Number of currency units	USDINR	12,271,000	6.15	Number of currency units	USDINR		
						GBPINR	300,000	(0.03)
Less: Amounts Offset (refer note.4 offsetting disclosure)				(6.15)				0.03
Forwards					Number of currency units	USDINR	-	-
Total Derivative Financial Instruments			**Total**	-			**Total**	-

	March 31, 2020							
Particulars	**Unit**	**Currency**	**Notional amount***	**Fair value Asset**	**Unit**	**Currency**	**Notional amount***	**Fair value liability**
(i)Currency derivatives								
Currency Futures	Number of currency units	USDINR	-	-	Number of currency units	USDINR	5,895,000	0.77
						GBPINR	300,000	1.12
Less: Amounts Offset (refer note.4 offsetting disclosure)				-				(1.89)
(ii) Currency forwards								
Forwards	Number of currency units	USDINR	-	-				
Total Derivative Financial Instruments			**Total**	-			**Total**	-

	March 31, 2019							
Particulars	**Unit**	**Currency**	**Notional amount***	**Fair value Asset**	**Unit**	**Currency**	**Notional amount***	**Fair value liability**
(i)Currency derivatives								
Currency Futures	Number of currency units	USDINR	498,000	0.16	Number of currency units	USDINR	13,679,000	4.42
Less: Amounts Offset (refer note.4 offsetting disclosure)				(0.16)				(4.42)
Forwards	Number of currency units	USDINR	-	-	Number of currency units	USDINR	35,624,205	2.48
Subtotal(ii)				**-**				**2.48**
Total Derivative Financial Instruments			**Total**	-			**Total**	**2.48**

*** Notional amount represents quantity in case of currency linked derivatives**

Annexure V

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 2021

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	6.15	6.15	-	-	-	-	-

Financial liabilities subject to offsetting 31- March 2021

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	0.03	0.03	-	-	-	-	-

* As at the March 31, 2021, the amount of cash margin received that has been offset against the gross derivative assets is ₹.6.15 million. Also, at the reporting date, the amount of cash margin paid that has been offset against the gross derivative liabilities is ₹.0.03 million.

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 March 31, 2020, 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.

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4. Offsetting (Contninued)

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 March 31, 2019, the amount of gross derivative assets & liabilities that has been offset against the cash margin is ₹0.16 million and ₹4.42 million respectively.

Annexure V

(Currency:Indian rupees in million)

5. Trade receivables

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
a) Trade receivables			
Receivables considered good - Unsecured	**305.98**	355.18	464.01
Less : Allowance for expected credit losses	**(114.98)**	(38.38)	(97.05)
Total	**191.00**	316.80	366.96

b) Reconciliation of impairment allowance on trade receivables:

	For the year ended March 31, 2021	For the year ended March 31, 2020	As at March 31, 2019
Impairment allowance measured as per simplified approach			
Impairment allowance - Opening Balance	**(38.38)**	(97.05)	(254.25)
(Add)/ less: asset originated or acquired (net)	**(76.60)**	58.67	157.20
Impairment allowance - Closing Balance	**(114.98)**	(38.38)	(97.05)

Notes:

1) No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person.
2) No trade or other receivables are due from firms or private companies in which directors is partner, a director or a member.
3) Trade receivables are non-interest earing and are generally on terms of 1 to 30 days.

c) Trade receivables days past due

As at March 31, 2021	0-90 days	91-180 days	181-270 days	270- 360 days	> 360 days	Total
ECL Rates	**0.54%**	**98.92%**	**99.91%**	**100.00%**	**100.00%**	
Estimated total gross carrying amount at default	191.59	36.53	53.15	0.65	24.06	305.98
ECL - Simplified approach	1.03	36.14	53.10	0.65	24.06	114.98
Net carrying amount	**190.56**	**0.39**	**0.05**	**-**	**-**	**191.00**

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	300.23	21.70	-	16.30	16.95	355.18
ECL - Simplified approach	3.29	3.77	-	14.37	16.95	38.38
Net carrying amount	**296.94**	**17.93**	**-**	**1.93**	**-**	**316.80**

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	358.81	19.13	0.05	5.94	80.08	464.01
ECL - Simplified approach	4.55	7.10	0.03	5.29	80.08	97.05
Net carrying amount	**354.26**	**12.03**	**0.02**	**0.65**	**-**	**366.96**

Annexure V

(Currency:Indian rupees in million)

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
6. Loans (at Amortised cost)			
Loans to related parties	**12,474.13**	-	2,494.70
Loans to employees	**0.53**	6.73	43.98
Total Gross	**12,474.66**	6.73	2,538.68
Less: Impairment loss allowance	**(2.23)**	-	-
Total (Net)	**12,472.43**	6.73	2,538.68
Unsecured	**12,474.66**	6.73	2,538.68
Total Gross	**12,474.66**	6.73	2,538.68
Less: Impairment loss allowance	**(2.23)**	-	-
Total (Net)	**12,472.43**	6.73	2,538.68
Loans outside India			
Others	-	-	2,353.30
Loans in India			
Public sector	-	-	-
Others	**12,474.66**	6.73	185.38
Total Gross	**12,474.66**	6.73	2,538.68
Less: Impairment loss allowance	**(2.23)**	-	-
Total (Net)	**12,472.43**	6.73	2,538.68

Note :

1) These loan are repayable on Demand

2) 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 very minimal Expected credit loss allowance on the aforesaid loans.

(Currency:Indian rupees in million)

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7. Investments

As at March 31, 2021	At ammortised cost (subsidiaries, associates and others)	At fair value Through P&L	At cost (subsidiaries, associates and others)	Total
Equity instruments	-	27.40	40,895.95	40,923.35
Compulsory Convertible Debentures	250.12	-	-	250.12
Non-cumulative redemable Preference Shares Investment	-	-	1,000.00	1,000.00
Compulsory Convertible Preference Shares	-	-	1,650.00	1,650.00
TOTAL - Gross (A)	250.12	27.40	43,545.95	43,823.47
(i) Investments outside India	-	-	6.15	6.15
(ii) Investment in India	250.12	27.40	43,539.80	43,817.32
Total (B)	250.12	27.40	43,545.95	43,823.47
Less: Allowance for impairment (C)	-	-	6.15	6.15
Total Net (A-C)	250.12	27.40	43,539.80	43,817.32
Aggregate amount of quoted investments				2.04
Aggregate market value of quoted investments				2.04
Aggregate amount of unquoted investments				43,815.28

As at March 31, 2020	At Amortised cost	At fair value Through P&L	At cost (subsidiaries,associates, and others)	Total
Equity instruments	-	23.95	34,648.92	34,672.87
TOTAL - Gross (A)	-	23.95	34,648.92	34,672.87
(i) Investments outside India	-	-	534.37	534.37
(ii) Investment in India	-	23.95	34,114.55	34,138.50
Total (B)	-	23.95	34,648.92	34,672.87
Less: Allowance for impairment (C)	-	-	-	-
Total Net (A-C)	-	23.95	34,648.92	34,672.87
Aggregate amount of quoted investments				0.80
Aggregate market value of quoted investments				0.80
Aggregate amount of unquoted investments				34,672.07

As at March 31, 2019	At Amortised cost	At fair value Through P&L	At cost (subsidiaries,associates, and others)	Total
Equity instruments	-	131.07	33,261.44	33,392.51
TOTAL - Gross (A)	-	131.07	33,261.44	33,392.51
(i) Investments outside India	-	-	534.37	534.37
(ii) Investment in India	-	131.07	32,727.07	32,858.14
Total (B)	-	131.07	33,261.44	33,392.51
Less: Allowance for impairment (C)	-	-	-	-
Total Net (A-C)	-	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 / associates. 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)

Annexure V

(Currency:Indian rupees in million)	**As at March 31, 2021**	As at March 31, 2020	As at March 31, 2019
8. Other financial assets			
Deposits- others	**20.64**	21.41	50.34
Margin placed with broker	**29.20**	15.28	82.91
Corporate guarantee fees receivable	**324.63**	356.59	331.71
Advances recoverable in cash	**254.88**	302.14	160.66
Total	**629.35**	695.42	625.62
9. Current tax assets (net)			
Advance income taxes (net of provision for tax)	**688.06**	618.59	425.77
Total	**688.06**	618.59	425.77
10. Deferred tax assets (net)			
Deferred tax assets			
Trade receivables			
Provision for expected credit loss	**29.50**	13.41	40.10
Property, plant and equipment and intangibles			
Difference between book and tax depreciation	**12.00**	16.40	13.66
Investments and other financial instruments			
Unrealised loss on derivatives	**-**	0.66	17.27
Fair valuation of investments - loss in valuation	**0.68**	1.06	-
Employee benefit obligations			
Disallowances under section 43B of the Income Tax Act, 1961	**0.90**	3.20	3.60
Unused tax losses			
Accumulated Losses	**336.54**	256.40	219.54
	379.62	291.13	294.17
Deferred tax liabilities			
Investments and other financial instruments			
Unrealised gain on derivatives	**1.54**	-	-
Fair valuation of investments - gain in valuation	**-**	-	35.52
	1.54	-	35.52
Total	**378.08**	291.13	258.65

Edelweiss Financial Services Limited

Notes to the reformatted Ind AS Standalone financial information (Continued) **Annexure V**

(Currency: Indian rupees in million)

11. Property, plant and equipment and intangible assets (FY 2020-2021)

Description of assets	Gross Block				Depreciation / Amortization / Impairment				Net Block
	As at April 01, 2020	Additions during the year	Deductions during the year	**As at March 31, 2021**	As at April 01, 2020	Charge for the year	Deductions during the year	**As at March 31, 2021**	**As at March 31, 2021**
Property, Plant and Equipment									
Freehold Building	1.75	-	-	**1.75**	0.25	0.08	-	**0.33**	**1.42**
Leasehold Improvements	0.63	-	0.63	**-**	0.63	-	0.63	**-**	**-**
Furniture and Fixtures	0.15	-	-	**0.15**	0.03	0.03	-	**0.06**	**0.09**
Vehicles	4.79	-	1.05	**3.74**	3.25	0.43	0.78	**2.90**	**0.84**
Office Equipment	1.70	0.26	-	**1.96**	0.72	0.44	-	**1.16**	**0.80**
Computers	18.45	1.31	4.21	**15.55**	14.23	2.30	3.82	**12.71**	**2.84**
Total: A	27.47	1.57	5.89	**23.15**	19.11	3.28	5.23	**17.16**	**5.99**
Intangible assets									
Computer software	101.85	2.36	26.13	**78.08**	85.02	10.76	18.89	**76.89**	**1.19**
Total: B	101.85	2.36	26.13	**78.08**	85.02	10.76	18.89	**76.89**	**1.19**
Grand total [A+B]	129.32	3.93	32.02	**101.23**	104.13	14.04	24.12	**94.05**	**7.18**

Edelweiss Financial Services Limited

Notes to the reformatted Ind AS Standalone financial information (Continued) **Annexure V**

(Currency: Indian rupees in million)

11. Property, plant and equipment and intangible assets (FY 2019-20)

Description of assets	Gross Block				Depreciation / Amortization / Impairment				Net Block
	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**

Edelweiss Financial Services Limited

Notes to the reformatted Ind AS Standalone financial information (Continued) **Annexure V**

(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**

(Currency:Indian rupees in million)

		As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
12.	**Other non-financial assets**			
	Input tax credit	**83.85**	-	-
	Contribution to gratuity fund (net)	**13.41**	-	-
	Prepaid expenses	**25.80**	133.78	70.09
	Vendor advances	**12.82**	-	62.60
	Total	**135.88**	133.78	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)	**2,354.43**	52.45	106.90
	Total	**2,354.43**	53.35	106.90

(Currency:Indian rupees in million)

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
14. Debt securities			
Secured			
Non-convertible redeemable Debentures (at ammortised cost)			
Non-convertible Debentures - privately placed	**3,432.22**	-	-
Non-Convertible Debentures - Public Issue	**2,024.16**	-	-
Market Linked Debentures	**1,832.57**	-	-
	7,288.95	-	-
Unsecured			
Commercial paper	**-**	734.12	-
	7,288.95	734.12	-
Debt Securities in India	**7,288.95**	734.12	-
Debt Securities outside India	**-**	-	
Total	**7,288.95**	734.12	-

(FY 2020-2021) For secured debt, the Company has provided collateral in the nature of specific and Pari Passu charge of receivables and investmets .

Debt Securities - as at 31 March 2021

Maturities	**<1 years**	**1-3 years**	**> 3 years**	**Total**
Rate of Interest				
9.00 - 9.99%	-	738.88	1,261.12	2,000.00
19.00-19.99%	210.00	420.00	2,870.00	3,500.00
Zero Coupon Debentures	-	-	-	-
Various (benchmark linked)	-	1,331.09	501.48	1,832.57
Accrued Interest and EIR				(43.62)
Total	**210.00**	**2,489.97**	**4,632.60**	**7,288.95**

Debt Securities - as at 31 March 2020

Maturities	**<1 years**	**1-3 years**	**> 3 years**	**Total**
Rate of Interest				
10.00 - 10.99%	734.12	-	-	734.12
Total	**734.12**	**-**	**-**	**734.12**

15. Borrowings other than Debt Securities (at Amortised Cost)			
Unsecured			
Loan from related parties (repayable on demand)	**1,091.16**	732.51	3,660.63
(Interest rate payable @ 14.50% for March 31, 2021 and 11.75% for March 31, 2020 and 9.50% for March 31, 2019)			
Total	**1,091.16**	732.51	3,660.63
Borrowings in India	**1,091.16**	732.51	3,660.63
Borrowings outside India	**-**	-	-
Total	**1,091.16**	732.51	3,660.63

(Currency:Indian rupees in million)

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
16. Other financial liabilities			
Other payables	**7.95**	0.02	0.02
Book overdraft	**-**	-	4.99
Unpaid dividends	**8.19**	9.55	9.42
Accrued salaries and benefits	**1,606.90**	210.93	256.84
Financial guarantee obligation	**324.63**	356.59	331.71
Risk and Reward undertaking (Refer note 56)	**4,426.30**	-	-
Other Advances	**467.51**	-	-
Total	**6,841.48**	577.09	602.98
17. Current tax liabilities (net)			
Provision for taxation (net of advance tax)	**7.26**	69.84	45.86
Total	**7.26**	69.84	45.86
18. Provisions			
Provision for employee benefits			
Gratuity	**-**	2.13	0.93
Compensated leave absences	**3.59**	6.95	9.34
Interim dividend	**842.22**	-	-
Total	**845.81**	9.08	10.27
19. Other non-financial liabilities			
Statutory liabilities*	**111.87**	69.28	19.15
Others	**8.46**	1.91	2.49
Total	**120.33**	71.19	21.64

* includes witholding taxes, provident fund, profession tax and other statutory dues payables

(Currency:Indian rupees in million)

	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	No of shares	**Amount**	No of shares	Amount	No of shares	Amount
20. Equity share capital						
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
	1,234,000,000	**1,250.00**	1,234,000,000	1,250.00	1,234,000,000	1,250.00
Issued, Subscribed and Paid up:						
Equity Shares of ₹ 1 each	**935,798,077**	**935.80**	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)	(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)	(37,595,270)	(37.60)
	890,901,297	**890.90**	889,512,222	889.51	887,772,784	887.77

***A.* Reconciliation of number of shares**
(Before deducting treasury shares)

	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	No of shares	**Amount**	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	**934,409,002**	**934.41**	932,669,564	932.67	915,498,927	915.50
Shares issued during the year:						
-Under Employee Stock Options Plans (ESOPs)	**1,389,075**	**1.39**	1,739,438	1.74	17,170,637	17.17
Outstanding at the end of the year	**935,798,077**	**935.80**	934,409,002	934.41	932,669,564	932.67

Note :

(FY 2019-2020 and FY 2018-2019)

1. 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.

2. Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are part of Company' Ind As financial statement, these trusts are holding 4,48,96,780 number of equity shares as on March 31, 2021 amounting to ₹ 44.90 million (as at March 31, 2020: ₹ 44.90 million and as at March 31, 2019 ₹ 44.90 million). These are deducted from total outstanding equity shares.

(FY 2020-21 and FY 2019-2020)

3. The above two Employee Welfare Trust(s) hold an aggregate 4,48,96,780 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.

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, 2021		As at March 31, 2020		As at March 31, 2019	
	No of shares	**% holding**	No of shares	% holding	No of shares	% holding
Rashesh Shah	**145,601,730**	**15.56%**	145,301,730	15.55%	145,301,730	15.58%
Venkatchalam Ramaswamy	**58,126,560**	**6.21%**	58,026,560	6.21%	58,026,560	6.22%
BiH SA	**48,257,748**	**5.16%**	47,007,748	5.03%	37,495,800	4.02%
	251,986,038	**26.93%**	250,336,038	26.79%	240,824,090	25.82%

Note :

(FY 2020-21; FY 2019-2020)

The Shareholding of Mr. Rashesh Chandrakant Shah and Mr. Venkatchalam A Ramaswamy in the Promoter and Promoter Group category as at March 31 2020, does not include 3,00,000 equity shares and 1,00,000 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.

(Currency:Indian rupees in million)

21. Other Equity

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Securities premium account	**30,246.81**	30,175.07	30,057.56
General reserve	**508.64**	508.64	508.64
Capital redemption reserve	**2.03**	2.03	2.03
Retained earnings	**8,481.52**	2,152.08	1,593.27
Stock options outstanding	**783.64**	669.25	460.59
Shares Appreciation Rights outstanding	**344.64**	148.93	-
Share application money pending allotment	**1.70**	0.19	6.15
Total	**40,368.98**	**33,656.19**	**32,628.24**

Movement in Other Equity

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
I. Securities premium account			
Opening Balance	**30,175.07**	30,057.56	29,143.52
Add : On issue of shares on excercise of Employee Stock Options Plans (ESOPs)	**46.71**	84.14	677.08
Add : On transfer from ESOP reserve on excercise of Employee Stock Options Plans (ESOPs)	**25.03**	33.37	236.96
Total	**30,246.81**	30,175.07	30,057.56
II. General Reserve			
Opening Balance	**508.64**	508.64	508.64
Add : Additions during the year	**-**	-	-
Total	**508.64**	508.64	508.64
III. Capital Redemption Reserve			
Opening Balance	**2.03**	2.03	2.03
Add : Additions during the year	**-**	-	-
Total	**2.03**	2.03	2.03
IV. Retained earnings			
Opening Balance	**2,152.08**	1,593.27	2,518.78
Add: Profit for the year	**7,162.12**	825.79	1,028.78
Add: Other Comprehensive Income	**9.54**	(0.47)	0.82
Add/(less): DTA on ESOP	**-**	-	(689.23)
Amount available for appropriation	**9,323.74**	2,418.59	2,859.15
Appropriations:			
Interim dividend	**(842.22)**	-	(975.88)
Final dividend	**-**	(266.51)	(265.28)
Dividend distribution tax	**-**	-	(24.72)
Total	**(842.22)**	(266.51)	(1,265.88)
Total	**8,481.52**	2,152.08	1,593.27
V. Stock options outstanding (Refer Note. 38)			
Opening Balance	**669.25**	460.59	472.07
Add : Additions during the year	**139.42**	242.03	225.48
Less : Transfer to securities premium account on exercise of ESOPs	**(25.03)**	(33.37)	(236.96)
Total	**783.64**	669.25	460.59
VI. SAR outstanding (Refer Note. 38)			
Opening Balance	**148.93**	-	-
Add : Additions during the year	**195.71**	148.93	-
Total	**344.64**	148.93	-
VII. Share application money pending allotment	**1.70**	0.19	6.15
(Received against ESOP excercised by employees. For details of ESOP plan refer note.38)			
Total	**1.70**	0.19	6.15
Total	**40,368.98**	33,656.19	32,628.24

Notes to the reformatted Ind AS Standalone financial information (Continued) **Annexure V**

(Currency:Indian rupees in million)

	For the year ended March 31, 2021	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	**833.17**	116.93	254.32
Interest on deposits with bank	**-**	2.39	3.70
Other interest income	**1.79**	1.84	5.47
Total	**834.96**	121.16	263.49
23. Dividend Income			
Dividend on investment	**1,365.31**	694.72	1,184.02
Total	**1,365.31**	694.72	1,184.02
24. Fee and commission income (Refer Note 48)			
Advisory and other fees	**991.19**	959.81	1,562.24
Total	**991.19**	959.81	1,562.24
25. Other operating income			
Fee income from group (Refer note.36)	**244.60**	437.57	-
Total	**244.60**	437.57	-
26. Other income			
Foreign exchange gain	**-**	131.12	105.92
Miscellaneous income	**67.82**	92.13	67.51
Profit on sale of group investments (Refer Note 53)	**13,714.85**	18.89	2.65
Total	**13,782.67**	242.14	176.08

(Currency:Indian rupees in million)	**For the year ended March 31, 2021**	For the year ended March 31, 2020	For the year ended March 31, 2019
27. Finance cost			
On Financial Liabilities measured at Amortised Cost			
Interest on deposits			
Interest on Inter-corporate deposits	**2.76**	-	-
Interest on borrowings			
Interest on bank overdraft	**1.76**	-	0.73
Interest on loan from subsidiaries	**-**	315.99	112.70
Interest on debt securities			
Cost of benchmark linked debentures	**35.08**	-	
Discount on commercial paper	**33.05**	0.20	32.90
Interest on debentures	**900.07**	-	6.01
Other interest expense			
Financial and bank charges	**0.61**	6.89	0.72
Interest - others	**0.01**	0.03	11.28
Total	**973.34**	323.11	164.34
28. Net gain on fair value changes			
Net (gain)/ loss on financial instruments at FVTPL			
Investments			
Fair value (gain) / loss (unrealised)	**(3.45)**	3.03	(18.01)
Derivatives			
(Profit) / loss on equity derivative instruments (net) (realised)	**-**	-	0.09
Others			
(Profit) on sale of investments (realised)	**-**	(137.69)	-
Fair Value loss on risk and reward undertaking (Refer Note 56)	**4,426.30**	-	-
Total	**4,422.85**	(134.66)	(17.92)
29. Impairment on financial instruments			
Trade receivables	**78.52**	18.73	(43.55)
Impairment in value of investments	**6.15**	-	-
Provision for expected credit loss	**2.21**	-	-
Others (Refer note 55)	**1,400.10**	-	-
Total	**1,486.98**	18.73	(43.55)
30. Employee benefit expenses			
Salaries and wages	**1,803.52**	653.66	940.42
Contribution to provident and other funds	**19.88**	20.86	31.58
Expense on Employee Stock Option Scheme (ESOP) & Stock Appreciation Rights (Refer note.38)	**84.68**	99.65	65.32
Staff welfare expenses	**4.10**	23.50	47.28
Total	**1,912.18**	797.67	1,084.60

31. Other expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertisement and business promotion	**6.11**	42.54	209.65
Auditors' remuneration (Refer Note 31.A)	**18.09**	8.97	9.59
Commission and brokerage	**39.92**	28.28	32.77
Communication	**5.42**	6.53	7.33
Directors' sitting fees	**1.84**	1.82	2.00
Commission to non-executive directors	**16.00**	3.50	5.00
Insurance	**20.79**	36.76	22.87
Legal and professional fees	**409.60**	168.03	183.96
Management Fees (Refer note 57)	**489.25**	-	-
Printing and stationery	**1.73**	5.68	10.17
Rates and taxes	**7.14**	2.39	2.09
Rent (Refer Note 31.C)	**61.36**	83.32	90.11
Repairs and maintenance	**0.60**	0.51	1.86
Foreign exchange loss (net)	**75.63**	-	
Computer software	**24.76**	46.48	104.68
Corporate social responsibility -Donation (Refer Note 31.B)	**22.70**	28.70	35.40
Donation	**-**	0.30	0.26
Clearing & custodian charges	**2.72**	4.85	1.10
Loss on sale of of fixed assets	**7.06**	-	-
Membership and subscription	**18.49**	15.41	18.69
Office expenses	**230.14**	61.71	56.44
Postage and courier	**0.13**	2.62	2.87
Seminar & Conference	**0.12**	0.65	4.64
Goods & Service tax expenses	**6.47**	14.70	12.20
Travelling and conveyance	**3.71**	54.00	75.33
Miscellaneous expenses	**0.37**	5.17	11.48
Total	**1,470.15**	622.92	900.49

31.A Auditors' remuneration:

	For the year ended March 31, 2021	For the year ended March 31, 2020	for the year ended 31 March 2019
As an Auditor			
Statutory Audit of the Company	**4.40**	4.40	5.50
Limited Review	**3.60**	3.60	3.00
Certification	**0.36**	0.51	0.50
Fees for debenture issuances	**9.60**	-	-
Towards reimbursement of expenses	**0.13**	0.46	0.59
Total	**18.09**	8.97	9.59

(Currency:Indian rupees in million)

31.B Details of CSR Expenditure:

As per the provisions of Section 135 of Companies Act 2013,

	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended 31 March 2019
Gross Amount required to be spent by the Company	**22.70**	28.01	34.73
Amount Spent (Paid in Cash)			
Construction/ Acquisition of assets	**22.70**	28.70	35.40
Amount Spent (Yet to be paid in Cash)			
Construction/ Acquisition of assets	-	-	-
	-	-	-
Total	**22.70**	28.70	35.40

31.C Rental expense

Rental expenses for the year ended 31 March 2021 aggregated to ₹ 61.36 million (March 31, 2020 ₹ 83.32 million and March 31, 2019 ₹ 90.11 million) which has been included under the head other expenses – Rent in the reformatted Ind AS standalone statement of profit & loss. The Company does not have any non-cancellable operating lease.

Annexure V

32. Income Tax

32.A Component of Income Tax Expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Tax	**-**	45.59	7.24
Adjustment in respect of income tax of prior years	**(135.98)**	(43.69)	65.78
Deferred tax relating to temporary differences	**(86.95)**	(32.22)	(42.53)
Total Tax Charge for the year	**(222.93)**	(30.32)	30.49
Current Tax	**(135.98)**	1.90	73.02
Deferred Tax (Refer Note 32.C)	**(86.95)**	(32.22)	(42.53)

32.B The income tax expenses for the year can be reconciled to the accounting profit as follows:

	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before Taxes	**6,939.19**	795.47	1,059.27
Statutory Income Tax rate	**25.17%**	34.94%	34.94%
Tax Charge at Statutory Rate	**1,746.59**	277.94	370.11
Tax effect of :			
Adjustment in respect of current income tax of prior year	**(135.98)**	(43.69)	65.78
Income not charged to tax or chargeable to lower tax rate	**(3,795.68)**	(271.98)	(414.62)
DTA not created on			
Current year taxable loss	**1,555.12**	-	-
Expenditure of current year	**450.05**	-	-
DTA created on expenses in earlier year	**(151.83)**	-	-
Tax impact due to revaluation of deferred tax due to change in income tax rate*	**81.40**	-	-
Non Deductible Expenses			
Others	**27.40**	7.41	9.22
Income Tax Expenses Reported in Statement of Profit and Loss	**(222.93)**	(30.32)	30.49
Effective Income Tax Rate	**(3.21%)**	(3.81%)	2.88%

FY 2020-2021

* The The government of India, on September 20, 2019 vide the Taxation Laws (Ammendment Ordinance) 2019 the Ordinance), inserted a new Section 115BAA in the Income Tax Act, 1961, wich provides an option to the Company for paying Income tax at reduced rates. Accordingly, the Company has remeasured its deferred tax assets (net) basis the rate prescribed in the aforesaid section resulting in additional charge of Rs 81.40 million.

Annexure V

32. Income Tax

32.C Table below shows deferred tax recorded in the balance sheet and changes recorded in Income tax expenses:

For the Year Ended March 2021	As at March 31, 2020	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2021
Deferred Tax Assets					
Difference between book and tax depreciation (including intangibles)	16.40	(4.40)	-	-	12.00
Trade receivables - Expected credit loss	13.41	16.09	-	-	29.50
Fair valuation of investments - loss in valuation	1.06	(0.38)	-	-	0.68
Disallowances under section 43B of the Income Tax Act, 1961	3.20	(2.30)	-	-	0.90
Accumulated Losses	256.40	80.14	-	-	336.54
Unrealised loss on derivatives	0.66	(0.66)	-	-	0.00
Deferred Tax Liabilities					
Unrealised gain on derivatives	-	(1.54)	-	-	(1.54)
Deferred Tax Asset (net)	**291.13**	**86.95**	**-**	**-**	**378.08**

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 value of investments	-	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**

(Currency:Indian rupees in million)

Annexure V

33. 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

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.

The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have

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	March 31, 2021	March 31, 2020	March 31, 2019
I Segment Revenue			
a) Agency business	664.08	808.18	1,262.24
b) Holding company activities	16,486.83	1,638.85	1,874.00
c) Unallocated	67.82	8.37	67.51
Total Income	**17,218.73**	**2,455.40**	**3,203.75**
II Segment Results			
a) Agency business	(142.71)	(33.78)	260.65
b) Holding company activities	7,014.08	820.88	731.11
c) Unallocated	67.82	8.37	67.51
Profit before taxation	**6,939.19**	**795.47**	**1,059.27**
Less : Provision for taxation	(222.93)	(30.32)	30.49
Profit after taxation	**7,162.12**	**825.79**	**1,028.78**

Notes to the reformatted Ind AS Standalone financial information (Continued)

(Currency:Indian rupees in million)

Annexure V

33. Segment reporting *(Continued)*

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
III Segment Assets			
a) Agency business	41.86	133.07	311.21
b) Holding company activities	58,701.30	35,740.57	37,017.02
c) Unallocated	1,066.14	919.24	638.54
Total	**59,809.30**	**36,792.88**	**37,966.77**
IV Segment Liabilities			
a) Agency business	397.09	283.21	161.43
b) Holding company activities	18,136.88	1,815.30	4,279.91
c) Unallocated	15.45	148.67	9.42
Total	**18,549.42**	**2,247.18**	**4,450.76**
V Capital Expenditure (Including intangible assets under development)			
a) Agency business	0.62	2.78	16.11
b) Holding company activities	3.30	9.71	3.60
c) Unallocated	0.00	0.00	0.00
Total	**3.92**	**12.49**	**19.71**
VI Depreciation and Amortization			
a) Agency business	2.23	8.54	31.56
b) Holding company activities	11.81	23.62	7.04
c) Unallocated	-	-	-
Total	**14.04**	**32.16**	**38.60**
VII Significant Non-Cash Expenses Other than Depreciation and Amortization			
a) Agency business	78.03	39.69	(4.87)
b) Holding company activities	5,793.35	81.72	8.63
c) Unallocated	-	-	-
Total	**5,871.38**	**121.41**	**3.76**

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure":

(FY 2020-2021)

(A) Subsidiaries which are controlled by the Company:

1 Edelweiss Securities Limited (upto 26th March 2021)
2 Edelweiss Finance & Investments Limited (upto 26th March 2021)
3 ECL Finance Limited
4 Edelweiss Global Wealth Management Limited
5 Edelweiss Gallagher Insurance Brokers Limited
6 Edelweiss Trustee Services Limited (Merged with ECap Equities Limited w.e.f November 30, 2019)
7 Edelcap Securities Limited (through ECap Equities Limited)
8 Edelweiss Asset Management Limited
9 ECap Equities Limited
10 Edelweiss Broking Limited (upto March 26, 2021)
11 Edelweiss Trusteeship Company Limited
12 Edelweiss Alternative Asset Advisors Limited
13 Edelweiss Housing Finance Limited
14 Edelweiss Investment Adviser Limited (through Edelweiss Rural & Corporate Services Limited)
15 EC Commodity Limited (through Edelweiss Rural & Corporate Services Limited)
16 Edel Land Limited
17 Edelweiss Custodial Services Limited (through Edelweiss Securities Limited) (upto 26th March 2021)
18 Edelweiss Investment Advisors Private Limited (up to March 26, 2021)
19 EC International Limited, Mauritius
20 Edelweiss Capital (Singapore) Pte. Limited
21 Edelweiss Alternative Asset Advisors Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited)
22 Edelweiss International (Singapore) Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited)
23 Aster Commodities DMCC, United Arab Emirates (through EC International Limited, Mauritius)
24 EAAA LLC, Mauritius (through EC International Limited)
25 EW Special Opportunities Advisors LLC, Mauritius (through EAAA LLC)
26 Edel Investments Limited
27 Edelweiss Tokio Life Insurance Company Limited
28 Edelweiss Rural & Corporate Services Limited (through Edel Finance Company Limited)
29 Edelweiss Comtrade Limited (through Edelweiss Rural & Corporate Services Limited)
30 Edel Finance Company Limited
31 Edelweiss Retail Finance Limited (through Edelcap Securities Limited)
32 Edelweiss Securities (Hong Kong) Private Limited (through Edelweiss Securities Limited- up to 26th March 2021)
33 Edelweiss Financial Services Inc (up to 26th March 2021)
34 Edelweiss Finvest Limited (Merged with Edel Finance Company Limited w.e.f. 22nd February 2021)
35 Lichen Metals Private Limited (up to 30th March 2021)
36 Edelweiss Capital Services Limited (Incorporated as on 12 February 2021)
37 EdelGive Foundation
38 Edelweiss Resolution Advisors LLP (through Edelweiss Rural and Corporate Services Limited)
39 Limited)
40 EFSL International Limited, Mauritius (through EC International Limited)
41 Edelweiss Financial Services (UK) Limited, (through Edelweiss Securities Limited) (upto 26th March 2021)
42 Edelweiss General Insurance Company Limited
43 Edelweiss Asset Reconstruction Company Limited (through Edelweiss Custodial Services Limited)
44 Edelweiss Private Equity Tech Fund (through Ecap Equities Limited)
45 Edelweiss Securities (IFSC) Limited (upto 26th March 2021)
46 Edelweiss Value and Growth Fund (through Ecap Equities Limited)
47 Allium Finance Private Limited (through Edelweiss Rural and Corporate Services Limited)
48 Edelweiss Securities and Investments Private Limited (through Edelweiss Securities Limited)
49 ESL Securities Limited (through Edelweiss Securities Limited) (upto 26th March 2021)
50 Edelweiss Employees Welfare Trust
51 EC Global Limited (merged with EC international Limited w.e.f Septemeber 01, 2020)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued):

(FY 2020-2021) (continued)

(A) Subsidiaries which are controlled by the Company (Continued):

52 Everest Securities & Finance Limited (w.e.f September 01, 2020 upto March 26, 2021)
53 India Credit Investment Fund – II (w.e.f. March 31, 2021)
54 EW India Special Assets Advisors LLC, Mauritius (through EAAA LLC) (upto June 30, 2019)
55 Edelweiss Holdings Limited (Merged with ECap Equities Limited w.e.f November 30, 2019)
56 AIF Fund I - EW Clover Scheme -1 (through Edelcap Securities Limited) (closed w.e.f. February 29,2020)
57 Retra Ventures Private Limited (through Ecap Equities Limited) (ceased to become subsidiary w.e.f. March 19, 2020)
58 Edelweiss Securities Trading and Management Private Limited (Merged with Edelweiss Securities and Investments Private Limited w.e.f. November 19, 2019)
59 Alternative Investment Market Advisors Private Limited (Merged with Ecap Equities Limited w.e.f November 22, 2019)
60 Edelweiss Employees Incentive and Welfare Trust

(B) Enterprises over which control is exercised by the Company:

Trust name :

1 ESAF - I Trust
2 EARC SAF - 2 Trust
3 EARC SAF - 3 Trust
4 EARC Trust SC 6
5 EARC Trust SC 7
6 EARC Trust SC 9
7 EARC Trust SC 102
8 EARC Trust SC 109
9 EARC Trust SC 112
10 EARC Trust SC 130
11 EARC Trust SC 223
12 EARC Trust SC 229
13 EARC Trust SC 238
14 EARC Trust SC 245
15 EARC Trust SC 251
16 EARC Trust SC 262
17 EARC Trust SC 263
18 EARC Trust SC 266
19 EARC Trust SC 293
20 EARC Trust SC 297
21 EARC Trust SC 298
22 EARC Trust SC 306
23 EARC Trust SC 308
24 EARC Trust SC 314
25 EARC Trust SC 318
26 EARC Trust SC 321
27 EARC Trust SC 325
28 EARC Trust SC 329
29 EARC Trust SC 331
30 EARC Trust SC 332
31 EARC Trust SC 334
32 EARC Trust SC 342
33 EARC Trust SC 344
34 EARC Trust SC 347
35 EARC Trust SC 348
36 EARC Trust SC 349
37 EARC Trust SC 351
38 EARC Trust SC 352
39 EARC Trust SC 357
40 EARC Trust SC 360
41 EARC Trust SC 361
42 EARC Trust SC 363

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued):

(FY 2020-2021) (continued)

(B) Enterprises over which control is exercised by the Company (continued):

Trust name (continued) :

43 EARC Trust SC 370
44 EARC Trust SC 372
45 EARC Trust SC 373
46 EARC Trust SC 374
47 EARC Trust SC 375
48 EARC Trust SC 376
49 EARC Trust SC 377
50 EARC Trust SC 378
51 EARC Trust SC 380
52 EARC Trust SC 381
53 EARC Trust SC 383
54 EARC Trust SC 384
55 EARC Trust SC 385
56 EARC Trust SC 386
57 EARC Trust SC 387
58 EARC Trust SC 388
59 EARC Trust SC 391
60 EARC Trust SC 392
61 EARC Trust SC 393
62 EARC Trust SC 394
63 EARC Trust SC 395
64 EARC Trust SC 396
65 EARC Trust SC 399
66 EARC Trust SC 401
67 EARC Trust SC 402
68 EARC Trust SC 405
69 EARC Trust SC 406
70 EARC Trust SC 410
71 EARC Trust SC 412
72 EARC Trust SC 415
73 EARC Trust SC 427
74 EARC Trust SC 428
75 EARC Trust SC 429
76 EARC Trust SC 430

(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:

1 Mr. Rashesh Shah
2 Mr. Venkatchalam Ramaswamy
3 Ms. Vidya Shah
4 Ms. Aparna T. C.

(D) Key managerial personnel :

1 Mr. Rashesh Shah - Chairman, Managing Director & CEO
2 Mr. Venkatchalam Ramaswamy - Vice Chairman and Executive Director
3 Mr. Himanshu Kaji - Executive Director
4 Mr. Rujan Panjwani - Executive Director
5 Mr. S Ranganathan - Chief Financial Officer (up to 31 October 2020)
6 Mr. Sarju Simaria - Chief Financial Officer (w.e.f. 1 November 2020)

(E) Relatives of Individuals exercising significant influence

1 Ms. Kaavya Venkat
2 Ms. Shilpa Mody
3 Ms. Sejal Premal Parekh
4 Mr. A V Ramaswamy
5 Ms. Sneha Sripad Desai
6 Ms. Shabnam Panjwani

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued):

(FY 2020-2021) (continued)

(F) Indenpendent Directors

1 Mr. Berjis Desai
2 Mr. Biswamohan Mahapatra
3 Mr. Kunnasagaran Chinniah
4 Mr. Navtej S. Nandra
5 Mr. P. N. Venkatachalam
6 Mr. Ashok Kini
7 Dr. Ashima Goyal

(G) Other Director

1 Ms. Anita M George

(H) List of Associates

1 Edelweiss Securities Limited (ESL) (w. e. f. 27th March 2021)

(I) Subsidiaries of Edelweiss Securities Limited

1 Edelweiss Finance & Investments Limited
2 Edelweiss Broking Limited
3 Edelweiss Custodial Services Limited
4 Edelweiss Investment Advisors Private Limited
5 Edelweiss Financial Services Inc
6 Edelweiss Financial Services (UK) Limited
7 Edelweiss Securities (IFSC) Limited
8 ESL Securities Limited
9 Edelweiss Securities (Hong Kong) Private Limited

(FY 2019-2020)

(A) Subsidiaries which are controlled by the Company:

1 Edelweiss Securities Limited
2 Edelweiss Finance & Investments Limited
3 ECL Finance Limited
4 Edelweiss Global Wealth Management Limited
5 EC Global Limited, Mauritius (through EC International Limited, Mauritius)
6 Edelweiss Gallagher Insurance Brokers Limited (formerly known as Edelweiss Insurance Brokers Limited)
7 Edelweiss Trustee Services Limited (Merged with ECap Equities Limited) (w.e.f November 30, 2019)
8 Edelcap Securities Limited (through ECap Equities Limited)
9 Edelweiss Asset Management Limited
10 ECap Equities Limited
11 Edelweiss Broking Limited
12 Edelweiss Trusteeship Company Limited
13 Edelweiss Alternative Asset Advisors Limited
14 Edelweiss Housing Finance Limited
15 Edelweiss Investment Adviser Limited (through Edelweiss Rural & Corporate Services Limited)
16 EC Commodity Limited (through Edelweiss Rural & Corporate Services Limited)
17 Edelweiss Financial Services Limited
18 Edel Land Limited
19 Edelweiss Custodial Services Limited (through Edelweiss Securities Limited)
20 EC International Limited, Mauritius
21 Edelweiss Capital (Singapore) Pte. Limited
22 Edelweiss Alternative Asset Advisors Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited)
23 Edelweiss International (Singapore) Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited)
24 Aster Commodities DMCC, United Arab Emirates (through EC International Limited, Mauritius)
25 EAAA LLC, Mauritius (through EC International Limited)
26 EW Special Opportunities Advisors LLC, Mauritius (through EAAA LLC)
27 EW India Special Assets Advisors LLC, Mauritius (through EAAA LLC) (upto June 30, 2019)
28 Edel Investments Limited
29 Edelweiss Tokio Life Insurance Company Limited
30 Edelweiss Investment Advisors Private Limited, Singapore (through Edelweiss Capital (Singapore) Pte. Limited)
31 Edelweiss Rural & Corporate Services Limited
32 Edelweiss Comtrade Limited (through Edelweiss Rural & Corporate Services Limited)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued):

(FY 2019-2020) (continued)

(A) Subsidiaries which are controlled by the Company (Continued):

33 Edel Finance Company Limited
34 Edelweiss Retail Finance Limited (through Edelcap Securities Limited)
35 Edelweiss Securities (Hong Kong) Private Limited (through Edelweiss Securities Limited)
36 Edelweiss Financial Services Inc, United States of America (through Edelweiss Securities Limited)
37 EdelGive Foundation
38 Edelweiss Resolution Advisors LLP (through Edelweiss Rural and Corporate Services Limited)
39 Edelweiss Multi Strategy Fund Advisors LLP (through Edelweiss Rural and Corporate Services Limited)
40 EFSL International Limited, Mauritius (through EC International Limited)
41 Edelweiss Financial Services (UK) Limited, United Kingdom (through Edelweiss Securities Limited)
42 Edelweiss Holdings Limited (Merged with ECap Equities Limited) (w.e.f November 30, 2019)
43 Edelweiss AIF Fund I - EW Clover Scheme -1 (through Edelcap Securities Limited)
44 Edelweiss General Insurance Company Limited
45 Edelweiss Finvest Private Limited (through Ecap Equities Limited)
46 Edelweiss Asset Reconstruction Company Limited (through Edelweiss Custodial Services Limited)
47 Edelweiss Private Equity Tech Fund (through Ecap Equities Limited)
48 Edelweiss Securities (IFSC) Limited
49 Edelweiss Value and Growth Fund (through Ecap Equities Limited)
50 Retra Ventures Private Limited (through Ecap Equities Limited) (ceased to become subsidiary w.e.f. March 19, 2020)
51 Allium Finance Private Limited (through Edelweiss Rural and Corporate Services Limited)
52 Edelweiss Securities Trading and Management Private Limited (Merged with Edelweiss Securities and Investments Private Limited) (w.e.f November 30, 2019)
53 Edelweiss Securities and Investments Private Limited (through Edelweiss Securities Limited)
54 Lichen Metals Private Limited (through Ecap Equities Limited)
55 Edelvalue Partners (through Edelweiss Securities and Investments Private Limited)
56 ESL Securities Limited (through Edelweiss Securities Limited)
57 Edelweiss Employees Welfare Trust
58 Edelweiss Employees Incentive and Welfare Trust
59 Alternative Investment Market Advisors Private Limited (Merged with Ecap Equities Limited) (w.e.f November 30, 2019)

(B) Enterprises over which control is exercised by the Company:

Trust name :

1 EARC SAF - 2 Trust
2 EARC Trust - SC 6
3 EARC Trust - SC 7
4 EARC Trust - SC 9
5 EARC Trust - SC 102
6 EARC Trust - SC 109
7 EARC Trust - SC 112
8 EARC Trust - SC 130
9 EARC SAF - 3 Trust
10 EARC Trust - SC 223
11 EARC Trust - SC 229
12 EARC Trust - SC 238
13 EARC Trust - SC 245
14 EARC Trust - SC 251
15 EARC Trust - SC 266
16 EARC Trust - SC 262
17 EARC Trust - SC 263
18 EARC Trust - SC 293
19 EARC Trust - SC 297
20 EARC Trust - SC 308
21 EARC Trust - SC 314
22 EARC Trust - SC 325
23 EARC Trust - SC 329
24 EARC Trust - SC 331
25 EARC Trust - SC 306
26 EARC Trust - SC 321
27 EARC Trust - SC 334
28 EARC Trust - SC 318
29 EARC Trust - SC 332

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued):

(FY 2019-2020) (continued)

(B) Enterprises over which control is exercised by the Company (continued):

Trust name (continued) :

30 EARC Trust - SC 349
31 EARC Trust - SC 352
32 EARC Trust - SC 357
33 EARC SAF - 1 Trust Investor Account
34 EARC Trust - SC 298
35 EARC Trust - SC 347
36 EARC Trust - SC 351
37 EARC Trust - SC 360
38 EARC Trust - SC 361
39 EARC Trust - SC 363
40 EARC Trust - SC 344
41 EARC Trust - SC 370
42 EARC Trust SC 381
43 EARC Trust SC 383
44 EARC Trust SC 386
45 EARC Trust SC 384
46 EARC Trust SC 391
47 EARC Trust SC 395
48 EARC Trust SC 392
49 EARC Trust SC 372
50 EARC Trust SC 373
51 EARC Trust SC 374
52 EARC Trust SC 393
53 EARC Trust SC 380
54 EARC Trust SC 387
55 EARC Trust SC 388
56 EARC Trust SC 375
57 EARC Trust SC 399
58 EARC Trust SC 394
59 EARC Trust SC 385
60 EARC Trust SC 401
61 EARC Trust SC 402
62 EARC Trust SC 376
63 EARC Trust SC 348
64 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:

1 Mr. Rashesh Shah
2 Mr. Venkatchalam Ramaswamy
3 Ms. Vidya Shah
4 Ms. Aparna T. C.

(D) Key managerial personnel :

1 Mr. Rashesh Shah - Chairman, Managing Director & CEO
2 Mr. Venkatchalam Ramaswamy - Vice Chairman and Executive Director
3 Mr. Himanshu Kaji - Executive Director
4 Mr. Rujan Panjwani - Executive Director
5 Mr. S. Ranganathan - Chief Financial Officer

(E) Relatives of individuals exercising significant influence and relatives of KMP, with whom transaction have taken place:

1 Ms. Kaavya Venkat
2 Ms. Shilpa Mody
3 Ms. Sejal Premal Parekh
4 Mr. A V Ramaswamy
5 Ms. Sneha Sripad Desai
6 Ms. Shabnam Panjwani

(F) Enterprises over which KMPs / Relatives exercise significant influence, with whom transactions have taken place:

1 Spire Investment Advisors LLP
2 Shah Family Discretionary Trust

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued):

(FY 2019-2020) (continued)

(G) Independent Directors

1 Mr. Berjis Desai
2 Mr. Biswamohan Mahapatra
3 Mr. Kunnasagaran Chinniah
4 Mr. Navtej S. Nandra Mr.
5 P. N. Venkatachalam
6 Mr. Sanjiv Misra (upto January 24, 2019)
7 Mr. Ashok Kini (from 01 April 2019)
8 Dr. Ashima Goyal (from 01 April 2019)

(H) Others Directors

1 Ms. Anita M George (from 01 April 2019)

(FY 2018-2019)

(A) Subsidiaries which are controlled by the Company:

1 Edelweiss Securities Limited
2 Edelweiss Finance & Investments Limited
3 ECL Finance Limited
4 Edelweiss Global Wealth Management Limited
5 EC Global Limited, Mauritius (through EC International Limited, Mauritius)
6 Edelweiss Insurance Brokers Limited
7 Edelweiss Trustee Services Limited (through ECap Equities Limited)
8 Edelweiss Business Services Limited (Merged with Edelweiss Rural and Corporate Services Limited)
9 Edelcap Securities Limited (through ECap Equities Limited)
10 Edelweiss Asset Management Limited
11 ECap Equities Limited
12 Edelweiss Broking Limited
13 Edelweiss Trusteeship Company Limited
14 Edelweiss Alternative Asset Advisors Limited
15 Edelweiss Housing Finance Limited
16 Edelweiss Investment Adviser Limited
17 EC Commodity Limited (through Edelweiss Rural & Corporate Services Limited)
18 EFSL Trading Limited (Merged with EFSL Comtrade Limited)
19 Edel Commodities Limited (Merged with Edelweiss Rural and Corporate Services Limited)
20 Edel Land Limited
21 Edelweiss Custodial Services Limited (through Edelweiss Securities Limited)
22 EC International Limited, Mauritius
23 Edelweiss Capital (Singapore) Pte. Limited
24 Edelweiss Alternative Asset Advisors Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited)
25 Edelweiss International (Singapore) Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited)
26 Aster Commodities DMCC, United Arab Emirates (through EC International Limited, Mauritius)
27 EAAA LLC, Mauritius (through EC International Limited)
28 EW Special Opportunities Advisors LLC, Mauritius (through EAAA LLC)
29 EW India Special Assets Advisors LLC, Mauritius (through EAAA LLC)
30 Edel Investments Limited
31 Edelweiss Tokio Life Insurance Company Limited
32 Edelweiss Investment Advisors Private Limited, Singapore (through Edelweiss Capital (Singapore) Pte. Limited)
33 Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited)
34 Edelweiss Comtrade Limited (through Edelweiss Rural & Corporate Services Limited)
35 Edel Finance Company Limited
36 Edelweiss Capital Markets Limited (Merged with Edelweiss Rural and Corporate Services Limited)
37 EFSL Comtrade Limited (Merged with Edelweiss Rural and Corporate Services Limited)
38 Edelweiss Retail Finance Limited (through Edelcap Securities Limited)
39 Edelweiss Securities (Hong Kong) Private Limited (through Edelweiss Securities Limited)
40 Edelweiss Financial Services Inc, United States of America (through Edelweiss Securities Limited)
41 Edelweiss Agri Value Chain Limited (Merged with Edelweiss Rural and Corporate Services Limited)
42 EdelGive Foundation
43 Edelweiss Multi Strategy Funds Management Private Limited (Merged with Edelweiss Asset Management Limited)
44 Edelweiss Resolution Advisors LLP (through Edelweiss Rural and Corporate Services Limited)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued):

(FY 2018-2019) (continued)

(A) Subsidiaries which are controlled by the Company (continued):

45 Edelweiss India Capital Management, Mauritius (through Edelweiss Multi Strategy Funds Management Private Limited) (Upto June 30, 2018)
46 Edelweiss Multi Strategy Fund Adivsors LLP (through Edelweiss Rural and Corporate Services Limited)
47 EFSL International Limited, Mauritius (through EC International Limited)
48 Edelweiss Financial Services (UK) Limited, United Kingdom (through Edelweiss Securities Limited)
49 Edelweiss Holdings Limited (through ECap Equities Limited)
50 Edelweiss AIF Fund I - EW Clover Scheme -1 (through Edelcap Securities Limited)
51 Edelweiss General Insurance Company Limited
52 Edelweiss Finvest Private Limited (through Edelweiss Rural and Corporate Services Limited)
53 Edelweiss Asset Reconstruction Company Limited (through Edelweiss Custodial Services Limited)
54 Edelweiss Private Equity Tech Fund (through Ecap Equities Limited)
55 Edelweiss Securities (IFSC) Limited
56 Edelweiss Value and Growth Fund (through Ecap Equities Limited)
57 Retra Ventures Private Limited (through Ecap Equities Limited)
58 Allium Finance Private Limited (through Edelweiss Rural and Corporate Services Limited) (from November 29, 2018)
59 Edelweiss Fund Advisors Private Limited (Merged with Edelweiss Rural and Corporate Services Limited)
60 Edelweiss Securities Trading and Management Private Limited (formerly known as Dahlia Commodities Services Private Limited) (through Edelweiss Securities Limited)
61 Edelweiss Securities and Investments Private Limited (formerly known as Magnolia Commodities Services Private Limited) (through Edelweiss Securities Limited)
62 Lichen Metals Private Limited (through Edelvalue Partners)
63 Edelvalue Partners (through Edelweiss Securities and Investments Private Limited)
64 Alternative Investment Market Advisors Private Limited (through Ecap Equities Limited)

(B) Enterprises over which control is exercised by the Company:

Trust name :

1 EARC SAF - 2 Trust
2 EARC Trust - SC 6
3 EARC Trust - SC 7
4 EARC Trust - SC 9
5 EARC Trust - SC 102
6 EARC Trust - SC 109
7 EARC Trust - SC 112
8 EARC Trust - SC 130
9 EARC SAF - 3 Trust
10 EARC Trust - SC 223
11 EARC Trust - SC 229
12 EARC Trust - SC 238
13 EARC Trust - SC 245
14 EARC Trust - SC 251
15 EARC Trust - SC 266
16 EARC Trust - SC 262
17 EARC Trust - SC 263
18 EARC Trust - SC 293
19 EARC Trust - SC 297
20 EARC Trust - SC 308
21 EARC Trust - SC 314
22 EARC Trust - SC 325
23 EARC Trust - SC 329
24 EARC Trust - SC 331
25 EARC Trust - SC 306
26 EARC Trust - SC 321
27 EARC Trust - SC 334
28 EARC Trust - SC 318
29 EARC Trust - SC 332
30 EARC Trust - SC 348
31 EARC Trust - SC 349
32 EARC Trust - SC 350
33 EARC Trust - SC 352
34 EARC Trust - SC 354
35 EARC Trust - SC 357
36 EARC SAF - 1 Trust Investor Account
37 EARC Trust - SC 298
38 EARC Trust - SC 342
39 EARC Trust - SC 347

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued):

(FY 2018-2019) (continued)

(B) Enterprises over which control is exercised by the Company (continued):

Trust name (continued) :

40 EARC Trust - SC 351
41 EARC Trust - SC 360
42 EARC Trust - SC 361
43 EARC Trust - SC 363
44 EARC Trust - SC 344
45 EARC Trust - SC 370
46 EARC Trust - SC 283
47 EARF I - Scheme 5
48 EARC Trust - SC 57
49 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:

1 Mr. Rashesh Shah
2 Mr. Venkatchalam Ramaswamy
3 Ms. Vidya Shah
4 Ms. Aparna T. C.

(E) Key managerial personnel:

1 Mr. Rashesh Shah - Chairman, Managing Director & CEO
2 Mr. Venkatchalam Ramaswamy - Executive Director
3 Mr. Himanshu Kaji - Executive Director
4 Mr. Rujan Panjwani - Executive Director

(F) Relatives of individuals exercising significant influence and relatives of KMP, with whom transaction have taken place:

1 Ms. Kaavya Venkat
2 Ms. Shilpa Mody
3 Ms. Sejal Premal Parekh
4 Mr. A V Ramaswamy
5 Ms. Sneha Sripad Desai
6 Ms. Shabnam Panjwani

(G) Enterprises over which KMPs / Relatives exercise significant influence, with whom transactions have taken place:

1 Spire Investment Advisors LLP
2 Shah Family Discretionary Trust

(H) Independent Directors

1 Mr. Berjis Desai
2 Mr. Biswamohan Mahapatra
3 Mr. Kunnasagaran Chinniah
4 Mr. Navtej S. Nandra
5 Mr. P. N. Venkatachalam
6 Mr. Sanjiv Misra (upto January 24, 2019)
7 Mr. Sunil Mitra (upto August 02, 2017)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)
Transactions and balances with related parties

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2021	March 31, 2020	March 31, 2019
	Capital Account Transactions during the year				
1	Sale of Equity shares to	Edelweiss Securities Limited	3,837.51	189.63	-
		Edel Finance Company Ltd	1,654.97	-	-
		Edelweiss Rural & Corporate Services Limited	0.10	-	-
		Edelweiss Global Wealth Management Ltd	15,495.91	-	-
		Edelweiss Fund Advisors Private Limited	-	-	0.50
		Edelweiss Holdings Limited	-	-	150.00
		EC Commodity Limited	-	-	501.43
		Edelweiss Trustee Services Limited	-	-	0.50
2	Amount received on winding up of Subsidiary	Edelweiss Capital (Singapore) Pte. Ltd.	72.83	-	-
3	Purchase of Equity shares from	Ecap Equities Limited	4,100.76	-	-
		Edelweiss Securities Limited	714.13	-	-
		Edel Finance Company Ltd	6,706.17	-	-
		Edel Land Limited	922.46	-	-
4	Investment in 9% Compulsory Convertible Debentures of	Edelweiss Alternative Asset Advisors Limited	250.00	-	-
5	Investments in Compulsory Convertible Pref Shares	Edel Finance Company Ltd	1,650.00	-	-
6	Investment in Compulsory Convertible Debenture of	Edelweiss Global Wealth Management Limited	125.00	-	-
7	Investment in Equity shares of	Edel Finance Company Limited	300.00	473.21	442.20
		Edelweiss General Insurance Company Limited	850.00	1,000.00	380.00
		Edelweiss Securities (IFSC) Limited	-	15.00	-
		Edelweiss Global Wealth Management Limited	-	70.00	-
		Edelweiss Broking Limited	-	-	1,050.99
		ECL Finance Limited	-	-	3,456.10
		Edelweiss Rural & Corporate Services Limited	-	-	500.00
		Edelweiss Capital (Singapore) Pte. Limited	-	-	203.48
		Edelweiss Housing Finance Limited	-	-	500.00
		Edelweiss Asset Management Limited	-	-	141.30
8	Investment in Non-cumulative redemable prefernce share	Ecap Equities Limited	1,000.00	-	-
9	Reimbursement of loss (Refer note 55)	ECL Finance Limited	1,400.09	-	-
10	Basis Absolute value - Short term loans taken from (Refer note 1)	Edelweiss Rural & Corporate Services Limited	4,032.94	108,309.00	659,228.47
		ECap Equities Limited	5,750.00	-	-
11	Basis Absolute value - Short term loans repaid to (Refer note 1)	Edelweiss Rural & Corporate Services Limited	4,032.94	105,386.00	655,586.08
		ECap Equities Limited	4,658.84	-	-
12	Basis Max value - Short term loans taken from (Refer note 1)	Edelweiss Rural & Corporate Services Limited	750.00	8,080.00	11,573.23
		ECap Equities Limited	5,159.20	-	-
13	Basis Max value - Short term loans repaid to (Refer note 1)	Edelweiss Rural & Corporate Services Limited	750.00	8,007.49	11,490.00
		ECap Equities Limited	5,159.20	-	-
14	Basis Absolute value - Short term loans given to (Refer note 1)	ECap Equities Limited	20,112.85	-	-
		Edelweiss Rural & Corporate Services Limited	21,430.85	0.19	12,984.32
		Edelweiss Finance and Investments Limited	4,434.50	-	-
		ECL Finance Limited	7,006.70	-	-
		Edelweiss Global Wealth Management Limited	383.10	-	-
		Edel Land Limited	791.00	-	-
		Edel Finance Company Ltd	2,110.00	-	-
15	Basis Absolute value - Short term loans repaid by (Refer note 1)	ECap Equities Limited	20,112.85	-	-
		Edelweiss Rural & Corporate Services Limited	19,233.77	6.20	13,807.69
		Edelweiss Finance and Investments Limited	1,079.50	-	-
		ECL Finance Limited	3,206.70	-	-
		Edelweiss Global Wealth Management Limited	231.60	-	-
		Edel Land Limited	1.00	-	-
		EC International Limited	-	380.96	-
		Edelweiss Capital (Singapore) Pte. Ltd.	-	1,972.34	-
16	Basis Max value - Short term loans given to (Refer note 1)	ECap Equities Limited	10,346.55	-	-
		Edelweiss Rural & Corporate Services Limited	7,876.58	0.19	6,020.00
		Edelweiss Finance and Investments Limited	2,000.00	-	-
		ECL Finance Limited	3,206.70	-	-
		Edelweiss Global Wealth Management Limited	125.00	-	-
		Edel Land Limited	790.00	-	-
		Edel Finance Company Ltd	2,110.00	-	-
		Mr. S. Ranganathan	-	5.00	-
		EC International Limited	-	-	955.81
		Edelweiss Capital (Singapore) Pte. Ltd.	-	-	1,122.44
17	Basis Max value - Short term loans repaid by (Refer note 1)	ECap Equities Limited	10,300.00	-	-
		Edelweiss Rural & Corporate Services Limited	4,605.00	6.20	6,020.00
		Edelweiss Finance and Investments Limited	1,079.50	-	-
		ECL Finance Limited	3,206.70	-	-
		Edelweiss Global Wealth Management Limited	226.00	-	-
		Edel Land Limited	1.00	-	-
		Edel Finance Company Ltd	2,000.00	-	-
		EC International Limited	-	380.96	1,286.67
		Edelweiss Capital (Singapore) Pte. Ltd.	-	1,972.34	2,108.97
		Edelweiss Securities (IFSC) Limited	-	-	6.53

(Currency: Indian rupees in millions)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

Transactions and balances with related parties (continued)

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2021	March 31, 2020	March 31, 2019
18	Sale of Fixed Assets to	Edelweiss Finance and Investments Limited	0.01	0.01	-
		Edelweiss Rural & Corporate Services Limited	0.15	0.15	0.11
		Edelweiss Broking Limited	0.14	0.13	0.10
		Edelweiss Securities Limited	0.27	0.07	0.01
		ECL Finance Limited	0.00	0.07	0.00
		Edelweiss Custodial Services Limited	0.02	0.04	0.08
		Edelweiss Investment Advisors Limited	0.00	0.01	-
		Edelweiss General Insurance Company Limited	0.02	-	-
		ECap Equities Limited	0.00	-	-
		Edelcap Securities Limited	0.00	0.04	-
		Edelweiss Alternative Asset Advisors Limited	0.00	0.02	0.04
		Edelweiss Housing Finance Limited	-	0.02	-
		Edelweiss Gallagher Insurance Brokers Limited	-	0.01	-
		Edelweiss Asset Reconstruction Company Limited	-	0.06	-
		Edelweiss Asset Management Limited	-	-	0.01
19	Purchase of Fixed Assets from	Edelweiss Housing Finance Limited	0.01	0.00	0.04
		Edelweiss Rural & Corporate Services Limited	0.01	0.03	0.36
		ECL Finance Limited	0.30	0.05	0.05
		Edelweiss Global Wealth Management Limited	0.00	-	0.02
		Edelweiss Alternative Asset Advisors Limited	0.01	0.01	-
		Edelweiss Securities Limited	0.00	0.01	0.03
		Edelweiss Broking Limited	0.00	0.05	0.23
		Edelweiss Custodial Services Limited	0.00	-	-
		Edelweiss Investment Advisors Limited	-	0.02	0.03
		Edelweiss Asset Reconstruction Company Limited	-	0.01	-
		Edelweiss Retail Finance Limited	-	-	0.01
		ECap Equities Limited	-	-	0.01
20	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
21	Remuneration paid to	Mr. Rashesh Shah	11.48	12.69	72.66
		Mr. Venkat Ramaswamy	9.36	11.20	53.70
		Mr. Himanshu Kaji	10.77	11.91	24.93
		Mr. Rujan Panjwani	2.25	27.97	19.06
		Mr. S. Ranganathan	5.79	25.18	39.69
		Mr. Sarju Simaria	4.55	-	-
22	Dividend Income received from	EC International Limited	526.47	196.67	-
		Edelweiss Securities Limited	838.84	498.06	1,006.61
		Ecap Equities Limited	-	-	1.26
		Edel Investments Limited	-	-	151.65
		ECap Equities Limited	-	-	12.75
		Edelweiss Trustee Services Limited	-	-	11.50
23	Rating support fee earned from	ECL Finance Limited	0.44	1.66	2.10
		Edelweiss Rural & Corporate Services Limited	0.25	0.91	1.31
		Edelweiss Securities Limited	0.01	0.05	0.07
		Edelweiss Retail Finance Limited	0.04	0.14	0.16
		Edelweiss Housing Finance Limited	0.07	0.25	0.29
		Edelweiss Custodial Services Limited	0.02	0.08	0.08
		ECap Equities Limited	0.03	0.13	0.16
		Edelweiss Finance and Investments Limited	0.06	0.22	0.12
		Edel Finance Company Ltd	0.07	0.25	0.24
		Edelweiss Asset Reconstruction Company Limited	0.06	0.23	0.28
		Edelweiss Broking Limited	0.00	0.02	-
24	Fee / commission paid to	Edelweiss Securities Limited	192.64	42.75	-
		Edelweiss Broking Limited	21.01	1.82	-
		ECL Finance Limited (Refer note 57)	669.15	-	-
		Edelweiss Housing Finance Limited (Refer note 57)	12.06	-	-
		Edelweiss Retail Finance Limited (Refer note 57)	8.05	-	-
25	Royalty Fees received from	Edelweiss Gallagher Insurance Brokers Limited	5.00	10.00	-
		Edelweiss Tokio Life Insurance Company Limited	30.00	-	-
		Edelweiss General Insurance Company Limited	4.26	-	-
26	Fee / Guarantee commission earned from	Edel Finance Company Ltd	2.33	5.75	121.52
		Edelweiss Finance and Investments Limited	4.50	9.72	4.38
		ECap Equities Limited	20.46	29.08	49.29
		Edelweiss Tokio Life Insurance Company Limited	-	25.10	20.00
		Edelweiss General Insurance Company Limited	-	2.85	-
		ECL Finance Limited	50.75	5.29	3.21
		Edelweiss Asset Reconstruction Company Limited	63.89	79.71	13.66
		Edelweiss Rural & Corporate Services Limited	125.39	-	57.08
		Edelweiss International (Singapore) Pte. Ltd.	-	0.24	1.66
		Edelweiss Housing Finance Limited	1.17	-	11.53
		Edelweiss Retail Finance Limited	0.81	-	-
		Edelweiss Securities Limited	25.00	-	0.40
		Edelweiss Asset Management Limited	0.23	-	-
		Edelweiss Asset Reconstruction Company Limited	-	-	13.66
		Edelweiss Custodial Services Limited	-	-	12.44

(Currency: Indian rupees in millions)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

Transactions and balances with related parties (continued)

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2021	March 31, 2020	March 31, 2019
27	Business Service Charges income earned from	Edelweiss General Insurance Company Limited	0.59	1.44	-
		Edelweiss Asset Reconstruction Company Limited	3.09	2.87	-
		Edel Investments Limited	0.02	0.68	-
		Edelweiss Tokio Life Insurance Company Limited	1.24	1.32	-
		Edelweiss Custodial Services Limited	1.45	1.34	-
		Edelweiss Alternative Asset Advisors Limited	0.56	1.52	-
		Edelweiss Broking Limited	1.01	2.07	-
		Edelweiss Global Wealth Management Limited	0.11	1.59	-
		ECL Finance Limited	8.64	20.77	-
		Edelweiss Gallagher Insurance Brokers Limited	0.07	0.71	-
		Edelweiss Asset Management Limited	0.51	1.41	-
		ECap Equities Limited	1.59	1.63	-
		Edelweiss Housing Finance Limited	1.61	2.80	-
		Edelweiss Finance and Investments Limited	0.50	0.92	-
		Edelweiss Securities Limited	1.06	3.48	-
		Edelweiss Rural & Corporate Services Limited	2.99	2.04	-
		Allium Finance Private Limited	0.00	0.00	-
		EC Commodity Limited	0.00	0.00	-
		Edelcap Securities Limited	0.19	0.29	-
		Edelweiss Retail Finance Limited	0.88	0.00	-
		Edelweiss Investment Advisors Limited	0.00	0.00	-
		Edelweiss Comtrade Ltd	0.02	0.00	-
		Lichen Metals Private Limited	0.00	0.00	-
		Edel Land Limited	0.01	0.00	-
		Edel Finance Company Ltd	0.01	0.00	-
		Edelgive Foundation	0.02	0.00	-
28	Enterprise / Corporate allocation income earned from	Edelweiss Securities Limited	8.85	22.30	-
		Edelweiss Finance and Investments Limited	4.15	5.55	-
		Edelweiss Housing Finance Limited	13.40	11.62	-
		ECap Equities Limited	13.27	11.34	-
		Edelcap Securities Limited	1.58	2.40	-
		Edelweiss Asset Management Limited	4.29	8.72	-
		Edelweiss Gallagher Insurance Brokers Limited	0.58	5.43	-
		Edelweiss Global Wealth Management Limited	0.94	9.88	-
		Edelweiss Broking Limited	8.45	11.86	-
		Edelweiss Alternative Asset Advisors Limited	4.65	9.11	-
		Edelweiss Custodial Services Limited	12.12	8.99	-
		Edelweiss Investment Advisors Limited	0.00	0.01	-
		EC Commodity Limited	0.04	0.01	-
		Edel Land Limited	0.11	0.00	-
		Allium Finance Private Limited	0.00	0.01	-
		Edelweiss Tokio Life Insurance Company Limited	10.35	10.96	-
		Edel Investments Limited	0.13	3.41	-
		Edelweiss Asset Reconstruction Company Limited	25.79	16.90	-
		Edelgive Foundation	0.16	0.01	-
		Lichen Metals Private Limited	0.00	0.00	-
		Edelweiss Comtrade Ltd	0.21	0.02	-
		Edelweiss Retail Finance Limited	7.30	0.02	-
		Edelweiss General Insurance Company Limited	4.91	8.87	-
		Edel Finance Company Ltd	0.12	0.03	-
		ECL Finance Limited	72.02	99.06	-
		Edelweiss Rural & Corporate Services Limited	24.95	11.89	-
29	Enterprise Cost - In	Edelweiss Rural & Corporate Services Limited	-	49.80	-
30	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	-
31	Corporate Cost - In	Edelweiss Rural & Corporate Services Limited	220.69	5.33	-
32	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	-
33	Interest income on margin from	Edelweiss Custodial Services Limited	1.45	0.81	0.84
		Edelweiss Securities Limited	-	-	0.01
34	Margins placed with	Edelweiss Custodial Services Limited	13.25	263.64	-
		Edelweiss Securities Limited	-	0.20	66.18
		Edel Investments Limited	-	0.35	-
35	Margins withdrawn by	Edelweiss Custodial Services Limited	0.79	314.52	-
		Edelweiss Securities Limited	-	0.20	-
		Edel Investments Limited	-	0.29	-
36	Interest expense on short term loan taken	Edelweiss Rural & Corporate Services Limited	30.81	316.27	112.70

(Currency: Indian rupees in millions)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

Transactions and balances with related parties (continued)

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2021	March 31, 2020	March 31, 2019
37	Interest Income on short term loan given	ECap Equities Limited	430.32	-	-
		Edelweiss Rural & Corporate Services Limited	352.58	0.29	-
		Edelweiss Finance and Investments Limited	47.69	-	-
		ECL Finance Limited	1.82	-	-
		Edelweiss Global Wealth Management Limited	2.62	-	-
		Edel Land Limited	21.09	-	-
		Edel Finance Company Ltd	7.87	-	-
		EC International Limited	-	-	71.24
		Edelweiss Capital (Singapore) Pte. Limited	-	-	183.01
		Edelweiss Securities (IFSC) Limited	-	-	0.07
38	Other expenses paid to	Edelweiss Custodial Services Limited	0.03	2.85	0.09
39	Cost reimbursements paid to	Edelweiss Rural & Corporate Services Limited	53.02	62.60	59.22
		Edelweiss Securities Limited	19.08	4.31	1.15
		ECL Finance Limited	0.28	1.55	0.09
		Edelweiss Custodial Services Limited	0.00	-	-
		Edelweiss Global Wealth Management Limited	0.08	0.13	-
		ECap Equities Limited	0.69	2.24	0.43
		Edelweiss Broking Limited	59.42	3.27	1.46
		Edelweiss Retail Finance Limited	0.14	0.12	0.05
		Edelweiss Financial Services Inc.	1.81	8.97	-
		Edel Land Limited	0.07	1.05	-
		Edelweiss Securities (Hong Kong) Private Limited	0.03	-	-
		Edel Finance Company Ltd	-	0.00	-
		Edel Investments Limited	-	0.00	-
		Edelweiss Tokio Life Insurance Company Limited	-	0.06	-
		Edelweiss Asset Management Limited	-	0.06	0.17
		Edelweiss Housing Finance Limited	-	-	0.05
40	Cost reimbursements recovered from	Edelweiss Securities Limited	7.53	9.41	14.61
		Edelweiss Rural & Corporate Services Limited	26.78	22.12	46.32
		ECL Finance Limited	20.13	32.82	35.69
		Edelweiss Tokio Life Insurance Company Limited	28.43	62.96	84.39
		Edelweiss Broking Limited	30.50	35.08	57.08
		Edelweiss Investment Advisors Limited	0.20	0.64	3.70
		Edelweiss Custodial Services Limited	3.31	3.14	3.89
		Edelweiss Comtrade Ltd	0.04	0.26	1.89
		ECap Equities Limited	0.90	1.28	1.78
		Edelweiss Asset Management Limited	4.81	7.03	5.83
		Edelweiss Asset Reconstruction Company Limited	5.36	6.43	4.31
		Edelweiss Global Wealth Management Limited	1.46	2.29	1.79
		Edelweiss Housing Finance Limited	9.22	15.67	23.48
		Edelweiss Finance and Investments Limited	3.07	0.70	1.70
		Edelweiss Retail Finance Limited	1.04	1.23	8.06
		Edel Land Limited	0.25	0.49	0.21
		Edelweiss Alternative Asset Advisors Limited	3.25	3.85	5.57
		Edelweiss Gallagher Insurance Brokers Limited	2.05	2.54	4.78
		Edelweiss General Insurance Company Limited	13.66	8.23	6.25
		Edel Investments Limited	0.28	0.50	0.49
		Edel Finance Company Ltd	0.56	1.43	0.96
		EC Commodity Limited	0.13	0.54	0.60
		Edelcap Securities Limited	3.58	3.06	3.53
		Lichen Metals Private Limited	0.01	0.02	0.06
		EdelGive Foundation	0.47	0.12	0.00
		Allium Finance Private Limited	0.01	0.61	0.03
		Edelweiss Alternative Asset Advisors Pte. Limited	0.00	-	-
		Edelweiss Investment Advisors Pte. Limited	0.05	0.01	-
		Aster Commodities DMCC	0.01	-	-
		EAAA LLC	0.01	-	-
		Edelweiss International (Singapore) Pte. Ltd.	0.07	0.01	-
		Edelweiss Financial Services Inc.	1.18	0.00	-
		Edelweiss Securities (Hong Kong) Private Limited	0.03	0.00	-
		Edelweiss Financial Services (UK) Limited	0.02	0.00	-
		Edelweiss Trusteeship Company Limited	0.00	-	-
		Edelweiss Securities And Investments Private Limited - Mag	0.02	-	-
		ESL Securities Limited	0.03	-	-
		Edelweiss Capital Services Limited	0.03	-	-
		Edelweiss Securities (IFSC) Limited	-	0.00	-
		EC Global Limited	-	0.00	-
		Edelvalue Partners	-	-	0.01
		Edelweiss Asset Management Limited	-	-	5.73
		Edelweiss Multi Strategy Fund Advisors LLP	-	-	0.10
		Edel Finance Company Limited	-	-	0.03
		Alternative Investment Market Advisors Private	-	-	0.24
41	Directors' sitting fees paid to	Mr Berjis Desai	0.50	0.26	0.26
		Mr Biswamohan Mahapatra	0.34	0.34	0.28
		Mr Kunnasagaran Chinniah	0.12	0.40	0.40
		Mr Navtej S. Nandra	0.28	0.28	0.30
		Mr P N Venkatachalam	0.36	0.34	0.48
		Mr Dr. Ashima Goyal	0.12	0.10	-
		Mr Ashok Kini	0.12	0.10	-
		Mr Sanjiv Misra	-	-	0.28
42	Commission paid to Non executive directors	Mr Berjis Desai	0.50	1.00	1.30
		Mr Biswamohan Mahapatra	0.50	1.00	1.30
		Mr Kunnasagaran Chinniah	0.50	1.00	1.30
		Mr Navtej S. Nandra	0.50	1.00	1.30
		Mr P N Venkatachalam	0.50	1.00	1.30
		Mr Dr. Ashima Goyal	0.50	-	-
		Mr Ashok Kini	0.50	-	-
		Mr Sanjiv Misra	-	-	1.30
43	Contribution towards corporate social responsibility	Edelgive Foundation	22.70	28.00	34.70

(Currency: Indian rupees in millions)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

Transactions and balances with related parties (continued)

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2021	March 31, 2020	March 31, 2019
	Balances with related parties				
44	Investments in Equity Shares in	ECL Finance Limited	15,492.85	8,786.68	8,646.66
		Edelweiss Tokio Life Insurance Company Limited	6,025.58	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	1,892.16	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	6.15	6.20
		ECap Equities Limited	1,289.95	1,289.95	1,260.00
		Edelweiss Retail Finance Limited	914.11	914.11	908.18
		Edelweiss Capital Services Limited	265.20	-	-
		Edel Investments Limited	46.67	46.67	46.00
		Edel Land Limited	147.61	147.61	147.61
		EdelGive Foundation	0.10	0.10	0.10
		Edelweiss Housing Finance Limited	1,188.96	1,188.96	1,155.50
		Edelweiss Gallagher Insurance Brokers Limited	32.27	32.27	24.00
		Edelweiss Trusteeship Company Limited	1.00	1.00	1.00
		Edelweiss Global Wealth Management Limited	290.01	290.01	195.63
		Edelweiss Investment Advisors Limited	-	7.19	5.50
		Edelweiss General Insurance Company Limited	3,936.16	3,086.16	2,080.00
		Edel Finance Company Ltd	7,871.55	3,355.42	2,880.64
		Edelweiss Securities (IFSC) Limited	-	162.54	147.54
		Edelweiss Securities Limited	124.52	241.78	92.00
		Edelweiss Asset Reconstruction Company Limited	448.64	448.64	434.89
		Edelweiss Securities And Investments Private Limited - Magnolia	922.46	-	-
		Edelweiss Capital (Singapore) Pte. Ltd.	-	528.21	523.22
45	Gratuity Payable to	Edelweiss Securities Limited	2.20	-	-
		Edelweiss Finance and Investments Limited	0.44	-	-
		Edelweiss Gallagher Insurance Brokers Limited	0.01	-	-
		Edelweiss Broking Limited	2.55	-	-
		Edelweiss Alternative Asset Advisors Limited	1.40	-	0.04
		Edelweiss Asset Reconstruction Company Limited	0.42	-	-
		Edelweiss Custodial Services Limited	-	-	0.03
		Edel Finance Company Ltd	-	-	0.13
46	Gratuity Receivable from	ECL Finance Limited	0.21	-	0.03
		Edel Finance Company Ltd	0.34	-	-
		Edelweiss Securities Limited	0.88	-	1.91
47	ESOP Charges Payable to	Edelweiss Housing Finance Limited	0.90	-	-
		Edelweiss Tokio Life Insurance Company Limited	-	0.52	-
		Edelweiss General Insurance Company Limited	-	0.38	-
		Edel Finance Company Ltd	3.11	-	-
48	ESOP Charges Receivable from	Edelweiss Securities Limited	60.20	41.35	-
		Edelweiss Finance and Investments Limited	5.33	-	-
		Edelcap Securities Limited	2.58	3.52	-
		Edelweiss Rural & Corporate Services Limited	19.29	19.17	-
		Edelweiss Asset Management Limited	10.56	13.33	-
		Edelweiss Gallagher Insurance Brokers Limited	0.10	0.07	-
		ECL Finance Limited	35.07	49.19	-
		Edelweiss Global Wealth Management Limited	12.53	31.59	-
		Edelweiss Broking Limited	23.34	40.77	-
		Edelweiss Alternative Asset Advisors Limited	21.44	23.67	-
		Edelweiss Custodial Services Limited	4.68	3.97	-
		Edelweiss Tokio Life Insurance Company Limited	13.47	22.18	-
		Edelweiss Asset Reconstruction Company Limited	8.61	5.92	-
		Edelweiss General Insurance Company Limited	9.75	6.46	-
		ECap Equities Limited	13.35	18.51	-
		ESL Securities Limited	5.46	-	-
		Edelweiss Capital Services Limited	0.08	-	-
		Edelweiss Investment Advisors Limited	0.00	-	-
		Edelweiss Alternative Asset Advisors Pte. Limited	1.87	2.13	-
		Edelweiss Retail Finance Limited	3.12	2.39	-
		Edelweiss International (Singapore) Pte. Ltd.	0.03	-	-
		Edelweiss Investment Advisors Pte. Limited	2.60	2.41	-
		Edelweiss Financial Services Inc.	0.01	-	-
		Edel Land Limited	0.03	0.80	-
		Edelweiss Housing Finance Limited	-	14.59	-
		Edel Finance Company Ltd	-	0.38	-
		EC Commodity Limited	-	0.34	-
49	Accrued interest on loans given to	Edelweiss Rural & Corporate Services Limited	51.13	-	-
		Edelweiss Finance and Investments Limited	7.32	-	-
		Edel Finance Company Ltd	7.28	-	-
		ECL Finance Limited	1.68	-	-
		Edelweiss Global Wealth Management Limited	1.26	-	-
		Edel Land Limited	1.89	-	-
		EC International Limited	-	-	29.38
		Edelweiss Capital (Singapore) Pte. Limited	-	-	111.90
50	Accrued interest on loans taken from	Edelweiss Rural & Corporate Services Limited	0.00	13.42	24.33
51	Short term loans given to	Edelweiss Finance and Investments Limited	3,355.00	-	-
		ECL Finance Limited	3,800.00	-	-
		Edelweiss Global Wealth Management Limited	151.50	-	-
		Edel Land Limited	790.00	-	-
		Edel Finance Company Ltd	2,110.00	-	-
		Edelweiss Rural & Corporate Services Limited	2,197.08	-	-
		EC International Limited	-	-	380.96
		Edelweiss Capital (Singapore) Pte. Limited	-	-	1,972.34
52	Short term loans taken from	ECap Equities Limited	1,091.16	-	3,636.36
53	Debt Securities	Edelweiss Finance and Investments Limited	18.70	-	-
		Edelweiss Broking Limited	1.26	-	-
54	Trade payables to	Edelweiss Comtrade Ltd	0.07	0.04	-
		Edelvalue Partners	0.02	0.02	0.02
		Edelweiss Investment Advisors Limited	-	0.02	0.49
		Edelweiss Financial Services Inc.	0.41	8.97	17.33
		EC Commodity Limited	0.01	0.26	-
		EC International Limited	-	0.00	-
		Edelweiss Capital (Singapore) Pte. Ltd.	-	0.01	-
		Edelweiss Finance and Investments Limited	-	3.93	-
		Edelweiss Housing Finance Limited	11.54	23.19	-
		ECL Finance Limited	2,079.21	69.69	-
		Edelweiss Retail Finance Limited	7.85	2.65	-
		Edelweiss Securities (IFSC) Limited	0.06	2.65	-
		Edelweiss Securities Limited	75.77	-	-
		Edelweiss Broking Limited	14.39	-	-

(Currency: Indian rupees in millions)

34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

Transactions and balances with related parties (continued)

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2021	March 31, 2020	March 31, 2019
55	Trade receivables from	Edelweiss Tokio Life Insurance Company Limited	37.95	75.62	32.39
		ECap Equities Limited	1.18	34.44	64.84
		Edelcap Securities Limited	0.38	0.93	1.04
		Edel Finance Company Ltd	0.16	6.60	142.32
		Edelweiss Asset Management Limited	0.44	1.31	2.51
		Edelweiss Asset Reconstruction Company Limited	5.08	96.67	17.66
		Edelweiss Securities (IFSC) Limited	-	0.00	-
		Edelweiss Finance and Investments Limited	0.18	-	10.57
		Edelweiss Alternative Asset Advisors Limited	0.30	1.63	9.37
		Edelweiss Alternative Asset Advisors Pte. Limited	0.00	-	-
		Edel Land Limited	0.00	0.06	0.07
		Edelweiss General Insurance Company Limited	5.66	28.17	13.57
		Edelweiss Global Wealth Management Limited	0.08	1.57	17.71
		EC Commodity Limited	-	0.00	0.12
		Edelweiss Broking Limited	-	7.49	39.31
		EdelGive Foundation	0.03	0.02	-
		Edelweiss Gallagher Insurance Brokers Limited	0.21	0.11	0.43
		Allium Finance Private Limited	0.00	0.03	0.00
		Edel Investments Limited	0.03	0.55	0.38
		Edelweiss Securities (Hong Kong) Private Limited	0.03	0.00	-
		Edelweiss Financial Services (UK) Limited	0.02	0.00	-
		Edelweiss Investment Advisors Pte. Limited	0.06	0.01	-
		ESL Securities Limited	0.02	-	-
		Edelweiss Rural & Corporate Services Limited	131.70	5.95	22.80
		Edelweiss Custodial Services Limited	0.14	3.21	17.38
		Edelweiss Investment Advisors Limited	0.05	-	-
		Lichen Metals Private Limited	-	0.00	-
		EC Global Limited	-	0.00	-
		Aster Commodities DMCC	0.01	0.00	-
		Edelweiss International (Singapore) Pte. Ltd.	0.07	0.25	1.66
		Edelweiss Trusteeship Company Limited	0.00	-	-
		EAAA LLC	0.01	-	-
		Edelweiss Securities And Investments Private Limited - Magnolia	0.02	-	-
		EC International Limited	-	-	-
		Edelweiss Capital Services Limited	0.03	-	-
		Edelweiss Securities Limited	-	6.66	16.91
		Edelweiss Retail Finance Limited	-	-	1.07
		Edelweiss Housing Finance Limited	-	-	20.26
		ECL Finance Limited	-	-	53.23
		Edelweiss Comtrade Ltd	-	-	0.05
		Edelweiss Capital (Singapore) Pte. Limited	-	-	1.93
56	Margin placed with broker	Edelweiss Custodial Services Limited	29.15	15.29	66.18
		Edelweiss Securities Limited	0.06	-	-
57	Directors nomination deposits placed with	Edelweiss Securities Limited	-	-	0.20
		Edelweiss Finance and Investments Limited	-	-	0.50
		ECap Equities Limited	-	-	0.10
		Edelweiss Alternative Asset Advisors Limited	-	-	0.10
		Edel Land Limited	-	-	0.10
		Edelweiss Asset Management Limited	-	-	0.10
		ECL Finance Limited	-	-	0.10
		Edelweiss Rural & Corporate Services Limited	-	-	0.10
58	Risk and Reward undertaking	Edelweiss Retail Finance Limited	648.89	-	-
		Edelweiss Housing Finance Limited	1,446.16	-	-
		ECL Finance Limited	40,455.20	-	-
57	Corporate guarantee given on behalf of	Edelweiss Rural & Corporate Services Limited	-	35,570.00	1,387.17
		Edelweiss Retail Finance Limited	-	-	-
		Edelweiss Custodial Services Limited	6,950.00	14,405.00	17,850.00
		ECap Equities Limited	1,879.70	4,751.10	6,866.80
		Edelweiss Asset Reconstruction Company Limited	21,901.50	26,509.30	16,067.30
		Edel Finance Company Ltd	780.40	2,749.30	5,030.10
		Edelweiss Finance and Investments Limited	145.90	310.40	916.77
		Edelweiss Housing Finance Limited	1,890.18	2,384.83	3,106.17
		Edelweiss Investment Advisers Limited	2,250.00	-	-
		ECL Finance Limited	2,375.00	3,174.17	54.00
		Edelweiss Securities Limited	-	1,170.00	2.50

₹ 0.00 refers to amount less tha, ₹ 0.01 million

Note:

1 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 alongwith the transaction volume are disclosed above as in the view of the management it provides meaningful reflection of such related party transactions on the financial statements. 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

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.

3 With effect from 01 April 2019, Edelweiss Finvest Limited have been merged with Edel Finance Company Limited , a wholly owned subsidiary of the Company, pursuant to the scheme of arrangement approved by National Company Law Tribunal vide its Order dated 22 February 2021

4 With effect from 01 September 2020, EC Global Limited have been merged with EC International Limited , a wholly owned subsidiary of the Company, pursuant to the scheme of arrangement approved by National Company Law Tribunal.

5 With effect from 30 March 2021, Lichen Metals Private Limited is sold and ceased to become the subsidiary of the Company

6 On 12 February 2021, a new subsidiary namely Edelweiss Capital Advisory Services Limited is incorporated. Edeweiss Financial Services Limited holds 51% stake of Edelweiss Capital Advisory Services Limited

7 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 alongwith the transaction volume are disclosed above as in the view of the management it provides meaningful reflection of such related party transactions on the financial statements. 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

35 Earnings per share

In accordance with Indian Accounting Standard 33 – "Earnings Per Share",the computation of earnings per share is set out below:

Particulars	March 31, 2021	March 31,2020	March 31, 2019
a. Shareholders earnings (as per statement of profit and loss)	7,162.12	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	889,512,222	887,772,784	870,602,147
-Number of shares issued during the year	1,389,075	1,739,438	17,170,637
Total number of equity shares outstanding at the end of the year	890,901,297	889,512,222	887,772,784
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	889,951,721	888,713,129	882,564,701
c. Number of dilutive potential equity shares	3,799,386	5,575,693	14,761,041
d. Basic earnings per share (in ₹) {a/b}	8.05	0.93	1.17
e. Diluted earnings per share (in ₹) {a/(b+c)}	8.01	0.92	1.15

36. Cost sharing

Edelweiss Financial Services and it's 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.

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, deprecation on assets used and amortization.

(Currency:Indian rupees in million)

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 ₹ 16.30 million for FY 2020-2021 (FY 2019-2020: ₹ 20.92 million and FY 2018-2019: ₹ 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 2021.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.

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 financial information as at balance sheet date:

Reconciliation of Defined Benefit Obligation (DBO)

	March 31 ,2021	March 31 ,2020	March 31 ,2019
Present Value of DBO at Start of the year	**42.93**	**48.30**	**40.52**
Service Cost			-
a. Current Service Cost	3.78	4.71	6.39
b.Past Service Cost	-	-	-
c.Loss/(Gain) from Settlement	-	-	-
Effect of Curtailment	-	(5.03)	
Interest Cost	2.20	3.33	3.09
Benefits Paid	(4.00)	(6.84)	(2.27)
Re-measurements			
a.Actuarial Loss/(Gain) from changes in demographic assumptions	(1.55)	-	-
b.Actuarial Loss/(Gain) from changed in financials assumptions	1.58	2.24	0.68
c.Actuarial Loss/(Gain) from experience over last past year	(2.95)	(3.08)	(1.84)
Effect of acquisition / (divestiture)	-	-	-
Changes in foreign exchange rate	-	-	-
Transfer In / (Out)	(5.57)	(0.70)	1.73
Present Value of DBO at end of the year	**36.42**	**42.93**	**48.30**

Reconciliation of Fair Value of Plan Assets

	March 31 ,2021	March 31 ,2020	March 31 ,2019
Fair Value of Plan Assets at start of the year	**40.80**	**47.37**	**41.60**
Contributions by Employer	4.00	0.03	5.00
Benefits Paid	(4.00)	(6.84)	(2.27)
Interest Income Plan Assets	2.40	3.08	2.94
Re-measurements			-
Return on plan assets excluding amount including in net interest on the net defind benefit liability / (asset)	6.62	(2.83)	0.10
Effect of acquisition / (divestiture)	-	-	-
Changes in foreign exchange rate	-	-	-
Fair Value of Plan Assets at end of the year	**49.82**	**40.80**	**47.37**
Actual Return on Plan Assets	90.22	0.23	3.04
Expected Employer Contributions for the coming year	-	2.00	1.00

(Currency:Indian rupees in million)

37 Employee Benefits (continued)

Expenses recongnised in the reformatted Ind AS Standalone Statement of Profit and Loss

	March 31 ,2021	March 31 ,2020	March 31 ,2019
Service Cost			
Current Service Cost	3.78	4.71	6.39
Effect of Curtailment	-	(5.03)	-
Net Interest on net defind benefit liability / (asset)	(0.20)	0.25	0.14
Employer Expenses	**3.58**	**(0.07)**	**6.53**

Net Liability / (Asset) recognised in the Reformatted Ind AS Standalone Statement of Asset & Liabilties

	March 31 ,2021	March 31 ,2020	March 31 ,2019
Present Value of DOB	36.42	42.93	48.30
Fair Value of Plan Assets	49.82	40.80	47.37
Liability / (Asset) recongised in the Balance Sheet	(13.40)	2.13	0.93
Funded Status [Surplus/ (Deficit)]	13.40	(2.13)	(0.93)
Experience Adjustment on Plan Liabilities:(Gain)/Loss	**(2.95)**	**(3.08)**	(1.84)

Percentage Break-down of Total Plan Assets

	March 31 ,2021	March 31 ,2020	March 31 ,2019
Equity instruments	0.0%	0.0%	0.0%
Debt instruments	0.0%	0.0%	0.0%
Real estate	0.0%	0.0%	0.0%
Derivatives	0.0%	0.0%	0.0%
Investment Funds with Insurance Company	99.9%	100%	100.0%
Of which, Unit Linked	99.9%	100%	100.0%
Of which, Traditional/ Non-Unit Linked	0.0%	0.0%	0.0%
Asset-backed securities	0.0%	0.0%	0.0%
Structured debt	0.0%	0.0%	0.0%
Cash and cash equivalents	0.1%	0.0%	0.0%
Total	**100%**	**100%**	**100%**

Actuarial assumptions:

	March 31 ,2021	March 31 ,2020	March 31 ,2019
Salary Growth Rate (% p.a)	7% p.a	7% p.a	7% p.a
Discount Rate (% p.a)	5% p.a	5.90% p.a	7% p.a
Withdrawal Rate (% p.a)	25%p.a	13%-25% p.a	13%-25% p.a
Mortality Rate	IALM 2012-14(Ultimate)	IALM 2012-14(Ultimate)	IALM 2012-14(Ultimate)
Interest Rate on Net DBO / (Asset) (%)	5.9% p.a	7.3% p.a	7.3% p.a
Expected weighted average remaining working life (years)	2 Years	3 Years	4 Years

(Currency:Indian rupees in million)

37 Employee Benefits (continued)

Movement in Other Comprehensive Income

	March 31 ,2021	March 31 ,2020	March 31 ,2019
Balance at start of year (Loss)/ Gain	**(0.73)**	**1.26**	**NIL**
Re-measurements on DBO			
a.Actuarial Loss/(Gain) from changes in demographic assumptions	1.55	-	-
b.Actuarial Loss/(Gain) from changed in financials assumptions	(1.58)	(2.24)	(0.68)
c.Actuarial Loss/(Gain) from experience over last past year	2.95	3.08	1.84
Re-measurements on Plan Assets			
Return on plan assets excluding amount including in net interest on the net defind benefit liability / (asset)	6.62	(2.83)	0.10
Balance at end of year (Loss)/ Gain	**8.81**	**(0.73)**	**1.26**

Senitivity Analysis

DOB increases / (decreases) by	**March 31 ,2021**	**March 31 ,2020**	**March 31 ,2019**
1 % Increase in Salary Growth Rate	0.76	1.56	1.88
1 % Decrease in Salary Growth Rate	(0.72)	(1.42)	(1.75)
1 % Increase in Discount Rate	(0.73)	(1.43)	(1.74)
1 % Decrease in Discount Rate	0.78	1.59	1.89
1 % Increase in Withdrawal Rate	(0.05)	(0.09)	(0.24)
1 % Decrease in Withdrawal Rate	0.06	0.09	0.24
Mortality (Increase in expected lifetime by 1 year)	1	2	Negligible Change
Mortality (Increase in expected lifetime by 3 year)	3	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 ,2021	March 31 ,2020	March 31 ,2019
Surplus / (Deficit) at start of year	(2.12)	(0.93)	1.08
Net (Acquisition) / Divestiture	-	-	-
Net Tranfer (In)/ Out	5.57	0.70	(1.73)
Movement during the year	-	-	-
Current Service Cost	(3.78)	(4.71)	(6.39)
Past Service Cost	-	-	-
Effect of Curtialment	-	5.03	-
Net Interest on net DBO	0.20	(0.25)	(0.15)
Changes in foreign exchange rate	-	-	-
Re-measurements	9.54	(1.99)	1.26
Contributions / Benefits	4.00	0.03	5.00
Surplus / (Deficit) at end of year	**13.41**	**(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.

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 2 years for FY 2020-2021 (FY 2019-2020: 5 years; FY 2018-2019: 4 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

38. 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 2021 , 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 and 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 2011	ESOP 2010
Dates of grant	Varying	Varying	Varying
Option Type	Equity settled	Equity settled	Equity settled
No. of outstanding options at 31 March 2021	16,780,500	18,260,651	-
No. of outstanding options at 31 March 2020	11,230,000	21,126,689	-
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 2011	ESOP 2010
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%	100.00%	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

38. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans (Continued)

Movement of number of Options for FY 2020-21 , FY 2019-20 and FY 2018-19

Number of options	2020-21			2019-20			2018-19		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total	ESOP 2010	ESOP 2011	Total
Outstanding at the start of the year	11,230,000	21,126,689	32,356,689	-	20,588,627	20,588,627	1,473,000	33,451,874	1,473,000
Granted during the year*	6,425,500	1,956,500	8,382,000	11,625,000	4,085,000	15,710,000	-	4,153,750	0
Exercised during the year	-	(1,970,150)	(1,970,150)	-	(1,746,783)	(1,746,783)	(1,462,850)	(15,207,822)	(1,462,850)
Lapsed/ cancelled during the year	(875,000)	(2,852,388)	(3,727,388)	(395,000)	(1,800,175)	(2,195,175)	(10,150)	(1,809,175)	(10,150)
Outstanding at the end of the year*	16,780,500	18,260,651	35,041,151	11,230,000	21,126,689	32,356,689	-	20,588,627	0
Exercisable at the end of the year	-	11,542,051	11,542,051	-	11,241,676	11,241,676	-	10,555,675	0

*Includes, **FY 2020-21**: SAR 2019 515,000, (**FY 2019-20:** 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 2020-21,FY 2019-20 and FY 2018-19

Weighted Average Exercise Price (₹)	31-Mar-21		31-Mar-20		31-Mar-19	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011	ESO 2010	ESOP 2011
Outstanding at the start of the year	178.75	131.80	NA	117.34	49.41	57.84
Granted during the year	61.00	61.00	180.26	168.04	-	294.67
Exercised during the year	-	35.10	-	47.27	49.41	39.65
Lapsed/ cancelled during the year	166.29	161.03	180.65	127.91	48.56	122.76
Outstanding at the end of the year	132.90	132.00	178.75	131.80	-	117.34
Exercisable at the end of the year	NA	110.14	NA	78.84	-	51.27
Weighted Average Share price at the exercise date	NA	35.17	NA	47.61	49.91	39.61

Outstanding Options as at FY 2020-21 ; FY 2019-20 and FY 2018-2019

	31-Mar-21		31-Mar-20		31-Mar-19	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011	ESOP 2010	ESOP 2011
Number of options outstanding	16,780,500	18,260,651	11,230,000	21,126,689	-	20,588,627
Weighted average strike price (₹)	132.90	132.00	178.75	131.80	-	117.34
Weighted average remaining lifetime of options (in years)	2.70	0.45	3.18	0.54	-	0.55
Number of employees covered under the scheme	182	326	132	372	-	446

Options granted during FY 2020-21, 2019-20 and 2018-19

	31-Mar-21		31-Mar-20		31-Mar-19	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011	ESOP 2010	ESOP 2011
Number of options granted	6,425,500	1,956,500	11,625,000	4,085,000	NA	4,153,750
Weighted average strike price (in ₹)	61.00	61.00	180.26	168.04	NA	294.67
Weighted average remaining lifetime of options (in years)	4.00	3.50	4.00	3.50	NA	3.50
Number of employees covered under the scheme	155	115	132	216	NA	179
Weighted Average Fair value per option (in ₹)	28.23	27.24	85.08	81.21	NA	112.57
Weighted Average Intrinsic value per option (in ₹)	-	-	1.44	9.03	NA	2.59

38. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans (Continued)

Assumptions for Fair Value for FY 2020-21 ,FY 2019-20 and FY 2018-19

	31-Mar-21		31-Mar-20		31-Mar-19	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011	SAR 2010	ESOP 2011
Weighted average share price (in ₹)	132.93	133.01	180.24	176.39	NA	116.93
Weighted average strike price (in ₹)	132.90	132.00	178.75	131.80	NA	117.34
Weighted average remaining lifetime of options (in years)	2.70	0.45	3.18	0.54	NA	0.55
Expected volatility (% p.a.)	56% - 72% p.a.	35% - 72% p.a.	56% - 62% p.a.	56% - 62% p.a.	NA	33%-54% p.a.
Risk-free discount rate (% p.a.)	4.3% - 6.9% p.a.	4.3% - 8.5% 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.)	0.7% - 2.4% p.a.	0.4% - 3.1% p.a.	0.66% - 0.67% p.a.	0.66% - 0.67% p.a.	NA	0.4%-3.1% p.a.

Other Disclosures

	31-Mar-21			31-Mar-20			31-Mar-19		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total	SAR 2010	ESOP 2011	Total
Charges during the year due to share based payments	195.72	139.42	335.14	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	344.64	783.64	1,128.28	148.93	669.25	818.18	-	460.59	460.59
Intrinsic value of the liability above	6.51	33.76	40.27	-	-	-	-	-	-

39. Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ Nil (FY 2019-20: ₹ 0.92 million and FY 2018-19: ₹ 2.94 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 FY 2020-2021 (FY 2019-20: ₹ 11.30 million and FY 2018-19: Nil).
ii) Service tax matters in respect of which appeal is pending is ₹ 534.36 million for FY 2020-2021 (FY 2019-20: ₹ 534.36 million and 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 financial statements. 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.

c) Corporate/other guarantee not acknowledged as debt:

Corporate/other guarantee given by the Company on behalf of its subsidiary and associate companies and to third party and Company which is outstanding for FY 2020-21, FY 2019-20 and FY 2018-19 is given below:

Sr. No	Nature of Guarantee	March 31, 2021	March 31, 2020	March 31, 2019
1	Guarantee to trustees of non convertible debentures holders	26,707.50	34,124.10	28,488.90
2	Guarantee to Banks for loan taken by subsidiaries and associates	11,465.18	21,330.00	22,791.90
3	Guarantee given to investors for loan sold by subsidiary Company to Asset Re-construction Company	-	35,570.00	-
	Total	**38,172.68**	**91,024.10**	**51,280.80**

(FY 2019-2020)

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.

41. Details of dues to micro, small and medium enterprises

Trade Payables includes ₹Nil for FY 2020-21 (FY 2019-2020: ₹ 0.90 million; FY 2018-2019 ₹ Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. Interest paid by the Company during the year to "Suppliers" registered under this Act. is ₹ 0.003 million for FY 2020-21 (FY 2019-2020: ₹ Nil; FY 2018-2019: ₹ Nil) 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	2021		2020		2019	
		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 Rural and Corporate Services Limited	2,248.21	7,735.33	-	6.20	-	6504.63
2	Edelweiss Finance & Investments Limited	3,362.32	3,362.32	-	-	-	-
3	ECL Finance Limited	3,801.68	3,801.68	-	-	-	-
4	Edelweiss Global Wealth Management Limited	152.76	250.00	-	-	-	-
5	Edel Land Limited	791.89	790.00	-	-	-	-
6	Edel Finance Company Limited	2,117.27	2,117.28	-	-	-	-
7	Ecap Equities Limited	-	15,487.85	-	-	-	-
8	Edelweiss Capital (Singapore) Pte. Limited	-	-	-	2,019.05	1972.34	3,037.88
9	EC International Limited	-	-	-	384.62	380.96	1634.38
	Total	**12,474.13**	**33,544.46**	-	**2,409.87**	**2,353.30**	**11,176.89**

All the above loans are repayable on demand as per contracted terms.

Notes to the financial information

(Currency:Indian rupees in million) **Annexure V**

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, 2021, 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, 2021	As at March 31, 2020	As at March 31, 2019
Total Debt	8,380.11	1,466.63	3,660.63
Equity	41,259.88	34,545.70	33,516.01
Net Debt to Equity	0.20	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.

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 it's 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.

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.

	2020-21			
Currency	Increase in currency rate (%)	Effect on profit before tax	Decrease in currency rate (%)	Effect on profit before tax
USD	5	(43.53)	5	43.53

	2019-20			
Currency	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

	2018-19			
Currency	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 goverance 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, 2021 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financials assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

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, 2021	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	6.15	-	-	6.15
Total derivative financial instruments - A	6.15	-	-	6.15
Investments				
Equity instruments	2.04	25.36	-	27.40
Total investments measured at fair value - B	2.04	25.36	-	27.40
Total (A+B)	**8.19**	**25.36**	**-**	**33.55**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	0.03	-	-	0.03
OTC derivatives	-	-	-	-
Total derivative financial instruments	0.03	-	-	0.03
	0.03	**-**	**-**	**0.03**

45. Fair Value measurement (Continued):

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	-	-	-	-
OTC 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
	1.89	**-**	**-**	**1.89**

As at March 31, 2019 As at	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	0.16	-	-	0.16
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
	4.42	**2.48**	**-**	**6.90**

45. Fair Value measurement (Continued):

E. There have been no transfers between levels during the year ended March 31, 2021, March 31, 2020 and March 31, 2019.

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, 2021			As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets									
Cash and cash equivalents	1,481.81	-	1,481.81	13.66	-	13.66	109.98	-	109.98
Bank balances other than cash and cash equivalents	8.19	-	8.19	9.55	-	9.55	59.97	-	59.97
Trade receivables	191.00	-	191.00	316.80	-	316.80	527.62	-	527.62
Loans	12,472.43	-	12,472.43	6.73	-	6.73	2,538.68	-	2,538.68
Investments	2,137.19	41,680.13	43,817.32	8,338.58	26,334.29	34,672.87	-	33,392.51	33,392.51
Other financial assets	304.78	324.63	629.35	317.42	378.00	695.42	133.25	331.71	464.96
Non-financial assets									
Current tax assets (net)	-	688.06	688.06	-	618.59	618.59	-	425.77	425.77
Deferred tax assets (net)	-	378.08	378.08	-	291.13	291.13	-	258.65	258.65
Property, Plant and Equipment	-	5.99	5.99	-	8.36	8.36	-	13.75	13.75
Intangible assets under development	-	-	-	-	9.16	9.16	-	9.96	9.96
Other Intangible assets	-	1.19	1.19	-	16.83	16.83	-	32.23	32.23
Other non- financial assets	-	135.88	135.88	-	133.78	133.78	-	132.69	132.69
Total Assets	**16,595.40**	**43,213.96**	**59,809.30**	**9,002.74**	**27,790.15**	**36,792.88**	**3,369.50**	**34,597.27**	**37,966.77**
Financial Liabilities									
Derivative financial instruments	-	-	-	-	-	-	2.48	-	2.48
Trade payables	2,354.43	-	2,354.43	53.35	-	53.35	106.90	-	106.90
Debt securities	234.81	7,054.14	7,288.95	734.12	-	734.12			-
Borrowings (other than debt securities)	1,091.16	-	1,091.16	732.51	-	732.51	3,660.63	-	3,660.63
Other financial liabilities	855.04	5,986.44	6,841.48	220.50	356.59	577.09	271.27	331.71	602.98
Non-financial liabilities									
Current tax liabilities (net)	-	7.26	7.26	-	69.84	69.84	-	45.86	45.86
Provisions	845.81	-	845.81	1.36	7.72	9.08	-	10.27	10.27
Other non-financial liabilities	120.33	-	120.33	71.19	-	71.19	21.64	-	21.64
Total Liabilities	**5,501.58**	**13,047.84**	**18,549.42**	**1,813.03**	**434.15**	**2,247.18**	**4,062.92**	**387.84**	**4,450.76**
Net	**11,093.82**	**30,166.12**	**41,259.88**	**7,189.71**	**27,356.00**	**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 diviersified businesses and receives dividend distribution at regular interval and will be comfortably able to meet it's 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, 2021	Up to 3 months	3 months to 6 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	Over 3 years	Total
Trade payables	2,354.43	-	-	-	-	2,354.43
Debt securities	57.09	52.02	125.71	2,423.92	4,630.22	7,288.95
Borrowings other than debt securities	1,091.16	-	-	-	-	1,091.16
Other financial liabilities	855.04	-	-	5,986.44	-	6,841.48
Total undiscounted non-derivative financial liabilities	**4,357.72**	**52.02**	**125.71**	**8,410.36**	**4,630.22**	**17,576.02**

As at March 31, 2021	Up to 3 months	3 months to 6 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	Over 3 years	Total
Cash and cash equivalent and other bank balances	1,490.00	-	-	-	-	1,490.00
Trade receivables	191.00	-	-	-	-	191.00
Loans	12,472.43	-	-	-	-	12,472.43
Investments at fair value through profit or loss	2,137.19	-	-	-	41,680.13	43,817.32
Other financial assets	304.78	-	-	324.63	-	629.41
Total undiscounted non-derivative financial assets	**16,595.40**	**-**	**-**	**324.63**	**41,680.13**	**58,600.16**

As at March 31, 2020	Up to 3 months	3 months to 6 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	Over 3 years	Total
Trade payables	53.35	-	-	-	-	53.35
Debt securities	734.12	-	-	-	-	734.12
Borrowings other than debt securities	732.51	-	-	-	-	732.51
Other financial liabilities	577.09	-	-	-	-	577.09
Total undiscounted non-derivative financial liabilities	**2,097.07**	**-**	**-**	**-**	**-**	**2,097.07**

As at March 31, 2020	Up to 3 months	3 months to 6 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	Over 3 years	Total
Cash and cash equivalent and other bank balances	23.21	-	-	-	-	23.21
Trade receivables	316.80	-	-	-	-	316.80
Loans	6.73	-	-	-	-	6.73
Investments at fair value through profit or loss	8,338.58	-	-	-	26,334.29	34,672.87
Other financial assets	317.42	-	-	378.00	-	695.42
Total undiscounted non-derivative financial assets	**9,002.74**	**-**	**-**	**378.00**	**26,334.29**	**35,715.03**

As at March 31, 2019	Up to 3 months	3 months to 6 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	Over 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	3 months to 6 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	Over 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.

47 Remaining contractual maturities

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, 2021	Up to 3 months	3 months to 6 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	Over 3 years	Total
Net settled derivatives entered into for trading purposes	6.12	-	-	-	-	6.12
Other net settled derivatives (other than those entered into for trading purposes)	-	-	-	-	-	-
Total	**6.12**	**-**	**-**	**-**	**-**	**6.12**

As at March 31, 2020	Up to 3 months	3 months to 6 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	Over 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	3 months to 6 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	Over 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)**

C. The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments.

As at March 31, 2021	Up to 3 months	3 months to 6 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	Over 3 years	Total
Financial guarantee contracts issued	-	-	-	38,172.68	-	38,172.68
Total	**-**	-	-	38,172.68	**-**	**38,172.68**

As at March 31, 2020	Up to 3 months	3 months to 6 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	Over 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	3 months to 6 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	Over 3 years	Total
Financial guarantee contracts issued	-	-	-	51,280.80	-	51,280.80
Total	**-**	**-**	**-**	**51,280.80**	**-**	**51,280.80**

Note :

1) The Company has undrawn line of credit amounting to ₹.Nil as at March 31, 2021 (March 31, 2020 ₹.Nil; March 2019: ₹2,000 million).

2) 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 meets it's obligations and hence the Company does not expect any devolvement of these guarantees on it.

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, 2021**	**March 31, 2020**	**March 31, 2019**
Advisory fees	991.19	959.81	1,562.24
Total revenue from contracts with customers			
Geographical markets			
India	967.40	954.76	1,443.55
Outside India	23.79	5.05	118.69
Total revenue from contracts with customers	**991.19**	**959.81**	**1,562.24**
Timing of revenue recognition			
Services transferred at point in time	991.19	959.81	1,562.24
Services transferred over time	-	-	-
Total revenue from contract with customers	**991.19**	**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.

Annexure V

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.

	As at March 31, 2021			As at March 31, 2020			As at March 31, 2019		
Particulars	**Carrying amount**	**Traded risk**	**Non-traded risk**	**Carrying amount**	**Traded risk**	**Non-traded risk**	**Carrying amount**	**Traded risk**	**Non-traded risk**
Assets									
Cash and cash equivalent and other bank balances	1,490.00	-	1,490.00	23.21	-	23.21	169.95	-	169.95
Trade receivables	191.00	-	191.00	316.80	-	316.80	527.62	-	527.62
Loans at amortised cost	12,472.43	-	12,472.43	6.73	-	6.73	2,538.68	-	2,538.68
Financial investments– FVTPL	27.40	27.40	-	23.95	23.95	-	131.07	131.07	-
Financial investments– at cost	43,789.92	-	43,789.92	34,648.92	-	34,648.92	33,261.44	-	33,261.44
Financial investments– at amortised cost	-	-	-	-	-	-	-	-	-
Other Financial assets	629.35	-	629.35	695.42	15.28	680.14	464.96	82.91	382.05
Total	**58,600.10**	**27.40**	**58,572.70**	**35,715.03**	**39.23**	**35,675.80**	**37,093.72**	**213.98**	**36,879.74**
Liability									
Borrowings (other than debt securities)	1,091.16	-	1,091.16	732.51	-	732.51	3,660.63	-	3,660.63
Derivative financial instruments	-	-	-	-	-	-	2.48	2.48	-
Debt securities	7,288.95	-	7,288.95	734.12		734.12	-	-	-
Trade payables	2,354.43	-	2,354.43	53.35	-	53.35	106.90	-	106.90
Other financial liabilities	6,841.48	-	6,841.48	577.09	-	577.09	602.98	-	602.98
Total	**17,576.02**	-	**17,576.02**	**2,097.07**	**-**	**2,097.07**	**4,372.99**	**2.48**	**4,370.51**

50 Disclosure related to collateral

Following table sets out availability of Company's assets to support funding

As at 31 March 2021	Pledge as collateral	Available as collateral	Total carrying amount
Cash and cash equivalent including bank balance	-	647.78	647.78
Trade receivables	191.00	-	191.00
Loans	3,811.57	8,660.86	12,472.43
Investments	448.64	43,368.68	43,817.32
Other financial assets	-	304.72	304.72
Property, plant and equipment	-	5.99	5.99
Other non financial assets	-	135.88	135.88
Total assets	**4,451.21**	**53,123.91**	**57,575.12**

As at 31 March 2020	Pledge as collateral	Available as collateral	Total carrying amount
Cash and cash equivalent including bank balance	-	23.21	23.21
Trade receivables	-	316.80	316.80
Loans	-	6.73	6.73
Investments	-	34,672.87	34,672.87
Other financial assets	-	338.83	338.83
Property, plant and equipment	-	8.36	8.36
Capital work in progress	-	9.16	9.16
Other non financial assets	-	133.78	133.78
Total assets	**-**	**35,509.74**	**35,509.74**

As at 31 March 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**

Analysis of risk concentration

51. Industry analysis - risk concentration for 31 March 2021

Particulars	Financial services	Others	Total
Financial assets			
Cash and cash equivalent and other bank balances	1,490.00	-	1,490.00
Trade receivables	191.00	-	191.00
Loans	12,472.43	-	12,472.43
Investments	43,817.32	-	43,817.32
Other financial assets	629.35	-	629.35
Total	**58,600.10**	**-**	**58,600.10**

Industry analysis - risk concentration for 31 March 2020

Particulars	Financial services	Others	Total
Financial assets			
Cash and cash equivalent and other bank balances	23.21	-	23.21
Trade receivables	316.80	-	316.80
Loans	6.73	-	6.73
Investments	34,672.87	-	34,672.87
Other financial assets	695.42	-	695.42
Total	**35,715.03**	**-**	**35,715.03**

Industry analysis - risk concentration for 31 March 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**

The company's major risk concentration is to financial services industry.

52. COVID-19

(FY 2020-2021)

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 24 March 2020. Subsequently, the national lockdown was lifted by the government for certain activities in a phased manner outside specified containment zones, but regional lockdowns/restrictions continued to be implemented in areas with a significant number of COVID-19 cases. 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, including the current "second wave" on Company's results, including gain/loss on fair value changes, investment, 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. Further, 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's 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.

(FY 2019-2020)

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

53. (FY 2020-2021)

During the year ended 31 March 2021, EFSL sold its controlling stake in Edelweiss Securities Limited to Edelweiss Global Wealth Management Limited (wholly owned subsidiary), in accordance with the transaction consummated with PAGAC ECSTACY PTE. LTD (PAG), a private investment firm. The difference between the carrying value of equity sold and proceeds received on sale have been accounted for as a gain amounting to ₹ 15,378.70 million in the statement of profit and loss as 'other income'.

54. (FY 2020-2021; FY 2019-2020 and FY 2018-2019)

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. (FY 2020-2021)

Under the Shareholders' Agreement dated 05 March 2019, entered between Edelweiss Financial Services Limited (EFSL), CDPQ Private Equity Asia PTE. Limited (CDPQ) and ECL Finance Limited (together referred as Parties), EFSL had agreed, pursuant to clause 8.1 & 8.2 to make equity investment of an amount equivalent to the amount of losses on Select real estate/structured finance Loans (Select Loans) into ECL Finance Limited within six months of the default leading to loss incurred by the ECL Finance Limited on or before the date of the conversion of the Investor CCDs into Equity Shares. The rationale for this undertaking was to keep the total equity/net worth of ECL Finance Limited unimpacted on account of impairment in these loan accounts. During the year ended 31 March 2021, Parties have agreed and concluded that loss event for two of the borrowers in the Select Loans have crystalized and hence, EFSL has agreed to make good the loss amounting to ₹ 1,400.10 million incurred by ECL Finance Limited in earlier years. Accordingly, EFSL has recorded such loss in its profit and loss for the year ended 31 March 2021. The Parties have agreed that no loss event has been crystalized in respect of other Select Loans amounts mentioned in above said clauses of the agreement and hence there is no obligation EFSL has as at 31 March 2021.

56. (FY 2020-2021)

During earlier years and for the year ended 31 March 2021, four subsidiaries of the Company had sold certain financial assets amounting to ₹ 61,568.90 million (net of provisions) and ₹ 10,711.50 million (net of provisions) respectively to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 49,858.40 million and ₹ 8,801.10 million respectively from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from these subsidiaries' financial statements. The Company and Edelweiss Rural and Corporate Services Limited (ERCSL), another subsidiary, had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognized in subsidiaries' financial information.

Based on a review performed by management of these subsidiaries and the Company, with effect from 01 January 2021, has directly undertaken substantially all risks and rewards and consequently ERCSL is relieved of its obligations. Further and pursuant to such review, with effect from 01 January 2021, certain terms and conditions of risk and reward agreements have been amended. The Board of Directors of subsidiaries, ERCSL and the Company in their respective meetings held on 04 June 2021, 10 June 2021 and 11 June 2021 have approved such changes to risk and reward agreements.

56. (FY 2020-2021) (continued)
During the year ended 31 March 2021, the Company re-assessed probability of default, loss given default in respect of these financial assets and in light of various factors viz. operational challenges for exposures to certain sectors, increase in credit and market risks for certain counter parties relative to such risks at initial recognition, continued impact of COVID-19 factors. Such re-assessments resulted in recognition of higher amount of loss on fair value changes for the year ended 31 March 2021. Accordingly, the Company has recorded for the year ended 31 March 2021 an amount of ₹ 4,426.30 million towards net loss as substantially all risks and rewards are undertaken by the Company. Accordingly, profit before tax of the Company for the year ended 31 March 2021 is lower by ₹ 4,426.30 million.

57. (FY 2020-2021)
Pursuant to amendments in risk and rewards agreement between the subsidiaries, ERCSL and the Company (as mentioned in note above), with effect from 01 January 2021, fees payable on security receipts (ARC Fee) has been agreed to be borne by the Company, as the risk and rewards are undertaken by the Company. Accordingly, an amount of ₹ 489.25 million towards such expenses have been recorded by the Company. Accordingly, profit before tax of the Company for the year ended 31 March 2021 is lower by ₹ 489.25 million.

58 Subsequent Events
(FY 2019-2020)

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.

(FY 2020-2021)
59. The Board of Directors at their meeting held on 11 June 2021, have recommended a final dividend of ₹ 0.55 per equity share (on face value of ₹ 1 per equity share), subject to the approval of the members at the ensuing Annual General Meeting.

(FY 2018-2019)

60. 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.

61. (FY 2020-2021)

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.

62. Previous year figures have been reclassified to conform to this year's classification.

63. 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.

The accompanying notes are an integral part of reformatted Ind AS standalone financial information.

As per our report of even date attached.

For **For S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per Shrawan Jalan
Partner
Membership No.: 102102

Mumbai November 12, 2021

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Rujan Panjwani
Executive Director
DIN: 00237366

Sarju Simaria
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai November 12, 2021

Edelweiss Financial Services Limited

Annexure VI

STANDALONE STATEMENT OF DIVIDEND

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Equity Share Capital (₹ in Million)		935.80	934.41	932.67
Face Value Per Equity Share (₹)	(a)	1.00	1.00	1.00
Interim Dividend on Equity Shares (₹ per Equity Share)	(b)	0.90	-	1.10
Interim Dividend on Equity Shares (₹ in Million)		842.22	-	975.88
Interim Dividend Declared Rate (In %)	(c=b/a)	90%	-	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
DIN: 00008322

Rujan Panjwani
Executive Director
DIN: 00237366

Sarju Simaria
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai November 12, 2021

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

Auditors' Report on the reformatted consolidated statement of assets and liabilities as at March 31, 2021, 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, 2021, 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") and its associate as at March 31, 2021, 2020 and 2019 and for each of the years ended March 31, 2021, 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 Non-Convertible Securities) Regulations, 2021 ('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") vide notification no. SEBI/LAD-NRO/GN/2021/39 dated August 09, 2021.

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 Shelf Prospectus / Draft Prospectus and the Shelf Prospectus / 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 November 9, 2021, requesting us to carry out work on such Reformatted Ind AS Consolidated Financial Information in connection with the Company's Issue of NCDs;

S.R. Batliboi & Co. LLP, a Limited Liability Partnership with LLP Identity No. AAB-4294
Regd. Office : 22, Camac Street, Block 'B', 3rd Floor, Kolkata-700 016

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, 2021 which were prepared in accordance Ind AS, which have been approved by the Board of Directors at their meeting held on June 11, 2021 (the "2021 Audited Consolidated Ind AS Financial Statement");

b) 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

c) 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 June 11, 2021, 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, 2021, March 31, 2020 and March 31, 2019 as referred in Paragraph 5 above.

a) Our report dated June 11, 2021 on the 2021 Audited Consolidated Ind AS Financial Statement for the year ended March 31, 2021, 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) and incase of life insurance business, estimate of claims 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:

  - 28 subsidiaries, whose financial statements include total assets of Rs. 1,32,737.46 million as at March 31, 2021, and total revenues of Rs. 30,334.35 million and net cash inflow of Rs. 195.10 million for the year ended on that date. These 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.

- 7 subsidiaries, whose financial statements include total revenues of Rs. 4,762.49 million and total net loss after tax of Rs. 94.80 million for the period from April 1, 2020 to March 26, 2021. These 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.

- 6 companies in the Group, whose financial statements include Group's share of net loss after tax of Rs. 3.52 million for the period from March 27, 2021 to March 31, 2021. These 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and 6 companies, 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 and 6 companies, 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, 2021 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, 2021 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, 2021 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, 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 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, 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) 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, 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.

d) In respect of Reformatted Ind AS Consolidated Financial Information for the year ended March 31, 2021, March 31, 2020 and March 31, 2019:

We have not examined the reformatted financial information of 10 subsidiaries, 10 subsidiaries and 10 subsidiaries for the year ended March 31, 2021, March 31, 2020 and March 2019, respectively, whose reformatted financial information reflect total assets of Rs 1,18,526.18 million, Rs 1,03,634.95 million and Rs 1,21,395.77 million as at March 31, 2021, March 31, 2020 and March 31, 2019, total revenue of Rs. 28,658.95 million, Rs 19,740,10 million and Rs 20,225.37 million, net loss of Rs. 12,698.12 million, Rs 7,974.25 million and Rs 3,232.50 million and net cash inflow/(outflow) amounting to Rs. (237.90) million, Rs (108.31) million and Rs 547.34 million for the year ended March 31, 2021, 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 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 18 subsidiaries, 26 subsidiaries and 29 subsidiaries for the year ended March 31, 2021, March 31, 2020 and March 2019, respectively whose reformatted financial information reflect total assets of Rs. 14,211.28 million, Rs 28,689.28 million and Rs 29,661.43 million as at March 31, 2021, March 31, 2020 and March 31, 2019, total revenue of Rs. 1,675.40 million, Rs 10,098.39 million and Rs 7,267.93 million, net profit/(loss) of Rs. 353.07 million, Rs 3,260.01 million and Rs (579.39) million and net cash inflow/(out flow) amounting to Rs. 432.99 million, Rs 1,304.76 million and Rs (2,177.79) million for the year ended March 31, 2021, 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 7 subsidiaries for the period from April 1, 2020 to March 26, 2021 whose financial information reflected total revenues of Rs. 4,762.49 million and total net loss after tax of Rs. 94.80 million for the period from April 1, 2020 to March 26, 2021 included in the 2021 Audited Consolidated Ind AS Financial Information 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 6 companies forming part of the Group as at for the period from March 27, 2021 to March 31, 2021 whose financial statements reflected Group's share of net loss after tax of Rs. 3.52 million for the period from March 27, 2021 to March 31, 2021 included in the 2021 Audited Consolidated Ind AS 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 6 companies 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.

Our opinion above on the Reformatted Ind AS Consolidated Financial Information, and our report on Other Legal and Regulatory Requirements, 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, 2021, 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, 2021, 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, 2021.

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 Shelf Prospectus / Draft Prospectus and the Shelf Prospectus / 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, 2021, 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 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 Shelf Prospectus / Draft Prospectus and the Shelf Prospectus / 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.

Yours faithfully,

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005
UDIN: 21102102AAAEPZ5604

per Shrawan Jalan
Partner
Membership No. 102102
Place: Mumbai
Date: November 12, 2021

Edelweiss Financial Services Limited
Reformatted Ind AS Consolidated Statement of Asset and Liabilities Annexure I

(Currency: Indian rupees in millions)	Note	31-Mar-21	31-Mar-20	31-Mar-19
ASSETS				
Financial assets				
(a) Cash and cash equivalents	8	**38,985.15**	49,425.19	31,158.21
(b) Bank balances other than cash and cash equivalents	9	**8,616.91**	36,670.89	33,396.05
(c) Derivative financial instruments	10	**2,902.03**	5,321.87	1,940.90
(d) Stock in trade (Securities held for trading)	11	**15,746.76**	17,458.07	39,136.66
(e) Trade Receivables	12	**5,060.49**	13,052.38	27,540.06
(f) Loans	13	**2,19,105.46**	2,83,606.79	3,84,083.10
(g) Investments	14	**1,14,763.02**	82,666.02	87,990.47
(h) Other financial assets	15	**12,628.07**	8,302.33	6,098.51
Total financial assets		**4,17,807.89**	4,96,503.54	6,11,343.96
Non-financial assets				
(a) Inventories	16	**-**	436.09	1,691.32
(b) Reinsurance assets	60	**3,393.36**	2,944.42	2,886.19
(c) Current tax assets (net)		**7,218.14**	5,839.78	4,326.64
(d) Deferred tax assets (net)	17	**9,584.99**	9,564.75	4,905.87
(e) Investment property	18	**3,394.63**	4,457.27	3,144.51
(f) Property, Plant and Equipment	19	**12,281.27**	15,012.58	5,477.86
(g) Capital work in progress		**7.93**	111.56	102.94
(h) Intangible assets under development		**124.17**	320.79	333.90
(i) Goodwill on consolidation	19.1	**663.35**	1,723.41	1,742.72
(j) Other Intangible assets	19	**1,467.74**	2,255.79	2,282.58
(k) Other non- financial assets	20	**3,806.66**	3,633.23	3,296.95
Total Non-financial assets		**41,942.24**	46,299.67	30,191.48
TOTAL ASSETS		**4,59,750.13**	5,42,803.21	6,41,535.44
LIABILITIES				
Financial liabilities				
(a) Derivative financial instruments	10	**1,845.51**	3,812.48	1,929.51
(b) Trade Payables				
i. total outstanding dues of micro enterprises and small enterprises	21.1	**1.22**	2.21	4.10
ii. total outstanding dues of creditors other than micro enterprises and small enterprises	21.2	**4,893.56**	12,831.39	19,748.73
(c) Insurance claims payable		**194.41**	74.52	45.61
(d) Debt securities	22	**1,74,858.54**	2,07,585.06	2,45,910.48
(e) Borrowings (other than debt securities)	23	**94,318.19**	1,33,210.55	1,90,453.51
(f) Deposits	24	**96.01**	2,168.97	1,436.76
(g) Subordinated Liabilities	25	**15,087.75**	23,608.81	23,676.58
(h) Other financial liabilities	26	**41,457.17**	49,250.54	39,126.98
Total financial liabilities		**3,32,752.36**	4,32,544.53	5,22,332.26
Non-financial liabilities				
(a) Current tax liabilities (net)		**253.00**	906.30	1,435.14
(b) Provisions	27	**1,118.55**	351.11	327.71
(c) Policyholders' liabilities		**43,549.30**	30,076.82	24,492.79
(d) Deferred tax liabilities (net)	17	**2,157.62**	2,643.73	2,532.70
(e) Other non-financial liabilities	28	**3,149.35**	4,209.95	3,264.93
Total non-financial liabilities		**50,227.82**	38,187.91	32,053.27
TOTAL LIABILITIES		**3,82,980.18**	4,70,732.44	5,54,385.53
EQUITY				
(a) Equity Share capital	29	**890.90**	889.51	887.77
(b) Other equity	30	**64,880.69**	60,397.60	75,882.03
Equity attributable to owners of the parent		**65,771.59**	61,287.11	76,769.80
Equity attributable to Non-Controlling Interests		**10,998.36**	10,783.66	10,380.11
TOTAL EQUITY		**76,769.95**	72,070.77	87,149.91
TOTAL LIABILITIES AND EQUITY		**4,59,750.13**	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 73

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

Mumbai 12 November 2021

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Rujan Panjwani
Executive Director
DIN : 00237366

Sarju Simaria
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 12 November 2021

Edelweiss Financial Services Limited

Reformatted Ind AS Consolidated statement of profit and loss **Annexure II**

(Currency: Indian rupees in millions)	Note	For the year ended 31-Mar-21	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Revenue from operations				
Interest income	31	**40,344.01**	59,019.46	68,378.86
Dividend Income		**695.68**	1,621.83	2,270.66
Fee and commission income	32	**16,541.39**	20,992.98	21,333.64
Net gain on fair value changes	33	**22,208.98**	1,949.58	8,815.23
Premium from insurance business (net)		**13,246.40**	10,567.76	8,840.42
Other operating revenue	34	**537.14**	981.53	1,136.35
Total revenue from operations		**93,573.60**	95,133.14	1,10,775.16
Other income	35	**14,914.90**	893.15	837.13
Total income		**1,08,488.50**	96,026.29	1,11,612.29
Expenses				
Finance costs	36	**38,340.33**	47,930.39	47,832.25
Impairment on financial instruments	38	**12,609.16**	26,902.65	4,848.96
Change in valuation of credit impaired loans		**8,126.08**	8,712.42	2,188.42
Employee benefits expense	37	**16,159.12**	14,073.01	16,499.89
Depreciation, amortisation and impairment on investment property	18 & 19	**2,598.81**	2,322.25	1,316.33
Change in insurance policy liability - actuarial		**13,023.25**	6,421.00	7,162.28
Policy benefits paid		**2,763.00**	1,589.21	741.60
Other expenses	39	**13,406.16**	12,641.88	13,627.45
Total expenses		**1,07,025.91**	1,20,592.81	94,217.18
Profit / (Loss) before share in profit of associates and tax		**1,462.59**	(24,566.52)	17,395.11
Share in profit of associates		**(6.35)**	-	41.99
Profit / (Loss) before tax		**1,456.24**	(24,566.52)	17,437.10
Tax expense:	40			
Current tax		**239.89**	2,970.75	6,548.66
Deferred tax and Minimum alternate tax (MAT)		**(1,322.85)**	(7,099.55)	444.75
Profit / (Loss) for the year		**2,539.20**	(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		**69.66**	(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		**35.92**	(2,531.91)	4.04
Subtotal (A)		**105.58**	3,396.12	(21.85)
(B) (i) Items that will be reclassified to profit or loss				
Debt Instruments through Other Comprehensive Income		**(53.06)**	863.64	440.50
Exchange differences in translating the financial statements of foreign operations		**(72.34)**	466.66	154.70
(ii) Income tax relating to items that will be reclassified to profit or loss		**-**	-	-
Subtotal (B)		**(125.40)**	1,330.30	595.20
Share in profit of associate		**1.85**	-	-
Other Comprehensive Income (A+B)		**(17.97)**	4,726.42	573.35
Total Comprehensive Income / (Loss)		**2,521.23**	(15,711.30)	11,017.04
Profit / (Loss) for the year attributable to:				
Owners of the parent		**2,653.36**	(20,452.45)	9,951.66
Non-controlling interests		**(114.16)**	14.73	492.03
Other Comprehensive Income for the year attributable to:				
Owners of the parent		**11.88**	4,241.54	384.13
Non-controlling interests		**(29.85)**	484.88	189.22
Total Comprehensive Income / (Loss) for the year attributable to:				
Owners of the parent		**2,665.24**	(16,210.91)	10,336
Non-controlling interests		**(144.01)**	499.61	681.25
Earnings per share (Face value ₹ 1 each)	42			
- Basic		**2.98**	(23.01)	11.28
- Diluted		**2.97**	(23.01)	11.09

The accompanying notes are an integral part of the Reformatted Ind AS Consolidated Financial information. 1 to 73

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

Mumbai 12 November 2021

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Rujan Panjwani
Executive Director
DIN : 00237366

Sarju Simaria
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 12 November 2021

Edelweiss Financial Services Limited

Reformatted Ind AS Consolidated Statement of Cash flows **Annexure III**

	(Currency : Indian rupees in millions)	For the year ended 31-Mar-21	For the year ended 31-Mar-20	For the year ended 31-Mar-19
A	**Cash flow from operating activities**			
	Profit / (Loss)before tax	**1,456.24**	(24,566.52)	17,437.10
	Adjustments for:			
	Depreciation, amortisation and impairment on investment property	**2,598.81**	2,322.25	1,316.33
	Expense on employee stock option plans	**333.75**	390.79	225.47
	Impairment of Goodwill	**432.94**	19.31	-
	Impairment on financial instruments	**3,212.56**	14,047.16	4,848.96
	Change in valuation of credit impaired loans	**8,126.08**	8,712.42	2,188.42
	Interest on income tax refund	**(184.37)**	(304.73)	(262.97)
	Dividend Income	**(695.68)**	(1,621.83)	(2,270.66)
	(Profit) / loss on sale of property, plant and equipment (net)[1]	**221.61**	(4.59)	0.90
	(Profit) / loss on sale of investment property (net)[1]	**(157.33)**	-	(17.49)
	Realised fair value (gain) / loss on financial instruments	**(38,686.78)**	(12,332.09)	(6,752.23)
	Unrealised fair value (gain) / loss on financial instruments	**2,642.86**	10,382.51	(2,063.00)
	Provision for policyholders liability	**13,023.25**	6,421.00	7,162.28
	Finance costs	**9,460.94**	8,815.95	9,084.94
	Operating cash flow before working capital changes	**1,784.88**	12,281.63	30,898.05
	Adjustments for:			
	Decrease / (increase) in trade receivables	**7,991.89**	14,661.58	2,667.58
	Decrease / (increase) in stock-in-trade and Inventory	**2,047.28**	22,933.83	9,107.44
	Decrease / (increase) in Other financial/non financial assets	**(4,973.96)**	(2,598.30)	3,898.38
	Decrease / (increase) in Derivative Financial Instruments	**(16.65)**	(1,498.00)	7,567.20
	Decrease / (increase) in loans	**49,414.69**	77,557.50	(6,822.69)
	Increase / (decrease) in trade payables	**(9,338.95)**	(6,919.23)	3,838.20
	Increase / (decrease) in insurance claim payable	**119.89**	28.91	(9.45)
	Increase / (decrease) in other financial liabilities	**(9,445.91)**	9,069.43	14,351.56
	Increase / (decrease) in Provisions	**(5.14)**	(20.40)	(576.07)
	Increase / (decrease) in provision for policyholders' liabilities	**449.23**	(836.97)	792.47
	Increase / (decrease) in other non-financial liabilities	**(1,060.59)**	944.06	(2,727.14)
	Cash generated from / (used in) operations	**36,966.66**	1,25,604.04	62,985.53
	Income taxes paid (net of refund)	**(2,386.40)**	(4,619.94)	(6,132.58)
	Net cash generated from / (used in) operating activities - A	**34,580.26**	1,20,984.10	56,852.95
B	**Cash flow from investing activities**			
	Purchase of property, plant and equipment and intangibles	**(692.70)**	(1,211.27)	(2,436.29)
	Proceeds from sale of property, plant and equipment	**2,053.90**	87.09	579.87
	(Purchase) / sale of investment property[1]	**857.96**	(1,653.27)	(1,354.23)
	(Purchase) / sale of investments[1]	**9,880.31**	6,422.95	(325.24)
	Dividend on investments	**695.68**	1,621.83	2,270.66
	(Investment) / Maturity of Bank deposits	**28,053.97**	(3,274.84)	(11,859.23)
	Net cash generated from / (used in) investing activities - B	**40,849.12**	1,992.49	(13,124.46)

Edelweiss Financial Services Limited

Reformatted Ind AS Consolidated Statement of Cash flows (continued) **Annexure III**

C	**Cash flow from financing activities**			
	Proceeds from issue of shares including premium and share application money	**49.61**	79.93	675.32
	Investment by Non Controlling Interest	**432.87**	390.54	1,412.25
	Proceeds / (repayment) from Debt securities[1]	**(30,986.53)**	(38,853.73)	(3,475.00)
	Proceeds / (repayment) from Borrowings (other than debt securities)[1]	**(38,892.36)**	(57,242.06)	(23,442.72)
	Proceeds / (repayment) from Deposits[1]	**(2,072.96)**	732.21	(1,975.39)
	Proceeds / (repayment) from Subordinated Liabilities[1]	**(8,521.06)**	(67.77)	728.63
	Dividend and dividend distribution tax paid	-	(368.89)	(1,489.39)
	Lease payment	**(136.17)**	(785.29)	-
	Effect of change in group interest	**3,581.95**	-	-
	Finance cost paid	**(9,324.77)**	(8,594.55)	(9,084.94)
	Net cash generated from / (used in) financing activities - C	**(85,869.42)**	(1,04,709.61)	(36,651.24)
	Net increase in cash and cash equivalents (A+B+C)	**(10,440.04)**	18,266.98	7,077.25
	Cash and cash equivalents as at the beginning of the year	**49,425.19**	31,158.21	24,080.96
	Cash and cash equivalents as at the end of the year	**38,985.15**	49,425.19	31,158.21

Notes:

1. 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

2. 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 (as amended) under the Companies Act, 2013

3. Net cash generated from/(used in) operating activities includes interest received ₹ 40,344.01 million (Previous year ₹ 59,019.46 million and FY 2018-19 ₹ 68,378.86 million) and interest paid ₹ 28,879.40 million (FY 2019-20: ₹ 39,114.43 million and FY 2018-19 ₹ 38,747.30 million)

4. 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

per Shrawan Jalan
Partner
Membership No: 102102

Mumbai 12 November 2021

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Rujan Panjwani
Executive Director
DIN : 00237366

Sarju Simaria
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 12 November 2021

Edelweiss Financial Services Limited
Reformatted Ind AS Consolidated Statement of changes in equity

(Currency : Indian rupees in millions)

Annexure IV

A **Equity share capital**[1]

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**
Changes in equity share capital during FY 2020-21	**1.39**
As at 31-Mar-21	**890.90**

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 million (FY 2019-20 ₹ 44.90 million and FY 2018-2019). 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 2020-21 and FY 2019-20).

Edelweiss Financial Services Limited
(Currency : Indian rupees in millions)

Annexure IV

Reformatted Ind AS Consolidated Statement of changes in equity

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 information of a foreign operation	Revaluation Reserve through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Debt instruments through Other Comprehensive Income		
Balance at 1-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 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**
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	-	-	-	-	-	-	-	-	-	-	(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**

Edelweiss Financial Services Limited
(Currency : Indian rupees in millions)

Annexure IV

Reformatted Ind AS Consolidated Statement of changes in equity

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 information of a foreign operation	Revaluation Reserve through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Debt instruments through Other Comprehensive Income		
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**
Profit or loss	-	-	-	-	-	-	-	-	-	-	2,653.37	-	-	-	-	2,653.37	(114.16)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	58.16	(72.31)	47.51	-	(21.48)	11.88	(29.85)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,711.53**	**(72.31)**	**47.51**	**-**	**(21.48)**	**2,665.25**	**(144.01)**
Dividends to equity shareholders	-	-	-	-	-	-	-	-	-	-	(842.23)	-	-	-	-	(842.23)	-
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to securities premium on exercise of ESOP	-	-	-	25.03	(25.03)	-	-	-	-	-	-	-	-	-	-	-	-
Issue of equity instruments on ESOP	(48.10)	-	-	46.71	-	-	-	-	-	-	-	-	-	-	-	(1.39)	-
Share application money received	49.61	-	-	-	-	-	-	-	-	-	-	-	-	-	-	49.61	-
ESOP Charge	-	-	-	-	139.42	-	-	-	-	-	-	-	-	-	-	139.42	-
Stock appreciation rights (SAR)	-	-	-	-	195.71	-	-	-	-	-	-	-	-	-	-	195.71	-
Transfers to / from retained earnings																	
Transfers to / from retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Under 45 -IC RBI	-	-	-	-	-	71.60	-	-	-	-	(71.60)	-	-	-	-	-	-
Transfer Under 29C NHB	-	-	-	-	-	-	7.46	-	-	-	(7.46)	-	-	-	-	-	-
Transfer under Impairment reserve	-	-	-	-	-	-	-	-	-	251.88	(251.88)	-	-	-	-	-	-
Transfer under Debenture Redemption Reserve	-	-	-	-	-	-	-	-	(1,955.90)	-	1,955.90	-	-	-	-	-	-
Transfer under Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	241.14	-	(241.14)	-	-	-	-
Effect of changes in group's interest	-	198.06	(85.75)	-	-	(961.22)	-	(109.41)	-	-	3,886.58	(335.38)	(316.16)	-	-	2,276.72	358.71
Balance at 31-Mar-21	**1.70**	**8,456.79**	**187.87**	**29,134.23**	**1,128.28**	**6,757.98**	**547.80**	**717.15**	**6,765.61**	**1,829.25**	**6,067.68**	**(17.52)**	**4,571.09**	**(1,700.00)**	**432.78**	**64,880.69**	**10,998.36**

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

per Shrawan Jalan
Partner
Membership No: 102102

Mumbai 12 November 2021

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Rujan Panjwani
Executive Director
DIN : 00237366

Sarju Simaria
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 12 November 2021

1. Background (FY 2020-21, FY 2019-20 & 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.

2. Basis of preparation of Reformatted Ind AS Consolidated Financial information (FY 2020-21, FY 2019-20 & FY 2018-19)

The Reformatted Ind AS Consolidated Statement of Assets and Liabilities of Edelweiss Financial Services Limited ('the Company') as at 31 March 2021, 31 March 2020 and 31 March 2019 and the Reformatted Ind AS Consolidated Statement of Profit and Loss and the Reformatted Ind AS Consolidated Statement of Cash flows and the Reformatted Ind AS Consolidated Statement of change in equity and the Summary of Significant Accounting Policies and explanatory notes for the year ended 31 March 2021, 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 2021, 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) Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021 ('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").

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 prepared on a historical cost basis, except for entities under liquidation/ dissolution[1] 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.

[1] Refer note 58

3. Presentation of reformatted Ind AS consolidated financial information (Continued) (FY 2020-21, FY 2019-20 & 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.

4. Basis of consolidation: (FY 2020-21, FY 2019-20 & FY 2018-19)

The Reformatted Ind AS Consolidated Financial information as on 31 March 2021, 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 2021 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.

4. Basis of consolidation: ***(Continued)***

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:
(FY 2019-20 & FY 2018-19)
An associate is an entity over which the Group has 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.

(FY 2020-21)
The Group's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. The reformatted Ind AS consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

5. Significant accounting policies (FY 2020-21, FY 2019-20 & FY 2018-19)

5.1. Recognition of Interest, Dividend income and Donation 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.

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

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.

Donation/grants received (FY 2020-21)

General donations are recognised as income in the year of receipt in the reformatted consolidated Ind AS statement of profit and loss. Amount received with a specific direction from donors towards a particular project for more than a financial year is recognized as income, only to the extent of cost incurred in that financial year and balance is recorded as liability. Amounts received with a specific direction from donors that such amounts shall from a part of Corpus of the Foundation are credited as Corpus Fund and disclosed as a liability in the Balance Sheet.

5. Significant accounting policies *(Continued)*

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 marketplace. 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 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]

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 reformatted Ind AS consolidated statement of profit and loss. Interest income on such instrument is recognised in reformatted Ind AS consolidated statement of profit and loss 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.

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 reformatted Ind AS consolidated 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.

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.

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 though 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.

5. Significant accounting policies *(Continued)*

Forward Rate Agreement (FRA) and Interest Rate Futures (IRF) (FY 2020-21)

The Company enters into interest rate derivative transactions i.e. Forward Rate Agreement (FRA) and Interest Rate Futures (IRF) to hedge the interest rate risk arising out of highly probable forecasted future cash inflows.

A Forward Rate Agreement ("FRA") is a forward contract to hedge the risk of movements in interest rates. In FRA contract, the Company fixes the yield on the government bond for the period till the maturity of the contract. The Company has entered into FRA to hedge interest rate risk on forecasted premium receivable from already written policies at future dates.

Forward Rate Agreement derivative contracts are over-the-counter (OTC) transactions, agreeing to buy notional value of a debt security at a specified future date, at a price determined at the time of the contract with an objective to lock in the price of an interest bearing security at a future date.

The Forward Rate Agreement (FRA) contract is valued at the difference between the market value of underlying bond at the spot reference yield taken from the SEBI approved rating agency and present value of contracted forward price of underlying bond including present value of intermediate coupon inflows from valuation date till FRA contract settlement date, at applicable INR-OIS rate curve.

Interest rate futures are standardized interest rate derivative contracts which are permitted by IRDAI to hedge risks on forecasted transactions. These are traded on a recognized stock exchange to buy or sell a notional security or any other interest-bearing instrument or an index of such instruments or interest rates at a specified future date, at a price determined at the time of the contract.

The instrument is classified as FVTPL securities and the net gain on fair value change is recognized in the reformatted Ind AS consolidated statement of profit and loss. The company has chosen to follow hedge accounting prospectively for the contracts which are entered into w.e.f. March 25, 2021

Derivatives Instruments are initially recognized at fair value at the date of entering into the derivative contracts and are subsequently re-measured to their fair value at the end of each reporting period. The Company follows Cash Flow Hedge accounting. Hedge effectiveness is ascertained at the inception of the hedge and periodically thereafter.

At the inception of the hedge, the Company documents the relationship between the hedging instrument and the hedged item, the risk management objective, strategy for undertaking the hedge and the methods used to assess the hedge effectiveness. Hedge effectiveness is the degree to which changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk are offset by changes in the fair value or cash flows of the hedging instrument. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter at Balance Sheet date.

The portion of fair value gain/loss on the IRD that is determined to be an effective hedge is recognized directly in appropriate account i.e. 'Fair value gain/loss on derivatives' under the head Other Comprehensive Income and accumulated under the head of Cash Flow Hedge Reserve in the Balance Sheet and the portion of IRD fair value gain/loss that gets determined as ineffective hedge or ineffective portion of effective hedge, basis the hedge effectiveness assessment is recognized in the reformatted Ind AS consolidated statement of profit and loss.

5. Significant accounting policies *(Continued)*

The accumulated gains or losses that were recognised directly in the Hedge Reserve are reclassified into reformatted Ind AS consolidated statement of profit and loss, in the same period during which the income from hedged forecasted cash flows affect the reformatted Ind AS consolidated statement of profit and loss (such as in the periods that income on the investments acquired from underlying forecasted cashflow is recognized in the reformatted Ind AS consolidated statement of profit and loss). In the event that all or any portion of loss or gain, recognised directly in the Hedge Reserve is not expected to be recovered in future periods, the amount that is not expected to be recovered is reclassified to the reformatted Ind AS consolidated statement of profit and loss . Gains or losses arising from hedge ineffectiveness, if any, are recognised in the reformatted Ind AS consolidated statement of profit and loss. Costs associated with derivative contracts are considered as at a point in time cost.

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 asset, 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.

5. Significant accounting policies *(Continued)*

5.5.2 Derecognition of financial assets (other than due to substantial modification) *(Continued)*

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.

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. Significant accounting policies *(Continued)*

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.

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 reformatted Ind AS consolidated statement of profit and loss 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.

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.

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.

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 reformatted Ind AS consolidated 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 Leases

Group as a lessee

The Group has applied IND AS 116 using the modified 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 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.

5. Significant accounting policies *(Continued)*

5.13 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.

5. Significant accounting policies *(Continued)*

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 reformatted Ind AS 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 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 reformatted Ind AS consolidated 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.

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.

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.

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated useful life
Software	3 years

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 reformatted Ind AS 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.

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.

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 reformatted Ind AS consolidated 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.

5. Significant accounting policies *(Continued)*

5.23.2 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 reformatted Ind AS consolidated 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 reformatted Ind AS consolidated 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 reformatted Ind AS consolidated 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.

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 which is in accordance with Ind AS 104.

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
  (FY 2019-20 & 2018-19)
  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.
  (FY 2020-21)
  The fees may be fixed amounts or vary with the amounts being managed and will generally be charged as an adjustment to the policyholder's balance.

- 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 reformatted Ind AS 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 reformatted Ind AS statement of profit and 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 reformatted Ind AS statement of profit and 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.

5. Significant accounting policies *(Continued)*

5.27 Significant accounting policies of life insurance business (Edelweiss Tokio Life Insurance Company Limited ("ETLIFE"): *(Continued)*

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 (FY 2020-21, FY 2019-20 & FY 2018-19)

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.

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.

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

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.

7. Standards issued but not yet effective:

(FY 2020-21 & 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.

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.

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.

Annexure V

8. Cash and cash equivalents

	31-Mar-21	31-Mar-20	31-Mar-19
Cash in hand	**35.23**	4.81	56.01
Cheques in hand	**231.91**	44.41	295.28
Balances with banks: (refer note 1 below)			
-in Current accounts	**24,311.51**	28,234.79	21,653.75
-in fixed deposits with original maturity less than 3 months	**14,406.50**	21,141.18	9,153.17
Total	**38,985.15**	**49,425.19**	**31,158.21**

Note 1:
Pledged bank balance/fixed deposits aggregating to ₹ 802.35 millions (FY 2019-20: ₹ 4,623.07 millions FY 2018-19:₹ Nil millions) against NCD issued.

9. Bank Balance other than cash and cash equivalents

	31-Mar-21	31-Mar-20	31-Mar-19
Fixed deposits at amortised cost (refer Note 1 below)	**8,608.72**	36,657.89	33,383.32
(held as margin money or security against borrowings, guarantees)			
In unpaid dividend accounts	**8.19**	13.00	12.73
Total	**8,616.91**	36,670.89	**33,396.05**

Note 1:

- Pledged fixed deposit aggregating to ₹ 2,258.48 million (FY 2019-20: ₹ 6,284.86 million and FY 2018-19:₹ 6,336.77 million) 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 ₹ 16.94 million (FY 2019-20: ₹ 18,228.05 million and FY 2018-19:₹13,183.43 million) with exchange to meet margin requirement.
- Pledged fixed deposit aggregating to ₹ 73.02 million (FY 2019-20: ₹ 41.89 million and FY 2018-19:₹ 155.61 million) with VAT,CST and excise authorities.
- Pledged fixed deposit aggregating to ₹ Nil million (FY 2019-20: ₹ 22.42 million and FY 2018-19:₹ 21.25 million) with exchange towards arbitration.
- Pledged fixed deposit aggregating to ₹ 41.88 million (FY 2019-20: ₹ 56.39 million and FY 2018-19: ₹ 47.77 million) with agriculture produce market committee for obtaining Mandi license.
- Pledged fixed deposit aggregating to ₹ 5.00 million (FY 2019-20: ₹ 5.00 million and FY 2018-19:₹ 5.00 million) with IRDA.
- Earmarked with bank for a specific purpose ₹ Nil million (FY 2019-20: ₹ 6,503.70 million and FY 2018-19:Nil million) and therefore not available for immediate and general use.

Annexure V

10. Derivative financial instruments

31-Mar-21	Notional amount (Units)	Fair value of asset (₹)	Notional amount (Units)	Fair value of liability (₹)
(i) Currency derivatives				
Spot and forwards	-	-	31,33,541	444.04
Currency Futures	1,22,71,000	6.15	4,72,86,000	8.71
Options purchased	10,08,16,879	125.54	-	-
Options sold	-	-	12,06,74,406	116.87
Less: amounts offset (refer note 10.1)	-	-6.15	-	-569.62
Sub total (i)		125.54		-
(ii) Interest rate derivatives				
Forwards and Interest Rate Swaps	8,00,56,32,250	55.01	9,64,90,14,150	77.86
Futures	32,000	0.01	35,02,000	0.36
Less: amounts offset (refer note 10.1)	-	-0.01	-	-0.36
Subtotal (ii)		55.01		77.86
(iii) Equity linked derivatives				
Stock Futures	1,67,33,835	106.30	1,53,21,173	91.53
Options purchased	27,13,226	172.25	-	-
Options sold (written)	-	-	23,25,726	31.73
Less: amounts offset (refer note 10.1)	-	-106.30	-	-91.53
Subtotal (iii)		172.25		31.73
(iv) Index linked derivatives				
Index Futures	2,24,944	18.97	4,66,775	16.36
Options purchased	2,41,95,400	2,525.44	14,02,750	204.79
Options sold (written)	-	-	2,21,97,475	367.90
Less: amounts offset (refer note 10.1)	-	-18.97	-	-226.48
Subtotal (iv)		2,525.44		362.57
(v) Embedded derivatives				
In market linked debentures	Not Applicable	23.79	Not Applicable	1,373.35
Subtotal (v)		23.79		1,373.35
Total		2,902.03		1,845.51

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

Annexure V

10. Derivative financial instruments (Continued)

	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**
(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

1. 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.

2. 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.

Notes to the Reformatted Ind AS Consolidated Financial Information (Continued)

(Currency : Indian rupees in millions)

10.1 Offsetting: **Annexure V**

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 2021:

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	2,944.75	131.43	2,813.32	50.68	5.38	2,757.26	88.71	2,902.03	2,845.97
Cash settlement balances from clearing houses	158.11	-	158.11	-	-	158.11	-	158.11	158.11
Offset against the Margin (Refer to other financial asset Receivable from exchange / clearing house (net))	(158.11)	-	(158.11)	-	-	(158.11)	-	(158.11)	(158.11)
Margin placed with broker	652.18	0.30	651.88	-	-	651.88	-	651.88	651.88

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	2,386.47	887.99	1,498.48	50.68	10.70	1,437.10	347.03	1,845.51	1,784.13

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	-	-	160.02	-	160.02	160.02
Offset against the Margin (Refer to other financial asset Receivable from exchange / clearing house (net))	(160.02)	-	(160.02)	-	-	(160.02)	-	(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

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 considerati on of netting potential	Assets recognised in the balance sheet	Recognised in the balance sheet	After considerati on 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	2.28	38.36	-	-	38.36	-	38.36	38.36
Offset against the Margin (Refer to other financial asset Receivable from exchange / clearing house (net))	(40.64)	(2.28)	(38.36)	-	-	(38.36)	-	(38.36)	(38.36)
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 considerati on of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After considerati on 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
Cash settlement balances payable to clearing houses	-	2.28	(2.28)	-	-	(2.28)	-	(2.28)	(2.28)

*As at the reporting date the amount of cash margin received that has been offset against gross derivative assets ₹ 131.43 million (FY 2019-20: ₹ 84.20 million and FY 2018-19 : ₹132.74 million). As at the reporting date the amount of cash margin paid that has been offset against gross derivative liability ₹ 887.99 million (FY 2019-20: ₹ 1,435.20 million and FY 2018-19 : ₹ 1,047.25 million).

Notes to the Reformatted Ind AS Consolidated Financial Information (Continued)

(Currency : Indian rupees in millions)

Annexure V

11. Stock in trade (Securities held for trading) at FVTPL

	31-Mar-21	31-Mar-20	31-Mar-19
Government Securities	**8,636.63**	7,462.91	27,552.72
Mutual Fund	**1,136.21**	6,500.47	6,642.51
Debt securities	**246.93**	707.83	2,540.94
Equity Shares	**5,726.99**	2,786.73	2,400.36
Preference Shares	-	0.13	0.13
Total	**15,746.76**	17,458.07	39,136.66
Investments in India	**15,160.89**	16,396.11	38,715.87
Investments outside India	**585.87**	1061.96	420.79
Total	**15,746.76**	17,458.07	39,136.66

Note: Stock in trade pledged with exchange is amounting to ₹ 1,477.90 million (FY 2019-20: ₹ 1,522.19 million and FY 2018-19 :₹ 1,875.53 million).

12. Trade Receivables

	31-Mar-21	31-Mar-20	31-Mar-19
Receivables considered good - secured	**103.17**	3,121.42	5,562.75
Receivables considered good - unsecured	**2,553.17**	5,728.34	17,266.66
Receivables which have significant increase in credit risk	**334.89**	1,453.94	1,899.20
Receivables - credit impaired	**4,235.66**	5,068.92	5,022.33
Gross receivables	**7,226.89**	15,372.62	29,750.94
Provision for impairment - unsecured	**(128.84)**	(39.76)	(69.44)
Allowance for expected credit losses - Receivables which have significant increase in credit risk	**(285.97)**	(304.63)	(221.76)
Provision for impairment - credit impaired	**(1,751.59)**	(1,975.85)	(1,919.68)
Total receivables net of provision	**5,060.49**	13,052.38	27,540.06

Trade Receivables - Ageing

31-Mar-21	**Days past due**	**0-90 days**	**91-180 days**	**>180 days**	**Total**
	ECL rate	1.74%	15.23%	39.63%	
	Total Gross amount	1,623.14	339.73	5,264.02	**7,226.89**
	ECL - simplified approach	-28.26	-51.76	-2,086.38	**(2,166.40)**
	Net carrying amount	**1,594.88**	**287.97**	**3,177.64**	**5,060.49**

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**
Add/ (less): asset originated or acquired (net)	(153.84)
Impairment allowance as on 31-Mar-21	**2,166.40**

Annexure V

13. Loans

Loans	31-Mar-21			31-Mar-20			31-Mar-19		
	at amortised cost	**at FVTPL**	**Total**	at amortised cost	at FVTPL	Total	at amortised cost	at FVTPL	Total
Term Loans									
Corporate and Retail Credit	**2,45,717.42**	**2,089.30**	**2,47,806.72**	2,95,439.63	5,479.21	3,00,918.84	3,61,815.94	5,896.70	3,67,712.64
Distressed Credit	**13,223.15**	**-**	**13,223.15**	12,882.28	-	12,882.28	25,500.39	-	25,500.39
Other Credit	**154.43**	**-**	**154.43**	140.13	-	140.13	193.43	-	193.43
Total Gross (A)	**2,59,095.00**	**2,089.30**	**2,61,184.30**	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	**42,078.84**	**-**	**42,078.84**	30,334.46	-	30,334.46	9,323.36	-	9,323.36
Total (Net) (A)	**2,17,016.16**	**2,089.30**	**2,19,105.46**	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)	**2,19,325.41**	**2,089.30**	**2,21,414.71**	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	**16,610.60**	**-**	**16,610.60**	83,799.24	-	83,799.24	84,559.53	-	84,559.53
Unsecured	**23,158.99**	**-**	**23,158.99**	25,440.11	-	25,440.11	39,946.32	-	39,946.32
Total Gross (B)	**2,59,095.00**	**2,089.30**	**2,61,184.30**	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	**42,078.84**	**-**	**42,078.84**	30,334.46	-	30,334.46	9,323.36	-	9,323.36
Total (Net) (B)	**2,17,016.16**	**2,089.30**	**2,19,105.46**	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	**2,59,095.00**	**2,089.30**	**2,61,184.30**	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)	**2,59,095.00**	**2,089.30**	**2,61,184.30**	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	**42,078.84**	**-**	**42,078.84**	30,334.46	-	30,334.46	9,323.36	-	9,323.36
Total (Net) (C) (I)	**2,17,016.16**	**2,089.30**	**2,19,105.46**	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)	**2,17,016.16**	**2,089.30**	**2,19,105.46**	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.

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-21				
	Stage I	Stage II	Stage III[1,3]	POCI	Total
Performing					
High grade	85,292.34	-	-	-	**85,292.34**
Standard grade	129.46	47,662.60	-	-	**47,792.06**
Non-performing					
Impaired	-	-	1,12,787.45	13,223.15	**1,26,010.60**
Total	**85,421.80**	**47,662.60**	**1,12,787.45**	**13,223.15**	**2,59,095.00**

Particulars	31-Mar-20				
	Stage I	Stage II	Stage III[1,3]	POCI	Total
Performing					
High grade	1,50,803.15	147.38	-	-	1,50,950.53
Standard grade	123.26	61,441.58	45.64	-	61,610.48
Non-performing					
Impaired	-	-	83,018.75	12,882.28	95,901.03
Total	1,50,926.41	61,588.96	83,064.39	12,882.28	3,08,462.04

Particulars	31-Mar-19				
	Stage I	Stage II	Stage III[1,3]	POCI	Total
Performing					
High grade	3,12,340.85	-	-	-	3,12,340.85
Standard grade	-	39,831.24	-	-	39,831.24
Non-performing					
Impaired	-	-	18,369.08	16,968.59	35,337.67
Total	3,12,340.85	39,831.24	18,369.08	16,968.59	3,87,509.76

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[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**
Effect of acquisitions made during the year	14,063.46	-	3,607.85	-	4,979.04	-	-	22,650.35	-
Transfers:									
Transfers to 12 Month ECL (Stage 1)	1,505.67	43.20	(1,486.58)	(38.64)	(19.09)	(4.56)	-	-	-
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**
Effect of acquisitions made during the year	**47.01**	**-**	**-**	**-**	**-**	**-**	**-**	**47.01**	**-**
Transfers:									
Transfers to 12 Month ECL (Stage 1)	**4,691.44**	**810.59**	**(4,648.13)**	**(803.53)**	**(43.31)**	**(7.06)**	**-**	**-**	**-**
Transfers to lifetime ECL (Stage 2)	**(21,024.73)**	**(526.76)**	**24,688.92**	**1,177.83**	**(3,664.19)**	**(651.07)**	**-**	**-**	**-**
Transfers to lifetime ECL- Credit impaired (Stage 3)	**(10,621.36)**	**(25.46)**	**(19,472.21)**	**(737.78)**	**30,093.57**	**763.24**	**-**	**-**	**-**
Net re-measurement of ECL arising from transfer of stage	**-**	**(776.89)**	**-**	**481.75**	**-**	**8,753.15**	**-**	**-**	**8,458.01**
Net new and further lending/(repayments) (including write-off) and sale to ARC / AIF [3]	**(38,596.97)**	**(195.57)**	**(14,494.94)**	**(2,487.22)**	**3,336.99**	**5,969.16**	**340.87**	**(49,414.05)**	**3,286.37**
Balance at 31 March 2021	**85,421.80**	**1,280.31**	**47,662.60**	**4,394.27**	**1,12,787.45**	**36,404.26**	**13,223.15**	**2,59,095.00**	**42,078.84**

13.1 Credit Quality (Continued)

1 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

2 Allowance under this category also includes provision on assets as mentioned in note 1 above

3 **(FY 2019-20)**
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 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 and the consequent expected credit loss will be recorded in the Reformatted Ind AS Consolidated Financial information of the Group.

(FY 2020-21)
Refer Note 54

4 **(FY 2019-20)**
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 million towards expected credit losses, write-offs, loss on sale to ARC Trusts and Funds and net loss on fair value changes.

Annexure V

14. Investments

31-Mar-21	Amortised cost	FVOCI	FVTPL	Designated at FVTPL	Others at Cost	Total
Security Receipts	-	-	**37,478.90**	-	-	**37,478.90**
Government Securities	-	**13,671.98**	**1,256.67**	**8,125.37**	-	**23,054.02**
Equity Shares	**415.00**	-	**12,223.20**	-	-	**12,638.20**
Debt securities	**1,305.81**	**3,159.10**	**3,771.26**	**2,600.89**	-	**10,837.06**
AIF Fund	-	**11.28**	**9,953.39**	-	-	**9,964.67**
Mutual Fund	-	-	**2,053.87**	-	-	**2,053.87**
Preference Shares	-	**15.83**	**1,771.44**	-	-	**1,787.27**
Associates - Equity Shares (As per equity method)	-	-	-	-	**16,755.80**	**16,755.80**
others	-	-	**1,184.65**	-	-	**1,184.65**
Total	**1,720.81**	**16,858.19**	**69,693.38**	**10,726.26**	**16,755.80**	**1,15,754.44**
Investments in India	**1,720.34**	**16,772.57**	**69,472.19**	**10,726.26**	**16,755.80**	**1,15,447.16**
Investments outside India	**0.47**	**85.62**	**221.19**	-	-	**307.28**
Total	**1,720.81**	**16,858.19**	**69,693.38**	**10,726.26**	**16,755.80**	**1,15,754.44**
Less - Impairment Loss allowance	-	**11.28**	**980.14**	-	-	**991.42**
Total	**1,720.81**	**16,846.91**	**68,713.24**	**10,726.26**	**16,755.80**	**1,14,763.02**

31-Mar-20	Amortised cost	FVOCI	FVTPL	Designated at FVTPL	Others at Cost	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	Others at Cost	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 ₹ 32,309.69 million (FY 2019-20: ₹ 36,961.83 million and FY 2018-19: ₹ 26,961.88 million)

Annexure V

14. Investments (Continued)

14.1 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-21				
	Gross carrying amount (Stage 1)	**Gross carrying amount (Stage 2)**	**Gross carrying amount (Stage 3)**	**Gross carrying amount Total**
High grade	**16,183.92**	**-**	**-**	**16,183.92**
Standard grade	**-**	**-**	**-**	**-**
Individually impaired	**-**	**-**	**674.27**	**674.27**
Total	**16,183.92**	**-**	**674.27**	**16,858.19**

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-21 Gross Carrying Amount (Stage 1)	**31-Mar-21 12 months ECL allowance (Stage 1)**	**31-Mar-21 Gross Carrying Amount (Stage 3)**	**31-Mar-21 12 months ECL allowance (Stage 3)**
Gross carrying amount - opening balance	**14,235.58**	**0.12**	**819.25**	**438.94**
New assets originated or purchased	**7,978.49**	**-**	**-**	**-**
Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	**(7,108.47)**	**-**	**-156.26**	**-24.45**
Interest income during the year	**1,119.84**	**-**	**-**	**-**
Foreign Exchange	**(30.24)**	**-**	**-**	**-**
Transfer to Stage 1	**-**	**-**	**-**	**-**
Transfer to Stage 2	**-**	**-**	**-**	**-**
Transfer to Stage 3	**(11.28)**	**-**	**11.28**	**11.28**
Impact of year end ECL of exposures transferred between stages during the year	**-**	**-**	**-**	**(437.17)**
Gross carrying amount - closing balance	**16,183.92**	**0.12**	**674.27**	**(11.40)**

14. Investments (Continued)

14.1 Investments measured at FVOCI (continued)

Reconciliation of gross carrying amount and corresponding ECL for investments measured at FVOCI

	31-Mar-20 Gross Carrying Amount (Stage 1)	31-Mar-20 12 months ECL allowance (Stage 1)	31-Mar-20 Gross Carrying Amount (Stage 3)	31-Mar-20 12 months ECL allowance (Stage 3)
Gross carrying amount - opening balance	**12,826.50**	**21.50**	-	-
New assets originated or purchased	**9,141.61**	**0.15**	-	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	**(8,320.81)**	-	-	-
Interest income during the year	**1,387.04**	-	-	-
Foreign Exchange	**20.49**	-	-	-
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**

	31-Mar-19 Gross Carrying Amount (Stage 1)	31-Mar-19 12 months ECL allowance (Stage 1)	31-Mar-19 Gross Carrying Amount (Stage 3)	31-Mar-19 12 months ECL allowance (Stage 3)
Gross carrying amount - opening balance	**15,849.20**	**0.09**	-	-
New assets originated or purchased	**29,110.97**	**21.41**	-	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	**(33,126.37)**	-	-	-
Interest income during the year	**902.24**	-	-	-
Foreign Exchange	**90.46**	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Impact of year end ECL of exposures transferred between stages during the year	-	-	-	-
Gross carrying amount - closing balance	**12,826.50**	**21.50**	-	-

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-21	31-Mar-20	31-Mar-19
	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 1)
High grade	**1,720.81**	243.86	569.80
Standard grade	**-**	-	-
Individually impaired	**-**	-	-
Total	**1,720.81**	243.86	569.80

Reconciliation of gross carrying amount for investments measured at amortised cost

	31-Mar-21	31-Mar-20	31-Mar-19
	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 1)
Gross carrying amount - opening balance	**243.86**	569.8	936.98
New assets originated or purchased	**1,27,154.93**	42,520.30	1,22,142.83
Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	**(1,25,677.98)**	(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	**1,720.81**	243.86	569.80

14.3 Equity investment measured at FVOCI

(FY 2020-21 and FY 2019-20)

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 ₹ Nil million for FY 2020-21 (FY 2019-20:₹ 1,700.00 million) was recognized in OCI. Fair value of the Investment at the date of derecognition was ₹ Nil million for FY 2020-21 (FY 2019-20: ₹ 1,305.00 million).

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 ₹ Nil million for FY 2020-21 (FY 2019-20: ₹ 1,305.00 million). The loss on the derecognition of such investment is ₹ Nil million for FY 2020-21 (FY 2019-20:₹ 1,700.00 million).

15. Other financial assets

	31-Mar-21	31-Mar-20	31-Mar-19
Receivable from Trust	**6,252.87**	1,712.00	-
Receivable towards margin trading facility	**-**	964.01	1,961.15
Receivable from exchange / clearing house (net)	**448.43**	2,841.35	1,889.96
Deposits placed with/ for exchange/ depositories	**130.79**	535.88	401.50
Margin placed with broker	**2,859.51**	688.74	290.36
Rental deposits	**191.85**	396.63	464.53
Deposits- others	**79.38**	157.46	207.70
Reinsurance receivables	**364.34**	83.51	66.33
Unclaimed amount of policyholders	**29.57**	34.86	25.59
Others	**2,271.33**	887.89	791.39
Total	**12,628.07**	8,302.33	6,098.51

16. Inventories

	31-Mar-21	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-21**	31-Mar-20	31-Mar-19
Provision for expected credit losses	**2,317.78**	3,912.40	3,059.46
Unused tax losses / credits	**8,074.33**	5,497.04	2,402.27
Employee benefits obligations	**81.89**	81.40	85.17
Fair valuation of Financial Assets	**1,159.14**	645.73	(4.30)
Fair valuation of Derivatives	**(15.53)**	782.22	(19.32)
Property, Plant and Equipment and Intangible assets	**(917.91)**	(731.41)	(66.43)
Adjustment of effective interest rate on Borrowings	**(1,114.71)**	(622.63)	(550.98)
Total	**9,584.99**	9,564.75	4,905.87

Deferred tax liabilities (net)	**31-Mar-21**	31-Mar-20	31-Mar-19
Fair valuation of Financial Assets	**498.17**	626.65	2,459.66
Adjustment of effective interest rate on Loans	**102.63**	181.57	174.39
Adjustment of effective interest rate on Borrowings	**13.52**	-	35.32
Property, Plant and Equipment and Intangible assets	**1,468.12**	1,853.64	0.66
ESOP Perquisite	**(4.01)**	(4.01)	(4.80)
Employee benefits obligations	**(19.51)**	(14.10)	(6.64)
Unused tax losses / credits	**-**	(0.02)	(125.89)
Special Reserve u/s 36(1)(viii)	**98.70**	-	-
Total	**2,157.62**	2,643.73	2,532.70

Annexure V

18. **Investment property**

	Gross Block				Depreciation and impairment					Net Block
	As at 01-Apr-20	Additions during the year	Deductions/ adjustments during the year	As at 31-Mar-21	As at 01-Apr-20	Impairment charge / (reversals) for the year	Charge for the year	Deductions/ adjustments during the year	As at 31-Mar-21	As at 31-Mar-21
Investment Property										
Land	1408.62	-	-	**1,408.62**	18.27	-	-	-	**18.27**	**1,390.35**
Real Estate	3,445.13	272.10	1,041.23	**2,676.00**	378.21	348.69	-	55.18	**671.72**	**2,004.28**
Total	**4,853.75**	**272.10**	**1,041.23**	**4,084.62**	**396.48**	**348.69**	**-**	**55.18**	**689.99**	**3,394.63**

	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	Deductions/ adjustments during the year	As at 31-Mar-20	As at 31-Mar-20
Investment Property										
Land	228.35	1180.27	-	**1,408.62**	-	-	-	(18.27)	**18.27**	**1,390.35**
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**	**323.03**	**17.51**	**(18.27)**	**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	Deductions/ adjustments during 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-21	31-Mar-20	31-Mar-19
Land	**2,256.94**	2,256.94	293.36
Real estate property	**2,004.28**	3,157.85	3,755.37
Total	**4,261.22**	5,414.79	4,048.73

Annexure V

19. Property, plant and equipment and intangibles

Particulars		Gross Block				Depreciation and amortisation				Net Block
		As at 01-Apr-2020	Additions/adjustments during the year	Deductions/adjustments during the year	As at 31-Mar-2021	As at 01-Apr-2020	Charge for the year	Deductions/adjustments during the year	As at 31-Mar-2021	As at 31-Mar-2021
a)	Property, Plant and Equipments									
	Land	236.79	-	-	**236.79**	-	-	-	**-**	**236.79**
	Leasehold Land	0.63	-	0.63	**0.00**	0.63	-	0.63	**-**	**-**
	Flat and Building	4,682.51	-	(302.73)	**4,985.24**	683.40	395.23	89.00	**989.63**	**3,995.61**
	Revaluation on Flat and Building & Land	7,034.62	-	466.88	**6,567.74**	(640.15)	214.82	(21.20)	**(404.13)**	**6,971.87**
	Right to use (ROU) - Flat and Building	2,687.59	252.57	1,568.56	**1,371.60**	623.73	442.14	351.86	**714.01**	**657.59**
	Right to use (ROU) - Leasehold Premises	281.47	0.51	221.33	**60.65**	103.11	42.47	106.84	**38.74**	**21.91**
	Plant and Equipment	197.14	82.79	31.67	**248.26**	115.09	84.05	35.58	**163.56**	**84.70**
	Furniture and Fixtures	329.69	10.89	93.98	**246.60**	142.02	44.37	51.13	**135.26**	**111.34**
	Vehicles	75.83	8.33	41.55	**42.61**	39.43	21.66	30.02	**31.07**	**11.54**
	Office equipment	395.03	9.12	140.00	**264.15**	246.64	52.34	90.49	**208.49**	**55.66**
	Vessel (Boat)	4.85	-	-	**4.85**	0.89	0.13	0.04	**0.98**	**3.87**
	Computers	1,022.83	167.45	698.42	**491.86**	656.04	243.92	510.29	**389.67**	**102.19**
	Solar Power Equipment	62.07	-	-	**62.07**	27.64	6.23	-	**33.87**	**28.20**
Total (A)		**17,011.05**	**531.66**	**2,960.29**	**14,582.42**	**1,998.47**	**1,547.36**	**1,244.68**	**2,301.15**	**12,281.27**
b)	**Intangibles**									
	Software	2,704.93	426.59	1,312.52	**1,819.00**	1,172.64	688.31	766.32	1,094.63	**724.37**
	Trademark/ Design and Copyright/Asset Management Rights	756.55	34.32	-	790.87	33.05	14.45	-	47.50	**743.37**
Total (B)		**3,461.48**	**460.91**	**1,312.52**	**2,609.87**	**1,205.69**	**702.76**	**766.32**	**1,142.13**	**1,467.74**
Total (A+B)		**20,472.53**	**992.57**	**4,272.81**	**17,192.29**	**3,204.16**	**2,250.12**	**2,011.00**	**3,443.28**	**13,749.01**

Notes to the Reformatted Ind AS Consolidated Financial Information (Continued)

(Currency : Indian rupees in millions)

Annexure V

19. Property, plant and equipment and intangibles (Continued)

Particulars		Gross Block				Depreciation and amortisation				Net Block
		As at 01-Apr-2019	Additions/adjustments during the year	Deductions/adjustments during the year	As at 31-Mar-2020	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**

Annexure V

19. Property, plant and equipment and intangibles (Continued)

Particulars		Gross Block				Depreciation and amortisation				Net Block
		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

1 **(FY 2019-20)**

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 million. The gross carrying value of flats and building is increased by ₹ 7,034.62 million after adjusting accumulated depreciation of ₹ 640.15 million. A revaluation surplus is accounted in other comprehensive income as revaluation reserves amounting to ₹ 5,139.92 million net of deferred tax liability of ₹ 2,534.83 million.

2 Property, plant and equipment aggregating to ₹ 1,447.54 million (FY 2019-20:₹ 844.74 million and FY 2018-19:₹ 889.20 million) pledged against secured NCDs and term loans.

3 FY 2019-20: Includes ₹ 12.37 million as asset held for sale.

19.1. Goodwill on consolidation

Particulars	**31-Mar-21**	31-Mar-20	31-Mar-19
Balance at the beginning of the year	**1,723.41**	1,742.72	1,543.85
Add:- Goodwill arising on acquisitions	**-**	-	198.87
Less:- Goodwill derecognised / impaired	**(1,060.06)**	(19.31)	-
Balance at the end of year	**663.35**	1,723.41	1,742.72

The recoverable amount of subsidiaries/associates is based on its value in use. The value in use is estimated using discounted cash flows over a period of 5 years. Cash flows beyond 5 years is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using pre-tax discount rate. Operating margins and growth rates for the five year cash flow projections have been estimated based on past experience and after considering the financial budgets/forecasts provided by the management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industry and have been based on historical data from both external and internal sources.

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount.

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:

For FY 2020-21 - Refer Note 67

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

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 reformatted Ind AS consolidated 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

During the year ended 31 March 2021, goodwill amounting to ₹ 432.94 million is written off in the Reformatted Ind AS Consolidated Financial information.

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.

20. Other non-financial assets

	31-Mar-21	31-Mar-20	31-Mar-19
Input tax credit	**1,595.28**	1,548.61	1,564.50
Prepaid expenses	**1,877.84**	1016.56	902.49
Vendor Advances	**191.22**	384.93	512.38
Capital Advances	**-**	229.44	87.87
Advances to employees	**9.56**	29.48	30.18
Deposits - others	**19.94**	34.14	8.71
Other assets	**112.82**	390.07	190.82
Total	**3,806.66**	3,633.23	3,296.95

21.1 Trade Payables includes FY 2020-21:₹ 1.22 million (FY 2019-20: ₹ 2.21 million and FY 2018-19 : ₹ 4.10 million) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. Interest paid by the Group during the year to "Suppliers "registered under this Act is ₹ 0.003million (FY 2019-20 ₹ Nil million and FY 2018-19 ₹ Nil million).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-21	31-Mar-20	31-Mar-19
Total outstanding dues of creditors other than micro enterprises and small enterprises	**4,893.56**	12,831.39	19,748.73
Total	**4,893.56**	12,831.39	19,748.73

Annexure V

22. Debt securities

	31-Mar-21	31-Mar-20	31-Mar-19
Non-Convertible Debentures (at amortised cost)	**1,51,894.75**	1,83,792.44	2,15,572.04
Compulsory Convertible Debentures (at amortised cost)	**9,443.98**	11,042.44	-
Non-Convertible Debentures (designated at fair value through profit or loss)	**8,750.76**	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)	**4,769.05**	1,970.45	10,929.03
Total (refer Note 1 below)	**1,74,858.54**	2,07,585.06	2,45,910.48
(i) Debt securities in India	**1,74,858.54**	2,07,585.06	2,40,713.26
(ii) Debt securities outside India	**-**	-	5,197.22
Total	**1,74,858.54**	2,07,585.06	2,45,910.48

Note 1:

Out of the above, ₹ 14,971.91 million as at 31 March 2021 (FY 2019-20: ₹ 16,179.72 million and FY 2018-19 : ₹ 14,824.90 million) 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 2021

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
7.00 - 7.99%	**738.80**	**-**	**6,000.00**	**6,738.80**
8.00 - 8.99%	**13,780.25**	**2,820.65**	**1,657.88**	**18,258.78**
9.00 - 9.99%	**10,097.30**	**17,183.86**	**16,419.20**	**43,700.36**
10.00 - 10.99%	**14,070.00**	**4,075.62**	**8,583.70**	**26,729.32**
11.00 - 11.99%	**-**	**11,250.00**	**-**	**11,250.00**
19.00 - 19.99%	**210.00**	**420.00**	**2,870.00**	**3,500.00**
22.00 - 22.99%	**2,250.00**	**-**	**-**	**2,250.00**
Zero Coupon Debentures	**688.95**	**1,495.86**	**303.16**	**2,487.97**
Various (benchmark linked)	**13,457.63**	**18,637.96**	**7,176.42**	**39,272.01**
Accrued Interest and EIR	-	-	-	**11,227.32**
Total*	**55,292.93**	**55,883.95**	**43,010.36**	**1,65,414.56**

*** Compulsory Convertible Debentures amounting to ₹ 9,443.98 million not considered for maturity pattern.**

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 million 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**

Annexure V

23. Borrowings (other than debt securities) at amortised cost

	31-Mar-21	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	**66,551.55**	86,522.48	1,16,672.94
from other parties	**8,305.71**	11,346.45	13,351.07
Bank overdraft	**3,107.03**	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)	**8,103.90**	7,752.70	16,260.83
Working capital demand loan (secured by charge on receivables from financing business, inventories and fixed deposits)	**8,250.00**	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
	94,318.19	1,33,210.55	1,90,453.51
Borrowings in India	**94,318.19**	1,33,210.55	1,90,453.51
Borrowings outside India	-	-	-
Total	**94,318.19**	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 2021

Maturities	**<1 years**	**1-3 years**	**> 3 years**	**TOTAL**
Rate of Interest				
7.00 - 7.99%	**363.09**	**601.19**	**247.05**	**1,211.33**
8.00 - 8.99%	**6,804.57**	**8,167.22**	**1,531.34**	**16,503.13**
9.00 - 9.99%	**19,739.32**	**18,037.66**	**2,919.45**	**40,696.43**
10.00 - 10.99%	**3,749.38**	**3,672.98**	**-**	**7,422.36**
11.00 - 11.99%	**494.40**	**312.49**	**46.88**	**853.77**
14.00 - 14.99%	**100.00**	**-**	**-**	**100.00**
Accrued Interest and EIR	**-**	**-**	**-**	**(235.47)**
Total	**31,250.76**	**30,791.54**	**4,744.72**	**66,551.55**

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**

Term loans from Others - Secured as at 31 March 2021

Maturities	**<1 years**	**1-3 years**	**> 3 years**	**TOTAL**
Rate of Interest				
4.00 - 4.99%	**119.28**	**318.08**	**197.08**	**634.44**
5.00 - 5.99%	**650.00**	**-**	**-**	**650.00**
6.00 - 6.99%	**4.35**	**11.60**	**5.30**	**21.25**
8.00 - 8.99%	**37.68**	**54.79**	**41.01**	**133.48**
9.00 - 9.99%	**93.78**	**250.08**	**757.55**	**1,101.41**
10.00 - 10.99%	**2,767.00**	**2,824.00**	**175.00**	**5,766.00**
Accrued Interest and EIR	**-**	**-**	**-**	**(0.87)**
Total	**3,672.09**	**3,458.55**	**1,175.94**	**8,305.71**

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-21	31-Mar-20	31-Mar-19
Inter Corporate Deposit - from others	**96.01**	2,168.97	1,436.76
Total	**96.01**	2,168.97	1,436.76

25. Subordinated liabilities (at amortised cost)

Unsecured	**31-Mar-21**	31-Mar-20	31-Mar-19
Non-convertible subordinated debt	**13,925.28**	18,816.11	18,993.56
Perpetual debt	**1,151.00**	1,162.64	3,731.46
Preference share capital	**11.47**	3630.06	951.56
	15,087.75	23,608.81	23,676.58
Subordinated liabilities in India	**15,087.75**	23,608.81	23,676.58
Subordinated liabilities outside India	**-**	-	-
Total	**15,087.75**	23,608.81	23,676.58

Terms and condition related to subordinate liabilities:

Subordinated Liabilities – 31 March 2021

Maturities	**<1 years**	**1-3 years**	**> 3 years**	**TOTAL**
Rate of Interest				
9.00 - 9.99%	-	-	2,760.00	2,760.00
10.00 - 10.99%	-	-	3,370.23	3,370.23
11.00 - 11.99%	-	500.00	3,648.00	4,148.00
14.00 - 14.99%	-	11.47	-	11.47
Various (benchmark linked)	-	2,685.80	600.00	3,285.80
Accrued Interest and EIR	-	-	-	1,512.25
Total	**-**	**3,197.27**	**10,378.23**	**15,087.75**

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

Annexure V

26. Other financial liabilities (at amortised cost unless otherwise specified)

	31-Mar-21	31-Mar-20	31-Mar-19
Payable to client (net)[1]	**785.20**	17,823.52	14,486.34
Payable to exchange / clearing house (net)	**42.13**	1,292.54	8,514.81
Book overdraft	**542.18**	44.56	3,001.96
Accrued salaries and benefits	**3,575.91**	487.35	2,307.70
Provision for short sale at fair value	**529.70**	1,372.17	2,150.91
Payable to contractors	**-**	356.59	376.07
Reinsurance payable	**220.78**	133.06	166.77
Deposits from sub-brokers	**-**	112.18	93.78
Rental deposits	**75.74**	24.02	24.52
Retention money payable	**15.92**	60.71	21.56
Unclaimed dividends	**8.19**	13.00	12.73
Security receipts held by outsiders	**7,348.17**	5,420.15	3,515.44
Derivative Liability	**2,239.47**	2,036.58	3,210.53
Lease Liability Payable	**800.22**	2,398.43	-
Payable on account of securitisation	**9,913.20**	7,881.56	-
Financial Liability associated to financial assets that are not derecognised	**11,084.53**	8,446.13	750.13
Other liabilities	**4,275.83**	1,347.99	493.73
Total	**41,457.17**	**49,250.54**	**39,126.98**

[1] includes deployed in the form of bank balances and fixed deposits.

27. Provisions

	31-Mar-21	31-Mar-20	31-Mar-19
Provision for employee benefits and related costs			
Gratuity	**176.71**	167.66	125.45
Compensated absences	**67.66**	124.31	132.57
Others (including interim dividend)	**874.18**	59.14	69.69
Total	**1,118.55**	351.11	327.71

28. Other non-financial liabilities

	31-Mar-21	31-Mar-20	31-Mar-19
Income received in advance	**1,434.41**	1,416.43	1,036.82
Statutory dues	**1,102.86**	1,255.15	969.14
Advances from customers	**35.64**	1,026.04	379.17
Proposal deposit from insurance business	**273.22**	172.25	320.71
Others	**303.22**	340.08	559.09
Total	**3,149.35**	4,209.95	3,264.93

29. Equity share capital

	As at 31-Mar-2021		As at 31-Mar-2020		As at 31-Mar-2019	
	No of shares	**Amount**	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	1,23,00,00,000	1,230.00
Preference shares of ₹ 5 each	**40,00,000**	**20.00**	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	1,23,40,00,000	1,250.00
Issued, Subscribed and Paid up:						
Equity Shares of ₹ 1 each	**93,57,98,077**	**935.80**	93,44,09,002	934.41	93,26,69,564	932.67
Less: Shares held by Edelweiss Employees Incentives and Welfare Trust (Refer note 1)	**(73,01,510)**	**(7.30)**	(73,01,510)	(7.30)	(73,01,510)	(7.30)
Less: Shares held by Edelweiss Employees Welfare Trust (Refer note 1)	**(3,75,95,270)**	**(37.60)**	(3,75,95,270)	(37.60)	(3,75,95,270)	(37.60)
	89,09,01,297	**890.90**	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-2021		As at 31-Mar-2020		As at 31-Mar-2019	
	No of shares	**Amount**	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	**93,44,09,002**	**934.41**	93,26,69,564	932.67	91,54,98,927	915.50
Shares issued during the year:						
-Under Employee Stock Options Plans (ESOPs)	**13,89,075**	**1.39**	17,39,438	1.74	1,71,70,637	17.17
Outstanding at the end of the year	**93,57,98,077**	**935.80**	93,44,09,002	934.41	93,26,69,564	932.67

Note :

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 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 million for FY 2020-21 (FY 2019-20: ₹ 44.90 million and FY 2018-19: ₹ 44.90 million). These are deducted from total outstanding equity shares.

(FY 2020-21 and FY 2019-20)

2. 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 & FY 2018-19)

3.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.

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 31-Mar-2021		As at 31-Mar-2020		As at 31-Mar-2019	
	No of shares	**% holding**	No of shares	% holding	No of shares	% holding
Rashesh Shah	**14,56,01,730**	**15.56%**	14,53,01,730	15.55%	14,53,01,730	15.58%
Venkatchalam Ramaswamy	**5,81,26,560**	**6.21%**	5,80,26,560	6.21%	5,80,26,560	6.22%
Bih Sa	**4,82,57,748**	**5.16%**	4,70,07,748	5.03%	3,74,95,800	4.02%
	25,19,86,038	**26.93%**	25,03,36,038	26.79%	24,08,24,090	25.82%

Note :

(FY 2019-20)

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.

Notes to the Reformatted Ind AS Consolidated Financial Information (Continued)

(Currency : Indian rupees in millions)

Annexure V

30. Other equity

	31-Mar-21	31-Mar-20	31-Mar-19
Share application money pending allotment	**1.70**	0.19	6.15
Capital reserve	**8,456.79**	8258.73	8060.23
Capital redemption reserve	**187.87**	273.62	166.74
Securities premium account	**29,134.23**	29,062.49	29,473.29
ESOP/SAR reserve	**1,128.28**	818.18	460.59
Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	**6,757.98**	7647.6	7503.94
Reserve under section 29C of the National Housing Bank Act, 1987	**547.80**	540.34	537.22
General reserve	**717.15**	826.56	916.82
Debenture redemption reserve	**6,765.61**	8721.51	10341.12
Impairment resereve	**1,829.25**	1,577.37	-
Retained earnings	**6,067.68**	(1,554.30)	18215.34
Foreign exchange translation reserve	**(17.52)**	390.17	175.66
Revaluation Reserve through other comprehensive income	**4,571.09**	5,080.88	-
Equity instruments through other comprehensive income	**(1,700.00)**	(1,700.00)	-
Debt instruments through other comprehensive income	**432.78**	454.26	24.93
	64,880.69	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.

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 standalone statement of profit and loss 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 standalone statement of 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 standalone statement of profit and loss 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 standalone statement of profit and loss account and that the reason for such withdrawal are stated explicitly in the standalone statement of assets and liabilities.

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 (FY20-21 and FY2019-20)

RBI notification on Implementation of Indian Accounting Standards, dated 13 March 2020 requires NBFC/ARC subsidiaries within Group are to recognised impairement reserves where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning)

30.9 Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

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

30.11 Revaluation Reserve through other comprehensive income (FY20-21 and FY2019-20)

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 reformatted Ind AS consolidated statement of profit and loss when the debt instrument is sold.

Annexure V

31. Interest Income

For the year ended 31 March 2021

	Amortised cost	FVTPL	FVOCI	Total
Interest on Loans	**34,478.42**	**-**	**-**	**34,478.42**
Interest income from investments	**66.57**	**1,442.70**	**1,098.09**	**2,607.36**
Interest on deposits with Banks	**2,719.33**	**-**	**-**	**2,719.33**
Other interest Income	**538.90**	**-**	**-**	**538.90**
Total	**37,803.22**	**1,442.70**	**1,098.09**	**40,344.01**

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

	2020-21	2019-20	2018-19
Income from broking	**3,760.65**	3,657.09	3,516.46
Advisory and other fees	**12,780.74**	17,335.89	17,817.18
Total	**16,541.39**	20,992.98	21,333.64

Below is the disaggregation of the revenue from contracts with customers and its reconciliation to amounts reported in reformatted Ind AS consolidated statement of profit and loss:

	2020-21	2019-20	2018-19
Service transferred at a point in time	**6,335.85**	7,798.21	8,582.32
Service transferred over time	**10,205.54**	13,194.77	12,751.32
Total revenue from contract with customers	**16,541.39**	20,992.98	21,333.64

33. Net gain on fair value changes

	2020-21	2019-20	2018-19
Net gain /(loss) on financial instruments at fair value through profit or loss			
On trading portfolio			
Investment at FVTPL	**7,915.59**	(3,464.41)	551.29
Derivatives at FVTPL	**5,637.64**	1,375.09	3,980.27
Others			
Other financial instruments	**8,655.75**	4,038.90	4,283.67
Total Net gain/(loss) on fair value changes	**22,208.98**	1,949.58	8,815.23
Fair Value changes:			
Realised gain/(loss)	**9,399.36**	11,849.68	6,752.23
Unrealised gain/(loss)	**12,809.62**	(9,900.10)	2,063.00
Total	**22,208.98**	1,949.58	8,815.23

34. Other operating revenue

	2020-21	2019-20	2018-19
Agri value chain warehousing income	**411.42**	712.35	771.61
Delayed payment charges	**81.11**	191.99	312.45
Income from training centre	**12.02**	39.49	38.73
Rental income	**32.59**	37.70	13.56
Total	**537.14**	981.53	1,136.35

35. Other income

	2020-21	2019-20	2018-19
Donation income	**299.61**	243.41	246.80
Interest on income tax refund	**184.37**	304.73	262.97
Profit on sale of subsidiaries (net) (Refer Note 67)	**13,992.27**	-	-
Miscellaneous income	**438.65**	345.01	327.36
Total	**14,914.90**	893.15	837.13

36. Finance cost (at amortised cost unless otherwise stated)

	2020-21	2019-20	2018-19
Interest on deposits	**51.55**	49.51	131.96
Interest on borrowings (other than debt securities)	**11,660.20**	18,458.16	18,005.21
Interest on debt securities	**23,120.49**	23,487.45	24,814.82
Interest on debt securities (at fair value through profit or loss)	**509.43**	2,717.00	1,312.57
Interest on subordinated liabilities	**1,963.28**	1,863.72	1,717.15
Other interest expense	**1,035.38**	1,354.55	1,850.54
Total	**38,340.33**	47,930.39	47,832.25

37. Employee benefits expense

	2020-21	2019-20	2018-19
Salaries and wages	**15,166.62**	12,670.31	15,019.60
Contribution to provident and other funds	**619.73**	703.04	674.34
Expense on employee stock option scheme/Stock Appreciation Rights	**333.75**	390.79	225.47
Staff welfare expenses	**39.02**	308.87	580.48
Total	**16,159.12**	14,073.01	16,499.89

38. Impairment on financial instruments

	2020-21	2019-20	2018-19
On loans	**11,782.86**	26,375.73	4,941.83
On investments	**980.14**	417.56	21.41
On trade receivables	**(153.84)**	109.36	(114.28)
Total	**12,609.16**	26,902.65	4,848.96

39. Other expenses

	2020-21	2019-20	2018-19
Advertisement and business promotion	**1,506.55**	1,282.49	1,505.95
Auditors' remuneration (Refer note 39(a))	**107.58**	95.82	81.95
Commission and brokerage	**1,437.39**	1,229.06	1,250.19
Communication	**401.89**	490.91	489.62
Computer software and other expenses	**1,142.71**	815.47	816.77
Commission to non-executive directors	**16.00**	3.50	5.00
Contribution towards corporate social responsibility	**477.93**	484.28	344.28
Dematerialisation charges and stock exchange expenses	**159.71**	85.78	115.80
Directors' sitting fees	**12.68**	13.38	12.99
Insurance	**64.24**	76.70	67.02
Legal and professional fees	**3,160.25**	1,552.11	1,808.91
Membership and subscription	**173.42**	172.90	169.19
Mutual fund expenses	**118.17**	123.59	81.17
Office expenses	**392.18**	950.17	717.00
Printing and stationery	**71.82**	123.86	204.64
Rates and taxes	**1,372.53**	1,254.87	904.25
Rent and electricity charges	**330.61**	426.20	1,401.99
Repairs and maintenance - others	**72.92**	133.35	151.65
Securities and commodity transaction tax	**459.68**	305.74	489.34
Seminar and conference expenses	**22.74**	193.29	149.04
Stamp duty	**215.07**	234.95	164.07
Travelling and conveyance	**255.82**	823.91	932.78
Warehousing charges	**193.44**	466.50	107.30
Selling and distribution expenses	**515.15**	952.55	1,234.22
Miscellaneous expenses	**504.07**	350.50	422.33
Loss on sale/ write-off of fixed assets (net)	**221.61**	-	-
Total	**13,406.16**	12,641.88	13,627.45

39. (a) Auditors' remuneration

	2020-21	2019-20	2018-19
As Auditors	**106.53**	91.46	77.01
Towards reimbursement of expenses	**1.05**	4.36	4.94
Total	**107.58**	95.82	81.95

40. Income Tax **Annexure V**

The components of income tax expense recognised in profit or loss for the years ended 31 March 2021 , 31 March 2020 and 31 March 2019 are:

Particulars	**2020-21**	2019-20	2018-19
Current tax	**1,553.13**	3,243.47	6,396.13
Adjustment in respect of current income tax of prior years	**(1,313.24)**	(272.72)	152.53
Deferred tax relating to origination and reversal of temporary differences	**(2,301.74)**	(6,796.28)	512.97
Deferred tax relating to unused tax losses and unused tax credits (including write-downs) (net)	**978.89**	(303.27)	(68.22)
Total tax expense	**(1,082.96)**	(4,128.80)	6,993.41
Total Current Tax	**239.89**	2,970.75	6,548.66
Total Deferred Tax	**(1,322.85)**	(7,099.55)	444.75

FY 2020-21 & FY 2019-20

Pursuant to the introduction of Section 115BAA of the Income Tax Act, 1961, in FY 2020-21, 5 (in numbers) (FY 2019-20 - 15 (in numbers)) 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 31 March 2021 and 31 March 2020 and have also re-measured their deferred tax asset/ liabilities (net) and MAT credit (wherever applicable) resulting in tax charge of ₹ 449.99 million (FY 2019-20 .₹ 43.76 million)

40.1. Reconciliation of the total tax expense

The tax expense shown in the reformatted Ind AS consolidated 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 2021, 31 March 2020 and 31 March 2019 are, as follows:

Particulars	**2020-21**	2019-20	2018-19
Profit / (Loss) before tax	**1,462.59**	(24,566.52)	17,437.10
Tax rate	**25.17%**	34.94%	34.94%
Income tax expense calculated based on above tax rate	**368.13**	(8,584.52)	6,093.22
Adjustment in respect of income tax of prior years	**(1,313.65)**	(272.72)	152.53
Effect of income not subject to tax	**(8,113.46)**	(163.20)	(1,061.00)
Effect of non-deductible expenses	**848.92**	1,425.31	557.36
Impact of certain items being taxed at different rates	**(26.09)**	(43.76)	(4.09)
Impact of tax rate changes between two accounting periods	**263.26**	(68.23)	4.73
Write-down / reversal of write down of deferred tax assets on unused tax credits and unused tax losses (net)	**(194.24)**	873.05	(169.42)
Effect of non-recognition of deferred tax asset on current-period losses	**7,570.43**	1,344.28	612.89
Different tax rates of subsidiaries	**(1,206.36)**	1,375.56	738.56
Others	**720.10**	(14.57)	68.63
Tax expense recognised in profit or loss	**(1,082.96)**	(4,128.80)	6,993.41

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:

31-Mar-21	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)
Provision for expected credit losses	3,730.83	(1,515.68)	-	-	-	(1,515.68)	2,215.15
Unused tax losses / credits	5,497.06	3,318.84	-	-	(741.57)	2,577.27	8,074.33
Employee benefits obligations	95.50	43.13	(10.48)	-	(26.75)	5.90	101.40
ESOP Perquisite	4.01	-	-	-	-	-	4.01
Fair valuation of Financial Assets	19.08	773.73	(0.20)	-	(131.64)	641.89	660.97
Fair valuation of Derivatives	782.22	(797.75)	-	-	-	(797.75)	-15.53
Property, Plant and Equipment and Intangible assets	(2,585.05)	6.94	46.60	(24.39)	169.87	199.02	(2,386.03)
EIR adjustment on borrowings	(622.63)	(505.60)	-	-	-	(505.60)	(1,128.23)
Special Reserve u/s 36(1)(viii)	-	(0.76)	-	(97.94)	-	(98.70)	(98.70)
Total	**6,921.02**	**1,322.85**	**35.92**	**(122.33)**	**(730.09)**	**506.35**	**7,427.37**

31-Mar-20	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)
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	(2,534.83)	9.62	0.37	(2,517.96)	(2,585.05)
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	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)
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.

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-2021

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	Amount	Expiry year- financial year
FY 2020-21	4,487.92	Not applicable	64.49	No expiry	3,821.98	FY 2028-29	17,088.74	FY 2028-29	20,975.21	-	-
FY 2020-21	-	-	-	-	-	-	21.73	FY 2025-26	21.73	-	-
FY 2019-20	1,773.80	Not applicable	37.45	No expiry	-	-	8,506.08	FY 2027-28	8,543.53	-	-
FY 2019-20	-	-	-	-	-	-	10.08	FY 2024-25	10.08	-	-
FY 2018-19	55.32	Not applicable	52.85	No expiry	-	-	3,405.07	FY 2026-27	3,457.92	-	-
FY 2018-19	-	-	-	-	-	-	13.68	FY 2023-24	13.68	-	-
FY 2018-19	-	-	-	-	-	-	387.50	No expiry	387.50	-	-
FY 2017-18	84.56	Not applicable	20.01	No expiry	-	-	2,922.43	FY 2025-26	2,942.44	-	-
FY 2017-18	-	-	-	-	-	-	667.80	No expiry	667.80	-	-
FY 2016-17	-	-	1.66	No expiry	-	-	2,388.56	FY 2024-25	2,390.22	-	-
FY 2016-17	-	-	-	-	-	-	73.44	FY 2021-22	73.44	-	-
FY 2015-16	-	-	0.87	No expiry	-	-	1,686.29	FY 2023-24	1,687.16	-	-
FY 2014-15	-	-	-	-	-	-	604.13	FY 2022-23	604.13	-	-
FY 2013-14	-	-	-	-	-	-	650.59	FY 2021-22	650.59	-	-
Total	**6,401.60**		**177.33**		**3,821.98**		**38,426.12**		**42,425.43**	**-**	

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	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	-	-
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**	**-**	

Notes to the Reformatted Ind AS Consolidated Financial Information (Continued)

(Currency : Indian rupees in millions)

Annexure V

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	Amount	Expiry year- financial year
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 2030-31
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	-

Annexure V

42. Earnings per share (EPS)

In accordance with Indian Accounting Standard 33 – "Earnings Per Share" prescribed by Companies (Accounts) Rules, 2015 (as amended), the computation of earnings per share is set out below:

	2020-21	2019-20	2018-19
Profit for the year attributable to owners of the parent	**2,653.36**	(20,452.45)	9,951.66
Weighted average number of equity shares for calculating basic EPS	**88,99,51,721**	88,87,13,129	88,25,64,701
Number of dilutive potential equity shares	**37,99,386**	55,75,693	1,47,61,041
Weighted average number of equity shares for calculating diluted EPS	**89,37,51,107**	89,42,88,822	89,73,25,742
Basic earnings share (in ₹)	**2.98**	(23.01)	11.28
Dilutive earning per share (in ₹)*	**2.97**	(23.01)	11.09

*For FY 2019-20 Impact of potential equity shares are anti-dilutive, hence restricted to Basic earning per share.

Annexure V

43. Segment information

The Group 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.

The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker.

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-21	31-Mar-20	31-Mar-19
1 Segment revenue (Total income)[2]				
	Agency	13,365.90	11,268.50	13,674.60
	Capital based	48,048.30	44,652.00	59,104.30
	Insurance business	20,709.50	12,462.50	11,095.40
	Asset reconstruction business	17,063.70	18,207.10	16,007.70
	Treasury	8,807.90	8,839.70	11,541.10
	Unallocated	486.85	596.49	231.18
	Total income	**1,08,482.15**	**96,026.29**	**1,11,654.28**
2 Segment results (Profit/(loss) before tax)				
	Agency	1,721.50	2,560.00	4,479.30
	Capital based	(3,490.10)	(27,901.00)	8,446.60
	Insurance business	(2,977.70)	(3,670.10)	(3,300.10)
	Asset reconstruction business	2,250.10	3,349.30	6,559.30
	Treasury	4,156.70	1,161.60	1,518.80
	Unallocated	(204.26)	(66.32)	(266.80)
	Total profit/(loss) before tax	**1,456.24**	**(24,566.52)**	**17,437.10**

		As at		
		31-Mar-21	31-Mar-20	31-Mar-19
3 Segment Assets				
	Agency	7,326.60	45,287.70	43,927.30
	Capital based	2,90,082.00	3,39,434.90	4,03,273.80
	Insurance business	56,489.30	43,953.70	38,855.50
	Asset reconstruction business	60,665.00	65,949.10	70,862.80
	Treasury	27,238.50	32,773.60	74,002.10
	Unallocated	17,948.73	15,404.21	10,613.94
	Total Assets	**4,59,750.13**	**5,42,803.21**	**6,41,535.44**
4 Segment Liabilities				
	Agency	3,277.20	38,883.00	39,618.70
	Capital based	2,68,802.00	3,28,181.60	3,65,244.50
	Insurance business	49,937.90	35,212.60	28,368.20
	Asset reconstruction business	39,516.70	46,505.40	52,968.30
	Treasury	18,916.00	18,592.20	61,818.50
	Unallocated	2,530.38	3,357.64	6,367.33
	Total liabilities	**3,82,980.18**	**4,70,732.44**	**5,54,385.53**

1. Non-cash expenditure aggregated to ₹ 30,370.25 million for the year ended 31 March 2021 (FY 2019-20:₹ 42,295.45 million and FY 2018-19 : ₹ 13,678.47 million)
2. Segment revenue includes share in profit/(loss) in associates.

Annexure V

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

	2020-21	2019-20	2018-19
Securitisations			
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	**9,136.85**	7,701.95	704.93
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	**8,495.41**	7,426.86	750.24
Fair value of assets	**8,972.13**	7,918.57	848.48
Fair value of associated liabilities	**8,509.85**	7,566.82	784.84
Net position at fair value	**462.28**	351.75	63.64

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 Ind AS consolidated statement of asset and liabilities as well as the maximum exposure to risk (as defined in below) due to these exposures in the unconsolidated structured entities:

Particulars	**31-Mar-21**			
	Securitisation trusts	**Alternative Investment Funds**	**Total**	**Maximum exposure[1]**
Loans	923.29	-	923.29	923.29
Trade Receivables	4,386.02	96.46	4,482.48	4,482.48
Investments at fair value through profit or loss	47,730.65	4,386.46	52,117.11	52,117.11
Total Assets	**53,039.96**	**4,482.92**	**57,522.88**	**57,522.88**
Off-balance sheet exposure	-	2,379.10	2,379.10	2,379.10
Size of the structured entity[1]	4,06,080.17	3,52,502.15	7,58,582.32	-
Income from the structured entity	5,939.40	1,932.18	7,871.58	-

Particulars	**31-Mar-20**			
	Securitisation trusts	**Alternative**	**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.

Annexure V

46. Disclosure of interest in other entities:

1. 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-21	31-Mar-20	31-Mar-19
Edelweiss Asset Reconstruction Company Limited	India	40.16%	745.50	1,211.01	1,747.03
Edelweiss Tokio life insurance Company Limited	India	49.00%	(1,013.02)	(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-2021	As at 31-Mar-2020	As at 31-Mar-2019
Financial assets	58,950.25	65,178.66	68,308.29
Non-financial assets	377.45	285.99	95.36
Financial liabilities	36,285.22	43,920.19	48,638.71
Non-financial liabilities	822.62	1,180.39	2,415.63
Equity attributable to owners of the company	15,516.48	14,222.26	12,116.76
Non-controlling interest	6,703.38	6,141.80	5,232.55

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations	8,673.60	11,653.16	13,660.79
Total income	8,673.82	11,660.45	13,668.76
Total expenses	6,221.57	8,174.38	6,910.53
Profit / (Loss) before tax	2,452.25	3,486.07	6,758.23
Tax expense	595.93	470.61	2,408.03
Profit / (Loss) for the year	1,856.32	3,015.46	4,350.20
Total Comprehensive Income / (Loss)	1,855.79	3,014.74	4,349.74
Profit / (Loss) for the year attributable to owners of the parent	1,110.82	1,804.45	2,603.16
Profit / (Loss) for the year attributable non-controlling interests	745.50	1,211.01	1,747.03
Cash flows (used) / generated from operating activities	7,971.82	8,411.13	7,650.62
Cash flows (used) / generated from investing activities	3,272.35	8,656.56	(7,152.80)
Cash flows (used) / generated from financial activities	(13,034.00)	(10,975.85)	(177.17)
Net cash inflow/(outflow)	(1,789.83)	6091.84	320.66

Edelweiss Tokio life insurance Company Limited	As at 31-Mar-2021	As at 31-Mar-2020	As at 31-Mar-2019
Financial assets	47,243.94	35,366.05	31,803.70
Non-financial assets	4,967.63	5,079.39	4,477.38
Financial liabilities	3,842.89	3,162.42	3,184.67
Non-financial liabilities	43,008.23	29,794.61	23,803.75
Equity attributable to owners of the company	2,733.83	3,819.09	4,739.26
Non-controlling interest	2,626.62	3,669.32	4,553.40

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations	18,635.59	11,865.28	10,555.45
Total income	18,663.14	11,881.84	10,575.64
Total expenses	20,730.52	14,611.96	13,274.16
Profit / (Loss) before tax	(2,067.38)	(2,730.12)	(2,698.52)
Tax expense	-	-	-
Profit / (Loss) for the year	(2,067.38)	(2,730.12)	(2,698.52)
Total Comprehensive Income / (Loss)	(2,127.95)	(1,737.31)	(2,314.90)
Profit / (Loss) for the year attributable to owners of the parent	(1,054.36)	(1,392.36)	(1,376.24)
Profit / (Loss) for the year attributable non-controlling interests	(1,013.02)	(1,337.76)	(1,322.28)
Cash flows (used) / generated from operating activities	4,871.00	2,195.00	2,408.61
Cash flows (used) / generated from investing activities	(4,944.00)	(1,921.00)	(2,363.28)
Cash flows (used) / generated from financial activities	(116.00)	(122.00)	-
Net cash inflow/(outflow)	(189.00)	152.00	45.33

46. Disclosure of interest in other entities (continued):

2. Details of associate

FY 2019-20 & 2018-19

1. The Group does not have any associates as at 31 March 2020 and 31 March 2019.

FY 2020-21

Edelweiss Securities Limited (wef 27 March 2021) - Refer Note 67	**As at 31-Mar-2021**
Financial assets	70,180.71
Non-financial assets	2,672.95
Financial liabilities	56,149.71
Non-financial liabilities	1,076.60
Total equity	15,627.35

	For the year ended 31 March 2021
Revenue from operations	12,901.13
Total income	12,984.06
Total expenses	11,315.77
Profit / (loss) before tax	1,668.29
Other exceptional items	(5,912.77)
Profit / (loss) before tax and after exceptional items	(4,244.48)
Tax expense	583.56
Profit / (loss) for the year	(4,828.04)
Total comprehensive income / (loss)	(4,679.03)
Share in profit / (loss) of associates	(6.35)
Share in profit / (loss) of associates in other comprehensive income	1.85
Cash flows (used) / generated from operating activities	(9,896.95)
Cash flows (used) / generated from investing activities	(931.95)
Cash flows (used) / generated from financial activities	7,335.92
Net cash inflow/(outflow)	(3,492.98)

Annexure V

47. Retirement benefit plan

A) Defined contribution plan (Provident fund and National Pension Scheme):

Amount of ₹ 474.00 million for FY 2020-21 (FY 2019-20: ₹ 572.45 million and FY 2018-19: ₹ 408.05 million) is recognised as expenses and included in "Employee benefit expense" in the reformatted Ind AS consolidated statement of profit and loss.

B) Defined benefit plan (Gratuity):

The following tables summarise the components of the net benefit expenses recognised in the reformatted Ind AS consolidated statement of profit and loss and the funded and unfunded status and amount recognised in the reformatted Ind AS consolidated statement of assets and liabilities for the gratuity benefit plan.

Reformatted Ind AS consolidated statement of profit and loss

Expenses recognised in the reformatted Ind As consolidated Statement of Profit and Loss:

	2020-21	2019-20	2018-19
Current service cost	**124.82**	125.54	116.25
Interest on defined benefit obligation	**10.09**	10.36	11.29
Past service cost	**2.28**	2.40	-
Effect of Curtailment	**-**	(8.06)	-
Exchange rate adjustment	**(0.06)**	0.17	0.34
Total included in 'Employee benefits expense'	**137.13**	130.41	127.88

Movement in Other Comprehensive Income:

	2020-21	2019-20	2018-19
Balance at start of year (Loss)/ Gain			
Re-measurements on define benefit obligation (DBO)	**(74.75)**	(26.60)	-
a. Actuarial (Loss)/ Gain from changes in financial assumptions	**(14.80)**	(46.80)	(8.37)
b. Actuarial (Loss)/ Gain from experience over the past year	**(6.74)**	34.66	(18.12)
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	**90.00**	(31.32)	0.95
Effect of acquisition/ (divestiture)	**9.93**	-	-
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)	**(35.12)**	(4.69)	(0.06)
Balance at end of year (Loss)/ Gain	**(31.48)**	**(74.75)**	**(25.60)**

Reformatted Ind As consolidated statement of assets and liabilities

Reconciliation of defined benefit obligation (DBO) :

	2020-21	2019-20	2018-19
Present value of DBO at the beginning of the year	**729.60**	625.53	487.60
Acquisition/ (Divestiture)	**(337.04)**	(8.06)	3.28
Transfer (out)/in	-	-	-
Interest cost	**41.85**	42.92	35.09
Current service cost	**124.82**	125.54	116.25
Benefits paid	**(94.32)**	(71.04)	(43.52)
Past service cost	**2.28**	2.40	-
Actuarial (gain)/loss	**21.54**	12.14	26.48
Exchange Rate Adjustment	**(0.06)**	0.17	0.35
Present value of DBO at the end of the year	**488.67**	**729.60**	**625.53**

Reconciliation of fair value of plan assets:

	2020-21	2019-20	2018-19
Fair value of plan assets at the beginning of the year	**573.50**	506.53	348.42
Contributions by Employer	**93.49**	136.34	173.19
Benefits paid	**(94.32)**	(71.04)	(43.52)
Interest income	**32.42**	32.99	24.23
Acquisition/ (Divestiture)/Curtailment	**(260.31)**	-	3.28
Return on plan asset excluding amount included in net interest on the net defined benefit liability/ (asset)	**90.00**	(31.32)	0.93
Fair value of plan assets at the end of the year	**434.78**	**573.50**	**506.53**

Annexure V

47. Retirement benefit plan (Continued)

B) Defined benefit plan (Gratuity) (Continued):

Net asset / (liability) recognised in the balance sheet:

	2021	2020	2019	2018	2017	2016
Present value of DBO	(488.67)	(729.60)	(625.53)	(487.60)	(380.66)	(320.23)
Fair value of plan assets at the end of the year	434.78	573.50	506.53	348.42	290.19	257.36
Net Liability	(53.89)	(156.10)	(119.00)	(139.18)	(90.47)	(62.87)
Less: Effect of limiting net assets to asset ceiling	(47.36)	(11.56)	(6.45)	(5.96)	(1.40)	-
Liability recognised in the balance sheet	**(101.25)**	**(167.66)**	**(125.45)**	**(145.14)**	**(91.87)**	**(62.87)**

Experience adjustments:

	2021	2020	2019	2018	2017	2016
On plan liabilities: loss / (gain)	6.74	(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:

	2020-21	2019-20	2018-19
Discount rate	**5%**	5.50%-5.90%	6.70%-7.00%
Salary escalation	**7%**	7.00%	7.00%
Employees attrition rate	**25%**	13% - 60%	13% - 60%
Mortality Rate	**IALM 2012-14 (Ultimate)**	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)

Percentage Break-down of Total Plan Assets	**2020-21**	2019-20	2018-19
Investment Funds with Insurance Company and Cash	**98%**	100%	100%
Cash and cash equivalents	**2%**	0%	0%
Total	**100%**	100%	100%

Sensitivity Analysis for FY 2020-21:

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	**(29.55)**	**31.78**	**30.84**	**(29.26)**

Sensitivity Analysis for FY 2019-20:

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 FY 2018-19:

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)

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-2021			As at 31-Mar-2020			As at 31-Mar-2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial assets									
(a) Cash and cash equivalents	38,985.15	-	38,985.15	49,425.19	-	49,425.19	31,158.21	-	31,158.21
(b) Bank balances other than cash and cash equivalents	5,659.64	2,957.27	8,616.91	32,910.90	3,759.99	36,670.89	33,396.05	-	33,396.05
(c) Derivative financial instruments	2,902.03	-	2,902.03	5,223.80	98.07	5,321.87	1,615.89	325.01	1,940.90
(d) Stock in trade (securities held for trading)	15,727.80	18.96	15,746.76	17,458.07	-	17,458.07	39,136.66	-	39,136.66
(e) Trade Receivables	3,679.35	1,381.14	5,060.49	9,886.37	3,166.01	13,052.38	24,277.91	3,262.15	27,540.06
(f) Loans	55,199.99	1,63,905.47	2,19,105.46	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	34,977.31	79,785.71	1,14,763.02	12,029.33	70,636.69	82,666.02	24,403.17	63,587.30	87,990.47
(h) Other financial assets	11,423.86	1,204.21	12,628.07	7,082.78	1,219.55	8,302.33	1,511.45	4,587.06	6,098.51
Total financial assets (A)	**1,68,555.13**	**2,49,252.76**	**4,17,807.89**	**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	-	3,393.36	3,393.36	-	2,944.42	2,944.42	34.54	2,851.65	2,886.19
(c) Current tax assets (net)	1,221.48	5,996.66	7,218.14	870.13	4,969.65	5,839.78	4,326.64	-	4,326.64
(d) Deferred tax assets (net)	7.46	9,577.53	9,584.99	-	9,564.75	9,564.75	-	4,905.87	4,905.87
(e) Investment property	-	3,394.63	3,394.63	-	4,457.27	4,457.27	-	3,144.51	3,144.51
(f) Property, Plant and Equipment	0.09	12,281.18	12,281.27	128.98	14,883.60	15,012.58	-	5,477.86	5,477.86
(g) Capital work in progress	7.93	-	7.93	-	111.56	111.56	-	102.94	102.94
(h) Intangible assets under development	1.32	122.85	124.17	-	320.79	320.79	-	333.90	333.90
(i) Goodwill	-	663.35	663.35	-	1,723.41	1,723.41	-	1,742.72	1,742.72
(j) Other Intangible assets	-	1,467.74	1,467.74	-	2,255.79	2,255.79	-	2,282.58	2,282.58
(k) Other non- financial assets	1,719.00	2,087.66	3,806.66	1,559.52	2,073.71	3,633.23	2,462.76	834.19	3,296.95
Total non-financial assets (B)	**2,957.28**	**38,984.96**	**41,942.24**	**2,994.72**	**43,304.95**	**46,299.67**	**8,515.26**	**21,676.22**	**30,191.48**
TOTAL ASSETS (C = A+B)	**1,71,512.41**	**2,88,237.72**	**4,59,750.13**	**2,16,537.15**	**3,26,266.06**	**5,42,803.21**	**2,79,565.85**	**3,61,969.59**	**6,41,535.44**

	As at 31-Mar-2021			As at 31-Mar-2020			As at 31-Mar-2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES									
Financial liabilities									
(a) Derivative financial instruments	1,620.56	224.95	1,845.51	3,786.06	26.42	3,812.48	1,349.78	579.73	1,929.51
(b) Trade Payables	4,605.05	289.73	4,894.78	12,833.60	-	12,833.60	19,752.83	-	19,752.83
(c) Insurance claims payable	194.41	-	194.41	74.52	-	74.52	45.61	-	45.61
(d) Debt securities	55,292.93	1,19,565.61	1,74,858.54	44,038.91	1,63,546.15	2,07,585.06	75,245.44	1,70,665.04	2,45,910.48
(e) Borrowings (other than debt securities)	54,383.78	39,934.41	94,318.19	72,727.10	60,483.45	1,33,210.55	1,02,166.46	88,287.05	1,90,453.51
(f) Deposits	96.01	-	96.01	2,168.97	-	2,168.97	1,390.38	46.38	1,436.76
(g) Subordinated Liabilities	-	15,087.75	15,087.75	4,655.06	18,953.75	23,608.81	1,003.39	22,673.19	23,676.58
(h) Other financial liabilities	10,406.75	31,050.42	41,457.17	25,860.84	23,389.70	49,250.54	32,106.44	7,020.54	39,126.98
Total financial liabilities (D)	**1,26,599.49**	**2,06,152.87**	**3,32,752.36**	**1,66,145.06**	**2,66,399.47**	**4,32,544.53**	**2,33,060.33**	**2,89,271.93**	**5,22,332.26**
Non-financial liabilities									
(a) Current tax liabilities (net)	237.28	15.72	253.00	626.28	280.02	906.30	1,435.14	-	1,435.14
(b) Provisions	975.43	143.12	1,118.55	104.94	246.17	351.11	122.05	205.66	327.71
(c) Provision for policyholders' liabilities	-	43,549.30	43,549.30	-	30,076.82	30,076.82	-	24,492.79	24,492.79
(d) Deferred tax liabilities (net)	0.38	2,157.24	2,157.62	-	2,643.73	2,643.73	-	2,532.70	2,532.70
(e) Other non-financial liabilities	3,135.67	13.68	3,149.35	4,169.82	40.13	4,209.95	3,106.62	158.31	3,264.93
Total non-financial liabilities (E)	**4,348.76**	**45,879.06**	**50,227.82**	**4,901.04**	**33,286.87**	**38,187.91**	**4,663.81**	**27,389.46**	**32,053.27**
TOTAL LIABILITIES (F = D+E)	**1,30,948.25**	**2,52,031.93**	**3,82,980.18**	**1,71,046.10**	**2,99,686.34**	**4,70,732.44**	**2,37,724.14**	**3,16,661.39**	**5,54,385.53**
NET TOTAL ASSETS / (LIABILITIES) (C-F)	**40,564.16**	**36,205.79**	**76,769.95**	**45,491.05**	**26,579.72**	**72,070.77**	**41,841.71**	**45,308.20**	**87,149.91**

49. Changes in liabilities arising from financing activities

Particulars	01-Apr-20	Cash flows	Changes in fair values	Exchange difference	Others**	31-Mar-21
Borrowings*	3,66,573.39	(89,797.69)	-	-	7,584.79	2,84,360.49
Total liabilities from financing activities	**3,66,573.39**	**(89,797.69)**	-	-	7,584.79	**2,84,360.49**

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.

Annexure V

50. Contingent liabilities, commitments and leasing arrangements:

50.1 Contingent liabilities and commitments

- Taxation matters in respect of which appeal is pending FY 2020-21 : ₹ 1,174.52 million (FY 2019-20: ₹ 1,488.26 million and FY 2018-19 : ₹ 865.06 million).
- Litigation pending against Group amounts to ₹ 195.61 million for FY 2020-21: (FY 2019-20: ₹ 194.78 million and FY 2018-19 : ₹ 668.00 million).
- Claims not acknowledged as debt FY 2020-21:₹ 2.54 million (FY 2019-20: ₹ 91.99 million and FY 2018-19 : ₹ 54.87 million).

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, ₹ 5,409.25 million as at balance sheet date (FY 2019-20: ₹ 18,118.83 million and FY 2018-19 : ₹ 43,626.81 million).
- Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 432.60 million (FY 2019-20: ₹ 374.87 million and FY 2018-19: ₹ 555.83 million).
- Uncalled liabilities on Investment ₹ 2,288.36 million (FY 2019-20: ₹ 3,357.63 million and FY 2018-19: ₹ Nil million).

Annexure V

50.2. Leases

1) This note provides information for leases where the group is a lessee. Group has not given any property on lease

Set out below are the carrying amounts of lease liabilities and the movements	As at 31 March 2021	As at 31 March 2020
Opening balance as at	2,398.43	2,478.92
Addition / disposal during year	(1,454.82)	247.03
Accretion of interest	93.26	221.45
Lease payment for the year	(236.65)	(548.97)
Closing balance as at	**800.22**	**2,398.43**

2) The statement of profit or loss shows the following amounts relating to leases

Particulars	Mar-21	Mar-20
Depreciation on ROU of assets	215.25	521.63
Reversal of lease pre-closure	52.83	-
Interest cost	93.26	221.45
Expenses related to short term lease	213.70	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 million.

51 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure":

	31-Mar-21	31-Mar-20	31-Mar-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. 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 - Vice Chairman & Executive Director	Mr. Venkatchalam Ramaswamy - Vice Chairman & Executive Director	Mr. Venkatchalam Ramaswamy - Vice Chairman & 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
	Mr. S. Ranganathan - Chief Financial Officer (up to 31 October 2020)	Mr. S. Ranganathan - Chief Financial Officer	Mr. S. Ranganathan - Chief Financial Officer
	Mr. Sarju Simaria - Chief Financial Officer (w.e.f. 01 November 2020)		
(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 Mody	Ms. Shilpa Mody	Ms. Shilpa Mody
	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. Neel Shah	Mr. Neel Shah	Mr. Neel Shah
	Mr. Nalin Kaji	Mr. Nalin Kaji	Mr. Nalin Kaji
	Ms. Shabnam Panjwani	Ms. Shabnam Panjwani	Ms. Shabnam Panjwani
	Ms. Avanti Shah	Ms. Avanti Shah	
(D)	**Enterprises over which Promoter / KMPs / Relatives exercise significant influence, with whom transactions have taken place**		
	Spire Investment Advisors LLP	Spire Investment Advisors LLP	Spire Investment Advisors LLP
	Mabella Investment Adviser LLP	Mabella Investment Adviser LLP	Mabella Investment Adviser LLP
	Shah Family Discretionary Trust	Shah Family Discretionary Trust	Shah Family Discretionary Trust
	Kenai Advisors LLP	Kenai Advisors LLP	
(E)	**Associates with whom transactions have taken place**		
	Edelweiss Securities Limited (w. e. f. 27th March 2021)		
	Subsidiaries of Edelweiss Securities Limited		
	Edelweiss Finance & Investments Limited		
	Edelweiss Broking Limited		
	Edelweiss Custodial Services Limited		
	Edelweiss Securities (Hong Kong) Private Limited		
	Edelweiss Investment Advisors Private Limited		
	Edelweiss Financial Services Inc		
	Edelweiss Financial Services (UK) Limited		
	Edelweiss Securities (IFSC) Limited		
	ESL Securities Limited		
			Allium Finance Private Limited (upto 28 November 2018)
(F)	**Independent Directors**		
	Mr. Berjis Desai	Mr. Berjis Desai	Mr. Berjis Desai
	Mr. Biswamohan Mahapatra	Mr. Biswamohan Mahapatra	Mr. Biswamohan Mahapatra
	Mr. Kunnasagaran Chinniah	Mr. Kunnasagaran Chinniah	Mr. Kunnasagaran Chinniah
	Mr. Navtej S. Nandra	Mr. Navtej S. Nandra	Mr. Navtej S. Nandra
	Mr. P N Venkatachalam	Mr. P N Venkatachalam	Mr. P N Venkatachalam
	Mr. Ashok Kini	Mr. Ashok Kini	Mr. Ashok Kini
	Dr. Ashima Goyal	Dr. Ashima Goyal (from 01 April 2019)	
		Mr. Sanjiv Mishra (Upto 24 January 2019)	Mr. Sanjiv Mishra
(G)	**Other Directors**		
	Ms. Anita M George	Ms. Anita M George	

51 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure" (Continued):

Transactions and balances with Related Parties:

Sr.No	Nature of Transaction	Related Party Name	31-Mar-21	31-Mar-20	31-Mar-19
1	**Short term loans given to**	Mr. Venkatchalam Ramaswamy	**12.37**	34.02	-
		Ms. Aparna T. C.	**649.72**	353.28	468.56
		Mabella Investment Advisor LLP	**1,036.39**	1,087.89	488.91
		Kenai Advisors LLP	**36.88**	62.78	-
		Mr. S. Ranganathan	**-**	5.00	-
2	**Redemption of Preferenc Share (including premium and dividend)**	Mr. Rujan Panjwani	**3.84**	-	-
		Ms. Shabnam Panjwani	**1.67**	-	-
3	**Short term loans given repaid by**	Mr. Venkatchalam Ramaswamy	**22.12**	24.27	-
		Ms. Aparna T. C.	**412.97**	347.16	468.56
		Mabella Investment Advisor LLP	**1,063.09**	565.03	488.91
		Mr. Rujan Panjwani	**-**	-	6.00
		Kenai Advisors LLP	**37.09**	62.56	-
		Mr. S. Ranganathan	**5.00**	-	-
4	**Dividend paid on Equity Shares**	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
5	**Interest income on loan**	Mr. Venkatchalam Ramaswamy	**0.23**	0.25	-
		Ms. Aparna T. C.	**24.72**	7.82	1.87
		Mr. Rujan Panjwani	-	-	0.01
		Mabella Investment Advisor LLP	**69.93**	28.62	2.22
		Kenai Advisors LLP	**1.37**	0.60	-
		Mr. S. Ranganathan	**0.21**	-	-
6	**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
7	**Remuneration to**	Mr. Rashesh Shah	**11.48**	50.19	140.66
		Mr. Rujan Panjwani	**11.29**	38.19	79.28
		Mr. Himanshu Kaji	**10.77**	36.91	74.93
		Mr. Venkatchalam Ramaswamy	**9.36**	35.63	63.10
		Ms. Shabnam Panjwani	**8.29**	12.92	9.21
		Ms. Vidya Shah	**1.84**	4.24	4.05
		Mr. Neel Shah	**-**	1.27	1.96
		Mr. Sarju Simaria	**4.55**	-	-
		Mr. S. Ranganathan	**5.79**	25.18	39.69
8	**Sitting fees paid to**	Mr. Berjis Desai	**0.52**	0.26	0.26
		Mr. Biswamohan Mahapatra	**0.86**	1.02	0.28
		Mr. Kunnasagaran Chinniah	**1.66**	0.96	0.40
		Mr. Navtej S. Nandra	**0.78**	0.68	0.30
		Mr. P N Venkatachalam	**2.20**	2.00	0.48
		Mr. Sanjiv Misra	-	-	0.28
		Dr. Ashima Goyal	**0.12**	0.10	-
		Mr. Ashok Kini	**0.30**	0.47	-

51 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure" (Continued):

Transactions and balances with Related Parties:

Sr.No	Nature of Transaction	Related Party Name	31-Mar-21	31-Mar-20	31-Mar-20
9	**Commission paid to**	Mr. Berjis Desai	**0.50**	1.00	1.30
		Mr. Biswamohan Mahapatra	**0.50**	1.00	1.30
		Mr. Kunnasagaran Chinniah	**0.50**	1.00	1.30
		Mr. Navtej S. Nandra	**0.50**	1.00	1.30
		Mr. P N Venkatachalam	**0.50**	1.00	1.30
		Mr. Sanjiv Misra	**-**	-	1.30
		Mr. Sunil Mitra	-	-	1.30
		Dr. Ashima Goyal	**0.50**	-	-
		Mr. Ashok Kini	**0.50**	-	-
10	**Branding fees received from**	Edelweiss Securities Limited	**0.34**	**-**	**-**
11	**Brokerage expenses paid to**	Edelweiss Securities Limited	**0.48**	**-**	**-**
12	**Clearing charges expenses paid to**	Edelweiss Custodial Services Limited	**0.15**	**-**	**-**
13	**Commission and brokerage received from**	Edelweiss Finance & Investments Limited	**0.08**	**-**	**-**
14	**Corporate Guarantee support fee income**	Edelweiss Finance & Investments Limited	**0.02**	-	-
15	**Cost reimbursement received from**	Edelweiss Broking Limited	**3.15**	-	-
		Edelweiss Custodial Services Limited	**5.94**	-	-
		Edelweiss Finance & Investments Limited	**0.69**	-	-
		Edelweiss Securities Limited	**1.99**	-	-
		ESL Securities Limited	**0.04**	-	-
		Allium Finance Private Limited	-	-	0.20
16	**Cost reimbursement paid to**	Edelweiss Broking Limited	**(0.06)**	-	-
		Edelweiss Custodial Services Limited	**0.03**	-	-
		Edelweiss Securities Limited	**2.78**	-	-
17	**Equity segment payin**	Edelweiss Securities Limited	**616.32**	-	-
18	**Custody Fees expenses paid to**	Edelweiss Custodial Services Limited	**0.76**	-	-
19	**Equity segment payout**	Edelweiss Securities Limited	**1,192.42**	-	-
20	**ESOP/SAR charges received from**	Edelweiss Custodial Services Limited	**0.01**	-	-
		Edelweiss Securities Limited	**0.53**	-	-
		ESL Securities Limited	**0.07**	-	-
21	**Fee & commision expenses paid to**	Edelweiss Broking Limited	**9.15**	-	-
22	**Fixed assets sold to**	Edelweiss Broking Limited	**5.64**	-	-
		Edelweiss Custodial Services Limited	**0.14**	-	-
23	**Fund Accounting Fee expenses paid to**	Edelweiss Custodial Services Limited	**0.09**	-	-
24	**Interest income on loan given to**	Edelweiss Broking Limited	**0.10**	-	-
		Edelweiss Finance & Investments Limited	**4.25**	-	-
25	**Interest income on margin placed with**	Edelweiss Custodial Services Limited	**0.16**	-	-
26	**Interest expense on margin shortfall paid to**	Edelweiss Custodial Services Limited	**4.16**	-	-
27	**Interest paid on debentures to**	Edelweiss Finance & Investments Limited	**0.27**	-	-
28	**Loan repaid by (Actual Basis)**	Edelweiss Broking Limited	**120.00**	-	-
29	**Loan repaid by (Max Basis)**	Edelweiss Broking Limited	**120.00**	-	-
30	**Margin placed with**	Edelweiss Custodial Services Limited	**7,781.02**	-	-
31	**Margin placed with (Max basis)**	Edelweiss Custodial Services Limited	**181.37**	-	-
32	**Margin placed by**	Edelweiss Finance & Investments Limited	**5.13**	-	-
33	**Margin repaid by**	Edelweiss Custodial Services Limited	**6,898.95**	-	-

51 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure" (Continued):

Transactions and balances with Related Parties:

Sr.No	Nature of Transaction	Related Party Name	31-Mar-21	31-Mar-20	31-Mar-20
34	**Margin repaid by (Max basis)**	Edelweiss Custodial Services Limited	**511.05**	-	-
35	**Margin repaid to**	Edelweiss Finance & Investments Limited	**0.13**	-	-
36	**Other expense**	Edelweiss Financial Services Inc	**(0.01)**	-	-
37	**Sale of securities to**	Edelweiss Finance & Investments Limited	**10.58**	-	-
38	**Reimbursement paid to**	Edelweiss Broking Limited	**0.07**	-	-
39	**Reimbursements received from**	Edelweiss Broking Limited	**0.16**	-	-
		Edelweiss Securities (IFSC) Limited	**0.18**	-	-
		ESL Securities Limited	**0.01**	-	-
40	**Research Services Fees expenses**	Edelweiss Securities Limited	**2.10**	-	-

Sr.No	Balances	Related Party Name	31-Mar-21	31-Mar-20	31-Mar-20
1	**Preference shares held by**	Mr. Rujan Panjwani	**-**	2.30	2.30
		Ms. Shabnam Panjwani	**-**	1.00	1.00
2	**Short Term Loan Given to**	Mr. Venkatchalam Ramaswamy	**-**	9.75	-
		Ms. Aparna T. C.	**242.87**	6.12	-
		Mabella Investment Advisor LLP	**496.16**	522.86	-
		Kenai Advisors LLP	**0.01**	0.22	-
		Mr. S. Ranganathan	**-**	5.00	-
3	**Investment in Equity Shares of**	Edelweiss Securities Limited	**124.52**	-	-
4	**Accrued interest income on margin placed with**	Edelweiss Custodial Services Limited	**7.91**	-	-
5	**Accrued interest expenses on debentures issued to**	Edelweiss Finance & Investments Limited	**0.28**	-	-
6	**Corporate guarantee given to**	Edelweiss Custodial Services Limited	**14,500.00**	-	-
		Edelweiss Finance & Investments Limited	**145.79**	-	-
7	**Interest accrued on loan give to**	Edelweiss Broking Limited	**2.01**	-	-
		Edelweiss Finance & Investments Limited	**7.32**	-	-
8	**Margin placed by**	Edelweiss Finance & Investments Limited	**5.00**	-	-
9	**Margins receivable from clients**	Edelweiss Custodial Services Limited	**1,537.02**	-	-
10	**Debentures issued to**	Edelweiss Finance & Investments Limited	**90.38**	-	-
11	**Short term loans given to**	Edelweiss Finance & Investments Limited	**3,355.00**	-	-
12	**Trade & other payable to**	Edelweiss Broking Limited	**55.35**	-	-
		Edelweiss Custodial Services Limited	**73.83**	-	-
		Edelweiss Finance & Investments Limited	**22.64**	-	-
		Edelweiss Financial Services Inc	**0.70**	-	-
		Edelweiss Securities (IFSC) Limited	**0.06**	-	-
		Edelweiss Securities Limited	**82.00**	-	-
		ESL Securities Limited	**1.97**	-	-
13	**Trade and other receivable from**	Edelweiss Broking Limited	**55.71**	-	-
		Edelweiss Custodial Services Limited	**9.31**	-	-
		Edelweiss Finance & Investments Limited	**11.82**	-	-
		Edelweiss Financial Services Inc	**0.03**	-	-
		Edelweiss Financial Services (UK) Limited	**0.02**	-	-
		Edelweiss Investment Advisors Private Limited	**3.07**	-	-
		Edelweiss Securities (Hong Kong) Private Limited	**0.04**	-	-
		Edelweiss Securities (IFSC) Limited	**0.01**	-	-
		Edelweiss Securities Limited	**398.40**	-	-
		ESL Securities Limited	**5.93**	-	-

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.

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.

Total debt includes debt securities, borrowings (other than debt securities), deposits and subordinated liabilities.

No changes were made in the objectives, policies or processes during the financial years ended 31 March 2021, 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-21**	31-Mar-20	31-Mar-19
Total Debt	**2,84,360.49**	3,66,573.39	4,61,477.33
Equity	**76,769.95**	72,070.77	87,149.91
Net Debt to Equity	**3.70**	5.09	5.30

Annexure V

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 2021, 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 2021	1,67,80,500	-	1,82,60,651
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

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 2020-21, FY 2019-20 and FY 2018-19

Number of options	2020-21			2019-20			2018-19		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total	ESOP 2010	ESOP 2011	Total
Outstanding at the start of the year	1,12,30,000	2,11,26,689	3,23,56,689	-	2,05,88,627	2,05,88,627	14,73,000	3,34,51,874	3,49,24,874
Granted during the year*	64,25,500	19,56,500	83,82,000	1,16,25,000	40,85,000	1,57,10,000		41,53,750	41,53,750
Exercised during the year	-	(19,70,150)	(19,70,150)	-	(17,46,763)	(17,46,763)	(14,62,850)	(1,52,07,822)	(1,66,70,672)
Lapsed/ cancelled during the year	(8,75,000)	(28,52,388)	(37,27,388)	(3,95,000)	(18,00,175)	(21,95,175)	(10,150)	(18,09,175)	(18,19,325)
Outstanding at the end of the year*	**1,67,80,500**	**1,82,60,651**	**3,50,41,151**	**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	-	1,15,42,051	1,15,42,051	-	1,12,41,676	1,12,41,676	-	1,05,55,675	1,05,55,675

*Includes FY2020-21: SAR 2019 515,000, ESOP Nil (FY2019-20:SAR 2019 515,000, ESOP 2011 1,670,825 and FY 2018-19:ESOP 2011 2,090,800) approved but not granted.

Annexure V

53. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans (Continued)

Weighted Average Exercise Price for FY 2020-21, FY 2019-20 and FY 2018-19

Weighted Average Exercise Price (₹)	31-Mar-21		31-Mar-20		31-Mar-19	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011	ESOP 2010	ESOP 2011
Outstanding at the start of the year	178.75	131.80	NA	117.34	49.41	57,84
Granted during the year	61.00	61.00	180.26	168.04	-	294.67
Exercised during the year	-	35.10	-	47.27	49.41	49.65
Lapsed/ cancelled during the year	166.29	161.03	180.65	127.91	48.56	122.76
Outstanding at the end of the year	132.90	132.00	178.75	131.80	-	117.34
Exercisable at the end of the year	NA	110.14	NA	78.84	-	51.27
Weighted Average Share price at the exercise date	NA	35.17	NA	47.61	49.91	39.61

Outstanding Options as at 31 March - 2021, 31 March 2020 and 31 March 2019

	31-Mar-21		31-Mar-20		31-Mar-19	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011	ESOP 2010	ESOP 2011
Number of options outstanding	1,67,80,500	1,82,60,651	1,12,30,000	2,11,26,689	-	2,05,88,627
Weighted average strike price (₹)	132.90	132.00	178.75	131.80	-	117.34
Weighted average remaining lifetime of options (in years)	2.70	0.45	3.18	0.54	-	0.55
Number of employees covered under the scheme	182	326	132	372	-	446

Options granted during FY 2020-21, FY 2019-20 and FY 2018-19

	31-Mar-21		31-Mar-20		31-Mar-19	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011	ESOP 2010	ESOP 2011
Number of options granted	64,25,500	19,56,500	1,16,25,000	40,85,000	NA	41,53,750
Weighted average strike price (in ₹)	61.00	61.00	180.26	168.04	NA	294.67
Weighted average remaining lifetime of options (in years)	4.00	3.50	4.00	3.50	NA	3.50
Number of employees covered under the scheme	155	115	132	216	NA	179
Weighted Average Fair value per option (in ₹)	28.23	27.24	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 2020-21, FY 2019-20 and FY 2018-19

	31-Mar-21		31-Mar-20		31-Mar-19	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011	ESOP 2010	ESOP 2011
Weighted average share price (in ₹)	132.93	133.01	180.17	133.12	NA	116.93
Weighted average strike price (in ₹)	132.90	132.00	178.75	131.80	NA	117.34
Weighted average remaining lifetime of options (in years)	2.70	0.45	3.18	0.54	NA	0.55
Expected volatility (% p.a.)	56% - 72% p.a.	35% - 72% p.a.	56% - 62% p.a.	35% - 62% p.a.	NA	33% - 54% p.a.
Risk-free discount rate (% p.a.)	4.3% - 6.9% p.a.	4.3% - 8.5% p.a.	5.4% - 6.9% p.a.	5.4% - 8.5% p.a.	NA	6% - 8.5% p.a.
Expected dividend yield (% p.a.)	0.7% - 2.4% p.a.	0.4% - 3.1% 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-21			31-Mar-20			31-Mar-19		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total	ESOP 2010	ESOP 2011	Total
Charges during the year due to share based payments	195.72	139.42	335.14	148.93	242.03	390.96	(2.57)	228.04	225.47
Liability due for share based payments	344.64	783.64	1,128.28	148.93	669.25	818.18	-	460.59	460.59
Intrinsic value of the liability above	6.51	33.76	40.27	-	-	-	-	-	-

Annexure V

54. Events after reporting date

Sale of loans to Asset Reconstruction Company (ARC) (FY 2020-21)

Three NBFCs in the Group had initiated sale of certain credit impaired financial assets before 31 March 2021 and for which definitive contracts were executed post the balance sheet date. These financial assets sold after 31 March 2021, amounted to ₹ 6,862.40 million to asset reconstruction companies trusts (ARC Trust). 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, on account of subsequent sale to and recovery from ARC Trusts of such credit impaired assets, management has recorded such financial assets as recoverable and not as credit impaired financial assets. EFSL, the holding Company has, undertaken substantially all risks and rewards in respect of these financial assets aggregating to ₹ 5,221.70 million. As at 31 March 2021, there are no impact on the Reformatted Ind AS Consolidated Financial information of the Group other than expected credit loss recorded in the reformatted Ind AS consolidated statement of Profit and Loss for the year ended 31 March 2021 amounting to ₹ 170.60 million.

Sale of loans to AIF trusts (FY 2020-21)

Two NBFCs in the Group had initiated sale of certain financial assets before 31 March 2021 and for which definitive contracts were executed post the balance sheet date. These financial assets sold after 31 March 2021, amounted to ₹ 3,439.60 million to AIF 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 assessed that such loans sold by these subsidiaries after 31 March 2021 had an increased risk but were not credit impaired. As at 31 March 2021, there are no impact on the Reformatted Ind AS Consolidated Financial information of these subsidiaries, as they have not incurred any loss on sale of these financial assets.

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 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 31 March 2020 had an increased risk but were not credit impaired. Of the above, on ₹ 8,450.00 million 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 million under certain contingencies as per the agreement. Further, on financial assets amounting to ₹ 8,120.00 million 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 million.

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")the holly 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.

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

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-21**			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets)				
Exchange-traded derivatives	**2,625.87**	**206.24**	**-**	**2,832.11**
OTC derivatives	**-**	**177.56**	**-**	**177.56**
Embedded derivatives in market-linked debentures issued	**-**	**-**	**23.79**	**23.79**
Total derivative financial instruments (assets)	**2,625.87**	**383.80**	**23.79**	**3,033.46**
Stock-in-trade				
Government Securities	**8,636.63**	**-**	**-**	8,636.63
Debt Securities	**181.88**	**12.90**	**52.15**	246.93
Mutual Fund	**1,136.21**	**-**	**-**	1,136.21
Equity Instruments	**5,721.59**	**-**	**5.40**	5,726.99
Preference Shares	**-**	**-**	**-**	-
Total Stock-in-trade	**15,676.31**	**12.90**	**57.55**	**15,746.76**
Investments				
Government securities	**90.17**	**22,963.85**	**-**	23,054.02
Debt securities	**502.63**	**7,423.21**	**1,562.76**	9,488.60
Mutual fund units	**2,053.87**	**-**	**-**	2,053.87
Security receipts	**-**	**-**	**37,472.98**	37,472.98
Units of AIF	**19.51**	**-**	**9,765.93**	9,785.44
Equity instruments	**9,763.01**	**1,058.71**	**17,393.66**	28,215.38
Preference Shares	**28.15**	**-**	**1,759.12**	1,787.27
Others	**958.17**	**-**	**226.48**	1,184.65
Total investments measured at fair value	**13,415.51**	**31,445.77**	**68,180.93**	**1,13,042.21**
Loans and other financial assets measured at fair value	**-**	**-**	**2,089.30**	**2,089.30**
Property Plant and equipment	**-**	**-**	**12,245.20**	**12,245.20**
Total financial assets measured at fair value on a recurring basis	**31,717.69**	**31,842.47**	**82,596.77**	**1,46,156.93**

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
Total 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

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
Total 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-21**			
	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments (liabilities):				
Exchange-traded derivatives	658.50	68.33	-	**726.83**
OTC derivatives	-	633.32	-	**633.32**
Embedded derivative liabilities in market-linked debentures	-	-	1,373.35	**1,373.35**
Non convertible debentures issued	-	-	8,750.76	**8,750.76**
Short sales	529.70	-	-	**529.70**
Total financial liabilities measured at fair value on a recurring basis	**1,188.20**	**701.65**	**10,124.11**	**12,013.96**

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**

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 activity 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.

Annexure V

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 measured 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.

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 2021, 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.

	31-Mar-21				
Particulars	**Total Carrying Amount**	**Total fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets:					
Loans	2,17,016.16	2,12,616.84	-	-	2,12,616.84
Financial liabilities					
Debt securities	1,66,107.78	1,74,989.81	38,382.72	1,10,816.61	25,790.48
Borrowing (other than debt securities)	94,318.19	94,321.42	233.27	27,121.11	66,967.04
Subordinated liabilities	15,087.75	15,037.27	-	15,037.27	-
Off-balance sheet items					
Loan commitments	5,235.05	4,729.19	-	-	4,729.19

	31-Mar-20				
Particulars	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	2,78,127.58	2,81,767.78	-	-	2,81,767.78
Financial liabilities					
Debt securities	1,96,805.33	2,07,562.29	28,596.10	1,40,369.16	38,597.03
Borrowing (other than debt securities)	1,33,210.55	1,33,216.52	4,251.82	35,787.24	93,177.45
Subordinated liabilities	23,608.81	25,842.30	-	25,842.30	-
Off-balance sheet items					
Loan commitments	17,916.64	16,937.41	-	-	16,937.41

	31-Mar-19				
Particulars	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 Consolidated 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.

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.

	Financial assets					**Financial liabilities**			
	Security Receipts	**Equity & Preference**	**Debt Securities**	**AIFs**	**Loans classified as FVTPL**	**Derivative financial assets**	**Others**	**Derivative financial liabilities**	**Non-convertible debentures issued**
As at 31-Mar-2020	**42,646.81**	**3,420.33**	**581.91**	**4,269.90**	**5,479.21**	**2,637.76**	**-**	**735.01**	**10,779.73**
Purchases	11,911.63	18,594.19	2,257.71	9,344.59	33.75	-	226.48		-
Sales*	(14,351.91)	(2,942.62)	(1,201.43)	(4,166.90)	(111.44)	(1.35)	-	(50.41)	-
Issuance	-	-	-	-	-	23.92	-	507.89	-
Settlements	-	-	-	(48.09)	-	(1,774.13)	-	(626.42)	(2,187.03)
Gain / Loss	(2,733.55)	86.28	(23.28)	366.43	(3,312.22)	(862.41)	-	807.28	158.06
As at 31-Mar-2021	**37,472.98**	**19,158.18**	**1,614.91**	**9,765.93**	**2,089.30**	**23.79**	**226.48**	**1,373.35**	**8,750.76**
Unrealised Gain / Loss	**(3,853.54)**	**(34.18)**	**(75.19)**	**219.88**	**(3,268.54)**	**(757.40)**	**-**	**(583.66)**	**1,604.11**
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)	(412.29)	(1,439.92)	(113.73)	-	-	-	-
Issuance	-	-	-	-	-	(760.01)	-	13.56	152.00
Settlements	-	-	(21.50)	(626.51)	-	357.48	-	(310.07)	(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**	**581.91**	**4,269.90**	**5,479.21**	**2,637.76**	**-**	**735.01**	**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	-	-	-	-

*includes financial assets & financial liabilities derecognised

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 March 2021

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	₹ 850 to ₹ 987 per security receipt	5%	91.77	5%	(91.77)
	Discounted projected cash flow	Cash Flow	₹ 397158.71 million	5%	2,254.42	5%	(2,251.65)
		Discount rates	12%	50 basis point	(278.82)	50 basis point	286.70
Investments in units of AIF	Net Asset approach	Fair value of underlying	₹ 92370.10 million	5%	412.22	5%	(412.22)
			₹ 14 to ₹ 2,30,419 per Unit	5%	234.33	5%	(234.33)
			NAV per unit ₹1,307.98 - ₹ 10,015	5%	0.38	5%	(0.38)
			₹ 249.80 million	5%	12.49	5%	(12.49)
Investments in unquoted equity shares and preference shares categorised at Level 3	Comparable transaction and P/E	Fair value per share	₹ 1,080 per shares	5%	29.49	5%	(29.49)
			₹ 135 to ₹ 209,453 per share	5%	10.48	5%	(10.48)
			₹ 2 to ₹ 34,418 per share	5%	1.05	5%	(1.05)
			₹ 209,453 per share	5%	11.06	5%	(11.06)
			₹ 3,591 per unit	5%	5.37	5%	(5.37)
			₹ 42.85 per share	5%	58.47	5%	(58.47)
			₹ 50 to ₹ 209,453 per share	5%	4.13	5%	(4.13)
				5%	0.05	5%	(0.05)
Loans classified as FVTPL	Comparable transaction and P/E	Discounting rate	15% - 20%	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets docs 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 docs not have a significant impact in its value
Warrants	Comparable transaction and P/E	Fair value of underlying investments		5%	5.60	5%	(5.60)
Debt investments classified at FVTPL	Discounted cash flow	Discount rate	17.47%	5%	(1.00)	5%	1.00
		Expected future cash flows	₹ 13,98,496 per NCD	5%	9.30	5%	(9.30)
		Fair value per instrument	₹ 98,69,011 per NCD	5%	67.25	5%	(67.25)
		Fair value per instrument	₹ 10,000 per NCD	5%	2.00	5%	(2.00)
	Fair value of index	Price per debenture	₹ 1,03,424 to ₹ 1,08,423 per debenture	5%	2.61	5%	(2.61)
Embedded derivatives in market-linked debentures issued (Assets/ liability) (net)	Fair value of index	Index levels		5%	(56.87)	5%	56.87
	Fair value using Black Scholes model or Monte Carlo approach based on	Nifty level	₹ 14690.70 million	5%	77.70	5%	(64.30)
		Risk-adjusted discount rate	4.50% to 6%	1%	17.70	1%	(16.60)
Debt Securities (Liability)	Discounted projected cash flow	Cash Flow	₹ 143272.94 million	7,163.65	340.15	(7,163.65)	(340.15)
		Discount rates	12%	0.50%	-98.85	0.50%	101.31
Land, Flats and Buildings	Discounted projected cash flow	Cash Flow	-	5%	-	5%	-
		Discount rates	12%	50 basis point	-	50 basis point	-

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
Investments in security receipts	Net asset value method	NAV per security receipt	-	5%	0.0025	5%	(0.0025)
			-	-	-	-	-
	Discounted projected cash flow	Cash Flow	5,24,105.72	5%	3,791.53	5%	(3,791.53)
		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 million to ₹ 12,035.98 million	5%	19.47	5%	(19.47)
			NAV per unit ₹ 498.72	5%	1.17	5%	(1.17)
			₹ 5,779.93 million	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)

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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 docs 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 docs not have a significant impact in its value
Embedded derivatives in market-linked debentures issued (asset) (net)	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Nifty levels	₹ 8,597.75 million	5%	11.36	5%	(11.36)
			0.05	5%	1.99	5%	(1.99)
			-	5%	28.19	5%	(28.19)
		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 million	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	-

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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 million	5%	6.21	5%	(6.21)
			₹ 1,392.33 million to ₹ 13,329.35 million	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)
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 million	5%	986.01	5%	(917.30)
		Discount rates	12.00%	50 basis points	(253.60)	50 basis points	281.26

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
   - **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
   - **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

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 EGICL 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 EGICL 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.

The Insurance Regulatory and Development Authority (IRDAI) vide its circular number IRDA/F&A/GDL/CG/100/05/2016 dated 18 May 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

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.

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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.

56.4. Risk management framework of General Insurance ("EGICL") (Continued)

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.

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 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.

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.

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.

ETLIFE undertakes Asset Liability Management to reduce interest rate risk. The company uses expected future cashflows from already written policies and investments to assess the interest rate risk. The ETLIFE enters into interest rate derivative contracts, solely to hedge the residual interest rate risk. Derivatives are financial instruments which attempt to mimic the economic performance of an underlying asset, security or portfolio. Interest rate derivatives include forward rate agreement, interest rate futures and Interest rate swaps.

ETLIFE uses Forward Rate agreements and Interest rate futures to minimise the exposure to fluctuations in interest rates on plan assets and liabilities. ETLIFE has a Board approved Derivative policy covering strategic objectives, limits, regulatory and operational framework. It underscores risks inherent in a derivative contract along with a system for measurement and accounting in order to have effective monitoring and control.

Hedge effectiveness is determined based on the principles laid down in the Guidance note on Derivatives issued by The Institute of Chartered Accountants of India. ETLIFE uses regression analysis to determine Hedge effectiveness. If the hedge is ineffective, then the movement in the Fair Value is charged to the Profit and Loss Account. However, if the hedge is effective, further the effective and ineffective portion of the movement in the Fair Value of the Underlying and the derivative instrument is determined by the Dollar Offset method. The effective portion is transferred to 'Fair Value change' account in reformatted Ind AS statement of assets and liabilities and Ineffective portion is transferred to reformatted Ind AS statement of Profit and Loss account.

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 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

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.

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.

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56.5. Risk management framework of Life Insurance business ("ETLIFE") (Continued)

c. The main Insurance Risks that ETLIFE is exposed to are as follows:
(i) Persistency Risk - Risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected
(ii) Mortality Risk - Risk of loss arising due to policyholder mortality experience being different than expected
(iii) Investment Risk - Risk of loss arising from actual returns being different than expected
(iv) Expense Risk - Risk of loss arising from expense experience being different than expected
(v) 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.
(vi) 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 10th 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.

Operational risks:
Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process. Operational risk: A risk arising from this category is resultant of inadequate or failed internal processes and controls, poor corporate governance or from external events such as sudden disasters crippling the operations of the Company.

Operational risks within the Company are categorized into 6 (six) types namely:
- Fraud
- Execution, delivery and process management
- Business disruption and system failures
- Clients, products and business practices
- Damage to physical assets
- Employment practices and workplace safety

Risk control and mitigation plan forms important part of the risk management processes within the Company. The Company ensures oversight on the risks by reviewing data, processes and by performing model checks at regular frequencies. Operational risk impact within the Company is rated basis frequency and severity matrix. Frequency and severity matrix is further utilized for evaluation of the risk which in turn helps in prioritization. The Company, to ensures that complete data is being processed, reconciles number of policies, premium and sum assured. The same is done by comparing Data Conversion System (DCS) output and on-off movement data as obtained from policy administration system.
The risk management team conducts an independent root cause analysis of operational risk incidents. Root cause analysis is followed by actual and potential risk exposure assessment. The root cause analysis helps to identify inadequacies in the control measures for known risks or identify new risks which need to be addressed. The resultant learning is then used to improve processes systematically.

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.

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.

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

56.7. Credit risk (Continued)

Significant increase in credit risk (SICR)

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 form 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 unlikeliness 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 behavior 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 favorable or detrimental change to the borrower profiles and accordingly factor in macro/micro variables that shall represent the evolved inherent credit risk.

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:

EAD = Drawn Credit Line + Credit Conversion Factor * 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.

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.

56.7. Credit risk (Continued)

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
Labor 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.

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	2020-21	2019-20	2018-19
Amortised costs of financial assets modified during the period	7,101.90	80.19	1,180.97
Net modification gains	(117.69)	(3.23)	5.64

56.7.2. Analysis of risk concentration

The following table shows the risk concentration by industry for the components of the reformatted Ind AS consolidated statement of assets and liabilities. 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-21

Components	**Financial services**	**Government**	**Manufacturing**	**Retail and wholesale**	**Construction**	**Oil & gas**	**Services**	**Others**	**Total**
Cash and bank balances	47,221.29	-	-	-	-	-	380.77	-	**47,602.06**
Derivative financial instruments	2,902.03	-	-	-	-	-	-	-	**2,902.03**
Stock in trade	2,618.02	8,636.63	1,155.70	3.06	60.97	6.13	957.39	2,308.86	**15,746.76**
Trade receivables	187.01	-	1,511.81	491.06	1,154.88	-	1,534.72	181.01	**5,060.49**
Loans	6,465.87	-	8,038.79	66,955.55	1,19,618.82	-	5,556.99	12,469.44	**2,19,105.46**
Investments	43,610.86	24,134.57	24,830.00	859.07	12,554.42	21.71	5,414.37	3,338.02	**1,14,763.02**
Other financial assets	11,811.78	287.84	-	164.29	86.22	-	3.79	274.15	**12,628.07**
Total	**1,14,816.86**	**33,059.04**	**35,536.30**	**68,473.03**	**1,33,475.31**	**27.84**	**13,848.03**	**18,571.48**	**4,17,807.89**
Other Commitments	-	-	-	1,340.64	-	-	-	-	**1,340.64**

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

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			
	31 March 2021	31 March 2020	31 March 2019	Principal type of collateral
Financial assets				
Loans:				
Retail Loans and Wholesale loans	2,03,638.58	2,65,105.17	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	13,223.15	12,882.28	25,982.20	Tangible assets
Other credits	154.43	140.13	193.43	
Trade receivables	5,060.49	13,052.37	29,750.94	Equity shares, fixed deposits and bank guarantees, Securities etc.
Debt instruments at amortised cost	1,305.81	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	**2,23,382.46**	**2,91,423.81**	4,18,312.31	
Derivative financial instruments	2,902.03	5,321.87	1,940.90	Margin money
Financial assets at FVTPL	70,802.54	66,840.26	96,080.06	Tangible assets, Warrants
Financial instrument designated at fair value through profit or loss	10,726.26	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	84,430.83	79,608.17	1,03,382.09	
Debt instruments at fair value through OCI	16,846.91	14,615.77	12,826.50	Government security and Book debts
Total debt instruments at fair value through OCI	16,846.91	14,615.77	12,826.50	
Other commitments (max exposure)	5,301.84	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	**3,29,962.04**	**4,02,204.27**	**5,56,404.94**	

The Group has not entered in to any credit derivative to mitigate above credit risk

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-2021

	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans:				
Retail and wholesale loans	60,248.59	13,515.54	46,733.06	51,894.87
Distressed assets	3,207.01	517.04	2,689.97	10,054.61
Total financial assets at amortised cost	**63,455.60**	**14,032.58**	**49,423.03**	**61,949.48**
Debt instruments at fair value through OCI	674.27	(11.40)	685.67	685.67
Total	**64,129.87**	**14,021.18**	**50,108.70**	**62,635.15**
Loan commitments	138.98	1.40	137.58	20.28
Financial guarantee contracts	-	-	-	-
Total	**64,268.85**	**14,022.58**	**50,246.28**	**62,655.43**

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**

56.7.5 Margin received from clients

		31-Mar-21*	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

*Refer Note 67
** Securities received as non cash margin from clients as collateral are held in the a subsidiary's client demat account

Annexure V

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.

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.

As at 31-Mar-21

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	2,865.23	714.42	1,025.60	197.80	91.73	4,894.78
Borrowings (other than debt securities)	34,791.55	12,343.26	19,934.53	38,318.34	6,300.57	1,11,688.25
Debt securities	7,343.32	14,710.24	42,818.97	79,343.38	81,349.29	2,25,565.20
Subordinated financial liabilities	315.25	67.82	1,702.04	6,014.60	13,835.67	21,935.38
Deposits	96.01	-	-	-	-	96.01
Lease liabilities	52.87	65.07	90.38	420.43	305.25	934.00
Other financial liabilities	5,971.51	3,232.87	1,538.08	9,286.23	22,548.73	42,577.42
Total undiscounted non-derivative financial liabilities	**51,435.74**	**31,133.68**	**67,109.60**	**1,33,580.78**	**1,24,431.24**	**4,07,691.04**

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	40,452.74	199.98	1,844.94	520.77	5,247.99	48,266.42
Stock-in-trade	13,739.20	1,758.68	320.03	4.50	14.46	15,836.87
Trade receivables	2,103.50	840.16	1,294.20	3,188.03	-	7,425.89
Loans	50,966.15	13,240.26	31,178.66	95,561.14	1,05,814.88	2,96,761.09
Investments at fair value through profit or loss	1,967.86	7,185.97	10,136.33	23,567.55	22,060.69	64,918.40
Investments at fair value through profit or loss pledged as collateral	808.51	1,618.45	4,139.25	18,601.85	31,159.90	56,327.96
Investments at designated fair value through profit or loss	211.37	166.37	385.33	3,353.42	17,940.98	22,057.47
Investments at FVOCI	458.59	175.60	1,066.74	2,447.63	41,652.72	45,801.28
Investments at amortised cost	350.48	82.55	868.92	-	418.39	1,720.34
Other financial assets	10,915.54	300.00	145.04	530.21	737.36	12,628.15
Total undiscounted non-derivative financial assets	**1,21,973.94**	**25,568.02**	**51,379.44**	**1,47,775.10**	**2,25,047.37**	**5,71,743.87**

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	1,696.86	-	-	-	-	1,696.86
Other net settled derivatives	151.67	(12.69)	(427.72)	(662.08)	(39.91)	(990.73)
Total	**1,848.53**	**(12.69)**	**(427.72)**	**(662.08)**	**(39.91)**	**706.13**

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	3,838.13	118.14	4,144.86	938.99	323.20	9,363.32

The Group has undrawn lines of credit available aggregating ₹ 5,856.88 million as at 31 March 2021 to meet any possible liquidity shortfall.

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	25,388.27
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	**86,408.79**	**23,841.82**	**64,250.79**	**1,48,136.13**	**1,27,936.29**	**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	83,743.38
Stock-in-trade	12,355.29	221.10	4,941.33	4.45	12.91	17,535.08
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	3,09,811.34
Investments at fair value through profit or loss	699.68	168.62	1,310.20	11,189.22	31,958.41	45,326.13
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 amortised cost	240.00	-	-	-	-	240.00
Other financial assets	6,457.29	470.15	1,186.99	866.25	175.43	9,156.11
Total undiscounted non-derivative financial assets	**1,14,146.99**	**32,086.71**	**72,258.76**	**1,37,431.13**	**2,39,182.24**	**5,95,105.83**

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)	2,684.84
Total	**579.15**	**(466.09)**	**47.02**	**1,091.99**	**(4.37)**	**1,247.70**

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 million as at 31 March 2020 to meet any possible liquidity shortfall.

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 amortised cost	583.04	3.87	-	1,500.01	-	2,086.92
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	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.

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	2020-21					
	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	(264.82)	(423.24)	25.00	264.82	423.24
INR	5.00	0.15	-	5.00	(0.15)	-

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

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	-

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	2020-21					
	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	(221.29)	-	5.00	221.29	-
Others	5.00	2.25	-	5.00	(2.25)	-

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.

Annexure V

56.9. Market Risk (Continued):

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	2020-21					
	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	537.19	(1.97)	5.00	(537.19)	1.97
Others	5.00	670.76	0.06	5.00	(670.76)	(0.06)

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	103.10	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)	-

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	2020-21					
	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	11.68	-	5.00	(11.68)	-
Others	5.00	(50.89)	-	5.00	50.89	-

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	2020-21					
	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	91.77	-	5.00	(91.77)	-
Units of AIFs and Trusts	5.00	3.17	-	5.00	(3.17)	-
Others	5.00	471.74	31.71	5.00	(471.74)	(31.71)

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)

Annexure V

57. Impact of Covid (FY 2020-21)

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 24 March 2020. Subsequently, the national lockdown was lifted by the government for certain activities in a phased manner outside specified containment zones, but regional lockdowns/restrictions continued to be implemented in areas with a significant number of COVID-19 cases. 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, including the current "second wave" on Group's Reformatted Ind AS Consolidated Financial information, including credit quality and provisions, gain/loss on fair value changes, investment, remains uncertain and dependent on the current and further spread of COVID-19, steps taken by the government, RBI and other regulators to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels. Further, 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 financial support from banks and other fundraising opportunities in determining the Group 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, 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 Reformatted Ind AS Consolidated Financial information. 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 Reformatted Ind AS Consolidated Financial information. The Group will continue to closely monitor material changes in markets and future economic conditions.

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.

Annexure V

58. Composition of the Group

Sr.	Name of the Entity	Note	Country of Incorporation	Proportion of ownership interest as at 31-Mar-2021
	Subsidiaries			
1	ECL Finance Limited	-	India	100.00%
2	Edelcap Securities Limited	-	India	100.00%
3	Edelweiss Asset Management Limited	-	India	100.00%
4	ECap Equities Limited	-	India	100.00%
5	Edelweiss Trusteeship Company Limited	-	India	100.00%
6	Edelweiss Housing Finance Limited	-	India	100.00%
7	Edelweiss Investment Adviser Limited	-	India	100.00%
8	EC Commodity Limited	-	India	100.00%
9	Edel Land Limited	-	India	100.00%
10	Edel Investments Limited	-	India	100.00%
11	Edelweiss Rural & Corporate Services Limited	-	India	100.00%
12	Edelweiss Comtrade Limited	i	India	100.00%
13	Edel Finance Company Limited	-	India	100.00%
14	Edelweiss Retail Finance Limited	-	India	100.00%
15	Edelweiss Multi Strategy Fund Advisors LLP	k	India	100.00%
16	Edelweiss Resolution Advisors LLP	-	India	100.00%
17	Edelweiss General Insurance Company Limited	-	India	100.00%
18	Edelweiss Securities and Investment Private Limited	-	India	100.00%
19	EC International Limited	-	Mauritius	100.00%
20	EAAA LLC	-	Mauritius	100.00%
21	Edelweiss Capital (Singapore) Pte. Limited	g	Singapore	-
22	Edelweiss Alternative Asset Advisors Pte. Limited	-	Singapore	100.00%
23	Edelweiss International (Singapore) Pte. Limited	-	Singapore	100.00%
24	Aster Commodities DMCC	h	United Arab Emirates	100.00%
25	Edelgive Foundation	-	India	100.00%
26	Edelweiss Alternative Asset Advisors Limited	-	India	99.05%
27	Edelweiss Gallagher Insurance Brokers Limited	-	India	70.00%
28	Edelweiss Private Equity Tech Fund	-	India	95.60%
29	Edelweiss Value and Growth Fund	-	India	70.05%
30	Edelweiss Asset Reconstruction Company Limited	-	India	59.84%
31	EW Special Opportunities Advisors LLC	j	Mauritius	67.00%
32	Edelweiss Tokio Life Insurance Company Limited	-	India	51.00%
33	Allium Finance Private Limited	-	India	70.00%
34	Edelweiss Securities Limited	m	India	-
35	Edelweiss Finance & Investments Limited	m	India	-
36	Edelweiss Broking Limited	m	India	-
37	Edelweiss Custodial Services Limited	m	India	-
38	Edelweiss Securities (IFSC) Limited	m	India	-
39	ESL Securities Limited	m	India	-
40	Edelweiss Investment Advisors Private Limited	m	Singapore	-
41	Edelweiss Financial Services (UK) Limited	m	United Kingdom	-
42	Edelweiss Financial Services Inc.	m	United States of America	-
43	Edelweiss Securities (Hong Kong) Private Limited	m	Hong Kong	-
44	Edelweiss Global Wealth Management Limited	l	India	100.00%
45	Edelweiss Finvest Limited	a	India	-
46	EC Global Limited	b	Mauritius	-
47	Lichen Metals Private Limited	c	India	-
48	Edelweiss Capital Services Limited	d	India	51.00%
49	India Credit Investments Fund - II	e	India	100.00%
	Associate			
1	Edelweiss Securities Limited	m	India	38.53%

Annexure V

58. Composition of the Group (Continued)

Group stake in trusts

	Trust Name		Country of Incorporation	Proportion of ownership interest as at 31-Mar-2021
1	EARC SAF - 2 Trust	-	India	100.00%
2	EARC Trust - SC 6	-	India	100.00%
3	EARC Trust - SC 7	-	India	100.00%
4	EARC Trust - SC 9	-	India	100.00%
5	EARC Trust - SC 102	-	India	100.00%
6	EARC Trust - SC 109	-	India	50.00%
7	EARC Trust - SC 112	-	India	100.00%
8	EARC Trust - SC 130	-	India	100.00%
9	EARC SAF - 3 Trust	-	India	46.00%
10	EARC Trust - SC 223	-	India	100.00%
11	EARC Trust - SC 229	-	India	100.00%
12	EARC Trust - SC 238	-	India	100.00%
13	EARC Trust - SC 245	-	India	37.00%
14	EARC Trust - SC 251	-	India	100.00%
15	EARC Trust - SC 266	-	India	100.00%
16	EARC Trust - SC 262	-	India	37.00%
17	EARC Trust - SC 263	-	India	100.00%
18	EARC Trust - SC 293	-	India	100.00%
19	EARC Trust - SC 297	-	India	37.00%
20	EARC Trust - SC 308	-	India	100.00%
21	EARC Trust - SC 314	-	India	100.00%
22	EARC Trust - SC 325	-	India	100.00%
23	EARC Trust - SC 329	-	India	100.00%
24	EARC Trust - SC 331	-	India	100.00%
25	EARC Trust - SC 306	-	India	50.00%
26	EARC Trust - SC 321	-	India	100.00%
27	EARC Trust - SC 334	-	India	100.00%
28	EARC Trust - SC 318	-	India	100.00%
29	EARC Trust - SC 332	-	India	100.00%
30	EARC Trust - SC 348	-	India	100.00%
31	EARC Trust - SC 349	-	India	100.00%
32	EARC Trust - SC 352	-	India	100.00%
33	EARC Trust - SC 357	-	India	100.00%
34	EARC SAF - 1 Trust	-	India	100.00%
35	EARC Trust - SC 298	-	India	100.00%
36	EARC Trust - SC 342	-	India	100.00%
37	EARC Trust - SC 347	-	India	100.00%
38	EARC Trust - SC 351	-	India	100.00%
39	EARC Trust - SC 360	-	India	100.00%
40	EARC Trust - SC 361	-	India	100.00%
41	EARC Trust - SC 363	-	India	100.00%
42	EARC Trust - SC 344	-	India	100.00%
43	EARC Trust - SC 370	-	India	100.00%
44	EARC Trust - SC 381	-	India	100.00%
45	EARC Trust - SC 383	-	India	100.00%
46	EARC Trust - SC 386	-	India	100.00%
47	EARC Trust - SC 384	-	India	100.00%
48	EARC Trust - SC 391	-	India	100.00%
49	EARC Trust - SC 395	-	India	100.00%
50	EARC Trust - SC 392	-	India	100.00%
51	EARC Trust - SC 372	-	India	100.00%
52	EARC Trust - SC 373	-	India	100.00%
53	EARC Trust - SC 374	-	India	100.00%
54	EARC Trust - SC 393	-	India	100.00%
55	EARC Trust - SC 380	-	India	100.00%
56	EARC Trust - SC 387	-	India	100.00%
57	EARC Trust - SC 388	-	India	100.00%
58	EARC Trust - SC 375	-	India	100.00%
59	EARC Trust - SC 399	-	India	100.00%
60	EARC Trust - SC 394	-	India	100.00%
61	EARC Trust - SC 385	-	India	100.00%
62	EARC Trust - SC 401	-	India	100.00%
63	EARC Trust - SC 402	-	India	100.00%
64	EARC Trust - SC 376	-	India	100.00%
65	EARC Trust SC 406	-	India	100.00%
66	EARC Trust SC 377	-	India	100.00%
67	EARC Trust SC 378	-	India	100.00%
68	EARC Trust SC 396	-	India	100.00%
69	EARC Trust SC 410	-	India	100.00%
70	EARC Trust SC 405	-	India	100.00%
71	EARC Trust SC 428	-	India	100.00%
72	EARC Trust SC 429	-	India	100.00%
73	EARC Trust SC 412	-	India	100.00%
74	EARC Trust SC 415	-	India	100.00%
75	EARC Trust SC 430	-	India	100.00%
76	EARC Trust SC 427	-	India	100.00%

Annexure V

58. Composition of the Group (Continued)

Notes:

a) With effect from 01 April 2019, Edelweiss Finvest Limited have been merged with Edel Finance Company Limited , a subsidiary of the Group, pursuant to the scheme of arrangement approved by National Company Law Tribunal vide its Order dated 22 February 2021 .

b) With effect from 01 September 2020, EC Global Limited have been merged with EC International Limited , a subsidiary of the Group, pursuant to the scheme of arrangement approved by National Company Law Tribunal.

c) With effect from 30 March 2021, Lichen Metals Private Limited is sold and ceased to become the subsidiary of the Group and has not been consolidated from the said date.

d) On 12 February 2021, a new subsidiary namely Edelweiss Capital Services Limited is incorporated under Group. Edelweiss Financial Services Limited holds 51% stake of Edelweiss Capital Services Limited and has been consolidated from the said date.

e) With effect from 31 March 2021, Ecap Equities Limited and Edelweiss Rural & Corporate Services Limited, subsidiaries of the Group has invested in the Fund namely, India Credit Investments Fund - II, whereby 100% stake is owned by the Group. Accordingly, India Credit Investments Fund - II is fully controlled by the Group and accordingly has been consolidated from the said date.

f) With effect from 01 September 2020, Edel Land Limited a subsidiary of the Group has acquired 100% stake in Everest Securities & Finance Limited. Subsequently, with effect from 26 March 2021 Everest Securities & Finance Limited got merged into Edel Land Limited. Accordingly same has been consolidated from said dated.

g) With effect from 23 December 2020 Edelweiss Capital (Singapore) Pte. Limited, subsidiary of the Group has windup and accordingly consolidated till the said date.

h) Aster Commodities DMCC, a subsidiary of the Group has changed its basis of accounting for periods subsequent to March 30, 2021 from the going concern basis to a liquidation basis.

i) Edelweiss Comtrade Limited, a subsidiary of the Group has ceased its operation and does not have any business activity planned for future. Accordingly the financial statements for the year have been prepared on a non-going concern basis.

j) EW Special Opportunities Advisors LLC, a subsidiary of the Group has changed its basis of accounting for periods subsequent to 31 December 2020 from the going concern basis to a liquidation basis.

k) Edelweiss Multi Strategy Fund Advisors LLP, a subsidiary of the Group has ceased its operation and does not have any business activity planned for future. Accordingly the Financial Statements for the year have been prepared on a non-going concern basis.

l) Edelweiss Financial Services Limited holds 100% of share capital of Edelweiss Global Wealth Management Limited (EGWML) before considering the effect of compulsory convertible debentures (CCD) issued by EGWML.

m) Refer note 67

Notes to the Reformatted Ind AS Consolidated Financial Information (Continued)

(Currency : Indian rupees in millions)

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
	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	Edelweiss Gallagher Insurance Brokers Limited (Formerly known as Edelweiss Insurance Brokers Limited)	e	India	74.00%
6	Edelweiss Trustee Services Limited	a	India	-
7	Edelcap Securities Limited	-	India	100.00%
8	Edelweiss Asset Management Limited	-	India	100.00%
9	ECap Equities Limited	a	India	100.00%
10	Edelweiss Broking Limited	-	India	100.00%
11	Edelweiss Trusteeship Company Limited	-	India	100.00%
12	Edelweiss Housing Finance Limited	-	India	100.00%
13	Edelweiss Investment Adviser Limited	-	India	100.00%
14	EC Commodity Limited	-	India	100.00%
15	Edel Land Limited	-	India	100.00%
16	Edelweiss Custodial Services Limited	-	India	100.00%
17	Edel Investments Limited	-	India	100.00%
18	Edelweiss Rural & Corporate Services Limited	-	India	100.00%
19	Edelweiss Comtrade Limited	-	India	100.00%
20	Edel Finance Company Limited	-	India	100.00%
21	Edelweiss Retail Finance Limited	-	India	100.00%
22	Edelweiss Multi Strategy Fund Advisors LLP	-	India	100.00%
23	Edelweiss Resolution Advisors LLP	-	India	100.00%
24	Edelweiss Holdings Limited	a	India	-
25	Edelweiss General Insurance Company Limited	-	India	100.00%
26	Edelweiss Finvest Private Limited	-	India	100.00%
27	Edelweiss Securities (IFSC) Limited	-	India	100.00%
28	Alternative Investment Market Advisors Private Limited	a	India	-
29	Edelweiss Securities Trading and Management Private Limited	b	India	-
30	Edelweiss Securities and Investment Private Limited	b	India	100.00%
31	Edelweiss Securities (Hong Kong) Private Limited	-	Hong Kong	100.00%
32	EC Global Limited	-	Mauritius	100.00%
33	EC International Limited	-	Mauritius	100.00%
34	EAAA LLC	-	Mauritius	100.00%
35	EFSL International Limited	i	Mauritius	-
36	Edelweiss Capital (Singapore) Pte. Limited	k	Singapore	100.00%
37	Edelweiss Alternative Asset Advisors Pte. Limited	-	Singapore	100.00%
38	Edelweiss International (Singapore) Pte. Limited	-	Singapore	100.00%
39	Edelweiss Investment Advisors Private Limited	-	Singapore	100.00%
40	Aster Commodities DMCC	-	United Arab Emirates	100.00%
41	Edelweiss Financial Services (UK) Limited	-	United Kingdom	100.00%
42	Edelweiss Financial Services Inc.	-	United States of America	100.00%
43	Edelweiss Alternative Asset Advisors Limited	-	India	95.00%
44	EW Clover Scheme - 1	c	India	-
45	Edelvalue Partners	g	India	-
46	Edelgive Foundation	-	India	100.00%
47	Lichen Metals Private Limited	-	India	100.00%
48	EW India Special Assets Advisors LLC	h	Mauritius	-
49	Edelweiss Private Equity Tech Fund	-	India	88.90%
50	Edelweiss Value and Growth Fund	-	India	88.90%
51	Edelweiss Asset Reconstruction Company Limited	-	India	59.84%
52	EW Special Opportunities Advisors LLC	-	Mauritius	67.00%
53	Edelweiss Tokio Life Insurance Company Limited	-	India	51.00%
54	Allium Finance Private Limited	-	India	70.00%
55	Retra Ventures Private Limited	d	India	-
56	ESL Securities Limited	f	India	100.00%

Annexure V

58. Composition of the Group (Continued)

Group stake in trusts

	Trust Name		Country of Incorporation	Proportion of ownership interest as at 31-Mar-2020
1	EARC SAF - 2 Trust	-	India	100.00%
2	EARC Trust - SC 6	-	India	100.00%
3	EARC Trust - SC 7	-	India	100.00%
4	EARC Trust - SC 9	-	India	100.00%
5	EARC Trust - SC 102	-	India	100.00%
6	EARC Trust - SC 109	-	India	50.00%
7	EARC Trust - SC 112	-	India	100.00%
8	EARC Trust - SC 130	-	India	100.00%
9	EARC SAF - 3 Trust	-	India	46.00%
10	EARC Trust - SC 223	-	India	100.00%
11	EARC Trust - SC 229	-	India	100.00%
12	EARC Trust - SC 238	-	India	100.00%
13	EARC Trust - SC 245	-	India	37.00%
14	EARC Trust - SC 251	-	India	100.00%
15	EARC Trust - SC 266	-	India	100.00%
16	EARC Trust - SC 262	-	India	37.00%
17	EARC Trust - SC 263	-	India	100.00%
18	EARC Trust - SC 293	-	India	100.00%
19	EARC Trust - SC 297	-	India	37.00%
20	EARC Trust - SC 308	-	India	100.00%
21	EARC Trust - SC 314	-	India	100.00%
22	EARC Trust - SC 325	-	India	100.00%
23	EARC Trust - SC 329	-	India	100.00%
24	EARC Trust - SC 331	-	India	100.00%
25	EARC Trust - SC 306	-	India	50.00%
26	EARC Trust - SC 321	-	India	100.00%
27	EARC Trust - SC 334	-	India	100.00%
28	EARC Trust - SC 318	-	India	100.00%
29	EARC Trust - SC 332	-	India	100.00%
30	EARC Trust - SC 348	-	India	100.00%
31	EARC Trust - SC 349	-	India	100.00%
32	EARC Trust - SC 350	-	India	-
33	EARC Trust - SC 352	-	India	100.00%
34	EARC Trust - SC 354	j	India	-
35	EARC Trust - SC 357	-	India	100.00%
36	EARC SAF - 1 Trust	-	India	100.00%
37	EARC Trust - SC 298	-	India	100.00%
38	EARC Trust - SC 342	-	India	100.00%
39	EARC Trust - SC 347	-	India	100.00%
40	EARC Trust - SC 351	-	India	100.00%
41	EARC Trust - SC 360	-	India	100.00%
42	EARC Trust - SC 361	-	India	100.00%
43	EARC Trust - SC 363	-	India	100.00%
44	EARC Trust - SC 344	-	India	100.00%
45	EARC Trust - SC 370	-	India	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%
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%

Annexure V

58. Composition of the Group (Continued)

Notes:

a) 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.

b) 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.

c) EW Clover Scheme - 1, a subsidiary has been wound up on 29 February, 2020 and has not been consolidated from the said date.

d) 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.

e) 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.

f) 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.

g) 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.

h) 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.

i) EFSL International Limited, a subsidiary has been wound up on 12 December 2019 and has not been consolidated from the said date.

j) 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.

k) Edelweiss Capital (Singapore) Pte. Limited, the financial statements have been prepared on a 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.

Annexure V

58. Composition of the Group

Sr.	Name of the Entity	Note	Country of Incorporation	Proportion of ownership interest as at 31-Mar-2019
	Subsidiaries			
1	Edelweiss Securities Limited		India	100.00%
2	Edelweiss Finance & Investments Limited		India	100.00%
3	ECL Finance Limited	n	India	100.00%
4	Edelweiss Global Wealth Management Limited		India	100.00%
5	Edelweiss Gallagher Insurance Brokers Limited (Formerly known as Edelweiss Insurance Brokers Limited)		India	100.00%
6	Edelweiss Trustee Services Limited		India	100.00%
7	Edelcap Securities Limited		India	100.00%
8	Edelweiss Asset Management Limited	d	India	100.00%
9	ECap Equities Limited	a	India	100.00%
10	Edelweiss Broking Limited		India	100.00%
11	Edelweiss Trusteeship Company Limited		India	100.00%
12	Edelweiss Housing Finance Limited		India	100.00%
13	Edelweiss Investment Adviser Limited		India	100.00%
14	EC Commodity Limited		India	100.00%
15	Edel Land Limited		India	100.00%
16	Edelweiss Custodial Services Limited		India	100.00%
17	Edel Investments Limited		India	100.00%
18	Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited)	b, c	India	100.00%
19	Edelweiss Comtrade Limited		India	100.00%
20	Edel Finance Company Limited		India	100.00%
21	Edelweiss Retail Finance Limited		India	100.00%
22	Edelweiss Multi Strategy Fund Advisors LLP		India	100.00%
23	Edelweiss Resolution Advisors LLP (formely known as Edelweiss Wealth Advisors LLP)		India	100.00%
24	Edelweiss Holdings Limited		India	100.00%
25	Edelweiss General Insurance Company Limited		India	100.00%
26	Edelweiss Finvest Private Limited		India	100.00%
27	Edelweiss Securities (IFSC) Limited		India	100.00%
28	Alternative Investment Market Advisors Private Limited	l	India	100.00%
29	Edelweiss Securities Trading and Management Private Limited (formerly known as Dahlia Commodities Services Private Limited)		India	100.00%
30	Edelweiss Securities and Investment Private Limited (formerly known as Magnolia Commodities Services Private Limited)		India	100.00%
31	Edelweiss Securities (Hong Kong) Private Limited		Hong Kong	100.00%
32	EC Global Limited		Mauritius	100.00%
33	EC International Limited		Mauritius	100.00%
34	EAAA LLC		Mauritius	100.00%
35	EFSL International Limited	p	Mauritius	100.00%
36	Edelweiss Capital (Singapore) Pte. Limited		Singapore	100.00%
37	Edelweiss Alternative Asset Advisors Pte. Limited		Singapore	100.00%
38	Edelweiss International (Singapore) Pte. Limited		Singapore	100.00%
39	Edelweiss Investment Advisors Private Limited		Singapore	100.00%
40	Aster Commodities DMCC		United Arab Emirates	100.00%
41	Edelweiss Financial Services (UK) Limited		United Kingdom	100.00%
42	Edelweiss Financial Services Inc.		United States of Amer	100.00%
43	Edelweiss Alternative Asset Advisors Limited		India	95.00%
44	EW Clover Scheme - 1		India	100.00%
45	Edelvalue Partners	o	India	100.00%
46	Edelgive Foundation		India	100.00%
47	Lichen Metals Private Limited		India	100.00%
48	EW India Special Assets Advisors LLC	q	Mauritius	90.00%
49	Edelweiss Private Equity Tech Fund		India	88.90%
50	Edelweiss Value and Growth Fund	m	India	88.90%
51	Edelweiss Asset Reconstruction Company Limited		India	74.80%
52	EW Special Opportunities Advisors LLC		Mauritius	67.00%
53	Edelweiss Tokio Life Insurance Company Limited		India	51.00%
54	Allium Finance Private Limited	e	India	70.00%
55	Retra Ventures Private Limited	f	India	70.00%
56	Edelweiss India Capital Management (upto October 12, 2018)	g	Mauritius	-
57	Cross Border Synergy Pte. Limited (formerly known as Edelweiss Commodities Pte. Limited) (upto December 06, 2017)	i	Singapore	-
58	Edelweiss Tarim Urunleri Anonim Sirketi (upto February 27, 2018)	h	Turkey	-
59	EW SBI Crossover Advisors LLC (upto July 27, 2017)	J	India	-

	Group stake in trusts		
	Trust Name	**Country of Incorporation**	**Proportion of ownership interest as at 31-Mar-2019**
1	EARC SAF - 2 Trust	India	100.00%
2	EARC Trust - SC 6	India	100.00%
3	EARC Trust - SC 7	India	100.00%
4	EARC Trust - SC 9	India	100.00%
5	EARC Trust - SC 102	India	100.00%
6	EARC Trust - SC 109	India	50.00%

Annexure V

58. Composition of the Group (Continued)

Group stake in trusts

	Trust Name		Country of Incorporation	Proportion of ownership interest as at 31-Mar-2019
7	EARC Trust - SC 112		India	100.00%
8	EARC Trust - SC 130		India	100.00%
9	EARC SAF - 3 Trust		India	46.00%
10	EARC Trust - SC 223		India	100.00%
11	EARC Trust - SC 229		India	100.00%
12	EARC Trust - SC 238		India	100.00%
13	EARC Trust - SC 245		India	37.00%
14	EARC Trust - SC 251		India	100.00%
15	EARC Trust - SC 266		India	100.00%
16	EARC Trust - SC 262		India	37.00%
17	EARC Trust - SC 263		India	100.00%
18	EARC Trust - SC 293		India	100.00%
19	EARC Trust - SC 297		India	37.00%
20	EARC Trust - SC 308		India	100.00%
21	EARC Trust - SC 314		India	100.00%
22	EARC Trust - SC 325		India	100.00%
23	EARC Trust - SC 329		India	100.00%
24	EARC Trust - SC 331		India	100.00%
25	EARC Trust - SC 306		India	50.00%
26	EARC Trust - SC 321		India	100.00%
27	EARC Trust - SC 334		India	100.00%
28	EARC Trust - SC 318		India	100.00%
29	EARC Trust - SC 332		India	100.00%
30	EARC Trust - SC 348		India	100.00%
31	EARC Trust - SC 349		India	100.00%
32	EARC Trust - SC 350		India	50.00%
33	EARC Trust - SC 352		India	100.00%
34	EARC Trust - SC 354		India	50.00%
35	EARC Trust - SC 357		India	100.00%
36	EARC SAF - 1 Trust		India	100.00%
37	EARC Trust - SC 298		India	100.00%
38	EARC Trust - SC 342		India	100.00%
39	EARC Trust - SC 347		India	100.00%
40	EARC Trust - SC 351		India	100.00%
41	EARC Trust - SC 360		India	100.00%
42	EARC Trust - SC 361		India	100.00%
43	EARC Trust - SC 363		India	100.00%
44	EARC Trust - SC 344		India	100.00%
45	EARC Trust - SC 370		India	100.00%
46	EARC Trust - SC 283		India	-
47	EARF I-Scheme 5		India	-
48	EARC Trust - SC 57		India	-
49	EARC Trust - SC 327		India	-
	Associates			-
1	Allium Finance Private Limited	e	India	-
2	Aeon Credit Services India Private Limited (upto August 22, 2017)	k	India	-

Notes:

a) 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.

b) With effect from 01 April 2017, Edel Commodities Limited and EFSL Trading Limited have been merged with EFSL Comtrade Limited, a wholly owned subsidiary of the Company, pursuant to the scheme of arrangement approved by National Company Law Tribunal.

c) With effect from 01 April 2017, Edelweiss Business Services Limited, Edelweiss Agri Value Chain Limited, EFSL Comtrade Limited, Edelweiss Fund Advisors Private Limited and Edelweiss Capital Markets Limited have been merged with Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited), a wholly owned subsidiary of the Company, pursuant to the scheme of arrangement approved by Regional director.

d) With effect from 01 April 2017, Edelweiss Multi Strategy Funds Management Private Limited, have been merged with Edelweiss Asset Management Limited, a wholly owned subsidiary of the Company, pursuant to the scheme of arrangement approved by National Company Law Tribunal.

e) With effect from 28 November 2018, Allium Finance Private Limited, formerly an associate, has become a subsidiary of the company and has been accordingly consolidated from the said date. The consideration paid for the step up acquisition is ₹ 627.27 millions and goodwill generated thereon is ₹ 195.18 millions.

f) With effect from 04 July 2018, Retra Ventures Private Limited became a subsidiary of the company and has been consolidated from the said date.

g) Edelweiss India Capital Management subsidiary has been wound up on 12 October 2018 and has not been consolidated from the said date.

h) Edelweiss Tarim Urunleri Anonim Sirketi a subsidiary has been wound up on 27 February 2018 and has not been consolidated from the said date.

i) 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.

j) EW SBI Crossover Advisors LLC a subsidiary has been wound up on 27 July 2017 and has not been consolidated from the said date.

k) 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.

l) 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.

m) 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.

n) 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.

o) Dissolution of Edelvalue Partners:

Edelvalue Partners ('the Partnership Firm') came into force from 17 July 2009 vide Partnership Deed of even date. The period of the Partnership Firm is "at will". The Partnership Firm is registered with the Registrar of Firms, Hyderabad, South vide Firm Registration No. 1524 of 2009. Edelweiss Securities and Investments Private Limited (formerly known as Magnolia Commodities Services Private Limited), Edelweiss Securities Trading and Management Private Limited (formerly known as Dahlia Commodities Services Private Limited), and Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited) are the present partners of the Partnership Firm. The present office of the Firm is at 2nd Floor, M.B. Towers, Plot No.5, Road No.2, Banjara Hills, Hyderabad 500 034.

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. Under the dissolution basis of accounting, all assets and liabilities are measured at their net realisable values.

p) Liquidation of EFSL International: The Shareholders of the Company has passed the resolution for winding up of the Company on January 11, 2019. The Company has ceased to carry on business and is in the process of discharging in full its liabilities to all its known creditors and distributing its surplus assets. Consequently, in accordance with Ind AS 1, Presentation of financial statements the Company has changed the basis of preparing its financial statements from going concern to liquidation.

Under the liquidation basis of accounting, all assets and liabilities are measured at their net realisable values. Costs expected to be incurred during the winding up, including administrative costs and professional fees expected to be incurred in future periods until the winding up of the Company is completed, have been accrued. Provisions for contingent liabilities are accrued when the probability of loss is more likely than not. Contingent assets are not accrued unless receipt is virtually certain

q) Liquidation of EW India Special Assets Advisors LLC: The Company has ceased to carry on business and received liquidation confirmation from relevant authority on 1 April 2019. Consequently, in accordance with Ind AS 1, Presentation of financial statements the Company has changed the basis of preparing its financial statements from going concern to liquidation.

Under the liquidation basis of accounting, all assets and liabilities are measured at their net realisable values. Costs expected to be incurred during the winding up, including administrative costs and professional fees expected to be incurred in future periods until the winding up of the Company is completed, have been accrued. Provisions for contingent liabilities are accrued when the probability of loss is more likely than not. Contingent assets are not accrued unless receipt is virtually certain.

Annexure V

59 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary (FY2020-21)

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	53.74%	41,259.86	282.06%	7,162.08	(53.09)%	9.54	284.45%	7,171.63
Subsidiaries									
	Indian								
1	Edelweiss Securities Limited*	-	-	21.08%	535.30	(333.99)%	60.04	23.61%	595.34
2	Edelweiss Finance & Investments Limited*	-	-	4.75%	120.53	(14.96)%	2.69	4.89%	123.22
3	ECL Finance Limited	32.33%	24,823.27	0.88%	22.34	(96.46)%	17.34	1.57%	39.68
4	Edelweiss Global Wealth Management Limited*	-	-	(7.39)%	(187.62)	1.59%	(0.29)	(7.45)%	(187.91)
5	Edelweiss Gallagher Insurance Brokers Limited	1.70%	1,304.34	5.74%	145.69	(2.47)%	0.44	5.80%	146.13
6	Edelcap Securities Limited	0.68%	519.40	(22.71)%	(576.73)	33.01%	(5.93)	(23.11)%	(582.66)
7	Edelweiss Asset Management Limited	2.10%	1,611.99	1.88%	47.81	(11.96)%	2.15	1.98%	49.96
8	ECap Equities Limited	1.45%	1,113.47	(158.79)%	(4,031.88)	4.35%	(0.78)	(159.95)%	(4,032.66)
9	Edelweiss Broking Limited*	-	-	1.24%	31.44	(43.93)%	7.90	1.56%	39.34
10	Edelweiss Trusteeship Company Limited	0.01%	4.93	0.01%	0.16	0.06%	(0.01)	0.01%	0.15
11	Edelweiss Housing Finance Limited	9.94%	7,627.99	1.47%	37.34	12.28%	(2.21)	1.39%	35.13
12	Edelweiss Investment Adviser Limited	(10.33)%	(7,933.17)	(207.97)%	(5,280.88)	(0.17)%	0.03	(209.46)%	(5,280.85)
13	EC Commodity Limited	(0.20)%	(153.09)	(3.38)%	(85.79)	(0.03)%	0.01	(3.40)%	(85.78)
14	Edel Land Limited	0.10%	76.18	(10.06)%	(255.38)	(1.57)%	0.28	(10.12)%	(255.10)
15	Edelweiss Custodial Services Limited*	-	-	38.54%	978.58	3.00%	(0.54)	38.79%	978.05
16	Edel Investments Limited	3.39%	2,599.35	0.24%	6.19	1.12%	(0.20)	0.24%	5.99
17	Edelweiss Rural & Corporate Services Limited	5.91%	4,538.25	(361.34)%	(9,175.15)	(63.49)%	11.41	(363.46)%	(9,163.74)
18	Edelweiss Comtrade Limited	0.02%	16.25	(0.59)%	(15.06)	13.77%	(2.48)	(0.70)%	(17.54)
19	Edel Finance Company Limited	16.10%	12,359.86	(48.89)%	(1,241.43)	2.28%	(0.41)	(49.26)%	(1,241.84)
20	Edelweiss Retail Finance Limited	6.38%	4,899.26	10.58%	268.54	(1.81)%	0.32	10.66%	268.86
21	Edelweiss Multi Strategy Fund Advisors LLP	0.01%	7.75	(0.63)%	(16.09)	0.00%	0.00	(0.64)%	(16.09)
22	Edelweiss Resolution Advisor LLP	0.00%	0.72	0.20%	4.96	0.00%	0.00	0.20%	4.96
23	Edelweiss General Insurance Company Limited	1.55%	1,190.95	(35.85)%	(910.34)	7.01%	(1.26)	(36.16)%	(911.60)
24	Edelweiss Securities (IFSC) Limited*	-	-	(0.54)%	(13.66)	25.38%	(4.56)	(0.72)%	(18.23)
25	Edelweiss Securities and Investment Private Limited	1.03%	789.15	1.13%	28.82	0.00%	0.00	1.14%	28.82
26	Edelweiss Alternative Asset Advisors Limited	1.32%	1,011.56	6.06%	153.94	(28.06)%	5.04	6.31%	158.99
27	Edelgive Foundation	0.31%	234.96	3.84%	97.39	(0.01)%	0.00	3.86%	97.39
28	Lichen Metals Private Limited	-	-	(3.71)%	(94.11)	0.00%	0.00	(3.73)%	(94.11)
29	Edelweiss Private Equity Tech Fund	0.80%	615.32	(0.70)%	(17.69)	0.00%	0.00	(0.70)%	(17.69)
30	Edelweiss Value and Growth Fund	1.97%	1,511.79	0.03%	0.73	0.00%	0.00	0.03%	0.73
31	Edelweiss Asset Reconstruction Company Limited	28.94%	22,219.80	73.11%	1,856.31	2.99%	(0.54)	73.61%	1,855.78
32	Edelweiss Tokio Life Insurance Company Limited	6.98%	5,360.46	(81.42)%	(2,067.38)	336.94%	(60.57)	(84.40)%	(2,127.95)
33	Allium Finance Private Limited	1.33%	1,018.77	2.64%	67.07	0.14%	(0.03)	2.66%	67.05
34	ESL Securities Limited*	-	-	(2.02)%	(51.29)	(0.75)%	0.14	(2.03)%	(51.16)
35	Edelweiss Capital Services Limited	0.66%	503.78	(0.63)%	(16.02)	1.09%	(0.20)	(0.64)%	(16.22)
36	India Credit Investment Fund – II	4.14%	3,179.48	0.07%	1.75	0.00%	0.00	0.07%	1.75

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)
	Foreign								
37	EC International Limited	(0.13)%	(101.00)	10.48%	266.03	116.55%	(20.95)	9.72%	245.08
38	EAAA LLC	0.03%	24.55	(1.03)%	(26.05)	7.40%	(1.33)	(1.09)%	(27.38)
39	EW Special Opportunities Advisors LLC	0.00%	0.51	(0.11)%	(2.76)	0.58%	(0.10)	(0.11)%	(2.87)
40	Edelweiss Capital (Singapore) Pte. Limited	0.00%	0.00	2.11%	53.50	(14.07)%	2.53	2.22%	56.03
41	Edelweiss Alternative Asset Advisors Pte. Limited	0.62%	475.57	0.39%	9.97	(75.15)%	13.51	0.93%	23.48
42	Edelweiss International (Singapore) Pte. Limited	2.45%	1,877.97	13.64%	346.35	263.97%	(47.45)	11.86%	298.90
43	Edelweiss Investment Advisors Private Limited*	-	0.00	0.34%	8.68	(9.78)%	1.76	0.41%	10.44
44	Aster Commodities DMCC	0.26%	197.20	(1.34)%	(34.03)	85.75%	(15.41)	(1.96)%	(49.45)
45	Edelweiss Financial Services (UK) Limited*	-	-	0.05%	1.31	(9.95)%	1.79	0.12%	3.10
46	Edelweiss Financial Services Inc.*	-	-	2.27%	57.75	37.24%	(6.70)	2.03%	51.06
47	Edelweiss Securities (Hong Kong) Private Limited*	-	-	0.29%	7.30	8.57%	(1.54)	0.23%	5.76
48	Controlled Trusts	(1.01)%	(778.94)	7.11%	180.64	0.00%	0.00	7.16%	180.64
	Non-Controlling Interests	14.33%	10,998.36	99.29%	2,521.23	635.07%	(114.16)	(1.18)%	(29.85)
	Adjustments arising out of consolidation	(88.90)%	(68,232.40)	457.83%	11,625.16	(728.12)%	130.91	562.94%	14,192.97
	Associate (Investment as per the equity method) - Indian								
	Edelweiss Securities Limited (wef 27 March 2021)	(0.01)%	(4.50)	(0.25)%	(6.35)	(10.30)%	1.85	(0.18)%	(4.50)
	Total	**100.00%**	**76,769.95**	**100.00%**	**2,539.20**	**100.02%**	**(17.97)**	**100.00%**	**2,521.23**

0.00 indicated amount less than ₹ 0.01 million

* Refer note 67

Notes to the Reformatted Ind AS Consolidated Financial Information (Continued)

(Currency : Indian rupees in millions)

Annexure V

59 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary (FY2019-20)

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
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)

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)
	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)**

Annexure V

59 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary (FY2018-19)

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%	0.42
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 Limited	(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)
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)	-	-	(0.23)%	(24.18)
23	Edelweiss Resolution Advisor LLP	0.00%	1.60	0.00%	(0.06)	-	-	0.00%	(0.06)
24	Edelweiss Holdings Limited	0.18%	153.61	0.07%	7.25	-	-	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	-	-	0.73%	75.71
30	Edelweiss Securities and Investment Private Limited	0.17%	150.85	1.48%	147.35	-	-	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)	-	-	(0.45)%	(46.64)
33	Edelvalue Partners	0.05%	46.62	0.27%	26.52	-	-	0.26%	26.52
34	Edelgive Foundation	0.21%	186.01	0.55%	54.31	-	-	0.53%	54.31
35	Lichen Metals Private Limited	0.30%	259.17	0.05%	5.34	-	-	0.05%	5.34
36	Edelweiss Private Equity Tech Fund	0.42%	367.11	0.84%	83.64	-	-	0.81%	83.64
37	Edelweiss Value and Growth Fund	1.12%	973.42	0.60%	60.09	-	-	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	-	-	0.31%	32.35
41	Retra Ventures Private Limited	0.03%	30.02	(0.07)%	(7.36)	-	-	(0.07)%	(7.36)

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)
	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)
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	-	-	9.00%	930.33
	Associate (Investment as per the equity method) - Indian								
1	Allium Finance Private Limited	-	-	0.42%	41.99	-	-	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%**	**384.130**	**100.00%**	**10,335.79**

60. Key disclosures related to life insurance business

a Life insurance and Investment Contract Liability

Particulars	31-Mar-21				31-Mar-20				31-Mar-19			
	With DPF	Linked Business	Others	Total gross liabilities	With DPF	Linked Business	Others	Total gross liabilities	With DPF	Linked Business	Others	Total gross liabilities
Insurance Contract Liability												
Life	7,257.89	12,594.42	20,917.85	**40,770.16**	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	-	-	53.61	**53.61**	-	-	46.88	46.88	-	-	38.97	38.97
Annuity	-	-	383.12	**383.12**	-	-	365.63	365.63	-	-	312.90	312.90
Pension	1,047.07	349.59	-	**1,396.66**	851.73	271.47	-	1,123.20	646.83	252.13	-	898.96
Total	**8,304.96**	**12,944.01**	**21,354.58**	**42,603.55**	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	-	786.35	440.57	**1,226.92**	-	652.88	322.09	974.97	-	574.81	261.27	836.08
Health	-	-	-	**-**	-	-	-	-	-	-	-	-
Annuity	-	-	-	**-**	-	-	-	-	-	-	-	-
Pension	-	-	-	**-**	-	-	-	-	-	-	-	-
Total	**-**	**786.35**	**440.57**	**1,226.92**	-	652.88	322.09	974.97	-	574.81	261.27	836.08

b Movement of life insurance contract liabilities

Particulars	31-Mar-21				31-Mar-20				31-Mar-19			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
Gross Liability at the beginning 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	2,634.80	3,591.89	9,812.71	16,039.40
Add/(Less)	-	-	-	**-**	-	-	-	-	-	-	-	-
Premium	3,650.46	3,144.03	5,446.32	**12,240.81**	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	774.79	3,796.94	1,111.35	**5,683.08**	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	(1,631.68)	(445.68)	(1,379.61)	**(3,456.97)**	(887.59)	(394.79)	(1,333.61)	(2,615.99)	(804.16)	(322.87)	(978.48)	(2,105.51)
Insurance liabilities released	(377.29)	(564.07)	(879.68)	**(1,821.04)**	(256.47)	(268.58)	(1,326.09)	(1,851.14)	(129.16)	(86.16)	(681.39)	(896.71)
Undistributed Participating Policyholders surplus (UPPS)	13.49	-	-	**13.49**	11.36	-	-	11.36	14.02	-	-	14.02
Others	-	-	-	**-**	-	-	-	-	-	-	-	-
Change in other Liabilities	128.97	48.40	252.20	**429.57**	91.81	24.05	70.01	185.87	11.98	37.40	19.24	68.62
Gross Liability at the end of the year	**8,304.94**	**12,944.01**	**21,354.61**	**42,603.56**	5,746.20	6,964.39	16,804.03	29,514.62	3,869.05	6,051.42	13,333.65	23,254.12

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:

	31-Mar-21			31-Mar-20			31-Mar-19		
Particulars	**Linked Business**	**Others**	**Total**	Linked Business	Others	Total	Linked Business	Others	Total
At the beginning of the year	**652.88**	**322.09**	**974.97**	574.82	261.27	836.09	397.04	101.58	498.62
Additions									
Premium	**22.67**	**218.91**	**241.58**	141.58	45.05	186.63	187.76	150.82	338.58
Interest and Bonus credited	**157.37**	**20.16**	**177.53**	7.19	21.80	28.99	35.12	13.74	48.86
Others	**0.17**	**1.35**	**1.52**	0.13	0.06	0.19	0.09	0.83	0.92
Deductions									
Withdrawals / Claims	(35.28)	(120.49)	(155.77)	(61.85)	(4.60)	(66.45)	(39.02)	(5.03)	(44.05)
Fee Income and Other	(11.44)	(1.46)	(12.90)	(8.99)	(1.49)	(10.48)	(6.17)	(0.67)	(6.84)
At the end of the year	**786.37**	**440.56**	**1,226.93**	652.88	322.09	974.97	574.82	261.27	836.09

Change in insurance contract liabilities

Particulars	**31-Mar-21**				31-Mar-20				31-Mar-19			
	With DPF	**Linked Business**	**Others**	**Total**	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
a) Policy Liabilities (Gross)	**2,558.76**	**5,979.61**	**4,550.58**	**13,088.95**	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	**-**	**0.37**	**(449.32)**	**(448.95)**	-	(0.27)	(92.54)	(92.81)	-	-	-	(361.31)
	-	**-**	**-**		-	-	-					
c) Amount accepted in reinsurance	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-	-
	-	**-**	**-**		-	-	-					
Net change in insurance contract liabilities	**2,558.76**	**5,979.98**	**4,101.26**	**12,640.00**	1,877.15	912.70	3,377.85	6,167.70	1,234.26	2,459.53	3,520.93	6,853.41

Change in Reinsurance assets

Particulars	**31-Mar-21**	31-Mar-20	31-Mar-19
Opening Reinsurance Assets	**2,944.41**	2,851.60	2,490.15
Premium	**358.33**	446.04	302.25
Unwinding of the Discount/Interest Credite	**176.08**	169.70	148.31
Change in Valuation for expected future benefits	**(177.95)**	(145.23)	103.69
Insurance Liabilities released	**92.49**	(377.69)	(192.80)
Closing Reinsurance Assets	**3,393.36**	2,944.42	2,851.60

At 31 March 2021, 31 March 2020 & 31 March 2019, the Company conducted an impairment review of the reinsurance assets and there is no impairment loss for the year.

During the year, the Company entered into reinsurance arrangements that resulted in profit of ₹ 124.64 million for the financial year 2020-21 (FY 2019-20: ₹ 54.18 million and FY 2018-19: ₹ 41.93 million). This profit has been reflected in the statement of profit or loss.

At 31 March 2021 , 31 March 2020 and 31 March 2019, there are no impaired reinsurance assets.

60. Key disclosures related to life insurance business (Continued)

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 & guidance notes issued by the Institute of Actuaries of India.

The reserves/ liabilities under non-linked business is calculated 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). For one-year individual non-par plan, the valuation interest rate used is 4.00% (not applicable for last year).

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 year) assuming 10.00% (previous year 10.00%) of them will get revived.

Mortality assumptions are set with reference to the published IALM (2012-2014) 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 2019-20:5.00% and FY 2018-19:5.00%) 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

Free look assumption has been set based on the actual cancellation experience observed by the company for all lines of business, trend of the experience in the last few years and consistency of the rate in comparison to the past year. The assumption of free look rate is set at 4% this year (no change from last year).

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.

The Company has continued to provision for additional margin for adverse deviation (MAD) to mitigate the risk due to Covid-19 pandemic risk under Actuarial Liability. Further, the Company has kept additional Covid-19 related provision in anticipation of elevated COVID related claims.

Portfolio assumptions impacting net liabilities	Range	FY 2021	FY 2020	FY 2019
Mortality rates (as a % of Indian Assured Lives Mortality (2006-08))**	Max	215% (Without MAD)*	215% (Without MAD)*	195% (Without MAD)*
	Min	21% (Without MAD)	20% (Without MAD)	19.8% (Without MAD)
Discount/ interest rates***	Max	7.75% (Without MAD)	7.75% (Without MAD)	8.00% (Without MAD)
	Min	5% (Without MAD)	7.00% (Without MAD)	7.25% (Without MAD)

Expense****	Max	9308 (INFL @5%) (without MAD) 18 (INFL @ 5%) (without MAD) for micro Insurance plan	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	276 (INFL @ 5%) (without MAD) 11 (INFL @ 5%) (without MAD) for micro Insurance plan	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 COVID19 pandemic risk	Mortality: 10%; additional 5% MAD to cater AIDS risk
		Interest: 75 - 550 bps	Interest: 75 - 550 bps	Interest: 95 – 575 bps
		Expenses: 10%	Expenses: 10%	Expenses: 10%

* Margin for Adverse Deviation (MAD) is over and above the base rate mentioned above.

** Mortality rates (excluding annuity products) are expressed as % of Indian Assured Lives Mortality (2012-14) and for annuity it is expressed as % 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.

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-21

	Gross Liability				
Sensitivity Parameters	Insurance Contracts			Investment Contracts	
	With DPF	Linked	Others	Linked	Others
Mortality increased by 10%	8,308.80	12,946.17	22,455.41	786.35	440.57
Mortality decreased by 10%	8,301.09	12,942.63	20,257.58	786.35	440.57
Lapses increased by 10%	8,303.77	12,943.74	21,058.91	786.35	440.57
Lapses decreased by 10%	8,306.17	12,944.31	21,671.76	786.35	440.57
Expenses increased by 10%	8,309.07	12,944.45	21,485.17	786.35	440.57
Expenses decreased by 10%	8,300.84	12,943.67	21,224.21	786.35	440.57
Interest Rate increased by 100 bps	7,640.58	12,854.89	17,475.55	757.41	440.57
Interest Rate decreased by 100 bps	9,110.47	13,038.49	26,404.71	817.78	440.57
Inflation Rate increased by 100 bps	8,307.61	12,944.36	21,476.28	786.35	440.57
Inflation Rate decreased by 100 bps	8,302.53	12,943.85	21,250.38	786.35	440.57

For Year Ended 31-Mar-20

	Gross Liability				
Sensitivity Parameters	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

	Gross Liability				
Sensitivity Parameters	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

Gross premiums on insurance contracts and investment contracts with DPF

	2020-21	2019-20	2018-19
Particulars			
Life Insurance	12,240.81	10,298.21	8854.54
Total Gross Premiums	12,240.81	10,298.21	8854.54

Premiums ceded to reinsurers on insurance contracts and investment contracts with DPF	**2020-21**	**2019-20**	**2018-19**
Particulars			
Life Insurance	(358.33)	(446.04)	(302.26)
Total premiums ceded to reinsurers	(358.33)	(446.04)	(302.26)

Net benefits and claims	**2020-21**	**2019-20**	**2018-19**
Particulars			
a. Gross benefits and claims paid			
Life insurance contracts	2,011.29	1,187.26	818.53
Investment contracts with DPF	-	-	-
Total gross benefits and claims paid	**2,011.29**	**1,187.26**	**818.53**
b. Claims ceded to reinsurers			
Life insurance contracts	(520.94)	(373.29)	(193.93)
Investment contracts with DPF	-	-	-
Total claims ceded to reinsurers	(520.94)	(373.29)	(193.93)
Net benefits and claims	**1,490.35**	**813.97**	**624.60**

Annexure V

61. Key disclosures related to General Insurance business

Contract Liability for General Insurance business
Premium earned

Gross Premium on insurance contracts

Particular	2020-21	2019-20	2018-19
Gross written Premium	2,264.46	1,586.05	1,043.09
Change in reserve for unexpired risks	(267.73)	(476.69)	(678.45)
Gross Earned Premium (a)	**1,996.73**	**1,109.36**	**364.64**

Premium ceded to reinsurers on insurance contracts

Particular	2020-21	2019-20	2018-19
Premium on reinsurance ceded	424.73	268.30	307.39
Change in reserve for unexpired risks	(50.39)	(84.40)	(230.90)
Premium ceded to reinsurers (b)	**374.34**	**183.90**	**76.49**
Total Premium Earned (net) (a - b)	**1,622.39**	**925.46**	**288.15**

Change in actuarial liability

Particular	2020-21	2019-20	2018-19
Gross Claim Paid	1,285.48	686.12	66.00
Claims Ceded to reinsurer on Gross Claims Paid	(89.32)	(52.78)	(5.51)
Net Claims Paid	**1,196.16**	**633.34**	**60.49**
Change in Gross Claims Outstanding	149.39	151.51	58.88
Change in Cededing to reinsurer on Gross Claims Outstanding	(72.89)	(9.61)	(2.38)
Net Claims Outstanding	**1,272.66**	**775.24**	**56.50**
Change in Gross IBNR	500.52	341.61	270.46
Change in Cededing to reinsurer on Gross IBNR	(115.56)	(55.30)	(34.36)
Net IBNR	**384.96**	**286.31**	**236.10**
Change in Gross Premium deficiency Reserve	(1.41)	(33.00)	72.78
Change in Cededing to reinsurer on Premium deficiency Reserve	-	-	-
Net Premium deficiency Reserve	(1.41)	(33.00)	72.78
Change in actuarial liability	**383.55**	**253.31**	**308.88**

Reinsurance asset

Particular	31-Mar-21	31-Mar-20	31-Mar-19
Reinsurance on Insurance Contract	370.32	133.37	80.41
Gross Insurance contract liabilities	2,946.56	2,030.33	1,093.52
Reinsurance asset relating to Insurance contracts	666.99	428.14	278.84
Net Insurance contract liabilities	2,279.57	1,602.19	814.69

Gross Insurance contract liabilities	**31-Mar-21**	**31-Mar-20**	**31-Mar-19**
Gross Claims Outstanding	359.78	210.39	58.88
Gross IBNR	1,112.77	612.25	270.64
Gross Premium deficiency Reserve	38.36	39.77	72.78
Gross Reserve for unexpired risks	1,435.65	1,167.92	691.22
Gross Insurance contract liabilities	**2,946.56**	**2,030.33**	**1,093.52**

Reinsurance asset relating to Insurance contracts	**31-Mar-21**	**31-Mar-20**	**31-Mar-19**
Reinsurance of Claims Outstanding	84.88	11.98	2.38
Reinsurance of IBNR	205.38	89.83	34.53
Reinsurance of Premium deficiency Reserve	-	-	-
Reinsurance of Reserve for unexpired risks	376.73	326.33	241.93
Reinsurance of Insurance contract liabilities	**666.99**	**428.14**	**278.84**

Annexure V

61. Key disclosures related to General Insurance business (Continued)

Net Insurance contract liabilities	**2020-21**	**2019-20**	**2018-19**
Net Claims Outstanding	274.90	198.41	56.50
Net IBNR	907.38	522.42	236.11
Net Premium deficiency Reserve	38.36	39.78	72.78
Net Reserve for unexpired risks	1,058.92	841.58	449.30
Net Insurance contract liabilities	**2,279.56**	**1,602.19**	**814.69**

Reconciliation of Claims Outstanding	**2020-21**	**2019-20**	**2018-19**
Gross Claims Outstanding at the beginning of year	210.39	58.88	-
Gross Change in claims reserve	149.39	151.51	58.88
Gross Claims Outstanding at the end of year	**359.78**	**210.39**	**58.88**
Reinsurance of Claims Outstanding at the beginning of year	11.98	2.38	-
Reinsurance of Change in claims reserve	72.89	9.61	2.38
Reinsurance of Claims Outstanding at the end of year	**84.87**	**11.99**	**2.38**
Net Claims Outstanding at the beginning of year	198.41	56.50	-
Net Change in claims reserve	76.49	141.91	56.50
Net Claims Outstanding at the end of year	**274.90**	**198.41**	**56.50**

Reconciliation of Incurred but not reported (IBNR)	**2020-21**	**2019-20**	**2018-19**
Gross IBNR Outstanding at the beginning of year	612.25	270.65	0.19
Gross Change in IBNR reserve	500.52	341.60	270.46
Gross IBNR Outstanding at the end of year	**1,112.77**	**612.25**	**270.65**
Reinsurance of IBNR Outstanding at the beginning of year	89.83	34.53	0.17
Reinsurance of Change in IBNR reserve	115.56	55.30	34.36
Reinsurance of IBNR Outstanding at the end of year	**205.39**	**89.83**	**34.53**
Net IBNR Outstanding at the beginning of year	522.42	236.11	0.02
Net Change in IBNR reserve	384.96	286.31	236.09
Net IBNR Outstanding at the end of year	**907.38**	**522.42**	**236.11**

Reconciliation of Premium deficiency Reserve	**2020-21**	**2019-20**	**2018-19**
Gross Premium deficiency Reserve Outstanding at the beginning of year	39.78	72.78	-
Gross Change in Premium deficiency reserve	(1.42)	(33.00)	72.78
Gross Premium deficiency Reserve Outstanding at the end of year	**38.36**	**39.78**	**72.78**
Net Premium deficiency Reserve Outstanding at the beginning of year	39.78	72.78	-
Net Change in Premium deficiency reserve	(1.41)	(33.00)	72.78
Net Premium deficiency Reserve Outstanding at the end of year	**38.37**	**39.78**	**72.78**

Reserve for unexpired risks	**2020-21**	**2019-20**	**2018-19**
Gross Reserve for unexpired risks Outstanding at the beginning of year	1,167.91	691.22	12.77
Gross Change in Reserve for unexpired risks reserve	267.73	476.69	678.45
Gross Reserve for unexpired risks Outstanding at the end of year	**1,435.64**	**1,167.91**	**691.22**
Reinsurance of Reserve for unexpired risks Outstanding at the beginning of y	326.33	241.93	11.03
Reinsurance of Change in Reserve for unexpired risks reserve	50.39	84.40	230.90
Reinsurance of Reserve for unexpired risks Outstanding at the end of year	**376.72**	**326.33**	241.93
Net Reserve for unexpired risks Outstanding at the beginning of year	841.59	449.29	1.74
Net Change in Reserve for unexpired risks reserve	217.33	392.29	447.55
Net Reserve for unexpired risks Outstanding at the end of year	**1,058.92**	**841.58**	**449.29**

Annexure V

61. Key disclosures related to General Insurance business (Continued)

Geographical concentration:
The EGICL 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.

2020-21	Change in Assumption	Increase / (Decrease) on Gross Liability	Increase / (Decrease) on Net Liability	Increase / (Decrease) on Profit Before Tax	Increase / (Decrease) on Equity
Ultimate Loss Ratio	10%	294.66	227.96	227.96	-
Ultimate Loss Ratio	(10)%	(294.66)	(227.96)	(227.96)	-

2019-20	Change in Assumption	Increase / (Decrease) on Gross Liability	Increase / (Decrease) on Net Liability	Increase / (Decrease) on Profit Before Tax	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) on Profit Before Tax	Increase / (Decrease) on Equity
Ultimate Loss Ratio	10%	40.26	36.80	36.80	-
Ultimate Loss Ratio	(10)%	(40.26)	(36.80)	(36.80)	-

62. (FY 2020-21)
The Board of Directors at their meeting held on 11 June 2021, have recommended a final dividend of ₹ 0.55 per equity share (on face value of ₹ 1 per equity share), subject to the approval of the members at the ensuing Annual General Meeting.

(FY 2018-19)
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 31 March 2019.

63. (FY 2020-21)

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.

64. (FY 2020-21)

During earlier years and for the year ended 31 March 2021, four subsidiaries of the Group had sold certain financial assets amounting to ₹ 61,568.90 million (net of provisions) and ₹ 10,711.50 million (net of provisions) respectively to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 49,858.40 million and ₹ 8,801.10 million respectively from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from these subsidiaries' reformatted Ind As financial information. Edelweiss Financial Services Limited (EFSL), the holding company, and Edelweiss Rural and Corporate Services Limited (ERCSL) a subsidiary, had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognized in subsidiaries' reformatted Ind As financial information.

Based on a review performed by management of these subsidiaries and EFSL, with effect from 01 January 2021, has directly undertaken substantially all risks and rewards and consequently ERCSL is relieved of its obligations. Further, pursuant to such review, with effect from 01 January 2021, certain terms and conditions of risk and reward agreements have been amended. The Board of Directors of subsidiaries, ERCSL and EFSL in their respective meetings held on 04 June 2021, 10 June 2021 and 11 June 2021 have approved such changes to risk and reward agreements. 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 are recorded in the Reformatted Ind AS Consolidated Financial information.

During the year ended 31 March 2021, the Group re-assessed probability of default, loss given default in respect of these financial assets and due to various factors viz. operational challenges for exposures to certain sectors, increase in credit and market risks for certain counter parties relative to such risks at initial recognition, continued impact of COVID-19 factors. Such re-assessments resulted in recognition of higher amount of loan loss provisioning for the year ended 31 March 2021. Accordingly, the Group has recorded for the year ended 31 March 2021 an amount of ₹ 5,051.50 million towards expected credit loss on these financial assets.

65. (FY 2020-21)

Pursuant to amendments in risk and reward agreement between the subsidiaries, ERCSL and EFSL (as mentioned in note 64 above), with effect from 01 January 2021, fees payable on security receipts (ARC Fee) has been agreed to be borne by EFSL, as the risks and rewards are undertaken by EFSL. Accordingly, an amount of ₹ 489.30 million towards such expenses has been recorded by the EFSL.

66. (FY 2020-21)

Edelweiss Custodial Services Limited ("ECdSL"), a group company of 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 Anugrah Stock and Broking Pvt. Ltd. ("trading member"), for which ECdSL was a clearing member, is still 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 undertaking to keep sufficient assets amounting to ₹ 4,603.20 million belonging to the Group and associate unencumbered and the said lien order has been set aside. The matter has been listed for further hearing.

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 ₹ 2,120.00 million or other amount as directed by the SAT after disposal of Appeal. ECdSL has since provided the declaration to NCL. The matter has been listed for further hearing.

Various Arbitration/Writ Petitions have been filed before the Hon'ble Bombay High Court ("Hon'ble Court") by various end clients of the trading member and/or his associate. ECdSL has been made party to the same. All the Writ Petitions have been tagged together and common orders have been passed in all the Writ Petitions. The next date of hearing is yet to be assigned by the Hon'ble Court.

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 Reformatted Ind AS Consolidated Financial information for year ended 31 March 2021.

67. (FY 2020-21)

During the year ended 31 March 2021, EFSL sold its controlling stake in the wealth management business (Edelweiss Securities Limited) to Edelweiss Global Wealth Management Limited, its wholly owned subsidiary, in accordance with the transaction consummated with PAGAC ECSTACY PTE. LTD (PAG), a private investment firms. Since the Company has sold controlling interest over the wealth management business, it has accounted for the sale as loss of control with effect from 26 March 2021 under the requirements of Ind AS 110 – 'Consolidated Financial Statements'. Accordingly, included in other income is an amount of ₹ 14,063.50 million for the year ended 31 March 2021 towards realized gain representing difference between consideration received and net assets derecognized pertaining to the wealth management business (including related net goodwill) and non controlling interests in other investments that were sold. Further, EFSL's retained interest in the wealth management business meets the definition of an associate and has been recorded at fair value at 26 March 2021 under net fair value changes pursuant to paragraph 25 under Ind AS 110 – 'Consolidation Financial Statements'.

68. (FY 2020-21)

Under the Shareholders' Agreement dated 05 March 2019, entered between Edelweiss Financial Services Limited (EFSL), CDPQ Private Equity Asia PTE. Limited (CDPQ) and ECL Finance Limited (together referred as Parties), EFSL had agreed, pursuant to clause 8.1 & 8.2 to make equity investment of an amount equivalent to the amount of losses on Select real estate/structured finance Loans (Select Loans) into ECL Finance Limited within six months of the default leading to loss incurred by the ECL Finance Limited on or before the date of the conversion of the Investor CCDs into Equity Shares. The rationale for this undertaking was to keep the total equity/net worth of ECL Finance Limited unimpacted on account of impairment in these loan accounts. During the year ended 31 March 2021, Parties have agreed and concluded that loss event for two of the borrowers in the Select Loans have crystalized and hence, EFSL has agreed to make good the loss amounting to ₹ 1,400.10 million incurred by ECL Finance Limited in earlier years. Accordingly, EFSL has recorded such loss in its reformatted Ind AS standalone statement of profit and loss for the year ended 31 March 2021. The Parties have agreed that no loss event has been crystalized in respect of other Select Loans amounts mentioned in above said clauses of the agreement and hence as at 31 March 2021 there is no obligation EFSL has as at 31 March 2021.

69. (FY 2020-21 and FY 2019-20)

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.

70. (FY 2020-21 and FY 2019-20)

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 Group entities 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.

71. (FY2019-20 and FY2018-19)

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 million, amounting to approximately ₹ 18,000 million 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 million on 07 May 2019, towards first tranche.

Annexure V

72. The Group and its associates has process whereby periodically all long term contract (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group and its associates 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.

73. 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

Mumbai 12 November 2021

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Rujan Panjwani
Executive Director
DIN : 00237366

Sarju Simaria
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 12 November 2021

Edelweiss Financial Services Limited

CONSOLIDATED STATEMENT OF DIVIDEND

Annexure VI

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Equity Share Capital (₹ in Million)		935.8	934.41	932.67
Face Value Per Equity Share (₹)	(a)	1.00	1.00	1.00
Interim Dividend on Equity Shares (₹ per Equity Share)	(b)	0.90	-	1.10
Interim Dividend on Equity Shares (₹ in Million)		842.22	-	975.88
Interim Dividend Declared Rate (In %)	(c=b/a)	0.90	-	1.10
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
DIN: 00008322

Rujan Panjwani
Executive Director
DIN : 00237366

Sarju Simaria
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 12 November 2021

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India

Tel: +91 22 6819 8000

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 (2) 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, 2021 and year to date from April 1, 2021 to September 30, 2021 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and 52 (2) 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, 'Interim Financial Reporting' ("Ind AS 34") 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 Ind AS 34 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, 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 continued COVID-19 pandemic on the Company's business and financial metrics including the Company's estimates of impairment of investments and other financial 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: 21102102AAAEOQ1363
Place of Signature: Mumbai
Date: October 28, 2021

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

Edelweiss
Ideas create, values protect

Standalone Financial Results for the quarter and half year ended 30 September 2021

(₹ in Crores)

	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30 September 2021 (Reviewed)	30 June 2021 (Reviewed)	30 September 2020 (Reviewed)	30 September 2021 (Reviewed)	30 September 2020 (Reviewed)	31 March 2021 (Audited)
1	**Revenue from operations**						
	(a) Interest income	52.38	48.15	7.90	100.53	7.94	83.50
	(b) Dividend income	-	38.48	-	38.48	52.65	136.53
	(c) Fee and commission income	22.82	19.37	23.41	42.19	34.34	99.12
	(d) Other operating income	-	-	9.28	-	13.70	24.46
	Total revenue from operations	**75.20**	**106.00**	**40.59**	**181.20**	**108.63**	**343.61**
2	**Other income**	94.13	77.49	4.19	171.62	(115.94)	1,378.27
3	**Total income (1+2)**	**169.33**	**183.49**	**44.78**	**352.82**	**(7.31)**	**1,721.88**
4	**Expenses**						
	(a) Finance costs	39.96	35.01	12.89	74.97	16.54	97.33
	(b) Net (gain) / loss on fair value changes	(49.35)	(19.36)	-	(68.71)	(0.05)	442.29
	(c) Employee benefits expense	14.74	34.43	2.46	49.17	15.18	191.22
	(d) Depreciation and amortisation expense	0.09	0.08	0.42	0.17	0.80	1.40
	(e) Impairment on financial assets	(3.17)	0.07	(1.00)	(3.10)	45.19	148.70
	(f) Other expenses	70.12	61.65	17.31	131.77	29.73	147.02
	Total expenses	**72.39**	**111.88**	**32.08**	**184.27**	**107.39**	**1,027.96**
5	**Profit / (loss) before tax (3-4)**	**96.94**	**71.61**	**12.70**	**168.55**	**(114.70)**	**693.92**
6	**Tax expense**						
	Current tax	-	-	(1.04)	-	9.12	(13.60)
	Deferred tax	(91.99)	-	5.60	(91.99)	(2.78)	(8.70)
7	**Net profit / (loss) for the period (5-6)**	**188.93**	**71.61**	**8.14**	**260.54**	**(121.04)**	**716.22**
8	Other comprehensive income/(loss)	-	-	(0.01)	-	(0.02)	0.95
9	**Total comprehensive income / (loss) (7+8)**	**188.93**	**71.61**	**8.13**	**260.54**	**(121.06)**	**717.17**
10	**Earnings Per Share (₹) (Face Value of ₹ 1/- each)**						
	- Basic (Refer Note 4)	2.12	0.80	0.09	2.92	(1.36)	8.05
	- Diluted (Refer Note 4)	2.11	0.80	0.09	2.91	(1.36)	8.01

Notes:

1 The standalone financial results of Edelweiss Financial Services Limited ('EFSL' or 'the Company') for the quarter and half year ended 30 September 2021 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 28 October 2021.

2 The standalone financial results of EFSL for the quarter and half year ended 30 September 2021 have been subjected to Limited Review by the Statutory Auditors of the Company and the auditors have issued an unmodified review report.

3 During the quarter ended 30 September 2021, the Company has issued 10,55,000 equity shares of face value of ₹ 1 each to the employees of the Company and it's subsidiaries/associates on exercise of employee stock options.

4 Earnings per share for the quarters ended 30 September 2021, 30 June 2021, 30 September 2020 and half year ended 30 September 2021 and 30 September 2020 are not annualised.

5 Two Employee Welfare Trust(s) hold an aggregate 4,48,96,780 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.

6 The COVID-19 outbreak across the world has for past 18 months adversely affected the world economy including India. However in recent times the industry is showing signs of revival signaling a slow but steady return of growth of economy. The impact of the COVID-19 pandemic, on Company's results, including gain/loss on fair value changes, investment, remains uncertain and dependent on actual visibility of growth over coming quarters and steps taken by the government and other regulators to mitigate the economic impact and foster speedier growth. Further, 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's 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.

7 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.

8 During the quarter and half year ended 30 September 2021, three subsidiaries of the Company had sold certain financial assets amounting to ₹ 87.42 crores and ₹ 777.22 crores respectively (net of provisions) to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 48.81 crores and ₹ 635.15 crores respectively from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from these subsidiaries' financial results. The Company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognized in subsidiaries' financial results. Based on assessment of probability of default, loss given default in respect of these financial assets and in light of various factors viz. exposures to certain sectors and assessment of credit and market risks for certain counter parties relative to such risks at initial recognition, the company has recorded fair value gain of ₹ 49.30 crores (net) and ₹ 68.63 crores (net) for the quarter and half year ended respectively and is included in "Net (gain) / loss on fair value changes".

9 During the quarter ended 30 September 2021, the Company has sold its partial stake in one of its subsidiaries based on independent valuer report to another wholly owned subsidiary of the Company and accordingly, other income include a gain on sale amounting to ₹ 94.13 crores in the financial results for the quarter ended 30 September 2021.

10 Standalone Segment Results for the quarter and half year ended 30 September 2021

(₹ in Crores)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30 September 2021 (Reviewed)	30 June 2021 (Reviewed)	30 September 2020 (Reviewed)	30 September 2021 (Reviewed)	30 September 2020 (Reviewed)	31 March 2021 (Audited)
1 Segment revenue [Total income]						
Agency	19.68	15.73	17.15	35.41	19.56	66.41
Holding Company activities	149.65	167.76	23.48	317.41	(31.02)	1,648.69
Unallocated	-	-	4.15	-	4.15	6.78
Total income	**169.33**	**183.49**	**44.78**	**352.82**	**(7.31)**	**1,721.88**
2 Segment results [Profit / (loss) before tax]						
Agency	6.72	3.39	12.38	10.11	5.22	(14.27)
Holding Company activities	90.22	68.22	(3.83)	158.44	(124.07)	701.41
Unallocated	-	-	4.15	-	4.15	6.78
Total profit / (loss) before tax	**96.94**	**71.61**	**12.70**	**168.55**	**(114.70)**	**693.92**
3 Segment assets						
Agency	8.73	11.24	15.06	8.73	15.06	4.19
Holding Company activities	6,147.47	5,790.40	4,334.52	6,147.47	4,334.52	5,870.14
Unallocated	213.41	115.90	94.81	213.41	94.81	106.61
Total assets	**6,369.61**	**5,917.54**	**4,444.39**	**6,369.61**	**4,444.39**	**5,980.94**
4 Segment liabilities						
Agency	8.36	8.02	17.69	8.36	17.69	39.71
Holding Company activities	2,018.21	1,698.07	1,051.06	2,018.21	1,051.06	1,813.69
Unallocated	1.70	2.51	22.62	1.70	22.62	1.55
Total liabilities	**2,028.27**	**1,708.60**	**1,091.37**	**2,028.27**	**1,091.37**	**1,854.95**
5 Segment capital employed [Segment assets - Segment liabilities]						
Agency	0.37	3.22	(2.63)	0.37	(2.63)	(35.52)
Holding Company activities	4,129.26	4,092.33	3,283.46	4,129.26	3,283.46	4,056.45
Unallocated	211.71	113.39	72.19	211.71	72.19	105.06
Total capital employed	**4,341.34**	**4,208.94**	**3,353.02**	**4,341.34**	**3,353.02**	**4,125.99**

Agency includes investment banking; Holding Company activities comprise of development, managerial and financial support to the businesses of subsidiaries and investment activities.

11 Standalone statement of assets and liabilities as at 30 September 2021

(₹ in Crores)

	Particulars	As at 30 September 2021 (Reviewed)	As at 31 March 2021 (Audited)
A	**ASSETS**		
1	**Financial assets**		
	(a) Cash and cash equivalents	8.04	148.18
	(b) Other bank balances	3.96	0.82
	(c) Trade receivables	7.08	19.10
	(d) Loans	1,696.44	1,247.24
	(e) Investments	4,357.58	4,381.73
	(f) Other financial assets	39.35	62.94
	Sub-total - Financial assets	**6,112.45**	**5,860.01**
2	**Non-financial assets**		
	(a) Current tax assets (net)	83.62	68.81
	(b) Deferred tax assets (net)	129.79	37.81
	(c) Property, plant and equipment	0.64	0.60
	(d) Other intangible assets	0.11	0.12
	(e) Other non-financial assets	43.00	13.59
	Sub-total - Non-financial assets	**257.16**	**120.93**
	TOTAL - ASSETS	**6,369.61**	**5,980.94**
B	**LIABILITIES AND EQUITY**		
	Liabilities		
1	**Financial liabilities**		
	(a) Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	71.70	235.44
	(b) Debt Securities	1,353.37	728.90
	(c) Borrowings (other than debt securities)	-	109.11
	(d) Other financial liabilities	583.66	684.15
	Sub-total - Financial liabilities	**2,008.73**	**1,757.60**
2	**Non-financial liabilities**		
	(a) Current tax liabilities (net)	1.70	0.73
	(b) Provisions	0.82	84.58
	(c) Other non-financial liabilities	17.02	12.04
	Sub-total - Non-financial liabilities	**19.54**	**97.35**
3	**Equity**		
	(a) Equity share capital	89.27	89.09
	(b) Other equity	4,252.07	4,036.90
	Total Equity	**4,341.34**	**4,125.99**
	TOTAL LIABILITIES AND EQUITY	**6,369.61**	**5,980.94**

12 Standalone statement of cash flow for the half year ended September 30, 2021

(₹ in Crores)

	Particulars	Half Year Ended	
		30 September 2021 (Reviewed)	30 September 2020 (Reviewed)
A	**Cash flow from operating activities**		
	Profit/(Loss) before tax	168.55	(114.70)
	Adjustments for :		
	Depreciation and amortisation expenses	0.17	0.80
	Fair value change in investments	(0.06)	(0.05)
	Fair value change in provisions	(68.65)	-
	(Profit) / loss on sale of investments (net)	(171.59)	120.13
	Interest accrual on Investment in debentures	(1.13)	-
	Impairment / (reversal) on financial instruments	(3.10)	45.19
	Dividend on investments	(38.48)	(52.65)
	(Profit)/loss on sale of property, plant and equipment	(0.04)	(0.02)
	Interest income	(100.52)	(7.94)
	ESOP and SAR cost	1.01	4.81
	Finance costs	74.97	16.54
	Operating cash flow before working capital changes	**(138.87)**	**12.11**
	Add/(Less): Adjustments for working capital changes		
	Decrease /(Increase) in trade receivables	15.21	36.98
	(Decrease)/increase in in trade payables	(163.73)	(2.35)
	Decrease /(Increase) in other financial assets	17.44	(2.69)
	Decrease /(Increase) in other non-financial assets	(29.36)	10.67
	Decrease /(Increase) in other bank balances	(3.15)	0.07
	(Decrease)/increase in provisions and other financial liabilities	(31.52)	(8.49)
	(Decrease)/increase in other non-financial liabilities	4.99	(4.67)
	Cash generated from /(used in) operations	**(328.99)**	**41.63**
	Income taxes paid/(refund)	(13.84)	3.53
	Net cash generated from / (used in) operating activities - A	**(342.83)**	**45.16**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment	(0.29)	(0.62)
	Sale of property, plant and equipment	0.11	0.05
	Purchase of investments	(183.34)	(479.11)
	Sale of investments	380.27	383.75
	Dividend on investments	38.48	52.65
	Loan (given) / Repayment of loans[1]	(449.33)	(849.48)
	Interest received	100.52	1.19
	Net cash generated from / (used in) investing activities - B	**(113.58)**	**(891.57)**
C	**Cash flow from financing activities**		
	Proceeds from issuance of Share capital (including securities premium)	7.34	1.83
	Repayment of non convertible debentures	(10.50)	-
	Proceeds from debt securities	583.67	939.81
	Proceeds from/(repayment of) borrowing[1]	(109.12)	(76.31)
	Dividend paid	(131.46)	-
	Finance costs	(23.66)	(16.54)
	Net cash generated from / (used in) financing activities - C	**316.27**	**848.79**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(140.14)**	**2.38**
	Cash and cash equivalents as at the beginning of the period	148.18	1.37
	Cash and cash equivalents as at the end of the period	8.04	3.75

[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.

13 The previous period/year figures have been regrouped/reclassified wherever necessary to conform to current period's presentation.

14 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, 28 October 2021.

S.R. BATLIBOI & CO. LLP
Chartered Accountants

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29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India

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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") and its associates for the quarter ended September 30, 2021 and year to date from April 1, 2021 to September 30, 2021 (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, 'Interim Financial Reporting' (Ind AS 34) 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, trusts and associates (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 Ind AS 34 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, 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 9 to the Statement, which describes the economic and social disruption as a result of continued COVID-19 pandemic on the Group's business and financial metrics including the Group's estimates of impairment of loans, financial assets, investment properties, investments, intangible assets (including goodwill) and in case of life insurance business, estimate of claims which are highly dependent on uncertain future developments. Our conclusion is not modified in respect of this matter.

7. The accompanying Statement includes the unaudited financial results and other financial information, in respect of:

   a. 27 subsidiaries, whose unaudited financial results include total assets of Rs. 14,177.15 crores as at September 30, 2021, total revenues of Rs. 875.24 crores and Rs. 1,664.64 crores, total net loss after tax of Rs. 138.76 crores and Rs. 106.70 crores, total comprehensive loss of Rs. 90.31 crores and Rs. 119.99 crores, for the quarter ended September 30, 2021 and the period ended on that date respectively, and net cash outflows of Rs. 41.76 crores for the period from April 1, 2021 to September 30, 2021, as considered in the Statement which have been reviewed by their respective independent auditors.

b. 1 subsidiary, whose unaudited financial results include total assets of Rs. 16,697.04 crores as at September 30, 2021, total revenues of Rs. 430.98 crores and Rs. 817.10 crores, total net profit after tax of Rs. 18.00 crores and Rs. 3.75 crores, total comprehensive income of Rs. 18.00 crores and Rs. 4.18 crores, for the quarter ended September 30, 2021 and the period ended on that date respectively, and net cash outflows of Rs. 1,425.11 crores for the period from April 1, 2021 to September 30, 2021, as considered in the Statement which have been jointly reviewed by us with another auditor.

c. 5 associate companies, whose unaudited financial results include Group's share of net profit of Rs. 0.22 crores and Rs. 0.16 crores and Group's share of total comprehensive income of Rs. 0.10 crores and Rs. 0.31 crores for the quarter ended September 30, 2021 and for the period from April 1, 2021 to September 30, 2021 respectively, as considered in the Statement whose financial results, other financial information have been reviewed by their respective independent auditors.

The independent auditor's reports on financial results and other financial information 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 and associate companies is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

d. 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, 2021 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, 2021 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.

e. 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, 2021 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. EGIC'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 Number:102102
UDIN: 21102102AAAEOR2073
Place of Signature: Mumbai
Date: October 28, 2021

Annexure A

SUBSIDIARIES:	TRUSTS:	TRUSTS:
ECL Finance Limited	ESAF - I Trust	EARC Trust SC 392
Edelweiss Rural & Corporate Services Limited	EARC SAF - 2 Trust	EARC Trust SC 395
Edelweiss Asset Reconstruction Company Limited	EARC SAF - 3 Trust	EARC Trust SC 380
Edelweiss Housing Finance Limited	EARC Trust SC 6	EARC Trust SC 387
Edelweiss Retail Finance Limited	EARC Trust SC 7	EARC Trust SC 388
Edel Finance Company Limited	EARC Trust SC 9	EARC Trust SC 393
Edelweiss Asset Management Limited	EARC Trust SC 102	EARC Trust SC 372
EdelGive Foundation	EARC Trust SC 109	EARC Trust SC 373
Edelweiss Tokio Life Insurance Company Limited	EARC Trust SC 112	EARC Trust SC 374
Edelweiss General Insurance Company Limited	EARC Trust SC 130	EARC Trust SC 375
Allium Finance Private Limited	EARC Trust SC 223	EARC Trust SC 376
Edelcap Securities Limited	EARC Trust SC 229	EARC Trust SC 385
Edelweiss Securities and Investments Private Limited	EARC Trust SC 238	EARC Trust SC 394
ECap Equities Limited	EARC Trust SC 245	EARC Trust SC 399
Edel Investments Limited	EARC Trust SC 251	EARC Trust SC 401
EC Commodity Limited	EARC Trust SC 262	EARC Trust SC 402
Aster Commodities DMCC	EARC Trust SC 263	EARC Trust SC 406
EC International Limited	EARC Trust SC 266	EARC Trust SC 377
Edel Land Limited	EARC Trust SC 293	EARC Trust SC 378
Edelweiss Comtrade Limited	EARC Trust SC 297	EARC Trust SC 396
Edelweiss Multi Strategy Fund Advisors LLP	EARC Trust SC 298	EARC Trust SC 410
Edelweiss Gallagher Insurance Brokers Limited	EARC Trust SC 306	EARC Trust SC 405
Edelweiss Private Equity Tech Fund	EARC Trust SC 308	EARC Trust SC 428
Edelweiss Value and Growth Fund	EARC Trust SC 314	EARC Trust SC 429
India Credit Investment Fund II	EARC Trust SC 318	EARC Trust SC 412
EAAA LLC	EARC Trust SC 321	EARC Trust SC 415
Edelweiss Alternative Asset Advisors Limited	EARC Trust SC 325	EARC Trust SC 430
Edelweiss Alternative Asset Advisors Pte. Limited	EARC Trust SC 329	EARC Trust SC 427
Edelweiss Investment Adviser Limited	EARC Trust SC 331	EARC Trust SC 413
Edelweiss Resolution Advisors LLP	EARC Trust SC 332	EARC Trust SC 416
EW Special Opportunities Advisors LLC	EARC Trust SC 334	EARC Trust SC 417
Edelweiss Trusteeship Company Limited	EARC Trust SC 342	EARC Trust SC 397
Edelweiss International (Singapore) Pte. Limited	EARC Trust SC 344	EARC Trust SC 227
Edelweiss Capital Services Limited	EARC Trust SC 347	EARC Trust SC 228
Edelweiss Real Assets Managers Limited	EARC Trust SC 348	EARC Trust SC 431
Sekura India Management Limited	EARC Trust SC 349	EARC Trust SC 418
	EARC Trust SC 351	EARC Trust SC 434
Associates:	EARC Trust SC 352	EARC Trust SC 421
Edelweiss Securities Limited	EARC Trust SC 357	EARC Trust SC 422
Edelweiss Finance & Investments Limited	EARC Trust SC 360	EARC Trust SC 423
Edelweiss Broking Limited	EARC Trust SC 361	EARC Trust SC 424
Edelweiss Custodial Services Limited	EARC Trust SC 363	EARC Trust SC 436
Edelweiss Financial Services Inc.	EARC Trust SC 370	
Edelweiss Investment Advisors Private Limited	EARC Trust SC 381	
Edelweiss Securities (Hong Kong) Private Limited	EARC Trust SC 383	
Edelweiss Financial Services (UK) Limited	EARC Trust SC 386	
Edelweiss Securities (IFSC) Limited	EARC Trust SC 384	
ESL Securities Limited	EARC Trust SC 391	

Edelweiss Financial Services Limited
Corporate Identity Number: L99999MH1995PLC094641
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Website : www.edelweissfin.com

Edelweiss
Ideas create, values protect

Consolidated Financial Results for the quarter and half year ended 30 September 2021

(₹ in Crores)

	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30 September 2021 (Reviewed)	30 June 2021 (Reviewed)	30 September 2020 (Reviewed)	30 September 2021 (Reviewed)	30 September 2020 (Reviewed)	31 March 2021 (Audited)
1	**Revenue from operations**						
	(a) Interest income	790.16	773.28	1,085.63	1,563.44	2,140.94	4,034.40
	(b) Dividend income	6.97	6.05	6.26	13.02	10.68	69.57
	(c) Fee and commission income	372.29	285.35	388.85	657.64	745.91	1,654.14
	(d) Net gain / (loss) on fair value changes	274.41	305.11	423.30	579.52	703.62	2,220.90
	(e) Premium from insurance business	371.46	255.74	299.79	627.20	489.14	1,324.64
	(f) Other operating income	5.85	7.68	18.99	13.53	30.65	53.71
	Total revenue from operations	**1,821.14**	**1,633.21**	**2,222.82**	**3,454.35**	**4,120.94**	**9,357.36**
2	**Other income**	32.17	16.04	34.06	48.21	55.62	1,491.49
3	**Total income (1+2)**	**1,853.31**	**1,649.25**	**2,256.88**	**3,502.56**	**4,176.56**	**10,848.85**
4	**Expenses**						
	(a) Finance costs	748.40	802.32	949.07	1,550.72	1,951.05	3,834.03
	(b) Impairment on financial assets	(21.79)	(2.95)	94.03	(24.74)	222.08	1,260.92
	(c) Change in valuation of credit impaired loans (Refer Note 7)	57.71	48.87	209.56	106.58	342.53	812.61
	(d) Employee benefits expense	229.35	235.59	286.43	464.94	594.84	1,615.91
	(e) Depreciation and amortisation expense	35.53	35.86	57.03	71.39	114.07	259.88
	(f) Change in insurance policy liability - actuarial	386.46	209.06	280.79	595.52	551.66	1,302.33
	(g) Policy benefits paid	127.83	114.51	60.98	242.34	92.25	276.30
	(h) Other expenses	285.46	253.09	350.21	538.55	581.92	1,340.62
	Total expenses	**1,848.95**	**1,696.35**	**2,288.10**	**3,545.30**	**4,450.40**	**10,702.60**
5	**Profit / (loss) before share in profit / (loss) of associates and tax (3-4)**	**4.36**	**(47.10)**	**(31.22)**	**(42.74)**	**(273.84)**	**146.25**
6	**Share in profit / (loss) of associates**	35.98	21.19	-	57.17	-	(0.64)
7	**Profit / (loss) before tax (5+6)**	**40.34**	**(25.91)**	**(31.22)**	**14.43**	**(273.84)**	**145.61**
8	**Tax expense**						
	Current tax	25.36	30.57	44.28	55.93	94.69	23.99
	Deferred tax	(50.24)	(81.77)	(19.38)	(132.01)	(48.74)	(132.29)
9	**Net profit / (loss) for the period (7-8)**	**65.22**	**25.29**	**(56.12)**	**90.51**	**(319.79)**	**253.91**
10	Other comprehensive income/(loss)	48.56	(60.41)	(43.04)	(11.85)	(2.78)	(1.80)
11	**Total comprehensive income / (loss) (9+10)**	**113.78**	**(35.12)**	**(99.16)**	**78.66**	**(322.57)**	**252.11**
12	**Net profit / (loss) for the period attributable to:**						
	Owners of the company	**57.29**	**18.09**	**(48.50)**	**75.38**	**(293.58)**	**265.33**
	Non controlling interests	7.93	7.20	(7.62)	15.13	(26.21)	(11.42)
13	**Other comprehensive income / (loss) for the period attributable to:**						
	Owners of the company	23.41	(27.63)	(24.68)	(4.22)	(3.92)	1.19
	Non controlling interests	25.15	(32.78)	(18.36)	(7.63)	1.14	(2.99)
14	**Total comprehensive income / (loss) for the period attributable to:**						
	Owners of the company	80.70	(9.54)	(73.18)	71.16	(297.50)	266.52
	Non controlling interests	33.08	(25.58)	(25.98)	7.50	(25.07)	(14.41)
15	**Earnings Per Share (₹) (Face Value of ₹ 1/- each)**						
	- Basic (Refer Note 6)	0.65	0.20	(0.55)	0.85	(3.30)	2.98
	- Diluted (Refer Note 6)	0.64	0.20	(0.55)	0.84	(3.30)	2.97

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Notes:

1 The consolidated financial results of Edelweiss Financial Services Limited ('EFSL' or 'the Company') and its subsidiaries and trusts (together referred as 'Group') and associates for the quarter and half year ended 30 September 2021 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 28 October 2021.

2 The consolidated financial results of EFSL for the quarter and half year ended 30 September 2021 have been subjected to Limited Review by the Statutory Auditors of the Company and the auditors have issued an unmodified review report.

3 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:

(₹ in Crores)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30 September 2021 (Reviewed)	30 June 2021 (Reviewed)	30 September 2020 (Reviewed)	30 September 2021 (Reviewed)	30 September 2020 (Reviewed)	31 March 2021 (Audited)
Total income	169.33	183.49	44.78	352.82	(7.31)	1,721.88
Profit / (loss) before tax	96.94	71.61	12.70	168.55	(114.70)	693.92
Net profit / (loss) after tax	188.93	71.61	8.14	260.54	(121.04)	716.22
Other comprehensive income / (loss)	-	-	(0.01)	-	(0.02)	0.95
Total comprehensive income / (loss)	**188.93**	**71.61**	**8.13**	**260.54**	**(121.06)**	**717.17**

4 The attribution of consolidated profit / (loss) before tax between owners of the company and non controlling interests is as per below table:

(₹ in Crores)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30 September 2021 (Reviewed)	30 June 2021 (Reviewed)	30 September 2020 (Reviewed)	30 September 2021 (Reviewed)	30 September 2020 (Reviewed)	31 March 2021 (Audited)
Profit / (loss) before tax attributable to:						
Owners of the company	21.42	(40.13)	(30.73)	(18.71)	(260.75)	131.58
Non controlling interests	18.92	14.22	(0.49)	33.14	(13.09)	14.03
Profit / (loss) before tax	**40.34**	**(25.91)**	**(31.22)**	**14.43**	**(273.84)**	**145.61**

5 During the quarter ended 30 September 2021, the Company has issued 10,55,000 equity shares of face value of ₹ 1 each to the employees of the Company and it's subsidiaries/associates on exercise of employee stock options.

6 Earnings per share for the quarters ended 30 September 2021, 30 June 2021, 30 September 2020 and half year ended 30 September 2021 and 30 September 2020 are not annualised.

7 Change in valuation of credit impaired loans represents valuation movement of loans originated by consolidated ARC trusts.

8 Two Employee Welfare Trust(s) hold an aggregate 4,48,96,780 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.

9 The COVID-19 outbreak across the world has for past 18 months adversely affected the world economy including India. However in recent times the industry is showing signs of revival signalling a slow but steady return of growth of economy. The impact of the COVID-19 pandemic, on Group's results, including credit quality and provisions, gain/loss on fair value changes, investment, remains uncertain and dependent on actual visibility of growth over coming quarters and steps taken by the government, RBI and other regulators to mitigate the economic impact and foster speedier growth. Further, 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 financial support from banks and other fundraising opportunities in determining the Group 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, deferred tax assets, intangible assets (including goodwill), investments and in case of life insurance business, estimate of claims, 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.

10 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.

11 Edelweiss Custodial Services Limited ("ECdSL"), a associate of 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 Anugrah Stock and Broking Pvt. Ltd. ("trading member"), for which ECdSL was a clearing member, is still 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 undertaking to keep sufficient assets amounting to ₹ 460.32 crores belonging to the Group and associate unencumbered and the said lien order has been set aside. The matter has been listed for further hearing.

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 as directed by the SAT after disposal of Appeal. ECdSL has since provided the declaration to NCL. The matter has been listed for further hearing.

Various Arbitration/Writ Petitions have been filed before the Hon'ble Bombay High Court ("Hon'ble Court") by various end clients of the trading member against trading member and its associates. ECdSL has been made party to the same. All the Writ Petitions have been tagged together and common orders have been passed. The matter has been listed for further hearing.

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, ECdSL has assessed such liability to be remote as at 30 September 2021.

12 During the quarter and half year ended 30 September 2021, three subsidiaries of the Company had sold certain financial assets amounting to ₹ 87.42 crores and ₹ 777.22 crores (net of provisions) respectively to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 48.81 crores and ₹ 635.15 crores respectively from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from these subsidiaries' financial results. The Company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognized in subsidiaries' financial results. Based on assessment of probability of default, loss given default in respect of these financial assets and in light of various factors viz. exposures to certain sectors and assessment of credit and market risks for certain counter parties relative to such risks at initial recognition, the Group has recorded fair value gain of ₹ 114.49 crores (net) and ₹ 143.48 crores (net) for the quarter and half year ended respectively and is included in "Net gain / (loss) on fair value changes".

13 Consolidated Segment Results for the quarter and half year ended 30 September 2021

(₹ in Crores)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30 September 2021 (Reviewed)	30 June 2021 (Reviewed)	30 September 2020 (Reviewed)	30 September 2021 (Reviewed)	30 September 2020 (Reviewed)	31 March 2021 (Audited)
1 Segment revenue [Total income]						
Agency business	138.52	126.41	364.55	264.93	603.00	1,336.59
Capital business	676.87	583.76	756.07	1,260.63	1,530.41	4,804.83
Insurance business	620.05	416.91	443.66	1,036.96	842.71	2,070.95
Asset reconstruction business	277.80	263.82	429.75	541.62	789.36	1,706.37
Treasury business	156.90	272.88	250.10	429.78	386.71	880.79
Unallocated	19.15	6.66	12.75	25.81	24.37	48.68
Total income	**1,889.29**	**1,670.44**	**2,256.88**	**3,559.73**	**4,176.56**	**10,848.21**
2 Segment results [Profit / (loss) before tax]						
Agency business	24.90	8.83	65.00	33.73	96.64	172.15
Capital business	(69.92)	(207.15)	(221.18)	(277.07)	(498.80)	(349.01)
Insurance business	(84.06)	(58.95)	(84.15)	(143.01)	(167.96)	(297.77)
Asset reconstruction business	90.17	61.46	58.00	151.63	107.19	225.01
Treasury business	74.76	173.42	155.72	248.18	200.17	415.67
Unallocated	4.49	(3.52)	(4.61)	0.97	(11.08)	(20.44)
Total profit / (loss) before tax	**40.34**	**(25.91)**	**(31.22)**	**14.43**	**(273.84)**	**145.61**
3 Segment assets						
Agency business	686.67	688.21	4,444.88	686.67	4,444.88	732.66
Capital business	25,467.20	27,328.57	32,748.99	25,467.20	32,748.99	29,008.20
Insurance business	6,397.68	5,821.14	4,833.04	6,397.68	4,833.04	5,648.93
Asset reconstruction business	6,263.50	6,271.72	6,484.94	6,263.50	6,484.94	6,066.50
Treasury business	3,513.51	2,980.45	2,120.33	3,513.51	2,120.33	2,723.85
Unallocated	2,053.35	1,925.55	1,606.74	2,053.35	1,606.74	1,794.88
Total assets	**44,381.91**	**45,015.64**	**52,238.92**	**44,381.91**	**52,238.92**	**45,975.02**
4 Segment liabilities						
Agency business	254.92	273.35	3,706.46	254.92	3,706.46	327.72
Capital business	24,188.52	25,687.77	32,108.20	24,188.52	32,108.20	26,880.20
Insurance business	5,659.06	5,261.86	4,099.53	5,659.06	4,099.53	4,993.79
Asset reconstruction business	4,035.65	4,110.74	4,465.77	4,035.65	4,465.77	3,951.67
Treasury business	2,182.19	1,783.49	621.03	2,182.19	621.03	1,891.60
Unallocated	262.16	251.68	304.64	262.16	304.64	253.04
Total liabilities	**36,582.50**	**37,368.89**	**45,305.63**	**36,582.50**	**45,305.63**	**38,298.02**
5 Segment capital employed [Segment assets - Segment liabilities]						
Agency business	431.75	414.86	738.42	431.75	738.42	404.94
Capital business	1,278.68	1,640.80	640.79	1,278.68	640.79	2,128.00
Insurance business	738.62	559.28	733.51	738.62	733.51	655.14
Asset reconstruction business	2,227.85	2,160.98	2,019.17	2,227.85	2,019.17	2,114.83
Treasury business	1,331.32	1,196.96	1,499.30	1,331.32	1,499.30	832.25
Unallocated	1,791.19	1,673.87	1,302.10	1,791.19	1,302.10	1,541.84
Total capital employed	**7,799.41**	**7,646.75**	**6,933.29**	**7,799.41**	**6,933.29**	**7,677.00**

The Company has made its consolidated segment reporting to meaningfully represent its business lines Agency business, Capital business, Asset reconstruction business, Insurance & Treasury business. Agency business includes advisory and other fee based businesses; Capital business 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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14 Consolidated statement of assets and liabilities as at 30 September 2021

(₹ in Crores)

	Particulars	As at 30 September 2021 (Reviewed)	As at 31 March 2021 (Audited)
A	**ASSETS**		
1	**Financial assets**		
	(a) Cash and cash equivalents	1,369.25	3,898.52
	(b) Other bank balances	1,115.23	861.69
	(c) Derivative financial instruments	297.92	290.20
	(d) Stock in trade	1,682.59	1,574.68
	(e) Trade receivables	620.68	506.05
	(f) Loans ^	21,130.90	21,910.55
	(g) Investments	12,536.66	11,476.30
	(h) Other financial assets	1,190.02	1,262.81
	Sub-total - Financial assets	**39,943.25**	**41,780.80**
2	**Non-financial assets**		
	(a) Reinsurance assets	345.32	339.34
	(b) Current tax assets (net)	844.02	721.81
	(c) Deferred tax assets (net)	1,082.87	958.50
	(d) Investment property	310.30	339.46
	(e) Property, plant and equipment	1,178.67	1,228.13
	(f) Capital work-in-progress	0.97	0.79
	(g) Intangible assets under development	16.36	12.42
	(h) Goodwill on consolidation	66.33	66.33
	(i) Other intangible assets	132.07	146.77
	(j) Other non-financial assets	461.75	380.67
	Sub-total - Non-financial assets	**4,438.66**	**4,194.22**
	TOTAL - ASSETS	**44,381.91**	**45,975.02**
B	**LIABILITIES AND EQUITY**		
	Liabilities		
1	**Financial liabilities**		
	(a) Derivative financial instruments	316.83	184.55
	(b) Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	0.12
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	867.76	489.36
	(c) Insurance claims payable	75.02	19.44
	(d) Debt securities	16,500.43	17,485.85
	(e) Borrowings (other than debt securities)	7,681.10	9,431.82
	(f) Deposits	1.52	9.60
	(g) Subordinated liabilities	1,539.19	1,508.77
	(h) Other financial liabilities	3,842.19	4,145.72
	Sub-total - Financial liabilities	**30,824.04**	**33,275.23**
2	**Non-financial liabilities**		
	(a) Current tax liabilities (net)	31.14	25.30
	(b) Provisions	45.42	111.85
	(c) Provision for policyholders' liabilities	4,956.44	4,354.93
	(d) Deferred tax liabilities (net)	207.21	215.76
	(e) Other non-financial liabilities	518.25	314.95
	Sub-total - Non-financial liabilities	**5,758.46**	**5,022.79**
3	**Equity**		
	(a) Equity share capital	89.27	89.09
	(b) Other equity	6,529.91	6,488.07
	Equity attributable to owners of the parent	**6,619.18**	**6,577.16**
	Non-controlling interest	1,180.23	1,099.84
	Total Equity	**7,799.41**	**7,677.00**
	TOTAL LIABILITIES AND EQUITY	**44,381.91**	**45,975.02**

^ Loans include the credit exposure held by the consolidated ARC trusts.

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15 Consolidated statement of cash flow for the half year ended September 30, 2021

(₹ in Crores)

	Particulars	Half Year Ended	
		30 September 2021 (Reviewed)	30 September 2020 (Reviewed)
A	**Cash flow from operating activities**		
	Profit/(Loss) before tax	14.43	(273.84)
	Adjustments for:		
	Depreciation and amortisation expenses	71.39	114.07
	Expense on employee stock option plans	6.82	17.69
	Impairment on financial instruments	(24.74)	222.08
	Change in valuation of credit impaired loans	106.58	342.53
	Interest on income tax refund	(15.82)	(12.48)
	Dividend income	(13.02)	(10.68)
	(Profit) / loss on sale of property, plant and equipment[1]	0.51	5.72
	(Profit) / loss on sale of investment property (net)[1]	(0.28)	(0.04)
	Realised fair value (gain)/loss on financial instruments	(257.86)	(268.72)
	Unrealised fair value (gain)/loss on financial instruments	(321.38)	(434.89)
	Provision for policyholders liability	595.52	551.66
	Finance costs	313.18	341.05
	Operating cash flow before working capital changes	**475.33**	**594.15**
	Adjustments for:		
	Decrease / (increase) in trade receivables	(114.63)	420.49
	Decrease / (increase) in stock-in-trade and inventory	(123.21)	702.89
	Decrease / (increase) in other financial/non financial assets	36.58	(208.65)
	Decrease / (increase) in derivative financial instruments	208.51	(140.77)
	Decrease / (increase) in loans	715.20	1,005.23
	Increase / (decrease) in trade payables	378.28	213.89
	Increase / (decrease) in insurance claim payable	55.58	5.30
	Increase / (decrease) in other financial liabilities	(247.06)	813.79
	Increase / (decrease) in provisions	19.67	3.53
	Increase / (decrease) in provision for policyholders' liabilities	5.99	9.11
	Increase / (decrease) in other non-financial liabilities	203.31	(109.60)
	Cash generated / (used) in operations	**1,613.55**	**3,309.36**
	Income taxes paid (net of refund)	(157.80)	(87.54)
	Net cash generated / (used) in operating activities - A	**1,455.75**	**3,221.82**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment and intangibles	(22.52)	(11.63)
	(Purchase) / sale of investment property[1]	29.44	37.95
	(Purchase) / sale of investments[1]	(692.43)	18.33
	Dividend on investments	13.02	10.68
	(Investment) / maturity of bank deposits	(253.54)	(1,020.96)
	Net cash generated / (used) in investing activities - B	**(926.03)**	**(965.63)**
C	**Cash flow from financing activities**		
	Proceeds from issue of shares including premium and share application money	7.34	1.82
	Investment by non controlling interest	92.25	33.06
	Proceeds/(repayment) from debt securities[1]	(985.42)	(240.01)
	Proceeds/(repayment) from borrowings (other than debt securities)[1]	(1,750.72)	(1,783.41)
	Proceeds/(repayment) from deposits[1]	(8.08)	(203.86)
	Proceeds/(repayment) from subordinated liabilities[1]	30.42	(485.07)
	Dividend paid	(131.60)	-
	Finance cost paid	(313.18)	(385.20)
	Net cash generated / (used) in financing activities - C	**(3,058.99)**	**(3,062.67)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(2,529.27)**	**(806.48)**
	Cash and cash equivalents as at the beginning of the period	3,898.52	4,942.52
	Cash and cash equivalents as at the end of the period	1,369.25	4,136.04

[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.

16 The previous period/year figures have been regrouped/reclassified wherever necessary to conform to current period's presentation.

17 The consolidated financial results will be available on the Company's website - www.edelweissfin.com

On behalf of the Board of Directors

Rashesh Shah
Chairman

Mumbai, 28 October 2021.

MATERIAL DEVELOPMENTS

No other material developments have taken place in our Company since September 30, 2021 till the date of filing this Shelf Prospectus, except as disclosed below and herein above:

1. 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 (₹)	Issue price per Equity Share (₹)	Consideration	Cumulative number of Equity Shares	Cumulative Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)
October 12, 2021	Allotment pursuant to ESOP scheme	40,000	1	57.10	Cash	937,642,552	937,642,552	31,460,175,161.00
		18,750		59.05		937,661,302	937,661,302	31,461,263,598.50
		6,000		61.00		937,667,302	937,667,302	31,461,623,598.50
November 25, 2021	Allotment pursuant to ESOP scheme	362,500	1	30.00	Cash	938,029,802	938,029,802	31,472,136,098.50
		484,500		30.45		938,514,302	938,514,302	31,486,404,623.50
		660,975		34.60		939,175,277	939,175,277	31,508,613,383.50
		43,750		48.10		939,219,027	939,219,027	31,510,674,008.50
		1,138,763		57.10		940,357,790	940,357,790	31,574,558,612.80
		730,850		59.05		941,088,640	941,088,640	31,616,984,455.30
		56,250		61.00		941,144,890	941,144,890	31,620,359,455.30
		1,875		189.85		941,146,765	941,146,765	31,620,713,549.05
		2,500		314.40		941,149,265	941,149,265	31,621,497,049.05

2. The Company has issued Secured redeemable non-convertible debenture of face value of ₹ 10,00,000 each, aggregating to ₹ 650,00,00,000 on private placement basis on October 4, 2021.

3. The Company has divested 61% stake in EGIBL. Pursuant to this divestment, EGIBL is no longer a subsidiary of the Company.

FINANCIAL INDEBTEDNESS

As on September 30, 2021, our Company had outstanding Total Borrowings, on a standalone basis, of ₹ 13,855.61 million.

Sr. No.	Nature of Borrowings	Amount Outstanding (in ₹ million)	%
1.	Secured borrowings	13.855.61	100.00
2.	Unsecured borrowings	-	-
Total Borrowings		**13,855.61**	**100.00**

Set forth below, is a summary of the borrowings by our Company outstanding as on September 30, 2021, 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 September 30, 2021 amounts to ₹ 13,855.61 million. The details of the secured borrowings are set out below:

1. Secured Redeemable non-convertible debentures *(public placements):*

Our Company has issued Secured redeemable non-convertible debenture of face value of ₹ 1,000 on a public placement basis of which ₹ 2,092.06 million is outstanding (including accrued interest) as on September 30, 2021, the details of which are set forth below:

Description	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding** (including accrued interest) (₹ million)	Redemption / Maturity date	Credit Rating
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BK7	1,095	9.35	January 8, 2021	623.80	January 8, 2024	BWR AA- & CARE A+
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BL5	1,095	NA	January 8, 2021	165.43	January 8, 2024	BWR AA- & CARE A+
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BM3	1,826	9.39	January 8, 2021	562.32	January 8, 2026	BWR AA- & CARE A+
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BN1	1,826	9.80	January 8, 2021	366.56	January 8, 2026	BWR AA- & CARE A+
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BO9	1,826	NA	January 8, 2021	115.70	January 8, 2026	BWR AA- & CARE A+
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BP6	3,652	9.53	January 8, 2021	181.78	January 8, 2031	BWR AA- & CARE A+
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BQ4	3,652	9.95	January 8, 2021	76.47	January 8, 2031	BWR AA- & CARE A+-

Above debentures are fully secured by receivables from Edelweiss Rural and Corporate Services ₹ 2,170 million

2. Secured Redeemable non-convertible debentures *(public placements):*

Our Company has issued Secured redeemable non-convertible debenture of face value of ₹1,000 on a public placement basis of which ₹ 2,234.15 million is outstanding (including accrued interest) as on September 30, 2021, the details of which are set forth below:

Description	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding** (including accrued interest) (₹ million)	Redemption/ Maturity date	Credit Rating
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BV4	1,096.00	9.10	April 29, 2021	519.52	April 29, 2024	BWR AA- & Acuite AA
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BX0	1,826.00	9.16	April 29, 2021	819.61	April 29, 2026	BWR AA- & Acuite AA
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BY8	1,826.00	9.55	April 29, 2021	313.32	April 29, 2026	BWR AA- & Acuite AA
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CA6	3,652.00	9.30	April 29, 2021	191.42	April 29, 2031	BWR AA- & Acuite AA
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CB4	3,652.00	9.70	April 29, 2021	163.66	April 29, 2031	BWR AA- & Acuite AA
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BW2	1,096.00	NA	April 29, 2021	129.88	April 29, 2024	BWR AA- & Acuite AA
Secured, rated, listed, non-convertible redeemable debentures	INE532F07BZ5	1,826.00	NA	April 29, 2021	96.74	April 29, 2026	BWR AA- & Acuite AA

Above debentures are fully secured by receivables from Edelweiss Rural and Corporate Services ₹ 2,400 million

3. Secured, Redeemable Non-convertible debentures (*public placement*):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹1,000 on a public placement basis of which ₹ 3,697.58 million is outstanding (including accrued interest) as on September 30, 2021, the details of which are set forth below:

Description	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding** (including accrued interest) (₹ million)	Redemption/ Maturity date	Credit Rating
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CC2	1096	8.75	September 10, 2021	784.58	September 10, 2024	ACUITE AA & ICRA A+
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CD0	1096	9.1	September 10, 2021	813.19	September 10, 2024	ACUITE AA & ICRA A+
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CE8	1096	NA	September 10, 2021	298.59	September 10, 2024	ACUITE AA & ICRA A+
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CF5	1826	9.15	September 10, 2021	827.80	September 10, 2026	ACUITE AA & ICRA A+

Description	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding** (including accrued interest) (₹ million)	Redemption/ Maturity date	Credit Rating
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CG3	1826	9.55	September 10, 2021	447.68	September 10, 2026	ACUITE AA & ICRA A+
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CH1	1826	NA	September 10, 2021	138.39	September 10, 2026	ACUITE AA & ICRA A+
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CI9	3652	9.3	September 10, 2021	285.56	September 10, 2031	ACUITE AA & ICRA A+
Secured, rated, listed, non-convertible redeemable debentures	INE532F07CJ7	3652	9.70	September 10, 2021	101.79	September 10, 2031	ACUITE AA & ICRA A+

Above debentures are fully secured by receivables from Edelweiss Rural and Corporate Services ₹ 2,000 million and Ecap Equities Limited ₹ 2,050 million

4. Unrated, Unlisted, Secured, Redeemable Non-Convertible Debentures (private placements):

Our Company has issued rated, secured redeemable non-convertible debenture of face value of ₹ 970,000 on a private placement basis of which ₹ 3,714.76 million is outstanding (including accrued interest) as on September 30, 2021, 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	Credit Rating
Secured, unrated, unlisted, non-convertible redeemable debentures*	1,506	5.00%	March 16, 2021	3,714.76	April 30, 2025	NA

**Above debentures are fully secured by pledge over 59.84% of the total issued and paid-up equity share capital of Edelweiss Asset Reconstruction Company.*

5. Secured Redeemable non-convertible debentures *(private placements)*:

Sr. No.	Description	ISIN	Tenor/ Period of Maturity (Days)	Coupon (p.a.) in %	Issue Amount	Amount outstanding (₹ million)	Redemption/ Maturity Date	Credit Rating
1	J3L001A	INE532F07BJ9	1,095	NA	105.70	111.60	December 18, 2023	BWR PP-MLD AA-
2	J3L001A01	INE532F07BJ9	1,092	NA	10.00	10.55	December 18, 2023	BWR PP-MLD AA-
3	I5A101A	INE532F07BT8	1825	NA	350.00	360.75	January 13, 2026	BWR PP-MLD AA-
4	J3A102A	INE532F07BR2	1096	NA	150.00	155.71	January 15, 2024	BWR PP-MLD AA-
5	J3L001A03	INE532F07BJ9	1068	NA	45.00	47.48	December 18, 2023	BWR PP-MLD AA-
6	J5A101A	INE532F07BS0	1826	NA	50.00	51.00	January 14, 2026	BWR PP-MLD AA-
7	J3L001A04	INE532F07BJ9	1067	NA	347.50	366.64	December 18, 2023	BWR PP-MLD AA-
8	J3A102A01	INE532F07BR2	1085	NA	200.00	207.46	January 15, 2024	BWR PP-MLD AA-
9	J5A101A01	INE532F07BS0	1815	NA	50.00	50.98	January 14, 2026	BWR PP-MLD AA-

Sr. No.	Description	ISIN	Tenor/ Period of Maturity (Days)	Coupon (p.a.) in %	Issue Amount	Amount outstanding (₹ million)	Redemption/ Maturity Date	Credit Rating
10	J3L001A02	INE532F07BJ9	1054	NA	178.50	188.18	December 18, 2023	BWR PP-MLD AA-
11	J3A102A02	INE532F07BR2	1081	NA	15.50	16.07	January 15, 2024	BWR PP-MLD AA-
12	J3L001A07	INE532F07BJ9	1050	NA	100.00	105.50	December 18, 2023	BWR PP-MLD AA-
13	J3L001A09	INE532F07BJ9	1039	NA	15.00	15.82	December 18, 2023	BWR PP-MLD AA-
14	J5A101A02	INE532F07BS0	1784	NA	25.00	25.71	January 14, 2026	BWR PP-MLD AA-
15	J3L001A08	INE532F07BJ9	1026	NA	10.00	10.61	December 18, 2023	BWR PP-MLD AA-
16	J3A102A04	INE532F07BR2	1048	NA	50.00	52.21	January 15, 2024	BWR PP-MLD AA-
17	J3A102A05	INE532F07BR2	1041	NA	50.00	52.21	January 15, 2024	BWR PP-MLD AA-
18	J5A101A03	INE532F07BS0	1765	NA	20.00	20.56	January 14, 2026	BWR PP-MLD AA-
19	J3A102A07	INE532F07BR2	1027	NA	60.00	62.64	January 15, 2024	BWR PP-MLD AA-
20	J5A101A04	INE532F07BS0	1757	NA	20.00	20.56	January 14, 2026	BWR PP-MLD AA-
21	J3A102A08	INE532F07BR2	990	NA	30.00	31.07	January 15, 2024	BWR PP-MLD AA-
22	J5A101A05	INE532F07BS0	1720	NA	20.00	20.55	January 14, 2026	BWR PP-MLD AA-
23	J3A102A09	INE532F07BR2	973	NA	40.00	41.10	January 15, 2024	BWR PP-MLD AA-
24	J5A101A06	INE532F07BS0	1703	NA	10.00	10.13	January 14, 2026	BWR PP-MLD AA-
25	J3A102A10	INE532F07BR2	969	NA	65.00	66.78	January 15, 2024	BWR PP-MLD AA-
26	J5A101A07	INE532F07BS0	1699	NA	15.00	15.19	January 14, 2026	BWR PP-MLD AA-

**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 September 30, 2021, our Company has issued corporate guarantee amounting to ₹ 38,432.37 million

(₹ in million)

Sr. No.	Company name	Nature of Counterparty	Nature of facility	Amount sanctioned	Amount outstanding as on September 30, 2021
1	Ecap Equities Limited	Subsidiary	MLDs	25,000.00	1,267.10
2	ECL Finance Limited	Subsidiary	Banking facility	3,500.00	1,909.10
3	Edelweiss Asset Reconstruction Company Limited	Subsidiary	MLDs, NCDs and Banking facility	38,250.00	20,012.10
4	Edelweiss Custodial Services Limited	Associate	Banking facility	9,000.00	8,950.00
5	Edelweiss Finance & Investments Limited	Associate	Preference shares, trading and banking facility	720.70	139.77

Sr. No.	Company name	Nature of Counterparty	Nature of facility	Amount sanctioned	Amount outstanding as on September 30, 2021
6	Edel Finance Company Limited	Subsidiary	MLDs	20,000.00	730.40
7	Edelweiss Housing Finance Limited	Subsidiary	Banking facility	3,700.00	1,713.90
8	Edelweiss Investment Adviser Limited	Subsidiary	NCD	4,080.00	3,710.00
Total				**104,250.70**	**38,432.37**

Details of unsecured borrowings:

Commercial Paper:

Our Company has not issued any commercial papers as on September 30, 2021.

Inter-Corporate Deposits:

Our Company has not borrowed any amount by way of inter-corporate deposits as on September 30, 2021.

Inter-Corporate Loans:

Our Company has not borrowed any amount by way of demand loans under the same management as on September 30, 2021.

Loan from Directors and Relatives of Directors:

Our Company has not raised any loan from directors and relatives of directors as on September 30, 2021.

Restrictive Covenants under our Financing Arrangements:

Our financing agreements include various restrictive conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the debenture trustee before carrying out such activities. For instance, our Company, inter-alia, is required to obtain the prior written consent in the following instances:

a. Effect any change in control of our Company.

b. Permit any transfer of the controlling interest or make any drastic change in the management set-up.

c. Change or in any way alter the capital structure.

d. Implement a new scheme of expansion or take up an allied line of business or manufacture.

e. Effect any scheme of amalgamation or reconstruction.

f. to amend the constituent documents of certain companies of our Company.

Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities.

As on the date of this Shelf Prospectus, there has been no rescheduling, default and/or delay in payment of principal or interest on any existing term loan, debt security(ies) or any other financial indebtedness including corporate guarantee issued by the Issuer in the past three years.

Details of the rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares)

Nil

Details of any outstanding borrowing taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.

Nil

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS

Our Company, Directors, Promoter, Subsidiaries and our group companies are subjected to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are initiated by us and also by customers and other parties. These legal proceedings are primarily in the nature of (a) arbitration petitions (b) civil suits (c) criminal complaints, (d) consumer complaints, (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 Shelf 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 ₹1000 million or 1% of the net worth of our Company, on consolidated basis as on March 31, 2021 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:

a. matters likely to affect operations and finances of our Company, Subsidiaries, Promoter, Directors, group companies, or any other person, whose outcome could have a material adverse effect on our Company, including disputed tax liabilities and contingent liabilities of any nature;

b. any default and non-payment of statutory dues;

c. litigation or legal action pending or taken against the promoter of the company by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus;

d. The details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the Company;

e. there are no failures or defaults to meet statutory dues, institutional dues and dues towards instrument holders including holders of debentures, fixed deposits and arrears on cumulative preference shares, etc., by our Company;

f. pending proceedings initiated against our Company for economic offences; and

g. inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013, or any previous companies law (including where there were any prosecutions filed) and fines imposed or compounding of offences by our Company in the last three years immediately preceding the year of issue of this Shelf Prospectus against our Company and our Subsidiaries fines imposed on or compounding of offences done by our Company and our Subsidiaries in the last three years immediately preceding the year of this Shelf Prospectus.

1. Material litigations and regulatory actions involving our Company

(a) As on the date of this Shelf Prospectus, following are material litigations in our Company:

(i) Civil Litigation

By our Company

Our Company along with ECL Finance Limited, Edelweiss Retail Finance Limited, Edel Finance Company Limited, Edelweiss Finance & Investments Limited, Edelweiss Finvest Limited (now merged with Edel Finance Company 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' liquidity position on May 18, 2020. On July 23, 2020, the Court 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 *vide* its letter dated December 30, 2011 had filed a complaint under various sections of IPC, the Information Technology Act, 2000, Trademark Act, 1999, and the Copyright Act, 1957 against Vaibhav Singh, Percept Profile, Harindra Singh, Shailendra Singh, Rajeev Mehrotra and unknown persons in relation to press release titled "*Edelweiss Asset Management Head Quits, to Start Own*", which was allegedly released by the aforesaid employees of Percept Profile on behalf of our Company. Our Company also moved a criminal writ petition before Bombay High Court against the State of Maharashtra and others, praying *inter alia*, that the respondents or the Central Bureau of Investigation ("**CBI**") or any other agency be directed to register and investigate the aforesaid complaint dated December 30, 2011. The Bombay High Court *vide* its order dated July 23, 2012, directed the police to register a first information report on August 6, 2012 ("**FIR**"). Subsequently, Harindra Singh and Shailendra Singh filed a Criminal Application before the Bombay High Court praying inter alia for quashing the FIR. Further, Rajeev Mehrotra filed a criminal application before Bombay High Court *inter alia* praying for declaration that investigation under FIR is null and void and for staying further proceedings in the FIR. The Court, *vide* its order dated December 3, 2012, directed that a 72 hours' advance notice has to be given prior to any arrest of any of the accused in the case, so that appropriate remedy can be sought. The matter is currently pending.

B. On June 13, 2020, our Company filed a criminal complaint against LeapUp-Edutech Private Limited and its two directors ("**Accused**") for having committed offences under provisions of Indian Penal Code, *inter alia* defamation, cheating, criminal breach of trust, hatching a criminal conspiracy along with mischief for publishing defamatory video against our Company, on its private channel on YouTube. The video has been taken down by the Accused. The matter is currently pending.

Against our Company

Our Company has been served with provisional attachment order dated May 18, 2020 from the office of the Enforcement Directorate, Jalandhar, under various provisions of PMLA against the immovable properties and investments of Kuldeep Singh, Vikram Seth and others for allegedly siphoning off about ₹213.10 million from Bank of Baroda, Phagwara Branch. Our Company has been served show cause notice dated July 10, 2020 under Section 8 of PMLA *inter-alia* inquiring about source of income, earning or assets by means of which our Company acquired attached property and directed to appear before the Adjudicating Authority, New Delhi along with supporting evidence/documents. 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.

(iii) Regulatory Proceedings involving our Company

A. Our Company along with other Merchant Bankers (**"Appellants"**) preferred an appeal before the Securities Appellate Tribunal, Mumbai ("**SAT**") on May 19, 2016, *inter alia*, challenging an order dated March 31, 2016 **("Order")** passed by an adjudicating officer of SEBI ("**Respondent**") imposing a penalty of INR 10 million jointly and severally on the Appellants for violation of certain disclosure requirements set forth under the SEBI ICDR Regulations, 2009 and adherence to the code of conduct set forth under the Merchant Bankers Regulations, 1992 for the merchant bankers in relation to the initial public offer of Electrosteel Steels Limited. SAT vide its order dated November 14, 2019, has reduced the penalty amount from ₹ 10 million to ₹ 5 million, and the said order was compiled by the Appellants jointly.

B. The Securities and Exchange Board of India ("**SEBI**") *vide* its letter dated July 27, 2020, addressed to our Company made certain observations relating to merchant banking activities of the Company during inspection carried out in the month of February 2020 and advised to be careful in future, thereby avoiding any lapses. Our company has submitted its response on August 26, 2020 dealing with all the observations on merit.

2. Material litigation or legal or regulatory actions involving our Promoter as on the date of this Shelf Prospectus

(i) The Enforcement Directorate, Ministry of Finance, ("**ED**") *vide* a letter dated January 3, 2020 ("**Summon**"), issued under Sections 37(1) and (3) of the Foreign Exchange Management Act, 1999 read with Section 131(1) of the Income Tax Act, 1961 and Section 30 of the Code of Civil Procedure 1908, the Chairman of our Company and requested his personal attendance in case of Capstone Forex Private Limited and others on January 9, 2020 to give evidence and produce books of account or other documents specified in the Summon. The Chairman of our Company attended the office of ED on January 15, 2020, and the authorized representative of our Company *vide* letter dated January 15, 2020, *inter alia* responded to the Summon and provided the information sought in the Summon. Subsequently, further queries were responded to *vide* email dated January 17, 2020 and letter dated January 22, 2020. No request for information or personal appearance is pending to be complied. The matter is currently pending.

(ii) 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("**CrPC**") 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 CrPC. 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 CrPC pursuant to which a first information report dated March 22, 2008("**FIR**") was registered under various sections of IPC 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 of 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) ECL Finance Limited, our Promoter Rashesh Shah and other employees of ECL Finance Limited ("**Accused**") are in receipt of a complaint under various section of IPC filed by one Amir Ahmad ("**Complainant**"). The Complainant has alleged that ECL Finance Limited arbitrarily liquidated his 4383 equity shares of HDFC Bank Limited, pledged with ECL Finance Limited as Security for repayment of ESOP loan facility amounting to ₹ 5.74 million and unsecured loan facility amounting to ₹ 2.35 million availed by the Complainant. ECL Finance limited vide its letter dated January 12, 2021 replied to the said notice alongwith relevant documents denying the allegations made by the Complainant. Further, all the Accused have filed their replies *vide* letter dated February 2, 2021. The investigation is currently pending.

(v) Ad impress, a client of ECL Finance Limited 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 Limited 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 ₹0.51 million towards damages and cost of litigation. ECL Finance filed its reply opposing the said claim. The matter is pending for hearing.

(vi) ECL Finance received notice dated April 5, 2021, from its borrower Dr. Mohammad Ali Kaka Patankar (A to

Z Diagnostic Centre), Mumbai ("**Borrower**") through his Advocate regarding alleged high-handed behaviour of collection executives during their visit to his residence on March 30, 2021, for recovery of outstanding dues/EMIs. The Borrower vide another letter dated April 7, 2021, made a complaint before the President of the Maharashtra State Minorities Commission ("**MSMC**") for alleged intimidation ("**Complaint**"). Based on the Complaint, the MSMC issued a notice under Section 10 of the MSMC Act 2004 to the Deputy Commissioner of Police, Circle 5, Mumbai and Mr. Rashesh Shah, Chairman for appearance and hearing. The matter is currently pending.

(vii) BE Office Automation Product Private Limited **("Petitioners")** filed Civil Original Contempt Petition No. 362 of 2021 before the Punjab and Haryana High Court ("**Court**") against various parties including our Promoter, Mr. Venkatchalam Arakoni Ramaswamy, for willfully and deliberately violating order dated December 8, 2017 passed by the Commercial Court, Gurugram in Arbitration Case No. 04 of 2017.

The Petitioners and Orris had entered into commercial arrangements to develop certain residential properties on land provided by the Petitioners. Certain disputes arose between Petitioners and Orris, and the Petitioners filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 before the ADJ, Commercial Court, and Gurugram against Orris and others praying for restraint on alienation of inventory of the project in which third party rights were already created. By an order dated December 8, 2017, the Court restrained Orris from creating third party rights on the remaining units to be allocated to the Petitioners.

EARC entered into a deed of assignment ("**Deed**") with L&T Housing Finance whereby a security interest was created in favour of L&T Housing Finance on certain immovable assets in the Project. EARC issued a Public Caution Notice after the execution of the Deed, *inter-alia* directing that an NOC has to be availed from EARC before selling any units to a prospective purchaser. Any sale without the NOC of EARC will be null and void. Pursuant to publication of the notice the Petitioners informed EARC that certain properties mentioned in the public notice form part of the properties already handed over by Orris to the Petitioners pursuant to the order dated December 8, 2017. EARC has admitted that inclusion of the said properties was a typographical error and has replied to the contempt petition on merits. The matter is pending.

3. Material litigations involving our Directors as on the date of this Shelf 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 Rujan Panjwani ("**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 ₹0.018 million alongwith interest at the rate of 12% per annum and ₹0.1 million as compensation and ₹0.030 million towards cost of litigation. On April 9, 2021, EGICL filed its reply. 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 ("**EBL")**), filed a first information report on June 30, 2012 ("**FIR**"), before Hari Parvat, Janpad Police Station, Agra ("**Station**") against Saurabh Jain, Richa Jain and Mahendra Jain (collectively

"**Accused**"), under Sections 420, 467, 468, 471 read with Section 120B of the Indian Penal Code, 1860 and Sections 66, 66C and 66D of the Information Technology Act, 2000, for alleged unauthorised trading by modifying her trading account and password with EBL. The total amount claimed by Smt. Iti is ₹ 13.8 million. Thereafter, notices were received by three of the directors of EFSL, namely Sunil Mitra, Sanjiv Misra and Himanshu Kaji **("Directors")** from the Station and was followed by a supplemental charge sheet of the Station filed with the Chief Judicial Magistrate, Agra ("**CJM, Agra**"). In response, a quashing petition under S 482 of the Criminal Procedure Code was filed by the Directors in the Allahabad High Court ("**AHC**") which stayed the proceedings before the CJM, Agra. Similarly, a supplemental charge sheet was also filed by the Station against employees and directors of EBL with the CJM, Agra. This was also stayed by the AHC pursuant to a Section 482 application. Further, in August 2019, the AHC clubbed the above Section 482 applications. The matter is pending.

4. Litigation involving Subsidiaries.

(a) Edelweiss Asset Reconstruction Company Limited ("EARC")

(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, and others for recovery of the debt amount from defaulter, Coastal Projects Limited amounting to ₹2,382.76 million. EARC has acquired the debts pertaining to Coastal Projects Limited from IDFC Bank Limited *vide* Assignment Agreement dated August 24, 2018. 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. 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 purchase consideration of the assignment agreement executed between PNB and EARC, is amounting to about ₹ 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.

2. Winsome Yarns Limited, has filed a Petition being Miscellaneous Application No. 24 of 2020 before the Court of Chief Controlling Revenue Authority-cum-Financial Commissioner (Revenue) Punjab, Chandigarh **("CCRA")** *inter-alia* praying for an order that EARC be directed not to act upon the assignment agreement dated December 10, 2015 executed between 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 CCRA and to contest the stamp duty liability

amounting to about ₹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 CCRA, 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.

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 CCRA would dispose of the pending application of EARC qua maintainability and pass an appropriate order thereon in accordance with Law. The said Writ Petition was disposed off vide order dated October 26, 2021 wherein the Hon'ble High Court of Punjab and Haryana, while allowing said petitions has set aside impugned orders in all the Petitions and the consequence of the same is that EARC no longer has any stamp duty liability as on date.The matter is pending before CCRA

CCRA vide its Order dated December 18, 2020 held that Financial Commissioner has the jurisdiction to adjudicate the Miscellaneous Application No. 24 of 2020 and is maintainable for final adjudication. Application is pending for final adjudication.

3. SAM Family Trust and AHA Holdings Private Limited **("Applicants")** have filed Securitization Applications being Dairy Nos. 1260 of 2021 and 1261 of 2021 respectively along with Applications for Interim stay before the Debt Recovery Tribunal, Pune **("DRT")** on November 21, 2021 against Catalyst Trusteeship Limited, EARC, ECL Finance, Smaaash Entertainment Private Limited **("Smaaash")** and resident Naib Tahsildar, Mahul **("Defendants**") *inter-alia* challenging demand notice dated July 3, 2020 for ₹ 2689.37 million issued by Defendant No. 1, under sub-section (2) of Section 13 of SARFAESI Act, 2002, notice dated October 25, 2021 to take physical possession mortgaged assets located at Village Kunenama, Taluka , Maval, District Pune in pursuance of Order dated June 29, 2021 passed by the Additional District Collector, Pune. Applicants alleged the classification of NCD account of Defendant Smaaash as NPA for non-payment of interest is contrary to RBI guidelines. Furthermore, alleged assignment agreement dated June 28, 2019, executed by ECL Finance in favour of EARC assigning the benefits of NCDs is contrary to regulatory framework of SARFAESI Act, 2002, the SARFAESI Guidelines, 2003 and various guidelines/circulars/directions issued by the RBI. The matter is pending.

(iii) Criminal proceedings by EARC

1. Catalyst Trusteeship Limited ("**Debenture Trustee**"), on behalf of EARC Trust ("**Debenture Holder**") filed a criminal case on May 24, 2019 before the Metropolitan Magistrate's 28th Court ("**MMC**"), Esplanade, Mumbai (the "**Court**"), against Smaaash Entertainment Limited and its directors and officials (collectively referred to as "**Accused**") under Section 138 read with Section 141 of the Negotiable Instrument Act, 1881. The Accused issued and delivered a cheque for an amount of ₹1,120 million drawn on HDFC Bank, Mumbai in favour of EARC towards its liabilities in respect of non-convertible debentures. The said cheque was dishonoured on its presentation vide its order July 31, 2019. The Court issued summons against the Accused under Section 138 of Negotiable Instrument Act, 1881. The Accused has been given time to settle the dues. The matter is currently pending.

(iv) Criminal proceedings against EARC

1. EARC acquired the Portfolio of 27 assets in March 2014 including the accounts of the Perfect group consisting of (i) Perfect Engineering Products Limited; (ii) Perfect Engine Components Private Limited; and (iii) Karla Engine Components Limited from State Bank of India.

Post-acquisition, the promoters of Perfect Group approached EARC to restructure the dues of the Perfect Group accounts. The promoters introduced, the Chhatwal brothers ("**Investors**"), including Hitesh Chhatwal to EARC as strategic investors who were purportedly willing to make an equity infusion into the Perfect Group companies and provide working capital support. EARC approved the

restructuring proposal/plan of Perfect Group companies on the basis of various representations made by the Promoters and the Investors.

The Perfect Group companies failed to comply with the terms and conditions of the restructuring plan and EARC was compelled to revoke the same in 2016 and in 2018. EARC thereafter decided to move towards recovery from secured assets in accordance with law. To stall such recovery, dated February 26, 2019 there was a complaint filed by the Hitesh Chatwal (one of the Investors) with Economic Offences Wing against the Promoters and EARC. Subsequently, the said complaint was closed by Economic Offences Wing after investigations.

EARC thereafter, received letter dated February 26, 2019 from inspector of Police G.C III, Economic Offences Wing Mumbai directing officials of EARC to attend his office regarding fresh complaint filed by Hitesh Chatwal in January 2020 along with the supporting documents namely, due diligence of Perfect Group Companies, ledger book maintained for business between Edelweiss and Perfect Group, balance sheet reports of Perfect Group between the Fiscal 2015 to Fiscal 2018. The matter is currently pending.

2. Pankaj Sharma filed a contempt application before 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**") with respect to an asset belonging to the guarantor being a residential premises at Mumbai and in the process filed an application before the Chief Magistrate Court ("**CMM Court**"), seeking possession orders. In the said proceedings, the third party filed an intervention application contesting the SARFAESI proceedings initiated by EARC. The said third party claimed to have a right over the secured asset on the basis of an arbitration award and an attachment warrant issued by the Bombay High Court over the secured asset in the execution proceedings initiated by the said third party for execution of the award passed in his favour. The said third party has also filed an application, under Section 340 of CRPC against EARC and its officers. EARC filed a chamber summons for vacating the attachment warrant passed by the High Court in the execution proceedings of the third party. The Bombay High Court passed an interim order in favour of EARC staying the attachment warrant. After a series of litigation proceedings, EARC obtained possession orders from the CMM Court and the Commissioner appointed by the CMM Court took possession of the mortgaged property and handed over the possession to the authorised officer of EARC. EARC put the mortgaged 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 by EIAL

1. EIAL ("**Plaintiff**") filed commercial Civil Suit (COMM) bearing No. 397 of 2020 before the Delhi

High Court ("**DHC**") against Lily Realty Private Limited and another ("**Defendants**"), *inter-alia*, seeking a decree of specific performance of the Memorandum of Understanding dated October 29, 2015("**MOU**") and repayment of a sum of ₹ 103.32 million along with the pendente lite and future interest @ 28.25% per annum from the date of filing of the suit. EIAL has also sought a permanent injunction restraining the Defendants, agents etc from creating any third party rights on any movable and immovable assets of the Defendants. DHC, by its order dated September 29, 2020 restrained Defendant No.2 from creating any charge or liability on the three flats specified in the order. Further, by its order dated April 9, 2021, DHC has restrained the Defendants from selling or encumbering all their immovable properties till further orders.

2. EIAL ("**Plaintiff**") filed a Commercial Suit bearing Lodging No. COMSL/12616/2021 on June 9, 2021, alongwith an application for interim injunction before the Bombay High Court against Wondervalue Realty Developers Pvt Ltd and 12 others. The Plaintiff *inter-alia* prayed for a declaration that the 15 Investment Agreements dated November 20, 2017, February 17, 2018, May 15, 2018 and June 27, 2018 **("Investment Agreements")** in respect of redevelopment of the project 'HBS Towers', at Worli, Mumbai are valid, subsisting and binding upon the Defendants and for an order / direction that Defendants No 1 to 9 be directed to pay an aggregate sum of ₹ 2873.61 million as on May 24, 2021, along with interest thereon at the rate of 18% p.a. and for other reliefs more particularly mentioned in the plaint. The matter is currently pending at pre-admission stage.

(ii) Civil proceedings against EIAL

1. Om Builders Private Limited ("**Plaintiff**") filed a suit against Orbit Abode Private Limited ("**Defendant no. 1**") and EIAL ("**Defendant no. 2**")before the Bombay High Court ("**Court**").The Plaintiff has filed the suit for declaration of the sale deed executed in favour of Defendant no. 2for sale of 95% share in one fourth undivided share, right, title and interest in all that piece and parcel of land hereditaments and premises equivalent to 11,198 square yards equivalent to 9,363 square meters of Malabar Cumballa Hill Division together with the bungalow known as 'Kilachand House' by Defendant no.1, as null and void. The matter is currently pending.

(iii) 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. 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 ₹ 300 million against certain units aggregating 82,485 sq. ft. saleable area alongwith 82 car parks under MOU dated October 29, 2015. The Accused further disposed off the three flats that 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 Promoter"* and *"Civil proceedings agasint EARC",* there are no other civil proceedings filed against ECL Finance.

1. A Rani ("**Plaintiff**") has filed suit against ECL Finance and others before for the Court of District Munsiff at Poonamalee for declaration and injunction that the deed of mortgage dated February 23,

2018 which was executed in favour of ECL Finance Limited is invalid and *inter-alia* claiming ownership with respect to the mortgaged property. The suit property is one of the properties forming part of the security for the loan of ₹1,450 million sanctioned by ECL Finance to Neptune Developers Private Limited. The Plaintiff has challenged the ownership right of Neptune Developers Private Limited with respect to the said property. Subsequently, ECL Finance has assigned the debt along with underlying securities (which includes mortgage of said property) to Assets Care and Reconstruction Enterprise Limited ("**ACRE ARC**") under deed of assignment dated March 27, 2020. The matter is currently pending.

2. ECL Finance granted secured credit facilities to Fortis Healthcare Holdings Private Limited **("Fortis Holdings")** and RHC Holdings Private Limited **("RHC Holdings")** during 2016 to 2018 amounting to about ₹4200 million against, inter alia, the pledge of certain equity shares of Fortis Healthcare Ltd. **("Fortis')** by Fortis Holdings as a security towards repayment of loan amount (Fortis and RHC Holdings collectively referred to as the **("Borrowers").**

   Daiichi Sankyo Company Limited **("Daiichi"),** a creditor has obtained an arbitration award dated April 29 & 30, 2016 against Mr. Malvinder Singh & Mr. Shivendra Singh, promoters of Fortis and RHC Holdings and others **("Respondents")** in Singapore whereby Daiichi was held entitled to receive ₹ 35000 million approximately from Respondents. Daiichi thereafter filed proceeding in Delhi High Court for enforcement of said award by way execution Petition being OMP (EFA) (COMM.) No. 6 of 2016. During the proceedings before Delhi High Court, the Promoters and some of their companies had given certain undertakings and subsequently Delhi High court restraint them from pledging their respective shareholding in Fortis and other Companies. These proceedings happened during the period ECL Finance lent and advanced the loans to the Borrowers. Daiichi filed SLP No. 20417/2017 before Hon'ble Supreme Court against the Respondents. Hon'ble Supreme Courts vide its Order dated August 11, 2017 directed the Respondents to maintain status qua with respect to shareholding of Fortis. Hon'ble Supreme Court vide its order dated August 31, 2017 clarified that the interim order dated August 11, 2017 also apply to the encumbered shares of Fortis. ECL Finance being one of the secured creditors, as aggrieved from aforesaid orders filed Application for Intervention No. 98913 of 2017 and Application for Directions being IA No. 98915 of 2017 before Hon'ble Supreme Court. Other secured creditors also filed similar applications. While disposing of the said applications of the secured creditors including that of ECL Finance Hon'ble Supreme Court on February 15, 2018 allowed the applications of the secured creditors and passed an order *inter-alia* clarifying that interim orders dated August 11, 2017 and August 31, 2017 to mean that the status quo granted shall not apply to shares of Fortis Healthcare Limited held by Fortis Healthcare Holdings Private Limited as may have been encumbered on or before the interim orders of this Court dated August 11, 2017 and August 31, 2017.

   ECL Finance therefore, during the period from 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.

   Subsequently Daiichi filed a Contempt Petition (C) No. 2120/2018 in the SLP (C) No. 20417/2017 before the Hon'ble Supreme Court of India ("**Court**"), against Indiabulls Housing Finance Limited ("**Indiabulls**") for violation of order dated August 11, 2017 and August 31, 2017 wherein Indiabulls was found guilty and directed to deposit the amount. ECL Finance was not a party to the contempt proceedings. *Suo motu* contempt proceedings were initiated by the Court in 2019 under Suo Motu Contempt Petition (C) No. 4 of 2019 and the Court vide Order dated February 18, 2021 directed all the banks / financial institutions to file an affidavit bringing on record the entire transactions and to inspect whether there any violation of undertakings / status quo orders had taken place. ECL Finance filed the affidavit in compliance of this order. The matter is reserved for judgement.

   In the interim, Daiichi has moved Execution Application No. 819 of 2020 before Delhi High Court against the Promoters, various Banks and Financial Institutions including ECL Finance, in whose favour the shares of Fortis were pledged by the Promoters and their Companies. Daiichi has claimed that the Promoters and their Companies had created pledge in violation of the undertakings given and order passed by 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.

3. 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 ₹ 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**") for criminal breach of trust and cheating amounting to ₹82.9 million. During the investigation, one more person, Mukesh Kanani was impleaded as an accused ("**Accused No. 2**"). FIR was registered against the Accused No. 1 and 2 for an offence under Section 420 and Section 34 of Indian Penal Code, 1860. EOW filed charge sheet against both the accused. The matter is currently pending.

2. ECL Finance has filed a criminal complaint before the BKC police station, Bandra against Mahesh Chavan, proprietor of Global Overseas, Kaushal *alias* Renu Menon, Deepali, Sandeep Kelkar and Rohit Paranjape, Deodhar Gholat ("**Accused**") for committing an act of cheating with respect to purchase of a car, for ECL Finance's employee, Ram Yadav. Subsequently, a first information report dated December 2, 2014 ("**FIR**") was filed with the BKC Police station for procurement of documents. The police filed a case on January 27, 2015 before the 9th Metropolitan Magistrate Court at Bandra ("**Court**"). The matter is currently pending.

3. ECL Finance, pursuant to the requirements under an RBI circular (No. RBI/2015-16/75DBS.CO.CFMC.BC. No. 1/23.04.001/2015-16) dated July 1, 2015, reported an instance of suspected fraud by its customer Shridhar Udhavrao Kolpe and Saraswati Bhimrao Shinde ("**Borrowers**") under the requisite form to RBI on July 7, 2016. The Borrowers were given a loan of ₹5.83 million by ECL Finance against their property. ECL Finance filed a complaint on August 12, 2016 against the Borrowers under various sections of IPC and relevant provisions of the Maharashtra Control of Organised Crime Act, 1999 for allegedly defrauding ECL Finance. Further, ECL Finance has submitted documents requested by EOW, Pune in relation to the complaint. The matter is currently pending.

4. A criminal complaint dated October 31, 2019 ("**Complaint**") was filed by ECL Finance before the Bandra Kurla Complex, Mumbai Police Station against JSK Marketing Limited, its directors, and others ("**Accused**") for having committed offence *inter-alia* criminal breach of trust, fraud, cheating punishable under various provisions of IPC and Maharashtra Control of Organized Crime. ECL Finance in its Complaint has alleged the Accused for wrongful loss of towards SME equipment Loan amounting to ₹20.9 million. BKC Police Station registered FIR bearing No. 300/2020 against Directors of JSK Marketing Limited under Section 403, 406, 420 read with Section 34 of IPC. Kunal Jiwarajka, one of the Accused made an application before the Sessions Court at Mumbai for anticipatory bail being No. 27 of 2021, which was rejected by the by the Hon'ble Court vide its Order dated February 03, 2021. Being aggrieved, the said Accused preferred an Appeal before the Bombay High Court being No. ABA/385 /2021. ECL Finance filed Intervention Application for opposing the said anticipatory bail application. 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 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 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 Acquina 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.

3. Rajiv Shivram Rane, proprietor of Jankie Properties *vide* his letter dated August 18, 2020 filed a complaint with Economics Offences Wing, Mumbai against Sanghvi Gruha Nirman Private Limited ("**Mortgagor**") and ECL Finance *inter-alia* alleging cheating having deprived him of getting his percentage of area shares to be allotted under the development agreement executed between him and Sanghvi Gruha Nirman Private Limited and caused him to pay rentals to Maharashtra Housing & Area Development Authority of the tenants etc. Sanghvi Gruha Nirman Private Limited, thereafter in order to raise finance for construction of building mortgage the said properties with ECL Finance under mortgaged deed dated March 21, 2016, wherein complainant was confirming party. Pursuant thereto ECL Finance granted a loan of ₹1,500 million to Sanghvi Gruha Nirman Private Limited, however said Sanghvi Gruha Nirman Private Limited failed to utilize the loan amount towards constructions of building. Due to raising of loan against the land properties and not doing construction, he could not deliver the flats to the original tenants and compelled to pay rents to the original tenants. On December 5, 2020 representative of ECL Finance along with legal counsel had attended the office of Economics Offences Wing for recording of statement in the matter. The investigation is pending.

4. 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 ₹ 5.74 million and unsecured loan facility amounting to ₹ 2.35 million availed by the Complainant. ECL Finance limited vide its letter dated January 12, 2021, replied to the said notice alongwith relevant documents denying the allegations made by the Complainant. All addressees of notice dated December 28, 2020 filed their reply *vide* letter dated February 2, 2021. The investigation is currently pending.

(d) Edel Finance Company Limited ("Edel Finance")

(i) Civil proceedings filed by Edel Finance.

Except as disclosed under "-*Material litigations and regulatory actions involving our Company – Civil Litigation – By our Company",* there are no other civil proceedings filed by Edel Finance.

(ii) 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) 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 471before Chief Judicial Magistrate at Barasat by Sekhar Kumar Chanda ("**Petitioner**") alleging signature forgery and cheating vis-à-vis mis-selling against Edelweiss Tokio. The matter is currently pending.

(f) Edelweiss Rural & Corporate Services Limited (erstwhile Edelweiss Commodities Services Limited) ("ERCSL")

(i) Criminal proceedings by ERCSL

Edelweiss Agri Value Chain Limited (now merged with Edelweiss Rural and Corporate Services Limited) registered FIR on September 19, 2017 in Jasdan Police Station, Rajkot against Mahendrabhai Gida-Guard, Ashokbhai Dhadhal- Gunman, Babubhai Bhayabhai Ramani, Sanjaybhai Khimjibhai, Shambhubhai Jivabhai Ramani, Mansukhbhai Khimjibhai Ramani, Ravjibhai Ramani, and Sanjaybhai Ramani (collectively the "**Accused**") under Sections 406,409,420,435, 120B and 114 of Indian Penal Code, 1960 for committing intentional act of fire at warehouse. The Investigating office, Jasdan Police Station registered criminal case on August 6, 2019 before Taluka Court, Jasdan against accused and filed the charge-sheet. The matter is currently pending.

(ii) Criminal proceedings against ERCSL

1. Pravin Virchand 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, ERCSL, Ashok Patni and Vimalesh 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, 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.

2. ECSL (formerly known as Comfort Project Limited/Edelweiss Trading and Holding Limited and now

known as ERCSL) has been served with the notice dated February 15, 2019 from the Economic Offence Wing – National Spot Exchange Limited – Special Investigation Team, Mumbai ("**EOW**") issued under Section 91 of the Cr. PC *inter-alia* informing that department is investigating the offences registered against National Spot Exchange Limited, its directors, FTIL, its directors, borrowers, brokers and others for committing serval acts of forgery and criminal breach trust. Further, Economic Offences Wing is investigating complaint of SEBI against 300 brokers for illegal trading on National Spot Exchange Limited. ECSL furnished all the information as called for by Economic Offences Wing. The matter is currently pending**.**

3. 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 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 Fiscals 2011 to 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 Competition Commission of India has instructed 2 ex-employees of ERCSL and a director of the company, Mr. Santosh Dadheech, to appear before them in September 2021 and the same was complied with. Additional information, as directed by the CCI was submitted and no request for personal appearance or information request is pending to be complied with. The matter is currently pending with authorities.

4. 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.

5. 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.

6. 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.

7. Food Safety and Standards Authority of India filed a complaint before Additional Chief Judicial Magistrate, Kasganj ("**the Court**") against erstwhile Edelweiss Agri Value Chain Limited (now merged with ERCSL) and Neeresh Kumar, an employee of ERCSL, for alleged violation of Section 31(1) of the Food Safety and Standards Act, 2006 for storing of commodities in warehouse without having Food Safety and Standards Authority of India ("**FSSAI**") license. The matter is currently pending.

(iii) Regulatory Proceedings involving ERCSL

1. Edelweiss Commodities Services Limited (now known as Edelweiss Rural & Corporate Services Limited, **"ERCSL**") has been served with a letter from the Enforcement Directorate ('**ED**") on August 26, 2016, concerning an enquiry for an alleged violation of the provisions of the Foreign Exchange Management Act, 1999 in relation to import of pulses by commodities importer and advised to produce certain details like memorandum of association, annual report/balance sheet, bank accounts and details of pulses import since 2011. ERCSL duly complied with the requisitions in September 2016. ERCSL also furnished with additional information about the pulses business – listing of all suppliers, imports, local sales, bank statements, warehousing details and other information with last such request for information in June 2021. Personal appearances of the ERCSL's executives were sought and the same have been complied with. A show cause notice was issued by the authorities to the company and the then directors/key executives in this matter in August 2021 and the same is being responded to. Mr Venkat Ramaswamy & Mr Rujan Panjwani, both Executive Directors, Edelweiss Financial Services Ltd, have received the said notice in their capacity as directors in ERCSL. No further information has been sought by the office of ED and the matter has been pending before the authorities since then.

2. ERCSL has been served with a Show Cause Notice dated June 30, 2021 ("**SCN**") from the office of the Principle Commissioner of Customs, Hyderabad inter-alia alleging ₹ 3.1 million was erroneously refunded pertaining to eight consignments of bullion products imported during 2013-2014 was erroneously. ERCSL is in the process of submitting its reply on merit.

3. A show cause notice ("**SCN**") has been served to the ERCSL by the Enforcement directorate ("**ED**") under sections 16(3), 10(6) and 42(1) of the Foreign Exchange Management Act, 1999 ("**FEMA**"). The authorities have observed that ERCSL has contravened provisions of Section 10(6) of FEMA read with Regulation 6(1) of the FEMA (Realisation, Repatriation and Surrender of Foreign Exchange) Regulations, 2000 by not utilising foreign exchange equivalent ₹ 472.39 million for declared purpose, thereby contravening Section 13 of FEMA. The Enforcement Directorate has relied on investigation by Income Tax Authorities to concluded that ERCSL has overvalued the goods imported from Aster Commodities DMCC ("**Aster**"), a subsidiary of ERCSL to the tune of ₹ 472.39 million during the period 2013-14. ERCSL is in the process of filing its response to the SCN and has requested inspection of documents to prepare its response.

(g) 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, 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. Thereafter, Anil Kenjalkar withdrew his case before the Debt Recovery Tribunal, Pune and filed a fresh case before DRT, Pune *inter-alia* challenging taking of symbolic possession and other incidental reliefs. 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. By an Order dated October 9, 2021, the Civil Judge, Pune rejected the Suit filed by Anil Kenjalkar. The matter is currently pending with DRT.

3. 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, *interalia*, forged the 'Know Your Customer' ("**KYC**") documents and other transactional documents in relation to the Home Loan Agreement. The Accused are presently in judicial custody and the matter is currently pending.

4. 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 onSeptember6, 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. Rayabarapu Ranapratapavailed loan from Edelweiss Housing Finance for purchase of Plot at Enumamula Location. In the year 2001, Kasarala Laxminarsimha Rao; Kasarala Ranga Rao; and (3) KodariSadanandam, executed the registered sale deed in favour of Betheli Santosh Kumar. In the year 2012, Betheli Santosh Kumar executed the General Power of Attorney dated February 23, 2012 in favour of Masna Sampath Kumar and cancelled it in the year October 2015, in the same month Betheli Santosh Kumar executed self-declaration deed for change of boundaries. EHFL has filed a criminal complaint on February 9, 2019, against Rayabarapu Ranaprathapunder various sections of Indian Penal Code ("**IPC**") for showing the non-existing property and obtained the loan amount fraudulently before PS Hanmakonda Warangal District. The matter is currently pending.

8. EHFL has filed a criminal complaint on January 13, 2020 against Pawan Kumar Goel under various sectionsof IPC for showing the non-existing property and obtained the loan amount fraudulently on February 22, 2018 before Station Head Officer Barakhamba Road, New Delhi. The matter is currently pending for investigation.

9. EHFL filed five separate criminal complaints against its borrowers, Amit Sesmal Jain and nine others before Economic Offences Wing, Pune under various sectionsof 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 ₹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 ₹ 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 ₹ 2 million to Bhausaheb Balasaheb Jahdav (Borrower). The Borrower turned delinquent and carrying out further checks, it was found that Borrower fraudulently

opened account in builder's name, siphoned off the loan amount and registered Cancellation Sale Deed. Builder sold the subject property to another buyer without intimating to EHFL. Though EHFL yet to initiate SARFAESI proceedings, EHFL reported this case as fraud to National Housing Board.

13. EHFL had provided Home Loan of ₹ 2 million to Divya Flora Sundaram Gollapalli ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that borrower had submitted fraudulent property papers/registered agreements, unavailability of layout plan, mismatch in dimensions of property stated in Sale Deed, Technical report vis-à-vis property taken as collateral. The Borrower is not traceable, and property is in the possession of some third party who is claiming the owner of property. 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 ₹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 ₹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 ₹ 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 ₹ 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, parallely builder alloted 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 ₹ 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 ₹19 lakhs. (at acquisition - ₹30 lakhs and latest valuation - ₹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 fraud to National Housing Board.

19. EHFL had provided home loan of ₹ 10.5 million to Jitendra Dalchand Jain and Kavita Jain **(**"**Borrowers**"). The Borrowers turned delinquent, and on carrying out further checks, it was found the Borrowers in connivance with the developer have defrauded 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 ₹ 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, Bhagtani Krishaang, Powai, Mumbai ("**Suit Property**") from Jaycee Homes Limited. A no-objection certificate for mortgage of suit property dated January 23, 2012 was issued by Jaycee Homes Limited in favour of 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.

(iv) Regulatory matters involving EHFL

1. 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. No further information has been sought by the NHB.

(h) Edelweiss Asset Management Limited ("EAML")

(i) Criminal proceedings against EAML

1. Edelweiss Arbitrage Fund has been served with a Show Cause Notice ("**SCN**") dated January 10, 2019, from the office of Registrar / Adjudicating Authority (Prevention of Money Laundering Actto appear before Adjudicating Authority (Prevention of Money Laundering Act), New Delhi to show cause as to why Provisional Attachment Order dated December 8, 2018, in relation to the investment made by one

of the client, Mainak Agency Private Limited and some of the directors of Edelweiss Mutual for a value of about ₹3.51 million for having alleged unethical dealing in the case of Agusta Westland, Italy VVIP Helicopter Case. On March 25, 2019, EAML, being Investment Manager filed its reply *inter-alia* conforming freeze of concern mutual fund account and fluctuation of value of units depending upon NAV at the time of redemption. The Adjudicating Authority *vide* an Order dated May 30, 2019 confirmed the provisional attachment Order dated December 8, 2018.Pursuant thereto, Edelweiss Arbitrage Fund received a notice dated June 8, 2019 from the Adjudicating Authority directing to handover the investments lying in Mutual Fund account of captioned clients. Accordingly, Edelweiss Arbitrage Fund liquidated the investments on June 26, 2019, and transferred the sale proceeds to bank accounts of the Adjudicating Authority. The matter is currently pending.

(ii) Criminal proceedings by EAML

A Complaint was filed before Additional Chief Metropolitan Magistrate, 71st Court, Bandra by EAML against Anil Nath ("**Accused**") *inter-alia* for the offences of criminal defamation, under Section 499 of the Indian Penal Code, 1860 for the defamation and loss of reputation caused to EAML, due to the acts and actions of the Accused. The matter is currently pending.

(i) Edelweiss Comtrade Limited ("Edelweiss Comtrade")

(i) Criminal Proceedings filed against Edelweiss Comtrade

1. 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 serval acts of forgery and criminal breach trust pursuant to criminal conspiracy hatched by them. Economic Offence Wing therefore, directed to provide the information along with supporting documents such as total year wise brokerage from AY-2009-10 till 2012-13, year wise volume of turnover executed in all pair trade contracts since AY-2009-10 till 2012-13 with brokerage earn etc. more particularly mentioned therein. Edelweiss Comtrade *vide* its letter dated January 22, 2019 provided the required details as called for. The matter is currently pending.

2. 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 serval acts of forgery and criminal breach 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.

3. 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.

(j) Edelweiss Global Wealth Management Limited ("EGWML")

(i) Criminal Proceedings filed against Edelweiss Global Wealth Management Limited

EGWML received notice dated September 4, 2020 from Economic Offence Wing, Gurugram in regard to the complaint dated August 20, 2020 filed by one of it's the client Parinidhi Minda against EGWML

officials Anshul Kapoor, Amit Saxena and Ashish Gopal and directed to attend personally along with necessary papers and documents to record statements. Subsequently, the complaint stands transferred to Police Station, namely, SEC-7, IMT, MSR, Manesar, District – Gurugram. EGWML and its officials, thereafter, received a notice dated October 27, 2020 from said Police Station to appear before Investigating Officer along with supporting documents for the purpose of recording statements. The inquiry is currently pending.

(k) Edelweiss Retail Finance Limited ("Edelweiss Retail")

Civil litigation involving Edelweiss Retail

(i) Civil Proceedings involving Edelweiss Retail

Except as disclosed under "-*Material litigations and regulatory actions involving our Company – Civil Litigation – By our Company",* there are no other civil proceedings filed by Edelweiss Retail.

(l) Edelweiss Gallagher Insurance Brokers Limited ("Edelweiss Gallagher")

Regulatory matters involving Edelweiss Gallagher.

Edelweiss Gallagher has been served with Notice dated October 12, 2021, from Insurance Regulatory and Development Authority of India ("**IRDA**"), Hyderabad, in relation to the complaint received from M/s. Marsh India Insurance Brokers Private Limited ("**Marsh**") inter-alia alleging breach of its contractual terms of employment of its former employees namely, (i) Amer Abdul Haleem, (ii) Anand Kolhe and (iii) Tarun Goel and resigned from Marsh to join Edelweiss Gallagher. It is further alleged by Marsh that they had put Edelweiss Gallagher to notice and cautioned against using services of these employee. IRDA advised Edelweiss Gallagher to submit its reply. Edelweiss Gallagher, vide its letter dated October 20, 2021, submitted its reply on merit. The matter is pending.

(m) Our Company and its Subsidiaries have filed numerous cases under Section 138 of the Negotiable Instruments Act, 1881, and under Section 25 of Payment and Settlement Systems Act, 2007 against their customers for dishonour of cheques. Further, in some of the cases, customers have filed appeal against our Company and its Subsidiaries. These cases are currently pending across different courts in India.

5. Litigation involving our Associates

(a) Edelweiss Broking Limited ("EBL")

(i) Civil litigation filed against EBL

Except as disclosed under **– *"Material litigation or legal or regulatory actions involving our Promoter"*** and ***"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. Dewani *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 Shelf Prospectus- Criminal litigation*", there are no other criminal proceedings against EBL.

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. By its email dated May 14, 2021, EBL filed its reply dated May 11, 2021 alongwith relevant recordings and transcripts with Investigating Officer ("**IO**") against the undated letter of the Complainant for re-investigation of case. No further information has been sought by IO.

2. 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.

3. 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, 2013and relevant documents have been taken on record. Final hearing took place on September 13, 2013before IO for closure of complaint. Pending for further directions.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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 Ommen 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.

9. 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 shareholding 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 vide its email dated December 21, 2020 requested ED to provide certain additional information in order to comply with the said Notice. The matter is pending.

10. 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.

11. 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-ali*a 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 official Debasis Nayak appeared before the Investigating Officer alongwith his advocate on March 3, 2021 and recorded his statement. Thereafter, no further case has been registered before Laxmi Sagar Police Station, Bhubaneshwar.

12. Mr. Bhopalam, filed a criminal complaint against Dinesh Kumar G and Niraj R. Sharma, officials of EBL with Thousand Lights Police Station, Chennai – 6 inter-alia raising concerns about his investment of Rs.15 Lakhs made in Crossover Fund Series II offered by EAML. Based on telephonic call received from Police station, both the officials attended Police station on August 3, 2021, and denied all alleged concerns raised by the client and sought time for ten days to file detailed reply with supporting documents. The matter is currently pending.

13. EBL has been served with Notice dated September 9, 2021 issued by the office of the Assistant Commissioner of Police, Section V: Economic Offences Wing, Mandir Marg, New Delhi against Senior Branch Manager, EBL, Karol Bagh, Delhi under Section 91 of Code of Criminal Procedure *inter-alia* informing that the investigation is being conducted in case FIR No. 5 of 2021 registered under sections 420, 467, 468, 471 read with sections 34 and 120B of Indian Penal Code against EBL and others and directed to appear alongwith documents and details pertaining to D H Limited (Client) such as Account opening forms for trading and Demat with all supporting, Ledgers, brokerage and other charges details etc. EBL, vide its letter dated September 15, 2021 responded to the notice, and submitted all required documents and information before Investigating Officer. The investigation is 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 Yatin Parekh, client of EBL, named in the investigation report in the aforesaid matter. EBL had duly responded to the SEBI letter on October 25, 2018. No further communication is received 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 script 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.

3. National Stock Exchange of India Limited ("**NSE**") vide its email letter dated March 5, 2021, sought certain information relating to certain dealers and Authorised Person ("**AP**") who had transacted in the scrip of ZEE Entertainment Enterprises Ltd. ("**ZEEL**"). EBL vide its email dated March 6, 2021 provided the required information. Further, SEBI vide its order dated August 12, 2021 held that, Amit

Bhanwarlal Jajoo, an authorized person of EBL, and Mr. Manish Jajoo, a dealer of EBL, along with other persons were actively involved in the placement and execution of transactions mentioned hereinabove. SEBI in the order also advised EBL to examine Code of Conduct and employment terms. It is pertinent to state that Mr. Manish Jajoo is not an employee of EBL, but an approved user of the AP. EBL is awaiting the final order of SEBI for further action if any, in the matter.

(b) 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.

(c) 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 refused to honor the invocation by ECSL. In order to safeguard its interest and secure the liquidation of the fixed deposit by TM, ECSL filed an 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, upon appreciating ECSL's concerns, passed an order of injunction, taking on record the undertaking by HDFC Bank Limited that it shall not liquidate the fixed deposits of ₹1,007.50 million at the behest of any party. The said Petition is pending for hearing.

ECSL, further on February 05, 2021, filed a Commercial Arbitration Application before the Bombay High Court under Section 11 of the Arbitration and Conciliation Act, 1996 for an appointment of a Sole Arbitrator in terms of Clause 14 of Tripartite Agreement for reference of disputes and differences between ECSL, TM and HDFC Bank. Bombay High Court by an Order dated March 12, 2021, appointed Justice S. J. Vazifdar (Retd.) as a sole arbitrator to adjudicate the disputes. Being aggrieved, TM filed a SLP bearing Diary No 9345 of 2021 before Hon'ble Supreme Court challenging the said appointment. The same is yet to be served and listed.

(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.

(iv) Regulatory proceedings involving ECSL

1. 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.

2. 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 an undertaking 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.

3. NSE Clearing Ltd ("**NCL**") had issued a Show Cause Notice ("**SCN**") dated August 24, 2021 after completing the Regular Inspection of Books of ECSL. NCL made *inter alia* certain observations in its SCN which was duly responded by ECSL vide its letter dated September 8, 2021. On October 6, 2021, a personal hearing was concluded before the Member and Core Settlement Guarantee Fund Committee ("**MCSGFC**") of NCL and in pursuance thereof, ECSL submitted its written submission dated October 13, 2021. The matter is currently pending.

(d) Edelweiss Securities Limited ("ESL")

(i) Criminal proceedings against ESL

Except as mentioned above under "-*Material litigation or legal or regulatory actions involving our Promoter*", there are no other criminal proceedings against ESL.

6. 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.

7. Taxation

As on the date of this Shelf Prospectus, there are no tax matters wherein the amount involved is more than ₹1,000 million.

8. Details of acts of material frauds committed against our Company in the last three years immediately preceding the date of this Shelf Prospectus, if any, and if so, the action taken by our Company

Nil

9. 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

10. Pending proceedings initiated against our Company for economic offences.

Nil

11. Details of inquiries, inspections or investigations initiated or conducted under the Companies Act, 1956 or the Companies Act, 2013 or the securities law against our Company and its Subsidiaries in the last three years along with section wise details of prosecutions filed (whether pending or not), fines imposed or compounding of offences against our Company and its Subsidiaries in the last three years.

Other than as disclosed below and under "*Regulatory Proceedings involving our Company*", there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 1956 or the Companies Act, 2013 or the securities law against our Company and its Subsidiaries in the last three years along with section wise details of prosecutions filed (whether pending or not), fines imposed or compounding of offences against our Company and its Subsidiaries in the last three years:

1. On March 22, 2021, Edelweiss Asset Reconstruction Company Limited ("**EARC**") received, MCA letter dated March 18, 2021, regarding inspection of the books of accounts and other books and papers of EARC under Section 206(5) of the Companies Act, 2013. EARC has furnished all the required documents and information to MCA in April 2021 and since then, no further communication received from MCA.

2. On September 25, 2021, Edelweiss Asset Reconstruction Company Limited ("**EARC**") received a letter dated September 22, 2021 from Ministry of Corporate Affairs **(MCA),** Serious Fraud Investigation Office, New Delhi *inter-alia* calling upon information under Section 217 of Companies Act, 2013 regarding investigation into affairs of Binani Cements Limited (now Ultratech Nathdwara Cement Limited), whose NPA credit facility account with SIDBI was purchased by EARC. EARC vide its letter dated October 8, 2021 furnished all required documents and information. No further communication received from MCA.

12. Any litigation or legal action pending or taken against the promoter of the company by a Government Department or a statutory body during the last three years immediately preceding the date of this Shelf Prospectus:

Except as disclosed under "*Material litigation or legal or regulatory actions involving our Promoter as on the date of this Shelf Prospectus*", there are no other litigation or legal action pending or taken against the promoter of the company by a Government Department or a statutory body during the last three years immediately preceding the date of this Shelf Prospectus.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Issuer's Absolute Responsibility

"The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Shelf Prospectus contains all information with regard to the Issuer and the issue which is material in the context of the issue, that the information contained in the Shelf Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

Authority for the Issue

At the meeting of the Board of Directors of our Company held on October 28, 2021, the Board of Directors approved the issuance of NCDs to the public. Pursuant to such resolution, the present issue through this Shelf Prospectus of NCDs of face value of ₹1,000 each aggregating up to the Shelf Limit is approved by the Debenture Fund Raising Committee of our Board of Directors in its meeting dated November 15, 2021. The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for any Tranche Issue, the issue of which is being made as decided by the Board of Directors.

Further, the present borrowing is within the borrowing limits of ₹100,000 million under Section 180(1)(c) of the Companies Act, 2013 duly approved by the members of our Company by way of postal ballot on September 10, 2014.

Prohibition by SEBI / Eligibility of our Company for the Issue

Our Company, persons in control of our Company and/or the Promoters and/or our Promoter Group and/or the Directors have not been restrained or prohibited or debarred 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.

None of our Directors and/or our Promoter have been declared as fugitive economic offenders.

The Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchanges pending to be paid by the Company as on the date of this Shelf Prospectus.

The Company, as on date of this Shelf Prospectus, has not defaulted in:

a. the repayment of deposits or interest payable thereon; or

b. redemption of preference shares; or

c. redemption of debt securities and interest payable thereon; or

d. payment of dividend to any shareholder; or

e. repayment of any term loan or interest payable thereon,

in the last three financial years and the current financial year.

No regulatory action is pending against the issuer or its promoters or directors before the Board or the Reserve Bank of India

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. None of our Whole-time Directors and/or our Promoter, is a whole-time director or promoter of another company which is has been categorised as a wilful defaulter.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER(S), HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, EQUIRUS CAPITAL PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 29, 2021 WHICH READS AS FOLLOWS:

1. **WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE OFFER DOCUMENT 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 THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**

3. **WE CONFIRM THAT THE OFFER DOCUMENT CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021.**

4. **WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 1956, COMPANIES ACT, 2013, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

WE CONFIRM THAT NO COMMENTS/COMPLAINTS WERE RECEIVED ON THE DRAFT SHELF PROSPECTUS HOSTED ON THE WEBSITE OF THE STOCK EXCHANGE.

DISCLAIMER CLAUSE OF BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS APPROVAL DATED NOVEMEBR 23, 2021 GIVEN 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.ACUITE.IN) FOR THE LATEST INFORMATION ON ANY INSTRUMENT RATED BY ACUITÉ

DISCLAIMER STATEMENT OF CRISIL

A RATING BY CRISIL RATINGS REFLECTS CRISIL RATINGS' CURRENT OPINION ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT, AND DOES NOT CONSTITUTE AN AUDIT OF THE RATED ENTITY BY CRISIL RATINGS. OUR RATINGS ARE BASED ON INFORMATION PROVIDED BY THE ISSUER OR OBTAINED BY CRISIL RATING S F ROM SOURCES IT CONSIDERS RELIABLE. CRISIL RATINGS DOES NOT GUARANTEE THE COMPLETENESS OR ACCURACY OF THE INFORMATION ON WHICH THE RATING IS BASED. A RATING BY CRISIL RATINGS IS NOT A RECOMMENDATION TO BUY / SELL OR HOLD THE RATED INSTRUMENT; IT DOES NOT COMMENT ON THE MARKET PRICE OR SUITABILITY FOR A PARTICULAR INVESTOR. CRISIL RATINGS HAS A PRACTICE OF KEEPING ALL ITS RATINGS UNDER SURVEILLANCE AND RATINGS ARE REVISED AS AND WHEN CIRCUMSTANCES SO WARRANT. CRISIL RATINGS IS NOT RESPONSIBLE FOR ANY ERRORS AND ESPECIALLY STATES THAT IT HAS NO FINANCIAL LIABILITY WHATSOEVER TO THE SUBSCRIBERS / USERS / TRANSMITTERS / DISTRIBUTORS OF ITS RATINGS. CRISIL RATINGS' CRITERIA ARE AVAILABLE WITHOUT CHARGE TO THE PUBLIC ON THE WEB SITE, WWW.CRISILRATINGS.COM. CRISIL RATINGS OR ITS ASSOCIATES MAY HAVE OTHER COMMERCIAL TRANSACTIONS WITH THE COMPANY/ENTITY.

DISCLAIMER CLAUSE OF CARE ADVISORY RESEARCH & TRAINING LIMITED

THE 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 LEAD MANAGER

THE LEAD MANAGER ACCEPT NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS SHELF PROSPECTUS OR IN ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE COMPANY IN CONNECTION WITH THE ISSUE OF THE NCDS AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

DISCLAIMER IN RESPECT OF JURISDICTION

THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THIS SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THE RESPECTIVE TRANCHE PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THIS SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THE RESPECTIVE TRANCHE PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

DISCLAIMER STATEMENT FROM THE ISSUER

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS SHELF 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.

UNDERTAKING BY THE ISSUER

INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE "RISK FACTORS" CHAPTER ON PAGE 16 OF THIS SHELF PROSPECTUS.

OUR COMPANY, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS SHELF PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS SHELF PROSAPECTUS IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS AND IS NOT MISLEADING IN ANY MATERIAL RESPECT, THAT THE OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKE THIS SHELF PROSPECTUS AS A WHOLE OR ANY OF SUCH INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT.

THE COMPANY HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S) DISCLOSED IN THIS SHELF PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGES WEBSITES.

OUR COMPANY DECLARES THAT NOTHING IN THE SHELF PROSPECTUS IS CONTRARY TO THE PROVISIONS OF COMPANIES ACT, 2013 (18 OF 2013), THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER.

Track record of past public issues handled by the Lead Manager

The track record of past issues handled by the Lead Manager, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites

Name of Lead Manager	Website
Equirus Capital Private Limited	www.equirus.com

Listing

An application will be made to the Stock Exchange for permission to deal in and for an official quotation of our NCDs. BSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Shelf Prospectus and relevant Tranche 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 Issue.

For the avoidance of doubt, it is hereby clarified that in the event of zero subscription to any one or more of the series, such NCDs with series shall not be listed.

Our Company shall pay interest at 15% (fifteen) per annum if Allotment is not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within 5 Working Days of the Issue Closing Date or date of refusal of the Stock Exchange(s), whichever is earlier. In case listing permission is not granted by the Stock Exchange(s) to our Company and if such money is not repaid within the day our Company becomes liable to repay it on such account, our Company and every officer in default shall, on and from expiry of such date, be liable to repay the money with interest at the rate of 15% as prescribed under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 26 of the 2013 Act, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

Consents

Consents in writing of: (a) the Directors, (b) Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Manager, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue; (g) Bankers to Company; (h) CRISIL Ratings Limited; (i) Acuité Ratings & Research Limited; (j) the Debenture Trustee for the Issue; (k) lead brokers to the Issue/ Consortium Members*; (l) Public Issue Account Bank, Refund Bank and Sponsor Bank*; (m) CARE Advisory Research & Training Limited in relation to the CARE Report have been obtained from them and and the same will be filed along with a copy of the Shelf Prospectus and relevant Tranche Prospectus with the ROC as required under Section 26 of the Companies Act, 2013. Further, such consents have not been withdrawn up to the time of delivery of this Shelf Prospectus with the Stock Exchange.

**The consents will be procured at respective Tranche Issue stage*

Our Company has received the written consent dated November 29, 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 NCS Regulations, in this Shelf 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 November 12, 2021, on the 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, 2021, 2020 and 2019; (ii) the limited review reports dated October 28, 2021 relating to the unaudited standalone financial results of the Company and unaudited consolidated financial results of the Group for the quarter ended September 30, 2021 and year to date April 1, 2021 to September 30, 2021 pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 as amended; and (iii) the reports on statement of possible tax benefits dated November 12, 2021, included in this Shelf Prospectus, and such consent has not been withdrawn as on the date of this Shelf 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 Shelf Prospectus:

Our Company has received the written consent dated November 29, 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 NCS Regulations, in this Shelf 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 November 12, 2021, on the 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, 2021, 2020 and 2019; (ii) the limited review reports dated October 28, 2021 relating to the unaudited standalone financial results of the Company and unaudited consolidated financial results of the Group for the quarter ended September 30, 2021 and year to date April 1, 2021 to September 30, 2021 pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 as amended; and (iii) the reports on statement of possible tax benefits dated November 12, 2021, included in this Shelf Prospectus, and such consent has not been withdrawn as on the date of this Shelf 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 Shelf Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to 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 or such time as may be specified by SEBI provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 Working Days from 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 Shelf Prospectus

A copy of the Draft Shelf Prospectus was filed with the Stock Exchange in terms of SEBI NCS Regulations for dissemination on their website. The Draft Shelf Prospectus is displayed on the website of the Company and the Lead Manager.

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

Our Company is eligible to file the Shelf Prospectus as per requirements of Regulation 41(1)(c) of SEBI NCS Regulations. A copy of the Shelf Prospectus and copies of relevant Tranche Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 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 the SEBI NCS Regulations, a listed company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Shelf 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.

Recovery Expense Fund

Our Company has already created a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Kindly note, any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at each respective International Securities Identification Number level assigned to the respective Option(s) of NCDs issued under each relevant Tranche Issue.

Reservation

No portion of the Issue has been reserved.

Underwriting

The Issue is not underwritten.

Terms and Conditions of Debenture Trustee Agreement

Fees charged by Debenture Trustee

The Debenture Trustee has agreed for one time acceptance fee as disclosed in Debenture Trustee Agreement dated November 15, 2021.

Terms of carrying out due diligence:

As per the SEBI Circular "SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 titled "*Creation of Security in issuance of listed debt securities and due diligence by debenture trustee(s)*", the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer company are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our company has consented to.

(a) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document /disclosure document / information memorandum / private placement memorandum, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.

(b) The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third party security provider are registered / disclosed.

(c) Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

(d) Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.

The Debenture Trustee shall have the power to either independently appoint, or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.

Process of Due Diligence to be carried out by the Debenture Trustee

Due Diligence will be carried out as per DT regulations and circulars issued by SEBI from time to time. This would broadly include the following:

- A Chartered Accountant ("**CA**") appointed by Debenture Trustee will conduct independent due diligence as per scope provided, regarding security offered by the Issuer.
- CA will ascertain, verify, and ensure that the assets offered as security by the Issuer is free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.
- CA will conduct independent due diligence on the basis of data / information provided by the Issuer.
- CA will, periodically undertake due diligence as envisaged in SEBI circulars depending on the nature of security.
- On basis of the CA's report / finding Due Diligence certificate will be issued by Debenture Trustee and will be filed with relevant Stock Exchanges.
- Due Diligence conducted is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission / commission on the part of the Issuer.

While the Debt Security is secured as per terms of the Offer Document and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

Other Confirmations

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI circulars titled (i) "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" dated November 3, 2020; and (ii) "Monitoring and Disclosures by Debenture Trustee(s)" dated November 12, 2020.

The Debenture Trustee undertakes that the NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and Registrar of Companies or CERSAI or depository, etc., as applicable, or is independently verifiable by the Debenture Trustee.

BEACON TRUSTEESHIP LIMITED HAVE FURNISHED TO STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 15, 2021, AS PER THE FORMAT SPECIFIED IN ANNEXURE A TO THE DT CIRCULAR WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.**

2. **ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS, WE CONFIRM THAT:**

   A. **THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED.** *Not Applicable at this stage, since security is to be created in tranches.*

   B. **THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).** *Not Applicable at this stage , since security is to be created in tranches.*

   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.

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annexure A of the DT Circular.

Debenture Trust Deed

Our Company and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us, as per the extant SEBI regulations applicable for the proposed NCD Issue.

Issue Related Expenses

The expenses of 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 shall be as specified in the Shelf Prospectus and relevant Tranche Prospectus. For further details see, "*Objects to the Issue*" on page 71.

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;

(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 Shelf Prospectus in the section titled *"Terms of the Issue"* on page 490 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 Size pertaining to each Tranche Issue; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from BSE;

(v) 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;

(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. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and

(vii) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

Public / Rights Issues of Equity Shares in the last three years from this Shelf Prospectus

Public Issue:

Our Company has undertaken the following debenture public issue prior to the date of this Shelf Prospectus:

Date of Opening	April 1, 2021
Date of Closing	April 23, 2021
Total Issue Size	₹4,000 million
Amount raised in the Issue	₹ 2187. 03 million
Date of Allotment	29 April, 2021

Net Utilisation of Proceeds	The funds raised through the above issue has been utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of our Company and general corporate purposes.

Date of Opening	December 23, 2020
Date of Closing	January 4, 2021
Total Issue Size	₹ 2,000 million
Amount raised in the Issue	₹ 2,000 million
Date of Allotment	January 8, 2021
Net Utilisation of Proceeds	The funds raised through the above issue has been utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of our Company and general corporate purposes.

Date of Opening	August 17, 2021
Date of Closing	September 6, 2021
Total Issue Size	₹ 4,000 million
Amount raised in the Issue	₹ 3,678.24 million
Date of Allotment	September 9, 2021
Net Utilisation of Proceeds	The funds raised through the above issue has been utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of our Company and general corporate purposes.

Rights

Our Company has not undertaken any rights issue of equity shares in the last three years.

Public Issue by our Subsidiaries in the last three years from this Shelf Prospectus:

Our Subsidiary, Edelweiss Finance & Investments Limited, has undertaken one public issuance of debentures in the last three years, the particulars of such issuances are set out below:

Date of Opening	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 Limitedand general corporate purposes.

Our Subsidiary, ECL Finance Limited, has undertaken public issuances of debentures in the last three years, the particulars of such issuances are set out below:

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 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 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.

Delay in listing

There has been no delay in the listing of any non-convertible securities issued by our Company.

Refusal of listing of any security of the issuer during last three years by any of the stock exchanges in India or abroad.

There has been no refusal of listing of any security of our Company during the last three years prior to the date of this Shelf Prospectus by any Stock Exchange in India.

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on September 30, 2021, our Company has outstanding unlisted, unrated, secured, non-convertible redeemable debentures. For further details see chapter titled "*Financial Indebtedness*" on page 438.

Our Company has not issued any preference shares as of September 30, 2021.

Further, save and except as mentioned in this Shelf Prospectus, our Company has not issued any other debentures.

Details of the use of proceeds for on-lending from previous public issue of debt securities

Details regarding lending out of issue proceeds of Previous Issues:

(i) Loan given by our Company: Except Public Issue 1, Public Issue 2 and Public Issue 3, 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, Public Issue 2 and Public Issue 3, 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.

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 three years and six months period ended September 30, 2021 on a standalone basis:

Particulars		Six months period ended September 30, 2021	For the year ended March 31,		
			2021	2020	2019
Equity Share Capital (₹ in Million)		937.60	935.80	934.41	932.67
Face Value Per Equity Share (₹)	(a)	1.00	1.00	1.00	1.00
Interim Dividend on Equity Shares (₹ per Equity Share)	(b)	-	0.90	-	1.10
Interim dividend on Equity Shares (₹ in Million)		-	842.22	-	975.88
Interim Dividend Declared Rate (in %)	(c=b/a)	-	90%	-	110%
Final Dividend on Equity Shares (₹ per Equity Share)	(d)	0.55	-	-	0.30
Final dividend on Equity Shares (₹ in million)		515.27	-	-	266.51
Final Dividend Declared Rate (In %)	(e=d/a)	55%	-	-	30%

Dividend declared to the Equity Shareholders of our Company over the last three years, and six months ended September 30, 2021 on a consolidated basis:

Particulars		Six months period ended September 30, 2021	For the year ended March 31,		
			2021	2020	2019
Equity Shares					
Equity Share Capital (₹ in Million)		937.60	935.80	934.41	932.67
Face Value Per Equity Share (₹)	(a)	1.00	1.00	1.00	1.00
Interim Dividend on Equity Shares (₹ per Equity Share)	(b)	-	0.90	-	1.10
Interim dividend on Equity Shares (₹ in Million)		-	842.22	-	975.88
Interim Dividend Declared Rate (In %)	(c=b/a)	-	90%	-	110%
Final Dividend on Equity Shares (₹ per Equity Share)	(d)	0.55	-	-	0.30
Final dividend on Equity Shares (₹ in million)		515.27	-	-	266.51
Final Dividend Declared Rate (In %)	(e=d/a)	55%	-	-	30%
Preference Shares					
Dividend on Preference Shares (₹ in Million)		-	-	-	-

Revaluation of assets

Our Company has not revalued its assets in the last three years.

Mechanism for redressal of investor grievances

The Registrar Agreement dated November 15, 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 eight years from the last date of dispatch of the Allotment Advice, demat credit and refund through unblocking to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to 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:

KFIN TECHNOLOGIES PRIVATE LIMITED
Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad –500 032
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
Email: efsl2.ncdipo@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna

SEBI Registration Number: ₹ 000000221

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:

Tarun Khurana
Company Secretary and Compliance Officer
Edelweiss House, Off C.S.T. Road
Kalina, Mumbai - 400 098
Maharashtra, India
Tel: +91 22 4009 4400
Fax: +91 22 4086 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.

Details of Auditor to the Issuer:

Name of the Auditor	Address	Auditor since
S. R. Batliboi & Co. LLP, Chartered Accountants	12th Floor, The Ruby, 29 Senapati Bapat Marg Dadar (West), Mumbai 400 028 Maharashtra, India	July 26, 2018

Change in auditors of our Company during the last three years

There has been no change in the auditors of our Company during the last three years from the date of this Shelf Prospectus.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement in compliance with Regulation 30(1) of the SEBI NCS Regulations on or before the Issue Opening Date of this Issue. The Advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act. Material updates, if any, between the date of filing of this Shelf Prospectus and/ or the relevant Tranche Prospectus with the ROC and the date of the release of the statutory advertisement will be included in the statutory advertisement.

Auditors' Remarks

Other than as disclosed in the chapter titled "*Risk Factors*", on page 16, there are no reservations or qualifications or adverse remarks in the financial statements of our company in the last three Fiscals immediately preceding this Shelf 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 / term sheet 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	KFIN Technologies Private Limited
Issue	Public issue by our Company of secured redeemable non-convertible debentures of face value of ₹1,000 each for an amount aggregating up to ₹ 10,000 million ("**Shelf Limit**").
Minimum Subscription	As specified in the relevant Tranche Prospectus for each Tranche Issue
Base Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue
Option to Retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Eligible Investors	Please refer to the section titled "*Issue Procedure –Who can apply?"* on page 504.
Objects of the Issue	Please refer to the section titled "*Objects of the Issue*" on page 71.
Details of Utilization of the Proceeds	Please refer to the section titled "*Objects of the Issue*" on page 71.
Interest Rate on each category of investor	As specified in the relevant Tranche Prospectus for each Tranche Issue
Step up/ Step Down Interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest type	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue
Frequency of interest payment	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest payment date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count basis	Actual / Actual
Interest on application money	As specified in the relevant Tranche Prospectus for each Tranche Issue
Default Interest rate	Our Company shall pay interest, over and above the agreed coupon rate, in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws Our Company shall pay at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed if our Company fails to execute the trust deed within such period as prescribed under applicable law.
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Premium / Discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
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	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put price	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call price	As specified in the relevant Tranche Prospectus for each Tranche Issue

Put notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call notification time	As specified in the relevant Tranche Prospectus foreach Tranche Issue
Minimum Application size and in multiples of NCD thereafter	As specified in the relevant Tranche Prospectus for each Tranche Issue
Market Lot / Trading Lot	The market lot will be 1 Debenture ("**Market Lot**"). Since the Debentures are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of debentures.
Pay-in date	Application Date. The entire Application Amount is payable on Application
Credit Ratings	The NCDs proposed to be issued under the Issue have been rated "CRISIL AA-/Negative (pronounced as CRISIL double A minus rating with Negative outlook)" for an amount of ₹ 10,000 million by CRISIL vide their rating letter dated October 22, 2021 and revalidated vide letter dated November 16, 2021, and "ACUITE AA/ Negative (pronounced as ACUITE double A rating with Negative outlook)" for an amount of ₹ 15,000 million, by Acuité vide their letter dated October 20, 2021 and revalidated vide letter dated November 17, 2021.
Listing	The NCDs are proposed to be listed on BSE. The NCDs shall be listed within six Working Days from the date of Issue Closure. BSE has been appointed as the Designated Stock Exchange.
Depository	NSDL and CDSL
Modes of payment	Please refer to the section titled *"Issue Structure – Terms of Payment"* on page 488.
Issuance mode of the Instrument*	In dematerialised form only
Trading mode of the instrument*	In dematerialised form only
Issue opening date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue closing date**	As specified in the relevant Tranche Prospectus for each Tranche Issue ** 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 in the relevant Tranche Prospectus, 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 Finance Committee, subject to necessary 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 Exchanges. For further details please refer to the section titled "*General Information*" on page 52.
Issue Timing	As specified in therelevant Tranche Prospectus for each Tranche Issue
Record date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or holiday of Depositories, the succeeding working day or a date notified by the Company to the stock exchanges shall be considered as Record Date.
Settlement mode of instrument	Redemption
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	As specifiedin the relevant Tranche Prospectus for each Tranche Issue
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/	The principal amount of the NCDs to be issued in terms of this Shelf Prospectus and/or the relevant Tranche Prospectus(es) together with all interest due and payable on the NCDs, thereof shall be secured by way of pari-passu/ specified charge in favour of the Debenture Trustee on an identified immovable property and/or future receivables of our Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables specifically and exclusively charged in favour of certain existing charge

likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed this Shelf Prospectus and relevant Tranche Prospectus [%]	holders, such that a security cover of atleast 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date. We have received necessary consents from the relevant debenture trustees and security trustees for ceding pari passu charge in favour of the Debenture Trustee in relation to the NCDs. For further details on date of creation of security/likely date of creation of security, minimum security cover etc., please refer to the "*Terms of the Issue – Security*" on page 490.
Issue documents	This Shelf Prospectus, the Shelf Prospectus, the Tranche 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 the Issue including but not limited to the Issue Agreement, Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Public Issue Account and Sponsor Bank Agreement, the Registrar Agreement and the Lead Broker Agreement. For further details, please refer to "Material Contracts and Documents for Inspection" on page 542.
Condition precedent to disbursement	Other than the conditions specified in the SEBI NCS Regulations, there are no conditions precedents to disbursement.
Condition subsequent to the disbursement	Other than the conditions specified in the SEBI NCS Regulations, there are no conditions subsequent to disbursement.
Events of default (including manner of voting/conditions of joining Inter Creditor Agreement)	Please refer to the section titled "*Terms of the Issue – Events of Default*" on page 492.
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)	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in the summary term sheet, the Debenture Trustee shall take necessary actions as mentioned in the Debenture Trust Deed and relevant Tranche Prospectus
Deemed date of Allotment	The date on which the Board of Directors/or the Finance Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors/ or the Finance Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment
Roles and responsibilities of the Debenture Trustee	Please see section titled "*Terms of the Issue-Trustees for the NCD Holders*" on page 491.
Risk factors pertaining to the Issue	Please see section titled "*Risk Factors*" on page 16.
Provisions related to Cross Default Clause	NA
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	If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment

	Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it failing on a non-Working Day. If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest /redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Notes:
** If there is any change in Coupon Rate pursuant to any event including elapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed to the Stock Exchange.*

**In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. Trading in NCDs shall be compulsorily in dematerialized form.*

*** 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 52.*

**For the list of documents executed/ to be executed, please see "Material Contracts and Documents For Inspection" on page 542*.

While the NCDs are secured to the tune of 100% of the principal and interest thereon in favour of Debenture Trustee, it is it the duty of the Debenture Trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

Specific terms for NCDs

As specified in the relevant Tranche Prospectus.

Terms of payment

The entire face value per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors) , as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms specified in "*Terms of the Issue – Manner of Payment of Interest/ Refund*" on page 498.

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 Shelf Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form.

This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Day Count Convention

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Operational Circular.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory Permissions / consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

For further details, see the section titled "*Issue Procedure*" on page 503.

TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company held on October 28, 2021, the Board of Directors approved the issuance of NCDs of the face value ₹ 1,000 each, for an amount up to ₹ 10,000 million. Further, the present borrowing is within the borrowing limits of ₹100,000 million under Section 180(1)(c) of the Companies Act, 2013 duly approved by the members of our Company by way of postal ballot on September 10, 2014.

The NCDs pursuant to this Issue will be issued in one or more tranches on terms and conditions as set out in the relevant tranche prospectus for any tranche issue.

Principal Terms & Conditions of the Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of this Shelf Prospectus, the Shelf Prospectus, respective Tranche Prospectus(es), 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 pari-passu/specified charge in favour of the Debenture Trustee on an identified immovable property and/or future receivables of our Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables specifically and exclusively charged in favour of certain existing charge holders, 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. We have received necessary consents from the relevant debenture trustees and security trustees for ceding pari passu charge in favour of the Debenture Trustee in relation to the NCDs.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 Shelf Prospectus and/or the relevant Tranche Prospectus(es) together with all interest due and payable on the NCDs, thereof shall be secured by way of pari-passu/specified charge in favour of the Debenture Trustee on present and future receivables of the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables specifically and exclusively charged in favour of certain existing charge holders, 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. We have received necessary consents from the relevant debenture trustees and security trustees, for ceding pari passu charge in favour of the Debenture Trustee in relation to the NCDs.

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 the stipulated timeframe and shall utilize the funds only after the stipulated security has been created. Under the terms of the Debenture Trust Deed, our Company will

covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in the respective Tranche Prospectus(es) 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 NCS Regulations, a listed company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Shelf Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. Our Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Face Value

The face value of each NCD shall be ₹1,000.

Trustees for the NCD Holders

Our Company has appointed Beacon Trusteeship Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. Our Company and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

We and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us pro tanto to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action.

Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed.

Indicative list of Events of Default:

(i) default in redemption of the debentures together with redemption premium, if any, interest accrued thereon as and when the same shall have become due and payable or payment of any other amounts in terms of the Debenture Trust Deed;
(ii) default is committed in payment of the principal amount of the NCDs on the due date(s);
(iii) default is committed in payment of any interest on the NCDs on the due date(s);
(iv) Default is committed in the performance of any other covenants, conditions or agreements on the part of the Company under the Debenture Trust Deed or the other Transaction Documents or deeds entered into between the Company and the Debenture Holder(s)/ Beneficial Owner(s)/ Debenture Trustee and such default shall have continued for a period of thirty (30) days after notice in writing thereof been given to the Company by the Debenture Holder(s)/ Beneficial Owner(s)/ Debenture Trustee for remedying such default;
(v) Default is committed if any information given to the Company in the Shelf Prospectus, the respective Tranche 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 fulfil its obligations under the Debenture Trust Deed and/or the Debentures; If the Company is unable to pay its debts
(ix) The Company ceases to carry on its business or gives notice of its intention to do so;
(x) If it is certified by an accountant or a firm of accountants appointed by the Debenture Trustee that the liabilities of the Company exceed its assets;
(xi) Default is committed if any of the necessary clearances required or desirable in relation to the Company or the Debentures in accordance with any of the Transaction Documents is not received or is revoked or terminated, withdrawn, suspended, modified or withheld or shall cease to be in full force and effect which shall, in the reasonable opinion of Debenture Holder(s)/ Beneficial Owner(s), have material adverse effect on the Company or the Debentures;
(xii) Default is committed if the company enters into any arrangement or composition with its creditors or commits any acts of insolvency or winding up of the Company;
(xiii) If the Company files a petition for reorganisation, arrangement, adjustment, winding up or composition of debts of the Company or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding (other than a proceeding commenced voluntarily by the Company is not stayed, quashed or dismissed);
(xiv) If the Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors;
(xv) If it becomes unlawful for the company to perform any of its obligations under any transaction document;
(xvi) Default is committed if the occurrence of any event or condition which in the Debenture Trustee/ Beneficial Owner(s) reasonable opinion can constitute a material adverse effect;
(xvii) Any security created at any time, any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardize or endangers any hypothecated properties or any part thereof or any event occurs which causes the Debenture Deed or any related agreement to become ineffective;
(xviii) Any security created at any time, without prior written consent of the Debenture Trustee or unless otherwise provided for in the Debenture Trust Deed, the Company, attempts or purports to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over any of the hypothecated properties; and

Any other event described as an Event of Default in the Disclosure Documents/ Shelf Prospectus, the respective Tranche 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 Listing Regulations.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration.

2. In terms of Section 136 (1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed at the Registered Office of our Company during business hours.

3. Subject to the above and the applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

4. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

5. The NCDs are subject to the provisions of the SEBI NCS Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Shelf Prospectus, the Shelf Prospectus, the respective Tranche 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 NCS Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD holders are merely indicative. The final rights of the NCD holders will be as per the terms of this Shelf Prospectus, the respective Tranche 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 7 of the SEBI NCS 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 SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD ("**Market Lot**"). Allotment in 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 503.

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 497 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. NCDs held in physical form, pursuant to any re-materialisation, as above, cannot be transferred except by way of transmission or transposition. 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	As specified in the relevant Tranche Prospectus
ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus

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 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. (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 Operational Circular.

Interest

As specified in the relevant Tranche Prospectus.

Basis of payment of Interest

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs pursuant to the relevant Tranche Prospectus. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such tenor, coupon/yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Refer to the paragraph on "*Manner of Payment of Interest / Refund*" at page 498.

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 503, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Shelf 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 Operational Circular.

Effect of holidays on payments:

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and

shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force, as applicable.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Illustration for guidance in respect of the day count convention and effect of holidays on payments:

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Operational Circular and as will be disclosed in the relevant Tranche Prospectus for each Tranche Issue.

Maturity and Redemption

As specified in the relevant Tranche Prospectus.

Application Size

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 the relevant Tranche Prospectus(es).

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 the relevant Tranche 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 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 NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the 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 the SEBI Operational 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 Shelf Prospectus and Tranche Prospectus with the RoC

A copy of the Shelf Prospectus and relevant Tranche Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of 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 be issued in compliance with the Regulation 30(1) of SEBI NCS Regulations and shall contain the information as prescribed in the SEBI NCS Regulations and Section 30 of the Companies Act, 2013.

Material updates, if any, between the date of filing of the Shelf Prospectus and relevant Tranche Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI NCS Regulations.

Listing

The NCDs offered through this Shelf 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 November 23, 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 relevant Tranche 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 NCS Regulations. The Audit Committee shall monitor the utilization of the proceeds of the Issue. For the relevant Fiscals commencing from the Fiscal 2021- 2022, 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 Operational Circular, 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. Further in terms of the SEBI Operational Circular retail individual investor may use the Unified Payment Interface ("**UPI**") to participate in the public issue for an amount up to ₹ 200,000 through the app/web interface of the Stock Exchange or through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).*

Applicants should note that they may submit their Applications to the Designated Intermediariesat 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 Shelf Prospectus.

Please note that this section has been prepared based on the SEBI Operational Circular and the notifications issued by BSE, in relation to the UPI Mechanism, dated December 28, 2020.

Specific attention is drawn to the SEBI Operational Circular which provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Shelf 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 SHELF 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 the Draft Shelf Prospectus, this Shelf Prospectus, relevant Tranche Prospectus, Abridged Prospectus and Application Forms

The copies of the Draft Shelf Prospectus, the Shelf Prospectus, relevant Tranche Prospectus, Abridged Prospectus together with Application Forms may be obtained from our Registered 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, the Shelf Prospectus and relevant Tranche 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 Shelf Prospectus.

How to apply?

Availability of the Draft Shelf Prospectus, this Shelf Prospectus, relevant Tranche 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 Shelf Prospectus, relevant Tranche Prospectus together with Application Forms and copies of this Shelf Prospectus may be obtained from our Registered Office, the Lead Manager, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, this Shelf Prospectus, the relevant Tranche Prospectus and the Application Forms will be available

(i) for download on the website of BSE at www.bseindia.comand the website of the Lead Manager at www.equirus.com and/or www.equirussecurities.com.
(ii) at the designated branches of the SCSBs and the Syndicate Members at the Specified Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Method of Application

In terms of the SEBI Operational Circular an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the SEBI Operational Circular, SEBI has mandated issuers to provide, through a recognized Stock Exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**").

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 be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

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 SEBI Operational 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 ₹2 Lakh 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 ₹ 2 Lakh. 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 nationalsNRI *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 Indiaand 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 ₹2 lakh 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:

1. Before submission of the application form with the Designated Intermediary, a Retail Individual Investor shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.

2. The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchanges App/ Web interface.

3. The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platform using appropriate protocols.

4. Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.

5. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to Stock Exchange(s) which would be shared by the Stock Exchange(s) with the Designated Intermediaries through its platform, for corrections, if any.

6. Once the bid details are uploaded on the Stock Exchange(s) platform, the Stock Exchange(s) shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next Working Day.

7. Post undertaking validation with the Depository, the Stock Exchange(s) shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Company.

8. The Sponsor Bank shall initiate a mandate request on the investor i.e. request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.

9. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.

10. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the Issue.

11. The investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the 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.

12. The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.

13. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the 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

14. The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5 pm on the day of bidding.

15. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

16. The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange(s). The block request status would also be displayed on the Stock Exchange(s) platform for information of the intermediary.

17. The information received from Sponsor Bank, would be shared by Stock Exchange(s) with the Registrar to the Issue in the form of a file for the purpose of reconciliation.

18. Post closure of the 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 ROC

A copy of the Shelf Prospectus and relevant Tranche Prospectus(es) shall be filed with the ROC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of the Shelf Prospectus and the relevant Tranche Prospectus with the ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

1. Applications must be made in the prescribed Application Form.

2. Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Shelf Prospectus, the relevant Tranche Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.

3. Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in the Issue Documents.

4. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

5. Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.

6. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.

7. Applicants applying for Allotment must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by the Designated Intermediaries, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.

8. Applicants must ensure that their Application Forms are made in a single name.

9. The minimum number of Applications and minimum application size shall be specified in the Tranche Prospectus. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.

10. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.

11. Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.

12. All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.

13. Applications for all the series of the NCDs may be made in a single Application Form only.

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 the relevant Tranche Prospectus(es) 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 Manager shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Shelf Prospectus and relevant Tranche Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the four parameters, namely, DP ID, Client ID,PAN and UPI ID then such Applications are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for Retail Individual Investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM

Submission of Applications

Applicants can apply for NCDs only using the ASBA facility pursuant to SEBI Operational Circular. ASBA Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly register such ASBA Applications.

(b) Physically through the 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 Shelf Prospectus and relevant Tranche 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 485.

(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 Shelf Prospectus, the relevant Tranche 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 the relevant Tranche 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 SEBI Operational Circular.
- Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected

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 of NCDs, as specified in the relevant Tranche Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

B. Applicant's Beneficiary Account and Bank Account Details

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 the relevant Tranche Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the 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 the Shelf Prospectus and relevant Tranche Prospectus. Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹1,000,000 shall be deem such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN of the sole or the first Applicant is one and the same.

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 Shelf 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 NCS Regulations and SEBI Operational Circular.

(t) The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

(u) Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.

(v) Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.

(w) Thereafter, Stock 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 dependent upon the system response/ integration of UPI on Debt Public Issue System;

iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;
v. Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;
vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and
vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.

General Instructions

Do's

1. Check if you are eligible to apply as per the terms of this Shelf Prospectus, the relevant Tranche Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue.
4. Ensure that the DP ID and Client ID 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 485.
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 ₹ 200,000;
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 Operational Circular stipulates the time between closure of the Issue and listing at six Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts:

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by money order or by postal order or by stock invest;
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 ₹ 200,000;

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:

1. Tripartite Agreements dated December 8, 2020 and between us, the Registrar to the Issue and CDSL for offering depository option to the Applicants.
2. Tripartite Agreements dated December 17, 2020 and between us, the Registrar to the Issue and NSDL for offering depository option to the Applicants.
3. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
4. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
5. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to the Issue.
6. 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.
7. 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.
8. 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 503.

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 creation of security as stated in this Shelf Prospectus in the section titled "*Terms of the Issue*" on page 490 and after (a) permissions or consents for creation of pari passu charge have been obtained from the creditors who have pari passu charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue amount; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from the Stock Exchanges;
(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 six 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 Shelf 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 it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;
- Applications not being signed by the sole/joint Applicant(s);
- 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 Shelf Prospectus and relevant Tranche 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 below "*Issue Procedure-Information for Applicants*".

Information for Applicants

In case of ASBA Applications submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated

Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of Applicants submitted to the Lead Manager, 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

As specified in the relevant Tranche Prospectus.

Allocation Ratio

As specified in the relevant Tranche Prospectus.

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 Shelf Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the 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, 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 Shelf Prospectus in "*Issue Structure*" on page 485.

- 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 proposed to be offered in pursuance of the this Shelf Prospectus and the relevant Tranche Prospectus will 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/017/21-22 dated November 23, 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 Shelf 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;
(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 Shelf 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 party 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 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, thinks fit.

    (ii) The Board may also carry forward any profits which it may consider necessary no 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 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 Daysfrom the date of the filing of this Shelf Prospectus with Stock Exchange.

MATERIAL CONTRACTS

1. Issue Agreement dated November 15, 2021 between our Company and the Lead Manager.

2. Registrar Agreement dated November 15, 2021 between our Company and the Registrar to the Issue.

3. Debenture Trustee Agreement dated November 15, 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. Tripartite agreement dated December 8, 2020 among our Company, the Registrar to the Issuer and CDSL.

6. Tripartite agreement dated December 17, 2020 among our Company, the Registrar to the Issuer and NSDL.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.

2. Certificate of Incorporation of our Company dated November 21, 1995 issued by the RoC.

3. Certificate of commencement of business dated January 16, 1996 issued by the RoC.

4. Fresh certificate of incorporation dated August 1, 2011 issued by the RoC.

5. Share Subscription Agreement dated November 12, 2019 between our Company, Sanaka Growth SPV I Limited and Edelweiss Securities Limited.

6. Shareholders Agreement dated November 12, 2019 between our Company, Sanaka Growth SPV I Limited and Edelweiss Securities Limited.

7. Share Subscription Agreement dated August 14, 2019 between our Company, Kora Master Fund LP and Edelweiss Securities Limited.

8. Shareholders Agreement dated August 14, 2019 between our Company, Kora Master Fund LP and Edelweiss Securities Limited.

9. Share Purchase Agreement dated May 19, 2021 between our Company, PAGAC Ecstasy Pte Ltd and Edelweiss Securities Limited.

10. Amended and Restated Share Purchase Agreement dated October 19, 2020 between our Company, ECAP Equities Limited and Edelweiss Global Wealth Management Limited.

11. Amended and Restated Securities Subscription Agreement dated October 19, 2020 between our Company, Edelweiss Global Wealth Management Limited, PAGAC Ecstasy Pte Ltd, Asia Pragati Strategic Investment Fund and Edelweiss Securities Limited read with amendment agreement dated March 19, 2021.

12. Amended and Restated Investment Agreement dated March 18, 2021 between our Company, Edelweiss Global Wealth Management Limited, PAGAC Ecstasy Pte Ltd, Asia Pragati Strategic Investment Fund and Edelweiss Securities Limited.

13. Amended and Restated Implementation Agreement dated March 18, 2021 entered between our Company, Edelweiss GlobalWealth Management Limited, PAGAC Ecstasy Pte Ltd, Asia Pragati Strategic Investment Fund, Edelweiss

Securities Limited, Edelweiss Custodial Services Limited, Edelweiss Alternative Asset Advisors Limited and ECAP Equities Limited.

14. Amended and Restated Shareholders' Agreement dated March 18, 2021 entered between our Company, Edelweiss Global Wealth Management Limited, PAGAC Ecstasy Pte Ltd and Edelweiss Securities Limited.

15. Share Purchase Agreement dated March 12, 2021 between PAGAC Ecstasy I LLC, Kora Investments I LLC ("Seller") and Edelweiss Securities Limited.

16. Share Purchase Agreement dated March 17, 2021 between PAGC Ecstasy I LLC, Sanaka Growth SPV I Limited and Edelweiss Securities Limited.

17. Transition Services Agreement dated 19 March, 2021 executed between our Company and Edelweiss Securities Limited.

18. Brand License Agreement dated March 19, 2021 between our Company and Edelweiss Securities Limited.

19. Share Purchase Agreement dated March 17, 2021 between Edelweiss Securities Limited, our Company and Edelweiss Capital Services Limited.

20. Shareholders' Agreement dated March 17, 2021 between Edelweiss Securities Limited, Edelweiss Capital Services Limited and our Company.

21. Share Purchase Agreement dated July 1, 2021 between our Company, Arthur J. Gallagher & Co and Edelweiss Gallagher Insurance Brokers Limited.

22. 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.

23. Copy of the resolution passed by the Board of Directors dated October 28, 2021 approving the issue of NCDs.

24. Copy of the resolution passed by the Debenture Fund Raising Committee at its meeting held on November 15, 2021 approving the Draft Shelf Prospectus.

25. Copy of the resolution passed by the Debenture Fund Raising Committee at its meeting held on November 29, 2021 approving this Shelf Prospectus.

26. Letter dated October 22, 2021, by CRISIL Ratings Limited assigning a rating of "CRISIL AA-/Negative (pronounced as CRISIL double A minus rating with Negative outlook)" for the Issue with rating rationale. CRISIL revalidated the rating *vide* their letter dated November 16, 2021.

27. Letter dated October 20, 2021, by Acuité Ratings and Research Limited assigning a rating of "ACUITE AA/ Negative (pronounced as ACUITE double A rating with Negative outlook)" for the Issue with rating rationale. Acuité revalidated the rating *vide* their letter dated November 17, 2021.

28. 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, Registrar to the Issue and the Debenture Trustee for the NCDs.

29. Consent of CARE Advisory Research & Training Limited dated November 8, 2021 as the agency issuing the industry report titled "*Research Report on BFSI Services Sector"* dated October 22, 2021 forming part of the Industry Overview chapter.

30. Our Company has received the written consent dated November 29, 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 NCS Regulations, in this Shelf 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 November 12, 2021, on the 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, 2021, 2020 and 2019; (ii) the limited

review reports dated October 28, 2021 relating to the unaudited standalone financial results of the Company and unaudited consolidated financial results of the Group for the quarter ended September 30, 2021 and year to date April 1, 2021 to September 30, 2021 pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 as amended; and (iii) the reports on statement of possible tax benefits dated November 12, 2021, included in this Shelf Prospectus, and such consent has not been withdrawn as on the date of this Shelf Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993.

31. The examination report dated November 12, 2021 in relation to the Reformatted Standalone Financial Information.

32. The examination report dated November 12, 2021 in relation to the Reformatted Consolidated Financial Information.

33. The limited review reports, each dated October 28, 2021 in relation to the H1 2022 Unaudited Standalone Financial Results and H1 2022 Unaudited Consolidated Financial Results.

34. The reports on statement of possible tax benefits dated November 15, 2021.

35. Annual Report of our Company for the last three Fiscals.

36. In-principle listing approval from BSE by its letter no. DCS/BM/PI-BOND/017/21-22 dated November 23, 2021.

37. Due Diligence Certificate dated November 29, 2021 filed by the Lead Manager with SEBI.

38. Due Diligence certificate dated November 15, 2021 filed by the Debenture Trustee to the Issue

DECLARATION

We, the Directors of the Company, hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, have been complied with and no statement made in this Shelf Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements made in this Shelf Prospectus are true, accurate and correct in all material respects, are in conformity with Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Shelf Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Shelf Prospectus.

Signed by the Directors of the Company

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Venkatchalam Ramaswamy
Vice Chairman & Executive Director
DIN: 00008509

Himanshu Kaji
Executive Director
DIN: 00009438

Rujan Panjwani
Executive Director
DIN: 00237366

Vidya Shah
Non-Executive, Non-Independent Director
DIN:00274831

P N Venkatachalam
Independent Director
DIN: 00499442

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: November 29, 2021
Place: Mumbai

ANNEXURE A – CRISIL RATING AND RATIONALE

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Ratings

CRISIL
An S&P Global Company

CONFIDENTIAL

RL/EDELCAPLT/280401/RBOND/1021/19965/99669258/1
November 16, 2021

Ms. Shilpa Gattani
Senior Vice President
Edelweiss Financial Services Limited
Edelweiss House, 11th Floor,
Off C.S.T. Road, Kalina
Mumbai City - 400098
9819031988

Dear Ms. Shilpa Gattani,

Re: CRISIL Rating on the Rs. 1000 Crore Retail Bond of Edelweiss Financial Services Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letter dated October 22, 2021 bearing Ref. no:
RL/EDELCAPLT/280401/RBOND/1021/19965/99669258

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Retail Bond	1000	CRISIL AA-/Negative

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Malvika Bhotika
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

Disclaimer: *A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301.*

Ratings

CRISIL
An S&P Global Company

CONFIDENTIAL

RL/EDELCAPLT/280401/RBOND/1021/19965/99669258
October 22, 2021

Ms. Shilpa Gattani
Senior Vice President
Edelweiss Financial Services Limited
Edelweiss House, 11th Floor,
Off C.S.T. Road, Kalina
Mumbai City - 400098
9819031988

Dear Ms. Shilpa Gattani,

Re: CRISIL Rating on the Rs. 1000 Crore Retail Bond of Edelweiss Financial Services Limited

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a CRISIL AA-/Negative (pronounced as CRISIL double A minus rating with Negative outlook) rating to the captioned Debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Further, in view of your decision to accept the CRISIL Ratings, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Malvika Bhotika
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

Disclaimer: *A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301.*

Ratings

CRISIL
An S&P Global Company

Details of the Rs.1000Crore Retail Bond of
Edelweiss Financial Services Limited

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

***Disclaimer**: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301.*

Rating Rationale

October 22, 2021 | Mumbai

Edelweiss Financial Services Limited

'CRISIL AA-/Negative' assigned to Retail Bond

Rating Action

Rs.1000 Crore Retail Bond	**CRISIL AA-/Negative (Assigned)**
Rs.300 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD AA- r /Negative (Reaffirmed)**
Rs.1500 Crore Non Convertible Debentures	**CRISIL AA-/Negative (Reaffirmed)**
Rs.500 Crore Commercial Paper	**CRISIL A1+ (Reaffirmed)**

1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its '**CRISIL AA-/Negative**' rating to Rs.1000 crore Retail Bonds of Edelweiss Financial Services Limited (EFSL) and reaffirmed its ratings on the other debt instruments at 'CRISIL AA-/CRISIL PP-MLD AA-r/Negative/CRISIL A1+'.

The rating reaffirmation factors in the group's adequate capitalisation levels, supported by multiple capital raises, and its diversified business profile with presence across lending, asset management, wealth management, broking, asset reconstruction and insurance segments, and demonstrated ability to build significant presence in multiple lines of business - this should support earnings going ahead. The group also maintains adequate liquidity on an ongoing basis.

The continuation of the 'Negative' outlook reflects the challenges on profitability and asset quality that the group has been facing largely on account of stress on its wholesale lending book. The retail lending book was also impacted amid the Covid-19 pandemic. Trends in profitability and asset quality in the medium term will be key monitorables.

Despite the challenging macro environment for non-banks, the group has been able to raise capital from marquee global investors. During the last quarter of fiscal 2021, stake sale of Edelweiss Wealth Management (EWM; comprising wealth management and capital markets business) to PAG (Pacific Alliance Group, Asia-focused alternative investment managers) was concluded with the group receiving Rs 2,366 crore. PAG currently holds 61.5% of the business, while Edelweiss Group holds a 38.5% stake, with an option to increase it to 44%. Earlier, the group raised Rs 1,334 crore (in aggregate) from Caisse de depot et placement du Quebec (CDPQ), Kora Management (Kora; a US-based investment firm), and Sanaka Growth SPV I Ltd (part of Sanaka Capital) between March and November in 2019. These stake sales have helped to absorb asset-side risks and despite business losses in fiscals 2020 and 2021, the networth remained relatively steady at Rs 8,542 crore as on March 31, 2021 (Rs 8,715 crore as on March 31, 2019). With a decline in borrowings, the gearing has also reduced to around 3 times as on March 31, 2021 from around 4 times as on March 31, 2020. The group is also in the process of proceeding with stake sale of the remaining 70% in the Insurance broking venture to Arthur Gallagher, which already holds 30% stake. This transaction is expected to bring in Rs 300-400 crore at the holding company level before December 2021, which should further support capitalisation.

The group has diversified business interests in financial services. Many of the non-lending businesses including the asset reconstruction company (ARC), asset management, and wealth management have scaled up significantly over the years and are contributing a higher share of revenue and profit. These businesses should support the overall earnings profile.

The group also maintains adequate liquidity. The overnight on-balance-sheet liquidity (including cash, liquid investments, and treasury assets) stood at around Rs 2,225 crore, and unutilised bank lines at Rs 325 crore, as on September 30, 2021. The group also has other liquid assets (investments, securities-based lending), that can be accessed if necessary. This stood at around Rs 2,550 crore as on September 30, 2021. The group raised around Rs 7,500 crore in fiscal 2021 and Rs 1,430 crore in first quarter of fiscal 2022 through bank loans, securitisation, structured NCDs as well retail bonds.

As for asset quality, overall reported gross stage III assets in the lending business increased to 7.7% as on March 31, 2021, from 5.3% a year earlier. The increase is attributed to a decline in the loan book to Rs 15,279 crore, from Rs 21,032 crore a year earlier. On an absolute basis, stage III assets stood largely stable at Rs 1,182 crore as on March 31, 2021 (Rs 1,114 crore a year earlier) supported by write-offs and sale to ARCs of Rs 2,047 crore during fiscal 2021.The overall stage III assets ratio,, improved to 5.3% as on June 30, 2021 supported by recovery in one large NPA account. Nevertheless, including security receipts held, the stressed assets of the lending book would be higher. The group has also restructured ~2.5% of its portfolio in line with the Reserve Bank of India's (RBI's) August 2020 Resolution Framework for Covid-19-related stress.

While the wholesale book had been witnessing challenges for the last few quarters, the retail book has also seen increased asset quality pressures given the tough macro environment. Stage III assets ratio in the retail book increased to 3.9% as on March 31, 2021, from 1.2% a year earlier. The reported stage III assets ratio in the wholesale book stood at 12.0% as on March 31, 2021. Nevertheless, stage III assets ratio in both wholesale and retail book improved to 8.1% and 2.9% respectively as on June 30, 2021.

With the second wave of the pandemic resulting in intermittent lockdowns and localised restrictions, there has been a dip in collections in some segments given the impact on borrowers' cash flows. This is, however, expected to improve and normalise with easing of lockdowns and pick-up in economic recovery. Any change in the behaviour of borrowers on payment discipline can, however, further affect delinquency levels.

Nevertheless, the group continues to move towards an asset-light model through sell-down of wholesale assets and co-lending arrangements in the retail lending business. In wholesale finance, it is shifting the assets to a fund platform, which will provide completion finance to projects. In this regard, the group has already concluded transactions aggregating over Rs 2,500 crore in the past 18 months. It is in advanced stages of concluding additional transactions.

The increased stress in the loan book and consequent higher provisions, including management overlay, has impacted the group's earnings profile. On a consolidated basis, while the group reported a net profit of Rs 254 crore in fiscal 2021 (loss of Rs 2,044 crore in fiscal 2020), it was primarily due to the one-off gain from stake sale in the wealth management business. Excluding this one-off gain, the group would have reported a net loss in fiscal 2021 as well. During the quarter ended June 30, 2021, the group reported a net profit of Rs 18 crore after reducing wealth management shareholder's profit of Rs 41 crore as compared to loss of Rs 245 crore in quarter ended June 30, 2020.

Improvement in asset quality and profitability will be a key rating sensitivity factor.

Analytical Approach

For arriving at the ratings, CRISIL Ratings has combined the business and financial risk profiles of EFSL, its subsidiaries and associates in the wealth management business. This is because all these entities have significant operational, financial, and managerial linkages and operate under a common Edelweiss brand.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation

Key Rating Drivers & Detailed Description

Strengths:

Adequate capitalisation, supported by multiple capital raises

The Edelweiss group has demonstrated its ability to raise capital from global investors, across businesses, despite the tough macro environment. The group has raised more than Rs 3,700 crore over the past 24 months across the lending, wealth management and asset management businesses. This has helped to maintain the capital position despite elevated credit costs, and absorb asset-side risks. During the first quarter of fiscal 2022, the group plans to raise an additional Rs 300-400 crore through stake sale in its insurance broking business before December 2021; the transaction is pending regulatory approvals.

With the scale-down of the lending business over the past few quarters, borrowings have also come down. With this, coupled with capital raised, the gearing has come down to ~3 times as on June 30, 2021 (~3 times as on March 31, 2021), from ~4 times as on March 31, 2020.

Diversified financial services player, with demonstrated ability to build significant competitive positions across businesses

Edelweiss group is a diversified financial services player with presence across various businesses including asset management, wealth management, life insurance, general insurance, asset reconstruction, alternate assets, broking, investment banking, retail finance and wholesale finance. The group has attained sizeable scale in many of these businesses over a period of time which is likely to lend greater stability to earnings over time.

In the lending business of book size of Rs 14,465 crore as on June 30, 2021 (Rs 15,279 crore as on March 31, 2021), excluding capital deployed in distressed assets credit, the group plans to focus on increasing the granularity of the loan book. As a part of this strategy, it will focus on growing the retail book (53% of total credit book as on June 30, 2021 and March 31, 2021) comprising primarily of mortgage and micro, small and medium enterprises [MSME] loans. Growth in the wholesale credit book is expected to be predominantly through the fund structure.

In the distressed assets segment, Edelweiss ARC is the largest ARC in India, with total securities receipts managed at Rs ~42,300 crore as on June 30, 2021 (Rs ~40,800 crore as on March 31, 2021). From being largely corporate focused, the group has, in the recent past, started focusing on retail and MSME segments. The share of retail is expected to grow over the medium term from less than 5% as of June 30, 2021.

The scale of, and profits from, fee-based businesses has also increased in the past few fiscals. The group has an established franchise in institutional broking and investment banking and an expanding presence in the retail broking, wealth management, and asset management segments.

Assets under advice in the global wealth management business were ~Rs.168,000 crore (Rs 155,000 crore as on March 31, 2021), and assets under management (AUM) in the asset management business stood at ~Rs 92,000 crore (Rs 85,000 crore as on March 31, 2021) [~Rs 62,000 crore of mutual fund assets and ~Rs 30,000 crore of alternate assets] as on June 30, 2021. The group is among the larger players in the alternate assets space.

Further, the life and general insurance businesses are gaining scale and are also expected to break even over the medium term.

Weakness:

Asset quality remains vulnerable

Overall stage III assets ratio rose to 7.7% as on March 31, 2021, compared to 5.3% as on March 31, 2020. The deterioration in asset quality in the last few years was majorly on account of wholesale segment. However, in fiscal 2021, the retail segment has also been adversely impacted on account of the pandemic. Furthermore, the group's weak assets, which include a portion of the security receipts, is higher than that of peers. Nevertheless, during the first quarter of fiscal 2022, overall stage III assets ratio improved to 5.3% due to resolution of one large account during this period.

Despite this, the asset quality of the wholesale book remains vulnerable due to its exposure to the real estate segment and stressed mid-tier borrowers in structured credit. While the group is in the process of gradually running down the wholesale book, this still contributed about 47% of the total loan book as on June 30, 2021 (47% as on March 31, 2021). Also, the wholesale loan book remains concentrated with 10 largest loans constituting 35% of the wholesale portfolio. Nevertheless, the group has reasonable collateral cover for its wholesale loans, and has also built strong recovery capabilities.

Given the current macro environment, asset quality of the exposures to retail credit (retail mortgage, loans against property [LAP] and loans to MSME sectors) has deteriorated in fiscal 2021. However, stage III assets in the retail segment are well below those in the wholesale segment and the retail book has more granular exposure.

Any sharp deterioration in asset quality, specifically in the wholesale lending book, will impact profitability, as well as capitalisation and remains a key rating monitorable.

Lower profitability than peers

Profitability has been lower than those of other large, financial sector groups. It was significantly impacted in the last few quarters owing to higher credit costs.

The group reported a net profit of Rs 254 crore in fiscal 2021 supported by one-off income as compared to a loss of Rs 2,044 crores in fiscal 2020. Consequently, return on assets (annualised) and return on equity (annualised) improved to 0.5% and 3.0%, respectively, in fiscal 2021 (-3.4% and -23.7%, respectively, in fiscal 2020). Further, with continued provisioning, the provision coverage ratio has improved to 47% as on March 31, 2021. During the first quarter of fiscal 2022, the group reported a net profit of Rs 18 crore after reducing wealth management shareholder’s profit of Rs 41 crore as compared to loss of Rs 245 crore same period last year.

Around 20% of the capital (equity plus borrowings) is employed in businesses or investments that are either low-yielding or loss-making at this point. The group has a large investment portfolio under its balance sheet management unit (BMU), used for managing liquidity. This largely comprises government securities, fixed deposits, liquid mutual fund units, and corporate bonds, which have a low return on capital employed. Furthermore, the life and general insurance businesses continue to be loss-making, given their long gestation periods. Breaking even of the insurance businesses should benefit group profitability over the medium term.

As the group is diversified, each business vertical contributes to overall profitability. The non-credit business now contributes significantly to the total profit after tax (PAT) given the group's established position in these businesses; this should also support the overall earnings profile. Also, most of the businesses have been reporting profits from the last quarter of fiscal 2021 and gradual improvement in profitability is expected over the medium term.

Liquidity: Adequate

As a policy, the group maintains a liquidity cushion of 9-10% of the balance sheet. There was a liquidity cushion (including cash, liquid investments, and treasury assets) of around Rs 2,225 crore and unutilised bank lines of around Rs 325 crore as on September 30, 2021. The group also has other liquid assets (investments, securities-based lending book), which can be accessed if necessary; these stood at around Rs 2,550 crore. As on September 30, 2021, the overall liquidity was adequate to meet the debt obligation of around Rs 3,621 crore that was due over the next few months until January 31, 2022. The maturity profile of assets and liabilities continue to be well-matched.

Outlook: Negative

The Negative outlook factors in the challenges faced by the Edelweiss Group due to stressed assets in its credit business, especially in its wholesale lending book and the impact of the same on its profitability.

Rating Sensitivity Factors

Upward Factors

- Significant improvement in the group's asset quality with Stage III assets ratio less than 3% on a sustained basis, coupled with reduction in level of stressed assets
- Demonstration of profitability across businesses.

Downward Factors

- Continued pressure on profitability, with losses continuing on a sustained basis (Negative PAT excluding one-off gains)
- Deterioration in asset quality of the Edelweiss group
- Funding access challenges with limited fund-raising by the group
- Lack of progress on planned scale-down of wholesale portfolio

About the Group

Edelweiss Financial Services Limited (EFSL) was previously named as Edelweiss Capital Lmited and was incorporated in 1995. The company on a standalone basis is primarily engaged in investment banking services and provides development,

managerial and financial support to the businesses of the Edelweiss group entities.

The Edelweiss group comprised 48 companies as on March 31, 2021. The number of companies has come down from 74 as on March 31, 2016, and is expected to come down further over the next few quarters (subject to requisite approvals). The group had 234 offices (including ten international offices in six locations) in around 136 cities as on June 30, 2021. Furthermore, as a part of streamlining its operating structure, the group has restructured the businesses into three verticals: credit, advisory and insurance.

The group has a presence across various financial services businesses. These businesses include loans to corporates and individuals, mortgage finance, including LAPs and small-ticket housing loans, MSME finance, agricultural credit including commodity sourcing and distribution, institutional and retail equity broking, corporate finance and advisory, wealth management, third-party financial products distribution, alternative and domestic asset management, and life and general insurance. In addition, the BMU focuses on liquidity and asset-liability management.

In fiscal 2021, the group's PAT was Rs 254 crore on total income of Rs 10,849 crore against a net loss of Rs 2,044 crore and total income of Rs 9,603 crore in fiscal 2020. During first quarter of fiscal 2022, the group reported a net profit of Rs 18 crore on total income of Rs 1,649 crore as compared to net loss of Rs 245 crore and total income of Rs 1,920 crore in first quarter of fiscal 2021.

Key Financial Indicators : EFSL (Consolidated)

As on/For period ended June 30	Unit	2021	2020
Total assets	Rs crore	45015	51182
Total income	Rs crore	1649	1920
PAT (before minority interest)	Rs crore	25	-264
PAT (after minority interest)	Rs crore	18	-245
Stage III assets	%	5.3	2.3
Gearing	Times	~3	~4
Return on assets	%	0.04	-0.5

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL Ratings' complexity levels are assigned to various types of financial instruments. The CRISIL Ratings' complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (INR.Crs)	Complexity Level	Rating Assigned with Outlook
NA	Non-Convertible Debentures^	NA	NA	NA	1500	Simple	CRISIL AA-/Negative
NA	Retail Bond^	NA	NA	NA	1000	Simple	CRISIL AA-/Negative
NA	Commercial Paper Programme	NA	NA	7-365 Days	500	Simple	CRISIL A1+
NA	Long Term Principal Protected Market Linked Debentures^	NA	NA	NA	300	Highly Complex	CRISIL PP-MLD AA-r/Negative

^*Yet to be issued*

Annexure - List of Entities Consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
ECL Finance Ltd	Full	Subsidiary
Edelweiss Rural & Corporate Services Ltd	Full	Subsidiary
Edelweiss Asset Reconstruction Company Ltd	Full	Subsidiary
Edelweiss Housing Finance Ltd	Full	Subsidiary
Edelweiss Retail Finance Ltd	Full	Subsidiary
Edel Finance Company Ltd	Full	Subsidiary
Edelweiss Asset Management Ltd	Full	Subsidiary

EdelGive Foundation	Full	Subsidiary
Edelweiss Tokio Life Insurance Company Ltd	Full	Subsidiary
Edelweiss General Insurance Company Ltd	Full	Subsidiary
Allium Finance Private Ltd	Full	Subsidiary
Edelcap Securities Ltd	Full	Subsidiary
Edelweiss Securities and Investment Pvt Ltd	Full	Subsidiary
ECap Equities Ltd	Full	Subsidiary
Edel Investments Ltd	Full	Subsidiary
EC Commodity Ltd	Full	Subsidiary
Aster Commodities DMCC	Full	Subsidiary
EC International Ltd	Full	Subsidiary
Edel Land Ltd	Full	Subsidiary
Edelweiss Comtrade Ltd d	Full	Subsidiary
Edelweiss Multi Strategy Fund Advisors LLP	Full	Subsidiary
Edelweiss Gallagher Insurance Brokers Ltd	Full	Subsidiary
Edelweiss Private Equity Tech Fund	Full	Subsidiary
Edelweiss Value and Growth Fund	Full	Subsidiary
India Credit Investment Fund II	Full	Subsidiary
EAAA LLC	Full	Subsidiary
Edelweiss Alternative Asset Advisors Ltd	Full	Subsidiary
Edelweiss Alternative Asset Advisors Pte. Ltd	Full	Subsidiary
Edelweiss Investment Adviser Ltd	Full	Subsidiary
Edelweiss Resolution Advisors LLP	Full	Subsidiary
EW Special Opportunities Advisors LLC	Full	Subsidiary
Edelweiss Trusteeship Company Ltd	Full	Subsidiary
Edelweiss International (Singapore) Pte. Ltd	Full	Subsidiary
Edelweiss Capital Services Ltd	Full	Subsidiary
Edelweiss Securities Limited	Proportionate	Associate
Edelweiss Finance & Investments Limited	Proportionate	Associate

Edelweiss Broking Limited	Proportionate	Associate
Edelweiss Custodial Services Limited	Proportionate	Associate
Edelweiss Financial Services Inc	Proportionate	Associate
Edelweiss Investment Advisors Private Limited	Proportionate	Associate
Edelweiss Securities (Hong Kong) Private Limited	Proportionate	Associate
Edelweiss Financial Services (UK) Limited	Proportionate	Associate
Edelweiss Securities (IFSC) Limited	Proportionate	Associate
ESL Securities Limited	Proportionate	Associate

Annexure - Rating History for last 3 Years

	Current			2021 (History)		2020		2019		2018		Start of 2018
Instrument	**Type**	**Outstanding Amount**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Rating**
Commercial Paper	ST	500.0	CRISIL A1+	09-09-21	CRISIL A1+	07-09-20	CRISIL A1+	04-10-19	CRISIL A1+	19-03-18	CRISIL A1+	--
			--	27-08-21	CRISIL A1+	25-05-20	CRISIL A1+	20-07-19	CRISIL A1+		--	--
			--	02-08-21	CRISIL A1+		--	29-03-19	CRISIL A1+		--	--
Non Convertible Debentures	LT	1500.0	CRISIL AA-/Negative	09-09-21	CRISIL AA-/Negative		--		--		--	--
Retail Bond	LT	1000.0	CRISIL AA-/Negative	09-09-21	Withdrawn		--		--		--	--
			--	27-08-21	CRISIL AA-/Negative		--		--		--	--
			--	02-08-21	CRISIL AA-/Negative		--		--		--	--
Short Term Debt	ST		--		--		--		--	31-01-18	CRISIL A1+	CRISIL A1+
			--		--		--		--	22-01-18	CRISIL A1+	--
			--		--		--		--	12-01-18	CRISIL A1+	--
			--		--		--		--	08-01-18	CRISIL A1+	--
Short Term Debt Issue	ST		--		--		--		--	31-01-18	Withdrawn	CRISIL A1+
			--		--		--		--	22-01-18	CRISIL A1+	--
			--		--		--		--	12-01-18	CRISIL A1+	--
			--		--		--		--	08-01-18	CRISIL A1+	--
Long Term Principal Protected Market Linked Debentures	LT	300.0	CRISIL PPMLD AA-r /Negative	09-09-21	CRISIL PPMLD AA-r /Negative		--		--		--	--
			--	27-08-21	CRISIL PPMLD AA-r /Negative		--		--		--	--

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria
Rating Criteria for Banks and Financial Institutions
CRISILs Criteria for rating short term debt
CRISILs Criteria for Consolidation

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ANNEXURE B – ACUITE RATING AND RATIONALE

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Rating Revalidation Letter

Private and Confidential

Scan this QR Code to verify authenticity of this rating

November 17, 2021

Edelweiss Financial Services Limited
Edelweiss House, OFF. C.S.T Road, Kalina,,
Mumbai, Maharashtra,
India, 400098

Kind Attn.: Mr. Rashesh Shah, Managing Director (Tel. No. 981977224)

Dear Mr. Shah,

Sub.: Credit Rating of Proposed Secured Redeemable Non-Convertible Debenture Issue by Edelweiss Financial Services Limited Aggregating Rs. 1500 Cr

Acuité Ratings & Research Limited has an outstanding rating of 'ACUITE AA' read as [ACUITE double A] with a 'Negative' outlook for the abovementioned debt instrument [see annexure 1]. As per Acuité's rating definition, instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Kindly inform us the details of the NCDs being issued by you, immediately, but not later than 7 days from the date of such issuances in the following format:

Type of Instrument	ISIN	Issue Size (Rs. cr.)	Date of issue	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Names of top 10 investors

Acuité reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité's policies. Hence lenders / investors are advised to visit https://www.acuite.in/ to confirm the current outstanding rating. Acuité ratings are not recommendations to buy, sell or hold any security.

Yours truly,
For Acuité Ratings & Research Limited

Suman Chowdhury

Suman Chowdhury
Chief Analytical Officer

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, Acuité 's rating scale and its definitions.

Rating Revalidation Letter

ANNEXURE - I

Instrument	Scale	Amount (Rs. Cr)	Ratings
Secured Redeemable Non-Convertible Debentures (Proposed)	Long Term	400.00	ACUITE AA/ Negative
Proposed Secured NonConvertible Debentures	Long Term	1100	ACUITE AA/ Negative
Total Debt		**1500**	

Rating Revalidation Letter

Private and Confidential

Scan this QR Code to verify authenticity of this rating

November 17, 2021

Edelweiss Financial Services Limited
Edelweiss House, OFF. C.S.T Road, Kalina,,
Mumbai, Maharashtra,
India, 400098

Kind Attn.: Mr. Rashesh Shah, Managing Director (Tel. No. 981977224)

Dear Mr. Shah,

Sub.: Credit Rating of Proposed Secured Redeemable Non-Convertible Debenture Issue by Edelweiss Financial Services Limited Aggregating Rs. 400 Cr

Acuité Ratings & Research Limited has an outstanding rating of 'ACUITE AA' read as [ACUITE double A] with a 'Negative' outlook for the abovementioned debt instrument [see annexure 1]. As per Acuité's rating definition, instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Kindly inform us the details of the NCDs being issued by you, immediately, but not later than 7 days from the date of such issuances in the following format:

Type of Instrument	ISIN	Issue Size (Rs. cr.)	Date of issue	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Names of top 10 investors

Acuité reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité's policies. Hence lenders / investors are advised to visit https://www.acuite.in/ to confirm the current outstanding rating. Acuité ratings are not recommendations to buy, sell or hold any security.

Yours truly,
For Acuité Ratings & Research Limited

Suman Chowdhury

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Rating Revalidation Letter

ANNEXURE - I

Instrument	Scale	Amount (Rs. Cr)	Ratings
Secured NonConvertible Debentures	LongTerm	50.02	ACUITE AA/ Negative
Secured NonConvertible Debentures	LongTerm	12.5	ACUITE AA/ Negative
Secured NonConvertible Debentures	LongTerm	81.92	ACUITE AA/ Negative
Secured NonConvertible Debentures	LongTerm	30.11	ACUITE AA/ Negative
Secured NonConvertible Debentures	LongTerm	9.3	ACUITE AA/ Negative
Secured NonConver tible Debentures	LongTerm	19.13	ACUITE AA/ Negative
Secured NonConvertible Debentures	LongTerm	15.72	ACUITE AA/ Negative
Proposed Secured NonConvertible Debentures	LongTerm	181.3	ACUITE AA/ Negative
Total Debt		**400.00**	

Acuité Ratings & Research Limited
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| CIN: U74999MH2005PLC155683

Rating Revalidation Letter

Private and Confidential

Scan this QR Code to verify authenticity of this rating

October 20, 2021

Edelweiss Financial Services Limited
Edelweiss House, OFF. C.S.T Road, Kalina,,
Mumbai, Maharashtra,
India, 400098

Kind Attn.: Mr. Rashesh Shah, Managing Director (Tel. No. 981977224)

Dear Mr. Shah,

Sub.: Credit Rating of Proposed Secured Redeemable Non-Convertible Debenture Issue by Edelweiss Financial Services Limited Aggregating Rs. 1500 Cr

Acuité Ratings & Research Limited has an outstanding rating of 'ACUITE AA' read as [ACUITE double A] with a 'Negative' outlook for the abovementioned debt instrument [see annexure 1]. As per Acuité's rating definition, instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Kindly inform us the details of the NCDs being issued by you, immediately, but not later than 7 days from the date of such issuances in the following format:

Type of Instrument	ISIN	Issue Size (Rs. cr.)	Date of issue	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Names of top 10 investors

Acuité reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité's policies. Hence lenders / investors are advised to visit https://www.acuite.in/ to confirm the current outstanding rating. Acuité ratings are not recommendations to buy, sell or hold any security.

Yours truly,
For Acuité Ratings & Research Limited

Suman Chowdhury

Suman Chowdhury
Chief Analytical Officer

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Rating Revalidation Letter

ANNEXURE - I

Instrument	Scale	Amount (Rs. Cr)	Ratings
Secured Redeemable Non-Convertible Debentures (Proposed)	Long Term	400.00	ACUITE AA/ Negative
Proposed Secured NonConvertible Debentures	Long Term	1100	ACUITE AA/ Negative
Total Debt		**1500**	

Press Release

Edelweiss Financial Services Limited

September 24, 2021

Rating Reaffirmed

Total Facilities Rated*	**Rs.1900.00 Cr.**
Long Term Facilities Rated	**Rs.400.0 Cr.**
Long Term Rating	ACUITE AA/ Negative (Reaffirmed)
Long Term Facilities Rated	**Rs.1500.0 Cr.**
Long Term Rating	ACUITE AA/ Negative (Reaffirmed)

* Refer Annexure for details

Rating Rationale

Acuité has reaffirmed the long term rating of **'ACUITE AA' (read as ACUITE double A)** on the Rs.400.0 Cr. Secured Retail Non-Convertible Debentures of Edelweiss Financial Services Limited (EFSL) and Rs.1500.0 Cr. Secured Retail Non-Convertible Debentures 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 mortgage and 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 monetization of their 51% stake in wealth management business for Rs.2,366 Cr., Rs.1,040 Cr. from CDPQ (Canadian Pension Fund) in the ECL Finance Limited via compulsorily convertible debentures, In the past, the Group has also raised Rs.177 Cr. from KORA Management and Rs.117 Cr. from Sanaka Capital in Edelweiss Global Investment Advisors (EGIA) via compulsory convertible preference shares. PAG's stake in wealth management business increased to 61% post acquisition of stake of KORA Management and Sanaka Capital .Acuité takes note of announcement by the Group in July 2021 of stake sale of 70%, subject to regulatory approvals, in its insurance broking business to existing investor, Gallagher Insurance for consideration of ~Rs.308 Cr. Pursuant to this deal, Gallagher Insurance will have complete ownership of this business.

The rating is partially offset by moderate profitability with profit after tax (excluding minority interest) of Rs.254 Cr. during FY2021 driven by one time gain of about Rs.1,400 Cr. on sale of majority stake in wealth management business to PAG (loss of Rs.2,044 Cr. (excluding minority interest) in FY2020) coupled with declining loan book (Rs.13,144 Cr. (excluding Loan Against Securities portfolio forming part of wealth management business) as on June 30,2021 as against Rs.14,059 Cr. (excluding Loan Against Securities portfolio forming part of wealth management business) as on March 31,2021) and weak asset quality (GNPA of 7.73% as on March 31,2021 as against 5.3% as of March 31,2020). The GNPA stood at 5.3% as on June 30,2021. Furthermore, high concentration in wholesale Credit(Top 20 borrowers accounting for about 27% of overall loan book as on March 31,2021, particularly exposure to real estate developers may build up further pressure on asset quality in the challenging external environment. Acuité takes note of group's strategic focus on reducing its wholesale book through sale of assets to Asset Reconstruction companies including EARCL and AIFs. In this regard, in FY2020, the group launched a USD 425mn corpus last mile Real Estate Financing AIF in partnership with South Korean financial conglomerate Meritz Financial Group, of which one tranche of USD 240mn has already been concluded.

Acuité believes that the ability to curtail asset quality risks in credit business whilst demonstrating sustainable improvement in profitability along with sustainable growth in SME portfolio in the evolving operating environment 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), Asset Management, Asset Reconstruction, Insurance (life and general) and Wealth management including Capital Markets.

The Edelweiss Group comprises Edelweiss Financial Services Limited, 45 subsidiaries, 1 associate and 76 trusts for FY2021.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 45 subsidiaries, 1 associate (for list of subsidiaries and associate refer Annexure I) and 76 trusts for FY2021, 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, asset management, wealth management and capital market including stock broking and insurance business. The various verticals of the group as mentioned above are now under the following broad categories i.e. Credit (retail and corporate), Asset Management, Asset Reconstruction, Insurance (life and general) and Wealth management including Capital Markets.

The Group had consolidated loan book of Rs.13144 Cr. (excluding Loan Against Securities portfolio which used to form part of wealth management business) as on June 30,2021 as against 14,059 Cr. (excluding Loan Against Securities portfolio which used to form part of wealth management business) as on March 31,2021, of which retail credit was Rs.6348 Cr. (Rs.6,813 as on March 31,2021) and wholesale credit at Rs.6796 Cr. as on June 30,2021 (Rs.7,246 Cr. as on March 31,2021). The wholesale segment comprised loans to realtors and structured Credit. The Group has been attempting to gradually increase its exposure to retail segment and is in talks with multiple banks for lending under co-origination model. It has taken several steps to reduce its exposure to the wholesale segment and reorient the portfolio toward small and mid-corporate lending segments.

Besides the fund-based activities, Edelweiss Group also has an established franchise in the capital market related business across corporate finance and advisory domains including broking, investment banking, wealth management, and asset management. The group has completed sale

of its majority stake in wealth management business to PAG. As on March 31, 2021, the group had customer assets of about Rs.280,800 Cr. under the advisory vertical (about Rs.207,700 Cr. as on March 31,2020). Most of the businesses of the group present significant synergies amongst themselves and growth potential both on the assets and liabilities side. The access to a pool of HNIs can be leveraged to create fund-based structures which can be utilized to support the AUM growth of the group.

Acuité believes Edelweiss group's established position in financial services and diversified range of fee and fund-based product offerings will continue to support its business risk profile.

- **Diversified funding profile**

The group's financial flexibility is supported by its demonstrated ability to mobilise resources from diversified set of investors across domestic banks, Institutional investors and lenders, foreign investors and domestic retail investors amongst others. The Group has attracted investments from reputed international investors such as CDPQ (Caisse de dépôt et placement du Québec), and PAG Asia. In the past, the Group also raised capital from KORA Management and Sanaka Capital. In July 2021, the Group announced stake sale of 70%, subject to regulatory approvals, in its insurance broking business to existing investor, Gallagher Insurance for consideration of ~Rs.308 Cr. Pursuant to this deal, Gallagher Insurance will have complete ownership of this business. Of the total borrowings (excluding asset backed borrowings and equity convertible instruments)of Rs.25695 Cr. as on March 31,2021, 43% is being funded through banks, 26% through retail investors, 11% by mutual funds, and the balance 20% mainly through FIs, PFs, and Insurance. As on June 30, 2021, borrowings stood at Rs.25,912 Cr. and proportion of funding from retail investors rose to 31%. The Group's NCD issuances targeted at the retail investor have been well accepted in the markets, which has helped the Group in increasing its retail funding to Rs.8033 Cr. (31%) as on June 30, 2021 as against Rs.5371 Cr. (11%) as on March 31, 2018. The Group also has large institutional client base in its various its funds such as distressed Credit fund, Real estate Credit Fund, Structured debt fund and Infrastructure Fund. The group has also demonstrated its ability to support chunky real estate projects with a need for completion funding by setting up an AIF with South Korea based Meritz Group with a corpus of USD 425 million.

Acuité expects the Group to continue to benefit from diversified funding mix across domestic banks, Institutional investors and lenders, foreign investors and domestic retail investors amongst others.

- **Adequate gearing levels and liquidity buffer**

The Group's networth (including compulsorily convertible debentures and excluding minority interest) stood at Rs.7443 Cr. as on March 31,2021 (Rs.7233 Cr. as on March 31, 2020). The improvement in the networth was mainly on account of profits reported for FY2021 led by one time gain reported on sale of majority stake in wealth management business. Concomitantly, capital adequacy of the Group improved to 21.50% as on March 31,2021 (20.76 % as on March 31, 2020). The capital adequacy stood at 20.85% as on June 30,2021. The group further reduced its borrowings (excluding asset backed borrowings) to Rs.25695 Cr. as on March 31,2021 as against Rs.33754 Cr. as on March 31,2020 (Rs.45217 Cr. as on March 31,2019) translating into improved gearing ratio (reported borrowings/networth) of 3.5 times as on March 31,2021 from 4.7 times as on March 31,2020 (5.9 times as on March 31,2019). The gearing ratio (reported borrowings/networth) stood at 3.5 times as on June 30,2021.

Further, the Group continued to maintain adequate liquidity buffer over this period and reported liquidity of Rs.5550 Cr. as on June 30,2021 comprising Rs.5300 Cr. of overnight liquidable and treasury assets and Rs.250 Cr. in bank lines.

Weaknesses:

- **Moderation in profitability indicators**

The Group reported moderate profitability for FY2021 with profit after tax (excluding minority

interest) of Rs.254 Cr. (loss (excluding minority interest) of Rs.2,044 Cr. in FY2020) driven by one time gain of ~Rs.1,400 Cr. reported on sale of majority stake in wealth management business to PAG. Credit costs, though elevated, reduced to Rs.2,073 Cr. during FY2021 from Rs.3562 Cr. during FY2020. 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 (exinsurance) for FY2021 remained stable vis-à-vis FY2020 levels at 56%. Furthermore, NIMs declined to 0.77% of average earning assets in FY2020 as against 3.03% of average earning assets in FY2020 due to degrowth in loan book resulting in decline in interest income along with higher cost of funds due to negative carry of higher liquidity. The Group reported profit after tax (excluding minority interest and including share in associate's profit) of Rs.25 Cr. on total income of Rs.1649 Cr. for Q1FY2022. Acuité notes that the loss of revenues from the wealth management business in the light of its majority stake sale is expected to impact future profitability. Acuité also takes notes of several measures taken by the Group to rationalize cost and improve profitability including co-origination model for building retail portfolio which is expected to reflect in coming quarters.

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 (48% of the loan book as on June 30,2021) comprises housing finance, Loan against Property, Construction finance, SME loans, Loan against Securities while the wholesale segment (52% of the loan book as on June 30,2021) comprises Structured Collateralized Credit and Real Estate financing. The Group had loan book of Rs.13,144 Cr. (excluding Loan Against Securities portfolio forming part of wealth management business) as on June 30,2021 against Rs.14,059 Cr. (excluding Loan Against Securities portfolio forming part of wealth management business) as on March 31,2021 and Rs.21,032 Cr. as on March 31, 2020. 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 some positive traction with the Group's Gross NPAs (GNPAs) at Rs.770 Cr. (5.3% of loan assets) as on June 30, 2021 as against Rs.1182 Cr. (7.7% of loan assets) as on March 31, 2021 with retail segment at Rs.219 Cr.(2.9% as on June 30,2021) as against Rs.316 Cr. (3.90% as on March 31,2021) and wholesale at Rs.550 Cr. (8.1% as on June 30,2021) as against Rs.866 Cr. (12.0% as on March 31,2021). As on March 31, 2021, top 20 exposures accounted for ~27% of the overall loan book. The group's wholesale segment mostly comprises exposures to real estate developers for their projects. The cash flows of these realtors and the quality of these exposures is linked to the revival in the real estate cycle. The group has already initiated steps to prune its exposure to the wholesale segment through various initiatives such as slowing down fresh sanctions and sell down of existing assets to dedicated funds and ARCs. In FY2020, 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 240 million corpus is completed. Edelweiss holds 30% stake in this fund and the remaining is held by Meritz Financial Group, a Seoul headquartered conglomerate. Since the group has decided to curtail its exposure to wholesale segment, the retail products like retail mortgage, SME lending, LAS along with smaller ticket lending to mid corporates 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 ~46% of the overall loan book as on March 31, 2021. 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 September 24,2021, '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.5550 Cr. (includes bank lines of Rs.250 Cr.) as on June 30, 2021.

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	FY21 (Actual)	FY20 (Actual)
Total Assets	Rs. Cr.	45,016	53,324
Total Income*	Rs. Cr.	7,015	4,810
PAT (excluding minority interest)	Rs. Cr.	254	(2,044)
Net Worth (including compulsorily convertible debentures and excluding minority interest)	Rs. Cr.	7,443	7,233
Return on Average Assets (RoAA)	(%)	0.52	(3.48)
Return on Average Net Worth(RoNW)	(%)	3.47	(27.46)
Total Debt/Tangible Net Worth (Gearing)	Times	3.7	4.9
Gross NPA	(%)	7.73	5.30
Net NPA	(%)	4.10	4.10

**Total income equals to Total Income net off interest expense*
Ratios as per Acuité calculations

EFSL- Key financials (Standalone)

	Unit	FY21 (Actual)	FY20 (Actual)

Total Assets	Rs. Cr.	5,943	3,653
Total Income*	Rs. Cr.	1,625	227
PAT	Rs. Cr.	716	83
Net Worth	Rs. Cr.	4,126	3,455
Return on Average Assets (RoAA)	(%)	14.93	2.22
Return on Average Net Worth(RoNW)	(%)	18.90	2.43
Total Debt/Tangible Net Worth (Gearing)	Times	0.20	0.04
Gross NPA	(%)	-	-
Net NPA	(%)	-	-

Total income equals to Total Income net off interest expense
Ratios as per Acuité calculations

Status of non-cooperation with previous CRA (if applicable)
Not Applicable

Any other information
Not Applicable

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)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
August 31,2021	Secured Retail Non-Convertible Debentures	Long Term	50	ACUITE AA/Negative (Reaffirmed)
	Secured Retail Non-Convertible Debentures	Long Term	13	ACUITE AA/Negative (Reaffirmed)
	Secured Retail Non-Convertible Debentures	Long Term	82	ACUITE AA/Negative (Reaffirmed)
	Secured Retail Non-Convertible Debentures	Long Term	30	ACUITE AA/Negative (Reaffirmed)
	Secured Retail Non-Convertible Debentures	Long Term	9	ACUITE AA/Negative (Reaffirmed)
	Secured Retail Non-Convertible Debentures	Long Term	19	ACUITE AA/Negative (Reaffirmed)
	Secured Retail Non-Convertible Debentures	Long Term	16	ACUITE AA/Negative (Reaffirmed)
	Proposed Secured Retail Non-Convertible Debentures	Long Term	181	ACUITE AA/Negative (Reaffirmed)
July 19,2021	Secured Retail Non-Convertible Debentures	Long Term	50	ACUITE AA/Negative (Reaffirmed)

	Secured Retail Non-Convertible Debentures	Long Term	13	ACUITE AA/Negative (Reaffirmed)
	Secured Retail Non-Convertible Debentures	Long Term	82	ACUITE AA/Negative (Reaffirmed)
	Secured Retail Non-Convertible Debentures	Long Term	30	ACUITE AA/Negative (Reaffirmed)
	Secured Retail Non-Convertible Debentures	Long Term	9	ACUITE AA/Negative (Reaffirmed)
	Secured Retail Non-Convertible Debentures	Long Term	19	ACUITE AA/Negative (Reaffirmed)
	Secured Retail Non-Convertible Debentures	Long Term	16	ACUITE AA/Negative (Reaffirmed)
	Proposed Secured Retail Non-Convertible Debentures	Long Term	181	ACUITE AA/Negative (Reaffirmed)
	Proposed Secured Non-Convertible Debentures	Long Term	1500	ACUITE AA/Negative (Assigned)
6-Apr-21	Proposed Secured Non-Convertible Debentures	Long Term	400	ACUITE AA/Negative (Reaffirmed)
04-Mar-21	Proposed Secured Non-Convertible Debentures	Long Term	400	ACUITE AA/Negative (Assigned)

***Annexure – Details of instruments rated**

Lender	ISIN	Name of the Facilities	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Not Applicable	INE532F07BV4	Secured Retail Non-Convertible Debentures	29-Apr-21	9.10	29-Apr-24	50.02	ACUITE AA/Negative (Reaffirmed)
Not Applicable	INE532F07BW2	Secured Retail Non-Convertible Debentures	29-Apr-21	Not Available	29-Apr-24	12.5	ACUITE AA/Negative (Reaffirmed)
Not Applicable	INE532F07BX0	Secured Retail Non-Convertible Debentures	29-Apr-21	9.16	29-Apr-26	81.92	ACUITE AA/Negative (Reaffirmed)
Not Applicable	INE532F07BY8	Secured Retail Non-Convertible Debentures	29-Apr-21	9.55	29-Apr-26	30.11	ACUITE AA/Negative (Reaffirmed)
Not Applicable	INE532F07BZ5	Secured Retail Non-Convertible Debentures	29-Apr-21	Not Available	29-Apr-26	9.3	ACUITE AA/Negative (Reaffirmed)
Not Applicable	INE532F07CA6	Secured Retail Non-Convertible Debentures	29-Apr-21	9.30	29-Apr-31	19.13	ACUITE AA/Negative (Reaffirmed)
Not Applicable	INE532F07CB4	Secured Retail Non-	29-Apr-21	9.70	29-Apr-31	15.72	ACUITE AA/Negative (Reaffirmed)

		Convertible Debentures					
Not Applicable	-	Proposed Secured Retail Non-Convertible Debentures	Not Applicable	Not Applicable	Not Applicable	181.3	ACUITE AA/Negative (Reaffirmed)
Not Applicable	INE532F07CC2	Secured Retail Non-Convertible Debentures	10-Sep-21	8.75	10-Sep-24	400.0	ACUITE AA/Negative (Reaffirmed)
Not Applicable	-	Proposed Secured Retail Non-Convertible Debentures	Not Applicable	Not Applicable	Not Applicable	1100.0	ACUITE AA/Negative (Reaffirmed)

- **The following subsidiaries and associate company of EFSL have been considered for consolidation: As on March 31, 2021**

Sr.No.	Name of Entity	Relationship with EFSL
1	Edelweiss Finance & Investments Limited	Subsidiary
2	ECL Finance Limited	Subsidiary
3	Edelweiss Global Wealth Management Limited (upto March 26,2021)	Subsidiary
4	Edelweiss Gallagher Insurance Brokers Limited	Subsidiary
5	Edelweiss Trustee Services Limited	Subsidiary
6	Edelcap Securities Limited	Subsidiary
7	Edelweiss Asset Management Limited	Subsidiary
8	Ecap Equities Limited	Subsidiary
9	Edelweiss Broking Limited (upto March 26,2021)	Subsidiary
10	Edelweiss Trusteeship Company Limited	Subsidiary
11	Edelweiss Housing Finance Limited	Subsidiary
12	Edelweiss Investment Adviser Limited	Subsidiary
13	EC Commodity Limited	Subsidiary
14	Edel Land Limited	Subsidiary
15	Edelweiss Custodial Services Limited (upto March 26,2021)	Subsidiary
16	Edel Investments Limited	Subsidiary
17	Edelweiss Rural & Corporate Services Limited	Subsidiary
18	Edelweiss Comtrade Limited	Subsidiary
19	Edel Finance Company Limited	Subsidiary
20	Edelweiss Retail Finance Limited	Subsidiary
21	Edelweiss Multi Strategy Fund Advisors LLP	Subsidiary
22	Edelweiss Resolution Advisors LLP	Subsidiary
23	Edelweiss General Insurance Company	Subsidiary
24	Edelweiss Securities (IFSC) Limited (upto March 26,2021)	Subsidiary
25	Edelweiss Securities Limited (upto March 26,2021)	Subsidiary
26	Edelweiss Securities (Hong Kong) Private Limited (upto March 26,2021)	Subsidiary

27	EC International Limited	Subsidiary
28	EAAA LLC	Subsidiary
29	Edelweiss Capital (Singapore) Pte. Limited (upto December 23,2020)	Subsidiary
30	Edelweiss Alternative Asset Advisors Pte. Limited	Subsidiary
31	Edelweiss International (Singapore) Pte. Limited	Subsidiary
32	Edelweiss Investment Advisors Private Limited (upto March 26,2021)	Subsidiary
33	Aster Commodities DMCC	Subsidiary
34	Edelweiss Financial Services (UK) Limited (upto March 26,2021)	Subsidiary
35	Edelweiss Financial Services Inc. (upto March 26,2021)	Subsidiary
36	Edelweiss Alternative Asset Advisors Limited	Subsidiary
37	Edelgive Foundation	Subsidiary
38	Lichen Metals Private Limited (upto March 30,2021)	Subsidiary
39	Edelweiss Private Equity Tech Fund	Subsidiary
40	Edelweiss Value and Growth Fund	Subsidiary
41	Edelweiss Asset Reconstruction Company Limited	Subsidiary
42	EW Special Opportunities Advisors LLC	Subsidiary
43	Edelweiss Tokio Life Insurance Company Limited	Subsidiary
44	Allium Finance Private Limited	Subsidiary
45	ESL Securities Limited (upto March 26,2021)	Subsidiary
46	Edelweiss Securities Limited (from March 27,2021)	Associate

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President- Rating Operations Tel: 022-49294029 mohit.jain@acuite.in Shrey Khandelwal Analyst - Rating Operations Tel: 022-49294072 shrey.khandelwal@acuite.in	Varsha Bist Senior Manager - Rating Desk Tel: 022 - 49294011 rating.desk@acuite.in

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.

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ANNEXURE C – DEBENTURE TRUSTEE CONSENT LETTER

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Ref no: 17522/BTL/OPR/2021-22
Date: 15th November'2021

Edelweiss Financial Services Limited
Edelweiss House,
Off C.S.T. Road,
Kalina, Mumbai - 400 098

Dear Ma'am/Sir

Sub:
Proposed public issue of secured redeemable non- convertible debentures ("NCDs") for an amount aggregating up to Rs. 1000 crore to be issued in one or more tranches ("Shelf Limit") hereinafter referred to as the ("Issue") of Edelweiss Financial Services Limited ("Company").

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus to be filed with the BSE Limited and/or The National Stock Exchange of India Limited ("**Stock Exchanges**") and to be forwarded to Securities and Exchange Board of India ("**SEBI**"), the Shelf Prospectus and respective Tranche Prospectus(es) to be filed with the Registrar of Companies, Mumbai ("**RoC**"), Stock Exchanges and to be forwarded to SEBI in respect of the Issue and also in all related advertisements and communications sent pursuant to the Issue. The following details with respect to us may be disclosed:

Logo:	BEACON
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 ROC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory/statutory authorities as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is

publicly announced by the Company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company; and (iii) any other information in connection thereto.

We confirm that we will immediately inform you and the Lead Managers of any change to the above information until the date when the NCDs commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

This letter may be relied upon by the Company, the Lead Managers and the legal advisors to the Issue in respect of the Issue.

Sincerely,

For Beacon Trusteeship Limited

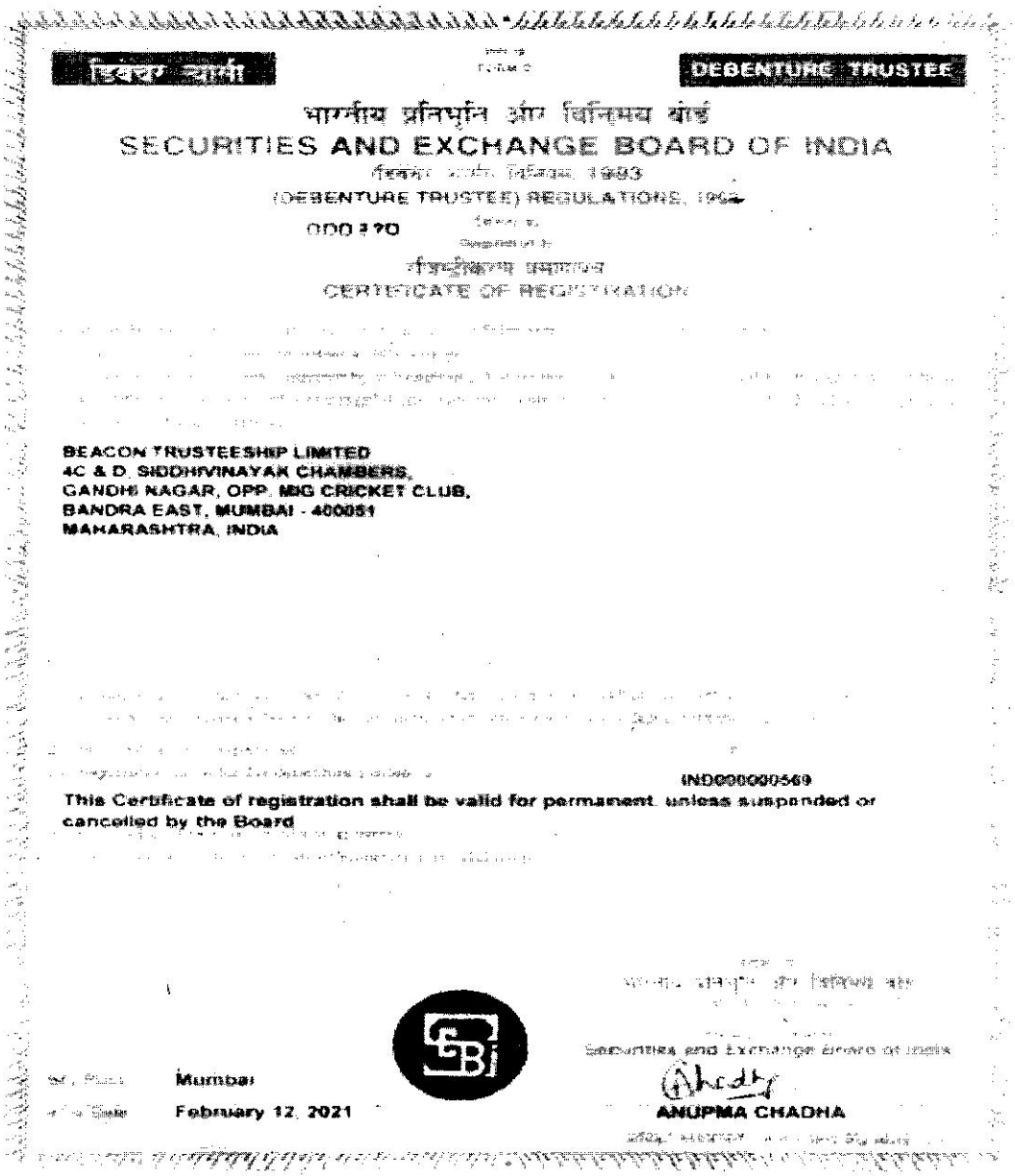
Authorised Signatory

Name: Ms. Deepavali Vankalu
Designation: Asst. Vice President

CC:
The Lead Manager referred in Prospectus

Equirus Capital Private Limited
12th Floor, C Wing,
Marathon Futurex,
N.M. Joshi Marg, Lower Parel,
Mumbai 400 013
Maharashtra, India

Annexure A



डिबेंचर ट्रस्टी

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड

SECURITIES AND EXCHANGE BOARD OF INDIA

(DEBENTURE TRUSTEE) REGULATIONS, 1993

IND 000 000 570

रजिस्ट्रीकरण प्रमाणपत्र

CERTIFICATE OF REGISTRATION

BEACON TRUSTEESHIP LIMITED
4C & D, SIDDHIVINAYAK CHAMBERS,
GANDHI NAGAR, OPP. MIG CRICKET CLUB,
BANDRA EAST, MUMBAI - 400051
MAHARASHTRA, INDIA

INDD00000569

This Certificate of registration shall be valid for permanent, unless suspended or cancelled by the Board

Mumbai

February 12, 2021

SECURITIES AND EXCHANGE BOARD OF INDIA

ANUPMA CHADHA

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** **February 12, 2021**
3.	Date of expiry of registration	**Permanent**
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

Sincerely

For Beacon Trusteeship Limited

Authorised Signatory

Name: Ms. Deepavali Vankalu
Designation: Asst. Vice President - Operations