EDELWEISS BROKING LIMITED

Edelweiss Broking Limited (the "**Company**" or "**Issuer**") was incorporated at Hyderabad, Telangana (Erstwhile Andhra Pradesh) on February 7, 2008 as a public limited company with the name "Edelweiss Investment and Advisory Services Limited" under the provisions of the Companies Act, 1956. The Company received its certificate of commencement of business on February 19, 2008. Subsequently, the name of the Company was changed to "Edelweiss Broking Limited" vide fresh certificate of incorporation dated October 22, 2008. The registered office of the Company shifted from Hyderabad, Telangana (Erstwhile Andhra Pradesh) to Ahmedabad, Gujarat *vide* order of the Regional Director dated June 19, 2013. Subsequently, a fresh certificate of registration of Regional Director Order for change of state was issued on November 13, 2013. For more information about our Company, please refer "*General Information*" and "*History and Main Objects*" on pages *48 and 133*.

Registered Office: 2nd Floor, Office No. 201 -203, Zodiac Plaza, Xavier College Road, Off C G Road, Ahmedabad - 380 009. **Tel.:** +91 79 6662 9900;
Corporate Office: Edelweiss House, Off. CST Road, Kalina, Mumbai - 400 098 **Tel.:** +91 22 4009 4400; **Fax:** +91 22 4504 6605
CIN: U65100GJ2008PLC077462; **PAN**: AABCE9421H;
Website: https://www.edelweiss.in/; **Email:** EWM.Secretarial@edelweissfin.com
Company Secretary and Compliance Officer: Dipankar Basu; **Tel.:** + 91 22 4009 4400; **Email:** EWM.Secretarial@edelweissfin.com
Chief Financial Officer*:* Viral Thanawala; **Tel**: +91 22 2286 4400; **Email**: EWM.Secretarial@edelweissfin.com

PUBLIC ISSUE BY THE COMPANY OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE ₹ 1,000 EACH ("NCDs" OR "DEBENTURES"), AMOUNTING TO ₹1,500 MILLION WITH AN OPTION TO RETAIN OVER-SUBSCRIPTION UP TO ₹1,500 MILLION AGGREGATING UP TO ₹3,000 MILLION, HEREINAFTER REFERRED TO AS THE "ISSUE". 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.

OUR PROMOTERS

(i) Edelweiss Securities Limited Email: EWM.Secretarial@edelweissfin.com Tel: +91 22 4009 4400; (ii) PAGAC Ecstasy Pte. Ltd. Email: legal@pag.com Tel: +65 6603 5130. For details of our Promoters, see *"Our Promoter"* on page 146.

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 15 and 158, respectively, before making an investment in such Issue. This Draft 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 see "*Issue Related Information*" on page 211.

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 ₹ 300 Crores by CRISIL Ratings Limited vide their rating letter dated February 1, 2022, revalidated as on March 04, 2022, March 28, 2022, April 19, 2022, May 17, 2022 and June 09, 2022 and press release for rating rationale dated March 4, 2022 and "ACUITE AA" (pronounced as ACUITE double A rating with negative outlook) for an amount of ₹ *300 Crores* by Acuité Ratings & Research Limited *vide* their rating letter dated May 17, 2022, revalidated as on June 08, 2022 and June 14, 2022 and press release for rating rationale February 1, 2022. 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 Draft Prospectus for the rating letter, rating rationale and press release of the above rating.

LISTING

The NCDs offered through the Draft Prospectus and 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. [•] dated [•], 2022.

PUBLIC COMMENTS

The Draft Prospectus dated June 17, 2022 has been filed with the BSE, pursuant to the provisions of the SEBI NCS Regulations and is open for public comments for a period of seven Working Days (i.e., until 5 p.m. on [•]) from the date of filing of this Draft Prospectus with the Stock Exchange. All comments on this Draft Prospectus are to be forwarded to the attention of the Compliance Officer of our Company.

LEAD MANAGERS 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, Maharashtra, India Tel: +91 22 4332 0700 Email: ebl.ncd@equirus.com Contact person: Malay Shah	**Edelweiss Financial Services Limited#** Edelweiss House, Off CST Road, Kalina, Mumbai 400 098, Maharashtra, India Tel: +91 22 4086 3535 Email: ebl.ncd@edelweissfin.com Contact Person: Saili Dave	**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: investorgrievances@beacontrutee.co.in Website: www.beacontrustee.co.in Contact Person: Kaustubh Kulkarni

CREDIT RATING AGENCY		REGISTRAR TO THE ISSUE	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 (B) Email: crisilratingdesk@crisil.com Website: www.crisil.com Contact Person: Krishnan Sitaraman	**KFIN Technologies Limited** **(*Formerly known as 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: ebl.ncdipo@kfintech.com Website: www.kfintech.com Contact Person: M Murali Krishna	**S. R. Batliboi & Co. LLP** **Chartered Accountants** 12th Floor, The Ruby, 29 Senapati Bapat Marg, Dadar (West), Mumbai 400028 Tel: +91 22 6819 8000 Email: srbc@srb.in Contact Person: Mr. Shrawan Jalan

ISSUE PROGRAMME**

Issue opens on: [•]	**Issue Closes on:** [•]

 # Edelweiss Financial Services Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, Edelweiss Financial Services Limited would be involved only in marketing of the Issue and as per Regulation 25 (3) of SEBI NCS Regulations shall not issue a due diligence certificate.

**Beacon Trusteeship Limited under regulation 8 of SEBI NCS Regulations has by its letter dated June 17, 2022 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft 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 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 Debentures 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 and a regional daily with wide circulation where the registered office of the Company is located 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 p.m. on one Working Day post the Issue Closing Date. For further details please refer to our section titled "General Information" on page 48.*

A copy of the Prospectus shall be filed with the Registrar of Companies, Gujarat at Ahmedabad in terms of Section 26 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please see "Material Contracts and Documents for Inspection" on page 279.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft 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 Draft 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 Draft 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
ESL	Edelweiss Securities Limited
"EBL" or "Company" or "the Issuer"	Edelweiss Broking Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at 2nd Floor, Office No. 201-203, Zodiac Plaza, Xavier College Road, Off C G Road, Ahmedabad- 380 009
EFIL	Edelweiss Finance & Investments Limited
PAG	PAGAC Ecstasy Pte. Limited
"we" or "us" or "our"	Unless the context otherwise requires, Edelweiss Broking Limited

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, 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 Office	The corporate office of our Company is situated at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai 400 098, Maharashtra, India
Corporate Social Responsibility Committee	Corporate social responsibility committee of the Board of Directors
Committee	A committee constituted by the Board, from time to time.
Debentures Committee	Debentures committee as constituted by the Board of Directors.
Directors	Directors of the Company
Equity Shares	Equity shares of the Company of face value of ₹ 10 each
ESOPs	Employee stock options
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.
KMP / Key Managerial Personnel	Key managerial personnel of our Company as disclosed in this Draft Prospectus and appointed in accordance with Key Managerial Personnel, as defined under Section 2(51) of the Companies Act, 2013.
Loan Book	Loan book of the Company containing loans and advances to the borrowers.
Loans Book (Net)	Loan Book net of expected credit loss allowance.
"MoA" or "Memorandum" or "Memorandum of Association"	Memorandum of association of our Company
NRC/ Nomination and Remuneration Committee	Nomination and remuneration committee of the Board of Directors
Net worth	As defined in Section 2(57) of the Companies Act, 2013, as follows:

Term	Description
	"*Net worth 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.*"
Promoter Group	Includes such persons and entities constituting the promoter group of our Company pursuant to Regulation 2 of the SEBI ICDR Regulations.
Promoters	The promoters of our Company are Edelweiss Securities Limited and PAGAC Ecstasy Pte. Limited.
Reformatted Financial Information	The reformatted statement of assets and liabilities of our Company as at March 31, 2022, March 31, 2021, March 31, 2020 and the reformatted statement of profit and loss for the fiscal year ended 2022, 2021, 2020 and the reformatted statement of cash flows for the fiscal year ended 2022, 2021 and 2020 and the reformatted statement of changes in equity for the fiscal year ended 2022, 2021 and 2020 and the related summary statement of significant accounting policies. Our audited financial statements as at and for the fiscal year ended March 31, 2022, March 31, 2021 and March 31, 2020 form the basis for such Reformatted Financial Information.
Registered Office	2nd Floor, office no. 201-203, Zodiac Plaza, Xavier College Road, Off C G Road Ahmedabad 380 009, Gujarat, India
Risk Committee	Risk Committee of the Board of Directors
RoC/ Registrar of Companies	Registrar of Companies, Gujarat at Ahmedabad
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 the 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 this Draft Prospectus, the Prospectus, 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 up to ₹ 500,000 which will be considered as the application for Allotment in terms of this Draft 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 Draft Prospectus.
ASBA Account	An account maintained with a SCSB and specified in the Application Form which will be

Term	Description
	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 up to ₹ 500,000
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	₹ 1,500 million
Basis of Allotment	The basis on which NCDs will be allotted to applicants as described in "*Issue Procedure – Basis of Allotment*" on page 254.
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 and contact details of the Trading Brokers are available on the website of the Stock Exchange i.e., www.bseindia.com.
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 ₹ 1,000,000 across all options of NCDs in the Issue

Term	Description
Category IV (Retail Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 1,000,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹ 500,000 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
CRISIL	CRISIL Ratings Limited
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.
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% security 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 June 17, 2022 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 of Directors/or the Debentures Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the Debentures 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 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 Draft Prospectus following which the NCDs will be Allotted in the Issue
Designated Intermediaries	Collectively, the Lead Managers, the Lead Brokers/Consortium Members, 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 Prospectus	This Draft Prospectus dated June 17, 2022 filed with the Designated Stock Exchange for

Term	Description
	receiving public comments and with, SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations
EFSL	Edelweiss Financial Services Limited
Eligible Securities	Equity Shares of Edelweiss Finance and Investments Limited held by Edelweiss Securities Limited
Equirus	Equirus Capital Private Limited
Interest Payment Date / Coupon Payment Date	Please see the section titled "*Issue Related Information*" on page 211
Issue	Public Issue by the Company of Secured, Redeemable, Non-Convertible Debentures of face value ₹ 1,000 Each ("**NCDs**" or "**Debentures**"), amounting to ₹1,500 million with an option to retain over-subscription up to ₹1,500 million aggregating up to ₹3,000 million, hereinafter referred to as the "Issue". 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.
Issue Agreement	The Issue Agreement dated June 17, 2022 entered between the Company and Equirus Capital Private Limited and Edelweiss Financial Services Limited the Lead Managers to the Issue
Issue Closing Date	[●]
Issue Opening Date	[●]
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
Issue Size	₹ 3,000 million
Lead Broker Agreement / Consortium Agreement	Lead Broker Agreement/Consortium Agreement dated [●] entered between the Company, Lead Managers and the Lead Broker / Consortium Members to the Issue.
Lead Brokers/ Consortium Member(s)	[●]
Lead Managers	Equirus Capital Private Limited and Edelweiss Financial Services Limited* **Edelweiss Financial Services Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, Edelweiss Financial Services Limited would be involved only in marketing of the Issue and as per Regulation 25 (3) of SEBI NCS Regulations shall not issue a due diligence certificate.*
Market Lot	1 (One) NCD
Members of the Syndicate	Members of the Syndicate includes Lead Managers and Syndicate Member(s)
Mobile App(s)	The mobile applications listed on the website of Stock Exchange 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 "*Issue Related Information*" on page 211
Maturity Date or Redemption Date	Please see the section titled "*Issue Related Information*" on page 211
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.
Pledged Securities	Collectively, (i) the Eligible Securities as detailed in the Debenture Trust Deed and Share Pledge Agreement; and (ii) any additional security that the Company may pledge in favour of the Debenture Trustee at its sole discretion for securing the Debentures.
Offer Document	This Draft Prospectus, the Prospectus, the Abridged Prospectus and Application Form
Public Issue Account	[●]
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 Managers 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	[●]

Term	Description
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 Debentures 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 to be deposited by our Company with the Designated Stock Exchange, equal to 0.01% of the issue size, subject to a maximum of deposit of ₹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	[●]
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 June 17, 2022 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	Stockbrokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulation, 1992 and the stock exchange 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 Limited *(formerly known as 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
Security	The principal amount of the NCDs to be issued in terms of the Draft Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of exclusive and/or pari-passu charge on the assets of the company including loans and advances, receivables, investments, stock in trade, current & other assets and immovable property / fixed assets held by the Company, created in favour of the Debenture Trustee, and/or over the Pledged Securities in favour of the Debenture Trustee for the benefit of the Debenture holders, except those specifically and exclusively charged in favour of certain existing charge holders as specifically set out in and fully described in the Debenture Trust Deed and/or Share Pledge Agreement 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.
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	Please see the section titled "*Issue Related Information*" on page 211
Share Pledge Agreement	The pledge agreement to be entered *inter alia* between the Debenture Trustee, our Company, ESL and EFIL which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements for creation of security, in favour of the Debenture Trustee for the NCD Holders to ensure 100% security cover for the NCDs and the interest due thereon issued pursuant to the Issue.
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.

Term	Description
Sponsor Bank	A Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchange 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 up to ₹ 500,000 and carry out any other responsibilities in terms of the UPI Mechanism Circular and as specified in this Draft Prospectus.
Stock Exchange	BSE
Syndicate ASBA	Applications through the Syndicate or the Designated Intermediaries
Syndicate ASBA Application Locations	ASBA Applications through the Lead Managers, Lead Brokers/ Consortium Members, 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	Please see the section titled "*Issue Related Information*" on page 211
Trading Members	Intermediaries registered with a Lead Broker or a sub-broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchange.
Transaction Documents	Transaction documents shall mean this Draft Prospectus, and the Prospectus, Abridged Prospectus read with any notices, corrigenda, addenda thereto, Issue Agreement, Registrar Agreement, Debenture Trustee Agreement, Debenture Trust Deed, Share Pledge Agreement, Tripartite Agreements executed or to be executed by our Company, as the case may be. For further details please see the section titled, "*Material Contracts and Documents for Inspection*" on page 279.
Tripartite Agreements	Tripartite Agreement dated January 19, 2022 entered into between our Company, the Registrar to the Issue and NSDL and Tripartite Agreement dated January 19, 2022 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 up to ₹ 500,000 submitted through intermediaries, namely the Registered Stockbrokers, Lead Brokers/Consortium Members, 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 authorize 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 shall have the same meaning as under regulation (2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
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 bank holiday in Mumbai. 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 Saturdays, Sundays and bank holidays in Mumbai, as per the SEBI NCS Regulations, 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", "INR" or "Indian Rupees"	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, 2014 as amended from time to time
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time
APAC	Asia-Pacific
ASBA	Application supported by blocked amount
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)
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Companies Act/ Companies Act, 2013	Companies Act, 2013 and the rules made thereunder
CPC	Code of Civil Procedure, 1908
CRAR	Capital to risk-weighted assets ratio means (Tier I Capital + Tier II Capital)/ Total Risk Weighted Assets *100
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/ FEMA20I	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 Fiscal 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

Term/ Abbreviation	Description/Full Form
IBC	Insolvency and Bankruptcy, 2016
ICAI	Institute of Chartered Accountants of India
IEPF	Investor Education and Protection Fund
IFA	Independent Financial Advisors
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
Industry Report on Wealth Management & Stock broking	Research Report on Wealth Management & Stock broking June 15, 2022 prepared by CARE Advisory Research and Training Limited (CareEdge Research)
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
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
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PCR	Provisioning Coverage Ratio
PFRDA	Pension Fund Regulatory and Development Authority
PFRDA Act	Pension Fund Regulatory and Development Authority Act, 2013
PFRDA (POP) Regulations	Pension Fund Regulatory and Development Authority (Point of Presence) Regulations, 2018
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
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

Term/ Abbreviation	Description/Full Form
	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, as amended from time to time.
SEBI Operational Circular	SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time.
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
ADTO	Average Daily Turnover
AMFI	Association of Mutual Funds in India
AMFI Guidelines	'Revised Code of Conduct for Intermediaries of Mutual Funds' issued by AMFI read in consonance with the SEBI Master Circular for mutual funds dated July 10, 2018
AUM	Asset under Management
Authorised Persons	Authorised persons
CCRL	CDSL Commodity Repository Limited
DST	Direct Sales Team
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
MCX	Multi Commodity Exchange of India Limited
MSEI	Metropolitan Stock Exchange of India Limited
NCDEX	National Commodity & Derivatives Exchange Limited
NERL	National E-Repository Limited
NPA	Non-Performing Assets
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 "Tier I Capital" means owned fund as reduced by investment in shares of other nonbanking financial companies including housing finance 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.
Tier II Capital	Tier-II capital includes the following: (a) preference shares other than those which are

Term/Abbreviation	Description/Full Form
	compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) General Provisions (including that for Standard Assets) 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; 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", "Key Provisions of Articles of Association", "Financial Information" and "Other Regulatory and Statutory Disclosures" on pages 48, 15, 76, 150, 65, 257, 157 and 196, 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 115, 15, 76 and 150 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 Draft Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms, all references to "we", "us", "our", "Edelweiss Broking Limited" and "our Company" are to Edelweiss Broking Limited. Unless stated otherwise, all references to page numbers in this Draft Prospectus are to the page numbers of this Draft Prospectus.

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

Our Company's audited financial statements for the Fiscal Year ended March 31, 2022 have been prepared in accordance with Ind AS and have been audited by S. R. Batliboi & Co. LLP and for the Fiscal Years ended March 31, 2021 and March 31, 2020 have been prepared in accordance with Ind AS and have been audited by the Erstwhile Auditors i.e., GMJ & Co., Chartered Accountants.

Our Company's audited financial statements for the Fiscal Years ended March 31, 2022, March 31, 2021 and March 31, 2020 form the basis of preparation of the Reformatted Financial Information which is included in this Draft Prospectus and is referred to hereinafter as the "**Reformatted Financial Information**" in the section titled "*Financial Information*" on page 157.

Unless stated otherwise or unless the context requires otherwise, the financial data as at and for the fiscal year ended March 31, 2022, March 31, 2021 and March 31, 2020 used in this Draft Prospectus is derived from our Reformatted Financial Information.

Unless stated otherwise, macroeconomic and industry data used throughout this Draft 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 Draft Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Draft 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 Draft Prospectus, all references to 'Rupees'/ '₹'/ 'INR'/'Rs.' Are to Indian Rupees, the official currency of the Republic of India.

Except where stated otherwise in this Draft Prospectus, all figures have been expressed in 'in millions. All references to 'million/millions/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 Draft 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 Draft 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 are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP.

Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP.

In addition, such Non-GAAP measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. These non-GAAP financial measures 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 Draft 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. The report prepared by CARE is based on information available in CARE's proprietary database, and other sources considered by CARE as accurate and reliable including the information in public domain. Although we believe that the industry and market data used in this Draft Prospectus is reliable, such third party and industry data compiled by CARE has not been independently verified by us. The extent to which the industry and market data presented in this Draft 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 15. 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 Draft 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 Draft 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:

- General economic and market conditions in India and globally could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

- We rely on our broking and related services business for a substantial share of our revenue and profitability. Any downturn in the stock markets, may have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

- We are subject to extensive statutory and regulatory requirements, compliances and supervision, which have material influence on, and consequences for, our business operations.

- Change in existing laws and new laws, regulations and government policies affecting the sectors in which we operate.

- Default by our ESOP financing and margin trade financing clients.

- The operation of our businesses is highly dependent on information technology and we are subject to risks arising from any failure of, or inadequacies in, our IT systems.

- Factor affecting the business and reputation of Edelweiss group may have a concurrent adverse effect on our business and results of operations.

For further discussion of factors that could cause our actual results to differ, see "*Risk Factors*" on page 15.

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 76, 115 and 166, respectively . The forward-looking statements contained in this Draft 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 Managers 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 Managers will ensure that investors in India are informed of material developments between the date of the Prospectus 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 Draft 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 Debentures. Additional risks, which are currently unknown, if materialises, may in the future have a material adverse effect on our business, financial condition, cash flows and results of operations. 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 Draft Prospectus. This Draft 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 Draft Prospectus.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. This Draft 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 Draft 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 Reformatted Financial Information as included in this Draft Prospectus.

INTERNAL RISKS

Risks Relating to our Business

1. General economic and market conditions in India and globally could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

Our business is highly dependent on economic and political conditions in India and other countries. In the past, global economic and political conditions have resulted in volatility in, and negative investor sentiment about, the Indian securities markets. In particular, our income from broking accounted for 39.67% of our total income in Fiscal 2020, 46.93% of our total income in Fiscal 2021 and 27.52% of our total income in Fiscal 2022 and is highly dependent upon the levels of activity in the securities markets in India. Any adverse change in global economic and political conditions may impact, amongst others, the volume of financial assets traded, the number of listed securities and liquidity of the listed securities.

General economic and political conditions in India and globally that affect the Indian securities markets may have a material adverse effect on our business. Global economic and political conditions that may affect the Indian securities markets include macroeconomic and monetary policies, industry-specific trends, mergers and acquisitions activity, legislation and regulations relating to the financial and securities industries, household savings rate, investment in alternative financial instruments, upward and downward trends in the market, business and financial sectors, volatility in security prices, perceived lack of attractiveness of the Indian capital markets, inflation, foreign direct investment, consumer confidence, currency and interest rate fluctuations, and availability of short-term and long-term market funding sources and cost of funding. Moreover, market conditions may change rapidly due to any adverse economic and political conditions, and we may not be able to respond to such changes in a timely manner, or at all. Any adverse impact of general economic or political conditions could materially adversely affect our business, financial condition, cash flows, results of operations and prospects.

Further, if inflation or real interest rates were to rise significantly, the trends towards increased financial savings might slow down or reverse, our employee costs may increase and the sales of many of our products and services may decline.

In addition, we are highly susceptible to downturns in general economic conditions and adverse market conditions as they could materially and adversely affect most aspects of our business. Such downturns and adverse market conditions affect our business, results of operations, financial condition, cash flows and prospects in various ways, including but not limited to the following:

- the volume of trading in securities that we offer in our broking business may be adversely affected by market movements and volatility, thereby reducing our income from broking;

- the demand for third-party products that we distribute may be adversely affected by market movements and volatility, thereby reducing our commission income;

- we may face higher risk of defaults by clients or counterparties on their contractual obligations;

- we may face increased competition in all our businesses, leading to lower fee and commissions and lower income;

- our treasury operations may be affected by volatility in interest rates;

- our financing costs may increase due to the limited access to liquidity and the capital markets or volatility in interest rates, thereby restricting our ability to raise funding to develop our business; and

- we may not be able to effectively execute our business plans and strategies.

We provide ESOP financing and margin trade financing facilities to our customers. These facilities are to be used for the purchase of securities. Accordingly, the demand for such products is dependent on the demand for and/or viability of purchasing the securities by our customers. Any adverse development in the capital markets may affect the demand for our product offerings, thereby affecting our results of operations.

We have grown significantly in the recent past, with our total income increasing from ₹ 3,985.09 million in Fiscal 2021 to ₹ 7,301.48 million in Fiscal 2022.

2. We operate in a highly regulated environment, which is subject to change, and existing and new laws, regulations and government policies affecting the sectors in which we operate could adversely affect our business, financial condition, cash flows and results of operations.

Our business activities are subject to extensive supervision and regulation by the Government and various regulatory authorities, such as SEBI, IRDAI, PFRDA, RBI, CCRL, NERL, AMFI, CDSL, NSDL and the exchanges. For details of our business activities and registrations with various regulatory authorities, please see "*Our Business - Overview*" on page 115. Further, to undertake some of our business activities, including for the launch of new products, we may need to obtain registrations and approvals under, and comply with, regulations issued by various regulatory authorities, including, SEBI, IRDAI, PFRDA, RBI, CCRL, AMFI, CDSL and exchanges, including, NSE, BSE, MCX, MSEI and NCDEX, from time to time. Such regulations include the SEBI Portfolio Managers Regulations, the SEBI Research Analysts Regulations, the SEBI Investment Advisers Regulations, the SEBI Depository Participant Regulations and the SEBI Stock Brokers Regulations, SEBI Mutual Funds Regulations, AMFI Guidelines, IRDAI Registrations of Corporate Agents Regulations and PFRDA (POP) Regulations. In addition, our business operations are subject to regulatory limits on brokerage fee rates and net worth requirements imposed by the exchanges. For instance, SEBI *via* various circulars requires broking firms to collect margin upfront from clients for any sales in the equity segment by the clients and seeks to impose a penalty for non-collection or short-collection of upfront margin in the cash segment.

Further, we are subject to various laws relating to the prevention of insider trading, front running and other conflicts of interest. Conflicts of interest may exist between, (i) our departments; (ii) us and our clients; (iii) different clients serviced by us; (iv) our employees and us; (v) our clients and our employees; (vi) our intermediaries and us; (vii) our intermediaries and our clients or (viii) the Company. Although we have internal controls and measures in place, we cannot assure you that we or our agents, intermediaries or employees will always manage such conflicts of interest, including compliance with various applicable laws and regulations. For instance, our Company has adopted a conflict-of-interest policy in relation to conflicts that may arise between the Company and group companies.

We are subject to a variety of financial services regulation in the jurisdictions where we operate,including, the SEBI Act, the SEBI (Intermediaries) Regulations, 2008, the SEBI (Investment Advisers) Regulations, 2013 or directions issued by AMFI. The laws and regulations governing advisory and distribution services relating to financial products have become increasingly complex and cover a wide variety of issues, including registration, disclosures, conflicts and insider trading. We believe that significant regulatory changes in our industry are likely to continue on a scale that exceeds the historical pace of regulatory change, which is likely to subject industry participants to additional and generallymore stringent regulations. The requirements imposed by our regulators are designed to ensure the integrity of the financial markets and to protect investors and other third parties who deal with us and arenot typically designed to protect our shareholders. Consequently, these regulations often serve to limit ouractivities and/or increase our costs, including through investor protection and market conduct requirements. We may also be adversely affected by changes in the interpretation or enforcement of existing laws and rules by various governmental authorities and self-regulatory organisations.

Such controls and measures may be incorrectly implemented and fail to perform as expected. Any such failure to manage such conflicts could harm our reputation and erode client confidence in us. In addition, potential or perceived conflicts of interest may also give rise to litigation or regulatory actions. Any of the foregoing could materially and adversely affect our business, financial condition, cash flows and results of operations.

While we ensure compliance with applicable laws including various acts, rules, regulations and circulars issued SEBI and other applicable regulatory authorities relating to our activities including margin trading, we cannot assure you that the Government or the regulatory authorities will not take different interpretations regarding applicability of, or compliance with, the laws and regulatory framework governing our business. Moreover, there is no assurance that the Government or regulatory authorities will not take a different interpretation regarding any of our current business activities being restricted or prohibited under applicable laws or the terms of the regulatory registrations and approvals obtained by us. We may be unable to obtain, maintain or renew, or comply with the terms of, the regulatory approvals and registrations applicable to our business activities, and this may have adverse consequences for our business operations. In such an event, we may also be subject to regulatory action, including fines, suspension or termination of approvals or registrations, or restrictions on undertaking all or some of our business activities. For further details, please see "*Regulations and Policies*" on page 150.

Our business activities are also subject to periodic inspection by various regulatory authorities, such as SEBI, RBI, IRDAI, PFRDA, CDSL, NSDL and the exchanges. Any negative findings against us during such inspections may materially and adversely affect our business and results of operations. In the past, the regulatory authorities and exchanges have issued administrative warnings and adverse observations, including in relation to (i) not settling accounts as per the preferences of the clients; (ii) incomplete KYC of clients; (iii) unutilised amount of the client lying with our Company; and (iv) upload of incorrect e-mail IDs of clients on the unique client code databases, amongst others. For further details, please see "*Outstanding Litigation*" on page 166.

Additionally, the laws applicable to our business continue to evolve and may be amended, revised, or replaced in the future by the Government or regulatory authorities, or due to judicial decisions. For example, SEBI, from time to time, may take additional risk management measures for derivative markets by increasing margin requirements for derivative trading. Such measures may affect our trading volumes and increase trading costs, which may affect our business, financial condition, and cash flows. Further, the Government and regulatory authorities also issue instructions or directions regarding conduct of our business activities. We cannot assure you that any of the foregoing will not impose onerous conditions on our business activities, or require us to change the systems, policies and procedures established by us for the purposes of compliance with the applicable laws. Any onerous conditions imposed by, or material changes required to our systems, policies and procedures may increase our compliance cost or adversely affect our business operations.

Due to the nature of business activities undertaken by us, our employees are also required to comply with various regulations, such as SEBI Insider Trading Regulations, SEBI Stockbrokers Regulations, SEBI Portfolio Managers Regulations, SEBI Research Analysts Regulations and SEBI Investment Advisers Regulations. Even though we have established an internal framework to monitor the conduct of our employees, we cannot assure you that none of our employees will violate the provisions of applicable law in the course of their employment with us or that all such violations would be detected by us in a timely manner, or at all. Any violation of applicable laws by our employees related to their employment with us may affect our business operations or reputation or result in imposition of vicarious liability on us by the Government or regulatory authorities. For further details, please see "*Regulations and Policies*" on page 150.

Further, data collection and storage are increasingly subject to legislation and regulations in various jurisdictions and governments are increasingly acting to protect the privacy and security of personal information. Our attempts to comply with applicable legal 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. We could be adversely affected if legislations or regulations are expanded or amended to require changes in our business practices, or if such legislations or regulations are interpreted or implemented in ways that negatively affect our business, financial condition, cash flows, results of operations and prospects.

3. Our Company extends loans against securities to our customers as part of our ESOP financing and margin trade financing facilities business. Any default by a client coupled with a downturn in the stock markets could result in substantial losses for our Company.

The loans granted to our customers as part of our ESOP financing and margin trade financing facilities business are secured against securities held by our customers. The securities, which secure the loan, are subject to change in market

valuation. In the event of a volatile stock market or adverse movements in stock prices, the collateral which secures the loans may decrease significantly in value, which might result in losses which our Company may be unable to support. Where debt securities are taken as collateral, in the event of a volatile debt market or adverse movements in interest rates the value of collateral may decrease significantly. Customers could default on their obligations to our Company as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. Customers could default on their obligations to our Company as a result of various factors including 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 our Company uses a technology-based risk management system and follows strict internal risk management guidelines on portfolio monitoring, which include limits on the amount of margin, assessing the quality of collateral provided by the client and pre-determined margin call thresholds, there can be no assurance that in the event the financial markets witness a significant adverse event or a general downturn, our Company's financial condition, cash flows and results of operations would not be adversely affected.

4. ***Our revenues from distribution and sale of financial products are dependent on our sustained ability to increase assets under advice of our clients as well as on the performance of the funds that we distribute. Any changes in the total expense ratio due to regulatory changes may reduce our distribution commission income which may have a material adverse effect on our business, financial condition, cash flows or results of operation.***

We earn distribution commission income from asset management companies for our mutual fund distribution business. We also generate a part of our operating income through purchase and sale of financial products to our clients. The mutual fund products distributed, and financial products sold, to our clients constitute a significant part of our assets under advice and revenue. Our assets under advice comprises of mutual fund schemes and other financial products such as bonds, market linked debentures other securities held by clients in their own demat accounts. If the asset management companies reduce the total expense ratio due to regulatory changes, then they may reduce our distribution commission income which would impact our revenues and results of operations.

The willingness of investors to make investments in asset classes is contingent on its ability to generate returns, in line with or in excess of client expectations. Market conditions, economic volatility or changing financial environment may render the asset classes or products we offer less attractive to investors. Any inability on our part to distribute or offer appropriate financial products to clients or if such products underperform either according to their relevant benchmarks, or similar investment products provided by our competitors, for various reasons including general market conditions, investment decisions taken by the fund manager, inability to identify appropriate investment opportunities and the performance of the companies in which the funds are invested in, may lead to a failure to meet the clients return expectations on their investments. Underperformance by the financial products distributed or sold by us may result in a withdrawal of clients and restrict our ability to attract new clientele, further leading to potential reduction in assets under advice. While the performance of the funds distributed by us is outside our control,it is an important factor for us to sustain the growth of our assets under advice. The performance of these funds depends,primarily, on the general market conditions, investment performance made by the respective fund managers and existing competition in the market. If we are unable to sustain the increase in our assets under advice or the funds that we distribute underperform, clients may seek distributors or directly invest in financial products themselves, which in turn could result in reduced revenue from distribution and sale of financial products and, thus, could adversely impact our revenues and results of operations.

5. ***Non-compliance with regulatory guidelines and directions/ observations during inspection by regulatory organisations may have a material adverse effect on our business, financial condition, cash flows or results of operation.***

We are subject to regular scrutiny and supervision by various regulators, statutory bodies and self-regulatory organisations such as SEBI, Stock Exchanges, Depositories and AMFI. The requirements imposed by these regulators are designed to ensure the integrity of the financial markets and to protect investors' interests. Any non- compliance with regulatory guidelines and directions in future may result in regulatory actions, which includes issuance of administrative/warnings/deficiency letters, fines or sanctions imposed by theseregulators and, in certain circumstances, could lead to revocation of certain of our licenses. While we attempt to comply with all regulatory provisions applicable to us, in the event we are not able to comply with the observations made by these regulators, we could be subject to supervisory actions, which may have a material adverse effect on our reputation, financial condition, cash flows and results of operations. For details relating to litigations, please see *"Outstanding Litigation"* on page 166.

6. ***Our distribution arrangement with AMCs can be terminated without notice, or due to failure on our part to comply/ perform.***

Our Company earned ₹ 167.05 million, ₹ 107.86 million and ₹ 142.46 million, equivalent to 2.30%, 2.74% and 3.30%

of the total revenue from operations for the Fiscal 2022, Fiscal 2021 and the Fiscal 2020 as mutual fund distribution fees. We are empaneled with several asset management companies for whom we act as a mutual fund distributor for their mutual fund schemes. In the Fiscals 2022, 2021 and 2020 and as on the date of this Draft Prospectus, there have been no instances where the distribution arrangement with the asset management companies have been terminated without notice or otherwise. However, we cannot assure you that our empanelment with these companies will continue, or that we will be able to renew the same upon expiry at favourable terms or at all, which may result in reduced trail income and an adverse effect on our revenues and results of operations.

Furthermore, the increase in depth of the Indian financial markets and increasing investor preference for equity investment or equity-linked products may prompt more asset management companies to commence business operations and offer mutual fund products. We cannot assure you that we will beable to obtain empanelment with these asset management companies, which may affect our business prospects and our results of operations.

7. Direct investment in mutual funds by our existing as well as potential clients will have an adverse impact on our revenue from mutual fund distribution.

While we initially commenced our mutual fund distribution business with a business model based on upfront commission, given the larger proportion of equity mutual funds historically distributed by us, we moved to a trail commission model, which has provided us with a recurring commission based on the performance of such funds in the market. Currently, we derive our revenue from operations, from the commission and trail income i.e., in the nature of a recurring periodic payment that we earn by distribution of mutual funds through our business verticals and from fees received from funds that we distribute to our clients. With growing technology and increase in the ease of investments in such funds, our existing, as well as potential clients may not see significance in choosing to make their investments through us, and may choose to invest in such funds directly, thereby reducing or eliminating our involvement in the process of investments. Our assets under advice comprises mutual fund schemes and other financial products such as bonds, market linked debentures other securities held by clients in their own demat accounts. As on March 31, 2022, our assets under advice for mutual fund distribution increased by 21.70% to ₹ 36,616.99 million as compared to ₹ 30,085.64 million as on March 31, 2021.

In the event that such existing or potential clients choose to invest in such funds directly, our assets under advice or growth in assets under advice may reduce which would have an adverse impact on our business and results ofoperations.

8. Our Company is dependent on Edelweiss Finance & Investments Limited, Edelweiss Financial Services Limited, Edel Land Limited, Edelweiss Asset Reconstruction Company Limited, Edel Finance Company Limited and ECL Finance Limited, for the business relating to the structured products. Any change in the regulatory environment of non-banking financial services may have an adverse impact on the business and operations of the Company.

Edelweiss Finance & Investments Limited, Edelweiss Financial Services Limited, Edel Land Limited, Edelweiss Asset Reconstruction Company Limited, Edel Finance Company Limited and ECL Finance Limited as a part of their business activities to raise money, they issue financial products. The percentage of revenue contributed by sale of structured products (market linked debentures) to the overall revenue of the Company for the Fiscal 2022, 2021 and 2020 are 7.14%, 4.86%, and 7.13%, respectively. As a result, any adverse impact on the business of Edelweiss Finance & Investments Limited, Edelweiss Financial Services Limited, Edel Land Limited Edelweiss Asset Reconstruction Company Limited, Edel Finance Company Limited and ECL Finance Limited due to any regulatory restrictions, may constrain our revenue stream from this business line. While we believe that such transactions are executed on an arm's length basis, we cannot assure you that the respective regulatory authorities will concur with our views or will not seek adjustments to our income from taxation purposes.

9. We are highly dependent on our management team, key managerial personnel and Relationship Managers. Any loss of such team members or the inability to attract or retain management personnel may have material adverse effect on our business performance.

Our business and the implementation of our strategy are dependent upon our management team and key managerial personnel, who oversee our day-to-day operations, strategy and growth of our business and also on our Relationship Managers, who are integral for our Company to manage existing client relationships as well as establish new client relationships both on the broking and distribution business. If one or more members of our management team and key managerial personnel are unable or unwilling to continue in their present positions, such persons would be difficult to replace and our business, prospects and results of operations could have a material adverse effect.

Competition in our industry for skilled management and efficient employees is high, and we cannot assure that members

of our management team, key managerial personnel or high performing Relationship Managers will not leave our Company and join our competitors, and that we will be able to find suitable replacements for them, in a timely manner or at all. This could result in an increase in our expenses, a decline in performance of our business, or damage to our reputation. In addition, we may need to increase employee compensation levels in order to retain our existing team and attract any additional personnel we may require.

Our success in expanding our business will also depend, in part, on our ability to attract, retain and motivate mid-to-senior management personnel and trained and skilled employees, to maintain a high standard of client service. We may be unable to successfully manage our personnel needs which could adversely affect our business prospects and results of operations. These risks could be heightened to the extent we invest in businesses or geographical regions in which we have limited experience. If we are not able to address these risks, our business, results of operations and financial condition, cash flows could be materially adversely affected.

10. Any factor affecting the business and reputation of Edelweiss group may have a concurrent adverse effect on our business and results of operations.

In the event Edelweiss group's goodwill is impacted the same may have an indirect impact on our business and results of operations. We operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. Any failure to retain our Company name may deprive us of the associated brand equity that we have developed which may have a material adverse effect on our business and operations.

Any disassociation of our Company from the Edelweiss group and/or our inability to have access to the infrastructure provided by other companies in the Edelweiss group could adversely affect our ability to attract customers and to expand our business, which in turn could adversely affect our goodwill, operations and profitability.

11. We have in this document included certain non-GAAP financial measures and certain other selected statistical information related to our operations, cashflows and financial condition. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the financial services industry and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this document. 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, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses. Many financial services businesses provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. Such non-GAAP measures are not measures of operating performance or liquidity defined by generally accepted accounting principles. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP.

Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP.

In addition such Non-GAAP measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. These non-GAAP financial measures may not be computed on the basis of any standard methodology that is applicable across the industry. Therefore, such non-GAAP measures may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies in India or elsewhere.

12. Some of our Directors may have interests in entities, which are in businesses similar to ours and this may result in conflicts of interest with us.

As on the date of this Draft Prospectus, some of our Directors are also directors on the board of our related parties. Commercial transactions in the future between us and related parties may result in conflicting interests which could have an adverse effect on our operations. Such factors may have an adverse effect on the results of our operations, cashflows and financial condition.

13. Security breaches of clients' confidential information that we store may harm our reputation and expose us to liability.

We store clients' bank information, credit information and other sensitive data. While we have measures and systems in place to protect clients' confidential data, any accidental or willful security breach or otherunauthorised access could cause the theft and criminal use of this data. Security breach or unauthorised access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. In the past three Fiscals and as on the date of this Draft Prospectus, we have not had any instances of security breaches. If security measures are breached because of third party action, employee error, malfeasance or otherwise, or if design flaws inour software are exposed and exploited, and, as a result, a third party obtains unauthorised access to client data, our relationships with clients will be severely damaged, and we could incur significant liability and reputational damage. Further, we engage with certain third-party service providers, and although our contracts with them restrict the usage of client data and impose protective precautions, there can be no assurance that they will abide by such contractual terms or that the contracts will be found to be in compliance with data protection laws.

Because techniques used to obtain unauthorised access or to sabotage systems change frequently and generally are not recognised until they are launched against a target, we and our third-party hosting facilities may be unable to anticipate these techniques or to implement adequate preventative measures.In addition, we may be required under applicable regulations to notify individuals of data security breaches involving their personal data. These mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity, which may cause clients to lose confidence in the effectiveness of our data security measures.

Any security breach, whether actual or perceived, would harm our reputation, and result in loss of clients,which could in turn have a material adverse effect on our business, prospects, results of operations, financial condition or cash flows.

14. Some of our group companies are involved in similar line of business that may lead to real or potential conflicts of interest with our business.

Some of our group companies are involved in a similar line of business which may have apotential conflict of interest with our business. The interests of some of our group companies may conflict with the interests of our other shareholders and for business considerations or otherwise, cause our Company to take actions, or refrain from taking actions, in order to benefit themselves instead of our Company's interests or the interests of its other shareholders and which may be harmful to our Company's interests or the interests of our other shareholders, which may impact our business, financial condition, cash flows and results of operations.

15. Any change in control of our Promoters on our Company may correspondingly adversely affect our goodwill, operations and profitability.

As on March 31, 2022, ESL through its nominee shareholders hold 100% of our paid up capital of our Company and PAG along with its affiliates holds 56.24% of paid up capital of ESL. We leverage on the goodwill of both Edelweiss group and PAG group. In the event, our Promoters are unable to maintain the quality of its services or its goodwill deteriorates for any reason whatsoever, our business and results of operations may be adversely affected. Any failure to retain our Company name may deprive us of the associated brand equity that we have developed which may have a material adverse effect on our business and results of operations.

Further, our Promoters have the ability to control our business including matters relating to any sale of all or substantially all of our assets and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. In addition, for so long as our Promoters continue to exercise significant control over our Company, it may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders.

16. The operation of our businesses is highly dependent on information technology, and we are subject to risks arising from any failure of, or inadequacies in, our IT systems.

Our operations rely heavily on the effectiveness of our IT systems and their ability to record and process accurately a large number of transactions on a daily basis and in a timely manner to provide a seamless digital experience to our clients. While we are compliant with the SEBI Circular on Cyber Security & Cyber Resilience framework for Stockbrokers/ Depository Participants, we have recognised and continue to address the need to have sophisticated technology systems in place to meet our clients' requirements. A prolonged disruption of, or failure of, our information processing or communications systems would limit our ability to process transactions. For example, there have been instances in the past of failure of software, hardware, internet and intranet links. Any failure of, or inadequacies in our IT systems would impair our ability to service our clients and execute trades on behalf of clients, which could materially and adversely affect our competitiveness, financial condition, cash flows and results of operations.

Our system for processing securities transactions is automated and we rely heavily on the ability of our trading system to handle a large number of transactions. While we regularly monitor and upgrade the capacity of our trading system, in anticipation of high volumes of transactions, we cannot assure you that we will be able to process all trading orders at a time of increased demand, including due to increased market volatility. Further, on account of COVID-19, the majority of our workforce is working from their respective homes and accordingly, we may face difficulty in ensuring real-time connectivity and data integrity, experience difficulty in addressing significant volatility in indices with real time PMS reviews, maintaining uptime of all information technology infrastructure across all our locations and ensure adequate availability of financial resources to manage our business. While we believe that our risk management strategy and operations protocol have been successful for dealing with these issues until now, there can be no assurance we will be able to continue to do so. If we are unable to efficiently process all trading orders received, we may lose clients, become subject to client complaints, litigation or regulatory action, face financial losses and may adversely affect our reputation.

Although we back up our business data regularly and have a contingency disaster recovery center for our retail broking and distribution businesses, we cannot assure you that there will not be an unforeseen circumstance or that our disaster recovery planning is adequate for all eventualities.

The securities industry is characterized by rapidly changing technology and the future success of our business will depend in part on our ability to effectively adapt to technological advances and to emerging industry standards and practices on a cost-effective basis. Online trading platforms and mobile applications are popular among clients due to their convenience and user-friendliness. We rely heavily on technology and rely on our electronic broking platform and mobile apps to provide a wide range of broking and distribution services. Due to the rapid evolution in technology and AI, trades take place through machine-based algorithms within a few microseconds. This AI-based buying and selling system has changed the mechanism of supply and demand and it is now to estimate individualised pricing, based on individualised demand and supply. If we are unable to keep up with technological changes, especially adapting to the AI based trade system while our competitors invest in improved or better technologies or entry of new players who may be able to offer clients better products and user experience. If we are unable to effectively compete on IT-enabled offerings, it could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

Our technology operations are also vulnerable to disruptions from human error, catastrophic events including natural disasters, lack of capacity during peak trading times or times of unusual market volatility, power failure, computer viruses, spam attacks, ransom ware, distributed denial of services attacks, unauthorized access, data leakage and other similar events, and we may not be able to adapt to the evolving technology in the industry. An external information security breach, such as hacker attacks, frauds, virus or worm infestation of our IT systems, or an internal problem with information protection, such as failure to control access to sensitive systems, could materially interrupt our business operations or cause disclosure or modification of sensitive or confidential information. Disruptions to, or instability of, our technology or external technology, or failure to timely upgrade our online or mobile broking platforms could harm our business, reputation and prospects.

The proper functioning of our internet-based trading system, order routing system, back-office systems, settlement system, risk management system, financial controls, accounting, client database, client service and other data processing systems, together with the communications networks linking our IT systems with relevant exchanges, banks, depositories, registrar and transfer agents and client interfaces, is critical to our business and our ability to compete effectively. Our business activities would be materially disrupted in the event of a partial or complete failure of any of these IT systems, communication networks or their backup systems and procedures.

Please see the risk factor "- *We face various risks due to our reliance on third-party intermediaries, authorised persons,*

vendors and service providers" on page 30.

17. We rely on our broking and related services business for a substantial share of our revenue and profitability. Any reduction in our brokerage fee could have material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

We rely on our broking business for a substantial share of our revenue and profitability. In Fiscal 2022, Fiscal 2021 and the Fiscal 2020, our income from broking business amounts to ₹ 2,009.63 million, ₹ 1,870.13 million and ₹ 1,720.26 million, representing 27.52%, 46.93% and 39.67%, of our total income, respectively.

Our broking business depends on number of orders executed and trading volume, which is significantly affected by external factors, such as general economic conditions, macroeconomic and monetary policies, market conditions and fluctuations in interest rates, all of which are beyond our control. Our operating revenue is also affected by the size of our client base, and the frequency at which they do business through us. We earn brokerage fee based on, among other things, the number of orders executed, the volume of trades our clients undertake through us. If we fail to maintain and increase our client base or fail to provide better services and products to retain and attract client activity, our income from broking may be adversely affected.

Our brokerage fee levels are primarily driven by the competitive landscape our Company operates in. There is constant pressure on brokerage yields in the securities industry, especially as we have no exclusivity arrangements with our clients, our clients may use multiple brokerages simultaneously and the products are standardised and offered online. If we face increased competition on our broking fee levels, we may have to provide additional products and services in addition to lowering our broking fee, to attract clients. Additionally, on account of change in our business model, any reduction in the number of orders may adversely affect our business since the fee we charge is based on the number of orders executed by us. Further, there is no assurance that we will be able to attract such clients without having to reduce our fee, which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

We also offer call and trade services to our retail clients. Transactions not authorized by the clients resulting in losses to client may result in compensation claims from clients. For further details, please see "*Outstanding Litigation*" on page 166.

In addition, our broking business faces various additional risks, including, among others, significant changes in the technological environment, changes in client preference, restrictions or limitations on offering internet-based trading services, operational risks and regulatory changes, any of which could have a material adverse effect on our business, financial condition, cash flows and results of operations. For further details, please see the risk factors "*The operation of our businesses is highly dependent on information technology and we are subject to risks arising from any failure of, or inadequacies in, our IT systems*" and "*There are operational risks associated with the financial services industry which, if realised, may have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects*" on pages 22 and 33, respectively.

18. Our Company doesn't have a dividend policy

Our Company currently doesn't have a dividend policy. The declaration and payment of dividends, if any is recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act. There can be no assurance that the Company shall pay any dividend in the future or dividend payout, if any shall reflect the dividend payout in the past.

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.

19. We rely on the Indian exchanges for a significant portion of our business.

Our broking business relies on the Indian exchanges, such as NSE, BSE, MCX, MSEI and NCDEX, and the clearing corporations to execute and settle all our clients' transactions. Our electronic broking platform and our systems for retail

broking clients are connected to the exchanges and all orders placed by our clients are fulfilled through the exchanges. Any disruption in the functioning of the exchanges or a disruption to our connection with the exchanges could have a material adverse effect on our business and results of operations.

To use the services of the exchanges, we are required to be registered as their members. This registration subjects us to various stock exchange regulations and periodic inspections by such exchanges. We cannot assure you that we will be able to strictly comply with such regulations or that such inspections would not find any violations by us. Failure to comply with such regulations could lead to fines, penalties, suspension of our registrations, and in extreme circumstances, termination of our registration. If our registration with the exchanges is terminated, we will be unable to provide broking services, which will have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, our business operations are subject to regulatory limits on brokerage fee rates and net worth requirements imposed by exchanges.

20. Our Statutory Auditors have highlighted a statement on certain matters specified in Companies (Auditors Report) Order, 2020 ("the Order") in respect of Audited Financial Statements for March 31, 2022, which was modified, which may affect our future financial results.

Our Statutory Auditors have included as an annexure, a statement on certain matters specified in the Companies (Auditors Report) Order, 2020 ("the **Order**") which was modified (a) in respect of renewal of certain ESOP loans that was executed as per original loan agreements and; (b) in respect of Margin Trading Facility ("**MTF**") loans, as per product design repayment of principal and interest are not stipulated and hence regularity of the same has not been commented upon (c) slight delay in payment of undisputed statutory dues; (d) disclosure of statutory dues outstanding on account of a dispute, in the Audit report for the Audited Financial Statements for March 31, 2022. For further details, please see "*Financial Information*" on page 157.

There can be no assurance that our statutory auditors will not include similar comments in the audit reports to our audited financial statements in the future, or that such remarks will not affect our financial results in future fiscal periods. Investors should consider the statements in the Order in evaluating our financial condition, results of operations and cash flows.

21. We may not be able to fully comply with anti-money-laundering, insider trading and anti-terrorism rules and regulations, which could result in criminal and regulatory fines and severe reputational damage. Further, we may fail to detect illegal or improper activities in our business operations on a timely basis, which may have an adverse effect on our reputation, business operations, financial condition, cash flows and results of operation.

We are required to comply with applicable anti-money laundering laws and regulations. These laws and regulations require financial institutions to establish sound internal control policies and procedures with respect to anti-money laundering monitoring and reporting activities. Such policies and procedures require us to, among other things, establish or designate an anti-money laundering framework, conduct client identification in accordance with relevant rules, duly preserve client identity information and transaction records and report suspicious transactions to relevant authorities. Since we handle large volumes of monetary transactions for a significant number of clients, the policies and procedures implemented by us for detecting and preventing the use of our broking platforms to facilitate money laundering activities may not comprehensively detect or eliminate instances of money laundering.

We are required to implement effective surveillance controls and measures for ensuring that our electronic broking platform is not misused by our clients, authorised persons, personnel at our dealer helpdesks or market participants to carry out manipulative trading activities. Failure of the surveillance control and measures implemented by us to detect illegal or improper activities undertaken through our platforms in a timely manner, or at all, could lead to regulatory actions against us and adversely affect our reputation.

If the controls and measures implemented for detecting or eliminating money laundering or other improper or illegal trading activities are considered inadequate under applicable laws and regulations by any regulatory, governmental or judicial authority, we may be subject to penal action, freezing or attachment of our assets, imposition of fines, or both. We cannot assure you that the controls and measures implemented by us are adequate to detect or eliminate every instance of money laundering or illegal trading activities in a timely manner or at all. Any such lapse may adversely affect our reputation, business operations, financial condition, cash flows and results of operations.

22. We face significant competition in our broking businesses, which may limit our growth and prospects.

The Indian securities industry is fragmented and typified by low barriers to entry. Accordingly, we face significant

competition from companies seeking to attract our clients' financial assets. We compete with, amongst others, Indian and foreign broking houses. We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation, price and convenience.

Our competitors may have, amongst others, the following advantages over us:

- substantially greater financial resources;
- well-established branch network;
- access to wider client base due to offline trading facilities and 'feet on street' model;
- longer operating history than us in certain of our businesses;
- greater brand recognition among consumers;
- larger retail client base in India;
- ability to charge lower commissions;
- partnerships with various service providers and distribution platforms;
- lower cost of capital; and
- more diversified operations which allow utilisation of funds from profitable business activities to support business activities with lower, or no profitability.

Further, many of our product and service offerings in the broking and distribution businesses are easy to replicate. This increases the risk of competition from commercial banks, service providers and distribution platforms to enter the market. Further, any consolidation in the Indian securities industry would also expose us to competitive pressures. These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures. Our business, financial condition, cash flows, results of operations and prospects may be materially and adversely affected if we are not able to maintain our market position, sustain our growth, develop new products or target new markets. In addition, competitive pressures and regulatory changes may also lead to downward pressures on our broking commission rates, which could also affect our financial condition, cash flows and results or operations.

Further, we use technology in almost every aspect of our business, including sales, risk management, fraud detection, client service and settlement. The Indian financial services industry (including securities industry) is undergoing rapid and significant technological and other changes. Our competitors could utilise technology, big data and innovation to simplify and improve the client experience, increase efficiencies, redesign products, improve client targeting, alter business models more effectively than or to effect disruptive changes in the Indian financial services industry. If we do not anticipate, innovate, keep pace with, and adapt to, technological and other changes impacting the Indian financial services industry, it could harm our ability to compete in the market, decrease the attractiveness of our products to clients and materially and adversely affect our business, financial condition, cash flows and results of operations.

23. We may not be able to sustain our growth or expand our client and authorised persons' base.

We have experienced significant growth over the last few years, with the total number of operational accounts increasing from 1,59,156 in Fiscal 2020 to 2,01,145 in Fiscal 2021 and to 3,45,216 for the Fiscal 2022. Our ability to sustain our growth depends on various factors, including our ability to manage our growth and expand our client and authorised person base. For instance, while our client base has expanded for Fiscal 2022, there can be no assurance that we will be able to sustain this growth in the future.

We may not be able to sustain our growth in light of competitive pressure or other factors, such as not being able to implement business strategies and development plans effectively and efficiently. Sustained growth may place significant demands on our administrative, operational and financial resources, which we may be unable to handle. Any slowdown in our growth, whether in absolute terms or relative to industry trends could adversely affect our market position and a loss of our market position could adversely affect our ability to sustain our growth.

Our business is highly competitive, and we need to maintain and attract new clients and authorised persons in order to maintain or grow our market share. We cannot assure you that we will succeed in expanding our network due to changes in regulatory policies, difficulties in managing a large number of staff and other unforeseeable reasons. In addition, as a result of competition, we may face increased pressures on declining fee and commission rates and will need to provide better and customized services and products to differentiate ourselves and to retain and attract clients and authorised persons.

If we are unable to address the needs of our clients and authorised persons by offering competitive rates, maintaining high quality client service, continuing product innovation and providing value added services, or if we otherwise fail to meet our clients' and authorised persons demands or expectations, we may not be able to sustain our historic growth or lose our existing base to our competitors, which may in turn have a material and adverse effect on our business, financial condition, cash flows, results of operations and prospects.

24. Our financial performance is subject to interest rate risk, and an inability to manage our interest rate risk may have a material adverse effect on our business prospects, financial condition, cash flows and results of operation.

Interest rates in India have been volatile in the past. They are highly sensitive, and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic as well as international economic and political conditions, inflation and other factors.

Our results of operations, including our interest income from margin funding are dependent on our ability to manage our interest rate risk. Our funding arrangements also include both fixed and floating rate borrowings. Our finance costs were ₹ 593.49 million, ₹ 268.34 million and ₹ 669.56 million in Fiscals 2022, 2021 and 2020, respectively. However, we charge interest at a fixed rate on our financing products, such as margin trade funding. Any volatility in interest rates may adversely affect our business due to, amongst others, reducing profitability margin on our financing products, or our financing products becoming commercially unattractive. Our net interest income from financing activities and net interest margin would be adversely impacted in case of any increase in interest rates, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds. In the event of 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, it could adversely impact our interest income from financing activities and net interest margin. Additional risks arising from increasing interest rates, among others, include:

- increase in the rates of interest charged on certain financing products in our product portfolio, which may require us to extend repayment period for our clients or result in higher rates of default by our clients;
- increase in defaults resulting from extension of loan maturities and higher instalments due from borrowers;
- reduction in the volume of loan disbursements as a result of a client's inability to service high interest rate payments; and
- inability to raise low-cost funds as compared to some of our competitors.

Further, interest rates may also affect our clients' investment profile and high interest rates may reduce the attractiveness of equity or equity-linked investments of our clients.

There can be no assurance that we will be able to adequately manage our interest rate risk. If we are unable to effectively manage our interest rate risks, it could have an adverse effect on our business prospects, financial condition, cash flows and results of operations.

25. We may have conflicts of interest with our Promoter and related entities.

ESL, one of our Promoters competes with us in connection with various businesses, including the distribution of third party financial products and private wealth management. It directly or indirectly competes against us for our customers' wallet share. Further, we publish research reports on a regular basis for our clients, to enable them to make informed investment decisions across equity, commodity, debt and currency segments which may conflict with the research reports published by ESL to its clients.

While we believe that all transactions with our Promoter have been conducted on an arms' length basis and all such transactions are adequately disclosed in the section entitled "*Related Party Transactions*" on page 149. Any divergent

views in research findings may expose us to client complaints, have a materially adverse effect on our broking and distribution businesses, and may subject us to regulatory action which may harm our reputation, which could subsequently have a material adverse effect on our business, financial condition, cash flows or results of operations.

26. The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance.

The ongoing COVID-19 pandemic and efforts to mitigate its impact have significantly curtailed the movement of people, goods and services worldwide, including in the geographic areas in which we conduct our business operations and from which we generate our revenue. It has also caused societal and economic disruption and financial market volatility, resulting in business shutdowns, and reduced business activity.

The spread of COVID-19 and subsequent lockdowns add restrictions on movement of people and goods has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees and customers in case of further outbreaks. There is no certainty that such measures will be sufficient to mitigate the risks posed by any subsequent outbreak.

The COVID-19 pandemic may cause us to continue to experience various challenges in our business in the future and could have other effects on our business, including disrupting our ability to develop new offerings and enhance existing offerings, market, and sell our products and conduct business activities generally. The extent to which the COVID-19 pandemic continues to impact our business and results of operations will also depend on future developments that are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the disease, the duration and spread of the outbreak, the scope of travel restrictions imposed in geographic areas in which we operate, mandatory or voluntary business closures, the impact on businesses and financial and capital markets and the extent and effectiveness of the development and distribution of vaccines and other actions taken throughout the world to contain the virus or treat its impact. An extended period of global supply chain and economic disruption as a result of the COVID-19 pandemic could have a material negative impact on our business, financial condition, cash flows and results of operations.

27. 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.

28. If research disseminated or advice provided by us contains errors, this could have a material adverse effect on our business, financial condition, cash flows or results of operations.

Our retail research team provides our retail clients with research covering recommendations on various quantitative and qualitative research requirements relating to the stock market such as equity fundamentals, technical, derivatives, commodities currencies and mutual funds, in addition to macroeconomic or industry-related research. Although due care and caution is taken in issuing research recommendations, the accuracy, adequacy or completeness of such information, which is based on information obtained from sources that we consider reliable, is not guaranteed. Errors or omissions 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 for assumptions vary widely among different data sources. Additionally, such assumptions may change due to various factors which are beyond our control. Accordingly, there is no assurance that our assumptions, or those relied upon by us, will be accurate or not change, which may affect our accuracy of our research findings. Incorrect research findings may expose us to client complaints, have a materially adverse effect on our broking and distribution businesses, and may subject us to regulatory action which may harm our reputation, which could subsequently have a material adverse effect on our business, financial condition, cash flows or results of operations.

29. We could be subject to claims by clients or actions by regulators or both for alleged mis-selling.

We sell our third-party distribution products through employees as well as intermediaries including authorised persons, personnel at our dealer helpdesks and DRAs, as the case may be. Our employees and intermediaries aid our clients in choosing the correct product, explaining the benefits of such product, disclosing product features and advising clients on whether to continue with a particular product or change products.

Under certain circumstances, the above processes may be considered inadequate or there may be misconduct on part of our employees or intermediaries or both. Such misconduct could include activities such as making non-compliant or fraudulent promises of high returns on investments and recommending inappropriate products or fund management strategies. Any case of mis-selling, or recurring cases of mis-selling, could result in claims and fines against us and could have a material adverse effect on our business, financial condition, cash flows, results of operations and reputation.

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

30. We face various risks due to our reliance on third-party intermediaries, authorised persons, vendors and service providers.

We rely on third parties, such as stock exchanges, clearing houses and other financial intermediaries to facilitate our financial transactions. In addition, we rely on authorised persons, vendors, personnel at dealer helpdesks and DRAs, as may be applicable, to help distribute our products. We are exposed to various risks related to the business of such third parties, including the following:

- fraud or misconduct, including mis-selling, by such third parties, including authorised persons;
- operational failure of such third parties' systems;
- adverse change or termination in our relationship with such third parties;
- failures in legal or regulatory compliance, inadequate due diligence in sales process, or inadequate controls, including KYC checks, by such third parties;
- regulatory changes relating to the operations of such third parties;
- violation of laws and regulations, including those relating to licensing or registration of sales intermediaries, by such third parties; and
- regulatory actions due to improper business practices of such third parties.

Any of the above risks may result in litigation or regulatory action against us, which could have a material adverse effect on our business, reputation, financial condition, cash flows and results of operations. Further, certain persons have in the past filed complaints against our authorised persons. For further details, please see "*Outstanding Litigation*" on page 166.

In addition, we compete with other financial institutions to attract and retain authorised persons and personnel at our dealer helpdesks and our DRAs, to help distribute our products and our success depends upon factors such as the amount of sales commissions and fee we pay (including due to regulatory restrictions), the range of our product offerings, our reputation, our perceived stability, our financial strength, the marketing and services we provide to such intermediaries and the strength of our relationships with them. If we are unable to attract or retain authorised persons and personnel at our dealer helpdesks and our DRAs, it could have a material adverse effect on our business, financial condition, cash

flows, results of operations and prospects.

We also outsource certain of our operations to third-party service providers, including certain tasks relating to printing and storage, and rely on certain third-party service providers for some of our operational needs. We cannot assure you that our third-party service providers or service providers will comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all. Third-party service providers or service providers may breach agreements they have with us because of factors beyond our control. They may also terminate or refuse to renew their agreements because of their own financial difficulties or business priorities, potentially at a time that is costly or otherwise inconvenient for us. In addition, if our third-party service providers or providers fail to operate in compliance with regulations or corporate and societal standards, we could suffer reputational harm by association, which would likely cause a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

We also rely on third parties to provide certain critical trading infrastructure and software. If the third parties upon which we rely cannot expand system capacity to handle increased demand, or if any of their systems otherwise fail to perform or experience interruptions, malfunctions, disruptions in service, slower response times or delays, then we could incur reputational damage, regulatory sanctions, litigation and loss of trading, any of which could materially adversely affect our business, financial condition, cash flows and results of operations.

In addition, we license certain software and technology from third parties. Any premature termination of our license agreements or the loss of the ability to use such software or technology for any reason would have an adverse impact on our business and operations. Rapid changes in our industry or technology may also result in our licensed technologies being recalled or discontinuation of support for outdated products or services. Any deficiencies in the infrastructure used, or processes adopted, by such third parties could have a material adverse effect on our business, results of operations and prospects.

31. We depend on the accuracy and completeness of information about clients and counterparties for our business. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.

We significantly rely on information furnished to us by, or on behalf of, clients (including in relation to their financial transactions and past credit history) for various aspects of our business operations, such as new client enrolment, appointing new authorised persons and servicing our clients. We may also rely on certain representations from our clients as to the accuracy and completeness of the information provided by them. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent such activities or detect inaccuracies in such information in a timely manner, or at all, which may expose us to regulatory action or other risks, and may adversely affect our reputation, business prospects, financial condition, cash flows and results of operations.

Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing and restructured assets, which could materially and adversely affect our business prospects, financial condition, cash flows and results of operations. For further details, please see the risk factor "- *Credit risks in our day-to-day operations may expose us to significant losses*" on page 35.

32. We face substantial legal and operational risks in safeguarding personal information.

Our businesses are subject to complex and evolving laws and regulations, governing the privacy and protection of personal information of individuals. The protected parties include:

- our authorised persons;
- our clients;
- our employees; and
- employees of our intermediaries, counterparties, vendors and other third parties.

Ensuring that our collection, use, transfer and storage of personal information complies with all applicable laws and regulations in India may result in:

- increasing our operating costs;

- affecting the development of new products or services;
- demanding significant oversight by our management; and
- requiring us to structure our businesses, operations and systems in less efficient ways.

Furthermore, we cannot ensure that all of our clients, intermediaries, vendors, counterparties and other third parties have appropriate controls in place to protect the confidentiality of the information exchanged between them and us, particularly where information is transmitted by electronic means. We could be exposed to litigation or regulatory fines, penalties or other sanctions if personal, confidential or proprietary information of clients, intermediaries, employees or other third parties were to be mishandled or misused, such as situations where such information is:

- erroneously provided to parties who are not permitted to have the information; or
- intercepted or otherwise compromised by third parties.

The acquisition and secure processing, transmission and storage of sensitive, personal, confidential and proprietary information are critical elements of our operations, including our trading, clearing and settlement, and research businesses. We are exposed to significant risks related to data protection and data security due to, among others, our electronic broking platform involving extensive data transmission and processing, our reliance on licensed technologies and outsourced employees for some of the key components of our IT systems and their maintenance, and our registration and integration with KYC-databases like Unique Identification Authority of India ("**UIDAI**") and KYC Registration Agencies like Central Registry of Securitisation Asset Reconstruction and Security Interest.

Our information security, including the security of our IT systems, is managed by us. We rely on our in-house security systems and employees, and those of certain third-party vendors and service providers in conducting our operations. Those technologies, systems and networks may become the target of cyber-attacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of our or our clients' confidential, proprietary and other information, identity theft or disruptions of and errors within our systems. Data security breaches may also result from fraud, other misconduct or lack of adequate safeguards by our employees, third-party vendors, business associates, and clients, clerical and recordkeeping errors or other unintentional accidents caused by any of these parties, all of which could harm our reputation and subject us to regulatory action or claims for damage.

We cannot assure you that our existing security measures will prevent all security breaches, intrusions or attacks. A party, whether internal or external, that is able to circumvent our security systems could have access to confidential information or cause significant disruptions to our systems. Security breaches or attacks could result in our competitors obtaining strategically important information about us and give them a competitive advantage over us, cause reputational harm or lead to regulatory sanctions, litigation or loss of business. 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.

Hackers are increasingly using powerful new tactics including evasive applications, proxies, tunnelling, encryption techniques, vulnerability exploits, buffer overflows, denial of service attacks, or distributed denial of service attacks, botnets and port scans. If we are unable to avert an attack for any significant period, we could sustain substantial revenue loss from lost sales due to the downtime of critical systems. We may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber-attacks. Moreover, we may not be able to immediately detect that such an attack has been launched, if, for example, unauthorized access to our systems was obtained without our knowledge in preparation for an attack contemplated to commence in the future. Cyber-attacks may target us, our clients, our distribution partners, banks, depositories, exchanges, clearing houses, delivery services, e-commerce in general or the communication infrastructure on which we depend.

33. We face certain risks related to our distribution business.

We distribute financial products issued by third-party institutions, through our electronic broking platform, physical distribution network, authorised persons and personnel at our dealer helpdesks and our DRAs. The structure of some third-party products that we distribute and services that we refer clients to may be complex and involve various risks, including credit risks, interest risks, liquidity risks and other risks.

Although as a third-party distributor, we are not directly liable for any investment loss from, or default of, the products

we distribute to our clients, we may be subject to client complaints, litigation and regulatory investigation, which could have an adverse effect on our reputation and business. For example, we may not be able to identify and quantify the risks of these products, fail to identify fraudulent, inaccurate or misleading information from the third-party provider, and our sales employees may fail to disclose such risks to our clients, in which case, our clients may invest in financial products that are too risky for their risk tolerance and investment preference, and may suffer a significant loss. This may also subject us to client complaints and litigation and negatively affect our reputation, client relationships, results of operations and business prospects. For further details, please see "*Outstanding Litigation*" on page 166.

We face certain other risks in relation to our distribution business, including:

- decrease in distribution commissions which are generally set by the third-party providers whose products and services we distribute;
- regulatory changes affecting distribution arrangements, including commission levels;
- the clawback of payments from the third-party providers, which is permitted in a majority of our distribution agreements under certain situations, including returns or redemption of certain products by the clients;
- credit risk related to the third-party providers;
- changing client preferences with respect to products that we distribute;
- any adverse change in the relationship with a third-party provider; and
- transition of clients to purchase products directly from such third-party providers.

Any of the above risks could have a material adverse effect on our business, financial condition, cash flows and results of operations.

34. If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing. The Company operates under the guidance of the Board approved risk appetite statement that covers business composition, guidance around gross non-performing assets and net non-performing assets, leverage, funding and liquidity, etc. Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk.

The effectiveness of our risk management is affected by the quality and timeliness of available data. We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. For details, see "*Our Business – Risk Management and Compliance*" on page 129. Despite this, our policies and procedures to identify, monitor and manage risks of fraud, money laundering, any other credit, operational or other risks may not be fully effective. Our Board of Directors and the Risk Management Committee review our risk management policies from time to time. We also depend on our information technology systems to assist us with our risk management functions. Further, some of our methods of managing risks are based upon the use of observed historical market behavior. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures. To the extent that any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risks are not effective, we may face risk exposure in certain market environments or particular types of risk as a result of not being able to effectively mitigate those market or credit risks. In addition, as we seek to expand the scope of our operations, we also face the risk of being unable to develop commensurate risk management policies and procedures.

Our investment and interest rate risk are dependent upon our ability to properly identify, and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses.

If we fail to effectively implement our risk management policies, we could materially and adversely affect our business,

financial condition, results of operations and cash flows.

35. We have contingent liabilities as at the Fiscal Year ended March 31, 2022, and our financial condition may be adversely affected if these contingent liabilities materialize.

We have contingent liabilities, which could adversely affect our business and results of operations. Our contingent liabilities includes claims against the Company not acknowledged as debt amounting to ₹ 231.67 million as at March 31, 2022, in accordance with Ind AS 37. In the event that any of these contingent liabilities materialize, our results of operations, cash flows and financial condition may be adversely affected.

The contingent liability amounts disclosed in our audited financial statements represent estimates and assumptions of our management based on advice received. The contingent liabilities have arisen in the normal course of our business. If, for any reason, these contingent liabilities materialize, it may adversely affect our cash flows and financial condition. For further details on contingent liabilities as at March 31, 2022, in accordance with Ind AS 37, please see "*Financial Information*" on page 157.

36. Our Company is involved in legal and other proceedings. Any final judgment awarding material damages against us could have a material adverse impact on our future financial performance.

We are currently involved in litigations (including civil or criminal, consumer and tax related proceedings). These proceedings are pending at different levels of adjudication before various forums including courts and tribunals. The majority of these cases arise in the normal course of business, and we believe, based on the facts of the cases and consultation with counsel, that these cases generally do not involve the risk of a material adverse impact on our financial performance or stockholders' equity. We estimate the probability of losses that may be incurred in connection with legal and regulatory proceedings as of the date on which our standalone financial statements are prepared. We recognize a provision when we have a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

We determine the amount of provision based on our estimate of the amount required to settle the obligation at the balance sheet date, supplemented by our experience in similar situations. We review provisions at each balance sheet date and adjust them to reflect current estimates. In cases where the available information indicates that a loss is reasonably possible, but the amount of such loss cannot be reasonably estimated, we make a disclosure to this effect in the standalone financial statements. In certain instances, present and former employees have instituted legal and other proceedings against us alleging irregularities. When there is only a remote risk of loss, we do not recognize a provision, nor do we include a disclosure in the standalone financial statements.

Such complaints, lawsuits and regulatory actions are costly to defend and can materially affect our financial condition, cash flows, even if we are successful in defending them or effectively redress such complaints. If we are unsuccessful in defending these suits or regulatory actions or settling these complaints or disputes, we may have to pay significant damages or penalties. We are also exposed to the risk of adverse publicity as a result of such complaints. Accordingly, even if we are successful in defending or settling them, our reputation could be materially harmed. If any of the above scenarios were to occur, they could materially and adversely affect our business, results of operations, financial condition, cash flows, prospects and our reputation. Further, we may not be able to effectively redress clients' complaints resulting from acts, omissions, or fraud by our employees, authorised persons or personnel at our dealer helpdesks and Digital Referral Associates ("**DRAs**") in a timely manner or at all, which could adversely affect our results of operations, financial condition, cash flows, prospects and reputation.

For further details in relation to legal proceedings, see the section titled "*Outstanding Litigations*" on page 166.

37. Negative publicity could damage our reputation and adversely impact our business and financial results.

Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent in our business. The reputation of the banking and 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 banking and financial services industry generally or us specifically could materially adversely affect our ability to attract and retain customers and may expose us to litigation and regulatory action. While we have developed our brand and reputation over our history, any negative incidents or adverse publicity could rapidly erode customer trust and confidence in us, particularly if such incidents receive widespread adverse mainstream and social media publicity or attract regulatory investigations. Negative publicity can result from our own 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, 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 organizations in response to that conduct. Although we take steps to minimize reputational risk in dealing with customers and other constituencies, we, as a large financial services organization with a high industry profile, are inherently exposed to this risk.

38. There are operational risks associated with the financial services industry which, if realised, may have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

We face various operational risks related to our business operations in the financial services industry, such as:

- human and systems errors, including in the confirmation, entry or settlement of transactions, due to the complexity and high volume of transactions;
- inadvertent deviations from defined processes and inadvertent errors due to the manual nature of processes;
- delay or failure to timely transfer, pledge or un-pledge securities to and from depository participants;
- failure to establish and maintain an effective controls and compliance oversight by our authorised persons' network;
- failure of technology in our processes, including risk management and settlement processes, causing errors or disrupting our operations;
- inadequate technology infrastructure or inappropriate systems architecture;
- failure to adequately monitor and control authorised persons and personnel at our dealer helpdesks and DRAs;
- failure to implement sufficient information security, including cyber-security and controls;
- failure to maintain appropriate deposits with exchanges;
- fraud by employees, associates, authorised persons or through our digital and online platforms;
- fraud by authorised persons or personnel at our dealer helpdesks and DRAs or our employees;
- delay or disruption in timely completion of obligations by market and other intermediaries including banks, exchanges, depositories and other participants;
- an interruption in services by our critical service providers;
- failure to timely report transactions to concerned intermediaries;
- damage to physical assets;
- failure of our complex automated risk management systems due to incorrect or inadequate algorithms;
- authorisation of direct market access system for non-institutional investors by SEBI;
- inadequate due diligence, including client verification, non-adherence to anti-money laundering guidelines, KYC processes and client needs analysis, in the sales process; and
- If any of the foregoing were to occur, it could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

We have established a system of risk management and internal controls consisting of an organizational risk management framework, policies, risk management system tools and procedures that we consider to be appropriate for our business operations. Our risk assessment methods depend upon the extant regulatory requirements, historical market behavior and statistics, the evaluation of information regarding financial markets, clients or other relevant matters that are publicly available or otherwise accessible to us. Such information may not be accurate, complete or properly evaluated. Moreover,

the information and experience data that we rely on may quickly become obsolete as a result of market and regulatory developments, and our historical data may not be able to adequately reflect risks that may emerge from time to time. Inaccuracy in estimates of the level of margin to be maintained by our clients with us for the transactions undertaken by them could result in a shortfall in margins deposited by our clients with us. However, due to the inherent limitations in the design and implementation of risk management systems, including internal controls, risk identification and evaluation, effectiveness of risk control and information communication, our risk management systems and mitigation strategies may not be adequate or effective in identifying or mitigating our risk exposure in all market environments or against all types of risks in a timely manner, or at all. Further, we may not be able to completely avoid the occurrence of or timely detect any operational failure.

We also face the risk of regulatory penalties in our broking business from the exchanges or regulators for failures of routine operational processes. In the past, we have been, and in the future may be, penalised by the regulators and exchanges for non-compliance with regulatory rules and byelaws relating to operational failure, including in connection with cases of operation failure beyond our control.

We may also offer a broader and more diversified range of products, services or solutions. We may not be able to fully appreciate or identify operational risks related to the new products, services or solutions introduced by us from time to time. Accordingly, any risk management measures, or controls implemented by us for such new products, services or solutions may not be adequate and we may be subject to liabilities arising therefrom. Further, any failure to change our risk management measures and controls to our developing business in a timely manner could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

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

We are exposed to many types of operational risks, including the risk of fraud or other misconduct by employees or outsiders, unauthorized transactions by employees, inadequate training and operational errors, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment. 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. Although we carefully recruit all our employees, we have in the past been subject to the fraudulent acts committed by our employees or third parties. For details relating to frauds see the section titled "*Outstanding Litigations*" on page 166.

40. There are outstanding legal proceedings against our Promoters, Directors, group companies , which if determined adversely, could have a material adverse impact on our business, results of operations, cash flows and financial conditions.

There are certain outstanding legal proceedings against our Promoters, Directors, group companies pending at various levels of adjudication before courts, tribunals, authorities and appellate bodies. There can be no assurance that these legal proceeding will be decided in favour of our group companies. Decisions in any of such proceedings adverse to our interests may have a material adverse effect on our business, future financial performance and results of operations. If the courts or tribunals rule against our Promoters, Directors, group companies, we may face monetary and/ or reputational losses.

Furthermore, we may also not be able to quantify all the claims in which our Promoters, Directors, group companies group companies are involved. For further details in relation to legal proceedings against our Promoters, Directors, group companies, group companies, see the section titled "*Outstanding Litigations*" on page 166.

41. A significant decrease in our liquidity could negatively affect our business and reduce client confidence in us.

Our liquidity and profitability are dependent upon our timely access to, and costs associated with, raising capital. Our funding requirements historically have been met from a combination of term loans, commercial papers and working capital facilities as well as equity contributions. As a financial services company, we face certain additional regulatory restrictions on our ability to obtain financing from banks. For further information, please see "*Regulations and Policies*" on page 150.

Maintaining adequate liquidity is crucial to our broking operations, including key functions such as transaction settlement and margin funding and other business activities with substantial cash requirements. We place margins with clearing

houses of respective exchanges, which may fluctuate significantly from time to time based on the nature and volume of our clients' trading activity. Although we meet our liquidity needs primarily through cash generated from operating activities, internal accruals and debt financing, we are not permitted to raise debt beyond a specific limit, specifically to fund our margin funding requirements. A reduction in our liquidity could affect our ability to trade on the exchanges, stunt the growth of our business and reduce the confidence of our clients in us, which may result in the loss of client accounts.

We provide broking services across the equity, commodity, derivatives and currency segments, for which we offer margin-based products on our broking platform, wherein clients are required to deposit the prescribed initial margin for the transaction executed by us on their behalf and thereafter pay the balance amount. Accordingly, if a client fails to pay the balance amount on or before the due date, then it may affect our liquidity. In case of high market volatility or adverse movements in share prices, it is possible that clients may not honour their commitment, and consequently, any inability on our part to pay the margins or honour the pay-in obligation to the exchanges, or both, may be detrimental to our business, reputation and profitability.

Factors that may adversely affect our liquidity position include a significant abrupt increase in our broking services, volatile markets, settlement of large transactions on behalf of our broking clients. We use cash generated from our operating activities and external financing to meet our liquidity or regulatory capital requirements. During periods of disruption in the credit and capital markets or changes in the regulatory environment, potential sources of external financing could be limited, and our borrowing costs could increase. External financing may not be available to us on commercially acceptable terms, or at all, due to disruptions in the credit and capital markets, changes in regulations relating to capital raising activities, general market conditions for capital raising activities, and other economic and political conditions outside our control.

Any of the risks highlighted above in relation to a decrease in our liquidity, could have a material adverse effect on our business, results of operation and prospects.

42. Credit risks in our day-to-day operations may expose us to significant losses.

We may suffer significant losses from credit exposures from our clients and counterparties. Our broking business is subject to the risk that a client or counterparty may fail to perform its obligations or that the value of any collateral held by us to secure the obligations might become inadequate.

We are exposed to credit risk arising out of receivables from clearing houses of exchanges which comprise initial margins placed with clearing houses and receivables relating to sales of securities which the clients have traded but are not yet settled. We square off and settle positions in client accounts through a trading system as per our risk management policies. We are also exposed to credit risk with regard to our fixed deposits placed with banks. We are dependent on a number of parties like brokers, exchanges, banks, registrars and share transfer agents, clearing houses and other intermediaries for our transaction's execution or for our day-to-day operations, or both.

If any of these counterparties do not perform their obligations due to bankruptcy, lack of liquidity, downturns in the economy, operational failure, fraud or other reasons, and any collateral or security they provide proves inadequate to cover their obligations at the time of the default, we could suffer significant losses and it would have an adverse effect on our financial condition, cash flows, results of operations and cash flows. We are also subject to the risk that our rights against these counterparties may not be enforceable in all circumstances.

We are responsible for contracts entered into by us on behalf of our clients. Although we attempt to minimize our exposure to specific clients, these measures may not be sufficient. For example, we provide a margin lending product to our retail clients, allowing them to trade on the basis of margins that they deposit with us. If our clients suffer significant losses and the margin that they deposited with us proves to be inadequate, due to unseasonal volatility or otherwise, we may suffer significant financial losses. We also extend short term credit to our clients through certain products and face credit risks relating to such receivables if there is an adverse market movement.

We may incur losses on our treasury and trading business from market volatility or our investment strategies.

In Fiscals 2022, 2021 and 2020, the revenue we derived from our treasury and trading business amounted to ₹ 383.16 million, ₹ 295.00 million and ₹ 95.56 million, respectively, which represented 5.25 %, 7.40 % and 2.20 % of our total revenue, respectively.

The performance of our proprietary trading business depends on market conditions and our investment decisions and

judgments. We closely monitor the market value and financial performance of our portfolio, and actively adjust such portfolio to allocate assets based on market conditions, liquidity requirements and internal risk management guidelines. However, our investment decisions are based on human judgments, which involve discretion and assumptions. If our decision-making process fails to effectively control losses, or our forecasts do not conform to sudden changes in market conditions, or if we do not effectively manage our exposure to concentration risks from particular assets, our proprietary trading business may result in substantial losses. In addition, we may suffer losses in an adverse market environment despite our active management of our investment portfolio. If any of the above happens, we could suffer material losses, which would materially and adversely affect our business, financial condition, cash flows and results of operations.

43. We are permitted to use the Edelweiss trademark, pursuant to the trademark license agreement between our Company and EFSL. Such right to use the above trademarks is subject to the termination based on the terms and conditions of the trademark license agreement and any such termination may result in us being unable to use the above trademarks, which could have a material adverse effect on our reputation and business.

We have been given the right to use the Edelweiss trademark, owned by EFSL pursuant to the trademark license agreement dated February 29, 2016 entered between our Company and EFSL and subsequent Addendums. We have been provided a non-exclusive, non-transferable, as set out therein, to use the trademark. Any termination of the agreement by EFSL may result in us being unable to use this trademark which could have a material adverse effect on our reputation and business.

44. We are required to maintain various licenses and permits for our business from time to time. Any failure or delay in obtaining or renewing licenses or permits may adversely affect our operations.

Our business is subject to compliance with the rules, regulations, byelaws and circulars prescribed by SEBI, IRDAI, PFRDA, RBI, CCRL, NERL, AMFI, CDSL and exchanges, and other regulatory authorities, and the terms and conditions of the approvals, licenses, registrations and permissions obtained for operating our business. Some of the approvals, licenses and registrations may elapse in the ordinary course of business and we make applications for renewal as and when practicable and in accordance with applicable law, while certain other registrations are valid until they are suspended or cancelled by the regulator but are subject to payment of registration fee at a periodic interval. Further, in accordance with the regulations formulated by SEBI and other regulatory authorities, we are required to intimate or obtain approvals, as the case may be, amongst others, for changes in our Board, changes in our shareholding pattern, and undertaking certain corporate actions.

Government and regulatory licenses and approvals may also be tied to conditions, some of which may be onerous to us and require substantial expenditures. There is no assurance in the future that the licenses, approvals and permits applied for or held by us will be issued, approved or renewed in a prompt manner, or at all, under applicable law. Our failure to renew or obtain such licenses and approvals in a timely manner, or at all, and comply with the provisions of the applicable laws and regulations could lead to suspension or cancellation of our registration or imposition of sanctions by the relevant authorities, including penalties.

If we are unable to make applications and renew or obtain necessary permits, licenses and approvals on acceptable terms, in a timely manner, at a reasonable cost, or at all, it could materially and adversely affect our financial condition, cash flows and results of operations.

***45.* We have had negative operating cash flows in the past.**

We had negative cash flows for operating activities in the past on account of high growth in loans and advances i.e., disbursals as compared with collections for the year and may have negative cash flows in the future.

The following table sets forth our cash flow for the years indicated below on a standalone basis:

(₹ in million, unless otherwise stated)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Net cash (used in)/generated from operating activities (A)	(7,294.56)	(1,325.79)	1,403.43
Net cash (used in)/ generated from investing activities (B)	(178.54)	(104.78)	(118.23)
Net cash (used in)/ generated from financing activities (C)	9,110.16	757.68	(144.15)
Net (Decrease) / Increase in cash and cash equivalents (A + B + C)	1,637.06	(672.89)	1,141.05
Cash and cash equivalents as at the beginning of the year	697.83	1,370.72	229.67
Cash and cash equivalents as at the end of the year	2,334.89	697.83	1,370.72

We cannot assure you that our net cash flows will be positive in the future.

For disclosure of cash flows of our Company, for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, as per Ind AS 107, please refer to the section titled *"Financial Information"* on page 157 of this Draft Prospectus.

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

Our Company's funding requirements is met through long-term and medium-term funding sources such as bank loans and non-convertible debentures and our short-term funding requirements are met through working capital demand loans, cash credit, commercial paper and other short term loans. Our Company may face potential liquidity risks due to varying periods over which our Company's assets and liabilities mature. Our Company's inability to obtain additional credit facilities or renew its existing credit facilities in a timely and cost-effective manner to meet its maturing liabilities, or at all, may lead to gaps and mismatches between its assets and liabilities, which in turn may adversely affect our Company's liquidity position, and in turn, its operations and financial performance.

Our liquidity position may be adversely affected and we may be required to pay higher interest rates in order to meet our liquidity requirements in the future, which could have a material adverse effect on our business and financial results.

The following table describes the ALM of our Company as on March 31, 2022:

(₹ in million , unless otherwise stated)

Particulars	As on March 31, 2022		
	Within 12 months	After 12 months	Total
Financial assets			
Cash and cash equivalents	2,334.89	-	2,334.89
Other bank balances	4,116.89	2.42	4,119.31
Derivative financial instruments	-	200.70	200.70
Securities held for trading	1,911.67	-	1,911.67
Trade receivables	2,825.19	171.12	2,996.31
Loans	9,880.22	-	9,880.22
Other financial assets	9,902.54	145.97	10,048.51
	30,971.40	**520.21**	**31,491.61**
Non-financial assets			
Current tax assets (net)	-	246.17	246.17
Deferred tax assets (net)	-	94.87	94.87
Property, plant and equipment	-	420.44	420.44
Intangible assets	-	160.56	160.56
Intangible assets under development	-	160.37	160.37
Other non-financial assets	80.78	7.78	88.56
	80.78	**1,090.19**	**1,170.97**
Total assets	**31,052.18**	**1,610.40**	**32,662.58**
Financial liabilities			
Trade payables	14,129.95	-	14,129.95
Debt securities	6,712.11	2,233.53	8,945.64
Borrowing (other than debt securities)	2,249.06	-	2,249.06
Other financial liabilities	1,111.40	250.29	1,361.69
	24,202.52	**2,483.82**	**26,686.34**
Non-financial liabilities			
Provisions	50.47	20.07	70.54
Other non-financial liabilities	195.89	371.02	566.91
	246.36	**391.09**	**637.45**
Total liabilities	**24,448.88**	**2,874.91**	**27,323.79**

47. We extend margin funding loans, or loans against shares, 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, margin funding loans or loans against shares which are secured by liquid, marketable securities at an appropriate or predetermined margin levels. In the event of a volatile stock market or adverse movements in stock prices,

the collateral which secures the loans may decrease significantly in value, which might result in losses which our Company may be unable to support. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. There is little financial information available about the creditworthiness of our customers. It is therefore difficult to carry out precise credit risk analysis on our clients. Although we use a technology-based risk management system and follow strict internal risk management guidelines on portfolio monitoring, which include limits on the amount of margin, the quality of collateral provided by the client and pre-determined margin call thresholds, no assurance can be given that if the financial markets witnessed a significant single-day or general downturn, our financial condition, cash flows and results of operations would not be adversely affected.

48. We face additional risks as we expand our product and service offerings and grow our business.

We will continue to expand our product offerings and business as permitted by relevant regulatory authorities and market opportunities. New product offerings in our business are required to be compliant with the complex regulatory requirements and trading validation requirements of the exchanges. Failure to consider, identify and provide for all additional risks may result in adverse financial impact on our Company. For further details, please see "*Our Business*" on page 115.

These activities may expose us to new and increasingly challenging risks, including, but not limited to:

- we may not be successful in enhancing our risk management capabilities and IT systems to identify and mitigate the risks associated with these new products, services and businesses;
- we may be subject to stricter regulatory scrutiny, and increased credit, market, compliance and operational risks;
- we may be unable to obtain regulatory approvals for certain new products in a timely manner, or at all;
- we may have insufficient experience or expertise in offering new products and services and dealing with new counterparties and client;
- we may be unable to hire additional qualified personnel to support the offering of a broader range of products and services;
- our new products and services may not be accepted by clients or meet our profitability expectations; or
- we may be unable to obtain sufficient financing from internal and external sources to support our business expansion.

If we are unable to achieve the intended results with respect to our offering of new products and services, or manage the growth of our business, our business, financial condition, cash flows, results of operations and prospects could be materially adversely affected.

49. Our insurance coverage could prove inadequate to cover our losses. If we were to incur a serious uninsured loss or a loss that significantly exceed the limits of our insurance policies, it could have a material adverse effect on our business, results of operations, cash flows and financial condition.

We have insurance policies providing coverage for our assets against losses from fire, burglary and certain other risks. We also maintain insurance policies against third-party liabilities, including a dealing errors policy, a group term insurance policy, a group personal accident policy and a group health insurance policy to cover the medical expenses incurred by our employees during hospitalisation. We maintain insurance coverage within a range consistent with industry practice to cover certain risks associated with our business and us. We cannot assure you that our current insurance policies will insure us fully against all risks and losses that may arise in the future. In addition, even if such losses are insured, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. In addition, our insurance policies are subject to annual review, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, if at all. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

50. A significant portion of our revenue and income from our broking business is derived from relatively few clients.

We had 3,45,216 operational broking accounts as of March 31, 2022, of whom 2,00,405 clients had traded on the

exchanges in the preceding 12 months. The top 20% of our active clients, being, 40,081 of such active clients accounted for over 67% of our income from our income from broking as of March 31, 2022. The loss or financial difficulties of such clients, or significant decreases in the overall volumes of trading from such clients, could materially and adversely affect our business, results of operation, financial condition and cash flows.

If we lose such clients due to price competition or otherwise, or we have to offer them significant discounts to retain them, there could be a material and adverse effect on our business, results of operations, financial condition and cash flows. For further details, please see "*Risk Factors - We rely on our broking and related services business for a substantial share of our revenue and profitability. Any reduction in our brokerage fee could have material adverse effect on our business, financial condition, cash flows, results of operations and prospects*" on page 23.

51. We have high working capital requirements. Any failure in arranging adequate working capital for our operations may adversely affect our business, results of operations, cash flows and financial condition.

Our business requires a high amount of working capital. For further details of our working capital borrowings, please see "*Financial Indebtedness*" on page 159.

To finance such capital requirements, we have availed certain loan facilities including overdraft facilities, working capital demand loans and bank guarantees. We cannot assure you that we will be able to raise debt to meet our working capital requirements on commercially acceptable terms in a timely manner or at all. If we have to fund our working capital requirements from infusion of equity, it may result in dilution of shareholding of our existing Shareholders.

52. We have incurred indebtedness, and may incur substantial additional indebtedness and any default in compliance with the material covenants, which could adversely affect our cash flows, financial condition, and/or our ability to obtain financing in the future, react to changes in our business and/or satisfy our obligations.

As of March 31, 2022, we had outstanding total borrowings of ₹ 11,194.70 million. Our indebtedness and other liabilities could have material consequences for the following reasons:

- we may not be able to repay the loans in a timely manner;
- we may be unable to obtain additional financing, should such a need arise, which may limit our ability to maintain adequate capital with the exchanges or satisfy obligations with respect to our debt;
- a portion of our financial resources must be dedicated to the payment of principal and interest on our debt, thereby reducing the funds available to use for other purposes;
- it may be more difficult for us to satisfy our obligations to the exchanges and creditors, resulting in possible defaults on, and acceleration of, such debt;
- we may be more vulnerable to general adverse economic and industry conditions;
- our ability to refinance debt may be limited or the associated costs may increase; and
- our flexibility to adjust to changing market conditions could be limited, or we may be prevented from carrying out capital spending that is necessary or important to our growth strategy and efforts to improve operating margins of our businesses.

Some of the financing arrangements entered into by us include conditions and covenants that require us to obtain lender's consents prior to carrying out certain activities and entering into certain transactions including certain actions and matters in relation to the Issue. Some of these covenants include, altering our capital structure, changing our current ownership or control, formulating a scheme of amalgamation, material change in management, undertaking guarantee obligations, declaration of dividend, and amending constitutional documents. We are also required to maintain certain financial ratios and ensure compliance with regulatory requirements. We have received consents from all relevant lenders to undertake the Issue.

A failure to observe the covenants under our financing arrangements or failure to obtain necessary waivers may lead to the suspension of any further lending commitments, termination of our credit facilities, acceleration of amounts due under such facilities, trigger cross-default provisions and the enforcement of security provided. There can be no assurance that we will be able to persuade our lenders to grant extensions or refrain from exercising such rights which may adversely

affect our operations and cash flows. As a result, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Additionally, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing or generate sufficient cash to fund our liquidity requirements.

In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all. For further information, see "*Financial Indebtedness*" on page 159. Occurrence of any of the above contingencies with respect to our indebtedness could materially and adversely affect our business prospects, cash flows, financial condition and results of operations.

53. 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.

54. Our Company is subject to certain restrictive covenants in our loan documents, which may restrict our operations and ability to grow and may adversely affect our business.

As of March 31,2022, our total borrowings were ₹ 11,194.70 million. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business, which depends on the timely repayment by our customers. There are restrictive covenants in the Facility Agreement and other lending agreements/ sanction letters we have entered into with our lenders that limit our ability to undertake certain types of transactions, any of which could adversely affect our business, results of operations, cash flows and financial condition. These restrictive covenants require us to maintain certain financial ratios and seek the prior permission of these banks/financial institutions for various activities, including, amongst others, selling, leasing, transferring or otherwise disposing of any part of our business or revenues, effecting any scheme of amalgamation or reconstitution, implementing a new scheme of expansion, taking up an allied line of business or making any amendments to Memorandum and Articles of Association etc. Such restrictive covenants in our loan documents may restrict our operations or ability to expand and may adversely affect our business. For further information, see "*Financial Indebtedness*" on page 159.

We have applied to our lenders/ trustees and have received consents from our lenders/ trustees (as applicable) in relation to this Issue.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect our business, credit rating and financial condition, cash flows and results of operations.

If we fail to meet our debt service obligations or covenants provided under the financing agreements, the relevant lenders could declare us to be in default under the terms of our agreements or accelerate the maturity of our obligations. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay the borrowings.

55. We rely in part on our dealer helpdesks, authorised persons and DRAs, and if our dealer helpdesks authorised persons and DRAs cannot function successfully, our growth and success may be affected.

In Fiscals 2022, 2021 and 2020, revenue from our income from broking represented 27.52%, 46.93%, and 39.67% of our total income, respectively. Our business strategy depends in part on the success of our relationship with our authorised persons, personnel at our dealer helpdesks and DRAs. We may not be able to identify suitable dealer helpdesks authorised persons or DRAs or we may not correctly manage our existing relationships. Although we have developed criteria to evaluate and screen prospective dealer helpdesks, authorised persons and DRAs, we cannot be certain that the dealer helpdesks, authorised persons and DRAs we select will have the business acumen or financial resources necessary to contribute to our broking business.

We have a revenue-sharing system in place with our authorised persons that has been established pursuant to agreements required by the relevant regulations. Under the terms of these agreements, which are separately negotiated with each authorised person, we generally receive between a certain percentage of the brokerage or net revenue earned through clients introduced and serviced by our authorised persons using our technology platforms. Any inability on our part to effectively negotiate brokerage share with the authorised persons would result in loss in profitability, adverse financial condition, cash flows and results of operations.

We compete with other financial institutions to attract and retain authorised persons and our success is largely dependent upon factors such as the amount of sales commissions and fees we pay (including due to regulatory restrictions), the range of our product offerings, our reputation, our perceived stability, our financial strength, the marketing and services we provide to such intermediaries and the strength of our relationships with them. If we are unable to attract or retain authorised persons, it could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

Authorised persons operate independently and, although we have control of the operations, we do not exercise absolute control over their day-to-day operations. We provide training and support to dealer helpdesks, authorised persons and DRAs and set and monitor operational standards, but there can be no assurance that our training and standards will be effective, and the quality of operations may be diminished by various factors beyond our control. The failure of dealer helpdesks, authorised persons and DRAs to maintain our standards could adversely affect our reputation, our brand and our business, financial condition, cash flows, results of operations and prospects. Further, dealer helpdesks, authorised persons and DRAs may also be subject to local laws of the states in which they are located and any non-compliances by such dealer helpdesks, authorised persons and DRAs with local laws may affect our business operations and reputation.

56. We have entered into certain related-party transactions, and we may continue to do so in the future.

We have entered into certain transactions with related parties, including with our Promoters and group companies, for the distribution of products as well as for office expenses, data center charges and other expenses incurred in the ordinary course of our business. For details of the related-party transactions during the last three Fiscals, as per the requirements under Ind AS 24 - Related Party Disclosures, as applicable, please see "*Related Party Transactions*" on page 149. We have also paid remuneration to certain of our Directors and officers. For further details, please see "*Our Management*" on page 135.

Certain related-party transactions also require the approval of our Shareholders in accordance with applicable laws. There can be no assurance that such transactions will be approved. There can also be no assurance that we will be able to maintain existing terms, or in case of any future transactions with related parties, that such transactions will be on terms favourable to us. While we believe that all of our related-party transactions have been conducted on an arms' length basis and all such transactions are adequately disclosed in "*Related Party Transactions*" on page 149 and are also approved by the Audit Committee of our Board (including whether such transactions are on an arms' length basis), we cannot assure you that in all such transactions, we could not have achieved more favourable terms than the existing ones.

It is also likely that we will enter into related-party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

57. Statistical and industry data in this document is derived from the CARE Report commissioned by us for such purpose. The CARE Report is not exhaustive and is based on certain assumptions, parameters and conditions. The data and statistics in the CARE Report may be inaccurate, incomplete or unreliable.

This document includes information that is derived from the report on titled "*Industry Report on Wealth Management and Stock Broking*" dated June 15, 2022 prepared by CARE Advisory Research and Training Limited (CareEdge Research) ("**CARE Report**"). CARE Report is not in any manner related to us, our Directors or our Promoters or our Lead Managers. The CARE Report is subject to various limitations and is based on certain subjective assumptions. While we have taken reasonable care in the reproduction of the information from the CARE Report, neither our Company nor the Lead Managers nor any of our or their respective affiliates or advisors or any other person connected with the Issue has independently verified data and statistics obtained from the CARE Report. While we have no reason to believe the data and statistics in the CARE Report are incorrect, we cannot assure you that they are accurate, complete or reliable and, therefore, we make no representation or warranty, express or implied, as to the accuracy, completeness or reliability of such data or statistics. Therefore, discussions of matters relating to India, its economy and the industry in which we currently operate are subject to the caveat that the data and statistics upon which such discussions are based may be inaccurate, incomplete or unreliable. Further, there can be no assurance that such data and statistics are stated or compiled on the same basis or with the same degree of accuracy as may be the case in other reports. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this document.

58. 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.

59. All our offices, are held by us on lease or leave and license or tenancy agreements which subject us to certain risks.

All our offices are on premises that have been leased by us from third parties through lease or leave and license or tenancy arrangements for fixed terms. Upon expiration of the term of the relevant agreement for each such premise, we will be required to negotiate the terms and conditions on which the lease agreement may be renewed. We cannot assure you that we will be able to renew these agreements on commercially reasonable terms in a timely manner, or at all. In the event that these existing leases are terminated, or they are not renewed on commercially acceptable terms or at all, it may have a limited impact on our operational activities for the time being. For further details of all the lease and license agreements entered by the Company along with relevant details, please see "*Our Business*" on page 115.

60. We are a "foreign owned and controlled" company in accordance with the Consolidated FDI Policy and FEMA Rules and accordingly, we shall be subject to Indian foreign investment laws.

In accordance with the provisions of the Consolidated FDI Policy and FEMA Rules, our Company is a foreign owned and controlled company. As a foreign owned and controlled company, our Company is subject to various requirements under the Consolidated FDI Policy and other Indian foreign investment laws. Such requirements include restriction on undertaking certain business activities without prior Government approval or at all, and pricing guidelines applicable to issue or transfer of our Equity Shares.

While we believe that our business activities have been, and continue to remain, compliant with the requirements under the Consolidated FDI Policy and other Indian foreign investment laws, we cannot assure you that the Government, or a regulatory or judicial authority, will not take a different interpretation. A determination by the Government, or a regulatory or judicial authority, that any of our business activities are being, or have been, conducted in violation of the Consolidated FDI Policy and other applicable Indian foreign investment laws, would attract regulatory sanctions, including monetary penalties. In such an event, we may also have to cease undertaking the relevant business activities.

Furthermore, till the time we continue to be a foreign owned and controlled company, we may not be able to undertake certain commercially attractive business activities or investments without prior approval of the Government or at all.

61. There have been instances of discrepancies in relation to certain of our corporate records and statutory filings with the RoC under applicable laws. Any proceedings that may be initiated in this regard, or any adverse outcome of such proceedings, could adversely impact our reputation, business and our results of operations.

Certain of our corporate and secretarial records could not be traced as the relevant information was not available in the records maintained by our Company, at the MCA Portal maintained by the Ministry of Corporate Affairs and the RoC, despite conducting internal searches.

While no legal proceedings or regulatory action has been initiated against our Company in relation to untraceable secretarial and other corporate records and documents as of the date of this Draft Prospectus, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future.

EXTERNAL RISKS

62. Financial difficulty and other problems relating to financial institutions in India could have a material adverse effect on our business, results of operations, cash flows and financial condition.

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions whose commercial soundness may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business. In Fiscal 2011, Indian government agencies-initiated proceedings against certain financial institutions, alleging bribery in the loans and investment approval process, which impacted market sentiment. Similar developments in the future could negatively impact confidence in the financial sector and could have a material adverse effect on our business, results of operations, cash flows and financial condition.

In addition, we deal with various financial institutions in our business. Any one of them could be negatively affected by financial difficulty as a result of occurrences over which we have no control. If one or more of our financial institutional counterparties or intermediaries suffers economic difficulty, this could have a material adverse effect on our business, results of operations, cash flows and financial condition.

63. 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 stock broking business, lending business and other financial products or increase the cost to provide such products.

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.

64. 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 working capital requirement of our Company and general corporate purposes. For further details, see the section "*Objects of the Issue*" on page 62. 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.

65. Our business may be affected by certain factors beyond our control.

Our business may be affected by various factors that are beyond our control. Such factors may affect our business as they may have an effect on the Indian economy and consequently, may affect the investment pattern of investors in the Indian securities market. Such factors include changes in investment patterns, budget announcements, policy announcements, political changes, changes in interest rates, inadequate monsoons, health pandemics, terrorist attacks, natural calamities and other acts of violence or war, which may adversely affect worldwide financial and Indian markets. These could potentially lead to an economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy.

Further, India has, from time to time, experienced instances of civil unrest and terrorist attacks, regional or international hostilities and other acts of violence as well as other adverse social, political and economic events. India has also experienced natural calamities such as earthquakes, tsunamis, floods and droughts in the past. If such events occur and lead to overall political and economic instability, it could have a materially adverse effect on our business, financial condition, cash flows and results of operations. Further, any such events that affect the functioning of our operations and IT systems could lead to a shutdown of our electronic broking platform, which could result in a material adverse effect on our business, financial condition, cash flows and results of operations.

66. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

67. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased 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. Financial disruptions may occur again and could harm our business and our future financial performance.

68. Any adverse change in India's sovereign credit rating by an international rating agency could adversely affect our business and results of operations.

India's sovereign rating is Baa3 with a "stable" outlook (Moody's), BBB-with a "stable" outlook (S&P) and BBB- with a "stable" outlook (Fitch). India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our Company's control. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our ability to raise additional financing in a timely manner or at all, as well as the interest rates and other commercial terms at which such additional financing is available. Any such adverse development could adversely affect our business, financial condition, cash flows and results of operations.

69. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers and our profits might decline.

Inflation rates could be volatile, and we may face high inflation in the future as India had witnessed in the past. Increased

inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, salaries, and other expenses relevant to our business. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. Consequently, we may also be affected and fall short of business growth and profitability.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our operating expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business, cash flows and financial condition. In particular, we might not be able to reduce our costs or pass and financial condition, cash flows may be adversely affected.

While the Government of India through the RBI has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not rise in the future.

70. We are subject to regulatory, economic and social and political uncertainties and other factors beyond our control.

We are incorporated in India, and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- Any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- The impact of international trade wars or uncertain or unfavorable policies on international trade or (whether or not directly involving the Government of India);
- Any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- Prevailing income conditions among Indian customers and Indian corporations;
- Epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries; This includes as yet uncertain impact the new Omicron variant of the COVID-19 virus may have worldwide.
- Macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- Volatility in, and actual or perceived trends in trading activity on, India's principal stock exchange;
- Decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- Political instability, including terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- Civil unrest, acts of violence, regional conflicts or situations or war may adversely affect the financial markets;
- International business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- Logistical and communication challenges;
- Downgrading of India's sovereign debt rating by rating agencies;
- Changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India;
- Occurrence of natural calamities and force majeure events;
- Difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis; and
- Being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could materially adversely affect our business, financial condition, results of operations, cash flows and prospects.

Risks Relating to the Issue and Debt Securities

71. Any downgrade in our credit ratings may increase interest rates for raising new debt, refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis.

Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. For details of our current credit ratings, see "*General Information – Credit Rating and Rationale*" on page 52. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis, which may adversely affect our business, financial condition, results of operations and cash flows.

Further, any downgrade in our credit ratings may lead to acceleration of some of our borrowings and also lead to lenders imposing additional terms and conditions to any financing or refinancing arrangements we enter into in the future and adversely affect our business, results of operations, cash flows and financial condition.

72. 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 in recovering 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, cash flows, 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 Secured NCD Holders on the assets adequate to ensure 100% security cover for the Secured NCDs, and it will be the duty of the Debenture Trustee to monitor that the security is maintained, however, 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 Secured NCDs and shall depend on the market scenario prevalent at the time of the enforcement of the security. A failure or delay in recovering the expected value from a sale or disposition of the assets charged as security in connection with the Secured NCDs could expose you to a potential loss.

73. 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 65.

74. The Issuer, being a listed company is not required to maintain a debenture redemption reserve ("DRR").

Our debt securities are listed on BSE 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.

75. There may be no active market for the NCDs on the platform of the Stock Exchanges. 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 would 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. 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.

76. There may be a delay in making refund/ unblocking/ lien removal of funds to Applicants.

We cannot assure you that the monies refundable to you/ to be unblocked, on account of (i) withdrawal of your

Applications, (ii) our failure to receive minimum subscription in connection with the Base 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 / unblocked in a timely manner. We, however, shall refund / remove lien / unblock such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

77. 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 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 as per Section 327 of 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.

78. 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 Draft 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.

79. There are other lenders and debenture trustees who have pari passu charge over the Security provided.

There are other lenders and debenture trustees of the Company who have *pari passu* charge over the Security provided for the Issue. While the Company is required to maintain 100% security cover for the outstanding amount of the NCDs and interest thereon, upon the Company's bankruptcy, winding-up or liquidation, the other lenders and debenture trustees will rank *pari passu* with the NCD holders and to that extent, may reduce the amounts recoverable by the NCD holders.

SECTION III – INTRODUCTION

GENERAL INFORMATION

Our Company was originally incorporated on February 7, 2008 as a public limited company under the provisions of the Companies Act, 1956 and under the name and style of Edelweiss Investment and Advisory Services Limited and received a certificate of incorporation dated February 7, 2008 and a certificate of commencement of business dated February 19, 2008 Subsequently, the name of the Company was changed to "Edelweiss Broking Limited" with effect from October 22, 2008. *Vide* Order of the Regional Director dated June 19, 2013, the Registered Office of the Company shifted from Hyderabad, Telangana (erstwhile Andhra Pradesh) to Ahmedabad, Gujarat and a fresh certificate of registration of Regional Director order for change of state was issued, consequent upon change of registered office was issued by Registrar of Companies, Ahmedabad, Gujarat on November 13, 2013. The registered office of our Company is situated at 2nd Floor, Office No. 201 - 203, Zodiac Plaza, Xavier College Road, Off C G Road, Ahmedabad – 380 009.

For details of the business of our Company, see "*Our Business*" beginning on page 115.

Registration:

CIN: U65100GJ2008PLC077462
LEI: 3358008AWVSQLR3UNH13

Permanent Account Number: AABCE9421H

Registered Office:

Edelweiss Broking Limited
2nd Floor, Office No. 201-203, Zodiac Plaza,
Xavier College Road, Off C G Road,
Ahmedabad 380 009
Tel: +91 79 6662 9900
Website: www.edelweiss.in
Email: EWM.Secretarial@edelweissfin.com

For further details regarding changes to our Registered Office, see "*History and Main Objects*" on page 133.

Corporate Office:

Edelweiss House, Off CST Road, Kalina,
Mumbai 400 098, Maharashtra, India
Tel: +91 22 4009 4400
Fax: +91 22 4504 6605
Website: www.edelweiss.in
Email: EWM.Secretarial@edelweissfin.com

Registrar of Companies, Gujarat at Ahmedabad
Registrar Of Companies,
ROC Bhavan, Opp Rupal Park Society,
Behind Ankur Bus Stop,
Naranpura, Ahmedabad 380013,
Gujarat, India

Company Secretary and Compliance Officer:

Dipankar Basu
Edelweiss House, Off C.S.T. Road
Kalina, Mumbai 400 098
Maharashtra, India
Tel.: +91 22 4009 4400
Fax: +91 22 4019 4890
Email: EWM.Secretarial@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/ unblocking of funds, 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 center 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 Centers, 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 Managers

Equirus Capital Private Limited
12th Floor, C Wing, Marathon Futurex
N.M. Joshi Marg, Lower Parel
Mumbai – 400 013, Maharashtra, India
Tel: +91 22 4332 0700
Fax: +91 22 4332 0750
Email: ebl.ncd@equirus.com
Investor Grievance Email:
investorsgrievance@equirus.com
Website: www.equirus.com
Contact person: Malay Shah
Compliance Officer: Parth Pankhaniya
SEBI Registration Number: INM000011286
CIN: U65910MH2007PTC172599

Edelweiss Financial Services Limited *
Edelweiss House
Off CST Road, Kalina
Mumbai – 400 098, Maharashtra, India
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email: ebl.ncd@edelweissfin.com
Investor Grievance Email:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Saili Dave
Compliance Officer: Ms. Bhavana Kapadia
SEBI Registration No.: INM0000010650
CIN: L99999MH1995PLC094641

Edelweiss Financial Services Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended ("Merchant Bankers Regulations**"). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, Edelweiss Financial Services Limited would be involved only in marketing of the Issue and as per Regulation 25 (3) of SEBI NCS Regulations shall not issue a due diligence certificate.*

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: investorgrievances@beacontrutee.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 June 17, 2022 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 Draft 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 211.

For details on the terms of the Debenture Trust Deed see, "*Issue Related Information*" beginning on page 211.

Registrar to the Issue

KFIN Technologies Limited
(Formerly known as 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: ebl.ncdipo@kfintech.com
Investor Grievance ID: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
Compliance Officer: Anshul Jain
SEBI Registration Number: INR000000221
CIN: U72400TG2017PTC117649

KFIN Technologies Limited *(formerly known as KFIN Technologies Private Limited)*, has by its letter dated June 15, 2022, given its consent for its appointment as Registrar to the Issue and for its name to be included in this Draft Prospectus, the Prospectus, and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to the Issue.

Consortium Members/ Lead Brokers to the Issue

[●]

Public Issue Account Bank, Sponsor Bank and Refund Bank:

[●]

Statutory Auditors

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

S. R. Batliboi & Co. LLP, Chartered Accountants has been the statutory auditors of our Company since June 16, 2021.

Credit Rating Agency

Acuité Ratings & Research Limited
708, Lodha iThink Techno Campus,
Kanjurmarg (East), Mumbai – 400 042
Tel: + 91 22 4929 4000
Email: chitramohan.acuite.in
Investor Grievance ID: grievances@acuite.in
Website: www.acuite.in
Contact Person: Chitra Mohan
CIN: U74999MH2005PLC155683
SEBI Registration No: IN/CRA/006/2011

CRISIL Ratings Limited
CRISIL House,
Central Avenue,
Hiranandani Business Park,
Powai, Mumbai – 400 076
Tel: + 91 22 3342 3000 (B)
Fax: + 91 22 4040 5800
Email: crisilratingdesk@crisil.com
Website: www.crisil.com
Contact Person: Krishnan Sitaraman
CIN: U67100MH2019PLC326247
SEBI Registration No: IN/CRA/001/1999

Bankers to our Company

ICICI Bank Limited
ICICI Bank Tower BKC,
Bandra (E), Mumbai – 400 051
Tel: + 91 22 2653 6444
Fax: + 91 22 2653 1221
Email: chinmay.naralkar@icicibank.com
Website: www.icicibank.com
Contact Person: Chinmay Narolkar

IDFC FIRST Bank Limited
Naman Chambers, C-32, G-Block,
Bandra-Kurla Complex, Bandra East,
Mumbai – 400 051
Tel: + 91 22 7132 5634 Extn: 25634
Fax: + 91 22 2656 1519

Email: wbo.bkc@idfcbank.com
Website: www.idfcfirstbank.com
Contact Person: Amit Maheshwari

Citibank NA
14th Floor, First International Financial Center,
Bandra Kurla Complex, Mumbai-400098
Tel: 1800 102 3626
Email: India CitiService@citi.com
Website: www.citibank.co.in
Contact Person: Hitesh Dhawan

State Bank of India, Capital Market Branch
3rd floor, Mumbai Main Branch Building,
Mumbai Samachar Marg, Fort, Mumbai-400023
Tel: + 91 22 2271 9112/3/4
Fax: + 91 22 2271 9126
Email: nib.11777@sbi.co.in
Website: www.sbi.co.in
Contact Person: Irkan Toppo

Credit Rating and Rationale

CRISIL AA-/Negative (pronounced as CRISIL double A minus rating with negative outlook) for an amount of ₹ 3,000 million by CRISIL Ratings Limited *vide* their rating letter dated February 1, 2022, revalidated as on March 04, 2022, revalidated as on March 28, 2022, revalidated as on April 19, 2022, revalidated as on May 17, 2022 and further revalidated as on June 9, 2022. The rating letter dated June 9, 2022 issued by CRISIL is valid till 180 days from the date of issuance. and "ACUITE AA" (pronounced as ACUITE double A rating with negative outlook) for an amount of ₹ 3,000 million by Acuité Ratings & Research Limited *vide* their rating letter dated May 17, 2022, revalidated as on June 08, 2022 and further revalidated as on June 14, 2022. The rating letter dated June 14, 2022 issued by Acuité Ratings & Research Limited is valid till 180 days from the date of issuance. The ratings given by the Credit Rating Agencies are valid as on the date of this Draft Prospectus and shall remain valid until the ratings are revised or withdrawn. 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 Draft Prospectus for the rating letter, rating rationale and press release of the above ratings.

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, Acuité 's rating scale and its definitions.

Disclaimer clause of CRISIL

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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. The Rating is not a recommendation to invest / disinvest in any entity covered in the Material and no part of the Material should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL Ratings especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the Material. Without limiting the generality of the foregoing, nothing in the Material is to be construed as CRISIL Ratings providing or intending to provide any services in jurisdictions where CRISIL Ratings does not have the necessary permission and/or registration to carry out its business activities in this regard. Edelweiss Broking Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Material or part thereof outside India. Current rating status and CRISIL Ratings' rating criteria are available without charge to the public on the website, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at 1800- 267-1301.

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Legal Counsel to the Issue

KHAITAN & CO ADVOCATES SINCE 1911

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 ₹ 1.00 million 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 ₹ 1.00 million 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 ₹ ₹5.00 million 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 included in the SEBI Operational Circular.

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 216.

Inter-se Allocation of Responsibilities among the Lead Managers:

The following table sets forth the inter-se allocation of responsibilities and coordination for various activities among the Lead Managers:

Sr. No.	Activities	Responsibility	Coordinator
1.	• Due diligence of Company's operations/ management/ business plans/ legal etc. • Drafting and designing of the offering document. (The Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchange, RoC and SEBI including finalization of Offering Document and RoC filing). Draft Prospectus, and Prospectus (together "Offer Documents") • Coordination with the Stock Exchange for in-principle approval	Equirus	Equirus
2.	Structuring of various issuance options with relative components and formalities etc.	Equirus	Equirus
3.	Co-ordination with lawyers for legal opinion	Equirus	Equirus
4.	Appointment of other intermediaries viz., Registrar, Debenture Trustee, Consortium/Syndicate Members, printer, advertising agency and Public Issue Bank, Refund Bank and Sponsor Bank.	Equirus	Equirus
5.	• Coordination with the printer for designing and finalization of Offer Documents, Application Form including memorandum containing salient features of the Offer Documents. • Drafting and approval of statutory advertisement	Equirus	Equirus

Sr. No.	Activities	Responsibility	Coordinator
6.	Drafting and approval of all publicity material (excluding statutory advertisement as mentioned in 5 above) including print and online advertisement, outdoor advertisement including brochures, banners, hoardings etc.	Equirus, EFSL	Equirus
7.	• Preparation of road show presentation, FAQs.	Equirus, EFSL	EFSL
8.	Marketing strategy which will cover, inter alia: • Deciding on the quantum of the Issue material and follow-up on distribution of publicity and Issue material including Application Forms, Offer Documents, posters, banners, etc. • Finalise collection centres; • Coordinate with Registrar for collection of Application Forms by ASBA banks; • Finalisation of list and allocation of institutional investors for one on one meetings.	Equirus, EFSL	EFSL
9.	Domestic institutions/banks/mutual funds marketing strategy: • Finalize the list and division of investors for one on one meetings, institutional allocation	Equirus, EFSL	Equirus and EFSL
10.	Non-institutional marketing strategy which will cover, inter alia: • Finalize media, marketing and public relation strategy and publicity budget; • Finalize centers for holding conferences for brokers, etc.	Equirus, EFSL	Equirus and EFSL
11.	Coordination with the Stock Exchange for use of the bidding software	Equirus	Equirus
12.	• Coordination for security creation by way of execution of Debenture Trust Deed	Equirus	Equirus
13.	Post-issue activities including - • Co-ordination with Bankers to the Issue for management of Public Issue Account(s), Refund Account and any other account and • Allotment resolution	Equirus	Equirus
14.	• Drafting and finalization of post issue stationery items like, allotment and refund advice, etc.; • Coordination for generation of ISINs; • Corporate action for dematerialized credit /delivery of securities; • Coordinating approval for listing and trading of securities; and • Redressal of investor grievances in relation to post issue activities.	Equirus	Equirus

Issue Programme*

ISSUE OPENS ON	[●]
ISSUE CLOSES ON	[●]
PAY IN DATE	Application Date. The entire Application Amount is payable on Application
DEEMED DATE OF ALLOTMENT	The date on which the Board of Directors/or the Debentures Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the Debentures 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 shall be available to the Debenture 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 Debentures 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 and a regional daily with wide circulation where the registered office of the Company is located 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 Managers, 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 March 31, 2022, is set forth below:

Share Capital	(in ₹)
Authorised Share Capital	
463,300,000 Equity Shares of ₹ 10 each	4,633,000,000
10,000,000 Preference Shares of ₹ 10 each	100,000,000
Total Authorised Share Capital	4,733,000,000
Issued, Subscribed and Paid-up Share Capital	
430,454,000 Equity Shares of ₹ 10 each, fully paid up	4,304,540,000
Total	**4,304,540,000**
Securities Premium Account	**599,697,220**

Details of change in authorised share capital of our company as on March 31, 2022, for last three years:

Except as stated below, there have been no changes in the authorised share capital of our Company as on March 31, 2022, for last three years:

Date of Change (AGM/EGM)	Particulars
March 5, 2021	Pursuant to increase in 70,000,000 Equity Shares of ₹ 10 each, the Authorised Share Capital of the Company has increased from ₹ 2,233,000,000 divided into 213,300,000 Equity Shares of ₹ 10 each and 10,000,000 Preference Shares of ₹ 10 each to ₹ 2,933,000,000 divided into 283,300,000 Equity Shares of ₹ 10 each and 10,000,000 Preference Shares of ₹ 10 each.
March 26, 2021	Pursuant to increase in 180,000,000 Equity Shares of ₹ 10 each. the Authorised Share Capital of the Company has increased from ₹ 2,933,000,000 divided into 283,300,000 Equity Shares of ₹ 10 each and 10,000,000 Preference Shares of ₹ 10 each to ₹ 4,733,000,000 divided into 463,300,000 Equity Shares of ₹ 10 each and 10,000,000 Preference Shares of ₹ 10 each.

Issue of Equity Shares for consideration other than cash

As on March 31, 2022, there has been no issue of Equity Shares for consideration other than cash.

Equity Share capital history of our Company in the three years preceding March 31, 2022:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative No. of Shares	Cumulative Equity Share Capital (₹)	Cumulative Equity Share Premium (in ₹)	Remarks
March 30, 2019	18,300,000	10	16.45	Cash	Rights basis	177,190,000	1,771,900,000	432,336,580	Shares allotted on rights basis
March 30, 2021	170,000,000	10	10	Cash	Rights basis	347,190,000	34,719,00,000	432,336,580	Shares allotted on rights basis
March 11, 2022	83,264,000	10	12.01	Cash	Rights basis	430,454,000	4,304,540,000	599,697,220	Shares allotted on rights basis

Shareholding pattern of our Company as on March 31, 2022, as per the format specified under the listing regulations: -

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	1	430,454,000	Nil	Nil	430,454,000	100	430,454,000	NA	430,454,000	100	-	-	-	-	-	-	430,454,000*
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non-Promoter - Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares Held by Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	1	**430,454,000**	**Nil**	**Nil**	**430,454,000**	**100**	**430,454,000**	**NA**	**430,454,000**	**100**	**-**	**-**	**-**	**-**	**-**	**-**	**430,454,000**

** Prashant Mody, Sandesh Sawant, Atul Bapna, Pooja Doshi, Tarun Khurana and Shivaraman Iyer are 6 nominees holding one Equity Share each on behalf of Edelweiss Securities Limited*

List of top 10 holders of Equity Shares of our Company as on March 31, 2022:

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.	Edelweiss Securities Limited	430,453,994	430,453,994	100
2.	Prashant Mody as nominee of ESL	1	1	Negligible
3.	Sandesh Sawant as nominee of ESL	1	1	Negligible
4.	Atul Bapna as nominee of ESL	1	1	Negligible
5.	Pooja Doshi as nominee of ESL	1	1	Negligible
6.	Tarun Khurana as nominee of ESL	1	1	Negligible
7.	Shivaraman Iyer as nominee of ESL	1	1	Negligible
	Total	**430,454,000**	**430,454,000**	**100**

List of top 10 holders of non-convertible securities in terms of value as on March 31, 2022 (on cumulative basis):

Sr. No.	Name	Amount (₹ in million)	Category	Face Value per NCD (₹)	Holding as a % of total NCD outstanding
1	Anand Rathi Wealth	148.90	Corporate	100,000.00	7.16
2	Juzar Saifuddin Khorakiwala	70.00	Public	1,000,000.00	3.37
3	Ashwini Shetty	63.00	Public	1,000,000.00	3.03
4	Vinod Bhavanji Chheda	50.00	Public	1,000,000.00	2.41
	RBD Shelters LLP	50.00	Corporate	1,000,000.00	2.41
5	Indfos Industries Private Limited	40.00	Corporate	100,000.00	1.92
6	Saswat Trusteeship Private Limited	30.00	Corporate	1,000,000.00	1.44
	Amiti Software Technologies Private Limited	30.00	Corporate	1,000,000.00	1.44
	Prakash Venkatesan	30.00	Public	1,000,000.00	1.44
	Jay Vinod Chheda	30.00	Public	1,000,000.00	1.44
	Ravi Shankar Prasad	30.00	Public	100,000.00	1.44
7	Deccapel Fashions Private Limited	26.00	Corporate	1,000,000.00	1.25
8	Arcot Bhuvaneswari Rao	22.00	Public	100,000.00	1.06
9	Sanjay Kapoor	20.00	Public	100,000.00	0.96
	Rashesh Chandrakant Gogri	20.00	Public	1,000,000.00	0.96
	Southern Power Equipment Company Private Limited	20.00	Corporate	1,000,000.00	0.96
	L Ravichandran	20.00	Public	1,000,000.00	0.96
	Manju Vinod Chheda	20.00	Public	1,000,000.00	0.96
	Suresh Sid	20.00	Public	1,000,000.00	0.96
10	Ashwini Shetty	16.00	Public	1,000,000.00	0.77
	Harini Manohar Shetty	16.00	Public	1,000,000.00	0.77

Statement of the aggregate number of securities of our Company and our Subsidiaries purchased or sold by our Promoters, Promoter Group, our Directors, directors of the company which is a promoter of our Company and/or their relatives within six months immediately preceding the date of filing of this Draft Prospectus.

No securities of our Company have been purchased or sold by our Promoters, Promoter Group, our Directors, directors of the company which is a promoter of our Company and/or their relatives within six months immediately preceding the date of filing of this Draft Prospectus:

Statement of capitalization (Debt/ Equity Ratio) of our Company, on standalone basis, as on March 31, 2022:

(₹ in million, unless otherwise stated)

Particulars	Pre issue as at March 31, 2022	Post issue*
Borrowing/ Debt		
Debt securities	8,945.64	11,945.64
Borrowings (other than debt securities)	2,249.06	2,249.06
Total Borrowing/ Total Debt (A)	11,194.70	14,194.70
Equity		
Equity Share Capital	4,304.54	4,304.54
Other Equity	1,034.25	1,034.25

(₹ in million, unless otherwise stated)

Particulars	Pre issue as at March 31, 2022	Post issue*
Total Equity (B)	5,338.79	5,338.79
Debt/Equity (A/B)	2.10	2.66

* *The debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹ 3,000 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

Not applicable as our Company has no subsidiaries.

Shareholding of Directors in our Company

Except Mr Prashant Mody, who is currently holding one Equity Share on behalf of Edelweiss Securities Limited, none of the Directors of our Company have any shareholding in our Company, as on the date of this Draft Prospectus.

Joint Venture and associate companies

Our Company does not have any Joint Venture and Associate Company.

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 the date of this Draft Prospectus.

Details of any reorganization or reconstruction in the last one year

Our Company has not made any reorganization/reconstruction in the last one year prior to the date of this Draft Prospectus.

Employee Stock Option Scheme

Our Company does not have any employee stock option scheme.

None of the Equity Shares held by our Promoter are pledged or encumbered otherwise.

OBJECTS OF THE ISSUE

Issue Proceeds

Our Company has filed this Draft Prospectus for a public issue of secured, redeemable, NCDs for an amount aggregating up to ₹ 3,000 million.

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

(₹ in million, unless otherwise stated)

Particulars	Estimated amount
Gross proceeds of the Issue	[●]
Less: Issue related expenses*	[●]
Net proceeds	[●]

**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.	Working Capital Purpose	At least 90%
2.	General Corporate Purposes*	Maximum of up to 10%

**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 10% 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 2023, 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

applicable regulatory requirements and 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 Promoter Group or group companies .

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, directly or indirectly, for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to an interest in either the capital or profit or losses or both in such business exceeding 50% thereof, the purchase or acquisition of any immovable property (direct or indirect) 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 subject to such variations being in accordance with the applicable laws from time to time.

There is no contribution being made or intended to be made by the Directors as part of the Issue or separately in furtherance of the Objects of the Issue.

None of the Directors, Promoters or Key Managerial Personnel have any financial or other material interest in the Issue.

Issue related expenses break-up

The expenses for this Issue include, inter alia, lead management fees and selling commission to the Lead Managers, Lead Broker(s)/Consortium Members 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 breakdown of the total expenses for this Issue is as follows*:

(₹ in million, unless otherwise stated)

Particulars	Amount	As percentage of Issue proceeds (in %)	As percentage of total expenses of the Issue (in %)
Fee Payable to Intermediaries including Registrar to the Issue and Debenture Trustees	[●]	[●]	[●]
Lead Managers Fee, Selling and Broking Commission, SCSB Processing Fee	[●]	[●]	[●]
Advertising and Marketing, Printing and Stationery Costs	[●]	[●]	[●]
Other Miscellaneous Expenses	[●]	[●]	[●]
Grand Total	[●]	[●]	[●]

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

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Manager/ Lead Brokers / Consortium Members/ Sub brokers/Trading Members and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹ [●] per Application Form procured (plus service tax and other applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be

entitled to any ASBA Processing Fee. Further, RTAs and CDPs shall be paid ₹ [●] per each valid Application Form procured.

Variation in terms of contract or objects in this Draft 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 Draft Prospectus is issued, except as may be prescribed under the applicable laws and specifically under Section 27 of the Companies Act, 2013. Further, in accordance with the SEBI Listing Regulations, in case of any material deviation in the use of proceeds as compared to the objects of the issue, the same shall be indicated in the format as specified by SEBI from time to time.

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 Broking Limited
Edelweiss House,
Off CST Road, Kalina,
Mumbai – 400 098

Dear Sirs,

Statement of Possible Tax Benefits available to the debenture holders of Edelweiss Broking Limited in connection with the proposed public issue of secured redeemable non-convertible debentures of face value of ₹ 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 Broking 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, 2022, i.e. applicable for the Financial Year 2022-23 relevant to the assessment year 2023-24 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: June 17, 2022
UDIN: 22102102ALDVDC9082

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') in force as on the current date after considering the amendments made by the Finance Act, 2022.

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

A. Common provisions applicable to both Resident and Non-Resident debenture holders:

1. Taxability under various heads of Income:

The returns received by the investors from Non-Convertible Debentures ('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 of business or profession ('PGBP');
- Capital gains ('CG'); and
- Income from other sources ('IFOS').

For determining appropriate head of income (as mentioned above) *vis-à-vis* income or gain or loss from debentures, it will be pertinent to understand whether the debentures are held as 'Investments' i.e. capital asset or as 'Stock-in-trade'.

If the debentures are held as 'Stock-in-trade', interest income as well as gain or loss on its transfer will be subjected to tax under the head PGBP, whereas if the debentures are held as 'Investments' then the interest income will be subjected to tax under IFOS and gain or loss on its transfer will be under the head CG (explained in ensuing paragraphs), based on facts of each case.

However, as per section 2(14) of the IT Act, the term 'capital asset' also includes amongst other things, any securities held by a Foreign Institutional Investor ('FII') now known as Foreign Portfolio Investor ('FPI') which has invested in such securities in accordance with the exchange control regulations as well as regulations made under Securities and Exchange Board of India Act, 1992. Accordingly, all the securities held by an FII will get classified as capital assets (*viz.*, 'Investments') and classification as 'Stock-in-trade' would not apply.

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

2. Taxation of Interest and Gain / loss on transfer of debentures:

- ***Taxation of Interest***

Income by way of interest received on debentures, bonds, and other debt instruments held as 'investments' will be charged to tax under the head IFOS 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' interest received thereon will be charged to tax under the head PGBP.

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

- ***Gain or loss on transfer***

(a) Taxable under the head Profits and gains of business or profession

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 business income and hence chargeable to tax under the head PGBP.

In such a scenario, the gains from the business of investing in the NCD may be chargeable to tax on a 'net' basis (i.e. net of allowable deductions for expenses/allowances under Chapter IV – Part D of the IT Act). The business income so computed, as reduced on account of set-off of brought forward or current year 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.

(b) Taxable under the head Capital Gains

As discussed above, based on the particular facts of each case, the debentures may, in certain cases, be regarded to be held as 'Investments' in which case the gains or loss from the transfer/ sale of such investments would be chargeable to tax under the head CG.

Investors should, however, seek specific advice from their tax advisors / consultants in respect of characterization of capital gains, the manner of computing thereof and the tax to be paid thereon on such capital gains.

3. Period of holding and Capital gain – long term & short term:

As per section 2(29AA) read with section 2(42A) of the IT Act, a listed debenture is treated as a long-term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer and the gain/loss on transfer of such debentures will be treated as long term capital gain/loss.

Accordingly, if a listed debenture is held for upto 12 months immediately preceding the date of its transfer, then the same will be treated as a short term capital asset and the gain / loss on transfer of such debentures will be treated as short term capital gain / loss.

4. Computation of capital gains and tax thereon

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. The capital gains so computed will be chargeable to tax at the rates as detailed out in the ensuing paragraphs.

5. 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 or in subsequent years and cannot be set off against short-term capital gains arising in that year or in subsequent years. Balance loss remaining after set-off, if any, can be carried forward for eight assessment years immediately succeeding the assessment year in which the loss was first computed, for claiming set-off against subsequent years' long-term capital gains.

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 or of subsequent years. Balance loss remaining after set-off, if any, can be carried forward for eight assessment years immediately succeeding the assessment year in which the loss was first computed, for claiming set-off against subsequent years' short-term as well as long-term capital gains.

B. Tax benefits available to Resident debenture holders:

- Interest on debentures received by resident debenture holders would form part of their total income and be subject to tax at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with and subject to the provisions of the IT Act.

- The capital gains shall be computed by deducting from the sale consideration expenditure incurred wholly and exclusively in connection with the transfer and cost of acquisition of the debentures.

  As per section 112 of the IT Act, capital gains arising on the transfer of long-term capital assets being listed debentures are subject to tax at the rate of 10% (plus applicable surcharge and health & education cess – Note 2 below) on the capital gains calculated without indexation of the cost of acquisition (Proviso to Section 48 restricts indexation benefit in case of long-term capital gains arising from transfer of debentures).

  In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

  Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with the provisions of the IT Act.

C. Tax benefits available to Non-Resident debenture holders:

- A non-resident Indian has an option to be governed by Chapter XII-A of the IT Act, subject to the provisions contained therein which are given in brief as under:

  As per section 115C(e) of the IT Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

  As per section 115E of the IT Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20% (plus applicable surcharge and cess), whereas, long term capital gains on transfer of such debentures will be taxable at 10% (plus applicable surcharge and cess – Note 2 below) of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with and subject to the provisions contained therein.

- In accordance with and subject to the provisions of section 115-I of the IT Act, a non-resident Indian may opt not to be governed by the provisions of Chapter XII-A of the IT Act. In that case,Long-term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% (plus applicable surcharge and cess – Note 2 below) computed without indexation.

  Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with and subject to the provisions of the IT Act.

  Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the IT Act.

- As per section 90(2) of the IT Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement ('DTAA') is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at

the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of a valid and subsisting tax residency certificate ('TRC'), is a mandatory condition for availing benefits under any DTAA. If the TRC does not contain the prescribed particulars, a self-declaration in Form 10F would need to be provided by the assessee along with the TRC which is valid and subsisting.

D. Tax benefits available to Foreign Institutional Investors ('FII's) or Foreign Portfolio Investors ('FPI's):

- In accordance with and subject to the provisions of section 115AD of the IT Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess – Note 2 below) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess - Note 2 below). The benefit of cost indexation will not be available.

- Income other than capital gains arising out of debentures is taxable at 20% (plus applicable surcharge and cess - Note 2 below) in accordance with and subject to the provisions of Section 115AD of the IT Act.

- However, the above is subject to any relief available under DTAA entered into by the Government of India (as mentioned in Point C above).

- The CBDT has issued a Notification No.9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the IT Act.

E. 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 (FII)	– Interest on NCD issued to FII may be eligible for concessional withholding tax rate of 5 per cent under section 194LD of the IT Act, provided the interest coupon on such NCDs does not exceed the rates as notified by the Central Government. Conditions to avail lower withholding tax rate of 5 percent are as under: a. Interest should be payable after 01 June 2013 but before 01 July 2023 in respect of investments made in (i) rupee denominated bond of an Indian Company; or (ii) a government security. b. Interest coupon on such NCDs should not exceed the rates as notified by the Central Government. – Interest on non-resident, not being a company or to a foreign company by a specified company or a business trust, may alternatively be eligible for concessional tax rate of 5 per cent under section 194LC(2)(ia) of the IT Act

Sr. No	Scenarios	Provisions
		in respect of monies borrowed by it from a source outside India by way of issue of rupee denominated bond before the 1st day of July 2023. – 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 FIIs	– Interest payable to non-resident (other than FII) 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 provided the said interest falls within the ambit of the provisions of section 194LC of the Act and meets the conditions mentioned therein which *inter-alia* include obtaining 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. – 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 preceding 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 applicability of these provisions.

F. *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 to 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 the AY relevant to the previous year immediately preceding the previous year in which 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.

G. 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.

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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 and a health and education cess ('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. 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:

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 upto 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

Type of Domestic company	Base normal tax rate on income (other than income chargeable at special rates)	Base MAT rate
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 assesses other than firm, co-operative societies and FIIs):

Particulars	Rate of Surcharge
Where total income (including dividend income and income under the provisions of section 111A, section 112A and section 112 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, section 112A and section 112 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 section 112A and section 112 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, section 112A and 112 of the Act) does not exceed Rs 2 crore but total income (including dividend income and income under the provisions of section 111A, section 112A and 112 of the Act) exceeds Rs 2 crore	15 per cent on total tax The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act.
Where total income (excluding dividend income and income under the provisions of section 111A, section 112A and section 112 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, section 112A and section 112 of the IT Act - 15 per cent on tax on dividend income and income under the provisions of section 111A section 112A and section 112 of the IT Act. The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act.
Where total income (excluding dividend income and income under the provisions of section 111A, section 112A and section 112 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, section 112A and section 112 of the IT Act - 15 per cent on tax on dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act. The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act.

Note: *The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to*

tax under section 112 of the IT Act.

FIIs (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 assesses other than those covered above:

Particulars	Rate of surcharge applicable
Non-corporate taxpayers being firms and co-operative societies	Nil where total income does not exceed Rs 1 crore
	From FY 2022-23 7 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore
	From FY 2022-23 12 per cent where total income exceeds Rs 10 crore
Domestic companies (other than companies availing benefit under section 115BAA and section 115BAB of the IT Act)	Nil where total income does not exceed Rs 1 crore
	7 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore
	12 per cent where total income exceeds Rs 10 crore
Domestic companies availing benefit under section 115BAA and section 115BAB of the IT Act	10 per cent (irrespective of total income)
Foreign Companies (including corporate FIIs)	Nil where total income does not exceed Rs 1 crore
	2 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore
	5 per cent where total income exceeds Rs 10 crore

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

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 2023-24 pursuant to the financial year 2022-23 after considering the amendments made by the Finance Act 2022.

- 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 from the industry report titled "*Industry Report on Wealth Management and Stock Broking*" dated June 15, 2022 prepared by CARE Advisory Research and Training Limited (CareEdge Research) in an "as is where is basis" and the industry and third party related information in this section has not been independently verified by the Company, the Lead Managers, our Legal advisors or any of 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 they believe 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 Draft Prospectus.

Global Macro - economic Outlook

As per the latest International Monetary Fund's (IMF) World Economic Outlook growth projections released in April 2022, the world economy grew by 6.1% in CY211. For CY22, projection for global economic growth slashed to 3.6% citing disruptions due to the Russia-Ukraine conflict and inflationary concerns. It further added that emerging economies are expected to underperform than the advanced economies in CY22 and CY23 as they were hit harder by higher energy and food prices.

Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)

Country/Group	2021	2022P	2023P
World Output	6.1	3.6	3.6
Advanced Economies	5.2	3.3	2.4
United States	5.7	3.7	2.3
Euro Area	5.3	2.8	2.3
Japan	1.6	2.4	2.3
United Kingdom	7.4	3.7	1.2
Canada	4.6	3.9	2.8
Remaining Advances Economies	5.0	3.1	3.0
Emerging Market & Developing Economies	6.8	3.8	4.4
Emerging and Developing Asia	7.3	5.4	5.6
China	8.1	4.4	5.1
India*	8.9	8.2	6.9
ASEAN**	3.4	5.3	5.9
Emerging and Developing Europe	6.7	-2.9	1.3
Latin America and the Caribbean	6.8	2.5	2.5
Middle East and Central Asia	5.7	4.6	3.7
Sub-Saharan Africa	4.5	3.8	4.0

Notes: P – Projection
**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: IMF – World Economic Outlook, April-2022

The growth of emerging market and developing economies group is evaluated as 6.8% in CY21. While, in CY22 the estimated growth is 3.8% which is 1% lower than the previous estimation made in January, 2022. In emerging market and developing economies, increases in food and fuel prices could significantly increase the risk of social unrest.

The war and the impending increase in global interest rates will further reduce fiscal space in many countries, especially oil- and food-importing emerging market and developing economies. Moreover, with continued tight policies toward the real estate sector and the possibility of more widespread lockdowns as part of the strict zero-COVID strategy, China's economy could slow more than currently projected—with consequences for Asia and beyond. It has induced a downgrade to 4.4% growth for China in CY22. This could further set back the recovery, particularly in emerging market and

developing economies.

The estimates for India has been lowered to 8.2% in CY22 by 0.8% point, while for CY23 the projection has been released at 6.9%. The downgrade is reflecting in part weaker domestic demand - as higher oil prices are expected to weigh on private consumption and investment and a drag from lower net exports. Despite, these estimates project India as the fastest growing major economy in the world.

Impact of Covid-19 on Global Economy

During the Pandemic in CY20, the global economy faced disruption in supply chain due to temporary trade restrictions and shortages of pharmaceuticals, critical medical supplies, and other products. As a consequence of all this, manufacturers worldwide felt greater political and competitive pressures to increase their domestic production, grow employment in their home countries, reduce or even eliminate their dependence on sources.

Worker shortages and mobility restrictions compounded supply disruptions and bottlenecks early in 2022, constraining activity and adding to inflation. Restrictions have begun to ease as the peak of the Omicron wave passes and global weekly Covid-19 deaths decline.

To address many of the difficulties faced by the world economy, it is vital to break the hold of the pandemic. This will require a global effort to ensure widespread vaccination, testing, and access to therapeutics, including the newly developed anti-viral medications.

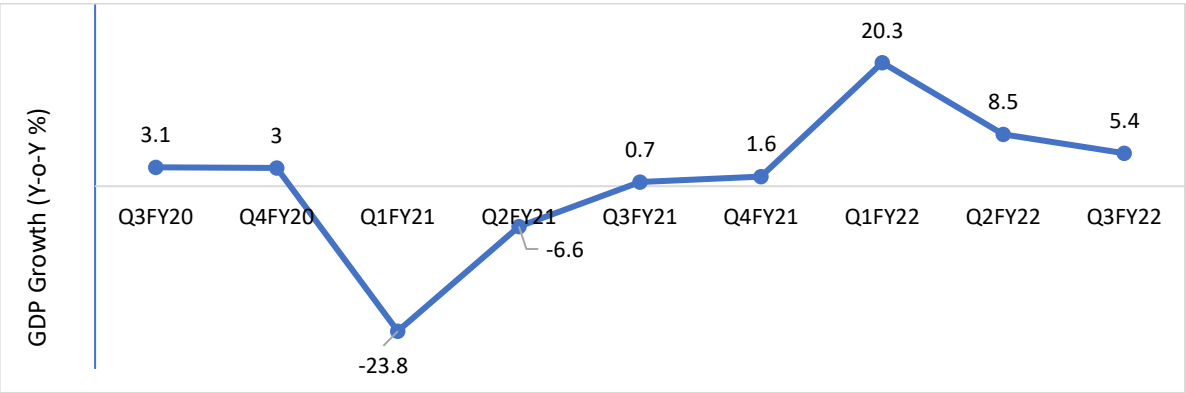
Indian Economy

GDP growth and Outlook

Financial Year 22 started with the country being hit by the second wave of the pandemic which saw lockdowns and restrictions being re-imposed across states for 2-3 months. This impeded economic output in Q1FY21 and led to a year-on-year (Y-o-Y) decline of 23.8% in GDP. The Indian economy bounced back strongly in Q1FY22 with 20.3% Y-o-Y growth due to low base. The easing of lockdowns and restrictions across states since June coupled with the decline in Covid-19 cases and higher vaccination rate facilitated higher economic activity at a faster than expected and this was reflected in the GDP for the Q2FY22 which grew annually by 8.5%. The dip in Q3FY22 of 5.4% can be attributed to fading base effect.

When compared with the pre-pandemic period i.e., Q3FY20, the GDP in Q3FY22 is higher by 6.2%.

Growth in GDP at constant prices (Y-o-Y in %)



Source: Ministry of Statistics and Programme Implementation (MOSPI)

Since February 2022, the geo-political tension triggered by the conflict between Russia and Ukraine is gradually unfolding its economic impact. India is may already be witnessing its impact in energy and food market. Oil and other commodity prices are blazing to multi-year highs, and financial markets are on edge, driven by massive sell-offs. Amidst these testing times, the Indian economy is experiencing spillovers as it recovers from the third wave of Pandemic.
As per Reserve Bank of India's (RBI) monetary policy statement for 2022-23, the RBI highlighted that the ratcheting up of geopolitical tensions, generalized hardening of global commodity prices, the likelihood of prolonged supply chain disruptions, dislocations in trade and capital flows, divergent monetary policy responses and volatility in global financial

markets are imparting sizeable upside risks to the inflation trajectory and downside risks to domestic growth.

RBI also brought out, that the announcements in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure are expected to augment growth and crowd in private investment through large multiplier effects.

With the ebbing of the third wave and expanding vaccination coverage, the pick-up in contact-intensive services and urban demand is expected to be sustained. The escalation of the geopolitical situation and the accompanying surge in international crude oil and other commodity prices, tightening of global financial conditions, persistence of supply-side disruptions and significantly weaker external demand pose downside risks to the outlook. Taking all these factors into consideration, the real GDP growth for 2022- 23 is pared down at 7.2% by RBI in April'22 Outlook from 7.8% estimated in Feb'22 Outlook.

RBI's GDP Growth Outlook (Y-o-Y %)

	Q1FY23	Q2FY23	Q3FY23	Q4FY23	FY23
GDP Growth – April'22 Outlook	16.2	6.2	4.1	4.0	7.2
GDP Growth – Feb'22 Outlook	17.2	7	4.3	4.5	7.8

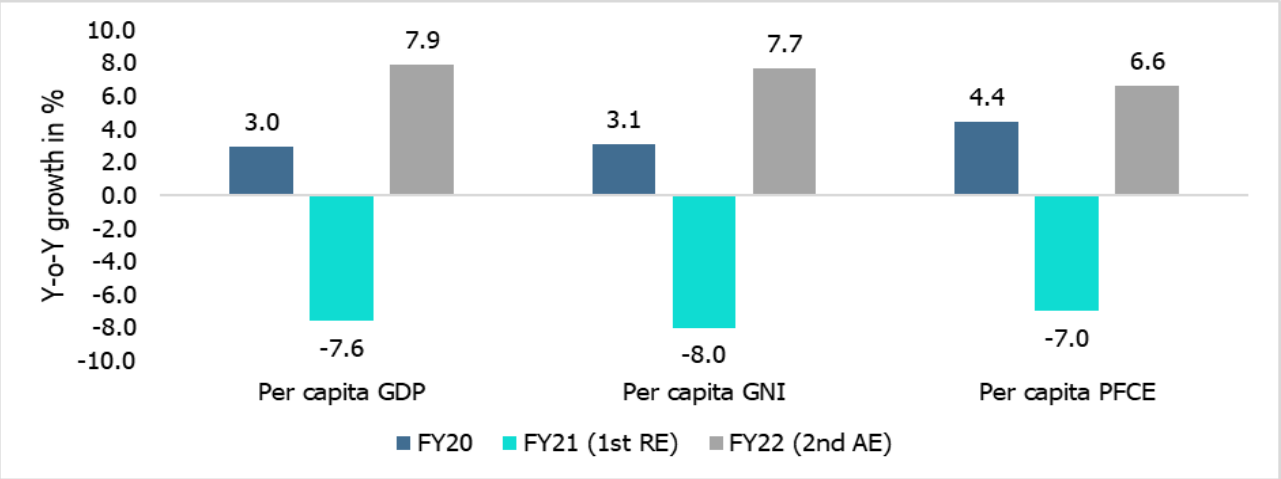
Source: RBI press release dated April 08, 2022 and February 28, 2022

Per Capita GDP, Income and Final Consumption

India has a population of about 1.3 billion with a young demographic profile. The advantages associated with this demographic dividend are better economic growth, rapid industrialization and urbanization.

Gross Domestic Product (GDP) per capita is a measure of country's economic output per person. FY21 witnessed a significant de-growth due to the pandemic. However, in FY22 the economy is on path of recovery and the per capita GDP is estimated to grow by 7.9%. The growth is projected at 3.8% of CAGR between FY15 to FY22. The Gross national income (GNI) is also estimated to increase by 6.8 % in FY22. The per capita private final consumption expenditure (PFCE), that represents consumer spending, is likely to increase by 6.6% in FY22. Majorly, the FY22 reflects per capita growth due to a lower base.

Growth in Per Capita GDP, Income and Final Consumption (Y-o-Y growth in %)

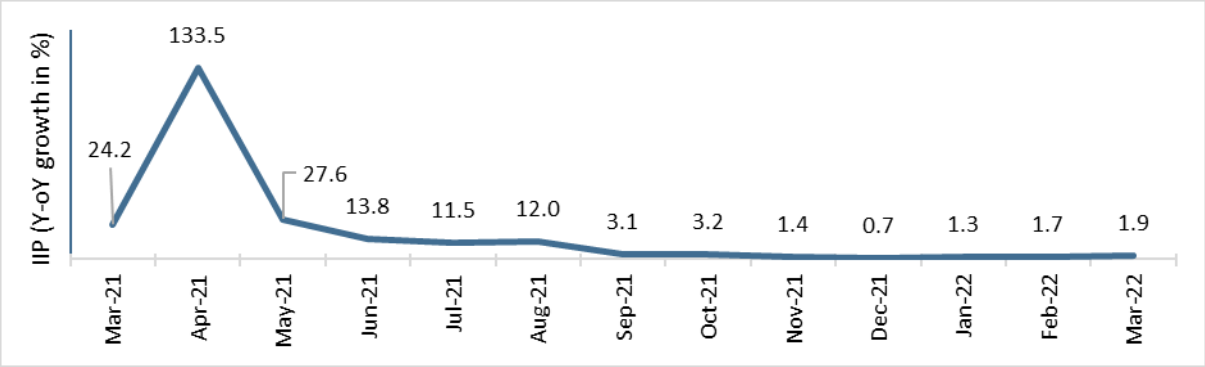


Source: MOSPI

Industrial Growth

The pace of IIP growth improved marginally to 1.9% in March 2022 from 1.7% growth recorded in the previous month. The tepid growth is also because of the high base of the corresponding period of the previous year.

Y-o-Y growth in IIP (in %)



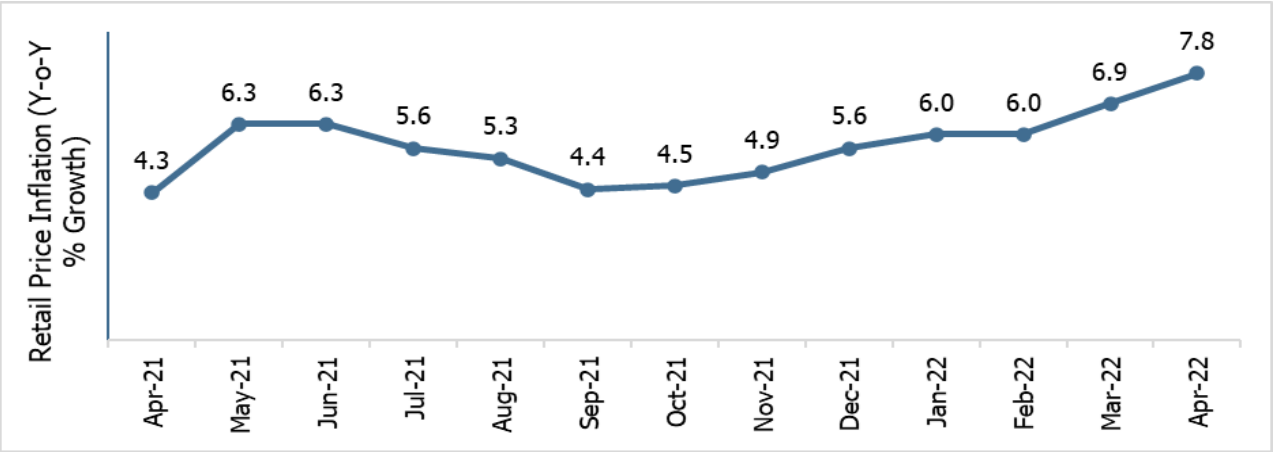
Source: MOSPI

On a cumulative basis, IIP grew by 11.3% in FY22. However, this high growth is mainly backed by a low base of FY21. The index of industrial production is higher by 1.9% when compared with the pre-pandemic level of FY20, suggesting that while economic recovery is underway, it is still very nascent. The IIP growth has remained lacklustre at below 2% in the last five months. Manufacturing, with the biggest share in industrial growth, is facing headwinds from global supply bottlenecks and rising input prices, even while demand remains weak.

Consumer Price Index

Retail inflation surged to 7.79% in April 2022, its highest since April 2014. The global supply chain disruptions, coupled with China's zero Covid policy, are driving inflation numbers up globally. With a persistent rise in prices across almost all categories, inflation has become broad-based in India.

Retail Price Inflation (Y-o-Y Growth in %)



Source: MOSPI

Concluding Remarks

The Reserve Bank of India (RBI) at its monetary policy meeting for FY23 concluded on 04th May 2022, increased the repo rate from 4% to 4.4% and continued with its accommodative policy stance. These decisions are made by the RBI in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation, while supporting growth. in RBI reiterated its emphasis on growth and economic revival.
The major headwinds to economic growth are escalating geopolitical tensions, elevated global commodity prices and shortages of key inputs. However, the bright spots for the economy are improving demand conditions, support from government capital expenditure and improving business confidence.

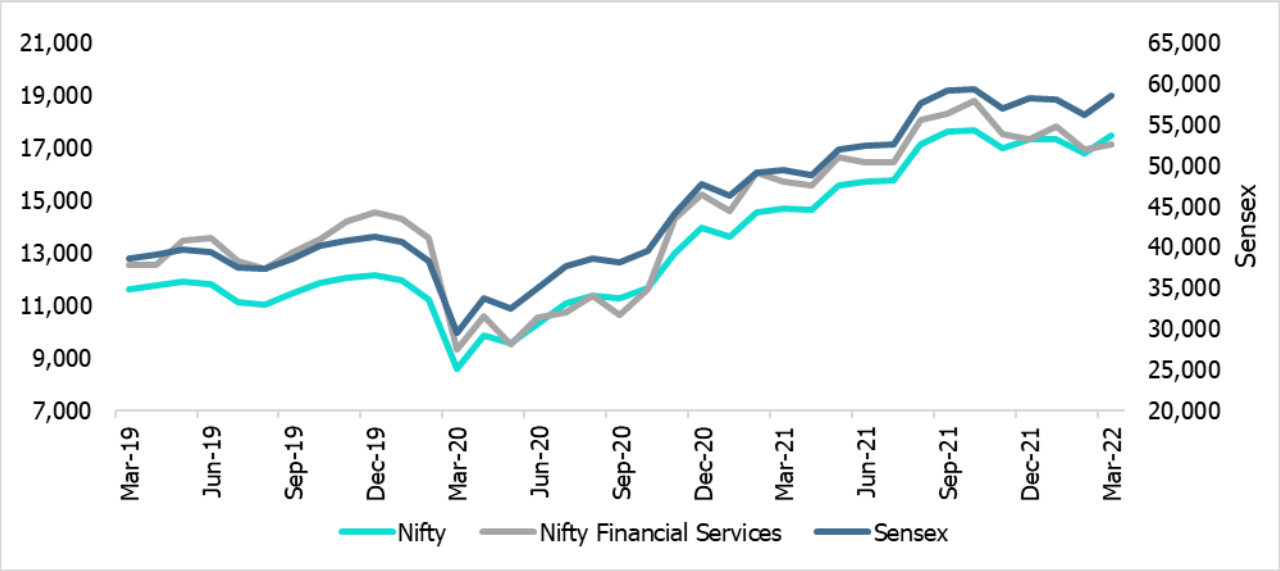
The recent geopolitical tensions between Russia and Ukraine has contributed to spike in crude oil and other commodity prices. India depends majorly on imports to meet up its crude oil needs. The surge in international oil prices and commodity prices is likely to result into broader price pressure. The impact on India's economy is likely to be felt through

higher cost-push inflation and widening current account deficit apart from weakening private consumption. However, the overall economic outlook for fiscal 2023 will be supported by the continued infrastructure led spending by the central government. Continued high commodity prices and any disruption in economic activity due to increased infection rates will be key monitorables.

Overview of Capital Markets in India

The role of capital markets is to act as a platform between buyers and suppliers engaging in trading of financial securities such as stocks, bonds and various other securities. Capital markets helps in mobilization of resources and allocation of funds. The capital markets aid in providing long term funds to the corporate sector by channelizing savings and investments between individuals who have capital and entities in need of funds.

Index Movement



Source: NSE, BSE, CareEdge Research

The Indian capital markets have been on a steady growth trajectory since May 2020. The Government's decision of imposing a nationwide lockdown triggered cold feet in the markets and subsequently, both Nifty and Sensex crashed to multi-year lows. However, investors tried to use the temporary weakness in the market to build their portfolios and this, coupled with a sharp cut in bank deposits, drew more investor participation in equities. This resulted in the indices witnessing a return to growth as early as May 2020. Gradually, with a resumption of activities, rebound of trade and presence of only localized lockdowns, the optimism in India's growth continued to strengthen. In the near term, the indices are likely to grow at the slower pace amid the fluctuations in the market caused by increase interest rates by RBI, rise in inflation and uncertainty surrounding the ongoing geo-political tensions.

Nifty movement

Date	Nifty Closing	Change (Y-o-Y)
March 31, 2020	8,597.8	-26.0%
March 31, 2021	14,690.7	70.9%
March 31, 2022	17,464.8	18.9%

Source: NSE, CareEdge Research

Snapshot of Indian Capital Market

Description	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Equity Market indices					
Nifty 50	14,691	15,722	17,618	17,354	17,465
Sensex	49,509	52,483	59,126	58,254	58,569
Nifty Midcap 50	6,772	7,475	8,279	8,411	8,184

Description	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Nifty Smallcap 100	8,113	9,734	10,890	11,289	10,436
BSE Midcap	20,181	22,536	25,253	24,970	24,108
BSE Smallcap	20,649	25,232	28,082	29,458	28,216
Market Capitalisation (₹ lakh crore)					
BSE	204.3	229.8	259.9	266.0	259.9
NSE	203.0	228.1	258.1	248.3	258.1
P/E Ratio					
Sensex	34	32	31	27	25
Nifty 50	33	28	27	24	22
No of Listed Companies					
BSE	5,477	5,494	5,533	5,327	5,350
NSE	1,968	1,981	2,005	2,053	2,065
Gross Turnover in Equity Segment (₹ crore)					
BSE	105,229	149,946	128,975	97,897	106,475
NSE	1,398,947	1,554,694	1,439,017	1,232,735	1,384,861
Gross Turnover in Equity Derivatives Segment (₹ crore)					
BSE	6,212,506	6,671,387	3,410,735	5,922,581	5,240,296
NSE	93,204,875	101,391,908	144,074,913	173,720,403	200,543,308
Gross Turnover in Currency Derivatives Segment (₹ crore)					
BSE	563,284	503,266	531,556	638,502	726,578
NSE	1,444,571	1,378,694	1,489,316	2,326,400	2,776,403
MSEI	14,324	14,465	4,618	10,056	9,203
Gross Turnover in Interest Rate Derivatives Segment (₹ crore)					
BSE	14,649	3,124	4,252	2,031	10,715
NSE	4,390	1,966	1,971	1,757	2,581

Source: SEBI, CareEdge Research

Capital Raised by Listed Companies through Qualified Institutional Placements (QIPs)

Year	Total No. of issues	Amount (Rs. Crores)
2015-16	24	14,588
2016-17	20	8,464
2017-18	53	67,257
2018-19	14	8,678
2019-20	14	54,389
2020-21	31	78,738
2021-22	29	31,440

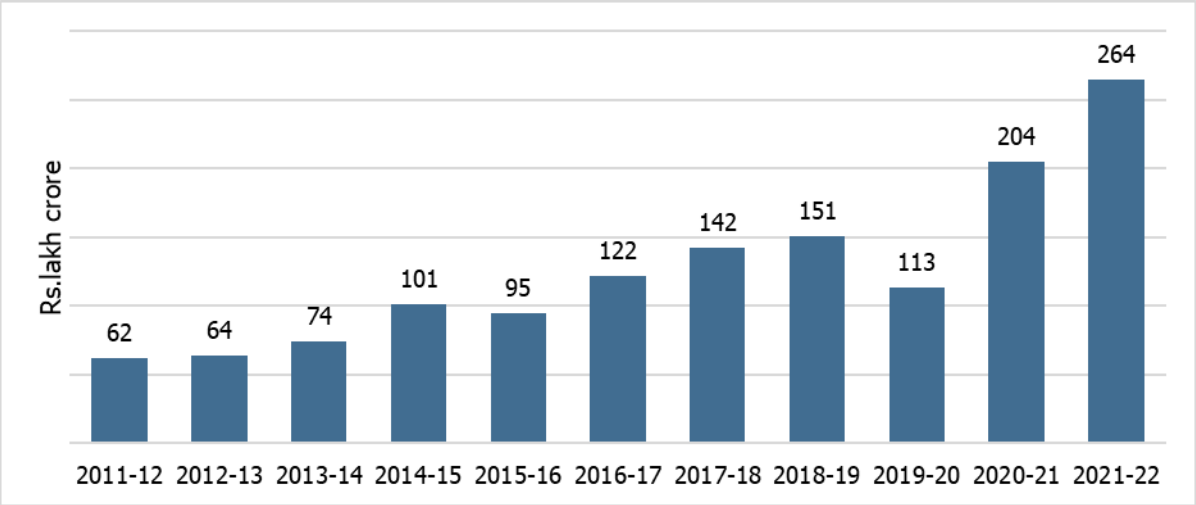
Source: SEBI, CareEdge Research

The Government's initiative of introducing Goods & Service Tax 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.

An increase in global and domestic liquidity conditions, record low bank deposit rates the Government's reforms and relief measures during the pandemic, and signs of a turnaround in corporate earnings boosted the attractiveness of capital markets for investors during the calendar year 2021. Total amount mobilized through public issues and private placement of both debt and equity was Rs. 150,484 crores with total 192 issue between April 1st,2021 to March 31st, 2022 as compared to Rs. 120,706 crores with total issue of 96 from April 1st 2020 till March 31st 2021 indicating an increase of 25 per cent in the amount mobilized and 100 per cent increase in number of issues.

Market Capitalisation of India and its Historic Trend

Market Capitalisation of India



Source: BSE, CareEdge Research

During 2020-21, Indian financial market's grew around 80% over previous year on accounts of strong liquidity coupled with bullish market trend and increase in market participation by new investors. By the end of 2021-22 market capitalisation has more than doubled over 2019-20 indicating exponential growth in a span of two years.

Trends in Equity Capital Raised through Public and Rights Issues

Equity Capital Raised through Public and Rights Issues

Industry	2020-21		2021-22	
	No. of issues	Amount (Rs. crores)	No. of issues	Amount (Rs. crores)
Automobiles	1	30	4	6,326
Banks/FIs	2	15,120	1	1,200
Cement/ Constructions	3	22	13	8,200
Chemical	5	2,353	7	6,461
Consumer Services	5	786	2	1,101
Electronic Equipments/ Products	1	7	5	53
Engineering	7	2,027	4	650
Entertainment	4	889	-	-
Finance	9	14,925	5	3,532
Food processing	2	1,351	9	4,106
Healthcare	2	6,580	20	10,590
Hotels	1	350	5	4,304
Info Tech	8	1,340	13	3,794
Miscellaneous	17	9,282	60	52,315
Roads & Highways	1	10	1	962
Telecom	1	819	2	21,276
Textile	3	1,042	7	4,359
Plastic	2	11	2	17
Power	1	25	-	-
Printing	1	2	1	12
Oil & Natural Gas	2	53,149	2	3,619
Insurance	-	-	1	6,019
Total	**78**	**110,118**	**164**	**138,894**

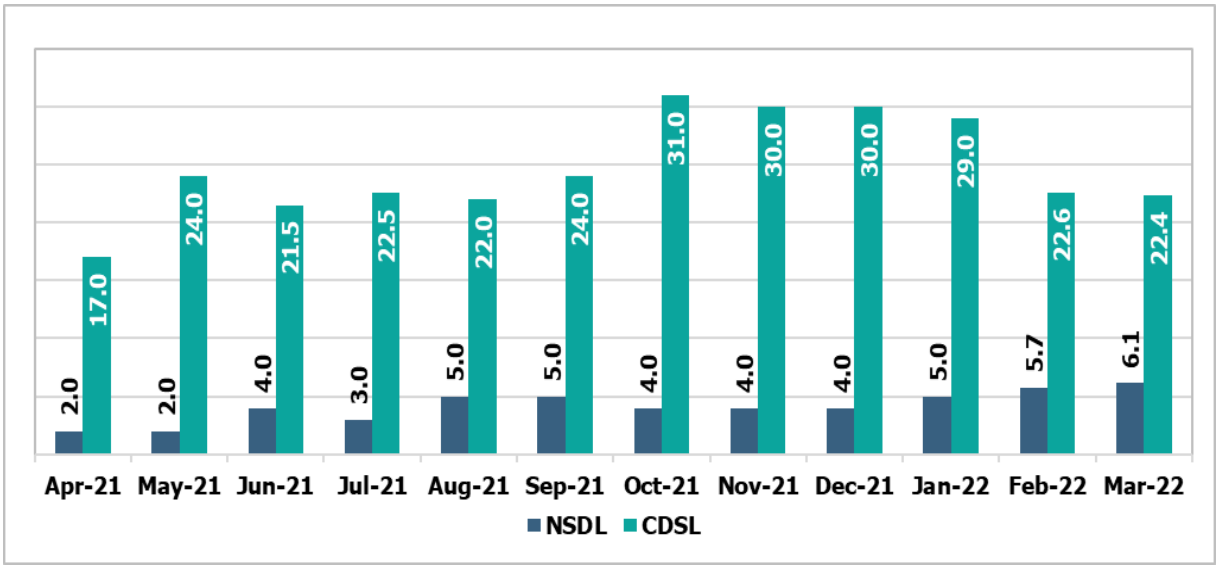
Source: SEBI, CareEdge Research
Notes- From April, 2020 onwards the data of equity is being prepared based on the listing date of the issues as against earlier practice of preparing it based on the closing date.

In 2021-22, majority of the deals were in technology sector– mainly towards marketplace and consumer goods platform, EdTech and FinTech companies. The surge in public and rights issue activity enabled business to attain significantly high valuations and entry to the unicorn club (companies that have reached valuation of USD 1 billion without being listed on the stock market). Despite the slowdown in economy and muted demand across sectors, Indian companies in various sectors such as telecom, e-commerce, technology sector, consumer goods and more sectors, managed to raise nearly 1.4 lakh crores in total in 2021-22.

Trends in Depository Accounts

During March 2022, NSDL added 6.1 lakh demat accounts while CDSL added 22.4 lakh demat accounts. Cumulatively, both the depositories have added 345.8 lakh new accounts in this fiscal year, with CDSL itself accounting for 296 lakhs new demat accounts.

Monthly New Demat Accounts Added (in lakh)



Source: NSDL, CDSL

Trends in Equity Derivatives Market

Turnover (in Rs.Crore)

Description	BSE		NSE	
	2020-21	2021-22	2020-21	2021-22
(i) Index Futures	5,010	494	9,047,646	8,429,378
(ii) Options on Index				
Put	12,243,087	13,436,452	280,711,317	763,018,087
Call	22,812,072	52,641,382	309,387,746	846,479,110
(iii) Stock Futures	-	-	18,098,365	21,038,938
(iv) Options on Stock				
Put	-	-	7,857,015	15,338,809
Call	-	-	18,516,020	40,928,812
Total	**35,060,169**	**66,078,328**	**643,618,108**	**1,695,233,134**

Source: SEBI, CareEdge Research

Snapshot of Indian Commodity Derivatives Market

Turnover (Rs. Crore)

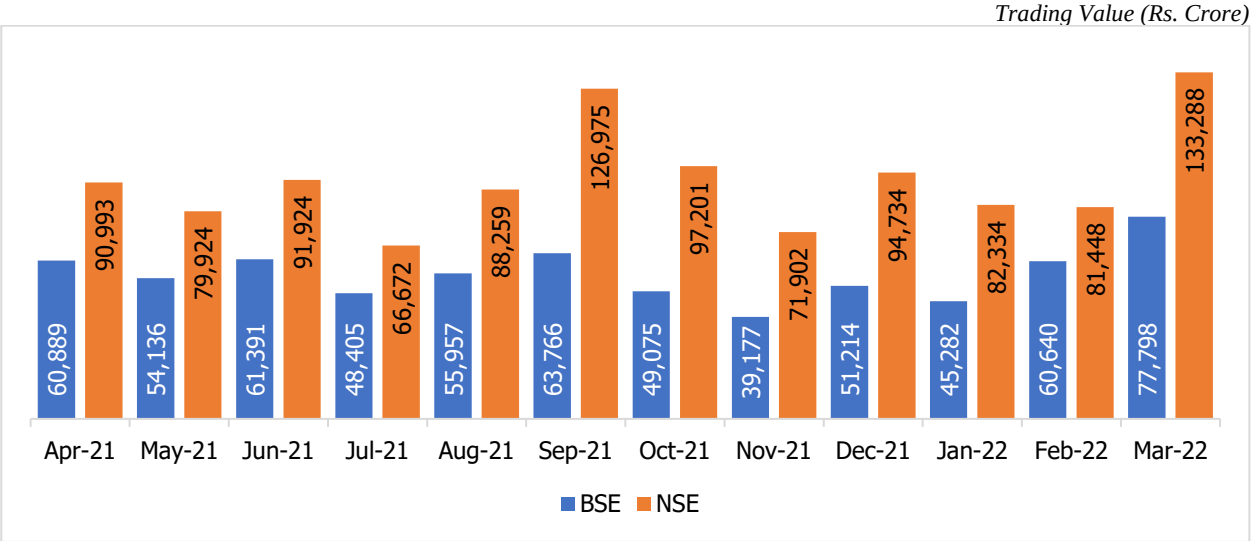
Particulars	2020-21	Mar-22
All-India	9,222,927	1,151,233
MCX, of which	8,264,585	1,123,948
Futures	8,025,006	691,580
Options	239,579	432,368

Particulars	2020-21	Mar-22
BSE, of which	610,023	2,729
Futures	4,959	420
Options	605,064	2,309
NCDEX, of which	318,814	21,662
Futures	318,781	21,426
Options	33	236
NSE, of which	27,839	2,894
Futures	5,484	1
Options	22,355	2,893
ICEX (Futures)	1,666	-

Sources: SEBI, CareEdge Research

Trading in Corporate Debt Market

Trading Value (Rs. Crore)



Source: SEBI, CareEdge Research

Global Overview of Wealth Management Industry

Overview

In 2020-21, Globally the number of UHNWIs (Individuals whose net worth is USD 30 million or more, including their primary residence are Ultra High Net Worth Individuals) increased by 9.3% over the previous year, adding nearly 52,000 people to the UHNWI population compared to 2019-20. Between 2021-2026, the UHNWI population is expected to further grow by around 28%. There by growing more than double in a decade and reaching around 7.8 lakh compared to around 3.5 lakh UHNWIs in 2016. The HNWI (Individuals whose net worth is USD 1 million or more, including their primary residence are High Net Worth Individuals) populations is expected to grow by around 34% between 2021-26 reaching around 1,062 lakhs by 2026.

Number of HNIs in 2021 and 2026P (Top 20 countries)

(in thousands)

Country	2021	2026P	Change (%)
United States	24,274	36,878	34
China	9,257	17,138	46
France	4,041	5,501	27
Japan	3,944	4,652	15
Germany	3,728	5,310	30
UK	3,389	4,940	31
Canada	2,682	4,192	36
Australia	2,612	3,933	34
Italy	2,283	3,033	25
Spain	1,537	2,864	46

Country	2021	2026P	Change (%)
Taiwan	983	1,430	31
South Korea	830	1,353	39
India	797	1,407	43
Hong Kong SAR	757	941	20
Sweden	573	983	42
Singapore	526	592	11
New Zealand	390	665	41
Denmark	384	539	29
Ireland	326	545	40
Brazil	324	421	23
World	69,750	106,263	34

Source - The Wealth Report 2022
Note: Data are provisional

Emerging trends in the global wealth management industry

Regulation and compliance

Increasing regulatory complexity-The global financial crisis paved the way for increased regulatory scrutiny and tighter oversight of the wealth management industry. It is not just the sheer volume of new regulations, but also uncertainties regarding the interpretation of regulations, delayed timelines and inconsistencies between regulators that are materially increasing the risk of non-compliance as well as challenging existing business models. One of the biggest challenges that wealth managers will continue to face is keeping up with the dynamic regulatory environment in their home jurisdictions and in international markets.

Focus on international tax transparency-The overall stance on tax transparency is becoming more intense, with supranational organizations driving regulatory initiatives. Going forward, international efforts to reduce tax arbitrage and improve transparency will accelerate and it will become harder to avoid taxation. Going forward, there will be more regulatory requirements that wealth managers will need to meet. The stream of new and revised regulations will continue, triggered by efforts to harmonize national regulations globally to ensure a level playing field.

Changing client needs

New generation of client- The wealth management industry is witnessing a phase of change as its largest investor segment, the baby boomers (born between 1946 and 1965), is in the retirement phase and assets are being transferred to the next generation of investors: Gen-X (born between 1966 and 1980) and Gen-Y/millennials (born after 1980). Currently, millennials are the largest and fastest-growing adult segment across the globe and represent the greatest opportunity for the wealth management industry. Millennials are not only growing in number, but also accumulating assets at an impressive rate. In fact, millennials are entering their prime earnings years and also have the prospect of large inheritances. They have the potential to become the wealthiest generation in history. Notably, this group of investors is different from their predecessors in terms of attitudes toward managing their finances and expectations in relation to client experience. While baby boomers were more keen on investing in stocks and particularly interested in diversifying their assets, millennials tend to hold more cash (40% of assets are in cash) and are distrustful of the stock market (90% of millennials are intimidated by the stock market) mainly on account of their experience with the global financial crisis. Moreover, millennials' investment objectives are diverse and vary across asset classes as well as regions.

Empowered clients- Client needs and expectations are changing dramatically with regards to client experience, quality of service and delivery channels. The industry is witnessing a change in demand for products and services as well as preferred channels for customer engagement. Digital capabilities are at the top of the list of wealth management clients' must-haves. Clients are increasingly demanding that wealth management firms offer more interactions — from account opening to the provision of advice — through digital channels. The new wave of empowered clients is challenging the status quo in wealth management.

Customer loyalty is declining - Customer loyalty is declining as clients have become wary of their financial service providers following the financial crisis and barriers in switching between financial firms have reduced. According to industry data, 73% of wealth management clients have relationships with multiple wealth managers and 4 out of 10 clients are open to switching wealth managers. This represents incremental revenue opportunity of US$ 175b–US$ 200b (based on the fact that global wealth managers manage client assets worth ~US$ 120t) for firms willing to make strategic investments to improve their client experience. Moreover, trust and price sensitivity issues have led some new generation

investors to explore do-it-yourself investing. This trend is supported by the rise of automated invested platforms (robo-advisors).

Clients are eager for a new level of public transparency- Investors have overwhelmingly identified transparency of portfolio performance and fees as one of the key requisites in the rapidly transforming wealth management space. However, the traditional views of transparency are no longer enough and investors are demanding a new level of public transparency. Clients are eager to rate their advisors and connect with like-minded clients in public forums to exchange ideas and share positive and negative experiences. For instance, social media can be used as a platform to review or rate advisors.

Changing fee-structure preferences- Currently, the global wealth management industry follows a transaction-based (i.e., commissions) or an asset-based compensation model. However, client preference for fixed fees is rising, while preference toward both asset-based fees and commissions is on the decline. Furthermore, clients are becoming less sure about how they want to be charged in every single region.

Competitive environment

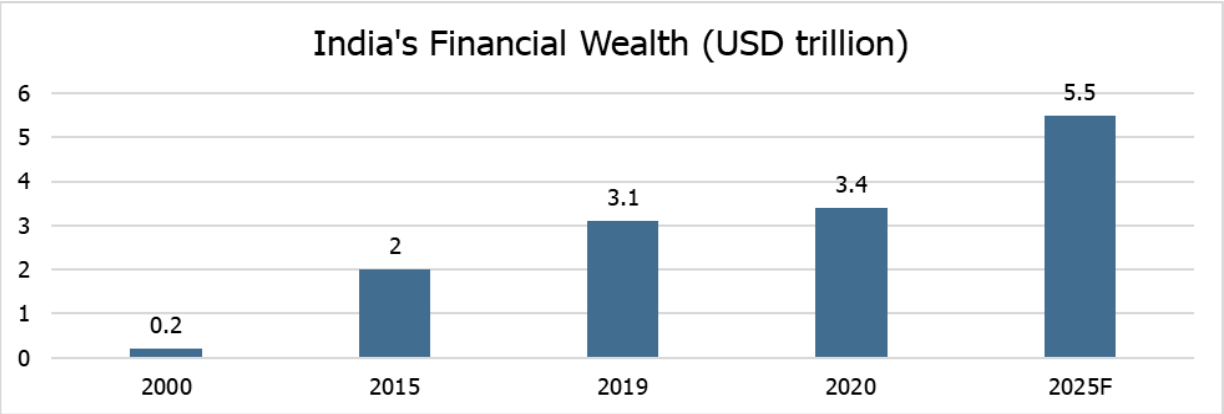
The competitive landscape for wealth managers is multidimensional, involving traditional and non-traditional players. A majority of respondent wealth managers agree that the industry is facing significant competitive pressures.

Traditional players rebalancing structures- Several players are rebalancing their international wealth management operations. While some wealth management players are focusing on high-growth markets, such as Asia-Pacific, others are exiting the international wealth management industry entirely.

Introduction to Wealth Management Industry in India

Wealth management plays a vital role in Corporate Advisory. It's important to have a broad understanding of different businesses to advice any corporate operating within a specific industry. While advisory services include strategic financial planning, short and long term investments through different assets, hedge funds, due diligence, mergers and acquisitions (M&A), private equity and more, risk management is also offered as advisory service.
Wealth management is also extended to the corporate employees through corporate employee benefit programmes. Depository and Trustee Services are tailor made and designed for corporate promoters, to provide insightful information on ensuring compliance on fund documentation, regulatory requirements and scheme particulars. In addition to this, Promoter funding assistance plays a vital role while raising funds for business.

Wealth Management space in India is highly competitive with large number of domestic players in each segment except UHNI segment which is dominated by global players. Change in investor attitude has leading to financialization of savings with both MF AUM and folios growing at around 19% CAGR Indian Banks, NBFCs have higher top-of-mind recall among investors, with 1 in 3 investors using them as a primary or secondary platform by 2023E.



Source: Industry Reports, CareEdge Research

Given India's long-term economic prospects, positive demographics, rising income levels, and current low penetration, Indian Wealth Management market is on a steady upward trajectory. While India's wealthy individuals are less in comparison with established markets, the country's wealth is expected to expand rapidly in the future. The key factors for growth wealth management business in India are large and young mass affluent segment; an increase in wealth

of global Indians'; the Indian government's push to regulate illegal channels of funds and tighten capital market regulations.

Number of millionaires in 2021 and 2025 (Selected countries)

Country	Number (thousand)		Change (%)	CAGR
	2021	2026(P)		
United States	24,274	36,878	34	8.7%
China	9,257	17,138	46	13.1%
France	4,041	5,501	27	6.4%
Japan	3,944	4,652	15	3.4%
Germany	3,728	5,310	30	7.3%
UK	3,389	4,940	31	7.8%
India	797	1,407	43	12.0%
World	**69,750**	**106,263**	**34**	**8.8%**

Source: The Wealth Report 2022
Note:(P) indicates projection

The demographic difference presents an opportunity to create new products to address the needs of a young population and leverage new technologies, such as social and software-based investing applications as a key differentiator. Indian wealth management industry is largely focused mainly on the urban segment, leaving untapped majority of Indian population. One of the key factors for Advisors is to develop trust with the potential investors where advisors constantly need to build its brand, focus on overcoming trust barriers, invest in technology and focus on transparency and compliance.

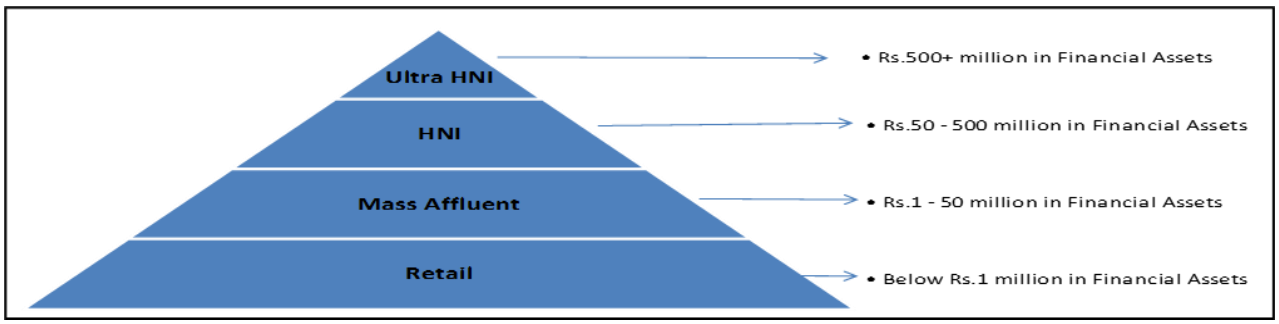
In 2018, top 8% of the total population in India represents 45% of the total wealth and of the above only 20% take advice from wealth managers. With increase in start-ups, rising income levels and friendly macro factors with ease of doing business will drive growth of young HNI population in India; there is a big opportunity for a wealth management firm to tap into an underpenetrated market with huge upside growth potential for wealth managers.

There is steady growth in number of client's interest towards:

1. Access to Mutual Fund / Other financial Product Distribution
2. Financial Planning (specific short term and long term goals) Advice
3. Tax Planning Advice
4. Estate Planning Advice
5. Wealth Management Advice

Based on the investment corpus available with the individuals, CareEdge Research has grouped individuals in following four categories –

Wealth Pyramid



Source: CareEdge Research

Key trends of the wealth management industry

Need for Advisory

Financial markets have become complex due to a wide variety of investments options available in the market today.

Investors are often confused as to which products to invest in and how to determine the suitability of the investment based on their risk-return profile. As a result, the demand for an unbiased wealth manager who guide them appropriately has increased significantly. Investors value holistic advice on how to achieve multiple, often conflicting, goals using a range of investment techniques and funding strategies.

While this means new opportunities for the wealth managers, excessive competition has also posed new challenges to sustain, grow, and strive in the market. This is a challenging macro environment for investors and their advisors to find the right return-risk combination. Increasing regulatory burdens and rising costs of risk pose new challenges to wealth management firms and their parent companies.

Goal Based Planning over Wealth maximization

Investors are becoming increasingly aware of milestone-based planning and want to plan ahead for them. These goals can be short-term, such as purchasing the latest phone or taking a vacation, or long-term, such as a child's education, retirement, and so on. In order to keep up with the changing investor behavior, wealth managers are rethinking their wealth management strategies beyond wealth maximisation and offer financial planning solutions that cater investor's goals.

Digitization of Wealth Management

Investors have been exposed to the world of technology thanks to the rise of smartphones and internet access. Investors are increasingly gravitating toward platforms with simple user interfaces that allow them to make investments with the swipe of a finger. The need for wealth management infrastructure to be digitalized has never been greater. Digital wealth management is more than just providing digital channels for transacting; it also includes employing technology to provide higher value, professional service, and an improved investment experience for customers, all while remaining objective.

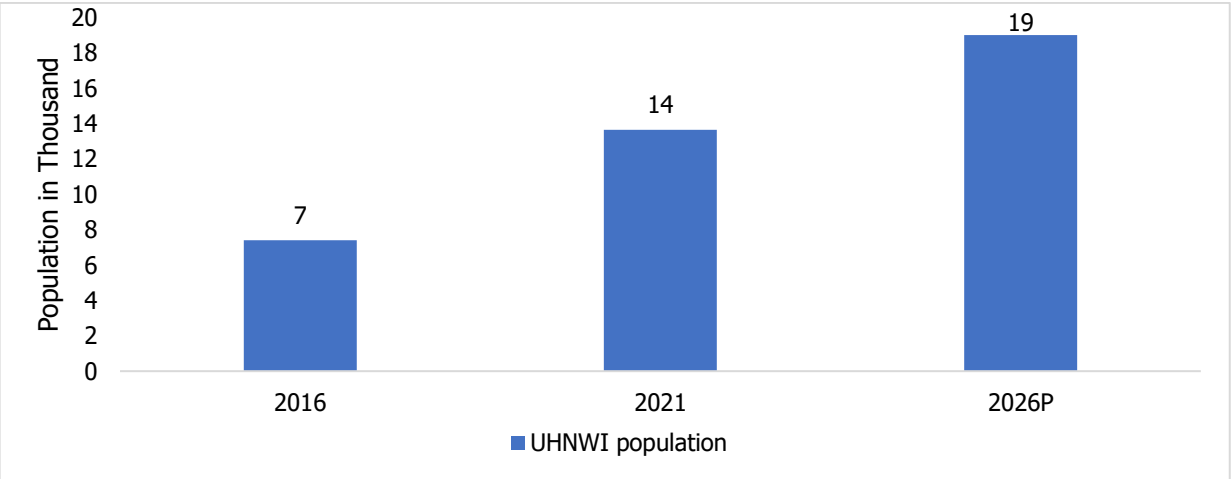
The rise of digitalisation has also given rise to robo-advisors, which are automated, algo-based systems that provide wealth management advice. These user friendly platforms have made the whole investment process accessible and affordable to a large section of people, thus bringing science and human combination in advisory models.

Big data and advanced analytics are transforming the industry with new ways to engage with new clients, manage client relationships and manage risks. Collaborating with wealth tech providers can help the traditional wealth advisory firms expand their capabilities and enhance digitalisation faster and in a cost effective manner.

Size and growth of HNIs in India

High-net-worth individual (HNI) is someone with a net worth of USD 1 million or more, including their primary residence, while Ultra HNI (High Net Worth Individual) is someone who has a net worth of $ 30 million or more across financial and physical assets. India has one of the world's fastest growing high-net-worth individual (HNI) population both in terms of the number of individuals and the wealth levels.

Ultra HNIs Population in India



Source: The Wealth Report, CareEdge Research, Data are provisional
Note: P means projected

In 2021, HNI population grew exponentially by 64% over 2016 and reached around 797 thousand while the UHNI population grew by around 84% the number of UHNIs in India increased exponentially and reached around 14 thousand. By calendar year 2026, HNI population is projected to grow by more than 70% over 2021

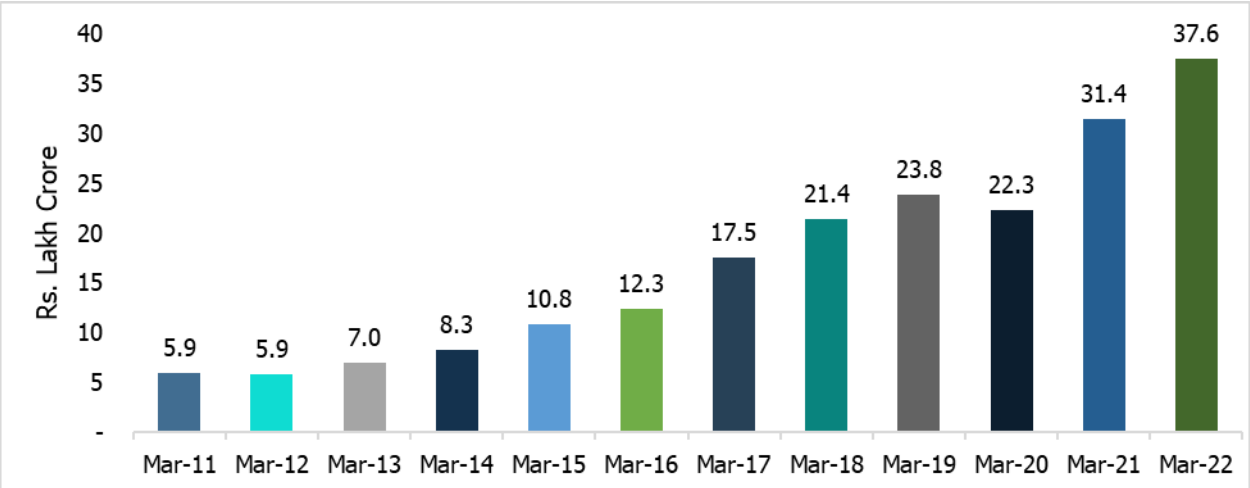
Mutual fund products overview

A mutual fund is a professionally - managed investment scheme that raises capital or investment from a group of people and uses that pooled capital to invest in different types of securities like equities, bonds, money market instruments and/or other securities.

Penetration of mutual funds in India

Mutual Fund Industry's Asset Under Management

Indian Mutual Fund industry AUM

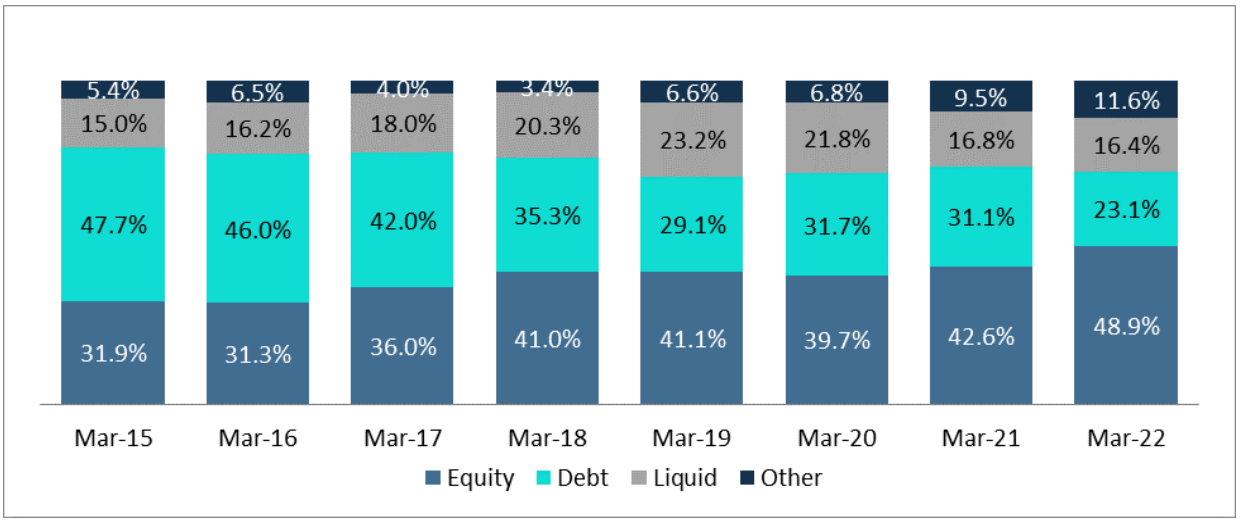


Source: AMFI, CareEdge Research

Growth in the mutual funds industry's AUM has been on a steady rise. The increase in AUM is likely to be driven by a higher growth in AUM of equity-linked mutual funds. We expect inflows towards equities to have ramped up on account of increased buoyancy in indices towards the end of the first wave of the pandemic. As the markets refused to show any signs of corrections in the months that progressed, fresh investments continued to make way into equity-linked mutual funds and drove up the industry's AUM as a whole.

Classification of AUM

Mutual Industry AUM break up across asset classes



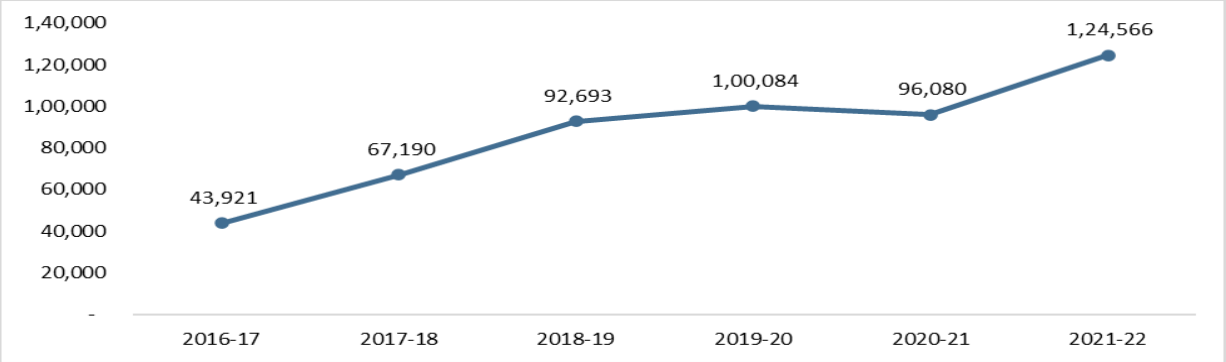
Source-AMFI, CareEdge Research

Equity markets have witnessed a large influx of retail investors as of March-22 over March-20. The contribution of Equity schemes has increased significantly over the period, followed by Debt schemes which continue to contribute more than 20% of total AUM, although their share has reduced over the period.

Contribution of SIP

Retail investor folios, which were on a decline post the financial crisis of 2008, reversed course in the past few fiscals. Due to political stability, low inflation, central bank rate cuts, higher than expected monsoons, and tax cut by Government for corporates led retail investors to increase their allocation to equity mutual funds. Mutual Fund outstanding SIPs accounts stood at around 5.27 crore accounts and the total contribution through SIPs during 2021-22 was Rs.1,24,566 crores.

SIP Contribution (Rs. Crore)



Source: AMFI, CareEdge Research

As of March 2022, Mutual fund industry's monthly SIP contribution peaked to Rs 12,328 crore. This is the highest-ever amount of SIP contribution received in a month. The growth in number of SIP accounts and high contribution is driven by regular financial literacy, increased awareness among the retail investors about the nuances of managing market volatility and risk adjustment through SIP.

Trends in Mutual Fund Distributors Commission

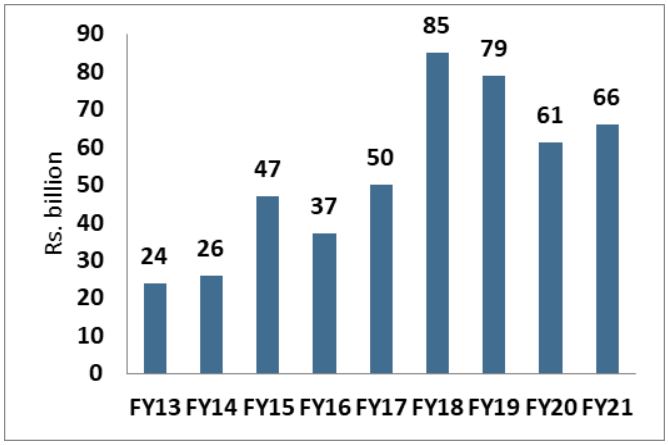
The commissions paid by mutual funds to distributors grew from around Rs.24 billion in FY13 to around Rs. 66 million in FY21, indicating a CAGR of around 13%. Increased financial savings, superior returns from mutual funds, greater reliance on distributors and government policies acted as key catalysts in driving the distribution revenue growth.

Linking of expense ratios with asset size: In September 2018, SEBI linked expense ratios with asset slabs, with the aim to cut the cost of investing. This enforced schemes with higher asset size to charge lower expense ratios. By doing so, SEBI updated accommodated schemes that had become larger over the years. The total expense ratio (TER) includes expenses such as fund management fee and distribution commissions. Due to this the total MF distributor commission has reduced in FY2019 by 7.06% y-o-y and 22.41% y-o-y in FY2020.

Mutual Fund Distributor Commission

Data is based on AMFI disclosures on commissions of distributors that comprises distributors meeting any of the below four criteria:

1. Present in at least 20 locations.
2. AUM of ₹1 billion.
3. Total commission greater than ₹10 million.
4. Commission received from at least one fund house should be greater than ₹5 million.



Source-AMFI

Key growth drivers of wealth management industry

Increasing Penetration of Mutual Fund Market in India

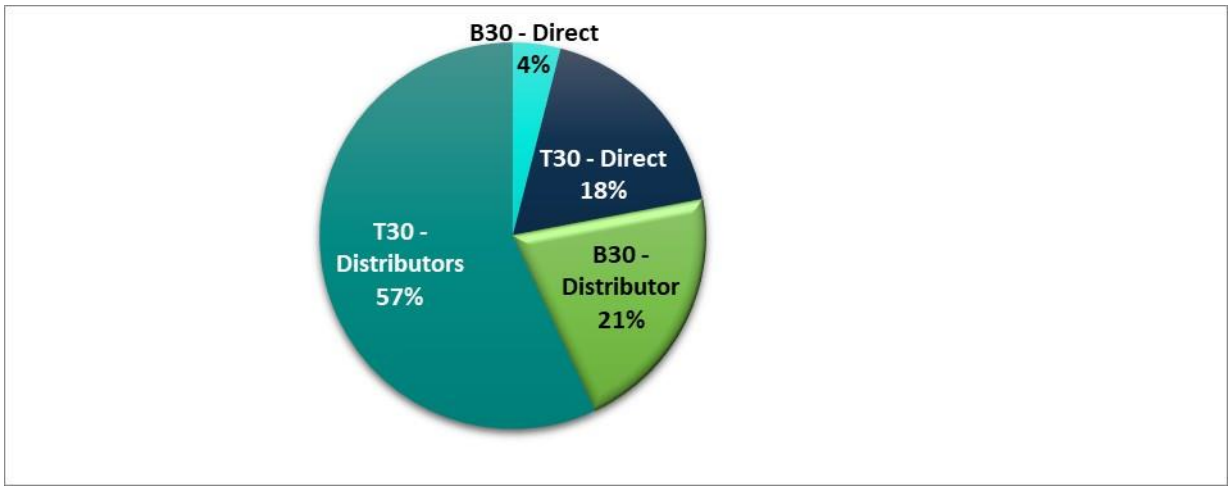
Despite the size and growth profile, India continues to be underpenetrated with a mutual fund penetration rate (the ratio of period ending mutual fund AUM to GDP) of more than 10% as of March 2022, as compared to global average of 70-80%. India accounts for less than 2% of the global mutual fund industry, representing a significant growth opportunity.

Average Assets managed by the Indian mutual fund industry have grown from Rs. 22.7 lakh crores in March 2018 to Rs. 37.7 lakh crores as of March 2022 showing nearly 11% CAGR over assets in March 2018. The size of average assets under management indicates that there continues to be a huge untapped potential of the mutual funds in India.

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.

Investors – Overall Composition

Investors - Overall Composition – April 2022

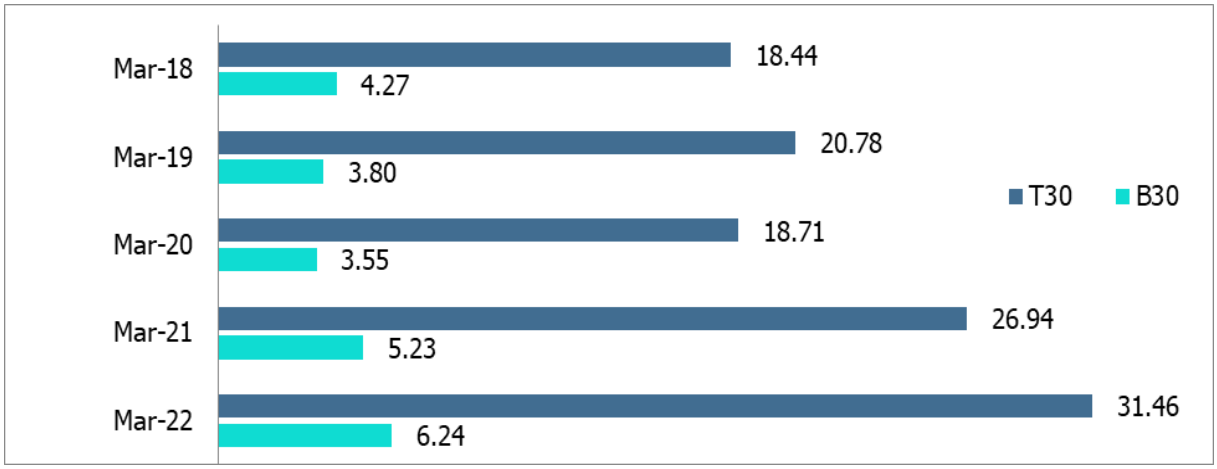


Source: AMFI, CareEdge Research
Note: T30 refers to the top 30 geographical locations in India and B30 refers to the locations beyond the top 30

Individual assets are primarily distributor driven. Distribution channel accounted for 78% of total mutual fund assets under management (AUM) as on April 2022, of which 57% belongs to top 30 cities. Direct investments amount to 22% of individual assets, of which 4% of individual assets were from B30 and 18% of individual assets were from T30.

Increase in Retail participation and mass affluent

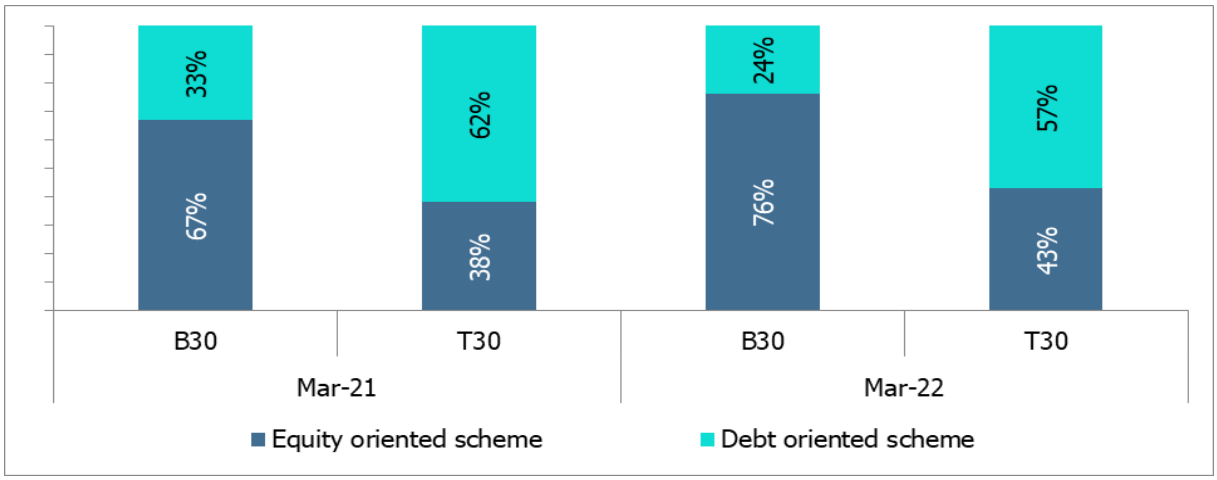
Growth in B30 and T30 Assets (Rs. lakh crore)



Source-AMFI, CareEdge Research

Note: T30 refers to the top 30 geographical locations in India and B30 refers to the locations beyond the top 30.

B30 and T30 Asset Mix



Source-AMFI, CareEdge Research

Note: As per SEBI circular SEBI/HO/IMD/DF2/CIR/P/2018/16 dated 02.02.2018, the terms and definition of "15 cities", "T15" and "B15" are substituted with "30 cities", "T30" and "B30" respectively, with effect from April 1, 2018.

The wealth managed by portfolio managers (including assets under advisory) in India is about Rs.24.19 lakh crores as of March 2022. The increased penetration of wealth management companies into Tier II and III cities will also help to drive the growth given more than 40% of the UHNIs live in non-Metro cities, where currently wealth is majorly managed by IFAs and Chartered Accountants.

The top five states, Maharashtra, Delhi, Karnataka, Gujrat, West Bengal contributed to around 70% of the AUM of mutual fund as of March 2022. Of which, Maharashtra and New Delhi attributed to around 50% of the AUM. However, with rising income levels and a growing affluent middle class, Retail investors are becoming more inclined towards equities as an investment option over traditional preference of savings towards physical assets, especially from B30 cities.

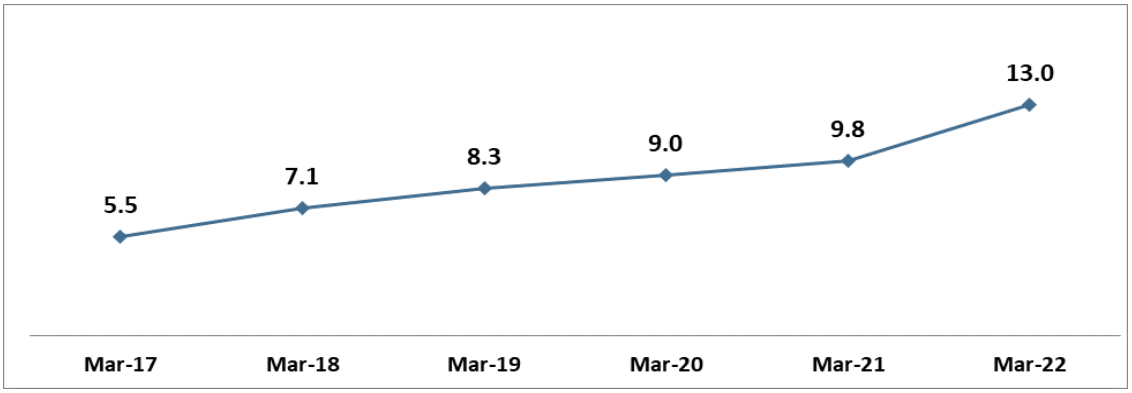
Around 17% of the assets of the mutual fund industry came from B30 locations in December 2021. Assets from B30 locations increased from Rs.5.23 lakh crores in March 2021 to Rs.6.24 lakh crores in March 2022 representing an increase of nearly 20%

Investors from B30 locations are attracted towards equity as compared to T30 (T30 refers to the top 30 geographical

locations in India and B30 refers to the locations beyond the top 30) where debt portion is higher due to large participation from institutional investors. As of March 2022, 76% of the assets from B30 locations are in equity schemes as compared to 62% from B30 locations in March 2018.

Increase in folios

Increase in Investors Accounts (Rs.Crore)

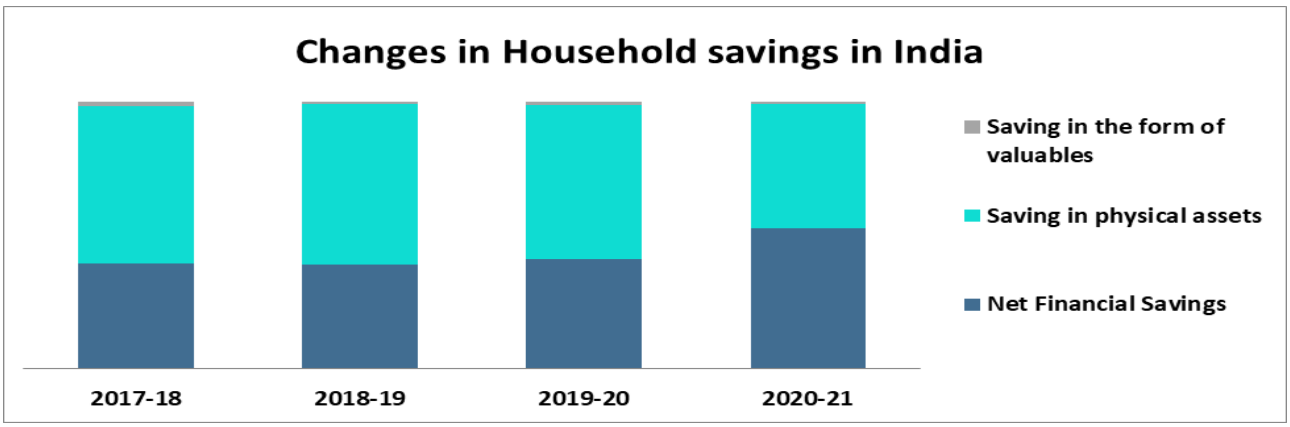


Source-AMFI, CareEdge Research

Retail investors' 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, as of March 2022 investor accounts reached nearly 13 crores from 5.5 crores as of March 2017. 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, 2022 reached to nearly 13 crores, while the number of folios under Equity, ELSS and Balanced schemes, wherein the maximum investment is from retail segment. 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.

Increase in Household savings with high proportion of savings towards financial assets.

Changes in Household savings in India



Source-RBI, CareEdge Research

Domestic Saving

Particulars	2017-18	2018-19	2019-20	2020-21
Gross financial saving	20.60	22.63	24.22	31.20
Net Financial Savings	12.98	14.96	16.35	23.15
Saving in physical assets	19.39	23.01	22.98	20.53
Saving in the form of valuables	0.52	0.38	0.41	0.40
Household sector	32.89	38.36	39.74	44.08

Particulars	2017-18	2018-19	2019-20	2020-21
GVA	155.06	171.61	184.61	179.15
Net Financial Savings as % of GVA	**8.4%**	**8.7%**	**8.9%**	**12.9%**
Net Financial Savings	**39.5%**	**39.0%**	**41.1%**	**52.5%**
Saving in physical assets	58.9%	60.0%	57.8%	46.6%
Saving in the form of valuables	1.6%	1.0%	1.0%	0.9%
Household sector	100%	100%	100%	100%

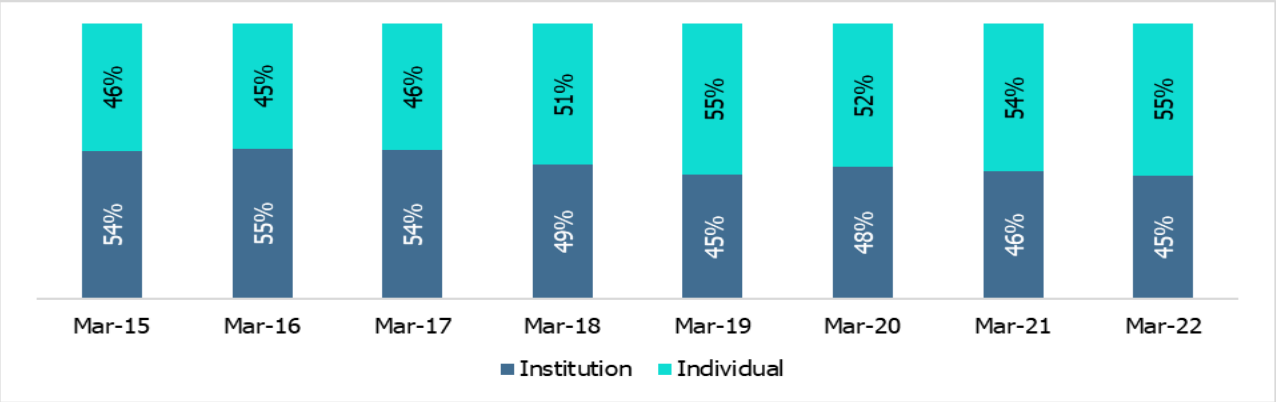
Source-RBI, CareEdge Research

During 2020-21, the share of net financial saving in household sector has improved significantly to 52.5% of savings of household sector from an earlier 39.5% in 2017-18. During the pandemic period, savings in physical assets declined significantly from nearly 59% of savings of household sector in 2017-18 to nearly 47% of savings of household sector.

Growth in Assets

The value of assets held by individual investors in mutual funds increased from Rs.16.17 trillion in December 2020 to Rs. 20.86 trillion in December 2021, an increase of 29.04%. The value of Institutional assets has increased from Rs.14.80 trillion in December 2020 to Rs.17.06 trillion in December 2021 an increase of 15.28%.

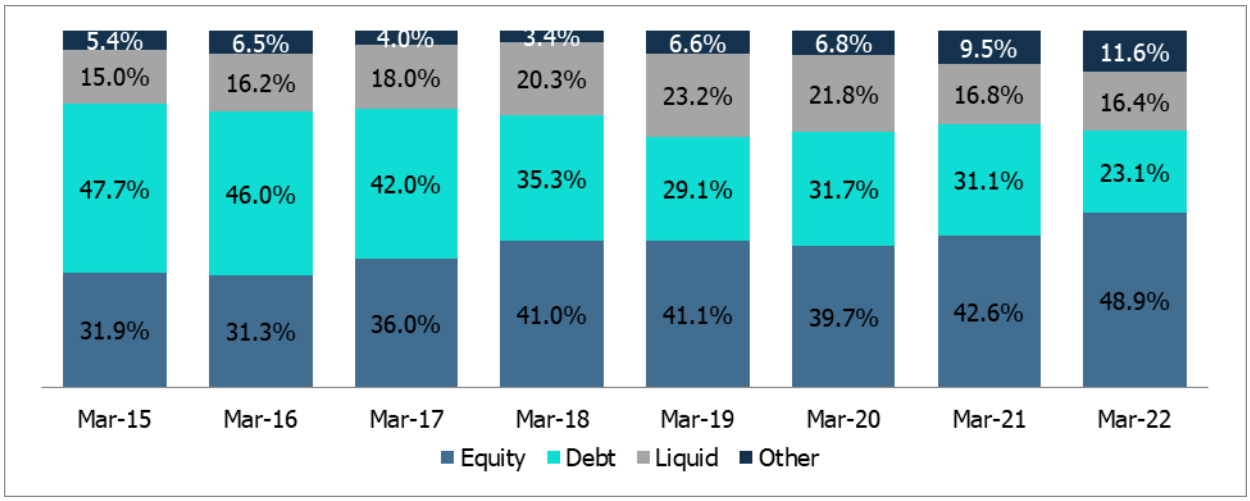
Investor Type-wise Composition of Mutual Fund Assets



Source-AMFI, CareEdge Research
*Note: *Institutions include domestic and foreign institutions and banks.*

Increasing Share of Equity based Fund in Asset class over the years

Equity funds have increased their share by 17% points from Mar-15 to Mar-22, driven by strong growth in equity markets and steady inflows.



Source-AMFI, CareEdge Research

Overview of various Wealth Management Products

Structured Products / market-Linked debentures (MLD)

Structured products are a blend of fixed-income and derivative instruments. Its layer of derivatives gives it the flexibility needed to blend with a portfolio and enhance its risk-to-return performance while matching an investor's objectives.

Market-Linked Debentures (MLD) is a debt instrument that differs from a standard fixed-income security in the sense that the coupon on the instrument is linked to a variable market indicator such as an equity index, commodity price such as gold, etc. Structured Products / MLDs are generally close ended hybrid instruments which could be either with principle protection or without principle protection. The underlying security is generally a non-convertible debenture of the issuer linked to an equity index (nifty 50, bank nifty etc), 10 year G-Sec, gold index etc. The tenure of MLDs ranges between 13 to 60 months depending upon issuers funding requirement. Unlike a bond that pays a fixed interest either monthly, quarterly, half yearly or annually, MLDs do not pay any regular income, it comes only at maturity. Theoretically these MLDs can be considered to be a zero coupon bond and an embedded customized payoff that could be an equity option.

MLDs are primarily of two types i.e. principal protected (PP) and non-principal protected (NPP).

Capital Raised from the Primary Market through Public Debt Issue

(Rs. Crore)

Year	No. of Issues	Amount
2018-19	25	36,679
2019-20	34	14,984
2020-21	18	10,588
2021-22	28	11,589

Source: SEBI, CareEdge Research

Information on capital raised from the primary market through public debt issue shows a downward trend in funds raised for three consecutive years ending FY21. The amount raised in FY21, which was less than a third of that in 2018-19, and the number of issuances during year can be attributed to the pandemic. The investment climate showed signs of a revival, albeit gradual, as the latest data indicates that both, the number of issues, as well as the amount ultimately raised, witnessed a pick-up. The number of issues in 2021-22 surpassed the total issues in the previous year. Similarly, the amount raised during the same period (FY22) was also higher than the total capital raised for FY21 as a whole. However, we estimate cautious optimism to prevail in the near term and total capital raised during FY23 is unlikely to surpass the levels witnessed in 2018-19 during the ongoing year.

Portfolio Management Services

Portfolio Management Services (PMS) offer a tailor-made investment portfolio managed by professionals to suit the investment objective and needs of the investor. With the support of fund managers, researchers and analysts, an investment portfolio in stocks, fixed income, debt, cash, structured products and other individual securities is carefully constructed to capture long-term value while minimizing potential loss to the client.

The Investment solutions provided by PMS cater to a niche segment of clients. The clients can be Individuals or Institutions entities with high net worth. Depending on the market condition, clients are offered customized products focusing on the objective of delivering consistent long-term performance while controlling risk.

Services under Portfolio Management Services

Discretionary: Services where the choice and the timings of the investment decisions rest solely with the Portfolio Manager are termed as discretionary service

Non-Discretionary: Services where the Investor is responsible to choose the investment and the time of investment. While the role of portfolio manager is only to suggest the investment ideas and execute the trade are termed as Non-Discretionary Services

Advisory: Services where the role of portfolio manager is only to suggest the investment ideas. While the Investor is responsible to choose the investment and execute his investment decisions.

Share of Products under Portfolio Manager Services as on March 2022

Particulars	Discretionary	Non-Discretionary	Advisory**
No. of Clients	130,525	7,512	1,912
AUM (Rs. Crore)			208,231
Listed Equity	230,698	21,267	
Unlisted Equity	512	317	
Plain Debt Listed	1,749,024	114,037	
Plain Debt Unlisted	23,607	2,051	
Structured Debt Listed	2,021	1,847	
Structured Debt Unlisted	126	-	
Derivative-Equity	331	-	
Derivative-Commodity	-	-	
Derivative-Others	10	-	
Mutual Fund	18,978	31,610	
Others	9,790	4,813	
Total	2,035,096	175,943	
Grand Total			**2,419,269**
EPFO/PF	1,769,845	2,371	1,772,216
Non EPFO/PF	265,250	173,572	438,822
Total	**2,035,095**	**175,943**	**2,211,038**

Source: SEBI, CareEdge Research
***Value of Assets for which Advisory Services are being given.*

As of March 2022, the AUM of the portfolio management industry stood at 24.19 lakh crore of which discretionary service category contributed the most followed by non-discretionary services. While the Advisory service contributed to 2.08 lakh crore of the total AUM which is around 8.6% of the AUM of portfolio management industry.
There were 1,39,949 clients in portfolio management industry as at the end of March 2022. Of these, 93.2 per cent clients were of discretionary services category 5.4 per cent clients in non-discretionary services category and 1.4 per cent clients availed advisory services of portfolio managers.

Alternative Investment Fund (AIF)

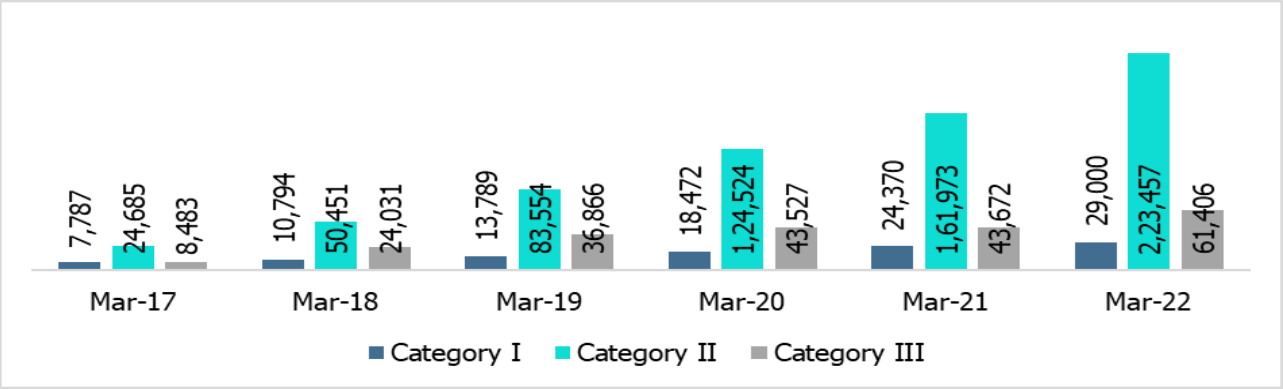
Alternative Investment Fund (AIF) is a fund established or incorporated in India which is a privately pooled investment vehicle collecting funds from sophisticated investors, whether Indian or foreign, for investing in accordance with a defined investment policy for the benefit of its investors. These investments do not belong to any of the traditional or conventional investment categories.

The different categories of funds included under the Alternative Investment Fund are as follows:

CATEGORY I	CATEGORY II	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 nascent stage. Since SEBI regulations came into effect in 2012, the number of AIFs registered in India has grown to 931 as of 23rd May 2022. Funds raised have increased significantly from Rs 40,956 crores as of March 2017 to around Rs 230,015 as of March 2021 to around Rs 313,863 crores as of March 2022 which is around 36.4% of growth over March 2021, indicating the rapid growth in demand for alternative investments in India.

Alternative Fund Investment (Rs. Crores)



Source-SEBI

Passive funds:

Indian passive funds have shown exponential growth over the last two years. The net assets under management of passive funds has grown from Rs. 162,500 crores as of March 2020 to Rs. 499,319 crores as of March 2022 indicating massive growth of over 207% over March 2020. The key growth trigger in recent times has been investment by the Employee Provident Fund (EPFO). Currently this is dominated by SBI and UTI AMC's ETFs which are the designated managers for EPFO. SBI AMC has the largest share of AUM in passive funds space mainly due to EPFO mandates, followed by other AMCs.

Passive funds have high growth potential, which makes it an attractive segment for AMCs while the large proportion of institutional mandates make managing the funds more profitable. As of March 2022, passive funds AUM for nearly 14% of the mutual fund industry's AUM.

Insurance Business

The insurance industry in India has 58 insurance companies, including 34 non-life insurers (25 general insurers, 7 standalone health, 2 specialized insurers). The insurance industry in India has witnessed significant growth rate over the last two decades, majorly driven by high private sector participation and an improvement in distribution capabilities, along with substantial improvements in operational efficiencies.

The insurance industry directs pooled funds towards those who need them the most and acts as a massive investor in infrastructure and government bonds, thereby 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.

Insurance can be broadly segregated into two categories life insurance and non-life insurance (general insurance). Life Insurance is a contract between an insurance company (insurer) and an insurance policy holder (insured), wherein the insurer promises to pay a pre-determined sum of money in exchange for certain premium, at the end of the determined period or upon death of an insured person.

Non-life insurance is to assure the insured against financial losses arising out of occurrence of events like accident, heath issues including hospitalisation, fire, natural or man-made mishaps, and more. Motor insurance, fire insurance, property insurance, health insurance, marine insurance are some forms of non life insurance. Unlike life insurance, general insurance policy is short term and can be termed as an indemnity (to make the loss good) contract.

Over the past two years, the health insurance industry has changed drastically with changes in perception of customers towards having health insurance policy and need for a health insurance policy amid increased awareness post-Covid-19. In FY22, the non-life insurance industry has been majorly driven by health insurance premiums.

Trends in Insurance Business

Movement in Monthly First Year Life Insurance Premium

Month	Premium in FY22 (Rs. cr.)	Premium in FY21 (Rs. cr.)	Premium in FY20 (Rs. cr.)	FY22 vs FY21 (%)	FY21 vs FY20 (%)
April	9,739	6,728	9,982	45%	-33%
May	12,977	13,739	18,414	-6%	-25%
June	30,009	28,869	32,241	4%	-10%
July	20,435	22,986	21,509	-11%	7%
August	27,821	27,040	23,555	3%	15%
September	31,001	25,366	20,057	22%	26%
October	21,606	22,776	17,272	-5%	32%
November	27,177	19,159	26,221	42%	-27%
December	24,466	24,383	25,080	0%	-3%
January	21,957	21,390	20,623	3%	4%
February	27,465	22,425	18,533	22%	21%
March	59,609	43,417	25,409	37%	71%

Source: IRDAI, CareEdge Research

As of April 2022, Monthly first year life insurance premium was Rs. 17,940 crores indicating around 84% growth over April 2021.

Movement in Sum Assured of Life Insurance Companies

Sum Assured	Rs. Lakh crore			Growth %		
	FY22	FY21	FY20	FY22 vs FY21	FY21 vs FY20	FY22 vs FY20
Private	39.9	40.5	47.3	-1.3%	-14.5%	-15.6%
LIC	8.3	8.9	10.4	-7.0%	-14.0%	-20.0%
Total	48.3	49.4	57.7	-2.3%	-14.4%	-16.4%

Source: IRDAI, CareEdge Research

Despite the hike in demand for pure protection products the industry's sum assured de-grew during FY22 impacted by the second wave of Covid-19 pandemic and overall uncertainty in the economy.

Movement in Segment Premiums of General Insurance Companies

Segment	Total Premium (Rs.cr)			Growth %		
	FY22	FY21	FY20	FY22 vs FY21	FY21 vs FY20	FY22 vs FY20
Health	73,578	58,684	51,675	25%	14%	42%
Motor	70,432	67,735	68,951	4%	-2%	2%
Crop Insurance	29,530	31,120	32,273	-5%	-4%	-8%
Fire	21,545	20,133	15,726	7%	28%	37%
Others*	25,683	21,043	21,751	22%	-3%	18%
Grand Total	**220,768**	**198,715**	**190,376**	**11%**	**4%**	**16%**

Source: IRDAI, CareEdge Research

*Note: *Others include Personal Accident, marine, Liability, Engineering, Credit, Aviation insurance and all other miscellaneous insurances*

In FY22, General insurance industry has shown 11% growth in total premium over FY21. This growth is majorly driven by the health portfolio, with motor (albeit at a slow pace of growth) and fire insurance also accounts for some growth. In addition to this, others such as personal accident, liability, engineering and marine albeit small in terms of their share in total premium, have managed to show significant growth in FY22. For the month of May 2022, the total premium of general insurance companies is Rs.21,326.6 crores

Key Growth Drivers

Demographic Shift

Change in perception amid the Covid-19 pandemic has led people to realise that life is uncertain and there is a need for preparedness in case of any health-related emergencies. The underlying reason behind this change in perception towards health insurance is the high cost of hospitalizations that has made people realise the need for getting health insurance.

Emerging Technology

With the emergence of new technology such as mobile devices, Internet of Things (IoT), Artificial Intelligence (AI), chatbots, and Blockchain, there is a change in preferred modes of purchasing an insurance policy. Today's customer is well-versed with purchasing a policy through digital mode and is comfortable with interacting with insurance advisors virtually. This trend is likely to growth further with millennials accounting for a major share of the workforce by 2025. And insurers will be prompted to relook their offerings and offer customer services through various distribution channels.

New propositions

Usage and need based models with premium payments based on usage or when coverage is required are likely to be the preferred products as customers are prefer insurance products that are personalized and fitting to their requirements. The expectation from insurers will be set by experiences in other industries and cross industry integration will lead to novel business models and value creation.

Flexible Payment Options

A large sum of premiums collected by insurers is lost due to distribution costs. However, with digital models the reliance on intermediaries in the insurance value chain marked by their excessive dependence on human effort will reduce. The flexibility in payment options enables customers to pay, discontinue or purchase policy as per there need will help insurers reduce the need for intermediaries.

Challenges

Need for product innovation

Climate change and lack of cybersecurity pose both a threat and a growth opportunity to insurers. Traditional policies that provide protection against natural disasters such as floods, wildfire and others need to be enhanced and replaced with offerings that are sophisticated in nature such as risk prevention services, products that include carbon offsets and attractive incentives that drive behavioral change. Insurers need to innovate and develop more affordable and accessible products to be able to build relations with the new generation of customers.

Rise in inflation

The increase in inflations coupled with flat interest rates will lead to rise in claim cost of insurers. In addition to this, there has been significant the rise in claims for personal and commercial loss on account of rise in demand for goods, raw materials and human resources combined with supply-chain disruptions. And with corresponding price hike of rental vehicles, construction materials, and other such expenses have led to rise in insurers loss costs.

Talent acquisition

An insurance professional is not someone who just has some knowledge of monetary studies, insurance professionals have specialized training and the can affect the dependability and operations of an insurance company. So, it is required that insurers should go beyond geography, professional background and consider offering flexible roles and timings to access people with experiences and specialized expertise.

Outlook

The growth of Life insurance industry is expected to be driven by increase in the size of the global middle-class population, higher incomes, medical and healthcare inflation, and the heightened need for mortality protection have become the tailwinds for the life insurance industry. In addition to this the demand for pure term plans, low premium rates, increased awareness are going to drivers of this growth.

In FY22, the non-life insurance industry has shown positive growth overall and with the changing perspective of customers towards insurance, the industry performance is expected to improve over time. In FY22 growth has continued to be driven by the health segment and by the private sector which grew at a significantly faster pace compared to the public sector.

The non-life premiums are expected to be driven by continued growth in the health segment even at the higher base, rising travel leading to a boost in personal accident / travel insurance, and enhanced digital solutions complemented by the offline offerings, increased demand in the commercial segment with the uptick in economic activity. However, the growth could be limited by the any rise in reinsurance rates, slow growth in motor third party premium.

Player Overview

Types of players

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.

Business model	Market positioning	Key characteristics
Universal banks	Strong	● Includes large players, mainly private banks; recently some PSU ● Banks have also announced plans to launch wealth-management services ● Extensive reach ● Relatively high entry barriers ● Cross-sell potential with both retail and corporate customers
Wealth management Specialists	Medium	● Mainly foreign players with strong understanding of advisory services ● Offerings are mainly managed/structured products ● Typically high entry barriers ● Focus on the UHNI segment
Global investment banks	Weak	● Focus on the UHNI segment ● Institutional approach to serve clients with investment banking products
Brokers/dealer discount/ online brokers	Strong	● Large number of players ● Focus on the mass affluent segment ● Mainly offer mutual fund products
National distributors	Strong	● Some firms are affiliated to a brokerage firm with a large network of sub-brokers ● Large firms with extensive distribution network ● Multiple products
Family office	Weak	● Holistic advisory services for specific client segments such as entrepreneurs
Robo-advisors	Upcoming	● Fully automated or hybrid investment managers ● Algorithm-based advice without human intervention ● Suitable for small-ticket retail investors ● Available at a lower cost ● Consistent and transparent advice
Others (independent funds/insurance advisors, Etc.)	Medium	● Very low entry barriers ● Commission-driven model ● No dedicated wealth management offering

Source – CareEdge Research

Industry Outlook of Wealth Management Industry

The Indian wealth management industry witnessed a structural shift over the past few years on account of changing demographics, increase in the number of millennials focusing on investing, and increased penetration of digitization. The pandemic-led 2021 accelerated the shift from traditional investing avenues such as bank deposits to equities on account of lower interest rates for term deposits.

Cumulatively, both the depositories (NSDL and CDSL) have added 345.8 lakh new accounts in 2021-22 fiscal year, with CDSL itself accounting for 296 lakh new demat accounts, indicating that renewed optimism surrounding growth and the resultant exuberance in stock markets drew many first-time investors.

The increase in focus on wealth management comes as investors are more aware and attuned to current events and are actively planning their finances to meet their goals or in times of distress. Additionally, there is a growing trend towards achieving financial self-reliance for meeting discretionary spends and maintaining lifestyle. Indian household savings have also been witnessing some considerable structural shifts of late.

Households in India have historically been quite risk-averse and wary of investing their savings into volatile or uncertain return-based assets. A pursuit of safe bets has always driven India towards making investments in unproductive assets like gold. This pattern is slowly changing over time, especially since demonetization in November 2016. Also, the country has seen a major shift in attitude from capital preservation to wealth creation from FY17.

In FY2023, the growth is likely to be moderate on account of increased inflation, weaker economic outlook for the year impacted by the ongoing geo-political tensions. XXXX expects the following trend to drive the growth of the wealth management industry.

Need for reliable advice – The complexity of the financial markets can be a deterrent due to the many investment options at hand. A lay investor is likely to face headwinds due to the inability to understand the suitability of options with his/her own risk appetite and goals. This gives rise to a knowledgeable and reliable wealth manager who can guide the investor through many goals using different investment and funding strategies.

Increase in wealth advisory platforms – The advent of the internet and rise in smartphone penetration has opened up newer wealth advisory platforms for investors. This has resulted in investors accessing platforms having easy-to-use interfaces where investments are made at the click of the finger.

Digital wealth management also includes using technology to offer more value, better services and enhance the customer's investor experience. Wealth advisory platforms also make the investment process accessible and affordable to a large section of people, thus increasing the reach of the wealth management industry.

Financial planning to achieve goals – Investors today are focusing on milestone-based planning and want to invest for them adequately. These investment goals can be short-term and related to purchases or longer-term goals such as education or retirement. Wealth managers need to rethink their strategies to not only focus on wealth maximization but also on financial planning solutions covering the different timelines.

Shift from traditional asset classes – Retail investors are moving beyond traditional asset classes like fixed deposits due to their sub-optimal real returns. They are looking for access to asset classes and investment strategies deployed by HNIs and want to explore alternative assets. Wealth managers are therefore offering products beyond those that are conventional in nature to attract greater participation from this strata of clientele. Additionally, wealth management is moving from being a one-product-fits-all to more customized advisory based on the risk appetite, goals and time horizons of the customers.

In sum, a change in the perception of investing of customers, increased participation of millennials in investing and newer developments in technology will aid the growth of the wealth management industry, going forward.

Overview of Stock Broking Industry

Introduction

Indian stock broking industry is the oldest trading industry that has been around even before the establishment of Bombay Stock Exchange (BSE) in 1875. Despite passing through several changes in the post-liberalization period, the industry has found its way towards sustainable growth. It has undergone developments over several years in terms of yields, products and customer services. In the initial phase, Indian brokerages were to be divided into two categories – bank-led brokers and nonbank led brokers. The majority of these brokerages were full-service brokers with services spanning from providing a platform for trading, settlement services, investment advisory (research), investment banking and wealth management.

With progress made in the broking sector, the trading process, which used to be cumbersome and expensive, has transformed for the better. Anyone with a mobile device and internet connection can now open a broking account and trade without any human interface. Technology has also significantly brought down the cost to conduct the business as players need not open branches or recruit sales personnel. This has helped brokerage firms to remain extremely profitable despite a sharp reduction in fees charged. In the current market scenario, pricing has ceased to be a differentiator with

consumers increasingly choosing brokerages based on the quality of their service and conveniences they offer.

The Indian broking industry is very fragmented with a large number of participants. There are over 300 stockbrokers registered with National Stock Exchange (NSE) as of 30th April 2022 and here are 1311 trading members in equity segment registered with BSE as of 25th May 2022.

Many of them may be propriety desk, still a large number of brokers offer trading services to customers. The stock brokerage industry in India is likely to have earned an income of more than Rs. 27,000 crores in FY22 showing around 30% y-o-y growth.

Capital markets-related entities have benefitted in the last two to three Financial Years as equity markets have given investors healthy returns. Corporates too have tapped on the growth of capital markets by raising capital through equity and debt issuances.

With the importance of technology increasing, customers are provided more and more means to access information and take active decisions based on the fast-paced information availability. The systems are ever evolving and have become quick and robust. In order to stay relevant and increase the market share, many brokers have heavily invested in infrastructure. Their IT systems have transformed from legacy systems to modern-day agile, adaptive and lean architectures.

Services provided by Stock Broking Companies

Broking Services

A broker is an individual or firm that acts as an intermediary between an investor and a securities exchange. Because securities exchanges only accept orders from individuals or firms who are members of that exchange, individual traders and investors need the services of exchange members. Brokers provide that service and are compensated in various ways, either through commissions, fees or through being paid by the exchange itself. Investors trade in equities in the cash-delivery, cash-intraday, futures and options, indices – derivatives segment through various order types, including market orders, stop-loss orders and valid till cancelled orders.

1) **Products**: The broking business primarily comprises broking services that offer retail clients trading in equities, equity derivatives, commodities and currency derivatives. The products for broking services for clients to trade in are as follows:

   - Equities: Stocks listed on BSE and NSE.
   - Equity Derivatives: Futures and options related to indices and stocks listed on the Stock Exchanges.
   - Currency: Derivatives and future and options in U.S. Dollar, Euros, British Pound and the Japanese Yen.
   - Commodities: Commodities futures and options listed on MCX and NCDEX

2) **Client Acquisition:** Broking business is anchored by a retail client. Acquisition of clients is done either directly by the broking firm itself or through its exclusive sub-broker network. This may be done through organic leads, paid leads or dedicated sales teams through both online and offline channels.

3) **Platforms:** Broking services are provided through various web, digital and exe. platforms. Almost all broking companies have their websites on which clients do trading on the stock market. Nowadays, mobile applications have also become a necessary platform for all brokers as people prefer trading in stock through their smartphones.

Research Services

Broking companies have a dedicated research team that publishes research reports on a daily, weekly and monthly basis for their clients, to enable them to make informed investment decisions across equity, commodity and currency segments.

Investment Advisory

Brokers provide investment advisory services to their retail clients with customized investment recommendations which assist their clients in achieving their investment goals across various investment avenues such as equities, debt, currency, commodities, derivatives, mutual funds and insurance products.

Investor Education

The website of various broking companies is a knowledge centre that aims to empower investors, including their clients, with an understanding in respect of trading and investments products.

Other Financial Services: In addition to broking and advisory services, various brokers also provide the following financial services that enable their clients to achieve their financial goals:

- **Margin Trading Facility:** They provide a margin trading facility to the clients for leveraging their eligible collaterals by funding their requirements on the cash delivery segment of equities. Such funding is subject to exposure against margins that are mandated by the stock exchanges, with the securities forming a part of the collateral for such funding.

- **Distribution:** They undertake the distribution of third-party financial products such as mutual funds, and health and life insurance products, according to their clients' requirements. Such distribution is undertaken through both offline channels and digital platforms.

- **Loans against shares:** Few broking companies, which are registered as an NBFC, provide loans against shares to their retail clients.

Digital trading platforms provide brokerages with enhanced scalability

With the domestic brokerage industry evolving, various brokers distinguish themselves from others in terms of their service offering to the customers including lower fees, lower maintenance charges, faster turnaround times for account opening, better security features, faster access to systems, etc.

In addition, the evolution of technology has helped them further penetrate their target customer segment faster. It offers the ease of scalability, which reduces their operating cost per customer and improves their profitability. Facilities supplementing mobile-based trading, such as live TV, advanced research reports, push notifications, enhanced price discovery settings, etc., help enhance the user experience for their customers helping them with better retention.

With the advent of modern platforms, brokers have put in place infrastructure which lowers the variable operating cost per customer considerably due to its scalable nature. The same platforms that cater to existing clientele can scale up to accommodate multiple new users. This helps them price their offerings lower and in many cases charge fixed transaction-based fees or even charge no fee for delivery-based transactions.
Various services offered to a diverse set of customers

These brokerages further offer services to either individuals or even institutions, which usually perform high-value transactions, requiring higher technical support such as high-frequency data, algorithm implementation and testing capabilities, co-locations, trade automation etc., which, with the better infrastructural setup, becomes easier to implement and offer.

Key points of difference between institutional and retail broking

Parameter	Institutional broking	Retail broking
Number of investors	Low	High
Average ticket size	High	Low to moderate
Brokerage fee	About 20-30 bps lower than retail	Rates depend on volumes and customer's relationship with the broker
Type of trades	Mostly block trades	Small to moderate quantities
Technical support	Requires high technical support, systems like algorithmic trading, co-locations, automation of trades, etc.	Requires low to moderate technical support; some retail investors also engage in facilities such as algorithmic trading, etc.
Industry analysis	Requires high level of industry and company analysis	May or may not require company analysis
Frequency of trades	Low	High to low
Bargaining power with brokerage house	High	Low

Internet and mobile trading gaining share on account of the convenience

The Penetration of internet trading in the country is growing steadily with a rise in number of active registered subscribers. Internet trading volumes are on the rise with their share increasing from in the F&O segment to around 50% over fiscals 2015-2022. As of April 2022, the share of internet based trading (IBT) in cash segment was nearly 10% of trading volumes in the cash segment and the share of mobile trading reached nearly 21% of trading volumes in the cash segment.

Key factors aiding this growth are:

Growing mobile usage and penetration: India's broadband subscribers have increased significantly over the past decade. As of 31st March 2022, the total broadband subscribers reached at nearly 79 crores. Of this, more than 76 crore subscribers were wireless/mobile subscribers.

Growing usage of smartphones: With an ever-growing user base of smartphones, India has close to more than 70 crore 4G data subscribers in 2022. With cheaper availability of data, increasing penetration of the smartphone devices, easy information dissemination, growing investor education initiatives from market participants, access to social media and informative websites, investors are increasingly becoming better equipped to trade and invest in the equity markets.

Lower brokerage fees: Retail traders trading online get discounts in brokerage; full-service brokerages have also adopted internet trading models to become leaner

Flexibility and convenience: Internet trading allows for greater control on transactions and faster turnaround (within seconds) and reduces latency with the time required for calling a broker and placing the order coming down
Handy tools: Multiple tools, such as stock screener, yield calculator, technical indicators, charting tools, etc., are offered to investors.

Real-time data and news feed: Mostly all key brokerages provide subscribers with real-time data and live news feeds. They also provide facilities such as advisors and recommendation reports

NSE had launched internet-based trading for investors in 2000 and mobile-based trading in 2010.

The majority of brokers are now using digital platforms, in addition to their existent physical footprint. It helps them better attract savvy customers who are willing to pay a premium for additional services of higher quality using technology and automation, value-added services and that have higher product safety. This helps them garner higher assets from clients and obtain additional revenue through alternative means such as additional fees-based, distribution and interest income.

Service diversification into distribution has added to the revenue streams of brokerages

Most large players have diversified into related fee-based activities such as mutual fund distribution and capital markets lending to diversify their income source. However, some have amplified their focus on growing their non-capital market credit books. In the long term, their success in the lending business would be dependent on their ability to effectively manage the liability side of their book and risk. There is also a set of non-bank and non-NBFC brokers that exclusively focus on broking and distribution business.

Smaller entities in the equity broking business remain niche players with limited diversification and hence are more vulnerable to market volatility. These entities typically benefit from strong customer relationships. Nevertheless, given the shift in market share towards larger brokerages, they will need to continuously evolve and control their cost structure to be able to manage profitability in the current market environment.

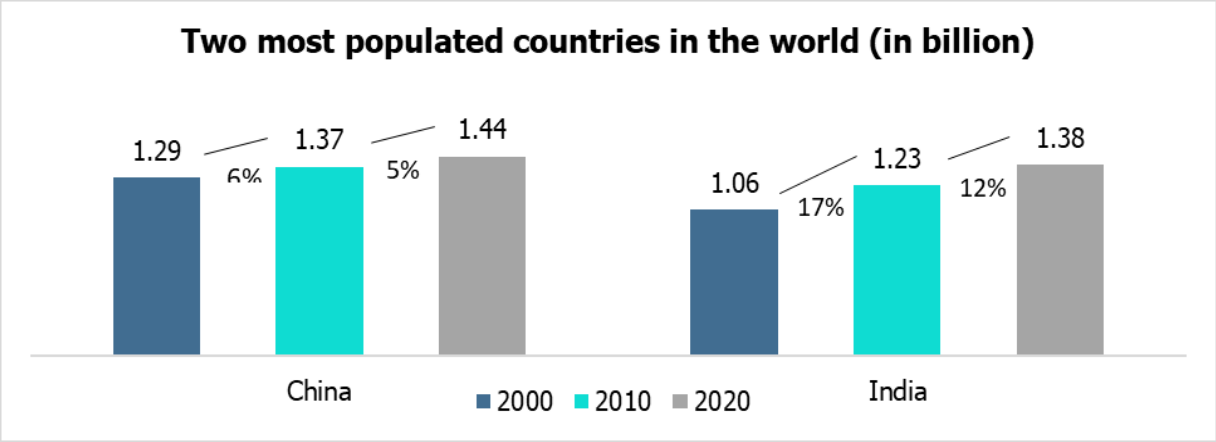
Many large brokers offer several plans to their retail clients (for example, flat brokerage plan vs variable brokerage plan where traded turnover and brokerage rates are inversely related). Institutional brokerage rates are far lower than the retail rates and mainly depend on the quality of research reports and trade execution capability provided. Given in the below table is the indicative structure of charges for a variety of trading options.

Key Demand Drivers for the Stock Broking Industry

Rising population:

India added almost 1/3rd of its population in the past 2 decades from 1998-2018, while China (the most populated nation

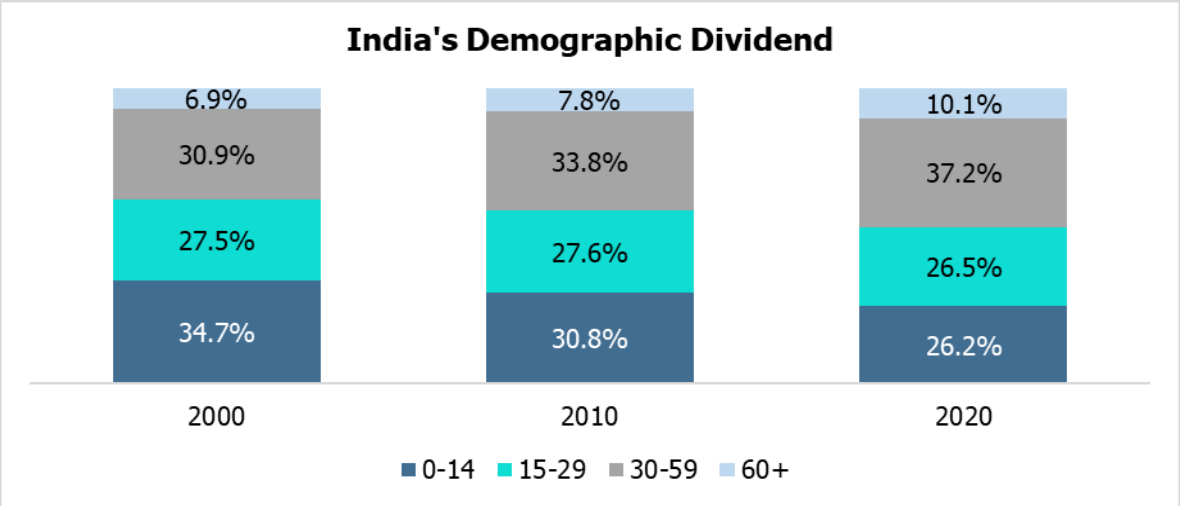
globally) grew by 12% in the same period. With this sharp surge, India is now the 2nd most populated nation globally with 1.38 billion individuals or constitutes nearly 18% of the world's population. This rising population has given way to newer and increasing consumption trends in the country for food, healthcare, home and personal care products. A rapidly growing working population, coupled with increasing awareness for retirement savings, is expected to lead to higher investment allocations in capital markets.



Sources: Industry Sources, CareEdge Research

Favourable demographics with growing per capita income:

India has a young population with 26% individuals below 15 years of age and around 64% individuals aged between 15 and 59 years, which make the country one among the world's largest workforces. In addition to this, India nearly tripled its per capita net national income (at current prices) from Rs. 0.048 million in FY10 to Rs. 0.134 million in FY20.

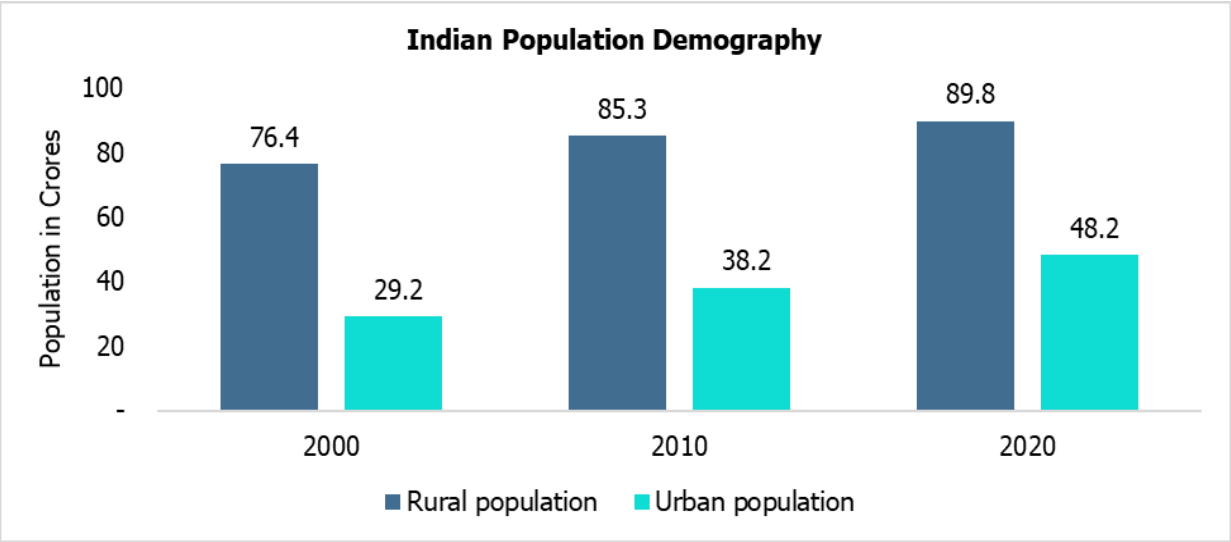


Sources: Industry Sources, CareEdge Research

Rise in Urbanisation

Urbanisation is one of India's most important economic growth drivers as it will drive substantial investments in infrastructure development, which, in turn, is expected to lead to job creation, development of modern consumer services and increased ability to mobilise savings. Development in metro cities and emerging towns continue to drive economic growth for our country. Scope for a better job, lifestyle, healthcare and education opportunities led to a rise in immigration from villages to larger cities. With this, the population in the urban segment grew around 65% in the past 2 decades and as of 2020, around 1/3rd of the country's total population resides in the urban space. Such a growing population residing in larger cities brings prospects for higher disposable income and spending power, inclining long term savings.

The trend in the urbanisation of the population



Sources: World Bank, CareEdge Research

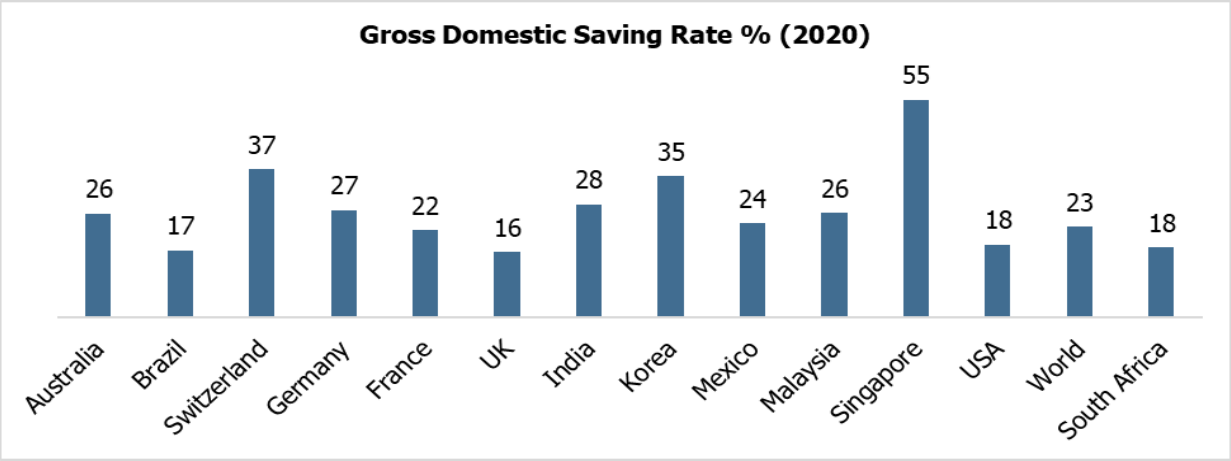
Demand for financial products from semi-urban and rural areas too is growing at a fast pace

With increasing financial literacy, mobile penetration, awareness and opening up of Jan Dhan bank accounts, the demand for financial products from smaller cities has increased quite exponentially. Financial services including lending and broking services are available in most of the 19,252 pin codes across India. The SEBI has allowed fund houses to charge an additional 30 bps in expense ratios on retail AUM to compensate fund houses on the additional cost required to capture and service clients in these locations. The intention behind the move seems to be to increase penetration beyond the Top 30 cities in India. The SEBI's decision to change from Top 15 to Top 30 locations is primarily to increase mutual fund penetration in these locations in a targeted manner.

The Average Assets Under Management (AAUM) of the Indian Mutual Fund Industry as of December 2021 stood at Rs. 37,918 billion. More than 16% of the monthly average assets under management in the mutual fund industry came from Tier B locations, marginally up from around 16% in March 2020. Going ahead, this number is expected to increase further due to the focus on these locations and their untapped potential

Saving Scenario

India's savings rate, or the share of gross domestic savings in the gross domestic product (GDP), has come down to 28% in 2020, the latest available official data show, compared to 30.5% in 2018.



Source: Worldbank, CareEdge Research

The Government has recently implemented multiple structural reforms, such as demonetisation, GST and the Benami

Transaction Act, to enable a low-cash and transparent economy. These reforms resulted in a structural change in the household saving pattern with a higher inclination on investment in financial assets. These reforms, coupled with softening interest rates and low returns from traditional investment instruments, resulted in higher inflows into mutual funds and direct investments in shares and debentures. Sustained macroeconomic growth, benign inflation and a low-interest-rate environment are expected to aid capital market investments. In addition, improving financial literacy has fostered higher confidence amongst small investors and improved retail participation.

Increasing Trade volume

Rapid advances in technology have reduced both transaction time and costs. At the same time, brokers have been able to improve their reach and increase penetration by investing in online trading platforms. Technological advancements along with a rapid increase in smartphone penetration have resulted in an increase in the trade volume for the stockbroking business.

Futures

Business Growth in Futures Segment

Year	Index Futures		Stock Futures	
	No. of contracts	Turnover (Rs. cr.)	No. of contracts	Turnover (Rs. cr.)
2021-22	93,662,982	8,429,378	265,609,687	21,038,938
2020-21	127,599,626	9,047,646	252,830,922	18,098,365
2019-20	94,777,881	6,701,072	257,380,338	14,919,551
2018-19	69,824,522	5,568,914	255,533,869	16,147,011
2017-18	57,674,584	4,810,454	214,758,366	15,597,520
2016-17	66,535,070	4,335,941	173,860,130	11,129,587

Source: NSE, CareEdge Research

During 2021-22, the turnover of index futures dipped by 6.8% over 2020-21, while turnover of stock futures grew significantly by nearly 17% over 2020-21 reaching around Rs. 21.04 lakh crores.

Options

Business Growth in Options Segment

Year	Index Options		Stock Options	
	No. of contracts	Turnover (Rs. cr.)	No. of contracts	Turnover (Rs. cr.)
2021-22	17,623,355,691	5,842,330	677,512,461	1,038,830
2020-21	7,824,035,680	2,629,426	252,830,922	18,098,365
2019-20	4,586,692,584	1,082,514	257,380,338	14,919,551
2018-19	2,652,457,487	654,100	255,533,869	16,147,011
2017-18	1,515,034,222	460,654	214,758,366	15,597,520
2016-17	1,067,244,916	350,022	173,860,130	11,129,587

Source: NSE, CareEdge Research

During 2021-22, both the turnover of index options and stock options grew significantly. Turnover of index options grew by nearly 123% y-o-y reaching around Rs. 58.42 lakh crores and turnover of stock options grew by nearly 80% y-o-y reaching around Rs. 10.3 lakh crores.

Commodity Derivatives

Commodity Derivatives markets are a good source of critical information and indicator of market sentiments. Since commodities are frequently used as input in the production of goods or services, uncertainty and volatility in commodity prices and raw materials make the business environment erratic, unpredictable and subject to unforeseeable risks.

Commodity Derivatives Segment

Year	Commodity Futures	
	No. of contracts	Turnover (cr.)
2021-2022	31,059	2273
2020-2021	56,083	5484
2019-2020	1,45,554	6362
2018-2019	46,899	3444

Source: NSE, CareEdge Research

The commodity derivatives segment saw significant de-growth in last two financial years on account of muted demand for specific commodities such as copper, soybean, zinc, nickel and others along with increased commodity prices amid inflation and impact of the ongoing geo-political tensions in the second half of 2021-22.

Currency future

at a specified date in the future at a price (exchange rate) that is fixed on the purchase date. On NSE the price of a futures contract is in terms of INR per unit of other currency e.g. US Dollars. Currency future contracts allow investors to hedge against foreign exchange risk. Currency Derivatives are available on four currency pairs viz. US Dollars (USD), Euro (EUR), Great Britain Pound (GBP) and Japanese Yen (JPY). Cross Currency Futures & Options contracts on EUR-USD, GBP-USD and USD-JPY are also available for trading in the Currency Derivatives segment.

CD Segment

Year	Currency Futures		Currency Options		
	No. of contracts	Turnover (cr.)	No. of contracts	Notional Turnover (cr.)	Premium Turnover** (cr.)
2021-2022	908,193,503	7,056,916	1,883,685,344	14,116,947	24,994
2020-2021	741,484,767	5,983,242	863,602,528	6,416,897	14,875
2019-2020	660,128,849	5,116,332	680,133,335	4,847,753	13,347
2018-2019	650,024,870	4,654,927	548,359,351	3,863,424	14,616
2017-2018	390,433,137	2,595,686	374,530,592	2,432,817	7,573
2016-2017	362,615,931	2,489,779	349,835,508	2,367,297	7,153

Source: NSE, CareEdge Research

The currency derivative segment has been on upward trajectory over six financial years. The currency futures turnover increased by around 18% in 2021-22, on the other hand notional turnover of currency options surged by around 120% in 2021-22.

Interest Rate Futures

An Interest Rate Futures contract is "an agreement to buy or sell a debt instrument at a specified future date at a price that is fixed today." The underlying security for Interest Rate Futures is either Government Bond or T-Bill. Exchange-traded Interest Rate Futures on NSE are standardized contracts based on 6 year, 10 year and 13 year Government of India Security (NBF II) and 91-day Government of India Treasury Bill (91D TB). All futures contracts available for trading on NSE are cash-settled.

Interest Rate Derivatives

Year	Volume	Turnover (Rs.cr)
2021-2022	1,353,692	26,357
2020-2021	4,800,806	97,391
2019-2020	17,661,885	360,811
2018-2019	12,764,150	245,407
2017-2018	16,186,719	321,208
2016-2017	14,807,039	307,809

Source: NSE, CareEdge Research

The interest rate derivatives segment has seen significant degrowth over the past two financial years on account of uncertainty surrounding the pandemic and fluctuations in interest rates led to decline in volume of trades within the

segment which eventually led to decline in turnover.

Major Challenges for the Stock Broking Industry

Lower Margins in Broking

There is tremendous competition to Indian Full-service Brokers from Discount Brokers and Foreign Banks. Discount brokers are giving a maximum of 20rupee trade for execution, which puts significant price pressure on full-service brokers. The broking margins are so thin; companies struggle to meet their fixed costs with any variable volume revenue models in the industry. This puts a lot of pressure on brokers to encourage "churning" or over trading, which makes retail investors lose money in the long run. The easiest way for a retail investor to make money is to stay invested in a well-diversified basket of good quality stocks over a long period; however, Foreign banks spoil the party further by bringing a large volume of overseas clients, who trade a large number of Indian shares and move the price up or down at their own whims and fancies.

Lower Retail Investor Participation

The traditional investment preference of Indians in real assets like gold or real estate has not helped the industry as a whole. After several investor awareness sessions are held by brokers/NSE, people are gradually warming up to the idea of equity investing. However, the pace of people adopting financial assets is still low. The past scams, lack of understanding of volatility, and the cultural obsession with gold-land have not helped fellow Indians in taking a meaningful pie of shares. Finally, the unfortunate reality is that due to the lack of Indian retail participants, foreign investors are eating the cake of India's growth story (and rising stock market).

Increasing costs and additional investments

Stock markets are always evolving. They add newer products, technologies, and provide newer opportunities to trade. Brokerages need to invest in newer technologies trading platforms and algorithms continuously or risk-losing trading clients. For example, the addition of commodity or currency segments involves additional expenses for brokers to enable the trading and settlement infrastructure for the new products. Likewise, the adoption of mobile technologies involves investment in applications and portfolio management systems which further increase costs. Besides, brokers need to pay their staff exchange memberships and other infrastructure in order to make a profit.

New Regulations

Securities and Exchange Board of India's (SEBI) new margin rules come into effect from 1st September 2020, through which the market regulator attempts to increase transparency and safeguard investors. Apart from the various challenges that the new margin rules bring, it is also expected to cause a reduction in trading volume on the stock exchanges. In the new system of pledging, the pledged shares remain with the traders in their Demat accounts. This would make them eligible for all corporate benefits aligned with the securities. The new rules will see inventors give their consent for the creation of margin pledge through entering an OTP on the depository's website, which will then be marked in favour of the broker. The stockbroker will now be asked to open a separate Demat account where the securities will be transferred and then the broker will re-pledge the said securities to the Clearing Corporation to obtain margin. This will require stockbrokers to revamp their system to facilitate the new trading norms. Additionally, market participants believe that it will cause heavy selling as traders shift to the new system.

As per ANMI, various issues remain to be dealt with ahead of the implementation of the new rules. ANMI said that most of its 900 members have confirmed that re-pledge could not be initiated at all in both the depositories. The trader's body highlighted that issues could emerge at CDSL and NSDL levels, including delayed OTP response.

Back-office software vendors have been struggling with revamping their software's to pave the way for a smooth transition onto the new system. "The implementation of the new system if not postponed is likely to result in market disruption, as operations at the depositories have not stabilized besides there is mismatch noticed in UCC database which is required to be corrected before the process is started and if it is not attended on priority it is likely to hamper the process of smooth pledging/re-pledging of shares.

Government Initiative for the Stock Broking Industry

The government plays a major part in financial services by formulating policies, changing tax structures and deciding how much is to be invested in the financial markets. They also play an important role in framing policies for FIIs and

FDIs, which have a huge impact on equity markets. If the government policies are very stringent, there will be lower inflows of FIIs and FDIs and the markets will have low investment. SEBI is the regulator for equity markets, the markets have to be within the legal framework set by SEBI. Brokers and companies have to comply with the policies framed by them. As changes in the policies by SEBI has an impact on the companies, brokers and slightly to the investors.

Government initiatives:

- To make the stock markets efficient, several initiatives have been undertaken. For instance, Bharat Bond ETFs have been introduced and EPFO proceeds are being invested in index funds. In due course, more structured products may be launched to promote participation. Possibly, some measures may be taken to tackle taxation on fronts such as FPI flows and share buybacks, among others.
- In December 2018, the Securities and Exchange Board of India (SEBI) proposed direct overseas listing of Indian companies and other regulatory changes.
- Bombay Stock Exchange (BSE) introduced weekly futures and options contracts on the Sensex 50 index from October 26, 2018.
- In September 2018, SEBI asked for recommendations to strengthen rules which will enhance the overall governance standards for issuers, intermediaries or infrastructure providers in the financial market.

Industry Outlook of Stock Broking Industry

Brokerage firms in India have seen the opportunity for hassle-free trading using design and technology to reduce costs for their customers. Low-cost trading, deeper penetration of smartphones, faster internet, and simplification of trading applications will make it possible for an increasing percentage of people across age groups to trade with ease. Technology-based firms in the financial services space have empowered customers with tools and insights for savvier investment decisions.

India is expected to be the fourth largest private wealth market globally by 2028. Indian stock broking industry is expected to clock a healthy growth on an aggregate basis, small-and-mid-sized brokerage companies are expected to face greater operational and funding challenges, which could have a bearing on their performance in terms of growth and profitability.

This growth is likely to be impacted on account of the ongoing geo-political tensions between Russia- Ukraine which have impacted various sectors such as oil sector, automobiles, edible oil and agriculture sector as has affected the financial market. Further, the rise in interest rates by central banks of various countries to combat inflation are likely to affect investor sentiments their by further impacting growth of the stock market industry.

New client additions in the industry are expected to remain healthy supported by the largely untapped market in the retail segment, coupled with favourable demographics, rising financial literacy and increasing smartphone/internet penetration. The trend of consolidation is expected to continue with smaller broking players ceding market share to more established broking entities.

With increased awareness about investing, a shift in attitude towards growing wealth over preserving wealth and advancement in technologies and a large trading volumes, the domestic brokerage industry's aggregate revenues are expected to grow at a moderate pace over FY22.

Overview of ESOP Funding Market and Margin Funding book in India

Introduction to ESOP Funding

The Employee Stock Option Plan (ESOP) is an offering that benefits employees and the company. Under the Companies Act, 2013, Employee Stock Option Plans (ESOPs) are plans primarily designed to have the employees invest in the stock of the employer sponsoring the same. The shares of the companies are given to the employees at discounted rates and form part of the employees' remuneration structure and are usually unaccompanied by any upfront costs. ESOPs incentivizes the employees to align their performance with the interests of the shareholders.

Employees are offered ESOPs when a company is seeking to increase their subscribed capital by issuing shares. In addition to this, in the case of listed companies, ESOPs should be issued in compliance with Securities and Exchange Board of India Employee Stock Option Scheme Guidelines and for all companies other than listed companies, ESOPs should be issued it in accordance with the provisions of the Companies Act, 2013 and Companies (Share Capital and Debentures) Rules, 2014.

Introduction to Margin Funding

Normally investors trade in securities on the strength of owned funds and securities. However, sometimes, based on their outlook about the market and some specific securities in particular, they intend to trade beyond owned resources. This trading in the securities is supported by the borrowing facility for funds and securities, in the system. While trading with the borrowed resources, investors are required to put in a margin (good faith deposits) with the intermediaries and this phenomenon is called margin trading. This margin is usually a percent of the value of the proposed transaction.

In other words, margin trading is a trading in the securities market with the borrowed resources – funds or securities. As margin trading is providing a facility to investors to trade in the market with the margin money, it essentially is a leverage mechanism. Globally, in all the major markets the facility of the margin trading and securities lending is available to the investors. However, it would be pertinent to mention here that the business models for the margin trading and securities lending are different in different markets.

Value drivers of the margin trading

The interaction between demand and supply forces determines the prices of the securities in the market. The availability of the buyer and seller in the system at anytime constitutes the essential ingredient of the Capital Market; this ensures the liquidity in the system, which is the hall mark of success of any market across the globe.

Margin trading, which can be done on both buy and sell sides, adds to increased demand for and supply of securities and funds in the market, resulting in improved liquidity and smooth price formation of securities. Further, with contracting settlement cycles, it becomes important to provide for this facility of supporting buy and sell sides of trades for smooth settlement i.e. to reduce the fail trades.

In addition to this, margin trading also facilitates the price alignment across the markets through facilitating the arbitrage. For example, in case there is mispricing between derivatives and cash market, margin trading supports the transaction in the cash market in order to facilitate the arbitrage between the derivatives and cash, which leads to better price alignment across markets. Margin trading also facilitates the hedging. For instance, if an investor holds call options (right to buy the stocks) to be exercised only after a specific period of time, the investor might sell the securities in the cash market on margin trading and hedge risk. Similarly, the shares under an ESOP to be offered to the employees after a period of time can be hedged using margin trading.

Furthermore, margin trading and derivatives trading generally complement rolling settlement, which limits the period for roundabout transactions to one day due to which the markets having the rolling settlements generally provide for the facility of margin trading. In a rolling settlement environment, this is critical for market efficiency and smooth settlement.

Physical settlement in derivatives, particularly American Options also requires the availability of the funds and the securities to ensure smooth settlement of trades. In case, when the derivatives are settled through the physical delivery, funds and securities lending and borrowing become priorities.

Growth Drivers for ESOP funding and Margin Funding

Increase in number of 'unicorn' start-ups

The Indian start-up industry has witnessed a steady increase in funding for high-valued start-ups and now has 100 'unicorns', or start-ups having a valuation of more than USD 1 billion. This bodes well for the ESOP funding ecosystem as ESOPs are usually doled out by start-ups to their key personnel. An increase in the number of high-value start-ups presents a larger customer base for ESOP funding services.

Favourable regulatory environment

The Government is working on eliminating structural issues in the economy to restrict start-ups and upcoming businesses from moving out of India. It is also focusing on improving the ease of doing business in India by lowering the turnaround time taken to receive clearances. The Government has announced incubation programs, tax benefit schemes, among others, and launched the 'Startup India' initiative to aid the growth of start-ups in India. Together, these are likely to support the progress of start-ups and create a favourable environment for ESOP funding as well.

Good customer base

Companies offer ESOPs to their key personnel, who tend to belong to the high-income group and maintain a good credit profile. This implies that individuals opting for ESOP funding are customers with above average creditworthiness and therefore the risks related to repayments are minimal. This also poses as a favourable demand driver for companies involved in ESOP funding.

Increase in retail participation in capital markets

Margin funding is helpful for investors aiming to earn profits in the short-term through fluctuations in the market. The renewed interest in equities during the pandemic is likely to have resulted from a requirement for profits in the short term. The increase in participation of retail investors in capital markets is expected to present an increase in potential for margin funding requirements.

Major Challenges

Maintenance of minimum balance The requirement of maintenance of minimum balance in the margin trade facility account can be a deterrent. This is because a portion of the capital is locked in and investors may not want a chunk of their capital to be inaccessible.

Regulatory framework and guidelines for ESOP Funding:

The Securities and Exchange Board of India (SEBI) has notified the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. These new regulations have merged the erstwhile SEBI (Issue of Sweat Equity) Regulations, 2002, and SEBI (Share Based Employee Benefits) Regulations, 2014.

Change in definition of Employee

A major change in the new regulations is the change in the definition of "employee" who is covered under the ESOP (employee stock option plan) framework. Wherein Employee now includes non-permanent employee of a company, so long as he/she works "exclusively" for such a company. This means companies can now issue ESOPs to employees on fixed-term contracts, or those on probation, prior to confirmation of their employment. In addition to this, there is greater clarity on the coverage of "non-executive directors" in the definition of employee, which means such officials can also be granted Esops. However, Independent directors continue to be excluded, given the uniqueness of their role. And in case of listed companies, employees who are promoters or part of their promoter groups are still not permitted to be granted Esops.

Earlier regulations allowed only employees of holding and subsidiary companies to be issued ESOPs. However, the new regulations have also expanded the coverage of "employees" to include employees of associate companies (those in which the issuing company has significant influence or is engaged with in a joint venture).

The new regulations have taken into account the health issues and hardship that employees and their families face, specifically during the pandemic, and include certain relief measures. The new rules have exempted the requirement of having a minimum vesting period of one year for ESOPs, in case of death or permanent disability of an employee. This ensures that the employees (or their family in the event of death) receive the intended benefit, even if the statutory minimum vesting period of one year has not elapsed, thus helping them cope financially, in times of difficulty or grief, as the circumstances may be.

Furthermore, the new regulations provide for vesting of the stock options granted to employees in accordance with the respective vesting schedule, even after retirement or superannuation of the employee, in compliance with the company's policies and applicable law. This means that an employee's ESOP benefit earned throughout his employment does not end with his retirement. Employees in the private sector who are not covered by a formal pension system may benefit from such ESOPs to help meet post-retirement living costs.

Other relief measures

Apart from several pro-employee amendments, the new regulations also provide several relief measures for companies. Earlier, companies had to decide on the ESOPs manner of administration through an Esop trust upfront, at the time of implementation of the ESOP. The new regulations provide flexibility to companies to be able to switch the manner of administration (direct route to trust route, or vice versa) at any point in time as circumstances warrant.

Further, the period for appropriating the trust's unappropriated inventory is extended by one more year, subject to the compensation or nomination and remuneration committee's approval for such an extension to the second subsequent financial year; so the trust has one additional year to appropriate the shares acquired through secondary market acquisition.

Regulatory framework and guidelines for Margin Funding:

In 2020, SEBI in order to establish new rules regarding the margins kept by traders dealing in futures and options and intraday trading, started ratcheting up the margin thresholds in a phased manner. At first SEBI mandated traders to keep 25% of the margin money between December 2020 and February 2021. This was upped to 50% between March and May this year, and then to 75% from June to August. Eventually this limit has been raised to 100%. So, these rules have not hit the market out of the blue and were expected to be enforced.

The new rules essentially apply to the futures and options (F&O) segment of the stock market and to intraday traders. They stipulate that the traders punting on the F&O segment or doing intraday trades will need to have 100% of the margin money in the linked bank accounts, to be able to trade—buy or sell shares—as against a minimum 75% requirement till the end of August.

The margin rules apply both to buying and selling of shares investor may hold as a trader. This will require both buyers and sellers to keep extra cash aside or pledge shares of equivalent amounts, for their trades to go through.
The actual value of the 100% margin requirement though is not the same for every script. It is based on what is called the 'value at risk' (VaR) margin. The VaR is different for shares of bigger companies, as compared to those for smaller ones or penny stocks, for which it is significantly higher.

In addition to this, the 'Buy Today-Sell Tomorrow' (BTST) facility has been closed. Earlier, the shares investor bought today, he had an option to sell them tomorrow or even immediately. With this new rule, an investor can only sell a share after he has received its delivery, i.e two days after closing the trade, not the next day, even before investor have received it in investor's demat account. Moreover, for the cash segment, funds from a sale cannot be used the same day, but only on the next day.

With the new rule, the leverage the traders used to get has been reduced. The traders now have to shell out more money to bet during futures markets and intraday. If the margin is not maintained by traders during the trading session, they will have to pay penalties.

The reason behind the new rules is that SEBI wants to control the leverage being taken by the traders and thereby reducing risks. The margin requirements will be calculated four times during every trading session and will include intraday trading positions.

Major regulatory changes and the impact on the growth of private wealth management services

Regulatory pressure is forcing wealth management players to rework operating models

After the announcement of the Investor Advisors Guidelines, there has been increased focus on client centricity, fiduciary responsibility and compliance. Regulatory requirements regarding advisor qualifications, infrastructure, risk profiling and suitability criteria have become more stringent. For the past few years, there has been a push from regulators and industry bodies to move toward a trail commission– based model and reduce up-front commissions to reduce misselling and the chances of churn.

One of the biggest impediments to the current wealth management model is the stipulation that investment advisors must maintain an arm's length from distribution activities. The income of investment advisors must be in the form of fees from clients and not through commissions earned on the distribution of mutual fund products. Players are skeptical about separating advisory and distribution businesses as this may prove to be an inconvenience. Moreover, the cost of running two separate firms is high.

Additional regulatory layer proposed by SEBI may keep foreign players away from Indian wealth management business

With the aim to root out undeclared wealth and ensure tax compliance, SEBI wants to gain oversight of foreign banks managing Indian wealth. The capital market regulator has reached out to large international banks and wealth managers

to register their offshore units with SEBI if they are soliciting business in India. By registering with SEBI, private banks would have to admit to managing funds of wealthy Indian clients and may also prompt further requests from SEBI to share information. Many foreign banks and wealth managers have already exited the Indian wealth management business because of the high cost of operations and regulatory burden. This might deter foreign players from having any presence in the Indian wealth management segment and offering services to wealthy Indians. The Royal Bank of Scotland NV India and Morgan Stanley Private Wealth Management are Foreign Players who have recently exited the

OUR BUSINESS

Unless otherwise stated or the context requires otherwise, references in this section to "we", "us" or "our" refers to Edelweiss Broking Limited.

Some of the information in the following section, specifically the information in relation to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 14 for a discussion of risks and uncertainties related to those statements and also "Risk Factors" on page 15, for a discussion of certain factors that may affect our business, financial condition, cash flows or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Reformatted Financial Information, included in this Draft Prospectus on page 157. We have included various operational and financial performance indicators in this section, some of which may not have been derived from our Reformatted Financial Information. Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, including, in particular the report titled Industry Report on Wealth Management & Stock broking June 15, 2022 prepared by CARE Advisory Research and Training Limited (CareEdge Research).

Overview

We are a technology driven securities company in India that offers a wide range of financial services including broking services, distribution of financial products, short term funding for employee stock option schemes and margin trade financing facility. We are the one of the leading broker and distributor in India. We offer our broking services through our proprietary state of the art Website, Mobile Application, Terminal and API based trading platforms. Our Company has over 0.3 million of active client base and ₹ 1.5 trillion of client assets spread across wide number of active broking accounts as of March 31, 2022.

Our broking and allied services are offered through (i) our online and digital platforms, and (ii) our network of over 23,000 partners, as of March 31, 2022. We have had more than 2.2 million downloads of our mobile application, "Edelweiss Mobile Trader" as of March 31, 2022, which enables our clients to avail our services digitally. Digital marketing has enabled our Company to garner over 170 million digital impressions in Fiscal 2022 on its various online and digital platforms. Our customer outreach, spans across over 14,000 pin codes in India as of March 31, 2022. As part of our financial product distribution business, we serve a wide spectrum of clients by facilitating investments in financial instruments and a mix of wealth solutions.

We are registered as a stockbroker under the SEBI (Stock Brokers) Regulations, 1992. We are registered as 'Trading Member' with various exchanges including National Stock Exchange of India (NSE), BSE, MCX, NCDEX, MSEI to carry out the broking business. We are also registered to act as a (i) 'Corporate Agent' with IRDA to solicit Life Insurance, General Insurance and Health Insurance business; (ii) 'Depository Participant' with NSDL and CDSL; (iii) 'Research analyst' under SEBI (Research Analyst) Regulations, 2014; (iv) 'Real Estate Agent' under multiple RERA state acts (viz. MAHA RERA/UP RERA/HARYANA RERA), Repository Participant with NERL/CCRL, Mutual Fund Distributor under AMFI registration no. 70892. We also have a Point of Presence registration certificate under Pension Fund Regulatory and Development Authority (PFRDA) for distributing NPS policies**.**

We provide a wide range of financial services to our clients including and in relation to:

- **Securities Broking Services**: We primarily offer our broking services, spread across equity (cash-delivery, futures, intra-day and options), derivatives, currency, debt and commodity segments, to retail clients including HNIs/UHNIs, top executives, salaried individuals, etc. through various digital platforms (website, mobile app, trading terminal), which are integrated with each other enabling our clients to have a seamless trading and investment experience. Our experience of over 14 years has helped us to maintain prominent presence in the broking industry with a robust digital trading platform and a large branch network.

  Over the years, we have enhanced client engagement and experience through digitization of our processes and augmentation of our technological platforms. We launched our mobile application for broking services in the year 2013 and over years have achieved complete client on-boarding through the electronic and digital medium. We also have a dedicated team of relationship managers and dealers to service specific clients. Customer may choose to operate through a relationship manager or *via* digital means. Each client account is managed through a unique

customer relationship number. We also publish research reports on a regular basis for our clients, to enable them to make informed investment decisions. Our income from broking was ₹ 2,009.63 million, ₹ 1,870.13 million and ₹ 1,720.26 million for the Fiscals 2022, 2021 and 2020, respectively.

- **Distribution of financial products:** We offer distribution services for wide range of financial products including mutual funds, insurance products, fixed income products, mortgages and loans, portfolio management schemes, alternative investment funds, structured products and IPOs to our clients. We earn commissions from third parties for the distribution of their products, which may be in the form of recurring commissions for longer-term products. As of March 31, 2022, we cater to 0.1 million clients who are serviced by a team of over 950 relationship managers, who are present across 57 cities in India including Mumbai, Delhi, Bengaluru, Chennai, Kolkata among others. We also have a have a vast network of over 23,000 partners who help us in client acquisition given their large pan India geographical presence and through the partners we cater to 0.1 million clients as of March 31, 2022. Further, our digital customers are serviced by the digital customer relationship team.

  We have achieved complete digitization including onboarding of clients, opening of an account, client approvals and investment transactions. This has led to cost efficiencies and making execution less cumbersome, more transparent and contributed to the growth of our Company. Our client engagement and marketing efforts have also significantly converted to digital with a move to a virtual process of meeting clients during the pandemic and conducting official meetings and training with multiple stakeholders. Moving to paperless documentation and operational process has fundamentally reduced our operating cost.

- **ESOP funding and Margin trade financing facility:** We have partnered with some of India's largest companies to fund acquisition of shares, on exercise of options granted to their employees. These funds are provided from mid to senior level executives of the identified corporates. We offer ESOP funding with a maximum tenure of 12 months (which can be extended as per the respective agreements) which are secured by pledge of the shares to such employees on the exercise of the options granted to them.

  We also provide margin trade financing facility to our brokerage clients for leveraging their eligible collaterals by funding their requirements on the cash delivery segment of equities. Such funding is subject to exposure against margins that are mandated by the stock exchanges, with the securities forming a part of the collateral for such funding.

We, as on March 31, 2022, had a network of 71 branches spread across 57 cities. Given the wide network, there are a large number of trading terminals that provide retail stock-broking facilities. Our offices aim at providing quick and seamless customer experience. Our operations are supported by approximately 2,000 employees as on March 31, 2022 including over 950 relationship managers on our payroll.

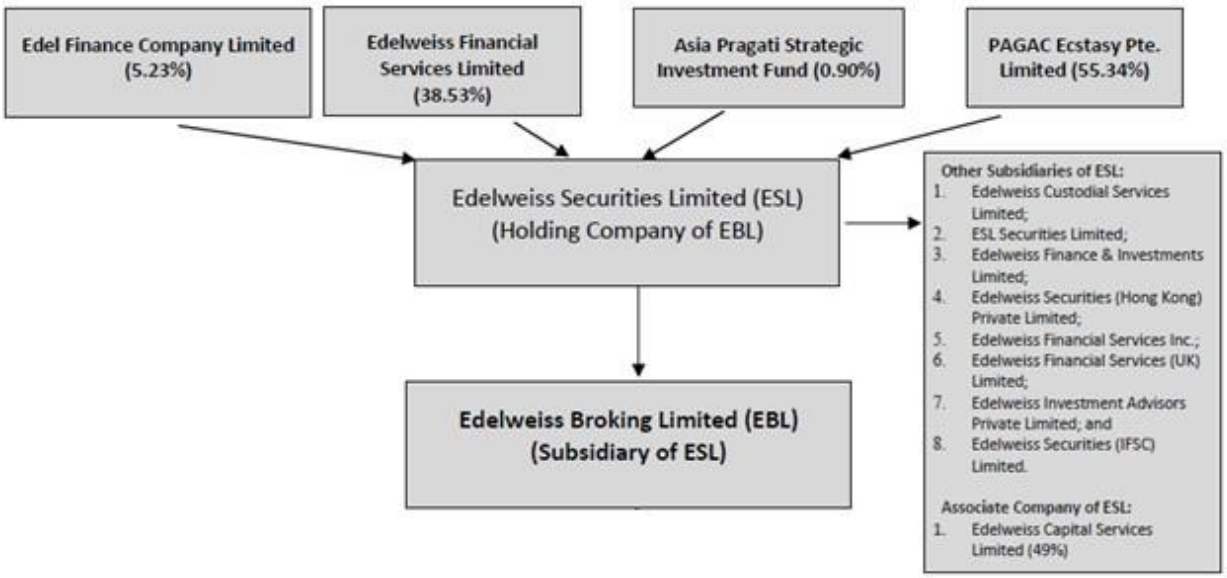
Our Company is a wholly owned subsidiary of Edelweiss Securities Limited, our Promoter. PAGAC Ecstasy Pte. Limited (PAGAC), the promoter of ESL has also been categorized as the Promoter of our Company. Pacific Alliance Group (PAG), one of the largest Asia focused alternative investment manager, has acquired controlling stake of ESL in the Fiscal Year 2021. Wealth Management business presently includes investment management, mutual fund distribution, research analysis, stock broking, clearing and custody business, portfolio management business, depository participant, debt syndication; securities trading and advisory. The business is spread across India and abroad in countries like Singapore, Hong Kong, USA and UK.

PAG is one of the leading alternative investment firm focused on APAC with approximately US$50 billion in assets under management. Over the past 20 years PAG has achieved robust growth through product innovation and by delivering consistent, repeatable, market-leading returns. We believe the PAG brand and reputation represents their distinct combination of global investment best practices, deep local networks, and a dynamic organisation culture committed to rigorous ethical standards. Their highly diversified platform enables them to invest in all APAC geographies across sectors and asset classes, creating value in the region for their fund investors, portfolio companies and investment counterparties.

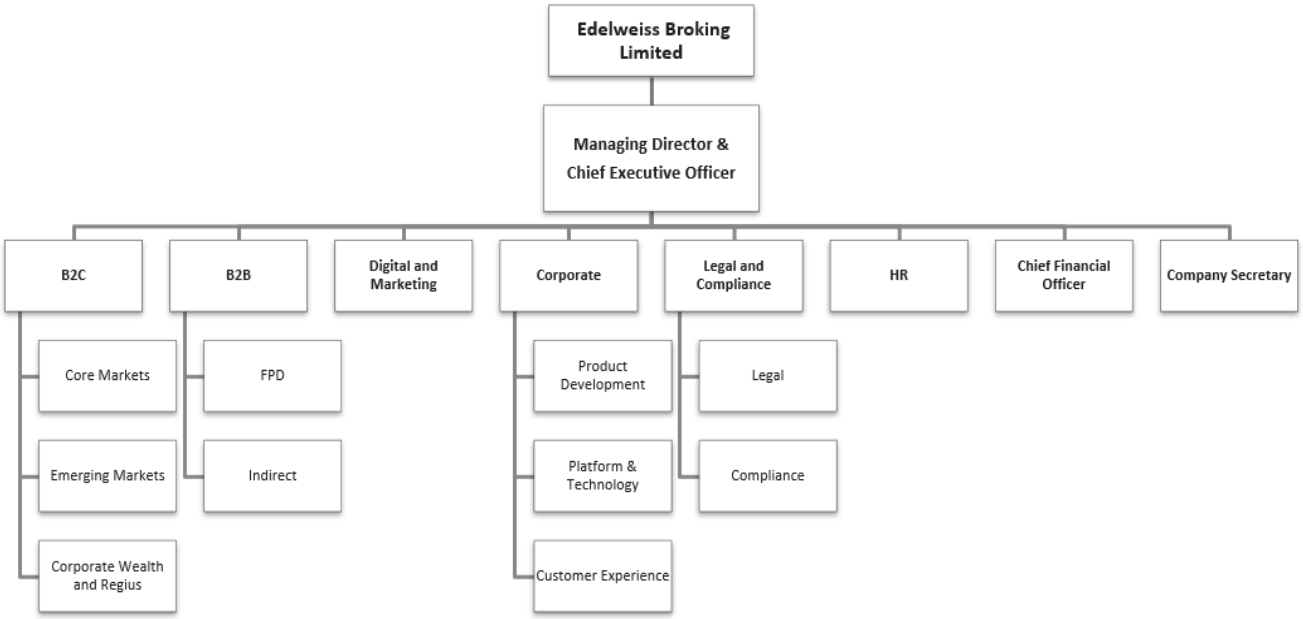
Our revenue from operations, ₹ 7,269.13 million, ₹ 3,936.90 million and ₹ 4,312.88 million for the Fiscals 2022, 2021, and 2020, respectively. Further, our net profit/ (loss) was ₹ 946.49 million, ₹ 28.13 million and ₹ (301.76) million for the Fiscals 2022, 2021 and 2020, respectively. In Fiscal 2022, our return on net worth was 21.73%.

Our Organisation Structure

The following chart outlines our organisation structure



The following chart outlines our organisation structure:



Key Operational Parameters

The following table sets forth the Key Operational and Financial Parameters of our company:

(₹ in million, unless otherwise stated)

Parameters	Fiscal 2022	Fiscal 2021	Fiscal 2020
Balance Sheet			
Assets			
Financial assets	**31,491.61**	**16,187.48**	**11,341.17**
Cash and cash equivalents	2,334.89	697.83	1,370.72
Bank balances other than cash and cash equivalents	4,119.31	3,360.31	1,493.78
Derivative financial instruments	200.70	-	-

(₹ in million, unless otherwise stated)

Parameters	Fiscal 2022	Fiscal 2021	Fiscal 2020
Securities held for trading*	1,911.67	5.75	0.00
Trade receivables	2,996.31	946.42	1,205.13
Loans	9,880.22	2,918.08	964.00
Other financial assets	10,048.51	8,259.09	6,307.54
Non-financial assets	**1,170.97**	**1,433.51**	**1,789.10**
Current tax assets (net)	246.17	75.91	164.43
Deferred tax assets (net)	94.87	583.41	609.10
Property, plant and equipment	420.44	497.94	764.97
Intangible assets	160.56	15.63	72.16
Intangible assets under development	160.37	222.35	153.78
Other non- financial assets	88.56	38.27	24.66
TOTAL ASSETS	**32,662.58**	**17,620.99**	**13,130.27**
Liabilities			
Financial liabilities	**26,686.34**	**14,030.18**	**11,383.45**
Trade payables	14,129.95	11,074.06	7,758.49
Debt securities	8,945.64	-	-
Borrowings (other than debt securities)	2,249.06	2,162.18	2,725.94
Other financial liabilities	1,361.69	793.94	899.02
Non-financial liabilities	**637.45**	**219.33**	**111.48**
Provisions	70.54	38.02	23.19
Other non-financial liabilities	566.91	181.31	88.29
Equity	**5,338.79**	**3,371.48**	**1,635.34**
Equity share capital	4,304.54	3,471.90	1,771.90
Other equity	1,034.25	(100.42)	(136.56)
Total Liabilities and Equity	**32,662.58**	**17,620.99**	**13,130.27**
***** *Indicates amounts less than 0.00 millions*			

(₹ in million, unless otherwise stated)

Parameters	Fiscal 2022	Fiscal 2021	Fiscal 2020
Profit and Loss			
Total revenue	7,301.48	3,985.09	4,336.33
- From operations	7,269.13	3,936.90	4,312.88
- Other income	32.35	48.19	23.45
Total expenses	5,866.44	3,939.66	4,553.39
Profit / (Loss) before tax	1,435.04	45.43	(217.06)
Profit / (Loss) after tax	946.49	28.13	(301.76)
Other comprehensive income	(9.74)	8.01	(11.23)
Total comprehensive income	936.75	36.14	(312.99)
Earnings per equity Share			
(a) Basic (in ₹)	2.69	0.16	(1.70)
(b) Diluted (in ₹)	2.69	0.16	(1.70)

(₹ in million, unless otherwise stated)

Parameters	Fiscal 2022	Fiscal 2021	Fiscal 2020
Cash Flow			
Net cash (used in)/generated from operating activities	(7,294.56)	(1,325.79)	1403.43
Net cash (used in) / generated from investing activities	(178.54)	(104.78)	(118.23)
Net cash (used in)/generated from financing activities	9110.16	757.68	(144.15)
Add: Opening cash and cash equivalents as at the beginning of the year	697.83	1370.72	229.67
Closing Cash and cash equivalents	2334.89	697.83	1370.72

(₹ in million, unless otherwise stated)

Additional information	Fiscal 2022	Fiscal 2021	Fiscal 2020
Net worth (Refer note 1 below)	5,338.79	3,371.48	1,635.34
Cash and Cash Equivalents	2,334.89	697.83	1,370.72
Loans	9,880.22	2,918.08	964.00
Off Balance Sheets Assets	-	-	-
Total Debts to Total assets (Refer note 2 below)	34.27%	12.27%	20.76%
Debt Service Coverage Ratios (Refer note 3 below)	0.23	0.10	0.08
Interest Income	1,357.31	651.24	1,123.48
Interest Expense	436.50	196.10	465.67
Interest service coverage ratio (Refer note 4 below)	4.29	1.23	0.53
Impairment on financial instruments	46.56	13.23	37.51
EBITDA	2,102.92	489.92	543.20
EBIT	1,871.54	241.53	248.61

Notes

1. *Networth means Equity share capital plus Other equity.*

(₹ in million, unless otherwise stated)

Particulars	***As on***		
	March 31, 2022	***March 31,2021***	***March 31,2020***
Equity Share capital	*4,304.54*	*3,471.90*	*1,771.90*
Other equity	*1,034.25*	*(100.42)*	*(136.56)*
Networth	***5,338.79***	***3,371.48***	***1,635.34***

2. *Total Debts to Total assets = (Debt securities+ Borrowings (other than debt securities))/ Total assets*
3. *Debt Service Coverage Ratios = Profit before tax and interest / (interest expense + principal repayment in next six months)*
4. *Interest service coverage ratio = Profit before tax and interest / interest expense*

Our Strengths

We believe we have the following competitive strengths:

Ensuring customer experience through the implementation of Advanced Technology and digitization

We have created a very robust trading platform for customers. Our mobile trading platform '*Edelweiss Mobile Trader*' is one of the highest rated mobile trading applications on the Google play store and App Store, with a rating of 4.3 on Google play store as on March 31, 2022. We provide an open access to our application. We have had more than 2.2 million downloads of our '*Edelweiss Mobile Trader*' mobile application as of March 31, 2022, which enables our clients to avail our services digitally. Our mobile application *inter alia* provides trade confirmations on daily basis to customers on their mobile phones, access to our research recommendations and the capability to capture end to end customer data.

We have various other tech platforms like Website, Xtreme Trader and API Connect which help us in delivering enhanced customer experience. Xtreme Trader is our trading terminal which provides quick and insightful data along with various facilities including advanced charting tools and instant research calls for our customers. Our new age tech solution, API Connect, enables traders, partners, fintech players to integrate our offerings with their systems and build on it.

Our systems are custom designed for our services and help us reduce people contact time and enhance our processes and operational excellence. Our systems fully integrate businesses in every aspect bringing together various departments in simple transitions and customer information updates. Technology gives us the ability to track portfolios in real time and allows us better informed decision making with easy access to record and information.

Strong Customer Base

Our Company has a large retail customer base. Our Company has a client base of 0.3 million active customers and ₹ 1.5 trillion amount of client assets spread across wide number of active broking accounts. We cater to customers from over 14,000 pin codes across India. We onboard our customers through multiple channels *i.e.*, online platform, partner network and through direct sales team. We believe that our offline channels and our large partner network, enables us to augment the reach of our electronic broking platform and also provides us with a way to increase trading volume through our electronic broking platform.

Our extensive network enables us to acquire more customers for our retail businesses where increased profitability and return on net worth for equity shareholders (RoNW) are based upon increased scale of business.

Strong Parentage

PAG, one of the leading Asia-focused investment group, is a private equity investor in Asia's fast-growing economies and is especially keen on the Indian market. We look forward to leveraging PAG's global experience to drive innovation and transformation to further strengthen our Company's market position and create long-term value for all stakeholders.

We believe that being part of the PAG group significantly enhances our ability to attract new clients. We believe that the brand value and scale of the business operations of the PAG group provides us with an advantage in an increasingly competitive market. We intend to continue to leverage the brand value of the PAG group to grow our business.

Proven and experienced professional management team

The Board of Directors and senior management team comprises of diverse group of highly experienced and qualified professionals with extensive experience in the financial services sectors who have held senior positions at leading companies in our industry and other reputable institutions. Our senior management has extensive experience in the financial services sector and most of them have been with our group for a number of years, providing stability in our senior management leadership.

We believe that the in-depth industry knowledge and loyalty of our management and professionals provide us with a distinct competitive advantage. Each of our businesses is supported by a dedicated team of managers with specialised professional expertise. Further, our management team enables us to conceptualise and develop new services, effectively market our services, and develop and maintain relationships with various stakeholders and intermediaries including our clients and partner network.

Integrated business platform offering a broad range of products

We have a track record of successfully offering our customers a broad range of services and products, as well as realize synergies within our business. We provide a wide array of products to our clients including broking, margin trade funding and distribution of third-party products. Within third party products, we distribute products like insurance, mutual funds, mortgages and loans, alternate investment funds and depository services through our online and digital platforms We strive to provide a holistic experience to our customers by catering to all financial needs under one roof.

Our Strategies

The key elements of our strategy are as follows:

Diversify and expand our client base and geographic reach

We provide our broking, distribution of financial products, ESOP and margin trade financing facility services to retail clients. We intend to diversify and increase our retail client base by catering to various clients across different age groups with digital applications such as "Edelweiss.in", *"Edelweiss Mobile Trader"*, "*Terminal X3*", *"API Connect"* which has been designed to specifically suit the needs of the millennial generation. We also believe that we will be able to increase our retail client base by providing an open-source platform, integrate better third-party applications and offer multilingual services on our online platforms to ensure reach to a larger investor base and capitalise on the underserved client base. We also intend to strengthen our client support systems to ensure that we are able to provide anytime, anywhere access through various modes of communication. We are also constantly improving our trading platforms by upgrading them with advanced tools and features that will empower our customers take informed trading decisions. We are also adding newer asset classes on the platforms regularly which will cater to various investing needs of different customer groups.

We are committed to growing our geographic reach by both expanding our distribution network and deepening our existing presence. We, as on March 31, 2022, are present across 57 cities in India with 71 branches. We intend to continue to increase our footprint across India by focusing on growing our presence in Tier 2 and Tier 3 cities. We believe that entering these markets at an early stage will enable us to maximize both consumer mindshare and market share in such areas. We also continue to promote the use of our digital assets, as a strategy to augment our physical growth.

Continue investing in Technology and Innovation

We have invested in technology and innovation to addresses variety needs of our stakeholders which includes customers,

employees and partners. Our platform like Edelweiss.in (website), Edelweiss Mobile Trader (trading app), Terminal X3 (new age desktop terminal), API connect, website and app for our partners are some examples of platforms we manage. Our desktop trading software '*Terminal X3*' and mobile application '*Edelweiss Mobile Trader*' enables us to serve our clients better and increase our engagement with them through implementation of technology, across various devices and means of communication. We believe that these platforms have reduced our operational costs and overheads. Going forward, we aim to invest more in innovative technologies to reach our customers and increase our market share. We believe that innovation is the key to realizing our strategy of diversifying our client base.

Our website and mobile application for partners play a very important role in generating business and servicing a large base of partners in an efficient and cost-effective manner. API Connect, a new age and tech driven platform, enables traders and fintech players to build and integrate new products with very less development efforts. This will help our organization to create an eco-system which will provide the latest and innovative products to our customers.

We believe that our emphasis on investing in advanced technology will enable us to rationalise the cost that we incur to service our clients' needs, leading to cost efficiencies. This will enable us to not only to offer a simplified and most competitive pricing to our clients but also serve them with value added services, customer support services and free trading strategy ideas.

We intend to augment our investment in our mobile platform, artificial intelligence, machine learning capabilities and newer technologies. We intend to continue investing in and augmenting our analytical capabilities to ensure that we are able to gain personalised and actionable insights from such data while ensuring compliance with the privacy requirements of our clients. We have, and will continue to, use analytics to help us understand client preferences, design new products, identify targets for cross-selling and increase transactions with our clients. We intend to continue to ensure that we implement the best practices in respect of cybersecurity and increase our ability to operate with third parties to optimise our operations and provide our clients with a digital experience which is efficient and cost-effective. Our risk management framework is automated, and we remain committed to enhance our systems to meet the growing needs and requirements of regulators, market participants and clients.

Expand our financial product distribution business through cross-selling

We intend to strengthen our offerings by distributing wide range of financial products including mutual funds, insurance products, mortgages and loans, portfolio management services, alternate investment funds, structured products, fixed income products and IPOs. We intend to cater to all financing needs of our customers under one roof thereby providing them a holistic wealth management experience.

We supply our products through a vast network of partners. We believe that our retail broking customer base presents us with significant potential to cross-sell third-party financial products. In particular, we believe that certain asset classes are underpenetrated among our customer base, and we will leverage our analytics capabilities to selectively target customers based on their likelihood to purchase such products. We also intend to continue working with third-party providers to increase the number of products available to our customers.

Diversify our revenue streams and continue reducing revenue volatility

Our revenue streams are diversified, and we intend to further broaden our horizon to reduce the instability in the revenue. Our fee income model is spread across different segments. We expect that further diversifying our 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.

We believe further diversifying our product mix will provide us with even greater flexibility to operate successfully across various market cycles and remain relevant to our customers by providing them with need-based product solutions across asset classes as well as continued customer support and engagement through various distribution channels.

Our Business

Our primary business includes broking, distribution of financial products, ESOP funding and margin trade financing facility which are complemented by our research services. The table below provides our revenue from each of our

principal businesses:

(₹ in million, unless otherwise stated)

Products	As of Fiscal Year ended March 31,		
	2022	2021	2020
Brokerage:			
i. Income from Broking	2,009.63	1,870.13	1,720.26
ii. Interest on Margin Money	338.87	198.37	308.70
ESOP funding (Interest Income)	143.09	1.24	-
Margin Trade Financing (Interest Income)	600.79	236.07	394.93
Distribution of financial products and other fee income	3,492.61	1,088.88	1,325.64

A. Securities Broking Business

The financial savings environment in India has undergone a fundamental transformation in recent years. Strong macroeconomic factors such as growing gross domestic product, rising affluence, increasing formalization of economy, have contributed to the growing shift of household savings towards financial assets. Consequently, India is witnessing increasing retail and domestic institutional participation in Indian equity markets. The recent wave of digitization steered by the support and reforms by the Indian government and augmented by increasing smartphone penetration and faster data speeds in India has resulted in positive changes in customer out-reach and consumer behaviour. We believe that along with our strong brand name, a large customer base and wide range of products across asset classes, position us to be the natural beneficiary of the growth in digitisation and resultant transformational changes in the Indian savings markets.

Our clients trade in equity (cash-delivery, futures, intra-day and options), derivatives, currency, debt and commodity segments. We also facilitate participation in initial public offerings. We also offer services such as complementary research and, seamless margin trading facility, futures and options trading upon delivery of securities as collateral. Our services coupled with better product offering at competitive prices to our clients has resulted in strong growth in our ADTO (Average daily Turnover).

In addition to allowing our customers to carry out a variety of transactions, our electronic broking platform provides an integrated interface that allows our customers to track various portfolio parameters, including the performance of their investments. Our broking and distribution businesses are supported by our nationwide network consisting of over 71 of our own branches, as at March 31, 2022.

The following table shows our average daily turnover for broking services and our market share for the periods indicated:

(₹ in million, unless otherwise stated)

Segment	Fiscal Year		
	2022	2021	2020
Average Daily Turnover – Overall	324,841.06	154,301.26	111,236.48
Overall Market Share[(1)]	0.52%	0. 59%	0.71%
Average Daily Turnover – Cash	9,200.13	6,952.36	4,618.00
Market Share – Cash[(1)]	1.18%	0.91%	1.09%
Average Daily Turnover – F&O	311,353.76	141,841.67	99,749.95
Market Share – F&O[(1)]	0.53%	0.61%	0.76%
Average Daily Turnover – Commodity	1,722.19	2,252.85	4,104.21
Market Share – Commodity[(1)]	0.21%	0.30%	0.55%
Average Daily Turnover – Currency	2,564.99	3,254.38	2,764.33
Market Share – Currency[(1)]	0.11%	0.23%	0. 21%

Note: Market Gross Trading Value calculated as buy side plus sell side turnover

[(1)] Market share is the ratio of our turnover to the sum of the retail turnovers (excluding proprietary and institutional turnover) on NSE, BSE, MCX and NCDEX respectively

The following table provides our client base/operational accounts over different time periods:

	Year ended March 31,		
	2022	2021	2020
Client Base/ Operational Accounts	345,217	201,159	159,290
Actively Traded Accounts	199,644	162,853	137,565

License Details:

Name of Entity	Registered with / as	Activity
Edelweiss Broking Limited	NSE / SEBI	Trading and Clearing Member of Capital Market segment of NSE
	NSE/ SEBI	Trading of Derivatives Segment of NSE
	NSE / SEBI	Trading Member of Currency Derivatives Segment of NSE
	NSE	Corporate Bonds
	NSE	Debt Segment
	BSE / SEBI	Trading and Clearing Member of Capital Market segment of BSE
	BSE / SEBI	Trading Member of Derivatives Segment of BSE
	BSE	Member of Mutual Fund Segment
	BSE / SEBI	Trading member of Currency Derivatives Segment
	BSE	Mutual Fund Distributor
	BSE	Corporate Bonds
	BSE	Debt Segment
	MSEI / SEBI	Trading and Clearing Member of Capital Market segment of MSEI
	MSEI / SEBI	Trading Member of Derivatives segment of MSEI
	MSEI / SEBI	Trading member of Currency Derivatives Segment of MSEI
	MCX	Trading Member
	NCDEX	Trading Member

(i) Trading Products

Our broking business comprises of:

- Equities: Stocks listed on BSE, NSE, MSEI.
- Equity Derivatives: Futures and options related to indices and stocks listed on the BSE and NSE.
- Currency: Derivatives and future and options in U.S. Dollar, Euros, British Pound and the Japanese Yen.
- Commodities: Commodities futures and options listed on MCX and NCDEX.
- Exchange Traded Funds: ETFs from various asset management companies.

(ii) Client Acquisition

Our key clientele in broking business consists of retail clients, to whom we offer products and services through (i) our online and digital platforms (ii) our network of over 23,000 partners, as of March 31, 2022 and (iii) our wide branch presence over 71 branches in 57 cities. Acquisition of clients is done either directly by us or through our wide partner network. This may be done through organic leads, paid leads or dedicated relationship manager team through both online and offline channels. We have acquired about 0.15 million clients in Fiscal 2022 which has increased from 0.07 million clients acquired in Fiscal 2021.

- **Relationship Manager Team**: Our team of relationship managers plays a critical role in identifying and onboarding potential customers especially in the sourcing of new customers. We have 955 personnel on the payroll of our Company. The number of clients acquired through our relationship manager team is about 0.05 million clients for the Fiscal Year ended March 31, 2022.

- **Partner channel**: We have a vast network of over 23,000 partners who help us in client acquisition given their large pan India geographical presence. The geographical presence of our partner network has helped us to meet with the specific needs and preferences of individuals which vary from region to region and state to state and has also enabled us to tailor our offering to the evolving needs of our clients. We onboard partners after careful shortlisting as per various criteria including their educational qualification, PMLA compliance among others. We have a revenue-sharing system in place that has been established pursuant to agreements required by the relevant regulations. Under the terms of these agreements, which are separately negotiated with each partner, we generally retain a certain percentage of the brokerage or gross revenue earned through clients introduced and serviced by our partners using our technology platforms. The number of clients acquired through our partner channel is about 0.05 million clients for the Fiscal Year ended March 31, 2022.

- **Direct Acquisition:** Our direct client acquisition is majorly through marketing activities. We acquire clients through direct marketing, social media marketing and by converting leads generated organically on our website

and mobile application. We promote our platforms and account opening propositions through various social media platforms and search engines. We facilitate our clients to complete the account opening journey digitally and seamlessly activate their trading and demat account. The number of clients acquired directly is about 0.03 million clients for the Fiscal Year ended March 31, 2022.

- **Referrals**: We have alliances with various digital partners for referring clients to our Company. We also have client and employee referral programs in place which help us in client acquisition. Referrals currently forms a smaller acquisition channel compared to other channels. The number of clients acquired through referrals is about 0.01 million clients for the Fiscal Year ended March 31, 2022.

In order to avail broking services, our clients are required to open a trading and demat account. The entire process for opening the accounts is seamless with a paperless KYC process. We facilitate our clients to open a demat account and start trading shortly thereafter.

We have arrangements with various banks, financial institutions and payment aggregators to enable us to provide our clients with greater flexibility in the use of their existing bank accounts with our online systems. We are currently integrated with over 25 banks to enable our clients to seamlessly transfer funds on a real-time basis. Through the UPI payment gateway, our clients can seamlessly transfer funds from any bank.

Below is the break-up of our client acquisition trend across the Top 10, next 100 and next 2,600 cities in Fiscal 2020, Fiscal 2021, Fiscal 2022:

Client Acquisition Trends – Top 10, next 100 and next 2,600 cities			
Financial Period	**Top 10 Cities**	**Next 100 Cities**	**Next 2600 Cities**
Fiscal 2022	23%	27%	50%
Fiscal 2021	34%	34%	32%
Fiscal 2020	39%	34%	27%

Below is the break-up of our gross client acquisition trend across the Tier 1, Tier 2 and Tier 3 and beyond cities in Fiscal 2020, Fiscal 2021 and Fiscal 2022:

Client Acquisition Trends – Tier I, Tier II, Tier III Cities and beyond			
Financial Period	**Tier I**	**Tier II**	**Tier III and beyond**
Fiscal 2022	21%	28%	51%
Fiscal 2021	28%	31%	41%
Fiscal 2020	33%	28%	40%

As our company penetrates more into Tier 3 and beyond cities and more millennials come on board, it is observed that the average age of our clients has been consistently declining as shown in the table below:

Average Age of Clients – Analysis	
Financial Period	**Average Age of Clients**
Fiscal 2022	32
Fiscal 2021	38
Fiscal 2020	38

(iii) **Digital *Platforms***

(a) Our websites- www.edelweiss.in

Our website, '*www.edelweiss.in',* is a web-based trading platform with a simplified interface to meet clients' investment needs. The clients may invest in multiple investment classes using a single platform including equities, mutual funds, commodities, currency, bonds and in initial public offerings. It is a secure and robust platform which uses technology backed by robust infrastructure and dedicated disaster management system. On the website, clients can manage their investments, track and analyse markets data, create watch lists, track stocks with technical chart indicators, make scheduled investments and can have a complete overview of the investment portfolio. Our website also helps in servicing our customers for their regular needs. On the website, clients may execute trades on a real time basis across stock exchanges including NSE, BSE and MCX and participate in initial public offerings, using ASBA facility.

(b) Trading Application – TX3

TX3 is a free digital platform, developed with an aim to provide a complete trading terminal with analytical solution for traders. The platform provides quick, insightful data analytics for equity, futures and derivative segments with super advanced charting in a single share market software. It provides live streaming charts with more than 60 advanced technical indicators and drawing tools. It also provides tools like screeners and scanners along with live news. This enables traders to track investment performance in real time with live portfolio and enables them to take quick trading decisions on the go.

(c) Mobile Application – Edelweiss Mobile Trader

Our mobile trading application '*Edelweiss Mobile Trader'* is one of the highest rated stock broking apps which fulfills our clients' trading and investment needs. The mobile trading application is used by clients and non-clients. The mobile trading application enables clients to track and analyse stocks and stock market in a comprehensive manner on a real time basis. This app also allows clients to transact and monitor their entire portfolio. Through the *Edelweiss Mobile Trader* application, our clients may trade in equity, futures and options, currencies, commodities across stock exchanges, make investments in initial public offerings and make investments in mutual funds. The mobile trading application provides live market updates for all the active scrips enabling our clients to make real-time trading decisions and execute such trades in a seamless manner.

Our research team provides our users with research recommendations, on a regular basis. The mobile trading application offers multi-lingual options to choose basis their preference. Mobile trading application provides more than 60 technical chart indicators and overlays to help clients analyse different aspects of the stocks and indices. Screeners on the app, with more than 130 screeners, are one of the most advanced screeners available in the market. Tools like Market Map, Deals across insider trades and bulk deals, Event calendar etc. give our users a large amount of insights thus enabling them to take timely informed decisions.

The mobile trading application is supported by payment gateways and digital bank integration with over 25 banks, and an integrated UPI based payments system. Detailed analytical reports like security holdings, ledger report, funds, depository transactions, auction details, trade history, summary of profit and loss and contract notes may also be accessed from the mobile trading application.

(d) Intraday Trading Software – Xtreme Trader

Our desktop intraday trading software '*Xtreme Trader*' provides a customizable interface to the customers who can enjoy a trading experience with a list of keyboard short-cuts for every critical action and a facility to define short-cuts for all frequent actions. This trading software has advanced charting tools and ensures that the research calls are flashed instantly on the customer screen the moment our research team generates it. In addition to the above, a trader can set on-screen stock alerts.

(e) API Connect

API Connect a new age technology solution which empowers traders, fintech players and partners to write their own logic to give us buy and sell orders for making transactions. This solution is a useful tool for technology driven individuals and companies to integrate our offerings with their systems and subsequently build solution on top of that. Despite being flexible to integrate and use, API Connect is highly secure and scalable. This solution is currently available in 6 different programming languages.

(f) Mobile Application and Website for Partners

We have created a strong technology setup for our partners and sub-brokers to fulfill their business needs efficiently. These platforms help our partners get access to various tools, reports and data to run their business. These platforms also help our partners to transact across different asset classes, onboard and service their clients. This is a single interface for all our partners to address any kind of need in relation with our business.

(iv) Research services

Our research setup consists of a team of 32 members with a combined experience of over 300 years, spread across 4 verticals – fundamental, technical, market strategy and economy, and trading (long/short). Between them, these

verticals are constantly churning out investment ideas through a variety of reports. These include initiating coverage reports, quarterly result updates, thematic reports, market strategy reports, sector reports, and chart-watchers, among others. The fundamental team has an expansive coverage of about 70 stocks with a focus on small and midcaps, which serve as the ideal breeding ground for potential multibaggers.

The fundamental research is complemented by our dedicated economy team that identifies and reports the broader economic trends as they emerge and formulates market strategies that assist investors in capitalizing on our fundamental calls. To cap it all off as a one-stop research shop, our technical and trading teams provide the ideal solutions for investors who are more short term oriented. The research desk also has a strong relationship with over 120 corporates, which allows clients to gain extensive corporate access.

Over and above the continuous interactions that we have with these corporates throughout the year, we also leverage these relationships to host annual conferences such as our flagship emerging ideas conference as well as sectoral conferences, wherein we invite management teams from across our coverage universe for interaction with our clients.

(v) Investor Education

Our approach is to educate our clients on the benefits of investing in various instruments and asset classes as well as keep them informed about various market trends and key economic developments. We use different channels to reach out to our customers like email, sms, whatsapp, edelweiss mobile trader app notifications, inapp notificationas, web push notifications, voice blast and rich messaging services as well. We also educate our existing and prospective clients through articles and videos published on our website.

Webinars are organized wherein industry experts and our internal research team seniors are invited to provide their perspective on how to invest in order to maintain a well balanced portfolio and achieve financial goals.We keep our customers informed about various regulatory developments and guidelines relating to their account. Apart from that, we also send regular communications related to various enhanced processes and best operating practices. Through our investor edcuation efforts, we not only intend to educate our existing and prosepctive new clients on the various financial and economic concepts but also on benefits of investing at large.

B. Distribution of financial products

Our distribution business primarily consists of the distribution of financial products and services offered by third parties to our customers. These products include mutual funds, insurance products, portfolio management schemes, alternative investment funds, structured products, IPOs, fixed deposits, non-convertible debentures among others. We earn commissions from third parties for the distribution of their products, which may be in the form of recurring commissions for longer-term products.

(i) Products

Some of the key third-party products that we distribute are:

a) Mutual Funds

We follow an “open-source” distribution model, pursuant to which we distribute mutual funds of third parties irrespective of their affiliation or size. In Fiscal 2022, we distributed about 1,500 schemes from 40 asset management companies, providing our customers with a large selection to choose from. We also provide our customers with a range of tools and information, including ratings and historical performance, to identify the right funds to invest in. The commissions that we receive from such third-party funds are linked to the contribution to their AUM from our distribution. The assets under advice of the mutual funds distributed by us were ₹ 36,617 million, ₹ 30,086 million and ₹ 28,312 million at the end of Fiscals 2022, 2021, and 2020 respectively.

b) Life Insurance

We are registered as a corporate life insurance distribution agent (composite) with the IRDAI, and we distribute various types of life insurance policies such as term insurance, traditional plans and, unit-linked insurance plans. We currently distribute life insurance products of Edelweiss Tokio Life Insurance and HDFC Life Insurance on a non-exclusive basis. The commissions that we receive on the distribution of

these products are linked to, among other things, their premiums.

The following table shows the total policies sold and total premiums received from the distribution of life insurance policies for the period indicated:

Particulars	**As of Fiscal Year ended March 31,**		
	2022	**2021**	**2020**
No. of Life Insurance Policies sold	4,352	5,863	7,331
Amount of Premium (Annualized Premium Equivalent) *(₹ in million)*	517.87	409.11	398.09

c) General Insurance

We offer a range of general insurance products ranging from health, home, motor and travel insurance to financial protection. We currently distribute general insurance products of Edelweiss General Insurance and Star Health and Allied Insurance.

d) Others

We allow our customers to participate in IPOs, offers for sale and public bond offerings, and offer them third party corporate fixed deposits, portfolio management services, alternative investment funds, structured products among other third-party products and services. Furthermore, we have integrated our internal platforms with the third-party providers thereby ensuring smooth purchase of these products for the clients.

(ii) Distribution Network

a) Physical Distribution Network

We also have a physical distribution network to drive sales and provide support, and generally supplement our electronic platform. As of March 31, 2022, we had over 71 branches in over 57 cities in India. We intend to expand our physical distribution network in Tier-II and Tier-III cities to expand our pan India footprint and increase the mind share and wallet share of our prospective clients.

b) Relationship Managers

We believe that our entrepreneurial and collaborative work culture is one of the critical factors for the success of our business. Our relationship managers cater to our affluent customers who require the help of relationship managers for portfolio management. As of March 31, 2022, we had over 950 relationship managers spread across our branches who meet clients, understand their requirements and assist them with managing their investments in our products and services. The career development of the relationship managers is elaborated below:

- An employee joins as a Preferred Relationship Manager
- As the Relationship Manager gains experience in our business, they get promoted to Privileged and Senior Privileged Relationship Managers who also mentor and guide newer Relationship Managers in building their businesses.
- As they grow in their roles, they enter into supervisory roles wherein they head a location/unit/branch and become responsible for reporting and administrative work related to that location.

c) Partner Channel

We have a vast network of over 23,000 partners with a large pan India geographical presence. The wide geographical presence of our partner network has helped us to acquire clients and well as to meet with the specific needs and preferences of individuals which vary from region to region and state to state. Our wide geographical network has also enabled us to tailor our offering to the evolving needs of our clients. We have a revenue-sharing system in place that has been established pursuant to agreements required by the relevant regulations.

C. ESOP funding

ESOPs are Employee Stock Option Plans under which employees receive the right to purchase a certain number of shares in the company at a predetermined price, as a reward for their performance and also as motivation for employees to keep increasing their performance. Employees typically have to wait for a certain duration known as vesting period before they can exercise the right to purchase the shares. The main aim of giving such a plan to its employees is to give shares of the company to its employees at a discounted price to the market price at the time of exercise. ESOP funding is a mechanism of providing financing assistance to employees of partnered corporates to exercise their ESOPs.

As at March 31, 2022, total loans outstanding under our ESOP funding business amounts to ₹ 4,455.90 million. Loans granted under ESOP Funding policy are up to a maximum repayment tenure of 12 months (which can be extended as per the respective agreements). The yield in our ESOP funding business, was 6.90% for the fiscal year March 31, 2022.

(a) ESOP Funding Policy and Process:

To avail such funding, corporate employees are required to have a demat account with any existing depository participant or open a trading and demat account with our Company. ESOP funding is provided only to corporate employees for exercising ESOPs.

The funds raised by our company by issuing market linked debentures and commercial papers are utilized towards the ESOP funding.

Funding through EBL is done basis SEBI (informal Guidance) Scheme 2003, as amended: - Interpretation of Regulation 9 (1) (2) of SEBI (Share Based Employee Benefit) Regulations, 2014.

- **Corporate Onboarding**

Corporate entities for ESOP funding are onboarded after obtaining necessary internal approvals. Our Company has relationships with some of India's largest companies to provide loans to their employees to assist them in exercising their Employee Stock Options (ESOPs). Our key corporates are Reliance, HDFC Bank, HDFC Ltd, HDFC Life, Axis Bank, ICICI Bank, Lupin, IndusInd Bank, PolicyBazaar, Medplus and Devyani International**.** As of March 31, 2022, we have such relationships over 160 corporates.

- **Initial Disbursement**

Post the onboarding of a corporate entity, its employees are eligible for obtaining loans to exercise their ESOPs. Our relationship manger obtains client wise details from corporate for their funding requirement which includes employee's documents', eligible ESOPs, quantity to be exercised with Grant price and perquisite tax. Basis the employee's document a sanction limit and loan amount are ascertained, and funding is initiated based on the request of corporate employee.

- **Finsmart System**

Finsmart is our loan management system which inter alia facilitates client onboarding, risk assessment, risk management, collateral management, loan disbursement, loan repayment and interest calculation. Our Financing team prepares a funding memo which is then uploaded on Finsmart. End to end process is subsequently managed on Finsmart system.

- **Security**

Majority of the collateral for ESOP funding will be corporate security. Clients can pledge other approved security as margin. In case client has free drawing power / margin, corporate shares can be unpledged only if there is sufficient margin against corporate shares post release of same.

- **Evaluation and Approval Process, Credit Appraisal**

We evaluate detailed KYC requirements while onboarding the client for loan along with AML, world check, SEBI, RBI board list etc. For credit appraisal, we fetch credit score from 4 bureaus based on our credit policy. We then decide the sanction limit and list of the financial documents will be required.

- **Disbursement monitoring, Collection and Recovery**

Disbursement is carried out basis disbursement memo. We have workflow-based disbursement process which includes raising request, risk approval, fund transfer and accounting. As part of loan monitoring, we have system driven algorithms supported by Risk team which helps keeping an eye on the market scenarios. In case customer is not able to repay the loan amount, they sell their securities to cover the loan.

D. Margin Trade Financing Facility

We provide margin trading facility to our clients to enable them to leverage their eligible collaterals, by funding their requirements in the cash delivery segment of equities. Such funding is subject to exposure against margins, which are mandated by the Stock Exchanges, with the margin money and underlying securities forming part of the collateral, for such funding. We provide margin funding for up to 75% of the purchase value by the client on approved stocks as per extant guidelines. Securities purchased by clients, against the margin funding facility availed from us, are retained in the client margin funding account of our Company, maintained specifically for the purpose of margin trading. Margin calls are made if there is a shortfall of margin as per the exchange rules defined for Margin Trading Facility, in the margin funded portfolio, for which margins are required to be replenished immediately by transferring funds or collateralizing additional eligible securities. In order to avail margin trading facility services, our clients are required to provide their consent along with a power of attorney in our favour to operate their demat accounts.

All KYC checks are conducted at the time on on-boarding clients and periodically after clients being on-boarded. This ensures that no suspicious client is on-boarded on our platform. Margin funding facility is offered only in select stocks which meets risk criteria to ensure that our Company has timely exit in case of client not providing margin top-up. A dedicated risk team monitors client position on real-time basis and takes risk action (liquidation of position and collateral) in-line with risk policy and framework so as to ensure that our Company does not go out of pocket for any client. In a rare event where our Company is not able to recover entire client outstanding through sale of collateral, we may initiate legal proceedings against the client for recovery.

Margin trading facility (net of ECL) has increased from ₹ 2,462.69 million as of Fiscal ended March 31, 2021 to ₹ 5,424.35 million as of Fiscal ended March 31, 2022. This funding is exclusive to our broking clients only, who intend to leverage their collaterals to participate further in the markets. As of March 31, 2022, our margin trading facility book was spread over 6,730 clients.

Risk Management and Compliance

Risk management forms an integral part of our business, and we recognize the importance of risk management towards our long-term success. We have established strong and effective system for risk management and internal controls which promotes stability in our organization. The objective of our risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and to ensure a systematic response in the case of crystallization of such risks.

We have classified the key risks associated with our business into market risk, liquidity risk, compliance risk, default by client and other risk including credit risk, operational risk and information technology risk. We have established a comprehensive risk policy for all our business segments. Our various policies framed for each business segment set forth the limits, mitigation strategies and internal controls to be implemented. Our risk policy for Securities Broking business covers: (a) Margin Policy; (b) Trading products and its risk parameters; (c) Pre trade checks; (d) Risk monitoring and liquidation thresholds. Other risk policies include a policy on SEBI margin trading facility, expected credit loss policy/ provisioning policy, client securities liquidation policy, ESOP risk policy, corporate risk and investment policy, an operational risk management policy, an outsourcing policy, a fraud risk management policy, an information technology risk management policy, an information security management policy and a surveillance policy. Please see also "*Risk Factors — If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows" on page 31.*

We have also constituted a Risk Management Committee comprising of (i) Mr. Rahul Jain – Managing Director & CEO, (ii) Mr. Ashish Kehair – Non-executive Director and Mr. Birendra Kumar – Independent Director, which frames and reviews risk management processes and controls.

Compliance

The Company, through the internal Compliance Committee, oversees the compliance framework. We have formulated various policies and procedures related to internal compliance, including a code of business conduct and ethics, a code of conduct for the prevention of insider trading, an anti-bribery and anti-corruption policy, an anti-money laundering policy and a whistleblower policy. These policies help ensure compliance with relevant laws and applicable regulatory guidelines issued by the relevant regulatory, statutory and enforcement authorities from time to time, including our branches. We have a standard process of identifying and addressing compliance risks and regularly review our policies and procedures related to internal compliance.

Customer Support

We support our retail customers in various ways, including through call centers, e-mail, branches and comprehensive self-support tools on our website. We are in the process of launching a chatbot on our online broking platform to assist our customers with frequently asked questions. We have also introduced a "Request-a-Call" feature where we assist our customers over the phone by proactively calling them at their preferred time. Our two-step identity verification process ensures a swift and secure customer experience.

We have set up an independent team to monitor the quality of our customer support and review their findings. We also solicit feedback from our customers through calls and satisfaction surveys. We have put in place an internal complaint management system and have had complaint rates (number of complaints received by the BSE and NSE per customer that has traded during the period) of 0.10%, 0.16%, 0.09%, for fiscal 2022, fiscal 2021 and fiscal 2020 respectively.

Competition

We compete, directly or indirectly, with various companies in the financial services industry, including Indian and foreign brokers, discount brokers, public and private sector commercial banks, insurance companies, non-banking financial institutions and asset managers.

Legal and Regulatory Matters

We are subject to various legal and regulatory proceedings. We are also subject, from time to time, to inquiries and investigations, some of which may in the future result in financial penalties being imposed or proceedings being instituted against us. Please see section titled "*Risk Factors*" and "*Outstanding Litigations*" on page 15 and 166 respectively.

Employees

As of March 31, 2022, we employed 1,971 employees. Each of our businesses are led by senior executives who are generally, also responsible for certain organisational functions at the group level. Our senior managers have diverse experience in various financial services and functions related to our business. We have instituted training and mentorship programs for our junior and mid-management employees, and we intend to continue investing in recruiting, training and maintaining a rewarding work environment. In addition to ongoing on-the- job training, we provide employees with courses in specific areas as required. We will continue to attract talented employees through our recruitment and retention initiatives.

To create a sense of ownership among and as a long-term incentive to our employees, ESL has adopted ESOP Schemes to issue options convertible into Equity Shares to select employees linked to their performance.

ESL, the holding company of our Company has instituted the Edelweiss Securities Limited - Employee Stock Option Plan, 2021 ("ESOP 2021") pursuant to a special resolution dated October 23, 2021 in an Extraordinary General Meeting of its members. Under ESOP 2021, ESL can grant employee stock options to the employees of the company, its subsidiary companies and its Holding Company within or outside India, and any successor company thereof which are exercisable into not more than 26,10,636 Equity Shares of ₹ 10 each of ESL. The eligibility and number of options to be granted to an employee is determined on the basis of criteria laid down in the ESOP 2021 and is approved by the Compensation Committee of ESL.

The options granted shall vest on the eligible employees of our Company as determined in accordance with ESOP 2021, 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 1 year and not later than 8 years from the date of grant. The ESOP 2021 shall continue to be in force until its termination by the Board or the Compensation Committee of ESL.

Please refer below for the details of ESOP 2021 granted to the employees of the Company as on March 31, 2022:

Sr. No.	Particulars	Number of Equity Shares
1	Stock options granted	618,742
2	Stock options vested	-
3	Stock options exercised	-
4	Total number of shares arising out of exercise of Stock options	-
5	Stock options lapsed	8086
6	Exercise price (in ₹)	1,298

We also carry out periodic evaluations of our senior personnel on an annual basis with the relevant department heads and senior management. We identify key performance indicators and set benchmarks against which we measure the performance of our employees and payment of remuneration and annual increments are determined after the completion of the evaluation process. We identify and reward those employees who have demonstrated exceptional performance during any financial year.

Property

Our registered office is located at 2nd floor, Office No. 201 -203, Zodiac Plaza, Xavier College Road, Off C G Road, Ahmedabad – 380 009 and corporate office is located at Edelweiss House, Off. CST Road, Kalina, Mumbai – 400 098.

Insurance

We have insurance policies providing coverage for our assets against losses from fire, burglary and certain other risks. We also maintain insurance policies against third-party liabilities, including directors and officers policy, brokers indemnity policy a group term insurance policy, a group personal accident policy and a group health insurance policy to cover the medical expenses incurred by our employees during hospitalisation. Although we believe we are adequately insured, we could suffer from losses due to unforeseeable circumstances or adverse situations which may not be insurable. For details in relation to the risks in relation to inadequate insurance, please see the section entitled "*Risk Factors - Our insurance coverage could prove inadequate to cover our losses. If we were to incur a serious uninsured loss or a loss that significantly exceed the limits of our insurance policies, it could have a material adverse effect on our business, results of operations, cash flows and financial condition*" on page 38.

Intellectual Property

Our Company is using the following trademarks/ logos pursuant to a trademarks license agreement dated February 29, 2016, entered into between our Company and Edelweiss Financial Services Limited:

Sr. No.	Trademark	Class	Valid Upto
1.	Edelweiss Ideas create, values protect	36	February 25, 2031
2.	**Edelweiss WPS**	36	December 31, 2024
3.	Ideas create, values protect	36	March 3, 2026
4.			January 30, 2028

Awards and Accolades

We are proud to have been recognized with multiple awards and recognitions over past years for our innovation and wealth management offerings. Few key recognitions are mentioned below.

- Best Private Bank four years in a row by Global Finance Magazine from 2018-2021.
- Best Private Bank for Family Offices, India in Asiamoney Asia Private Banking Awards, 2020 and 2021.
- Outstanding Wealth Management Offerings for HNI clients by Global Private Banking Innovation Awards by Global Private Banker and The Digital Banker in 2021.
- Best Product Innovation by Global Private Banking Innovation Awards by Global Private Banker and The Digital Banker in 2021.
- Best Customer Centric Culture and Best Customer Experience Team of the year in 13th Edition of the Customer FEST Awards, 2020.
- Best Performance Marketing Campaign in Exchange4Media Play Awards, 2020.

HISTORY AND MAIN OBJECTS

Corporate Profile:

Our Company was incorporated in Hyderabad, Telangana (Erstwhile Andhra Pradesh) as 'Edelweiss Investment and Advisory Services Limited' on February 7, 2008 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 February 19, 2008. Subsequently, the name of our Company was changed to 'Edelweiss Broking Limited' pursuant to a fresh certificate of incorporation issued by the RoC on October 22, 2008. The registered office of our Company is situated at 2nd Floor, Office No. 201-203, Zodiac Plaza, Xavier College Road, Off C G Road Ahmedabad, 380009, Gujarat, India and our CIN is U65100GJ2008PLC077462.

For details of the business of our Company, see "*Our Business*" beginning on page 115.

Change in registered office of our Company

By the order of the Regional Director dated June 19, 2013, the Registered Office of the Company shifted from 2nd Floor, MB Towers, Plot No 5, Road No 2, Banjara Hills, Hyderabad – 500 034, Telangana (Erstwhile Andhra Pradesh) to H.L. Commerce College Stadium Road, Navrangpura, Ahmedabad – 380 009, Gujarat.

Subsequently, pursuant to a resolution of our Board on July 17, 2015, the registered office of our Company was shifted from H.L. Commerce College Stadium Road, Navrangpura, Ahmedabad – 380 009, Gujarat to Unit No. 801-804, Eighth Floor, Abhishree Avenue, Nehru Nagar, Ambawadi, Ahmedabad – 380 015, Gujarat.

Subsequently, pursuant to a resolution of our Board on January 6, 2020, , the registered office of our Company was shifted from Unit No. 801-804, Eighth Floor, Abhishree Avenue, Nehru Nagar, Ambawadi, Ahmedabad – 380 015, Gujarat to 2nd Floor, Office No. 201 – 203, Zodiac Plaza, Xavier College Road, Off C G Road, Ahmedabad – 380 009, with effect fromJanuary 24, 2020.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

1. *To act as Equity / Strategy Advisor, to engage in , commerce and/or carry out and/or undertake financial researches, analysis and appraisal of Shares and Securities, including Money market survey and to provide the results of such research, to any person or persons for commercial consideration, through any suitable media and particularly by publishing brochures or pamphlets on such research and market survey, treating as part of service to clients or persons having dealing with the Company, in terms of dissemination of information that may be considered likely to assist the business of the Company.*

2. *To carry on the business of an Investment Company and to acquire by purchase or otherwise Shares, Stocks, debenture-stock, bonds, obligations, or any other securities, including derivatives on any underlying whatsoever, of any Company or corporation or otherwise, whether traded on exchanges or otherwise, whether in India or overseas, and to deal in the same as brokers, sub-brokers, dealing in Internet Banking, Mutual fund, IPO Managers, Mutual Fund distributors, distributors of banking products, portfolio managers, depository participants, underwriters, sub-underwriters or in any other capacity whatsoever and providing Investments and Brokerage services, carrying on proprietary trading, dealing in existing and future financial products.*

   **(But the Company shall not carry on the Banking Business as per Banking Regulation Act, 1949)*

3. *To become a member of any one or more stock exchanges including over the counter stock exchanges and of any other association, market, club, or other institution or organization, whether in India or outside India, and to carry on the business of capital or debt instruments brokers, shares and stock brokers, dealers, traders, underwriters, sub-underwriters, agents, subagents or market makers in shares, stocks, debentures, bonds, units, bills, notes, warrants, coupons, saving certificates, commercial papers, treasury bills, and all other kinds of securities and financial instruments, and for this purpose, either for itself or on behalf of any person, body corporate, company, firm or association of persons, whether incorporated or not, or issued by anybody corporate, commission, public body or authority, local or municipal, or by any firm, person or association and subject to permission of the Reserve Bank of India, to trade or deal or act as brokers in all kinds of foreign currencies, foreign currency options, forward covers, swaps of all kinds and other derivative products.*

3A. To solicit or procure insurance business as a Corporate Agent.

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 Draft 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.

Amended and Restated Shareholders' Agreement dated March 18, 2021 between PAGAC Ecstasy Pte. Ltd., Edelweiss Global Wealth Management Limited, Edelweiss Securities Limited, Edelweiss Financial Services Limited read with deed of adherence dated March 19, 2021 executed by Asia Pragati Strategic Investment and read with Deed of Adherence dated December 1, 2021 between Edel Finance Company Limited and PAGAC Ecstasy Pte. Ltd Fund.

PAG and EGWML (the "**Investors**") have entered into the amended and restated shareholders' agreement on March 18, 2021 (the "**SHA**") with EFSL and ESL, to record the updated terms and conditions governing *inter alia* the management of ESL and its business and the *inter se* rights and obligations.

Pursuant to, and subject to the other terms of, the SHA, our Company nor our shareholders, nor any Director, officer, Committee, Committee member, employee, agent or any of their respective delegates shall, with respect to the Company, take any decisions or actions in relation to any of the reserved matters as set forth in Schedule 1 of the Articles of Association of our Company.

Subsidiary Companies

As on the date of this Draft Prospectus, our Company has no subsidiaries

Associates

As on the date of this Draft Prospectus, our Company has no associates.

Enterprises over which control is exercised by the Company

As on the date of this Draft Prospectus, our Company does not exercise control over any of the enterprises.

OUR MANAGEMENT

1. *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 3 and not more than 15.

As of the date of this Draft Prospectus, we have 6 (Six) Directors on the Board, out of which 1 (One) Director is Managing Director and Chief Executive Officer, 1 (One) Director is an Executive Director, 2 (Two) Directors are Non-executive Director, and 2 (Two) Directors are Independent Directors. Our Company has 1 (one) women director on the Board.

2. *Details of Board of Directors as on the date of this Draft Prospectus*:

S. No.	Name, Designation, and DIN	Age (in years)	Address	Date of Appointment	Other directorships
1.	Rahul Jain DIN – 00387505 *Managing Director & CEO*	41	214, Street-40 Chitranjan Park, New Delhi – 110 019	December 31, 2021	1. Comtrade Commodities Services Limited
2.	Prashant Shashikant Mody DIN – 03101048 *Executive Director*	50	A 301, Ganeshchhaya, NP Thakkar Road, Vile Parle (East), Mumbai – 400 057	April 27, 2016	1. Edelweiss Investment Adviser Limited 2. Falcom Realty Private Limited 3. ESL Securities Limited
3.	Ashish Kehair DIN – 07789972 *Non-executive Director*	47	Wing M 1401, Jade Garden, Gandhinagar, Bandra East, Opposite MIG Cricket Club, Mumbai, Suburban Maharashtra- 400051	March 19, 2021	1. Edelweiss Securities Limited 2. Edelweiss Finance & Investments Limited
4.	Kamala Kantharaj DIN – 07917801 *Non-executive Director**	56	5402 Tower 5, Crescent Bay, Parel, Mumbai – 400 012	September 21, 2021	1. Edelweiss Custodial Services Limited 2. Edelweiss General Insurance Company Limited 3. Edelweiss Tokio Life Insurance Company Limited 4. Edelweiss Trusteeship Company Limited 5. Edelweiss Finance & Investments Limited 6. Edelweiss Alternative Asset Advisors Limited 7. Edelweiss Capital Services Limited
5.	Birendra Kumar DIN- 00163054 *Independent Director*	80	3C, Tower D, Viceroy Park, Thakur Village, Kandivali (East), Mumbai – 400 101	February 17, 2022	1. Advait Arc Private Limited 2. Edelweiss Securities Limited 3. Edelweiss Finance & Investments Limited 4. Wisler Investment Management Private Limited
6.	Dr. Vinod Juneja DIN-00044311 *Independent Director*	73	58, Babar Road, New Delhi – 110 001	February 17, 2022	1. Edel Finance Company Limited 2. Edelweiss Rural & Corporate Services Limited 3. Edelweiss Retail Finance Limited 4. Ecap Securities and Investments Limited 5. Shyam Telecom Limited 6. Shristi Infrastructure Development Corporation Limited

S. No.	Name, Designation, and DIN	Age (in years)	Address	Date of Appointment	Other directorships
					7. Edelweiss Capital Services Limited 8. Damini Multitrade Private Limited 9. Shivakriti International Limited

** in capacity as nominee director of EFSL*

3. *Brief profile of the Directors of our Company*

a. ***Rahul Jain***

Rahul Jain heads the Personal Wealth business in Edelweiss. He joined Edelweiss group in 2008. In his current role, he is responsible for achieving business objectives leading various strategic initiatives, channel management, product and service delivery. Prior to working for Edelweiss, he was associated with ABN AMRO – India, and ICICI Bank. Rahul is a member of the Executive Committee of the Edelweiss Wealth Management and Management Committee of the Edelweiss Group. Rahul holds an MBA from IMT Ghaziabad with specialization in Finance.

b. ***Prashant Shashikant Mody***

Prashant Mody has around 30 years of vast experience in Capital Market, Operations, Compliance and Legal. Mr. Mody had also worked as a Financial Advisor (US Markets) to HNI clients based in the Middle East. At present, he is a Director in Edelweiss Broking Limited. He has done his Graduation in Commerce and master's in financial management (MFM) from NMIMS Mumbai.

c. ***Ashish Kehair***

Ashish Kehair brings over 23 years of experience in the financial services sector. He has had an extensive career in the areas of Private Banking and Wealth Management, Asset Management Structuring of Investment products & Treasury in India and offshore markets. Additionally, he also has an exposure in Venture Capital and Private Equity domain where he has been involved in project incubation funding (seed and late stage) and exits. Prior to joining Edelweiss, Ashish was associated with IDFC Bank, ICICI Securities Limited, ICICI Bank Limited and TAIB BANK E.C. (Asset Management). Ashish Kehair is a professionally qualified Chartered Accountant & Cost Accountant.

d. ***Kamala Kantharaj***

Kamala Kantharaj has been associated with Edelweiss group since 2016 as Group Chief Compliance & Governance Officer and has rich and varied experience of more than 28 years in the field of corporate laws, securities laws and corporate governance in financial services sector. Prior to joining Edelweiss group she was associated with National Stock Exchange of India (NSE) as Head – Regulatory Compliance. She is a qualified Chartered Accountant and has done her Graduation in Commerce from Bangalore University and master's in financial management (MFM) from NMIMS Mumbai.

e. ***Birendra Kumar***

Mr. Birendra Kumar has been a career banker with over five decades of experience in various areas of banking, in India and overseas. He is postgraduate in Mathematics from University of Delhi and Certified Associate of Indian Institute of Bankers, Mumbai.

f. ***Dr. Vinod Juneja***

Dr. Vinod Juneja holds the degree of Bachelor of Law and PhD. He has a rich and varied experience of more than 3 decades in the Banking Industry and has worked with various domestic and international banks in senior positions.

4. Relationship between Directors

None of our Directors are related to each other.

5. *Remuneration of Directors*

a. Details of remuneration paid to the Managing Director and CEO and Executive Director for the Fiscals 2022, 2021 and 2020 by our Company (on a standalone basis):

(in ₹)

Name of Director	Fiscal 2022	Fiscal 2021	Fiscal 2020
Rahul Jain	3,278,450	NA	NA
Prashant Mody	10,076,132	3,816,472	NA
Biren Shah[1]	86,09,684	85,96,375	1,02,77,466
Rashmi Nagori[2]	34,81,514	NA	NA

Note:
1. *Biren Shah has resigned as on December 31, 2021*
2. *Rashmi Nagori has resigned as on February 17, 2022*

b. Details of remuneration paid to the Directors for the Fiscals 2022, 2021 and 2020 by our Subsidiaries and Associates:

Our Company does not have any Subsidiary and Associate company.

c. The terms of appointment of Managing Director and CEO is as below:

Rahul Jain Managing Director and CEO

Rahul Jain was appointed as the Managing Director and CEO of the Company with effect from December 31, 2021, for a period of 3 years, as approved by the Board of Directors at their meeting held on October 19, 2021. The following table sets forth revised terms of remuneration to Rahul Jain as approved by the Board of Directors at their meeting held on May 20, 2022 for his remaining tenure:

Particulars	Remuneration (₹ per annum)
Salary	Not to exceed ₹ 25 million per annum.
Bonus	In addition to salary, performance-based bonus, up to 200% of Salary limit
Perquisites	As per the Rules of the Company, Rahul Jain is given car perks not exceeding ₹40,000 and ESOP perks not exceeding ₹ 4,000,000

d. The terms of appointment of Prashant Mody, Executive Director is as below:

The following table sets forth terms of remuneration to Prashant Mody, with effect from October 1, 2020 as an Executive Director, for a period of 3 years, as approved by the Board of Directors at their meeting held on September 8, 2020, further as approved by the Board of Directors at their meeting held on May 20, 2022:

Particulars	Remuneration (₹ per annum)
Salary	Not to exceed ₹ 10 million per annum.
Bonus	In addition to salary, performance-based bonus, up to 75% of Salary limit
Perquisites	As per the Rules of the Company, Prashant Mody is given car perks not exceeding ₹ 40,000 and ESOP perks not exceeding ₹ 3,000,000

e. ***Remuneration of Independent Directors***

The 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 Directors are not paid any sitting fees.

Our Company pays sitting fees of ₹ 20,000 per meeting to the Independent Directors for attending the meetings of the Board and Committees thereof.

Apart from above, the 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 2022, 2021 and 2020:

Name of Director	For Fiscal 2022		For Fiscal 2021		For Fiscal 2020	
	Commission	Sitting fees	Commission	Sitting fees	Commission	Sitting fees
Birendra Kumar	Nil	20,000	Not applicable		Not applicable	
Vinod Juneja	Nil	20,000	Not applicable		Not applicable	
Pankaj Razdan[1]	Nil	Not applicable	Not applicable		Not applicable	
Puja D'Souza[2]	Nil	Not applicable	Not applicable		Not applicable	
Rajesh Save[3]	Nil	Not applicable	Not applicable		Not applicable	

Note:

1. *Pankaj Razdan has resigned as on January 7, 2022*
2. *Puja D'Souza has resigned as on March 19, 2021*
3. *Rajesh Save has resigned as on August 11, 2020*

6. 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 have been categorised as a willful 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.

- None of our Directors have been restrained or prohibited or debarred from accessing the securities market or dealing in securities by SEBI.

- None of our Directors is a fugitive economic offender.

- None of our directors is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by the SEBI.

- None of the whole time directors of our Company is a promoter or whole time director of another company that is a wilful defaulter.

- None of the Directors of our Company interested in the appointment of or acting as lead managers, credit rating agency(ies), underwriter, registrar, debenture trustee, advertising agency, printers, banker to the Issue or any other such intermediary appointed in connection with the Issue.

- Our Company confirms that the Permanent Account Number of the Directors of our Company have been submitted to the Stock Exchanges at the time of filing this Draft Prospectus.

7. Borrowing Powers of the Board:

Pursuant to resolution passed by the shareholders of our Company on January 28, 2022 in accordance with provisions of 180(1)I 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 ₹ 75,000 million.

8. Interest of the Directors:

No directors are interested in the promotion of the Company.

Prashant Mody who is a Director of our Company is interested in our Company as a nominee shareholder, holding one share on behalf of ESL.

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 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 Draft 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 Draft 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 Draft Prospectus, our Directors have not taken any loan from our Company. Except as disclosed in the Section "*Related Party Transaction*" on page 149 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.

Except as disclosed hereinabove and the section titled *"Risk Factors"* on page 15, 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 149 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 Draft Prospectus 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.

***9.* Debenture holding of Directors:**

As on March 31, 2022, none of the Directors of our Company hold any debentures issued by our Company.

10. Details of change in Directors of our Company during last three years preceding the date of this Draft Prospectus

Name of Director, Designation and DIN	Date of Appointment	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks
Birendra Kumar Independent Director DIN: 00163054	February 17, 2022	-	-	Appointment
Vinod Juneja Independent Director DIN: 00044311	February 17, 2022	-	-	Appointment
Rahul Jain, Managing Director & CEO DIN: 00387505	December 31, 2021	-	-	Appointment
Biren Shah Executive Director DIN: 01258542	February 07, 2008	December 31, 2021	December 31, 2021	Resignation
Kamala Kantharaj Non-executive Director DIN: 07917801	September 21, 2021	-	-	Appointment
Pankaj Razdan Non-executive Director DIN: 00061240	March 19, 2021	January 07, 2022	January 07, 2022	Resignation
Ashish Kehair Non-executive Director DIN: 07789972	March 19, 2021	-	-	Appointment
Rashmi Nagori Executive Director DIN: 08910557	March 19, 2021	February 17, 2022	February 17, 2022	Resignation as an Executive Director
Rashmi Nagori Executive Director DIN: 08910557	March 19, 2021	February 17, 2022	February 17, 2022	Appointment as Non-Executive Director
Rashmi Nagori Executive Director DIN: 08910557	August 01, 2021	February 17, 2022	February 17, 2022	Change in Designation to Executive Director
Puja D'Souza Non-executive Director DIN: 05136515	March 22, 2019	March 19, 2021	March 19, 2021	Resignation
Prashant Mody Executive Director DIN: 03101048	October 01, 2020	-	-	Change in Designation to Executive Director
Rajesh Save Non-executive Director DIN: 02602353	February 01, 2010	August 11, 2020	August 11, 2020	Resignation

***11.* Shareholding of Directors, including details of qualification shares held by Directors as on the date of this Draft Prospectus:**

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

***12.* Shareholding of our Directors in our Company is as follows:**

As on March 31, 2022, the Directors of our Company do not hold any shares in our Company, except as provided for below:

Sr. No.	Name of the Director, Designation and DIN	No. of Equity Shares	Name of Company	% of total Equity Shares of ESL
1.	Prashant Mody Executive Director	1	ESL	0.00 (Negligible)

Sr. No.	Name of the Director, Designation and DIN	No. of Equity Shares	Name of Company	% of total Equity Shares of ESL
	DIN: 03101048			

13. **Shareholding of Directors in Subsidiaries and Associate companies, including details of qualification shares held by Directors as on the date of this Draft Prospectus:**

Our Company does not have any subsidiary and associate company as on the date of this Draft Prospectus.

14. **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 Draft Prospectus.

a. ***Viral Thanawala (Chief Financial Officer)***

A Finance Professional with vast experience in Financial Reporting, Audit, Taxation. He has total experience of more than 17 years, and with Edelweiss group for more than 10 years. He has been appointed as CFO of EBL since 2019. He holds a bachelor's degree in Commerce and is qualified Chartered Accountant. He also holds diploma in IFRS from ACCA, London.

b. ***Dipankar Basu (Company Secretary)***

Dipankar Basu is a member of the Institute of Company Secretaries of India and a graduate in Law and Commerce. He has close to 8 years of work experience. He joined Edelweiss in 2021 and was previously associated with Morgan Stanley. Prior to that, he has worked as a Whole Time Company Secretary at iStreet Network Limited.

For details about our Managing Director and Whole Time Director, please refer to "*Our Management – Brief profiles of the Directors of our Company*" on page 2.

As on the date of this Draft Prospectus, all of the Key Managerial Personnel of our Company are the permanent employees of our Company.

15. ***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.

16. ***Details of various committees of the Board:***

Audit Committee*:*

The Audit Committee was last reconstituted *vide* a resolution passed by the Board on January 21, 2022, and such reconstitution came into effect from February 17, 2022. As on the date of this Draft Prospectus, it comprises of following members:

Name	Designation on committee	Nature of directorship
Birendra Kumar	Chairman	Independent
Dr. Vinod Juneja	Member	Independent
Rahul Jain	Member	Non- Independent, Managing Director & Chief Executive Officer

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: The terms of reference of the Audit Committee shall include the following:

1. oversight of the listed entity'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 listed entity;

3. examination of the financial statement and the auditors ‘report thereon;

4. monitoring the end use of funds raised through public offers and related matters

5. approval of payment to the statutory auditors for any other services rendered by the statutory auditors;

6. reviewing, with the management, the annual financial statements and auditor’s report thereon before submission to the board for approval, with particular reference to:

   (a) matters required to be included in the director’s responsibility statement to be included in the board’s report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
   (b) changes, if any, in accounting policies and practices and reasons for the same;
   (c) major accounting entries involving estimates based on the exercise of judgment by management;
   (d) significant adjustments made in the financial statements arising out of audit findings;
   (e) compliance with listing and other legal requirements relating to financial statements;
   (f) disclosure of any related party transactions;
   (g) modified opinion(s) in the draft audit report;

7. reviewing, with the management, the quarterly financial statements before submission to the board for approval;

8. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

9. reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;

10. approval or any subsequent modification of transactions of the listed entity with related parties;

11. scrutiny of inter-corporate loans and investments;

12. valuation of undertakings or assets of the listed entity, wherever it is necessary;

13. evaluation of internal financial controls and risk management systems;

14. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

15. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

16. discussion with internal auditors of any significant findings and follow up there on;

17. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

18. 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;

19. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

20. to review the functioning of the whistle blower mechanism;

21. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc.

of the candidate;

22. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

23. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

24. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee shall mandatorily review the following:

1. review the management discussion and analysis of financial condition and results of operations;

2. statement of significant (material) related party transactions (as defined by the audit committee), submitted by management;

3. management letters / letters of internal control weaknesses issued by the statutory auditors;

4. internal audit reports relating to internal control weaknesses; and

5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

6. statement of deviations:

(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
(b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was last reconstituted vide a resolution passed by the Board on January 21, 2022, and such reconstitution came into effect from February 17, 2022. As on the date of this Draft Prospectus, it comprises of the following members:

Name	Designation on committee	Nature of directorship
Birendra Kumar	Chairman	Independent
Dr. Vinod Juneja	Member	Independent
Ashish Kehair	Member	Non- Independent

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. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel, and other employees;

2. for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge, and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

    a. use the services of an external agencies, if required;
    b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    c. consider the time commitments of the candidates.

3. formulation of criteria for evaluation of performance of independent directors and the board of directors;

4. devising a policy on diversity of board of directors;

5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal and shall carry out evaluation of ever director 's performance.

6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

7. recommend to the Board, all remuneration, in whatever form, payable to senior management.

8. to act as the Compensation Committee under the applicable SEBI (Share Based Employee Benefits and Sweat Equity), Regulations, 2021 and any statutory amendment or modification thereto;

9. to ensure 'fit and proper' status of proposed/existing directors as required

10. to perform such other functions as may be prescribed by the Board of Directors from time to time.

Corporate Social Responsibility Committee ("CSR Committee")

The Corporate Social Responsibility Committee was constituted vide a resolution passed by the Board on January 21, 2022, and such reconstitution came into effect from February 17, 2022. As on the date of this Draft Prospectus, it comprises of following members:

Name	Designation on committee	Nature of directorship
Ashish Kehair	Chairman	Non – Independent
Birendra Kumar	Member	Independent
Rahul Jain	Member	Non – Independent, Managing Director & Chief Executive Officer

The terms of reference of the CSR Committee are 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.

Stakeholders Relationship Committee ("SRC Committee")

The ***SRC Committee*** was constituted vide a resolution passed by the Board on January 21, 2022, and such reconstitution came into effect from February 17, 2022. As on the date of this Draft Prospectus, it comprises of following members:

Name	Designation on committee	Nature of directorship
Ashish Kehair	Chairman	Non- Independent
Birendra Kumar	Member	Independent
Prashant Mody	Member	Non- Independent, Executive

The terms of reference of the Stakeholders Relationship Committee shall, inter alia, include the following:

1. resolving the grievances of the security holders of the Company 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.

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 as may be specified by the Board from time to time.

Risk Management Committee ("RMC Committee")

The RMC Committee was constituted vide a resolution passed by the Board on January 21, 2022, and such reconstitution came into effect from February 17, 2022. As on the date of this Draft Prospectus, it comprises of following members:

Name	Designation on committee	Nature of directorship
Ashish Kehair	Chairman	Non- Independent
Birendra Kumar	Member	Independent
Rahul Jain	Member	Non- Independent, Managing Director and Chief Executive Officer

The terms of reference of the RMC Committee are mentioned below:

1. to lay down procedures regarding managing and mitigating the risk through Integrated Risk Management Systems, Strategies and Mechanisms;

2. to deal with issues relating to credit policies and procedure and manage the credit risk, operational risk, management of policies and process;

3. identifying, measuring and monitoring the various risk faced by the Company, assist in developing the Policies and verifying the Models that are used for risk measurement from time to time;

4. to monitor the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC;

5. Promoting an enterprise risk management competence throughout the organisation, including facilitating development of IT-related enterprise risk management expertise;

6. Establishing a common risk management language that includes measures around likelihood and impact and risk categories;

7. To evaluate and oversee the liquidity risk of the Company;

8. to ensure that appropriate methodology, processes and systems are in place to identify, monitor, control, mitigate and evaluate risks associated with the business of the Company and functioning of the Company;

9. to have oversight over implementation of risk Management Policy, including evaluating the adequacy of risk management systems and other policies including Anti Money Laundering and KYC (Know your Customer) Policies;

10. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

11. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and

12. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

OUR PROMOTERS

The Promoters of our Company are:

1. **Edelweiss Securities Limited**

   Registered office: Edelweiss House, Off. C.S.T Road, Kalina, Mumbai 400 098
   Date of Incorporation: August 20, 1993
   PAN: AAACK3792N

2. **PAGAC Ecstasy Pte. Ltd.**

   Registered office: C/o PAG Investment Advisors Pte. Ltd., 20, Anson Road, #12-03, Twenty Anson, Singapore (079912)
   Date of Incorporation: August 14, 2020
   PAN: AALCP4561F

As on March 31, 2022, one of our Promoter, ESL hold 43,04,54,000 Equity Shares equivalent to 100 % of the Equity Share capital of our Company.

Profile of our Promoters

1. ***Edelweiss Securities Limited***

   Edelweiss Securities Limited ("**ESL**"), was incorporated on August 20, 1993 as a private limited company under the provisions of the Companies Act, 1956 as Kayjay Financial Research Services Private Limited. The name of ESL was changed from Kayjay Financial Research Services Private Limited to KJS Securities Private Limited pursuant to fresh certificate of incorporation dated February 13, 1998 issued by the ROC, Maharashtra at Mumbai. Subsequently, the name was changed to Rooshnil Securities Private Limited pursuant to fresh certificate of incorporation dated May 4, 1998 issued by the ROC, Maharashtra at Mumbai. The name was changed from Rooshnil Securities Private Limited to Edelweiss Securities Private Limited pursuant to fresh certificate of incorporation dated May 12, 2004 issued by the ROC, Maharashtra at Mumbai. Owing to the conversion from a private company to a public company, the name of our company was changed from Edelweiss Securities Private Limited to Edelweiss Securities Limited pursuant to fresh certificate of incorporation dated June 8, 2007 issued by the ROC, Maharashtra at Mumbai.

   ESL has obtained a certificate of permanent registration dated November 20, 2019 bearing registration number INA200014140 issued by Securities and Exchange Board of India to carry on the activities as an investment adviser.

   ESL is a stock broking entity registered in India and is licensed with and regulated by the Securities and Exchange Board of India to, among other things, conduct trading and broking activities for institutional as well as retail clients. ESL is also a member of multiple stock exchanges in India including, among others, BSE Limited, National Stock Exchange of India Limited Metropolitan Stock Exchange of India Limited and Multi Commodity Exchange of India Limited.

   ESL's institutional equities business covers both securities and futures contracts and it provides equity sales, research and trading services to institutional clients ("Institutional Equities"). As part of its Institutional Equities business, ESL is licensed with SEBI to, among other things, distribute research reports on Indian securities to its clients. ESL is also registered as an Investment Adviser with SEBI.

   Following are the directors of ESL:

Sr. No.	Name of the Director/Key Managerial Personnel	Designation	DIN
1.	Ashish Kehair	Managing Director & Chief Executive Officer (KMP)	07789972
2.	Shiv Sehgal	Executive Director (KMP)	07112524
3.	Rashesh Shah	Non-executive Director	00008322
4.	Vidya Shah	Non-executive Director	00274831
5.	Venkatchalam Ramaswamy	Non-executive Director	00008509

Sr. No.	Name of the Director/Key Managerial Personnel	Designation	DIN
6.	Nikhil Srivastava	Non-executive Director	07308617
7.	Anthony Miller	Non-executive Director	08926326
8.	Ramesh Abhishek	Non-executive Director	07452293
9.	Lincoln Pan	Non-executive Director	08895018
10.	Aswin Vikram	Non-executive Director	08895013
11.	Navtej S. Nandra	Independent Director	02282617
12.	Kunnasagaran Chinniah	Independent Director	01590108
13.	Anisha Motwani	Independent Director	06943493
14.	Birendra Kumar	Independent Director	00163054

2. PAGAC Ecstasy Pte. Ltd.

PAGAC Ecstasy Pte. Ltd. ("**PAG**") was incorporated on August 14, 2020 as a private company limited by shares under the provisions of the Singapore Companies Act, 1967.

PAG is an alternative investment firm focused on APAC. PAG has a proven track record in the APAC region, driven by the combination of PAG's three core strategies, credit and markets, private equity, and real assets.

Following are the directors of PAG:

Sr. No.	Name, Residential Address, Identification No. And Nationality	Business Occupation	Position Held	Date of Birth	Date of Appointment
1.	Timothy Yuen Cheng Zee 2B Bukit Tunggal Road Singapore 309721 NRIC No.- S2768273A Nationality- American	Director	Director	23 January 1966	14 August 2020 (date of incorporation)
2.	Sujey Subramanian 1 Fraser Street, #22-20 Duo Residences Singapore 189350 NRIC No.-S8476929J Nationality – Singapore Citizen	Director	Director	10 January 1984	26 February 2021

Other understanding and confirmations

Our Company confirms that the Permanent Account Number and Bank account number of the Promoters, as applicable, and Permanent Account Number of Directors have been submitted to the Stock Exchange at the time of filing this Draft Prospectus.

None of our Promoters and the relatives of the Promoters as per the Companies Act, have been identified as Willful 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 166.

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 Draft 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

One of our Promoter is in the same line of business as that of our Company and accordingly, there are certain common pursuits amongst these Promoters and our Company. Our Company currently does not see any conflict-of-interest situation and will adopt necessary procedures and practices as permitted by law and regulatory guidelines to address any conflict situations as and when they arise.

Interest of our Promoters in our Company

Except as stated under the chapter titled "*Related Party Transactions*" beginning on page 149, and to the extent of their shareholding in our Company, our Promoters do not have any other interest in our Company's business.

Further as on March 31, 2022, our Company, has sanctioned bank facilities from following banks which have been guaranteed by our Promoter, ESL.

(₹ in million, unless otherwise stated)

Sr. No	Entity	Type	Facility	Bank	Sanctioned Amount	Outstanding Amount	Corporate Guarantee
1	Edelweiss Broking Limited	Fund Based	OD/WCDL	ICICI Bank	1,000	-	ESL
2	Edelweiss Broking Limited	Non Fund Based	BG	ICICI Bank	500	500	ESL
3	Edelweiss Broking Limited	Fund Based	OD/WCDL	IDFC Bank	250	250	ESL
4	Edelweiss Broking Limited	Non Fund Based	BG	IDFC Bank	250	250	ESL
5	Edelweiss Broking Limited	Fund Based	OD/WCDL	SBI	2,000	1,990	ESL
	Total				4,000	2,990	

Our Promoters do not intend to subscribe to this Issue.

Payment of benefit to our Promoter in last three fiscal years

Other than as disclosed under the *"Related Party Transactions"*, available at page 149 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 Draft Prospectus.

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 Draft 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 2022, 2021 and 2020 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "*Financial Information*" on page 157.

REGULATIONS AND POLICIES

Given below is a summary of certain sector specific laws and regulations in India, which are applicable to us. The information detailed in this chapter has been obtained from various statutes, regulations and/or local legislations and the bye laws of relevant authorities that are available in the public domain. This description may not be exhaustive and is only intended to provide general information to investors, and is neither designed, nor intended as a substitute for professional legal advice.

The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

SEBI Act

The main legislation governing the activities in relation to the securities markets in India is the SEBI Act and the rules, regulations and notifications framed thereunder. The SEBI Act was enacted to provide for the establishment of SEBI whose function is to protect the interests of investors and to promote the development of, and to regulate, the securities market. The SEBI Act also provides for the registration and regulation of the function of various market intermediaries including stockbrokers, depository participants, merchant bankers, portfolio managers, investment advisers, and research analysts. Pursuant to the SEBI Act, SEBI has formulated various rules and regulations to govern the functions and working of these intermediaries. SEBI also issues various circulars, notifications and guidelines from time to time in accordance with the powers vested with it under the SEBI Act. SEBI has the power to impose (i) monetary penalty under the SEBI Act and the regulations made thereunder, and (ii) penalties prescribed under various regulations, including suspending or cancelling the certificate of registration of an intermediary and initiating prosecution under the SEBI Act. Further, SEBI has the power to conduct inspection of all intermediaries in the securities market, including, stockbrokers, investment advisers, merchant bankers, underwriters, research analysts, to ensure, amongst others, that the books of account are maintained in the manner required in accordance with applicable law.

In addition to the SEBI Act, the key activities of our Company are also governed by the following acts, rules, regulations, notifications and circulars:

SEBI (Listing Obligations and Disclosure Requirements), 2015, as amended from time to time, list out the continuous disclosure obligations of a listed entity for securing transparency in process and ethical capital market dealings.

Securities Contracts (Regulation) Act, 1956

The SCRA was enacted to prevent undesirable transactions in securities by regulating the business of dealing in securities, by providing for certain matters connected therewith. The SCRA provides, amongst other things, the definition of 'securities', the manner and procedure for recognition of stock exchanges, and provides recognised stock exchanges the powers to make bye laws for regulation and control of contracts for, or relating to, the purchase or sale of securities.

Securities Contracts (Regulation) Rules, 1957

The SCRR provides, among other things, the requirements with respect to listing of securities on a recognised stock exchange, the manner of submitting applications for recognition of stock exchanges, and the qualifications for membership of a recognised stock exchange. It also empowers SEBI to appoint persons to inspect the books of accounts and other documents to be maintained and preserved by every member of a recognised stock exchange, in terms of these rules.

SEBI (Stockbrokers and Sub-Brokers) Regulations, 1992

The SEBI (Stockbrokers and Sub-Brokers) Regulations, 1992 ("**SEBI Stock Brokers Regulations**") provide that no person shall act as stock broker or clearing member unless he holds a certificate granted by SEBI under these regulations. The SEBI Stockbrokers Regulations, lay down, amongst other things, the eligibility criteria, the conditions for grant of certificate to a stock broker or clearing member and their general obligations and responsibilities. Further, every stockbroker or clearing member is required to abide by the code of conduct as specified under the SEBI Stock Brokers Regulations.

Pursuant to the SEBI circular dated August 3, 2018, SEBI decided to discontinue with sub-brokers as intermediaries to be registered with SEBI. Accordingly, no fresh registration has been granted to any person to act as a sub-broker and all

registered sub-brokers were given time until March 31, 2019, to migrate to act as an 'Authorised Person' and/or a trading member. A sub-broker who failed to migrate to act as an 'Authorised Person' and/or a trading member was deemed to have surrendered their registration with SEBI as a sub-broker with effect from March 31, 2019. Upon the successful migration from a sub-broker to an 'Authorised Person', the certificate of registration as a sub-broker granted by SEBI stands withdrawn.

Stock Exchange Rules, Regulation, Bye laws and Notices issued from time to time

Being a trading and clearing member of BSE, NSE, Multi Commodity Exchange, National Commodity and Derivative Exchange, and Metropolitan Stock Exchange, we are governed by the rules and regulations, bye laws and notices of such exchanges, as amended from time to time. The relevant exchange is empowered under the SCRA to make its own bye laws and rules to deal with its members and regulations to govern/ regulate the relations between the members and the constituents. Further, the SEBI Master Circular dated July 5, 2021 ("**July Circular**") regarding stock exchanges and clearing corporations, is a compilation of all the existing/applicable circulars issued by the Market Regulation Department of SEBI to stock exchanges and clearing corporations. The July Circular comprises of regulations on trading, settlement mechanism, and administration of stock exchanges and clearing corporations, among others. The July Circular supersedes the SEBI Master Circular dated October 25, 2019.

SEBI (Investment Advisers) Regulations, 2013

The Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, as amended ("**Investment Advisers Regulations**") govern the law pertaining to registration and regulation of the working of investment advisers. An investment adviser is a person, who for consideration, is engaged in the business of providing investment advice to clients and includes any person who holds out himself as an investment adviser. In terms of the Investment Advisers Regulations, an investment advice means an advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning. Investment advice given through newspaper, magazines, any electronic or broadcasting or telecommunications medium, which is widely available to the public is not considered as investment advice. "Financial planning" includes analysis of clients' current financial situation, identification of their financial goals, and developing and recommending financial strategies to realize such goals. The Investment Advisers Regulations lay down, amongst other things, the obligations and responsibilities of investment advisers including (a) not receiving any consideration by way of remuneration or compensation or in any other form from any person other than the client being advised, in respect of the underlying products or securities for which advice is provided, (b) acting in a fiduciary capacity towards its clients and disclosing conflicts of interests as and when they arise (c) maintaining an arms-length relationship between its activities as an investment adviser and other activities, (d) ensuring that its investment advisory services are clearly segregated from all its other activities, I ensuring that in case of any conflict of interest of the investment advisory activities with other activities, such conflict of interest is disclosed to the client, (f) not divulging any confidential information about its client, which has come to its knowledge, without taking prior permission of its clients except where such disclosures are required to be made in compliance with any law for the time being in force, and (g) maintaining the records prescribed under the Investment Advisers Regulations. An investment adviser shall not act on its own account, knowingly to sell securities or investment products to or purchase securities or investment product from a client. In case of change in control of the investment adviser prior approval from SEBI is required to be taken.

The Investment Advisers Regulations stipulate liability for action in case of default by an investment adviser, which include (a) failure to furnish any information relating to its activity as an investment adviser as required by SEBI; (b) furnishment of false or misleading information to SEBI in any material particular; (c) failure to submit periodic returns or reports as required by SEBI; (d) non co-operation in any enquiry, inspection or investigation conducted by SEBI; I failure to resolve the complaints of investors or failure to give a satisfactory reply to SEBI in this behalf; or (f) contravention of any provisions of the SEBI Act or any regulations or circulars issued thereunder.

As per the current provisions of the Investment Advisers Regulations, a distributor of mutual funds who is a member of the Association of Mutual Funds in India ("**AMFI**") and is providing any investment advice to its clients which is incidental to its primary activity is exempted from being registered as an investment adviser under the Investment Advisers Regulations. SEBI has in their frequently asked questions also clarified that mutual fund distributors registered with AMFI can only provide basic advice to its mutual funds' clients incidental to its distribution activity. Incidental activities with respect to distribution of mutual funds means providing basic advice pertaining to investment in mutual fund schemes limited to such schemes / products being distributed by the distributor to its clients/ investors or any other mutual fund product. SEBI has also clarified that if a distributor of mutual fund is engaged in providing investment advice to general investors other than or in addition to its mutual fund clients, and in securities (such as shares, debentures,

bonds, derivatives, securitized instruments, structured products, units of AIF, real estate investment trusts, infrastructure investment trusts, etc.) other than or in addition to mutual fund schemes distributed by him, then such distributor is required to get registration as an investment adviser.

SEBI has however, from time to time, issued Consultation Papers setting out proposals to amend the Investment Advisers Regulations. To effectuate certain proposals suggested by SEBI in its Consultation Paper on Review of Regulatory Framework for Investment Advisers, dated January 15, 2020, SEBI enacted certain amendments to the Investment Advisers Regulations which have come into force from September 30, 2020, which include, amongst other things, client level segregation at group level for investment advisory and distribution services, fees to be charged to clients, increase in minimum net-worth requirements of investment advisers and a prohibition on charging implementation fee by investment advisers. The current Investment Advisers Regulations requires client level segregation at group level for investment advisory and distribution services wherein the same client cannot be offered both advisory and distribution services within the group of the non- individual investment adviser. A client can either be an advisory client where no distributor consideration is received at the group level or distribution services client where no advisory fee is collected from the client at the group level. A non-individual investment adviser is required to maintain an arm's length relationship between its activities as investment adviser and distributor by providing advisory services through a separately identifiable department or division. While an investment adviser is permitted to provide implementation services to the advisory clients only through direct schemes/ products in securities market, an investment adviser is not permitted to charge any implementation fees from the client. Further the investment adviser is required to ensure that no consideration including any commission or referral fees, whether embedded or indirect or otherwise, by whatever name called is received, directly or indirectly, at investment adviser's group or family level for the said implementation service.

Our Company will be required to comply with any directions issued by SEBI in the future and/or any amendments that may be made to the Investment Advisers Regulations.

SEBI Mutual Funds Regulations and AMFI Guidelines

The SEBI (Mutual Funds) Regulations, 1996, as amended ("**SEBI Mutual Funds Regulations**") govern the law pertaining to the business of mutual funds in India. SEBI has made it mandatory for all mutual funds to appoint agents/distributors who are registered with Association of Mutual Funds in India ("**AMFI**"). In case of firms/companies, the requirement of certification from National Institute of Securities Markets is made applicable to the persons engaged in sales or distribution of mutual fund products.

AMFI has issued guidelines for intermediaries ("**AMFI Guidelines**") in consonance with the SEBI Master Circular for Mutual Funds dated August 24, 2020. The primary objective of the AMFI Guidelines is to ensure that mutual fund intermediaries do not use unethical means to sell, market or induce any investor to buy units of their scheme(s) and mobilize funds on the strength of professional fund management and good practices. The AMFI Guidelines are mandatory, and all such intermediaries are required to strictly comply with the code of conduct prescribed by AMFI.

SEBI Circular on Mutual Fund Distributors

SEBI by way of its circulars no. CIR No.10 / 310 /01 dated September 25, 2001, MFD/CIR/20/23230/2002 dated November 28, 2002, SEBI/MFD/CIR No.01/6693/03 dated April 3, 2003, SEBI/IMD/CIR No.2/254/04 dated February 4, 2004 and Cir / IMD / DF / 5 / 2010 dated June 24, 2010, has amongst others directed that (a) agents/ distributors of mutual fund units are required to obtain certification from the National Institute of Securities Markets ("NISM") and registration from AMFI, (b) AMFI shall create a unique identity number of the employee/ relationship manager/ sales person of the distributor interacting with the investor for the sale of mutual fund products, in addition to the AMFI Registration Number ("ARN") of the distributor.

SEBI by way of its circular no MFD/CIR/ 06/210/2002 dated June 26, 2002, provided that all distributors and agents of mutual funds units are required to follow the code of conduct for intermediaries of mutual funds provided therein.

SEBI by way of circular no. SEBI/IMD/DF/13/2011 dated August 22, 2011, has provided guidance on due diligence process to be conducted by AMCs on certain categories of distributors
SEBI by way of its circular on "Facilitating transaction in mutual fund schemes through the stock exchange infrastructure" bearing reference number CIR/IMD/DSA/32/2013 dated October 4, 2013, has permitted a mutual fund distributor registered with the Association of Mutual Funds in India ("AMFI") and who has been permitted by BSE to be eligible to use the stock exchanges' infrastructure, to purchase and redeem mutual fund units directly from mutual fund and asset management companies (AMC), in addition to the existing channels of mutual funds distribution. The recognized stock exchange shall grant permission to a mutual fund distributor on a request made by a AMFI registered

mutual fund distributor on the basis of criteria including fee, code of conduct as laid down by AMFI. Additionally, it clarified that a mutual fund distributor shall not handle payout and pay in of funds as well as units on behalf of investors. The recognized stock exchange shall put necessary system in place to ensure that pay in will be directly received by recognized clearing corporation and payout will be directly made to investor account. In the same manner, units shall be credited and debited directly from the demit account of investors. SEBI has also by way of its circulars bearing reference no. SEBI/HO/MRD/DSA/CIR/P/2016/113 dated October 19, 2016 and SEBI/HO/MRD1/DSAP/CIR/P/2020/29 dated February 26, 2020, permitted (a) investment advisers registered with SEBI to use infrastructure of the recognized stock exchanges to purchase and redeem mutual fund units directly from mutual fund and AMCs, on behalf of their clients, including direct plans; and (b) investors to directly access infrastructure of the recognized stock exchanges to purchase and redeem mutual fund units directly from mutual fund and AMCs.

SEBI by its circular on "Categorization and Rationalization of Mutual Fund Schemes", bearing reference number SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 6, 2017 ("SEBI Circular") has specified the framework for categorization and rationalization of mutual fund schemes. This circular is applicable to the open-ended schemes of the mutual funds, which are either existing, or are in the process of being launched, or draft of the scheme document has been filed/ will be filed with SEBI. Pursuant to the SEBI Circular the mutual fund schemes are classified under five groups, namely, equity schemes, debt schemes, hybrid schemes, solution-oriented schemes and other schemes. These five groups collectively have 36 different categories of each of these schemes under them, details of which are provided in the SEBI Circular. Further, the investment objective, investment strategy and benchmark of each existing scheme, is required to be suitably modified to be aligned with these classifications.

In relation to investment universe for the equity schemes, the SEBI Circular has defined large cap, mid cap and small cap companies in terms of full market capitalization, as: (a) large cap to be in the range of 1st-100th; (b) mid cap falling under 101st-250th; and (c) small cap to be a company which is 251st onwards. In this regard, mutual funds will be required to adopt the list of stocks prepared by AMFI and in the event of any updation thereto, mutual funds will have to rebalance their portfolios as per the updated list, within a period of one month thereof. Further, SEBI by its circular on "Asset Allocation of Multi Cap Funds", bearing reference number SEBI/HO/IMD/DF3/CIR/P/2020/172, dated September 11, 2020, has partially modified the scheme characteristics of multi cap funds, such that requirement for minimum investment in equity and equity related instruments has been increased from 65 per cent. To 75 per cent. Of the total assets, with minimum investment of 25 per cent. Of the respective total assets in equity and equity related instruments of large cap, mid cap and small cap companies, each. Further, SEBI by its circular on "Introduction of "Flexi Cap Fund" as a new category under Equity Schemes", bearing reference number SEBI/HO/IMD/DF3/CIR/P/2020/228, dated November 6, 2020, has introduced a new category of scheme named "Flexi Cap Fund" under equity schemes which requires to make a minimum investment in equity and equity related instruments of 65% of total assets of the scheme and will be an open ended dynamic equity scheme investing across large cap, mid cap, small cap stocks.

SEBI by its circular on "Total Expense Ratio (TER) and Performance Disclosure for Mutual Funds" bearing reference number SEBI/HO/IMD/DF2/CIR/P/2018/137, dated October 22, 2018 provided that all scheme related expenses including commission paid to distributors is required to necessarily be paid from the scheme only within the regulatory limits and not from the books of the AMC, its associate, sponsor, trustee or any other entity through any route and that the AMCs should adopt full trail model of commission in all schemes without payment of any upfront commission to mutual fund distributors. Further, SEBI by its circular on "Review of Commission, Expenses, Disclosure norms etc. – Mutual Fund" bearing reference number SEBI/HO/IMD/DF2/CIR/P/2019/42 dated March 25, 2019, carved out for upfronting of trail commission for inflows through systematic investment plans from new investors to the mutual fund industry.

AMFI Directions

AMFI issues circulars from time to time to its members on various aspects relating to distribution of mutual fund schemes by distributors.

SEBI (Prohibition of Insider Trading) Regulations, 2015

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, ("Insider Trading Regulations") prohibits subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, or deal in any securities by an insider on the basis of having possession or access to the unpublished price sensitive information ("UPSI") of a listed entity. An insider is a person who is connected with the company and is reasonably expected to have certain price sensitive information in respect of the securities of the company or has received or has access to certain UPSI. In accordance with the Insider Trading Regulations, no insider shall communicate, provide, or allow access to any UPSI, relating to a company or securities listed or proposed to be listed, to any person. Any information is referred to as

price sensitive information if it is likely to materially affect the price of the securities of the company to which it relates. The Insider Trading Regulations essentially prescribes a model code of conduct to be followed by all companies and organizations associated with the securities markets. Under the Insider Trading Regulations, all listed companies and organizations associated with the securities market including, amongst other, intermediaries as defined under the SEBI Act, AMCs, trustees of mutual funds are under an obligation to formulate certain internal procedures and conduct following the model code of conduct as provided under the Insider Trading Regulations, by adopting the minimum standards set out in the relevant schedules and will further abide with the code of corporate disclosure practices.

Through amendments issued on December 31, 2018, and July 17, 2020 (the "Amendments") SEBI has provided for stricter norms pursuant to the report of the Committee on Fair Market Conduct. In terms of the Amendments, every listed or proposed to be listed company is required to maintain a digital database containing the names of all persons with whom UPSI is shared, names of all persons who have shared UPSI and the nature of UPSI. A "proposed to be listed company" includes securities of an unlisted company, (i) if such unlisted company has filed offer documents or other documents, as the case may be, with SEBI, stock exchange(s) or registrar of companies in connection with the listing; or (ii) if such unlisted company is getting listed pursuant to any merger or amalgamation and has filed a copy of such scheme of merger or amalgamation under the Companies Act, 2013. The board of directors of a listed company is required to make a policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosures and Conduct. The Amendments have permitted the sharing of UPSI in the ordinary course of business with an indicative list of persons, provided that such information has not been shared to evade or circumvent the provisions of the Insider Trading Regulations.

SEBI (Research Analysts) Regulations, 2014

The SEBI (Research Analysts) Regulations, 2014 provide that no person shall act or hold itself out as a research analyst or a research entity unless such person holds a certificate granted by SEBI under these regulations. The SEBI Research Analysts Regulations, lay down, amongst other things, the eligibility criteria, conditions for grant of certificate to research analyst and its general obligations and responsibilities. Further, every research analyst is required to abide by the code of conduct as specified under these regulations.

SEBI (Intermediaries) Regulations, 2008

The Securities and Exchange Board of India (Intermediaries) Regulations, 2008, as amended ("Intermediaries Regulations") regulates intermediaries which include stockbroker, sub-broker, share transfer agent, merchant banker, portfolio manager, a trading member of a derivative segment or currency derivatives segment of a stock exchange. The Intermediaries Regulations prescribe the criteria for determining whether an applicant or the intermediary is a 'fit and proper person' for the purposes of registrations granted by SEBI under various regulations issued by SEBI.

The Intermediaries Regulations empower SEBI to take actions against persons who have been granted a certificate of registration and have failed to comply with any conditions subject to which a certificate of registration has been granted to him or contravenes any of the provisions of the securities laws or directions, instructions or circulars issued thereunder. The actions include (a) disposing of the proceedings without any adverse action, (b) suspension of certificate of registration for a specified period, (c) cancellation of certificate of registration, (d) prohibition of taking up new assignment or contract or launch a new scheme for a specified period, I debarment of a branch or an office from carrying out activities or an officer from being employed or associated with any registered intermediary or other registered person for the period specified in the order, or (f) issuance of a regulatory censure to the notice. Further the Intermediaries Regulations provide for special procedure for action on expulsion from membership of the stock exchange(s) or clearing corporation(s) or termination of all the depository participant agreements with depository(ies).

Pursuant to the SEBI (Regulatory Sandbox) (Amendment) Regulations, 2020, SEBI may exempt any person or class of persons from the operation of all or any of the provisions of these regulations for a period as may be specified but not exceeding 12 months, for furthering innovation relating to testing new products, processes, services, business models, etc. in live environment of regulatory sandbox in the securities markets. Under this regulatory sandbox framework, entities regulated by SEBI shall be granted certain facilities and flexibilities to experiment with fintech solutions in a live environment and on limited set of customers for a limited time frame. These features shall be fortified with necessary safeguards for investor protection and risk mitigation.

SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007

The SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007, as amended ("**SEBI Certification of Associated Persons Regulations**") provide that any category of associated persons (as defined in terms of these regulations) may be required to obtain the requisite certifications for engagement or employment with

intermediaries by SEBI. Through several notifications, SEBI has required approved users and sales personnel of trading members in currency derivative and equity derivative segments, distributors of mutual fund products, key managerial personnel of merchant bankers, compliance officers of intermediaries, research analysts and certain persons associated with stockbrokers, trading members or clearing members to obtain the prescribed certification from National Institute of Securities Markets.

SEBI (Depositories and Participants) Regulations, 2018

The SEBI (Depositories and Participants) Regulations, 2018 ("**Depositories Regulations**") provide, amongst other things, the manner of application for registration as a depository and a participant with SEBI. It provides the criteria for determining "fit and proper person" for the purposes of being considered as a depository. Further, the Depositories Regulations provide for the prescribed equity shareholding of a sponsor, a person or a participant in the capital of the depository. All depositories that have been granted a certificate of registration, are required to make an application to SEBI for commencement of business. The SEBI Depositories and Participants Regulations provide for rights and obligations of depositories, participants, issuers, manner of surrender of certificate and creation of pledge. It further prescribes the mechanism for investor protection, evaluation of internal systems, manner for handling share registry work and liability of a participant or a depository in case of default.

RBI Act, 1934

The RBI Act, 1934, as amended ("**RBI Act**") provides for registration criteria for a non-banking financial company. Further, it provides for a specific maintenance of percentage of assets by every non-banking financial company and creation of a reserve fund. The Reserve Bank of India Act regulates the issue of a prospectus or advertisement soliciting deposits of money from the public by any non-banking financial corporation. It lays down the powers and duties of an auditor to ensure non-banking financial company furnishes all statements, information and particulars as required by law. RBI has the power to file winding up petition against a non-banking financial company and impose appropriate penalties in cases of failure of registration of a non-banking financial company.

SEBI Intermediaries Circular on Conflicts

The SEBI Intermediaries Circular on Conflicts prescribes comprehensive guidelines to intermediaries and their associated persons for elimination of conflicts of interest. It prescribes guidelines for avoiding, dealing with, or managing, conflict of interest, including, developing internal procedures, maintaining high standards of integrity in conduct of business and developing an internal code of conduct to govern operations, appropriately disclosing potential sources or areas of conflict to clients and formulating standards of appropriate conduct in performance of their activities, which are in addition to the codes of conduct prescribed under relevant regulations governing intermediaries.

Prevention of Money Laundering Act, 2002

The Prevention of Money Laundering Act, 2002 ("**PMLA**") was enacted to prevent money laundering and to provide for confiscation of property derived from, or involved in money laundering, and for incidental matters connected therewith. Section 12 of PMLA casts certain obligations on, inter alia, banking companies in relation to preservation and reporting of customer account information. The RBI has advised all banks to go through the provisions of PMLA and the rules notified thereunder and to take all steps considered necessary to ensure compliance with the requirements of section 12 of PMLA.

PFRDA (Point of Presence) Regulations, 2015

PFRDA, in order to regulate and encourage an independent, strong and effective distribution channel for National Pension System, has framed PFRDA (Point of Presence) Regulations ("**POP Regulations**"). The POP Regulations, *inter alia* provide, the eligibility and procedure for obtaining the certificate of registration to carry on business as point of presence. Further, every point of presence is required to adhere to a code of conduct prescribed under the POP Regulations. PFRDA has powers to conduct inspection of point of presence to, ensure, amongst others, that the books of accounts are being maintained in the manner required under applicable law.

IRDAI (Registration of Corporate Agents) Regulations, 2015

Corporate agents are granted a certificate of registration by IRDAI in accordance with the IRDAI (Registration of Corporate Agents) Regulations. A corporate agent is permitted to act as a corporate agent for a maximum of three life, three general and three health insurers and is required to adopt a board policy on the same. The corporate agents are

required to adhere to a code of conduct on soliciting and servicing of insurance policies as prescribed by these regulations. IRDAI has the power to inspect records of corporate agents, and review performance of their activities and initiate disciplinary action, in case of deficiencies.

SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021

The Securities and Exchange Board of India, on August 9, 2021, notified the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("**SEBI NCS Regulations**"), thereby merging the SEBI (Issue and Listing of Debt Securities) Regulations ("**SEBI Debt Regulations**") and the SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 ("**NCRPS Regulations**") into a single regulation. The proposal to merge the two regulations was first introduced by way of a consultation paper released on May 19, 2021, which sought to align the extant regulations with the provisions of the Companies Act 2013, and incorporate the enhanced obligations of debenture trustees, informal guidance and provisions of circulars issued by SEBI. The SEBI NCS Regulations came in to force from the seventh day of their notification in the gazette, i.e., from August 16, 2021. The SEBI Debt Regulations and the NCRPS Regulations stand repealed from this date.

The SEBI NCS Regulations have aligned the extant regulations with the provisions of the Companies Act 2013, and incorporate the enhanced obligations of debenture trustees, informal guidance and provisions of circulars issued by SEBI. The SEBI NCS Regulations apply to: (i) the issuance and listing of debt securities and non- convertible redeemable preference shares (NCRPS) by an issuer by way of public issuance; (ii) issuance and listing of non-convertible securities by an issuer issued on private placement basis which are proposed to be listed; and (iii) listing of commercial paper issued by an issuer in compliance with the guidelines framed by the RBI.

In addition to collating the existing provisions of the erstwhile regulations, the SEBI NCS Regulations, also provide for, change in disclosure requirements for financial and other information from past five years to three years; parameters for identification of risk factors; removal of restriction of four issuances in a year through a single shelf prospectus; and filing of shelf prospectus post curing of defaults.

Other applicable laws:

In addition to the above, we are required to comply with the Companies Act, regulations notified by the SEBI, IRDAI, labour laws, various tax-related legislations, intellectual property related legislations and other applicable laws, in the ordinary course of our day-to-day operations.

Shops and establishments regulations 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. Our 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.

Intellectual property regulations

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 Trademarks 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

Sr. No.	Particulars	Page Nos.
1.	Reformatted Financial Information	F1 - F96

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 Statement of Assets and Liabilities as at March 31, 2022, 2021 and 2020 and Reformatted Statement of Profit and Loss, Reformatted Statement of Cash Flows, Reformatted Statement of Changes in Equity for each of the years ended March 31, 2022, 2021 and 2020 of Edelweiss Broking Limited (collectively the "Reformatted Financial Information")

The Board of Directors
Edelweiss Broking Limited
Edelweiss House, Off. C.S.T. Road,
Kalina, Mumbai – 400 098

Dear Sirs / Madams,

1. We have examined the attached Reformatted Financial Information of Edelweiss Broking Limited (the Company") as at March 31, 2022, March 31, 2021 and March 31, 2020 and for each of the years ended March 31, 2022, March 31, 2021 and March 31, 2020, annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with the proposed issue and/or listing of debt securities including commercial paper by the Company. The Reformatted Financial Information, which have been approved by the Debentures Committee authorized by 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 Financial Information

2. The preparation of Reformatted 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, which are to be included in the offer document, is the responsibility of the Management of the Company for the purpose set out in paragraph 14 below. The Management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Reformatted 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 Financial Information taking into consideration:

   a) the terms of reference and our engagement agreed with you vide our engagement letter dated February 01, 2022, requesting us to carry out work on such Reformatted Financial Information in connection with the Company's issue and/ or listing of debt securities including commercial paper;

   b) the Guidance Note on Reports in Company Prospectus (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 and/ or listing of debt securities including commercial paper.

4. The Company proposes to make an offer which comprises an issue and/ or listing of debt securities including commercial paper by the Company, as may be decided by the Board of Directors of the Company.

Reformatted Financial Information

5. The Reformatted Financial Information have been compiled by the management from the audited financial statements of the Company as at and for each of the years ended March 31, 2022, March 31, 2021 and March 31, 2020, which have been approved by the Board of Directors at their meetings held on May 20, 2022, May 25, 2021 and June 25, 2020 respectively;

6. For the purpose of our examination, we have relied on:

i) Auditors' Report issued by GMJ & Co., Chartered Accountants dated June 25, 2020 and May 25, 2021 on the financial statements of the Company as at and for the year ended March 31, 2020 and for the year ended March 31, 2021, respectively, as referred in Para 5 above,

ii) The financial statements of the Company as at and for the year ended March 31, 2020 and for the year ended March 31, 2021 audited by GMJ & Co., Chartered Accountants, whose audit reports have been relied upon by us and we have not carried out any additional procedures.

iii) Examination report submitted by GMJ & Co., Chartered Accountants dated June 16, 2022 on the Reformatted Financial Information of the Company as at and for the year ended March 31, 2020 and for the year ended March 31, 2021. Our examination report included for the said years is based solely on these reports submitted by GMJ & Co., Chartered Accountants (referred as "Previous Auditors").

7. In respect of Audited Financial Statements for March 31, 2022, our report included as an annexure, a statement on certain matters specified in Companies (Auditors Report) Order, 2020 ("the Order") which was modified (a) in respect of renewal of certain ESOP loans that was executed as per original loan agreements and; (b) in respect of Margin Trading Facility ("MTF") loans, as per product design repayment of principal and interest are not stipulated and hence regularity of the same has not been commented upon (c) slight delay in payment of undisputed statutory dues; (d) disclosure of statutory dues outstanding on account of a dispute.

8. Taking into consideration the requirements of Section 26 of Chapter III of the Act, the Regulations and the terms of our engagement agreed with you, and having placed reliance on the audit report for the year ended March 31, 2022 and Examination report submitted by GMJ & Co., Chartered Accountants dated June on the Reformatted Financial Information of the Company as at and for the year ended March 31, 2020 and for the year ended March 31, 2021, we further report that:

a) the Reformatted Statement of Assets and Liabilities and notes forming part thereof, the Reformatted Statement of Profit and Loss and notes forming part thereof, Reformatted Statement of Change in Equity and the Reformatted Statement of Cash Flows of the Company as at and for each of the years ended March 31, 2022, March 31, 2021 and March 31, 2020 have been examined by us, as set out in Annexure I to Annexure IV to this report. These Reformatted 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 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 Financial Information as at and for the year ended March 31, 2022, March 31, 2021 and March 31, 2020.

Other Financial Information

9. At the Company's request, we have also examined the following other financial information proposed to be included in the Draft 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, 2022, 2021 and 2020 and have placed reliance on the examination report issued by GMJ & Co., Chartered Accountants for the year ended March 31, 2021 and 2020 respectively:
    - Statement of Dividend, enclosed as Annexure VI

Opinion

10. In our opinion and as per the reliance placed on the examination reports for the years ended March 31, 2021 and 2020 submitted by the Previous Auditors, the Reformatted Financial Information, as disclosed in the Annexures to this report, read with respective significant accounting policies disclosed in Annexure V, and after making adjustments and regroupings as considered appropriate and disclosed has been prepared by the Company by taking into consideration the requirement of Section 26 of Chapter III of the Act and the Regulations.

Other matter

11. In the preparation and presentation of Reformatted Financial Information based on audited financial statements as referred to in paragraph 5 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 5 above.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. 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.

14. This report is intended solely for use of the management for inclusion in the offer document to be filed with the issue and/ or listing of debt securities including commercial paper 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

per Shrawan Jalan
Partner
Membership No. 102102

UDIN: 22102102ALBKNP7691

Place: Mumbai
Date: June 16, 2022

Edelweiss Broking Limited

Reformatted Statement of Assets and Liabilities **Annexure I**

(Currency : Indian rupees in millions)

	Notes	**As at March 31, 2022**	As at March 31, 2021	As at March 31, 2020
ASSETS				
Financial assets				
(a) Cash and cash equivalents	2	**2,334.89**	697.83	1,370.72
(b) Bank balances other than cash and cash equivalents	3	**4,119.31**	3,360.31	1,493.78
(c) Derivative financial instruments	4	**200.70**	-	-
(c) Securities held for trading *	5	**1,911.67**	5.75	0.00
(d) Trade receivables	6	**2,996.31**	946.42	1,205.13
(e) Loans	7	**9,880.22**	2,918.08	964.00
(f) Other financial assets	8	**10,048.51**	8,259.09	6,307.54
		31,491.61	16,187.48	11,341.17
Non-financial assets				
(a) Current tax assets (net)	9	**246.17**	75.91	164.43
(b) Deferred tax assets (net)	10	**94.87**	583.41	609.10
(c) Property, Plant and Equipment	11	**420.44**	497.94	764.97
(d) Intangible assets	12	**160.56**	15.63	72.16
(e) Intangible assets under development	13	**160.37**	222.35	153.78
(f) Other non-financial assets	14	**88.56**	38.27	24.66
		1,170.97	1,433.51	1,789.10
TOTAL ASSETS		**32,662.58**	17,620.99	13,130.27
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
(a) Trade payables				
(i) Total outstanding dues of micro enterprises and small enterprises	15	**17.13**	7.12	26.99
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	**14,112.82**	11,066.94	7,731.50
(b) Debt securities	16	**8,945.64**	-	-
(c) Borrowings (other than debt securities)	17	**2,249.06**	2,162.18	2,725.94
(d) Other financial liabilities	18	**1,361.69**	793.94	899.02
		26,686.34	14,030.18	11,383.45
Non-financial liabilities				
(a) Provisions	19	**70.54**	38.02	23.19
(b) Other non-financial liabilities	20	**566.91**	181.31	88.29
		637.45	219.33	111.48
EQUITY				
(a) Equity share capital	21	**4,304.54**	3,471.90	1,771.90
(b) Other equity	22	**1,034.25**	(100.42)	(136.56)
		5,338.79	3,371.48	1,635.34
TOTAL LIABILITIES AND EQUITY		**32,662.58**	17,620.99	13,130.27

** Indicates amounts less than 0.00 millions*

The accompanying notes are an integral part of the reformatted financial information 1 - 65

As per our report of even date attached

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

For and on behalf of the Board of Directors

per Shrawan Jalan
Partner

Membership No.: 102102

Rahul Jain
Managing Director & Chief Executive Officer
DIN: 00387505

Prashant Mody
Executive Director
DIN: 03101048

Viral Thanawala
Chief Financial Officer

Dipankar Basu
Company Secretary

Mumbai
June 16, 2022

Mumbai
June 16, 2022

Edelweiss Broking Limited

Reformatted Statement of Profit and Loss **Annexure II**

(Currency : Indian rupees in millions)

	Notes	**For the year ended March 31, 2022**	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations				
Interest income	23	**1,357.31**	651.24	1,123.48
Rental income	24	**26.42**	31.65	47.94
Fee and commission income	25	**5,502.24**	2,959.01	3,045.90
Net gain on fair value changes (including Treasury income)	26	**383.16**	295.00	95.56
Total Revenue from operations		**7,269.13**	3,936.90	4,312.88
Other income	27	**32.35**	48.19	23.45
Total Income		**7,301.48**	3,985.09	4,336.33
Expenses				
Finance costs	28	**593.49**	268.34	669.56
Impairment on financial instruments	29	**46.56**	13.23	37.51
Employee benefits expense	30	**2,818.29**	2,144.64	2,224.91
Depreciation, amortisation and impairment	11,12	**231.38**	248.39	294.59
Other expenses	31	**2,176.72**	1,265.06	1,326.82
Total expenses		**5,866.44**	3,939.66	4,553.39
Profit/ (loss) before tax		**1,435.04**	45.43	(217.06)
Tax expenses:				
Current tax		**-**	(8.39)	35.79
Deferred tax		**488.55**	25.69	48.91
Profit/ (loss) for the year		**946.49**	28.13	(301.76)
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Remeasurement (loss)/ gain on defined benefit plans		**(9.74)**	8.01	(11.23)
Other Comprehensive Income		**(9.74)**	8.01	(11.23)
Total Comprehensive Income		**936.75**	36.14	(312.99)
Earnings per equity share (Face value of ₹ 10 each):				
(1) Basic	33	**2.69**	0.16	(1.70)
(2) Diluted		**2.69**	0.16	(1.70)

The accompanying notes are an integral part of the reformatted financial information 1 - 65

As per our report of even date attached

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

For and on behalf of the Board of Directors

per Shrawan Jalan
Partner

Membership No.: 102102

Rahul Jain
Managing Director & Chief Executive Officer
DIN: 00387505

Prashant Mody
Executive Director
DIN: 03101048

Viral Thanawala
Chief Financial Officer

Dipankar Basu
Company Secretary

Mumbai
June 16, 2022

Mumbai
June 16, 2022

Edelweiss Broking Limited

Reformatted Statement of Cash Flows **Annexure III**

(Currency : Indian rupees in millions)

		For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
A	**Cash flow from operating activities**			
	Profit before taxation	**1,435.04**	45.43	(217.06)
	Adjustments for:			
	Depreciation and amortisation expenses	**231.38**	248.39	294.59
	Provision for Expected Credit Loss (ECL) on Trade receivables	**46.56**	(8.48)	(182.97)
	Fair Value (Gain)/ loss on closing stock	**(120.53)**	0.27	-
	Loss on sale/ write-off of Property, Plant and Equipment and intangibles (net)	**0.46**	6.19	1.73
	Lease waiver and profit on pretermination of leases	**(20.36)**	(20.40)	
	Compensated absences	**7.09**	2.60	(0.61)
	Finance costs, incl. Bank guarantee commission	**593.00**	264.15	516.38
	Operating cash flow before working capital changes	**2,172.64**	538.15	412.06
	Add / (less): Adjustments for working capital changes			
	(Increase)/ Decrease in trade receivables	**(2,095.82)**	267.35	2,575.94
	Increase in Securities held for trading*	**(1,785.39)**	(6.02)	0.00
	(Increase)/ Decrease in fixed deposits, loans and other financial assets	**(9,511.19)**	(5,772.32)	1,100.55
	(Increase)/ Decrease in other non financial assets	**(50.29)**	(13.61)	21.78
	Increase/ (Decrease) in Trade payables and other financial liabilities	**3,744.44**	3,450.50	(2,567.12)
	Increase/ (Decrease) in provisions and other non-financial liabilities	**401.31**	113.25	(111.02)
	Cash flow from operations	**(7,124.30)**	(1,422.70)	1,432.19
	Income tax paid/ (refund received)	**170.26**	(96.91)	28.76
	Net cash (used in)/ generated from operating activities - A	**(7,294.56)**	(1,325.79)	1,403.43
B	**Cash flow from investing activities**			
	Purchase of Property, Plant and Equipment, and intangible assets	**(181.42)**	(107.92)	(123.85)
	Sale of Property, Plant and Equipment, and intangible assets	**2.88**	3.14	5.57
	Redemption of investments in preference shares	**-**	-	0.05
	Net cash (used in)/ generated from investing activities - B	**(178.54)**	(104.78)	(118.23)
C	**Cash flow from financing activities**			
	Proceeds from issue of equity share capital including securities premium	**1,000.00**	1,700.00	-
	(Repayment) of/ proceeds from short term borrowings (net)	**(2,140.00)**	(564.02)	468.75
	Proceeds from secured working capital demand loan (net)	**1,250.00**	-	-
	Proceeds from unsecured working capital demand loan and bank overdraft (net)	**990.00**	-	-
	Proceeds from issue of debt securities	**8,744.94**	-	-
	Finance costs, incl. Bank guarantee commission	**(558.07)**	(204.28)	(448.99)
	Interest paid on lease liability	**(48.06)**	(59.61)	(74.71)
	Principal repayment of lease liability	**(128.65)**	(114.41)	(89.20)
	Net cash (used in)/ generated from financing activities - C	**9,110.16**	757.68	(144.15)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**1,637.06**	(672.89)	1,141.05
	** Indicates amounts less than 0.00 millions*			
	Cash and cash equivalents as at the beginning of the year	**697.83**	1,370.72	229.67
	Cash and cash equivalents as at the end of the year *(refer note 2)*	**2,334.89**	697.83	1,370.72

Edelweiss Broking Limited

Reformatted Statement of Cash Flows *(Continued)* **Annexure III**

(Currency : Indian rupees in millions)

Notes:

i. 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 (as amended from time to time) under the Companies Act, 2013

ii. Components of Cash & Cash Equivalents

	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash & Cash Equivalents			
Cash on hand	-	-	0.01
Balances with banks			
- in current accounts	**2,334.89**	697.83	1,370.71
	2,334.89	697.83	1,370.72

As per our report of even date attached

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

For and on behalf of the Board of Directors

per Shrawan Jalan
Partner

Membership No.: 102102

Rahul Jain
Managing Director & Chief Executive Officer
DIN: 00387505

Prashant Mody
Executive Director

DIN: 03101048

Viral Thanawala
Chief Financial Officer

Dipankar Basu
Company Secretary

Mumbai
June 16, 2022

Mumbai
June 16, 2022

Edelweiss Broking Limited

Reformatted Statement of Changes in Equity **Annexure IV**

(Currency : Indian rupees in millions)

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
a) Equity share capital			
Balance as at the beginning of the year	**3,471.90**	1,771.90	1,771.90
Change in equity share capital during the year (*refer note 21*)	**832.64**	1,700.00	-
Balance as at the end of the year	**4,304.54**	3,471.90	1,771.90

b) Other equity

	Securities premium (refer note a below)	**Deemed capital contribution - ESOP (refer note b below)**	**Debenture Redemption Reserve (refer note c below)**	**Retained earnings**	**Total**
Balance at April 1, 2019	**432.34**	**39.42**	-	**(252.66)**	**219.10**
Transition impact of Ind AS 116 (net of tax)	-	-	-	(42.67)	(42.67)
Loss for the year	-	-	-	(301.76)	(301.76)
Other comprehensive income	-	-	-	(11.23)	(11.23)
Balance at March 31, 2020	**432.34**	**39.42**	**-**	**(608.32)**	**(136.56)**
Profit for the year	-	-	-	28.13	28.13
Other comprehensive income	-	-	-	8.01	8.01
Balance at March 31, 2021	**432.34**	**39.42**	**-**	**(572.18)**	**(100.42)**
Additions on issue of equity shares	167.36	-	-	-	167.36
Profit for the year	-	-	-	946.49	946.49
Other comprehensive income	-	-	-	(9.74)	(9.74)
Reversal of ESOP cost on cancellation	-	-	-	30.56	30.56
Transfer to Debenture Redemption Reserve	-	-	207.83	(207.83)	-
Balance at March 31, 2022	**599.70**	**39.42**	**207.83**	**187.30**	**1,034.25**

Notes:

a) Securities premium

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.

b) Deemed capital contribution - ESOP

Certain employees of the Company have been granted options to acquire equity shares of Edelweiss Financial Services Limited, erstwhile Holding Company. This reserve represented the cost of these options based on their fair value at the grant dates as recognised over the vesting period of such options, to the extent that the erstwhile Holding Company has not recovered such cost from the Company.

c) Debenture Redemption Reserve

The Company has created Debenture Redemption Reserve as per the provisions of Section 71(4) read with Rule 18(1)(c) of the Companies (Share Capital and Debentures) Rules, 2014 of 10% of face value of Debentures for the purpose of redemption of such debentures.

As per our report of even date attached

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

per Shrawan Jalan
Partner

Membership No.: 102102

Mumbai
June 16, 2022

For and on behalf of the Board of Directors

Rahul Jain
Managing Director & Chief Executive Officer
DIN: 00387505

Prashant Mody
Executive Director
DIN: 03101048

Viral Thanawala
Chief Financial Officer

Dipankar Basu
Company Secretary

Mumbai
June 16, 2022

Edelweiss Broking Limited

Notes to the reformatted financial information Annexure V

1.1 Background

Edelweiss Broking Limited ("the Company") was incorporated on February 7, 2008. The Company is a 100% subsidiary of Edelweiss Securities Limited. PAGAC Ecstasy Pte. Limited Is the Ultimate Holding Company of the Company. The registered office is located at 2nd Floor, Office No. 201-203, Zodiac Plaza, Xavier College Road, Off C G Road, Ahmedabad 380009.

The Company is registered as a trading member with National Exchange of India Limited ('NSEIL'), BSE Limited ('BSE') and Metropolitan Stock Exchange of India Limited (MSEI), Multi-commodity Exchange of India Limited (MCX), National Commodity and Derivatives Exchange Limited (NCDEX) and provides broking services to the clients. The Company also registered as Depository Participant with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and also registered as Repository Participant with National E-Repository Limited (NERL) and CDSL Commodity Repository Limited (CCRL). The Company is registered as Research Analyst with Securities and Exchange Board of India (SEBI) and Corporate agent (Composite) with Insurance Regulatory and Development Authority of India (IRDAI). The Company is registered as Point of Presence (PoP) under the National Pension System (NPS) with Pension Fund Regulatory and Development Authority and Real Estate Agent with Maharashtra Real Estate Regulatory Authority, Uttar Pradesh Real Estate Regulatory Authority, Haryana Real Estate Regulatory Authority Panchkula. The Company is also a distributor for various financial products such as Mutual Funds, Bonds, NCD, PMS, Structured Products & Alternative Investment fund etc.

During the year ended March 31, 2021, the controlling stake in the Edelweiss Securities Limited, the Parent Company, was transferred by its erstwhile Ultimate Parent, Edelweiss Financial Services Limited ("EFSL"), to Edelweiss Global Wealth Management Limited ('EGWML'), the new Parent Entity, as a part of the overall transaction consummated with PAGAC Ecstasy Pte. Ltd ('PAG'). PAG has infused CCDs in EGWML whereby it acquired controlling interest in relation to the Wealth Management business only.

1.2 Basis of preparation of reformatted financial information for the year ended March 31, 2022, March 31, 2021 and March 31, 2020

The reformatted financial information of the Company comprise of the reformatted statement of assets and liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, the reformatted statement of profit and loss (including Other Comprehensive Income), the reformatted statement of cash flows and the reformatted statement of changes in equity for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 and significant accounting policies and other explanatory information to the reformatted financial information (collectively, the 'reformatted financial information'), have been prepared in connection with the proposed issue and/ or listing of debt securities including Commercial paper of the Company.

These reformatted financial information has been prepared by the management to comply in all material respects 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, as amended (the "SEBI NCS Regulations") issued by the Securities and Exchange Board of India ("SEBI") vide Notification No. SEBI/LAD-NRO/GN/2021/39 Dated August 9, 2021.

The reformatted financial information have been approved by Debenture Committee meeting held on June 16, 2022.

The reformatted 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).

1.2 Basis of preparation of reformatted financial information for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 *(Continued)*

These reformatted financial information have been prepared on a historical cost basis, except for derivative financial instruments, defined benefit plan asset/ liabilities and other financial assets held for trading, which have been measured at fair value. The reformatted financial information are presented in Indian Rupees (INR) in millions, except when otherwise indicated.

Estimation of uncertainties relating to the global health pandemic from COVID-19

FY 2021-22; FY 2020-21
The outbreak of COVID - 19 pandemic has affected several countries across the world, including India. The Government is undertaking several measures to restrict the spread of virus and provide financial support to some stressed sectors. Further, while the COVID-19 vaccination efforts have gained momentum, uncertainty due to the resurgence of COVID cases across many parts of India is rising. The extent to which COVID-19 pandemic will impact the Company, if any, depends on future spread of the virus and related developments, which are uncertain at this point of time. There has been no material change in the controls or processes followed in the closing of the reformatted financial information of the Company.

In preparing the reformatted financial information, the Company's management has view that there is no material impact of the pandemic on its operations and its assets as at March 31, 2022 and March 31, 2021.

FY 2019-20
The outbreak of COVID–19 virus continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities. On March 11, 2020, this outbreak was declared a global pandemic by the World Health Organization. On March 24, 2020, the Indian Government announced a 21 days lockdown which was further extended till May 31, 2020 across the nation to contain the spread of the virus and still continues to be across many parts of the country in India. The pandemic and its consequent adverse effect on the economy also adversely impacted the financial markets.

In preparing these reformatted financial information, the Company's management had assessed the impact of the pandemic on its operations and its assets including the value of its investments as at March 31, 2020 based on estimate of the future results and various internal and external information available up to the date of approval of these reformatted financial information. The estimates as at the date of approval of these financial results may differ based on the ongoing impact of the pandemic and the timing of the improvement in the economy and the financial markets..

1.3 Presentation of Reformatted Financial information

The Company presents its reformatted statement of assets and liabilities 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 36.

Financial assets and financial liabilities are generally reported gross in the reformatted statement of assets and liabilities. 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

Significant accounting policies

1.4 Recognition of interest

Under Ind AS 109 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 is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company 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 financial asset. 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 reformatted statement of assets and liabilities with an increase or reduction in interest income.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

1.5 Financial Instruments

a) 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 are available for utilisation to the Company.

b) 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.

c) Day 1 profit or loss

1.5 Financial Instruments *(Continued)*

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 Company 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.

1.6 Classification of financial instruments

a) Financial assets:

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- Fair value through other comprehensive income [FVOCI]
- Fair value through profit or loss [FVTPL]

The Company measures 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 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.

By default, all other financial assets are subsequently measured at FVTPL.

i. Amortised 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 other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees 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.

1.6 Classification of financial instruments *(Continued)*

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost 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.

ii. Investment in equity instruments

The Company subsequently measures all equity investments at fair value through profit or loss.

b) Financial liabilities:

All financial liabilities are measured at amortised cost except loan commitments, financial guarantees, and derivative financial liabilities.

c) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, market risk.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss.

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.

d) 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 mandatorily required to be measured at fair value under Ind AS 109.

Financial assets and financial liabilities at FVTPL are recorded in the reformatted statement of assets and liabilities at fair value. Changes in fair value are recorded in profit and 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.

e) Financial liabilities and equity instruments

1.6 Classification of financial instruments *(Continued)*

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 a Company entity are recognized at the proceeds received.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

f) Financial assets held for trading

The Company classifies financial assets as held for trading when they have been purchased 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 taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

1.7 Derecognition of financial assets and financial liabilities

a) 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 financial asset, 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.

b) 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 Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition. The difference between the carrying value of the original financial asset and the consideration received would be recognised in profit or loss.

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.

c) Derecognition of financial liabilities:
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

1.7 Derecognition of financial assets and financial liabilities *(Continued)*

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.

1.8 Reclassification of financial assets and financial liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

1.9 Impairment of financial assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade 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 (Expected Credit Loss (ECL) 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. However if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure expected credit losses.

For ESOP funding and Receivables towards Margin Trading Funding, the Company 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 on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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 Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

1.9 Impairment of financial assets *(Continued)*

Company categories its ESOP funding and Receivables towards Margin Trading Funding as follows:

Stage 1 assets:

Stage 1 assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognised.

Stage 2 assets:

Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition. For these assets lifetime ECL are recognised.

Stage 3 assets:

Stage 3 for Assets considered credit-impaired the Company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

For all other 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.

1.10 Collateral valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, and letters of guarantees. Collateral, unless repossessed, is not recorded on the reformatted statement of assets and liabilities. 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 Company 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.

1.11 Collateral repossessed

The Company'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 Company's policy.

1.12 Write off

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

1.13 Determination of fair value

The Company measures financial instruments, such as, derivatives at fair value at each reformatted statement of assets and liabilities date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments −Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the reformatted statement of assets and liabilities 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 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. However, the base models may not fully capture all factors relevant to the valuation of the Company's financial instruments such as credit risk (CVA), own credit (DVA) and/or funding costs (FVA).

Therefore, the Company 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

1.13 Determination of fair value (*Continued*)

risk of the individual counterparties for non-collateralised financial instruments.

The Company 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.

1.14 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

The Company recognises revenue from the following sources:

a. Brokerage income on securities 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.

b. Fee income including advisory fees, referral fees, commission income, and transaction fees is accounted at a point in time as the customer receives and consumes the benefits.

c. Interest on delayed payments are recognised as revenue on certainty of realisation.

d. Research services fee income is accounted when there is reasonable certainty as to its receipts.

1.15 Leases

Company as a lessee:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

Right of Use Asset

The Company recognizes 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 recognized, initial direct costs incurred, and lease

1.15 Leases *(Continued)*

Right of Use Asset *(Continued)*

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.

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 Company 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.

Incremental borrowing rate

The Company 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 Company 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.

Short term lease

The Company 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 (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Company recognises lease payment associated with these leases as an expense on a straight line basis over lease term *(refer note 31)*.

1.16 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.

1.17 Foreign currency transactions

The reformatted financial information are presented in Indian Rupees which is also its functional currency. 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.

1.18 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 reformatted 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 which recognises each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligation.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government securities as at the reformatted statement of assets and liabilities date.

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 reformatted statement of assets and liabilities 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 reformatted statement of profit and loss and corresponding liability on such non-vesting accumulated leave

1.18 Retirement and other employee benefit *(Continued)*

entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

1.19 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services that are granted by the erstwhile Holding Company Edelweiss Financial Service Limited (EFSL) and current Holding Company Edelweiss Securities Limited (ESL) are measured by reference to the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments of ESL and EFSL is expensed in employee benefit expenses over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. 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. In cases where the share options granted vest in instalments over the vesting period, the Company treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

1.20 Property, plant and equipment and Right of Use Asset

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 depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs incurred on an item of property, plant and equipment is recognized in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance are recognized in profit or loss as incurred.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the property, plant and equipment are as follows:

1.20 Property, plant and equipment and Right of Use Asset *(Continued)*

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated useful life
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 earlier.

Right of use assets are presented together with property and equipment in the statement of financial position – *refer to the accounting policy 1.15*. Right of use assets are depreciated on a straight-line basis at the lower of lease term or useful life.

An item of property, plant and equipment is derecognized 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 recognized as assets is derecognized 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 recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

1.21 Intangible assets

The Company's intangible assets mainly include the value of computer software. An intangible asset is recognized 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 Company.

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 and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangibles such as software is amortised over a period of upto 5 years based on its estimated useful life.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the reformatted statement of profit and loss.

1.21 Intangible assets *(Continued)*

Intangible assets under development
Intangible assets under Development includes Software under development.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

i. The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
ii. Its intention to complete and its ability and intention to use or sell the asset
iii. How the asset will generate future economic benefits
iv. The availability of resources to complete the asset
v. The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit.

The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

1.22 Impairment of non-financial assets

The Company assesses at each reformatted statement of assets and liabilities 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. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU's) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The reduction is treated as an impairment loss and is recognized in the reformatted statement of profit and loss. If at the reformatted statement of assets and liabilities 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. Similarly, as at each reformatted statement of assets and liabilities date, the Company tests all intangible assets under development for impairment.

1.23 Cash and cash equivalents

Cash and cash equivalent in the reformatted statement of assets and liabilities comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

1.24 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. 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.

1.24 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 Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in the reformatted financial information since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

1.25 Income tax expenses

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) 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 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.

b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the reformatted 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.

1.25 Income tax expenses *(Continued)*

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.

c) 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.

d) Minimum alternate tax (MAT)

MAT paid in a year is charged to the reformatted statement of profit and loss as current tax. The Company recognises unused MAT credit as a deferred tax asset only to the extent that it is probable that the Company 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 Company recognises deferred tax asset (MAT credit) as an asset, the said asset is created by way of credit to the reformatted statement of profit and loss. The Company reviews the MAT asset at each reporting date and writes down the asset to the extent that it is not probable that the Company will be able to utilise it during the specified period.

1.26 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies 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.

a) 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 the reformatted 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.

b) Effective interest rate method

The Company’s EIR methodology 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.

1.26 Critical accounting judgements and key sources of estimation uncertainty *(Continued)*

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.

c) 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 Company has recognised deferred tax assets on carried forward tax losses where the Company 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 Company expects that there will be sufficient taxable profits to offset these losses.

1.27 Standards issued but not yet effective

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

(Currency : Indian rupees in millions)

		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
2	**Cash and cash equivalents**			
	Cash on hand	**-**	-	0.01
	Balances with banks			
	- in current accounts *(refer note 45)*	**2,334.89**	697.83	1,370.71
		2,334.89	697.83	1,370.72
3	**Bank balances other than cash and cash equivalents**			
	Fixed deposits *(refer note 45)*	**4,119.31**	3,360.31	1,493.78
		4,119.31	3,360.31	1,493.78
4	**Derivative financial instruments**			
	Embedded derivatives in market linked debentures	**200.70**	-	-
		200.70	-	-

(Currency : Indian rupees in millions)

4a Derivative financial instruments

The Company enters into derivatives for risk management purposes. These include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

	As at March 31, 2022							
Particulars	**Unit**	**Currency**	**Notional ***	**Fair value Asset**	**Unit**	**Currency**	**Notional ***	**Fair value liability**
(i) Embedded derivatives**								
In market linked debentures				200.70				-
Subtotal(i)				**200.70**				**-**
(ii) Equity linked derivatives								
Stock Futures				-	No of Shares		137,500	5.75
Less: Offset with Margin				-				(5.75)
Subtotal(ii)				**-**				**-**
(iii) Index linked derivatives								
Index Futures	Index Units		65,950	0.83				-
Less: Offset with Margin				(0.83)				-
Subtotal(iii)				**-**				**-**
Total Derivative Financial Instruments			**Total**	**200.70**			**Total**	**-**

	As at March 31, 2021							
Particulars	**Unit**	**Currency**	**Notional ***	**Fair value Asset**	**Unit**	**Currency**	**Notional ***	**Fair value liability**
(i) Embedded derivatives**								
In market linked debentures				-				-
Subtotal(i)				**-**				**-**
(ii) Equity linked derivatives								
Stock Futures			-	-	No of Shares		-	-
Less: Offset with Margin								-
Subtotal(ii)				**-**				**-**
(iii) Index linked derivatives								
Index Futures	Index Units		-	-			-	-
Less: Offset with Margin				-				-
Subtotal(iii)				**-**				**-**
Total Derivative Financial Instruments			**Total**	**-**			**Total**	**-**

	As at March 31, 2020							
Particulars	**Unit**	**Currency**	**Notional ***	**Fair value Asset**	**Unit**	**Currency**	**Notional ***	**Fair value liability**
(i) Embedded derivatives**								
In market linked debentures				-				-
Subtotal(i)				**-**				**-**
(ii) Equity linked derivatives								
Stock Futures			-	-	No of Shares		-	-
Less: Offset with Margin								-
Subtotal(ii)				**-**				**-**
(iii) Index linked derivatives								
Index Futures	Index Units		-	-			-	-
Less: Offset with Margin				-				-
Subtotal(iii)				**-**				**-**
Total Derivative Financial Instruments			**Total**	**-**			**Total**	**-**

* The notional column represents quantity in case of Equity and Index linked derivatives. The notional / units held indicate the value of transactions outstanding at the year end and are not indicative of either the market risk of credit risk.

**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. Refer Note 1.6 (c) for further details.

Edelweiss Broking Limited

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

(Currency : Indian rupees in millions)

4b Offsetting

The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet:

Financial Assets and Liabilities subject to offsetting, netting arrangements

As at March 31, 2022	Offsetting recognised in 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 on the balance sheet	Financial Assets	Collaterals paid	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets	0.83	(0.83)	-	-	-	-	200.70	200.70	200.70

As at March 31, 2022	Offsetting recognised in 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 liabilities	Collaterals received	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities	5.75	(5.75)	-	-	-	-	-	-	-

As at March 31, 2021	Offsetting recognised in 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 on the balance sheet	Financial Assets	Collaterals paid	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets	-	-	-	-	-	-	-	-	-

As at March 31, 2021	Offsetting recognised in 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 liabilities	Collaterals received	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities	-	-	-	-	-	-	-	-	-

As at March 31, 2020	Offsetting recognised in 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 on the balance sheet	Financial Assets	Collaterals paid	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets	-	-	-	-	-	-	-	-	-

As at March 31, 2020	Offsetting recognised in 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 liabilities	Collaterals received	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities	-	-	-	-	-	-	-	-	-

**Note: As at the reporting date, mark to market gain on Derivative asset and mark to market loss on derivative liability has been offset with margin placed with Professional clearing member ('PCM'). Accordingly the same has been presented in the financial statements.*

(Currency : Indian rupees in millions)

		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
5	**Securities held for trading**			
	(at Fair value through Profit and Loss account, within India)			
	Equity shares *	**1,407.23**	0.01	0.00
	Debt securities	**504.44**	5.74	-
		1,911.67	5.75	0.00

** Indicates amounts less than 0.00 millions*

Please refer note 43 - Fair value measurement for valuation methodology for securities held for trading.

6	**Trade receivables**			
	Receivables considered good - Secured	**2,112.68**	702.87	904.83
	Receivables considered good - Unsecured	**889.13**	288.57	378.37
	Receivables which have significant increase in credit risk	**-**	-	-
	Receivables - Credit impaired	**138.98**	53.32	28.91
		3,140.79	1,044.76	1,312.11
	Less : Impairment allowance			
	Receivables considered good - Unsecured	**5.50**	45.02	78.07
	Receivables - Credit impaired	**138.98**	53.32	28.91
		2,996.31	946.42	1,205.13

(Currency : Indian rupees in millions)

6 Trade receivables *(Continued)*

Reconciliation of impairment allowance on trade receivables:

Particulars	Amount
Impairment allowance as on April 1, 2019	291.58
Add/ (less): asset originated or acquired (net)	(184.60)
Impairment allowance as on March 31, 2020	106.98
Add/ (less): asset originated or acquired (net)	(8.64)
Impairment allowance as on March 31, 2021	98.34
Add/ (less): asset originated or acquired (net)	46.14
Impairment allowance as on March 31, 2022	**144.48**

Note:
1) Please *refer note 39* - Related party disclosure for trade or other receivables due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies in which directors are partner/ director or a member.

Trade receivable ageing information

As at March 31, 2022	Outstanding for following periods from due date of transaction							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
Undisputed Trade receivables								
– considered good	287.37	207.60	2,506.04	0.02	0.24	0.15	0.39	3,001.81
– have significant increase in credit risk	-		-	-	-	-	-	-
– credit impaired	-		4.37	15.47	17.94	19.08	62.39	119.25
Disputed Trade receivables								
– considered good	-	-	-	-	-	-	-	-
– have significant increase in credit risk	-	-	-	-	-	-	-	-
– credit impaired	-	-	0.02	0.97	2.98	6.13	9.63	19.73
Gross amount	**287.37**	**207.60**	**2,510.43**	**-**	**-**	**-**	**-**	**3,140.79**

(Currency : Indian rupees in millions)

6 Trade receivables *(Continued)*

As at March 31, 2021	Outstanding for following periods from due date of transaction							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
Undisputed Trade receivables								
– considered good	3.58	-	904.61	14.22	17.62	7.83	23.48	971.34
– have significant increase in credit risk	-	-	-	-	-	-	-	-
– credit impaired	-	-	0.40	5.09	8.84	7.56	20.22	42.11
Disputed Trade receivables								
– considered good	-	-	1.10	2.12	6.28	10.60	-	20.10
– have significant increase in credit risk	-	-	-	-	-	-	-	-
– credit impaired	-	-	-	-	0.65	0.52	10.04	11.21
Gross amount	**3.58**	**-**	**906.11**	**21.43**	**33.39**	**26.51**	**53.74**	**1,044.76**

As at March 31, 2020	Outstanding for following periods from due date of transaction							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
Undisputed Trade receivables								
– considered good	7.53	-	1,148.34	46.21	28.45	32.05	0.40	1,262.98
– have significant increase in credit risk	-	-	-	-	-	-	-	-
– credit impaired*	-	-	0.00	1.93	4.62	12.87	8.31	27.73
Disputed Trade receivables								
– considered good	-	-	2.23	3.95	13.61	0.42	-	20.21
– have significant increase in credit risk	-	-	-	-	-	-	-	-
– credit impaired	-	-	-	0.04	-	1.15	-	1.19
Gross amount	**7.53**	**-**	**1,150.57**	**52.13**	**46.69**	**46.48**	**-**	**1,312.11**

** Indicates amounts less than 0.00 millions*

(Currency : Indian rupees in millions)

		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
7	**Loans**			
	(At amortised cost, within India)			
	ESOP funding	**4,455.90**	455.53	-
	Margin trading facility	**5,425.97**	2,464.18	965.47
	Total Gross	**9,881.87**	2,919.71	965.47
	Less : Impairment allowance	**(1.65)**	(1.63)	(1.47)
	Total Net	**9,880.22**	2,918.08	964.00
	i) Secured by securities			
	ESOP Funding	**4,455.90**	455.53	-
	Margin trading facility	**5,424.30**	2,462.61	963.24
	Total (i)	**9,880.20**	2,918.14	963.24
	ii) Unsecured			
	ESOP Funding	**-**	-	-
	Margin trading facility	**1.67**	1.57	2.23
	Total (ii)	**1.67**	1.57	2.23
	Total Gross (i)+(ii)	**9,881.87**	2,919.71	965.47
	Less : Impairment allowance	**(1.65)**	(1.63)	(1.47)
	Total Net	**9,880.22**	2,918.08	964.00
	Loans in India			
	Public sector	**-**	-	-
	Others	**9,881.87**	2,919.71	965.47
	Total Gross	**9,881.87**	2,919.71	965.47
	Less : Impairment allowance	**(1.65)**	(1.63)	(1.47)
	Total Net	**9,880.22**	2,918.08	964.00

(Currency : Indian rupees in millions)

		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
8	**Other financial assets**			
	Security Deposits - Rent	**112.11**	103.77	109.41
	Deposits placed with exchange/ depositories	**28.29**	26.82	26.82
	Other deposits	**5.57**	7.11	8.15
	Receivable from exchange/ clearing house (net)	**648.94**	987.44	455.64
	Margin with exchange/ clearing house	**9,151.04**	7,108.45	5,622.73
	Advances recoverable in cash for value to be received	**102.56**	25.50	84.79
		10,048.51	8,259.09	6,307.54

(Currency : Indian rupees in millions)

		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
9	**Current tax assets (net)**			
	Advance income taxes (net of provision for tax for FY 2021-22 ₹ 74.12 millions (FY 2020-21 ₹ 74.12 millions; FY 2019-20 : ₹ 148.90 millions))	**246.17**	75.91	164.43
		246.17	75.91	164.43
10	**Deferred tax assets (net)**			
	Deferred tax assets			
	Trade receivables, Loans and other financial assets			
	Provision for expected credit losses	**37.45**	31.84	34.49
	Property, plant and equipment and intangibles			
	Difference between book and tax depreciation	**27.52**	48.33	38.38
	Financial instruments			
	Fair valuation of securities held for trading	**-**	0.08	-
	Employee benefit obligations			
	Provision for Gratuity and compensated absences	**6.69**	11.86	7.23
	Unused tax credit			
	MAT credit entitlement	**-**	112.30	112.30
	Unused tax losses			
	Accumulated Losses	**19.86**	332.72	376.58
	Right of Use asset less Lease Liability (net)	**23.25**	35.59	37.99
	Others	**2.98**	10.69	2.13
		117.75	583.41	609.10
	Deferred tax liabilities			
	Financial instruments			
	Fair valuation of securities held for trading/ derivative instruments	**22.88**	-	-
		22.88	-	-
	Net Deferred tax assets (net)	**94.87**	583.41	609.10

(Currency : Indian rupees in millions)

11 Property, Plant and Equipment

	Gross Block				Accumulated Depreciation				Net Block
Description of Assets	**As at April 1, 2021**	**Additions during the year**	**Disposals during the year**	**As at March 31, 2022**	**As at April 1, 2021**	**Charge for the year**	**Disposals during the year**	**As at March 31, 2022**	**As at March 31, 2022**
Leasehold improvements	**54.56**	**6.39**	**0.24**	**60.71**	**15.99**	**15.28**	**0.17**	**31.10**	**29.61**
Furniture and Fixtures	**23.75**	**1.43**	**2.31**	**22.87**	**9.23**	**3.94**	**1.58**	**11.59**	**11.28**
Vehicles	**6.81**	**-**	**3.98**	**2.83**	**4.83**	**0.42**	**2.82**	**2.43**	**0.40**
Office equipment	**42.83**	**5.45**	**4.05**	**44.23**	**30.18**	**6.31**	**3.63**	**32.86**	**11.37**
Computers	**195.08**	**36.62**	**25.56**	**206.14**	**144.86**	**30.91**	**24.61**	**151.16**	**54.98**
Right of Use - leasehold premises	**645.06**	**131.77**	**71.67**	**705.16**	**265.06**	**127.30**	**-**	**392.36**	**312.80**
Total	**968.09**	**181.66**	**107.81**	**1,041.94**	**470.15**	**184.16**	**32.81**	**621.50**	**420.44**

	Gross Block				Accumulated Depreciation				Net Block
Description of Assets	**As at April 1, 2020**	**Additions during the year**	**Disposals during the year**	**As at March 31, 2021**	**As at April 1, 2020**	**Charge for the year**	**Disposals during the year**	**As at March 31, 2021**	**As at March 31, 2021**
Leasehold improvements	72.98	1.02	19.44	54.56	18.14	14.67	16.82	15.99	38.57
Furniture and Fixtures	24.47	4.22	4.94	23.75	7.98	4.97	3.72	9.23	14.52
Vehicles	8.34	-	1.53	6.81	4.59	1.45	1.21	4.83	1.98
Office equipment	54.59	1.74	13.50	42.83	32.06	9.74	11.62	30.18	12.65
Computers	207.28	22.49	34.69	195.08	143.73	32.54	31.41	144.86	50.22
Right of Use - leasehold premises	741.74	48.07	144.75	645.06	137.93	127.13	-	265.06	380.00
Total	**1,109.40**	**77.54**	**218.85**	**968.09**	**344.43**	**190.50**	**64.78**	**470.15**	**497.94**

(Currency : Indian rupees in millions)

11 Property, Plant and Equipment *(Continued)*

	Gross Block					Accumulated Depreciation				Net Block
Description of Assets	**As at April 1, 2019**	**Transition impact of Ind AS 116**	**Additions during the year**	**Disposals during the year**	**As at March 31, 2020**	**As at April 1, 2019**	**Charge for the year**	**Disposals during the year**	**As at March 31, 2020**	**As at March 31, 2020**
Leasehold improvements	90.19	-	(3.46)	13.75	72.98	15.46	15.18	12.50	18.14	54.84
Furniture and Fixtures	17.62	-	12.75	5.90	24.47	5.52	6.75	4.29	7.98	16.49
Vehicles	12.59	-	0.80	5.05	8.34	6.07	1.99	3.47	4.59	3.75
Office equipment	38.95	-	22.96	7.32	54.59	17.81	20.84	6.59	32.06	22.53
Computers	206.89	-	14.25	13.86	207.28	100.25	55.21	11.73	143.73	63.55
Right of Use - leasehold premises	-	564.38	177.36	-	741.74	-	137.93	-	137.93	603.81
Total	**366.24**	**564.38**	**224.66**	**45.88**	**1,109.40**	**145.11**	**237.90**	**38.58**	**344.43**	**764.97**

On transition to Ind AS (i.e. April 1, 2018), the company has elected to continue with the carrying value of all Property, Plant and Equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

(Currency : Indian rupees in millions)

12 Intangible Assets

	Gross Block				Accumulated Amortisation				Net Block
Description of Assets	**As at April 1, 2021**	**Additions during the year**	**Disposals during the year**	**As at March 31, 2022**	**As at April 1, 2021**	**Charge for the year**	**Disposals during the year**	**As at March 31, 2022**	**As at March 31, 2022**
Software	**201.75**	**192.16**	**159.80**	**234.11**	**186.12**	**47.22**	**159.79**	**73.55**	**160.56**
Total	**201.75**	**192.16**	**159.80**	**234.11**	**186.12**	**47.22**	**159.79**	**73.55**	**160.56**

	Gross block				Accumulated amortisation				Net block
Description of Assets	**As at April 1, 2020**	**Additions during the year**	**Disposals during the year**	**As at March 31, 2021**	**As at April 1, 2020**	**Charge for the year**	**Disposals during the year**	**As at March 31, 2021**	**As at March 31, 2021**
Software	200.39	1.36	-	201.75	128.23	57.89	-	186.12	15.63
Total	**200.39**	**1.36**	**-**	**201.75**	**128.23**	**57.89**	**-**	**186.12**	**15.63**

	Gross block				Accumulated amortisation				Net block
Description of Assets	**As at April 1, 2019**	**Additions during the year**	**Disposals during the year**	**As at March 31, 2020**	**As at April 1, 2019**	**Charge for the year**	**Disposals during the year**	**As at March 31, 2020**	**As at March 31, 2020**
Software	183.72	16.67	-	200.39	71.54	56.69	-	128.23	72.16
Total	**183.72**	**16.67**	**-**	**200.39**	**71.54**	**56.69**	**-**	**128.23**	**72.16**

On transition to Ind AS (i.e. April 1, 2018), the company has elected to continue with the carrying value of all Intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible assets.

(Currency : Indian rupees in millions)

13 Intangible assets under development

As at March 31, 2022

A) Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in progress	**121.41**	**21.20**	**8.67**	**9.09**	**160.37**

B) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, following is the completion schedule :

Software development projects in progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	more than 3 years
Projects in progress	**151.40**	-	-	-
Total	**151.40**	-	-	-

As at March 31, 2021

A) Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in progress	70.57	65.05	86.73	-	222.35

B) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, following is the completion schedule :

Software development projects in progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	more than 3 years
Projects in progress	183.38	38.97	-	-
Total	**183.38**	**38.97**	-	-

As at March 31, 2020

A) Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in progress	67.05	86.73	-	-	153.78

B) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, following is the completion schedule :

Software development projects in progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	more than 3 years
Projects in progress	2.00	134.01	17.77	-
Total	**2.00**	**134.01**	**17.77**	-

(Currency : Indian rupees in millions)

		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
14	**Other non-financial assets**			
	(Unsecured Considered good, unless stated otherwise)			
	Deposits	**5.21**	4.01	4.00
	Prepaid expenses	**49.17**	29.94	13.61
	Vendor Advances	**29.40**	0.84	0.72
	Advances recoverable in kind for value to be received	**3.23**	1.14	4.74
	Advances to employees	**1.55**	2.28	1.58
	Advances to others	**-**	0.06	-
		88.56	38.27	24.66

Edelweiss Broking Limited

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

(Currency : Indian rupees in millions)

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
15 Trade Payables			
Total outstanding dues of micro enterprises and small enterprises (MSME)	**17.13**	7.12	26.99
Total outstanding dues to creditors other than micro enterprises and small enterprises	**14,112.82**	11,066.94	7,731.50
	14,129.95	11,074.06	7,758.49

As at March 31, 2022	**Outstanding for following periods from due date of transactions**					**Total**
Particulars	**Unbilled**	**Less than 1 year**	**1-2 years**	**2-3 years**	**more than 3 years**	
MSME	16.81	0.32	-	-	-	17.13
Others	808.01	13,210.95	57.33	1.06	35.47	14,112.82
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

As at March 31, 2021	**Outstanding for following periods from due date of transactions**					**Total**
Particulars	**Unbilled**	**Less than 1 year**	**1-2 years**	**2-3 years**	**more than 3 years**	
MSME	4.86	2.26	-	-	-	7.12
Others	429.19	10,596.66	1.31	2.28	37.50	11,066.94
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

As at March 31, 2020	**Outstanding for following periods from due date of transactions**					**Total**
Particulars	**Unbilled**	**Less than 1 year**	**1-2 years**	**2-3 years**	**more than 3 years**	
MSME	25.59	1.41	-	-	-	26.99
Others	350.39	7,341.45	15.45	4.10	20.11	7,731.50
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

Trade Payables includes ₹ 17.13 millions for FY 2021-22 (FY 2020-21: ₹ 7.12 millions and FY 2019-20: ₹ 26.99 millions) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid/ is payable by the Company during the year to “Suppliers” registered under this Act. The afore mentioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

(Currency : Indian rupees in millions)

		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
16	**Debt securities**			
	(At amortised cost, within India)			
	Secured			
	Non-convertible redeemable debentures			
	Privately Placed Non-convertible debentures	**2,233.53**	-	-
	(Secured by charge on ESOP Funding Loans)			
	Unsecured			
	Commercial paper	**6,800.00**	-	-
	Less : Unamortised discount	**(87.89)**	-	-
		6,712.11	-	-
		8,945.64	-	-

(Currency : Indian rupees in millions)

16a Maturity profile and rate of interest of debt securities are set out below:

Redeemable non-convertible debentures *(refer note below)* :

Month	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Jan-24	747.22	-	-
Jan-25	31.92	-	-
Mar-25	34.35	-	-
Apr-25	17.07	-	-
May-25	53.03	-	-
Jun-25	89.31	-	-
Jul-25	863.99	-	-
Aug-25	396.64	-	-
	2,233.53	**-**	**-**

Commercial Paper:

Month	Rate of Interest	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Apr-22	5.90%	3,000.00	-	-
May-22	5.85%	2,500.00	-	-
Jul-22	7.00%	100.00	-	-
Oct-22	from 8.00% to 8.25%	550.00	-	-
Dec-22	from 7.25% to 8.00%	150.00	-	-
Feb-23	8.55%	500.00	-	-
Less: Unamortised Discount		(87.89)	-	-
		6,712.11	**-**	**-**

Note:
Details of Market linked debentures:

Market linked debentures are secured by pari passu charge, as the case may be, on ESOP funding loans.
In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.

(Currency : Indian rupees in millions)

		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
17	**Borrowings (other than debt securities)**			
	(At amortised cost, within India)			
	Short-term borrowings			
	Secured			
	Term loan from Banks (Secured by charge on trade receivables, fixed deposits and corporate guarantee from holding company) (Interest rate ranging from for FY 2021-22 7.05% to 9.50% p.a. (FY 2020-21 - Nil; FY 2019-20 - Nil))	**1,257.75**	-	-
	Unsecured			
	Loan from related parties (Repayable on demand at Interest rate ranging for FY 2021-22: Nil (FY 2020-21 from 10.30% to 12.60% p.a.; FY 2019-20 from 11.50% to 13.10% p.a.))	**-**	2,162.18	2,725.94
	Bank overdraft (Interest rate at for FY 2021-22 7.25% p.a.(FY 2020-21 - Nil; FY 2019-20 - Nil))	**790.16**	-	-
	Term loan from Banks (Interest rate ranging for FY 2021-22 from 6.75% to 7.25% p.a. (FY 2020-21 - Nil; FY 2019-20 - Nil))	**201.15**	-	-
		2,249.06	2,162.18	2,725.94
18	**Other financial liabilities**			
	Other payables	**68.20**	27.40	45.62
	Book overdraft	**3.75**	-	-
	Accrued salaries and benefits	**248.12**	109.63	10.60
	Payable to exchange/ clearing house (net)	**0.12**	-	-
	Deposits from sub-brokers	**180.08**	148.89	112.12
	Retention money payable	**0.98**	1.06	5.10
	Advances from customers	**455.26**	12.87	-
	Lease Liability	**405.18**	494.09	725.58
		1,361.69	793.94	899.02

(Currency : Indian rupees in millions)

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
19 Provisions			
Gratuity *(refer note 35)*	**43.94**	18.51	6.28
Compensated leave absences	**26.60**	19.51	16.91
	70.54	38.02	23.19
20 Other non-financial liabilities			
Amount received in advance	**418.54**	-	-
Withholding taxes, Goods and service tax and other taxes payable	**147.28**	179.41	85.23
Others	**1.09**	1.90	3.06
	566.91	181.31	88.29

(Currency : Indian rupees in millions)

		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
21	**Equity share capital**			
	Authorised:			
	FY 2021-22: 463,300,000 (FY 2020-21: 463,300,000; FY 2019-20: 213,300,000) Equity Shares of ₹ 10 each	**4,633.00**	4,633.00	2,133.00
	FY 2021-22: 10,000,000 (FY 2020-21: 10,000,000; FY 2019-20: 10,000,000) Preference Shares of ₹ 10 each	**100.00**	100.00	100.00
		4,733.00	4,733.00	2,233.00
	Issued, subscribed and paid up:			
	FY 2021-22: 430,454,000 (FY 2020-21: 347,190,000; FY 2019-20: 177,190,000) Equity shares of ₹ 10 each, fully paid-up	**4,304.54**	3,471.90	1,771.90
		4,304.54	3,471.90	1,771.90

a. Movement in share capital :

	March 31, 2022 Amount	March 31, 2021 Amount	March 31, 2020 Amount
Outstanding at the beginning of the year	**3,471.90**	1,771.90	1,771.90
Shares issued during the year	**832.64**	1,700.00	-
Outstanding at the end of the year	**4,304.54**	3,471.90	1,771.90

b. Terms/ rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by the Holding Company :

	March 31, 2022 %	March 31, 2021 %	March 31, 2020 %
Holding Company			
Edelweiss Securities Limited, the Holding Company and its nominees	**100%**	100%	
Edelweiss Financial Services Limited, the Holding Company and its nominees			100%
	100%	100%	100%

d. Details of shares held by Promoters :

	As at March 31, 2022		
Promoter name	**No of shares (including shares held by nominees)**	**% holding**	**% change during the year**
Edelweiss Securities Limited	**430,454,000**	**100%**	**0%**

	As at March 31, 2021		
Promoter name	**No of shares (including shares held by nominees)**	**% holding**	**% change during the year**
Edelweiss Financial Services Limited*	-	0%	(100%)
Edelweiss Securities Limited	347,190,000	100%	100%

* During the year, Edelweiss Financial Services Limited has transferred 100% holding in the Company to Edelweiss Securities Limited

	As at March 31, 2020		
Promoter name	**No of shares (including shares held by nominees)**	**% holding**	**% change during the year**
Edelweiss Financial Services Limited	177,190,000	100%	**0%**

(Currency : Indian rupees in millions)

		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
22	**Other Equity**			
a)	Securities premium account - Opening balance	**432.34**	432.34	432.34
	Add : Additions on issue of equity shares	**167.36**	-	-
		599.70	432.34	432.34
b)	Debenture Redemption Reserve - Opening balance	**-**	-	-
	Add : Additions during the year	**207.83**	-	-
		207.83	-	-
c)	Deemed capital contribution - ESOP	**39.42**	39.42	39.42
d)	Retained earnings - Opening Balance	**(572.18)**	(608.32)	(252.66)
	Add: Reversal of ESOP cost on cancellation	**30.56**	-	-
	Transition impact of Ind AS 116	**-**	-	(73.03)
	Transition impact of Lease DTA Impact - Ind AS 116	**-**	-	30.36
	Add: Profit/ (Loss) for the year	**946.49**	28.13	(301.76)
	Add: Other comprehensive income for the year	**(9.74)**	8.01	(11.23)
	Amount available for appropriation	**395.13**	(572.18)	(608.32)
	Appropriations:			
	Transfer to Debenture Redemption Reserve	**(207.83)**	-	-
		187.30	(572.18)	(608.32)
	Total (a + b + c + d)	**1,034.25**	(100.42)	(136.56)

(Currency : Indian rupees in millions)

		for the year ended March 31, 2022	for the year ended March 31, 2021	for the year ended March 31, 2020
23	**Interest Income**			
	(On Financial assets measured at amortised cost)			
	On ESOP funding	**143.09**	1.24	-
	On Margin Trading Facility	**600.79**	236.07	394.93
	On fixed deposits	**175.27**	133.04	227.09
	On margin with brokers	**338.87**	198.37	308.70
	On delayed payment	**97.70**	81.05	192.57
	Others	**1.59**	1.47	0.19
		1,357.31	651.24	1,123.48
24	**Rental Income**	**26.42**	31.65	47.94
		26.42	31.65	47.94
25	**Fee and commission income**			
	Income from Broking	**2,009.63**	1,870.13	1,720.26
	Advisory and other fees	**3,492.61**	1,088.88	1,325.64
		5,502.24	2,959.01	3,045.90
	Below is the disaggregation of the revenue from contracts with customers:			
	Service transferred at a point in time	**5,416.60**	2,904.59	3,012.94
	Service transferred over time	**85.64**	54.42	32.96
	Total revenue from contract with customers	**5,502.24**	2,959.01	3,045.90
26	**Net gain on fair value changes at FVTPL**			
(A)	**On trading portfolio**			
	Profit on trading of securities held for trade (net)	**420.82**	339.76	98.26
	Loss on equity derivative instruments (net)	**(32.05)**	(4.39)	(3.33)
	Loss on currency derivative instruments (net)	**(5.61)**	-	-
(B)	**Others**			
	Fair value (loss)/ gain on financial asset	**-**	(40.37)	0.63
	Total Net gain on fair value changes	**383.16**	295.00	95.56
	Fair value changes:			
	Realised	**293.12**	295.27	95.56
	Unrealised *	**90.04**	(0.27)	(0.00)
	Total Net gain on fair value changes	**383.16**	295.00	95.56
27	**Other income**			
	Interest on Income tax refund	**-**	24.99	15.22
	Miscellaneous income	**32.35**	23.20	8.23
		32.35	48.19	23.45

** Indicates amounts less than 0.00 millions*

(Currency : Indian rupees in millions)

		for the year ended March 31, 2022	for the year ended March 31, 2021	for the year ended March 31, 2020
28	**Finance costs**			
	(On Financial liabilities measured at amortised cost)			
	Interest on Inter-corporate deposits	**20.69**	-	34.46
	Interest on bank overdraft	**3.18**	-	-
	Interest on loan from fellow subsidiaries	**289.06**	196.10	431.21
	Interest on term loan from banks	**38.77**	-	-
	Cost of Market linked debentures	**19.98**	-	-
	Discount on commercial paper and debentures	**64.82**	-	-
	Financial and bank charges	**108.45**	8.44	10.46
	Interest on Margin	**0.47**	4.07	118.67
	Interest Expenses on lease liabilities	**48.06**	59.61	74.71
	Interest - others	**0.01**	0.12	0.05
		593.49	268.34	669.56
29	**Impairment on financial instruments**			
	(On Financial instruments measured at amortised cost)			
	Bad-debts written off/ (written back) (net)	**(0.22)**	21.71	220.48
	Provision for expected credit losses - Trade receivables, Loans	**46.17**	(8.48)	(184.98)
	Others	**0.61**	-	2.01
		46.56	13.23	37.51
30	**Employee benefit expenses**			
	Salaries and wages	**2,547.67**	1,982.03	2,017.14
	Contribution to provident and other funds	**120.94**	94.11	106.85
	Expense on Employee Stock Option Scheme (ESOP)*	**53.70**	14.64	37.68
	Staff welfare expenses *(refer note 46)*	**88.77**	45.16	58.41
	Expense on Employee Stock Appreciation Rights (SAR)*	**7.21**	8.70	4.84
		2,818.29	2,144.64	2,224.91

*Edelweiss Financial Services Limited ('EFSL') had Employee Stock Option Plans (ESOP) and Stock Appreciation Rights Plans (SAR) in force. Based on such ESOP/SAR schemes, EFSL has granted an ESOP/SAR option to acquire equity shares of EFSL that would vest in a graded manner to company's employees.

*Edelweiss Securities Limited ('ESL') has Employee Stock Option Plans (ESOP) in force. Based on such ESOP schemes, ESL has granted an ESOP option to acquire equity shares of ESL that would vest in a graded manner to company's employees.

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 November 13, 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.

(Currency : Indian rupees in millions)

		for the year ended March 31, 2022	for the year ended March 31, 2021	for the year ended March 31, 2020
31	**Other expenses**			
	Advertisement and business promotion *(refer note 46)*	**137.42**	39.83	65.23
	Auditors' remuneration *(refer note 31a below)*	**8.22**	1.17	1.48
	Clearing & custodian charges	**66.82**	68.56	77.28
	Communication	**55.68**	84.50	70.52
	Computer expenses	**346.60**	146.48	53.44
	Computer software	**211.54**	209.33	184.79
	Corporate social responsibility *(refer note 31b below)*	**-**	0.10	2.20
	Dematerialisation charges	**51.66**	34.52	20.03
	Directors' sitting fees	**0.04**	-	-
	Donation	**0.42**	-	-
	Electricity charges	**20.33**	17.83	34.79
	Foreign exchange loss (net)	**0.11**	0.10	0.01
	Goods & Service tax expenses	**19.52**	3.00	12.05
	Insurance	**3.21**	1.53	1.61
	Legal and professional fees	**129.79**	44.92	61.72
	Loss on sale of property, plant and equipment and intangible assets (net)	**0.46**	6.19	1.73
	Membership and subscription	**9.27**	5.61	6.17
	Miscellaneous expenses	**6.84**	11.82	5.00
	Office expenses	**112.96**	108.12	127.01
	Outside Services Cost	**122.15**	144.77	220.93
	Postage and courier	**11.56**	4.89	7.92
	Printing and stationery	**9.07**	8.48	17.43
	Rates and taxes	**0.82**	1.28	2.16
	Rating support fees	**1.12**	0.38	0.42
	Referrals and commissions	**596.70**	121.56	31.22
	Rent *(refer note 46)*	**127.83**	126.45	169.84
	Repairs and maintenance	**9.43**	8.54	12.91
	ROC Expenses	**0.04**	8.12	-
	Seminar and Conference	**0.20**	1.18	7.18
	Stamp duty	**14.88**	5.97	6.37
	Stock exchange expenses	**21.64**	1.14	9.77
	Travelling and conveyance	**80.39**	48.69	115.61
		2,176.72	1,265.06	1,326.82
31a	**Auditors' remuneration:**			
	As a Auditor			
	Statutory audit	**2.50**	0.90	0.90
	Limited review	**2.10**	0.27	0.49
	Special audits	**3.60**	-	-
	Towards reimbursement of expenses	**0.02**	-	0.09
		8.22	1.17	1.48
31b	**Details of Corporate Social responsibility (CSR) activities**			
	a. Gross amount required to be spent by the Company during the year	**Nil**	Nil	Nil
		Nil	Nil	Nil
	b. Amount spent during the year			
	i) Construction / acquisition of any asset	**-**	-	-
	ii) On purpose other than above	**-**	0.10	2.20
		-	0.10	2.20

(Currency : Indian rupees in millions)

32 Income Tax

a. Components of income tax expense

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Current tax	-	-	
Adjustment in respect of current income tax of prior years	-	(8.39)	35.79
Deferred tax relating to origination and reversal of temporary differences	**175.69**	(18.17)	48.91
Deferred tax asset recognised on unused tax credit or unused tax losses	**312.86**	43.86	-
Total tax charge	**488.55**	17.30	84.70
Current tax	-	(8.39)	35.79
Deferred tax	**488.55**	25.69	48.91

b. Reconciliation of total tax charge

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Accounting profit before tax as per Reformatted Ind AS Financial information	**1,435.04**	45.43	(217.06)
Tax rate (in percentage) *(refer note below)*	**25.17%**	31.20%	31.20%
Income tax expense calculated based on this tax rate	**361.17**	14.17	(67.72)
Adjustment in respect of current income tax of prior years	-	(8.39)	35.79
Effect of non–deductible expenses	**15.44**	0.07	0.70
Effect of utilisation of tax losses on which deferred tax asset earlier not recognised or deferred tax assets on losses earlier recognised now considered not recoverable	**(91.45)**	9.02	122.09
Recognition of available tax credits (Minimum Alternate Tax credit)	**112.30**	-	6.81
Impact of tax rate changes (between two accounting periods)	**91.08**	-	
Depreciation on Goodwill as per Income tax	-	-	(12.97)
Others	-	2.43	-
Tax charge for the year recorded in the Reformatted Ind AS Statement of Profit and Loss	**488.55**	17.30	84.70

Note:

Pursuant to The Taxation Laws (Amendment) Ordinance 2019, promulgated on September 20, 2019, Company has elected to apply the concessional tax rate permitted u/s 115BAA of The Income tax Act, 1961 from the financial year ended March 31, 2021 onwards. Accordingly, the Company has re-measured the closing net deferred tax asset at concessional rate as on the year ended March 31, 2021 in the financial year ended March 31, 2022.

Consequently, Minimum alternate tax amounting to Rs. 112.30 million as on financial year ended March 31, 2021 has been expensed out in reformatted statement of profit and loss in the financial year ended March 31, 2022.

(Currency : Indian rupees in millions)

32 Income Tax *(Continued)*

c. The following table shows deferred tax recorded in the reformatted statement of assets and liabilities and changes recorded in the Income tax expense:

	Movement for the year ended March 31, 2022				
	Opening deferred tax asset / (liability)	**Recognised in reformatted statement of profit and loss**	**Impact on Transition to Ind AS 116**	**Total movement**	**Closing deferred tax asset / (liability)**
Deferred taxes in relation to:					
Property, Plant and Equipment and Intangibles	48.33	(20.80)	-	(20.80)	**27.53**
Securities held for trading/ derivative instruments	0.08	(22.96)	-	(22.96)	**(22.88)**
Trade receivables and Receivable towards Margin trading facility and other financial assets	31.84	5.61	-	5.61	**37.45**
Employee benefits obligations	11.86	(5.17)	-	(5.17)	**6.69**
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	332.72	(312.86)	-	(312.86)	**19.86**
Unused tax credits (Minimum Alternate Tax credit)	112.30	(112.30)	-	(112.30)	**-**
Right of Use Asset less Lease Liability	35.59	(12.35)	-	(12.35)	**23.25**
Others	10.69	(7.72)	-	(7.72)	**2.97**
Total	**583.41**	**(488.55)**	**-**	**(488.55)**	**94.87**

	Movement for the year ended March 31, 2021				
	Opening deferred tax asset / (liability)	**Recognised in reformatted statement of profit and loss**	**Impact on Transition to Ind AS 116**	**Total movement**	**Closing deferred tax asset / (liability)**
Deferred taxes in relation to:					
Property, Plant and Equipment and Intangibles	38.38	9.95	-	9.95	**48.33**
Securities held for trading	-	0.08		0.08	**0.08**
Trade receivables and Receivable towards Margin trading facility and other financial assets	34.48	(2.64)	-	(2.64)	**31.84**
Employee benefits obligations	7.23	4.63	-	4.63	**11.86**
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	376.58	(43.86)	-	(43.86)	**332.72**
Unused tax credits (Minimum Alternate Tax credit)	112.30	-	-	-	**112.30**
Right of Use Asset less Lease Liability	37.99	(2.40)	-	(2.40)	**35.59**
Others	2.13	8.56	-	8.56	**10.69**
Total	**609.09**	**(25.68)**	**-**	**(25.68)**	**583.41**

(Currency : Indian rupees in millions)

32 Income Tax *(Continued)*

	Movement for the year ended March 31, 2020				
	Opening deferred tax asset	**Recognised in reformatted statement of profit and loss**	**Impact on Transition to Ind AS 116**	**Total movement**	**Closing deferred tax asset**
Deferred taxes in relation to:					
Property, Plant and Equipment and Intangibles	31.98	6.40	-	6.40	**38.38**
Trade receivables, Receivable towards Margin trading facility and other financial assets	91.57	(57.08)	-	(57.08)	**34.49**
Employee benefits obligations	5.47	1.76	-	1.76	**7.23**
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	376.58	-	-	-	**376.58**
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	119.11	(6.81)	-	(6.81)	**112.30**
ROU Assets Less Lease Liabilities	-	7.63	30.36	37.99	**37.99**
Others (Preliminary Expenses)	2.94	(0.81)	-	(0.81)	**2.13**
Total	**627.65**	**(48.91)**	**30.36**	**(18.55)**	**609.10**

d.

Break-up of recognition of current tax	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
In statement of Reformatted Ind AS Statement of Profit and Loss	-	(8.39)	35.79

(Currency : Indian rupees in millions)

32 Income Tax *(Continued)*

e. Details of temporary differences where deferred tax assets have not been recognized in the reformatted statement of assets and liabilities

As at March 31, 2022	Unused tax losses				
Financial Year to which the loss relates to	Unabsorbed Depreciation		Business Loss		Total
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount
N.A.					
Total	-		-		-

As at March 31, 2021	Unused tax losses				
Financial Year to which the loss relates to	Unabsorbed Depreciation		Business Loss		Total
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount
F.Y. 2019-20	168.62	Unlimited	214.44	F.Y. 2027-28	383.06
Total	**168.62**		**214.44**		**383.06**

As at March 31, 2020	Unused tax losses				
Financial Year to which the loss relates to	Unabsorbed Depreciation		Business Loss		Total
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount
F.Y. 2019-20	168.62	Unlimited	222.71	F.Y. 2027-28	391.33
Total	**168.62**		**222.71**		**391.33**

(Currency : Indian rupees in millions)

33 Earnings per share

The computation of earnings per share is set out below:

Particulars	**March 31, 2022**	March 31, 2021	March 31, 2020
Profit/ (loss) for the year (as per statement of reformatted statement of profit and loss)	**946.49**	28.13	(301.76)
Calculation of weighted average number of equity shares of ₹ 10			
– Number of shares at the beginning of the year	**347,190,000**	177,190,000	177,190,000
– Number of shares issued during the year	**83,264,000**	170,000,000	-
Total number of equity shares outstanding at the end of the year	**430,454,000**	347,190,000	177,190,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	**351,980,532**	178,121,507	177,190,000
Basic and Diluted earnings per share (*Amount in Indian rupees*)	**2.69**	0.16	(1.70)

The basic and diluted earnings per share are the same as there are no dilutive potential equity shares.

(Currency : Indian rupees in millions)

34 Segment reporting

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

Segment	Activities covered
Agency business	Broking, Advisory, financial product distribution and related activities
Financing business	ESOP funding and Margin trading facility to retail clients

The Company's management monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or losses. 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 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.

(Currency : Indian rupees in millions)

34 Segment reporting *(Continued)*

The following table gives information as required under the Indian Accounting Standard -108 on Segment Reporting:

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
I	**Segment Revenue**			
	Agency Business	**6,546.65**	3,720.84	3,923.91
	Financing Business	**754.83**	239.26	397.21
	Unallocated	**-**	24.99	15.22
	Total Income	**7,301.48**	3,985.09	4,336.33
II	**Segment Result**			
	Agency Business	**1,383.46**	31.53	(207.53)
	Financing Business	**51.60**	(10.97)	(24.70)
	Unallocated	**(0.02)**	24.87	15.17
	Total	**1,435.04**	45.43	(217.06)
III	**Segment assets**			
	Agency Business	**21,102.78**	13,991.08	11,337.17
	Financing Business	**11,218.76**	2,970.59	1,019.57
	Unallocated	**341.04**	659.32	773.53
	Total	**32,662.58**	17,620.99	13,130.27
IV	**Segment liabilities**			
	Agency Business	**17,911.44**	12,335.25	10,586.09
	Financing Business	**9,265.07**	1,734.85	823.62
	Unallocated	**147.28**	179.41	85.22
	Total	**27,323.79**	14,249.51	11,494.93
V	**Capital expenditure**			
	Agency Business	**169.28**	95.84	61.13
	Financing Business	**10.80**	3.58	2.94
	Unallocated	**-**	-	-
	Total	**180.08**	99.42	64.08
VI	**Depreciation and amortisation**			
	Agency Business	**217.51**	239.45	281.05
	Financing Business	**13.87**	8.94	13.54
	Unallocated	**-**	-	-
	Total	**231.38**	248.39	294.59
VII	**Non cash expenditure other than depreciation**			
	Agency Business	**53.19**	15.58	37.28
	Financing Business	**0.45**	0.25	(0.38)
	Unallocated	**-**	-	-
	Total	**53.64**	15.83	36.89

35 Disclosure pursuant to Ind AS 19 - Employee benefits

A) Defined contribution plan (Provident fund):

Amount of FY 2021-22: ₹ 89.77 millions (FY 2020-21: ₹ 69.48 millions; FY 2019-20: ₹ 83.18 millions) is recognized as expense and included in "Employee benefit expenses" – *refer note 30* to the reformatted statement of Profit and Loss.

B) Defined benefit plan (Gratuity):

The following tables summarize the components of the net benefit expenses recognized in the reformatted statement profit and loss, the funded status and amounts recognized in the reformatted statement of assets and liabilities for the gratuity benefit plan.

Expenses recognised in the reformatted statement of profit and loss

	March 31, 2022	March 31, 2021	March 31, 2020
Service cost			
a. Current service cost	**27.24**	22.16	20.30
b. Past service cost	**-**	-	0.27
c. Net interest on net defined benefit liability	**1.13**	0.67	0.53
Employer expenses	**28.37**	22.83	21.10

Reconciliation of Defined Benefit Obligation (DBO)

	March 31, 2022	March 31, 2021	March 31, 2020
Present value of DBO at start of the year	**170.39**	132.43	100.30
Service cost			
a. Current service cost	**27.24**	22.16	20.30
b. Past service cost	**-**	-	0.27
Interest cost	**8.70**	7.59	7.16
Benefits paid	**(16.27)**	(8.11)	(7.85)
Re-measurements			
a. Actuarial loss from changed in demographic assumptions	**-**	2.04	1.29
b. Actuarial (gain)/ loss from changed in financials assumptions	**(3.28)**	4.03	7.56
c. Actuarial loss/ (gain) from experience over last past year	**17.22**	4.73	(3.17)
Transfer in	**3.58**	5.53	6.57
Present value of DBO at end of the year	**207.60**	170.39	132.43

35 Disclosure pursuant to Ind AS 19 - Employee benefits *(Continued)*

Reconciliation of fair value of plan assets

	March 31, 2022	March 31, 2021	March 31, 2020
Fair value of plan assets at start of the year	**151.88**	126.15	102.73
Contributions by employer	**16.27**	8.11	30.20
Benefits paid	**(16.27)**	(8.11)	(7.85)
Interest income plan assets	**7.57**	6.92	6.63
Re-measurements			
Return on plan assets excluding amount including in net interest on the net defined benefit liability/ (asset)	**4.21**	18.81	(5.55)
Fair value of plan assets at end of the year	**163.66**	151.88	126.15
Actual return on plan assets	**11.78**	25.73	1.07
Expected employer contributions for the coming year	**45.00**	20.00	6.00

Net (asset)/ liability recognised in the reformatted statement of assets and liabilities

	March 31, 2022	March 31, 2021	March 31, 2020
Present value of DOB	**270.59**	170.39	132.43
Fair value of plan assets	**163.66**	151.88	126.15
Liability recognised in the reformatted statement of assets and liabilities	**43.94**	18.51	6.28
Funded status [deficit]	**(43.94)**	(18.51)	(6.28)

Actuarial assumptions:

	March 31, 2022	March 31, 2021	March 31, 2020
Salary growth rate (% p.a.)	**7% p.a**	7% p.a	7% p.a
Discount rate (% p.a.)	**5.4% p.a**	5% p.a	5.5% p.a
Withdrawal rate (% p.a.)			
Senior	**25% p.a.**	25% p.a.	13% p.a
Middle	**25% p.a.**	25% p.a.	30% p.a
Junior	**25% p.a.**	25% p.a.	50% p.a
Mortality	**IALM 2012-14 (Ultimate)**	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)
Interest rate on net DBO/ (asset) (% p.a.)	**5 % p.a**	5.5% p.a	6.7% p.a
Weighted average duration of the obligation	**3 Years**	3 Years	3 Years

35 Disclosure pursuant to Ind AS 19 - Employee benefits *(Continued)*

Movement in Other Comprehensive Income

	March 31, 2022	March 31, 2021	March 31, 2020
Balance at start of year loss	**(11.98)**	(19.99)	(8.75)
Re-measurements on DBO			
a. Actuarial loss from changed in demographic assumptions	**-**	(2.04)	(1.29)
b. Actuarial gain/ (loss) from changed in financials assumptions	**3.28**	(4.03)	(7.56)
c. Actuarial (loss)/gain from experience over last past year	**(17.22)**	(4.73)	3.17
Re-measurements on plan assets			
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	**4.21**	18.81	(5.55)
Re-measurements on Asset Ceiling			
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	**-**	-	-
Balance at end of year loss	**(21.72)**	(11.98)	(19.99)

Sensitivity Analysis

DOB increases / (decreases) by	**March 31, 2022**	March 31, 2021	March 31, 2020
1 % Increase in salary growth rate	**7.76**	6.78	6.21
1 % Decrease in salary growth rate	**(7.35)**	(6.39)	(5.84)
1 % Increase in discount rate	**(7.40)**	(6.45)	(5.87)
1 % Decrease in discount rate	**7.96**	6.97	6.37
1 % Increase in withdrawal rate	**(0.46)**	(0.51)	(0.43)
1 % Decrease in withdrawal rate	**0.5**	0.5	0.47
Mortality (Increase in expected lifetime by 1 year)	**8**	8	8
Mortality (Increase in expected lifetime by 3 year)	**24**	25	25

35 Disclosure pursuant to Ind AS 19 - Employee benefits *(Continued)*

Movement in surplus/ (deficit)

	March 31, 2022	March 31, 2021	March 31, 2020
Net surplus/ (deficit) asset at start of year	**(18.51)**	(6.28)	2.44
Net transfer in	**(3.58)**	(5.53)	(6.57)
Movement during the year			
Current service cost	**(27.24)**	(22.16)	(20.30)
Past service cost	**-**	-	(0.27)
Net interest on net DBO	**(1.13)**	(0.67)	(0.53)
Re-measurements	**(9.74)**	8.01	(11.23)
Contributions/ benefits	**16.27**	8.11	30.20
Net deficit at end of year	**(43.93)**	(18.52)	(6.28)

(Currency : Indian rupees in millions)

36 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.

	March 31, 2022			March 31, 2021			March 31, 2020		
Particulars	**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	2,334.89	-	**2,334.89**	697.83	-	**697.83**	1,370.72	-	**1,370.72**
Other bank balances	4,116.89	2.42	**4,119.31**	3,335.06	25.25	**3,360.31**	1,333.19	160.59	**1,493.78**
Derivative financial instruments	-	200.70	**200.70**	-	-	**-**	-	-	**-**
Securities held for trading *	1,911.67	-	**1,911.67**	5.75	-	**5.75**	0.00	-	**0.00**
Trade receivables	2,825.19	171.12	**2,996.31**	946.42	-	**946.42**	1,205.13	-	**1,205.13**
Loans	9,880.22	-	**9,880.22**	2,918.08	-	**2,918.08**	964.00	-	**964.00**
Other financial assets	9,902.54	145.97	**10,048.51**	8,121.39	137.70	**8,259.09**	6,126.63	180.91	**6,307.54**
	30,971.40	**520.21**	**31,491.61**	**16,024.53**	**162.95**	**16,187.48**	**10,999.67**	**341.50**	**11,341.17**
Non-financial assets									
Current tax assets (net)	-	246.17	**246.17**	0.71	75.20	**75.91**	50.80	113.63	**164.43**
Deferred tax assets (net)	-	94.87	**94.87**	-	583.41	**583.41**	-	609.10	**609.10**
Property, plant and equipment	-	420.44	**420.44**	-	497.94	**497.94**	-	764.97	**764.97**
Intangible assets	-	160.56	**160.56**	-	15.63	**15.63**	-	72.16	**72.16**
Intangible assets under development	-	160.37	**160.37**	-	222.35	**222.35**	-	153.78	**153.78**
Other non-financial assets	80.78	7.78	**88.56**	34.43	3.84	**38.27**	19.19	5.47	**24.66**
	80.78	**1,090.19**	**1,170.97**	**35.14**	**1,398.37**	**1,433.51**	**69.99**	**1,719.11**	**1,789.10**
Total assets	**31,052.18**	**1,610.40**	**32,662.58**	**16,059.67**	**1,561.32**	**17,620.99**	**11,069.66**	**2,060.61**	**13,130.27**

	March 31, 2022			March 31, 2021			March 31, 2020		
Particulars	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Financial liabilities									
Trade payables	14,129.95	-	**14,129.95**	11,074.06	-	**11,074.06**	7,758.49	-	**7,758.49**
Debt securities	6,712.11	2,233.53	**8,945.64**	-	-	**-**	-	-	**-**
Borrowing (other than debt securities)	2,249.06	-	**2,249.06**	2,162.18	-	**2,162.18**	2,725.94	-	**2,725.94**
Other financial liabilities	1,111.40	250.29	**1,361.69**	428.66	365.28	**793.94**	312.33	586.69	**899.02**
	24,202.52	**2,483.82**	**26,686.34**	**13,664.90**	**365.28**	**14,030.18**	**10,796.76**	**586.69**	**11,383.45**
Non-financial liabilities									
Provisions	50.47	20.07	**70.54**	23.26	14.76	**38.02**	3.74	19.45	**23.19**
Other non-financial liabilities	195.89	371.02	**566.91**	181.31	-	**181.31**	88.29	-	**88.29**
	246.36	**391.09**	**637.45**	**204.57**	**14.76**	**219.33**	**92.03**	**19.45**	**111.48**
Total liabilities	**24,448.88**	**2,874.91**	**27,323.79**	**13,869.47**	**380.04**	**14,249.51**	**10,888.79**	**606.14**	**11,494.93**

** Indicates amounts less than 0.00 millions*

(Currency : Indian rupees in millions)

37 Change in liabilities arising from financing activities

Particulars	April 1, 2021	Cash flows during the year	Others during the year*	March 31, 2022
Debt securities**	-	8,744.94	-	8,744.94
Borrowings other than debt securities	2,162.18	100.00	(13.12)	2,249.06
Total liabilities from financing activities	**2,162.18**	**8,844.94**	**(13.12)**	**10,994.00**

Particulars	April 1, 2020	Cash flows during the year	Others during the year*	March 31, 2021
Borrowings other than debt securities	2,725.94	(564.02)	0.26	2,162.18
Total liabilities from financing activities	**2,725.94**	**(564.02)**	**0.26**	**2,162.18**

Particulars	April 1, 2019	Cashflows during the year	Others during the year*	March 31, 2020
Borrowings other than debt securities	2,264.51	468.75	(7.32)	2,725.94
Total liabilities from financing activities	**2,264.51**	**468.75**	**(7.32)**	**2,725.94**

* includes the effect of accrued but not paid interest on borrowing

** does not include Embedded derivatives of ₹ 200.70 millions

(Currency : Indian rupees in millions)

38 Contingent liabilities, commitments and lease arrangements

a. Legal claims

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent in its operations. As a result, the Company is involved in various litigation, arbitration and regulatory proceedings in the ordinary course of its business. The Company has formal controls and policies for managing legal claims. Based on professional legal advice, the Company provides and/or discloses amounts in accordance with its accounting policies. At year end, the Company had several unresolved legal claims however individually any of the claim is not material. The aggregate value of claim against the Company is ₹ 231.67 millions.

b. Contingent liabilities

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
(a) Claims against the Company not acknowledged as debt	**231.67**	47.72	67.44
(b) Taxation matters	**-**	10.49	36.00

c. Leases

The Company has entered into commercial leases for premises and equipment.

i) Movement of Right of Use - leasehold premises

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Opening Balance	**380.00**	603.81	-
Transition impact of Ind AS 116	**-**	-	564.38
Addition / (disposal) during the year	**60.10**	(96.68)	177.36
Less: Amortisation on Right of Use - leasehold premises	**(127.30)**	(127.13)	(137.93)
Closing Balance	**312.80**	**380.00**	**603.81**

ii) Movement of Lease liability

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Opening Balance	**494.09**	725.58	-
Transition impact of Ind AS 116	**-**	-	661.69
Addition / (disposal) during the year	**39.74**	(117.08)	153.09
Add: Accretion of interest	**48.06**	59.61	74.71
Less: Payment during the year	**(176.71)**	(174.02)	(163.91)
Closing Balance	**405.18**	**494.09**	**725.58**

iii) Short term lease commitments

Short term lease payments for the year as follows:

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Within one year	**5.91**	2.54	0.81
Total	**5.91**	2.54	0.81

iv) Other disclosures

	March 31, 2022	March 31, 2021	March 31, 2020
Particulars	**Years / Amount**	**Years / Amount**	**Years / Amount**
The leases have an average life of between (in years)	**5**	6	6
The total lease payment for the year (amount)	**279.55**	275.96	342.29
Lease rent expenses recognised in reformatted statement of profit and loss for short term lease (amount)	**102.84**	101.94	154.11

(Currency : Indian rupees in millions)

38 Contingent liabilities, commitments and lease arrangements *(Continued)*

d. Capital and other commitments

i) Estimated amount of contracts remaining to be executed on Property, plant and equipment and Intangible assets amounts to ₹ 55.35 millions for FY 2021-22 (net of advances) (FY 2020-21 ₹ 44.83 millions; FY 2019-20: ₹ 41.69 millions).

ii) The Company have provided bank guarantees aggregating to ₹ 750.00 millions for FY 2021-22 (FY 2020-21 ₹ 200.00 millions; FY 2019-20: ₹ 700.00 millions) to The Bombay Stock Exchange of India Limited for meeting margin requirement.

iii) The Company have pledged fixed deposits with bank aggregating to ₹ 375.00 millions for FY 2021-22 (FY 2020-21 ₹ 100.00 millions; FY 2019-20: ₹ 350.00 millions) for obtaining the above bank guarantees.

Edelweiss Broking Limited

Notes to the reformatted financial information *(Continued)*

Annexure V

(Currency : Indian rupees in millions)

39 Disclosure as required by Ind AS 24 - "Related Party Disclosure":

a. Name of related party by whom control is exercised

Edelweiss Financial Services Limited - Ultimate Holding Company (upto March 26, 2021)
PAGAC Ecstasy Pte. Ltd - Ultimate Holding Company (w.e.f. March 27, 2021)
Edelweiss Global Wealth Management Limited - Parent of Holding Company (w.e.f. March 27, 2021)(upto March 31, 2022)
Edelweiss Securities Limited - Holding Company (w.e.f. May 4, 2020)

b. Names of related parties who exercise significant influence over the Company's Holding Company

Edelweiss Financial Services Limited (w.e.f. March 27, 2021)

c. Subsidiaries of the entity exercising significant influence over the Company's Holding Company (w.e.f. March 27, 2021)

Allium Finance Private Limited
ECL Finance Limited
Edel Finance Company Limited (Edelweiss Finvest Limited has merged with Edel Finance Company Limited w.e.f. April 9, 2021)
Edel Investments Limited
Edel Land Limited
Edel Land Limited # (EC Commodity Limited merged with Edel Land Limited)
Edel Land Limited # # (Ecap Equities Limited merged with Edel Land Limited)
Edelcap Securities Limited
Edelgive Foundation
Edelweiss Alternative Asset Advisors Limited
Edelweiss Asset Management Limited
Edelweiss Asset Reconstruction Company Limited
Edelweiss Comtrade Limited
Edelweiss Gallagher Insurance Brokers Limited (upto October 18, 2021)
Edelweiss General Insurance Company Limited
Edelweiss Housing Finance Limited
Edelweiss Investment Adviser Limited
Edelweiss Retail Finance Limited
Edelweiss Rural & Corporate Services Limited
Edelweiss Securities And Investments Private Limited
Edelweiss Tokio Life Insurance Company Limited

d. Fellow subsidiaries with whom transactions have taken place

(Upto March 26, 2021)
Allium Finance Private Limited
ECL Finance Limited
Edel Finance Company Limited (Edelweiss Finvest Limited has merged with Edel Finance Company Limited w.e.f. April 9, 2021)
Edel Investments Limited
Edel Land Limited
Edel Land Limited # (EC Commodity Limited merged with Edel Land Limited)
Edel Land Limited # # (Ecap Equities Limited merged with Edel Land Limited)
Edelcap Securities Limited
Edelgive Foundation
Edelweiss Alternative Asset Advisors Limited
Edelweiss Asset Management Limited
Edelweiss Asset Reconstruction Company Limited
Edelweiss Capital Services Limited
Edelweiss Comtrade Limited
Edelweiss Gallagher Insurance Brokers Limited (upto October 18, 2021)
Edelweiss General Insurance Company Limited
Edelweiss Housing Finance Limited
Edelweiss Investment Adviser Limited
Edelweiss Retail Finance Limited
Edelweiss Rural & Corporate Services Limited
Edelweiss Securities And Investments Private Limited
Edelweiss Tokio Life Insurance Company Limited

39 Disclosure as required by Ind AS 24 - "Related Party Disclosure"*(Continued)*

d. Fellow subsidiaries with whom transactions have taken place *(Continued)*

Edelweiss Securities Limited (upto May 3, 2020)

(w.e.f. March 27, 2021)
Edelweiss Custodial Services Limited
Edelweiss Finance and Investments Limited
ESL Securities Limited

e. Associate of Holding Company (w.e.f. March 27, 2021)

Edelweiss Capital Services Limited

f. Fellow subsidiary of the ultimate parent company with whom transactions have taken place

PAG Investment Advisors Pte. Ltd.
Asia Pragati Strategic Investment Fund

g. Key Management Personnel (KMP)

Ashish Kehair - Non Executive Director (w.e.f. March 19, 2021)
Biren Shah - Executive Director (resigned on December 31, 2021)
Kamala Kantharaj - Non Executive Director (w.e.f. September 21, 2021)
Mahadev Gole - Manager (Resigned on December 1, 2020)
Pankaj Razdan - Non Executive Director (w.e.f. March 19, 2021 & resigned on January 7, 2022)
Prashant Mody - Executive Director (Non Executive director till September 30, 2020)
Puja D'Souza - Non – Executive Director (resigned on March 19, 2021)
Rahul Jain - Managing Director & Chief Executive Officer (w.e.f. December 31, 2021)
Rajesh Save - Non – Executive Director (resigned on August 11, 2020)
Rashmi Nagori - Non-Executive Director (w.e.f. March 19, 2021 & resigned on February 17, 2022)
Vinod Juneja - Independent Director (w.e.f. February 17, 2022)
Birendra Kumar - Independent Director (w.e.f. February 17, 2022)
Brijmohan Bohra - Company Secretary (Resigned w.e.f. February 28, 2021)
Viral Thanawala - Chief Financial Officer (w.e.f. April 1, 2021)
Prachi Mathur - Company Secretary (w.e.f. July 19, 2021)

h. Key Management Personnel of Parent Company with whom transactions have taken place

Ashish Kehair - Managing Director & Chief Executive Officer (w.e.f. September 21, 2021)
Nitin Jain -Managing Director and Chief Executive Officer, Executive Director (Managing Director w.e.f. April 1, 2021 to April 7, 2021) (Chief Executive Officer- w.e.f. April 1, 2021 August 30, 2021)(Executive Director- w.e.f. April 7, 2021 to September 30, 2021)
Pankaj Razdan - Executive Director (appointed w.e.f. April 7, 2021 and resigned on January 11, 2022)
Kalpana Maniar - Non-Executive Director (upto March 19, 2021)
Shiv Saigal - Executive Director (w.e.f. January 11, 2022)
Shivaraman Iyer - Chief Financial Officer (w.e.f. April 1, 2021)

i. Relatives of Key Management Personnel of Ultimate Holding Company with whom transactions have taken place
(Upto March 26, 2021)
Neel Shah
Nalin Kaji
Aparna T.C.

39 Disclosure as required by Ind AS 24 - "Related Party Disclosure"*(Continued)*

j. Enterprise over which Key Management Personnel of Ultimate Holding Company exercises significant influence, with whom transactions have taken place

(Upto March 26, 2021)
Mabella Investment Adviser LLP

Notes :-

1 Edelweiss Securities Limited has purchased 100% equity shares (Stake) of Edelweiss Broking Limited from Edelweiss Financial Services Limited on May 4, 2020.

2 During the previous year, the controlling stake in the Edelweiss Securities Limited, the Parent Company, was transferred by its erstwhile Ultimate Parent, Edelweiss Financial Services Limited ("EFSL"), to Edelweiss Global Wealth Management Limited ('EGWML'), the new parent entity, as a part of the overall transaction consummated with PAGAC Ecstasy Pte. Ltd ('PAG'). PAG has infused CCDs in EGWML whereby it acquired controlling interest in relation to the Wealth Management business only.

3 The Wealth Management Business undertaking was demerged from Edelweiss Global Wealth Management Limited (EGWML) into Edelweiss Securities Limited (ESL) vide NCLT order dated March 31, 2022. Accordingly, all related party balances outstanding as at March 31, 2022 relating to Wealth Management Business undertaking of EGWML are considered to be transacted with ESL and disclosed accordingly.

4 Pursuant to merger of EC Commodity Limited and demerger of ECap Equities Limited into Edel Land Limited, all the Related Party Transactions transacted with EC Commodity Limited and ECap Equities Limited for March 31, 2021 and March 31, 2022 and the outstanding balances thereof, as at the end of the year relating to EC Commodity Limited and ECap Equities Limited are considered to be transacted with have been reported under Edel Land Limited.

5 Edelweiss Finvest Limited (formerly Edelweiss Finvest Private Limited) was merged into Edel Finance Company Limited with effect from April 9, 2021. Hence all related party transactions transacted during the year and the outstanding balances thereof, as at the end of the year relating to the Merged entity are considered to be transacted with Edel Finance Company Limited and disclosed accordingly.

(Currency : Indian rupees in millions)

39. Disclosure as required by Ind AS 24 – "Related Party Disclosure" (Continued)*:*

Transactions with related parties *(Continued)* :

Particulars	Related party name	March 31, 2022	March 31, 2021	March 31 2020
Issue of equity shares	Edelweiss Securities Limited	1,000.00	1,700.00	-
Redemption of Preference shares	Edelcap Securities Limited	-	-	0.05
Loans taken (Total Transactions)	Edelweiss Finance and Investments Limited	19,625.90	15,498.80	4,245.00
	Edelweiss Rural and Corporate Services Limited	-	1,216.10	86,650.33
	Edelweiss Securities And Investments Private Limited	-	1,324.40	-
	Edel Finance Company Limited	1,300.00	1,000.00	-
	Edelweiss Securities Limited	-	600.00	-
	ESL Securities Limited	-	98.40	-
	Edel Land Limited # #	-	-	42.50
	Allium Finance Private Limited	900.00	-	-
Loan repaid (Total Transactions)	Edelweiss Finance and Investments Limited	21,765.90	16,059.30	1,544.50
	Edelweiss Rural and Corporate Services Limited	-	1,219.62	87,112.08
	Edelweiss Securities And Investments Private Limited	-	1,324.40	-
	Edel Finance Company Limited	1,300.00	1,000.00	-
	Edel Land Limited # #	-	-	1,812.50
	ESL Securities Limited	-	98.40	-
	Edelweiss Securities Limited	-	600.00	-
	Allium Finance Private Limited	900.00	-	-
ICD taken *(refer note below)*	Edelweiss Securities Limited	900.00	-	3,050.00
ICD repaid *(refer note below)*	Edelweiss Securities Limited	900.00	-	3,050.00
Margin placed (Total Transactions)	Edelweiss Custodial Services Limited	140,366.80	182,320.34	121695.28
Margin withdrawn (Total Transactions)	Edelweiss Custodial Services Limited	138,355.86	179,441.16	119429.4
	Edelweiss Securities Limited	-	-	0.05
Margin placed	ECL Finance Limited	-	3,000.00	-
	Edel Land Limited # #	-	1,000.00	-
Margin withdrawn	ECL Finance Limited	-	3,000.00	-
	Edel Land Limited # #	-	1,000.00	-
Brokerage income	Edelweiss Securities And Investments Private Limited - Magnolia	-	0.18	0.01
	Edelweiss Asset Management Limited	0.16	0.46	0.40
	Edel Land Limited # #	-	3.06	3.28
	Edelweiss Tokio Life Insurance Company Limited	0.14	0.54	1.70
	Edel Land Limited	3.66	-	-
	Edel Land Limited # #	0.87	-	-
	Key Managerial Personnel	0.25	0.04	0.04
	Key Managerial Personnel of Holding Company *	0.00	0.20	0.11
	Relatives of Key Managerial Personnel of Ultimate Holding Company *	0.00	0.00	-
	Enterprise over which Key Management Personnel of Ultimate Holding Company exercises significant influence	-	-	0.14
Fee income	Edelweiss Asset Management Limited	-	25.05	41.63
	Edelweiss Securities Limited	-	-	104.78
Commission/ Referral Fees/ Brokerage/fees income	Edelweiss Alternative Asset Advisors Limited	310.53	228.52	398.05
	Edelweiss Tokio Life Insurance Company Limited	99.57	71.53	37.49
	Edelweiss Finance and Investments Limited	256.24	123.58	27.90
	Edelweiss Asset Reconstruction Company Limited	-	5.73	217.61
	Edelweiss General Insurance Company Limited	3.61	6.05	0.36
	Edel Land Limited # #	-	77.30	60.36
	Edel Finance Company Limited	23.58	37.24	2.10
	Edelweiss Securities Limited	1.88	2.15	129.02
	ECL Finance Limited	-	0.10	1.18
	Edelweiss Investment Adviser Limited	-	0.01	-
	ESL Securities Limited	11.55	-	-
	Edelweiss Financial Services Limited	411.56	159.73	1.82
	Edelweiss Global Wealth Management Limited	-	1.12	-
	Edel Land Limited	188.63	-	-
Commission/ Referral Fees/ Brokerage/fees income	Edel Land Limited # #	307.12	-	-
	Edelweiss Asset Management Limited	22.48	-	-
	Edelweiss Custodial Services Limited	101.13	-	-
	Edelweiss Gallagher Insurance Brokers Limited	5.65	-	-
	Edelweiss Global Wealth Management Limited	1.88	-	-

(Currency : Indian rupees in millions)

39. Disclosure as required by Ind AS 24 – "Related Party Disclosure" (Continued)*:*

Transactions with related parties *(Continued)* :

Nature of Transaction	Related party name	March 31, 2022	March 31, 2021	March 31 2020
Referral Charges paid	PAG Investment Advisors Pte. Ltd.	41.21	-	-
Liquidity Support charges paid	Asia Pragati Strategic Investment Fund	100.00	-	-
Commission charges	Edelweiss Global Wealth Management Limited	-	-	0.17
Interest Income - Preference Capital	Edelcap Securities Limited *	-	-	0.00
Rental income	Edelweiss Finance and Investments Limited	18.86	18.99	0.02
	ECL Finance Limited	0.86	1.90	12.06
	Edelweiss Securities Limited	2.29	3.15	7.35
	Edelweiss Gallagher Insurance Brokers Limited *(Formerly known Edelweiss Insurance Brokers Limited)*	1.11	2.62	0.60
	Edelweiss Asset Management Limited	0.25	1.54	2.27
	Edelweiss Finvest Limited *(Formerly known Edelweiss Finvest Private Limited)*	-	0.44	5.49
	Edelweiss Investment Adviser Limited	-	0.29	3.21
	Edelweiss Financial Services Limited	-	0.33	3.27
	Edelweiss Asset Reconstruction Company Limited	0.98	1.23	1.57
	Edelweiss Rural and Corporate Services Limited	0.11	0.53	3.31
	Edelweiss Custodial Services Limited	1.06	0.38	0.36
	Edelweiss Housing Finance Limited	0.10	0.04	1.39
	Edelweiss Global Wealth Management Limited	-	0.07	0.07
	Edelweiss Retail Finance Limited	0.31	0.09	0.22
	Edelweiss Comtrade Limited	-	0.01	3.98
	Edelweiss General Insurance Company Limited	-	0.01	2.76
	Edelweiss Alternative Asset Advisors Limited	0.07	-	0.02
	Edel Investments Limited	0.07	0.01	-
	Edelcap Securities Limited	0.07	0.01	-
	Edelweiss Capital Services Limited	0.14	-	-
	Edelweiss Global Wealth Management Limited	0.14	-	-
Interest cost on loan	Edelweiss Finance and Investments Limited	245.20	116.21	3.26
	Edelweiss Securities And Investments Private Limited - Magnolia	-	13.41	-
	Edelweiss Rural and Corporate Services Limited	-	19.11	352.52
	Edel Land Limited # #	-	-	75.43
	ESL Securities Limited	-	2.30	-
	Edel Finance Company Limited	27.35	43.00	-
	Edelweiss Securities Limited	-	2.06	-
	Allium Finance Private Limited	16.51	-	-
Interest cost on Inter-Corporate Deposit	Edelweiss Securities Limited	20.69	-	34.46
Interest income on debt instrument paid to	Edelweiss Finance and Investments Limited	1.59	-	-
Interest income on margin	Edelweiss Custodial Services Limited	306.01	177.76	307.01
	Edelweiss Securities Limited *	-	-	0.00
Rent charges	Edel Land Limited # #		39.01	62.40
	Edelweiss Rural and Corporate Services Limited	0.31	39.86	33.90
	Edelweiss Global Wealth Management Limited	0.24	9.34	6.70
	ECL Finance Limited	0.23	4.35	17.86
	Edelweiss Securities Limited	0.08	1.48	9.68
	Edelweiss Custodial Services Limited	96.79	2.03	7.76
	Edelweiss Asset Management Limited	-	1.24	0.78
	Edelweiss Retail Finance Limited	0.02	0.27	1.17
	Edelweiss Housing Finance Limited	0.03	0.09	0.07
	Edelweiss Comtrade Limited	-	-	0.18
	Edelweiss Alternative Asset Advisors Limited	0.09	-	-
Clearing charges	Edelweiss Custodial Services Limited	66.60	68.55	77.28
Demat Charges	Edelweiss Custodial Services Limited	-	-	6.42
Software usage charges	Edelweiss Global Wealth Management Limited	98.55	116.42	122.46
Enterprise/ Corporate cost	Edelweiss Rural and Corporate Services Limited	-	87.18	103.14
	Edelweiss Financial Services Limited	-	9.46	19.30
	Edelweiss Securities Limited	98.80	-	-
Website related charges	Edelweiss Rural and Corporate Services Limited	-	-	19.29
Rating support fees	Edelweiss Financial Services Limited *	-	0.00	0.02
	Edelweiss Rural and Corporate Services Limited	0.02	0.01	-

(Currency : Indian rupees in millions)

39. Disclosure as required by Ind AS 24 – "Related Party Disclosure" (Continued)*:*

Transactions with related parties *(Continued)* :

Nature of Transaction	Related party name	March 31, 2022	March 31, 2021	March 31 2020
Delayed payment interest recovered	Edelweiss Securities And Investments Private Limited - Magnolia *	-	0.00	-
	Edelcap Securities Limited *	0.00	0.00	-
Employee Stock Option Scheme paid	Edelweiss Financial Services Limited	16.37	14.64	37.68
	Edelweiss Securities Limited	37.33	-	-
Employee Stock Appreciation Rights paid	Edelweiss Financial Services Limited	7.21	8.70	4.84
Employee Stock Option Scheme Cost recovered from retained earning	Edelweiss Financial Services Limited	30.26	-	-
Employee Stock Appreciation Rights Cost recovered from retained earning	Edelweiss Financial Services Limited	7.12	-	-
Insurance premium paid	Edelweiss General Insurance Company Limited	48.50	34.68	-
	Edelweiss Tokio Life Insurance Company Limited	22.84	-	-
Purchase of securities	ECL Finance Limited	-	287.90	2,052.95
	Edelweiss Finance and Investments Limited	3,133.72	1,939.29	85.05
	Edelweiss Global Wealth Management Limited	-	-	52.57
	Edelweiss Rural and Corporate Services Limited	115.88	-	-
	Edel Land Limited # #	-	295.38	-
	Edelweiss Securities And Investments Private Limited - Magnolia	0.69	32.09	-
	Edelweiss Gallagher Insurance Brokers Limited	513.81	-	-
Sale of securities	Edelweiss Finance and Investments Limited	115.91	346.46	-
	Edel Land Limited # #	-	258.29	-
	Edelweiss Rural and Corporate Services Limited	-	261.31	-
	ECL Finance Limited	-	47.75	254.45
	Edelweiss Securities And Investments Private Limited - Magnolia	-	-	1.00
	Key Managerial Personnel	12.43	-	-
Issuance of Non Convertible Debentures	Edelweiss Finance and Investments Limited	717.84	-	-
Subscription of Non Convertible Debentures of	Edel Land Limited	504.19	-	-
Distribution income rights	Edelweiss Global Wealth Management Limited	-	-	61.74
Cost reimbursement recovered	Edelweiss Securities And Investments Private Limited - Magnolia	-	25.21	-
	Edelweiss Asset Management Limited *	0.00	0.32	0.11
	Edelweiss Custodial Services Limited	0.04	-	-
	Edelweiss Alternative Asset Advisors Limited	-	-	0.15
	ECL Finance Limited	-	0.19	-
	Edelweiss Gallagher Insurance Brokers Limited	0.02	0.12	-
	Edel Finance Company Limited	-	1.01	-
	Edelweiss Finance and Investments Limited	82.30	0.23	-
	Edel Land Limited	-	0.14	-
	Edelweiss Finvest Limited *	-	0.00	-
	Edelcap Securities Limited *	-	0.00	-
	Edelweiss Asset Reconstruction Company Limited *	-	0.00	-
	Edel Land Limited # *	-	0.00	-
	Edelweiss Housing Finance Limited	0.08	-	-
	Edelweiss Retail Finance Limited *	0.00	-	-
	ESL Securities Limited *	0.00	-	-
Cost reimbursement paid	Edelweiss Financial Services Limited	1.66	25.39	48.01
	Edelweiss Rural and Corporate Services Limited	5.81	45.42	33.64
	Edelweiss Securities Limited	164.25	11.87	3.70
	Edelweiss Comtrade Limited	-	0.81	-
	Edel Land Limited # #	-	0.50	0.43
	Edelweiss Global Wealth Management Limited	-	0.01	0.02
	Edelweiss Housing Finance Limited	-	0.01	0.03
	Edel Land Limited	-	-	0.43
	ECL Finance Limited	0.24	-	0.16
	Edelweiss Asset Reconstruction Company Limited	-	-	0.01
	Edelweiss Custodial Services Limited	-	0.02	-
	Edel Land Limited	0.14	-	-
	Edel Land Limited # #	0.36	-	-
	Edelweiss Retail Finance limited *	0.00	-	-
	Edelweiss Finance and Investments Limited	0.03	-	-

(Currency : Indian rupees in millions)

39. Disclosure as required by Ind AS 24 – "Related Party Disclosure" (Continued)*:*

Transactions with related parties *(Continued)* :

Nature of Transaction	Related party name	March 31, 2022	March 31, 2021	March 31 2020
Purchase of Property Plant and Equipment and Intangible Assets	ECL Finance Limited	0.01	1.52	0.27
	Edelweiss Rural and Corporate Services Limited	0.05	3.22	2.71
	Edelweiss Gallagher Insurance Brokers Limited	0.10	0.28	0.44
	Edelweiss Global Wealth Management Limited	0.23	4.17	0.44
	Edelweiss Housing Finance Limited *	0.00	0.16	0.17
	Edelweiss Securities Limited	0.26	1.15	0.14
	Edelweiss Financial Services Limited	0.15	0.08	0.11
	Edelweiss Investment Adviser Limited*	0.01	0.11	0.09
	Edel Land Limited # #	-	0.01	0.08
	Edelweiss Alternative Asset Advisors Limited	-	0.04	0.07
	Edelweiss Custodial Services Limited	0.03	0.07	0.04
	Edelweiss Asset Management Limited	0.01	0.02	0.03
	Edelweiss Retail Finance Limited *	0.00	0.16	0.03
	Edelweiss Comtrade Limited	0.01	0.06	0.03
	Edelweiss Asset Reconstruction Company Limited	-	0.01	0.02
	Edel Finance Company Limited	0.01	0.01	0.02
	Edel Land limited	-	0.01	-
	Edel Land Limited # #	0.01	-	-
	EdelGive Foundation	-	0.01	-
	Edelweiss Finance and Investments Limited	0.10	0.05	-
	Edelcap Securities Limited *	0.00	-	-
	Edelweiss Capital Services Limited *	0.00	-	-
	ESL Securities Limited	0.08	-	-
Sale of Property Plant and Equipment and Intangible Assets	Edelweiss Housing Finance Limited	-	0.07	0.28
	Edelweiss Finance and Investments Limited *	0.06	1.10	0.00
	Edelweiss Retail Finance Limited *	-	0.00	-
	Edelweiss Rural and Corporate Services Limited	0.03	0.05	0.27
	ECL Finance Limited	-	0.04	0.46
	Delap Securities Limited *	-	0.00	0.08
	Edelweiss Securities Limited	0.34	0.29	0.71
	Edelweiss Finest Limited *(Formerly known Edelweiss Finest Private Limited)*	-	0.01	0.13
	Edelweiss Gallagher Insurance Brokers Limited *(Formerly known Edelweiss Insurance Brokers Limited)**	0.00	0.11	0.11
	Edelweiss Asset Management Limited *	0.00	0.00	0.10
	Edelweiss Alternative Asset Advisors Limited	-	-	0.09
	Edelweiss Asset Reconstruction Company Limited	-	-	0.07
	Edelweiss Custodial Services Limited	0.02	0.05	0.06
	Edelweiss Global Wealth Management Limited	0.02	0.06	0.06
	Edelweiss Investment Adviser Limited *	-	0.00	0.06
	Edelweiss Financial Services Limited *	0.06	0.00	0.05
	Edelgive Foundation *	0.00	-	-
	Edelweiss Capital Services Limited	0.01	-	-
	Edelweiss Comtrade Limited	-	0.01	0.04
	Edelweiss General Insurance Company Limited *	-	0.00	0.03
	Edel Land Limited	-	-	0.03
	Edel Investments Limited *	-	-	0.00
	Edel Land Limited # # *	-	0.00	-
	ESL Securities Limited *	0.00	0.05	-
Director's Sitting Fees paid	Independent Directors	0.04	-	-
Remuneration paid *(refer note 6)*	Key Managerial Personnel	29.81	13.63	12.09
Balances with related parties				
Short term borrowings	Edelweiss Finance and Investments Limited	-	2,140.00	2,700.50
	Edelweiss Rural and Corporate Services Limited	-	-	3.52
Trade payables	Edelweiss Global Wealth Management Limited	-	26.84	120.50
	Edel Land Limited	0.53	6.50	5.71
	Edelweiss Rural and Corporate Services Limited	1.32	12.65	15.04
	Edelweiss Asset Management Limited	-	11.50	0.39
	Edelweiss Financial Services Limited	0.15	1.05	7.48
	Edelweiss Securities Limited	71.50	8.50	1.64
	ECL Finance Limited	-	0.20	-
	Edelweiss Securities And Investments Private Limited - Magnolia	0.02	-	8.51
	Edelweiss Alternative Asset Advisors Limited	2.43	0.04	0.18
	Edelweiss Retail Finance Limited *	-	0.00	0.11
	Edelweiss Finance and Investments Limited	-	71.88	-
	Edel Finance Company Limited *	0.00	-	-
	Edelweiss Investment Adviser Limited *	0.00	0.03	-
	Edelweiss Housing Finance Limited	-	0.02	-
	Edelweiss Gallagher Insurance Brokers Limited *(Formerly known Edelweiss Insurance Brokers Limited)*	-	0.12	-
	Edelweiss Asset Reconstruction Company Limited *	-	0.00	-
	Edelweiss Comtrade Limited	-	0.01	-

(Currency : Indian rupees in millions)

39. Disclosure as required by Ind AS 24 – "Related Party Disclosure" (Continued)*:*

Transactions/ Balances with related parties *(Continued)* :

Nature of Transaction	Related party name	March 31, 2022	March 31, 2021	March 31 2020
Trade payables	Edelweiss Custodial Services Limited	8.43	0.08	0.38
	Edelcap Securities Limited	-	0.17	-
	Asia Pragati Strategic Investment Fund	100.00	-	-
	Edelweiss Finance and Investments Limited	66.46	-	-
	PAG Investment Advisors Pte. Ltd.	41.21	-	-
	Key Managerial Personnel	0.63	0.63	-
	Relatives of Key Managerial Personnel	0.13	4.71	-
Interest accrued and due on loan taken	Edelweiss Finance and Investments Limited	-	18.20	2.93
	Edelweiss Rural and Corporate Services Limited	-	-	18.99
	Edelweiss Finvest Limited *(Formerly known Edelweiss Finvest Private Limited)*	-	2.01	-
	Edelweiss Securities Limited	-	1.98	-
Other financial liabilities (payables)	Edelweiss Financial Services Limited	-	23.34	40.77
	Edelweiss Rural and Corporate Services Limited *	-	0.00	-
	Edelweiss Global Wealth Management Limited	-	-	1.03
	Edelweiss Alternative Asset Advisors Limited	-	-	1.14
	Edelweiss Comtrade Limited	-	0.11	0.61
	Edelweiss Securities Limited	37.33	-	0.09
	ECL Finance Limited	-	-	0.09
	Edelweiss Asset Management Limited	-	-	0.03
	Edelweiss Finance and Investments Limited	0.51	0.26	-
	ESL Securities Limited	1.23	0.01	-
	Edelweiss Capital Services Limited	0.41	-	-
Trade receivables	Edelweiss Alternative Asset Advisors Limited	206.37	11.38	-
	Edelweiss Finance and Investments Limited	39.69	25.80	0.27
	Edelweiss Securities And Investments Private Limited	0.02	-	-
	Edelweiss Tokio Life Insurance Company Limited	21.79	7.13	4.55
	Edelweiss Comtrade Limited	-	-	0.12
	Edelweiss General Insurance Company Limited	0.45	0.43	3.36
	Edelweiss Gallagher Insurance Brokers Limited *(Formerly known Edelweiss Insurance Brokers Limited)*	-	0.34	0.21
	Edelweiss Asset Reconstruction Company Limited	0.22	0.13	1.96
	Edelweiss Housing Finance Limited	0.11	-	0.01
	ECL Finance Limited	0.22	0.14	1.01
	Edel Finance Company Limited	1.69	2.56	0.45
	Edelweiss Investment Adviser Limited	-	-	0.32
	Edelweiss Rural and Corporate Services Limited	0.03	0.01	-
	Edelweiss Retail Finance Limited	0.13	0.02	-
	Edelweiss Securities Limited	0.93	1.54	-
	Edelweiss Asset Management Limited	1.87	1.39	-
	Edel Land Limited # *	0.00	21.87	-
	Edelweiss Custodial Services Limited	3.17	0.05	-
	Edelweiss Financial Services Limited	1.87	15.34	-
	Edelweiss Comtrade Limited	-	0.01	0.12
	Edelcap Securities Limited *	0.01	0.00	-
	Edel Investments Limited	-	0.01	-
	ESL Securities Limited	3.65	0.06	-
	Edelweiss Global Wealth Management Limited	-	1.28	-
	Edel Land Limited	150.90	-	-
	Edelweiss Capital Services Limited	0.02	-	-
	Key Managerial Personnel	0.01	-	-
Other financial assets (receivables)	ECL Finance Limited *	0.09	0.03	-
	Edelweiss Rural and Corporate Services Limited	0.14	0.74	0.87
	Edelweiss Financial Services Limited	0.87	2.65	-
	Edelweiss Alternative Asset Advisors Limited *	-	0.00	-
	Edelweiss Investment Adviser Limited	-	0.01	-
	Edelweiss Comtrade Limited	-	-	3.31
	Edelweiss Gallagher Insurance Brokers Limited *(Formerly known Edelweiss Insurance Brokers Limited)*	-	-	0.47
	Edelweiss Asset Management Limited	0.15	0.78	-
	Edelweiss Asset Reconstruction Company Limited *	-	0.00	-
	Edelweiss Securities Limited	4.92	0.42	-
	Edel Finance Company Limited	0.38	0.19	2.57
	Edel Land Limited # #	-	0.55	-
	Edelcap Securities Limited *	-	0.00	-
	Edelweiss Finance and Investments Limited	82.30	0.23	-
	Edelweiss Custodial Services Limited	0.06	0.11	-
	Edel Land Limited # *	-	0.00	-
	Edel Land Limited	-	0.14	-
	Edel Finance Company Limited	-	1.01	-

(Currency : Indian rupees in millions)

39. Disclosure as required by Ind AS 24 – "Related Party Disclosure" (Continued)*:*

Balances with related parties *(Continued)* :

Nature of Transaction	Related party name	March 31, 2022	March 31, 2021	March 31 2020
Vendor Advance given	Edelweiss Tokio Life Insurance Company Limited	20.69	-	-
Debt instruments held as Stock in trade	Edelweiss Finance and Investments Limited	0.25	5.73	-
	Edel Land Limited	504.19	-	-
Accrued Interest on debt instrument	Edelweiss Finance and Investments Limited *	0.00	0.01	-
Accrued Interest on Margin placed	Edelweiss Custodial Services Limited	91.68	80.03	23.49
Margin placed	Edelweiss Custodial Services Limited	9,039.24	7,028.29	4,149.11
Liquidity support availed	Asia Pragati Strategic Investment Fund	10,000.00	-	-
Corporate Guarantee availed	Edelweiss Securities Limited	4,000.00	-	-

** Indicates amounts less than 0.00 millions*

1. Margin money placed with/ refund received from related parties are disclosed based on the total amounts placed/ refunded during the reporting period.

2. The intra group Company loans are generally in the nature of revolving demand loans. Loan taken from parties are disclosed based on actual amount taken/repaid during the reporting period.

3. The Wealth Management Business undertaking was demerged from Edelweiss Global Wealth Management Limited (EGWML) into Edelweiss Securities Limited (ESL) vide NCLT order dated March 31, 2022. Accordingly, all related party balances outstanding as at March 31, 2022 relating to Wealth Management Business undertaking of EGWML are considered to be transacted with ESL and disclosed accordingly.

4. Pursuant to merger of EC Commodity Limited and demerger of ECap Equities Limited into Edel Land Limited, all the Related Party Transactions transacted with EC Commodity Limited and ECap Equities Limited for March 31, 2021 and March 31, 2022 and the outstanding balances thereof, as at the end of the year relating to EC Commodity Limited and ECap Equities Limited are considered to be transacted with have been reported under Edel Land Limited.

5. Edelweiss Finvest Limited (formerly Edelweiss Finvest Private Limited) was merged into Edel Finance Company Limited with effect from April 9, 2021. Hence all related party transactions transacted during the year and the outstanding balances thereof, as at the end of the year relating to the Merged entity are considered to be transacted with Edel Finance Company Limited and disclosed accordingly.

6. Information relating to remuneration paid to Key Managerial Person mentioned above excludes provision made for gratuity and compensated absence which are provided for group of employees on an overall basis.

7. All above transactions are in the ordinary course of business and are at arms length price.

(Currency : Indian rupees in millions)

40 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company maintains healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue new shares or raise/repay debt. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

In addition to above, the Company is required to maintain minimum net worth as prescribed by regulatory authorities. The management ensures that this is complied.

(Refer note no. 50 (1))

41 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 Global Risk Group is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The risk team 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 receivables and loans. 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.

The Company applies the expected credit loss model for recognising impairment loss. The 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.

Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade 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 (Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

41 Risk Management *(Continued)*

Credit risk *(Continued)*

The ageing wise trade receivable use to assess credit risk is as follows:

Bucketing	March 31, 2022	March 31, 2021	March 31, 2020
(Ageing)	Carrying value	Carrying value	Carrying value
0 – 30 Days	2,724.78	873.61	1,075.02
31 – 60 Days	265.79	26.05	46.82
61 – 90 Days	3.03	3.71	14.88
More than 90 Days	147.19	141.39	175.39
Less: Impairment allowance	(144.48)	(98.34)	(106.98)
Total	**2,996.31**	**946.42**	**1,205.13**

Loans

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS. Accordingly, the loans are classified into various stages as follows:

Internal rating grade	Internal grading description	Stages
Performing		
High grade	0 dpd and 1 to 30 dpd	Stage I
Standard grade	31 to 90 dpd	Stage II
Non-performing		
Individually impaired	90+ dpd	Stage III

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. Expected Credit Loss (ECL) computation is not driven by any single methodology, however methodology and approach used must reflect the following:

1) An unbiased and probability weighted amount that evaluates a range of possible outcomes

2) 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;

3) 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

41 Risk Management *(Continued)*

Credit risk *(Continued)*

3) Time value of money *(Continued)*

macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the first two requirements. This has been achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Significant increase in Credit Risk (SICR)

The Company 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. When such events occur, the Company 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.

Probability of Default (PD)

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. Company calculates the 12 month PD by taking into account the historical trends of the Loans/portfolio and its credit performance. In case of assets where there is a significant increase in credit risk / credit impaired assets, lifetime PD has been applied.

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. Since the Company is into the business of lending against securities, haircut of 25% is applied on the value of the collateral, based on basel haircut values for corporate securities. The exposure amount that is over and above the collateral (with haircut) is considered as the effective exposure. The LGD of 65% is used for the unsecured exposure the portfolio carries.

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 Company, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Company provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off reformatted statement of assets and liabilities values.

41 Risk Management *(Continued)*

Credit risk *(Continued)*

Following table provides information about exposure to credit risk and ECL on Loans:

Bucketing	March 31, 2022		March 31, 2021		March 31, 2021	
(Stage)	Carrying value	ECL	Carrying value	ECL	Carrying value	ECL
Stage 1	9,881.87	1.65	2,919.71	1.63	965.47	1.47
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
Total	**9,881.87**	**1.65**	**2,919.71**	**1.63**	**965.47**	**1.47**

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 and cash equivalents, 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.

(Currency : Indian rupees in millions)

41 Risk Management *(Continued)*

41a Collateral held and other credit enhancements

The tables shows the maximum exposure to credit risk by class of financial asset. They also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit

As at March 31, 2022	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans	9,881.87	*Securities*
Trade receivables (Gross)	3,140.79	*Securities, Fixed deposits, Bank Guarantee etc.*
Total	**13,022.66**	

As at March 31, 2021	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans	2,919.71	*Securities*
Trade receivables (Gross)	1,044.76	*Securities, Fixed deposits, Bank Guarantee etc.*
Total	**3,964.47**	

As at March 31, 2020	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans (Gross)	965.47	*Securities*
Trade receivables (Gross)	1,312.11	*Securities, Fixed deposits, Bank Guarantee etc.*
Total	**2,277.58**	

Collateral information is not applicable to financial assets other than those mentioned above.

(Currency : Indian rupees in millions)

41 Risk Management *(Continued)*

41b(i) Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities as at year end:
Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that the counterparties will not request repayment on the earliest date it could be required to pay.

As at March 31, 2022	Less than 3 months	3 months to 6 months	6 months to 12 months	12 months to 3 years	> 3 years	Total
Trade payables	14,129.95	-	-	-	-	14,129.95
Debt securities	5,454.80	76.30	1,181.01	813.50	1,420.03	8,945.64
Borrowings (other than debt securities)	2,249.06	-	-	-	-	2,249.06
Other financial liabilities	804.73	38.65	268.01	185.77	64.53	1,361.69
Total undiscounted financial liabilities	**22,638.54**	**114.95**	**1,449.02**	**999.27**	**1,484.56**	**26,686.34**

As at March 31, 2021	Less than 3 months	3 months to 6 months	6 months to 12 months	12 months to 3 years	> 3 years	Total
Trade payables	11,074.06	-	-	-	-	**11,074.06**
Borrowings (other than debt securities)	2,162.18	-	-	-	-	**2,162.18**
Other financial liabilities	329.75	30.38	68.52	248.84	116.45	**793.94**
Total undiscounted non-derivative financial liabilities	**13,565.99**	**30.38**	**68.52**	**248.84**	**116.45**	**14,030.18**

As at March 31, 2020	Less than 3 months	3 months to 6 months	6 months to 12 months	12 months to 3 years	> 3 years	Total
Trade payables	7,758.49	-	-	-	-	**7,758.49**
Borrowings (other than debt securities)	2,725.94	-	-	-	-	**2,725.94**
Other financial liabilities	201.62	33.77	76.95	309.29	277.39	**899.02**
Total undiscounted non-derivative financial liabilities	**10,686.05**	**33.77**	**76.95**	**309.29**	**277.39**	**11,383.45**

41b(ii) Analysis of financial assets by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets as at year ended:

As at March 31, 2022	Less than 3 months	3 months to 6 months	6 months to 12 months	12 months to 3 years	> 3 years	Total
Cash and cash equivalent and other bank balances	3,545.27	1,068.39	1,838.12	2.42	-	6,454.20
Derivative financial instruments	-	-	-	5.24	195.46	200.70
Securities held for trading	1,911.67	-	-	-	-	1,911.67
Trade receivables	2,560.14	10.01	255.04	171.12	-	2,996.31
Loans	489.54	808.70	8,784.70	-	-	10,082.94
Other financial assets	9,888.88	-	13.66	117.68	28.29	10,048.51
Total	**18,395.50**	**1,887.10**	**10,891.52**	**296.46**	**223.75**	**31,694.33**

As at March 31, 2021	Less than 3 months	3 months to 6 months	6 months to 12 months	12 months to 3 years	> 3 years	Total
Cash and cash equivalent and other bank balances	2,510.68	107.17	1,415.04	25.25	-	**4,058.14**
Securities held for trading	5.75	-	-	-	-	**5.75**
Trade receivables	946.42	-	-	-	-	**946.42**
Loans	-		2,947.41	-	-	**2,947.41**
Other financial assets	8,095.90	6.86	18.63	110.88	26.82	**8,259.09**
Total	**11,558.75**	**114.03**	**4,381.08**	**136.13**	**26.82**	**16,216.81**

As at March 31, 2020	Less than 3 months	3 months to 6 months	6 months to 12 months	12 months to 3 years	> 3 years	Total
Cash and cash equivalent and other bank balances	2,300.24	143.46	260.21	158.59	2.00	**2,864.50**
Securities held for trading *	0.00	-	-	-	-	**0.00**
Trade receivables	1,205.13	-	-	-	-	**1,205.13**
Loans	-	-	964.00	-	-	**964.00**
Other financial assets	6,090.76	5.04	30.83	154.09	26.82	**6,307.54**
Total	**9,596.14**	**148.50**	**1,255.04**	**312.68**	**28.82**	**11,341.17**

** Indicates amounts less than 0.00 millions*

(Currency : Indian rupees in millions)

41 Risk Management *(Continued)*

41c Analysis of financial assets by industry risk concentration

Industry analysis - Risk concentration for March 31, 2022

Particulars	Financial services	Services	Manufacturing	Others	Total
Financial assets					
Cash and cash equivalent and other bank balances	6,454.20	-	-	-	6,454.20
Derivative financial instruments	200.70		-		200.70
Securities held for trading	964.40	-	947.27	-	1,911.67
Other Financial assets	9,930.83	117.68	-	-	10,048.51
Trade receivables	2,996.31	-	-	-	2,996.31
Loans	9,880.22	-	-	-	9,880.22
Total	**30,426.66**	**117.68**	**947.27**	**-**	**31,491.61**

Industry analysis - Risk concentration for March 31, 2021

Particulars	Financial services	Services	Manufacturing	Others	Total
Financial assets					
Cash and cash equivalent and other bank balances	4,058.14	-	-	-	4,058.14
Derivative financial instruments	-	-	-	-	-
Securities held for trading	5.75	-	-	-	5.75
Other Financial assets	8,148.21	110.88	-	-	8,259.09
Trade receivables	946.42	-	-	-	946.42
Loans	2,918.08	-	-		2,918.08
Total	**16,076.60**	**110.88**	**-**	**-**	**16,187.48**

Industry analysis - Risk concentration for March 31, 2020

Particulars	Financial services	Services	Manufacturing	Others	Total
Financial assets					
Cash and cash equivalent and other bank balances	2,864.50	-	-	-	2,864.50
Securities held for trading *	0.00	-	-	-	0.00
Financial assets - Amortised cost	6,189.98	117.56	-	-	6,307.54
Trade receivables	1,205.13	-	-	-	1,205.13
Loans	964.00	-	-	-	964.00
Total	**11,223.60**	**117.56**	**-**	**-**	**11,341.17**

** Indicates amounts less than 0.00 millions*

(Currency : Indian rupees in millions)

41 Risk Management *(Continued)*

41d Total market risk exposure

	March 31, 2022			March 31, 2021			March 31, 2020		
Particulars	**Carrying amount**	**Traded risk**	**Non-traded risk**	**Carrying amount**	**Traded risk**	**Non-traded risk**	**Carrying amount**	**Traded risk**	**Non-traded risk**
Financial assets									
Cash and cash equivalent and other bank balances	6,454.20	-	6,454.20	4,058.14	-	4,058.14	2,864.50	-	2,864.50
Derivative financial instruments	200.70	200.70	-	-	-	-	-	-	-
Securities held for trading*	1,911.67	1,911.67	-	5.75	5.75	-	0.00	0.00	-
Loans	9,880.22	-	9,880.22	2,918.08	-	2,918.08	964.00	-	964.00
Trade receivables	2,996.31	-	2,996.31	946.42	-	946.42	1,205.13	-	1,205.13
Other Financial assets	10,048.51	9,151.04	897.47	8,259.09	-	8,259.09	6,307.54	-	6,307.54
Total	**31,491.61**	**11,263.41**	**20,228.20**	**16,187.48**	**5.75**	**16,181.73**	**11,341.17**	**-**	**11,341.17**
Financial liabilities									
Borrowings (other than Debt Securities)	2,249.06	-	2,249.06	2,162.18	-	2,162.18	2,725.94	-	2,725.94
Debt securities	8,945.64	-	8,945.64	-	-	-	-	-	-
Trade payables	14,129.95	-	14,129.95	11,074.06	-	11,074.06	7,758.49	-	7,758.49
Other liabilities	1,361.69	-	1,361.69	793.94	-	793.94	899.02	-	899.02
Total	**26,686.34**	**-**	**26,686.34**	**14,030.18**	**-**	**14,030.18**	**11,383.45**	**-**	**11,383.45**

** Indicates amounts less than 0.00 millions*

(Currency : Indian rupees in millions)

41 Risk Management *(Continued)*

41e Market Risk (Price Risk)

The Company has exposure in quoted equity shares and derivative instruments. Accordingly there is effect on the Company's profitability due to variation in market price as mentioned below.

41e (i) 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.

As at March 31, 2022	Increase in basis points	Effect on Profit before tax	Decrease in basis points	Effect on Profit before tax
Embedded derivative	25	0.50	25	(0.50)
Exchange traded derivatives	25	3.47	25	(3.47)

As at March 31, 2021	Increase in basis points	Effect on Profit before tax	Decrease in basis points	Effect on Profit before tax
Index Price Risk				
Embedded derivative	25	-	25	-
Exchange traded derivatives	25	-	25	-

As at March 31, 2020	Increase in basis points	Effect on Profit before tax	Decrease in basis points	Effect on Profit before tax
Index Price Risk				
Embedded derivative	25	-	25	-
Exchange traded derivatives	25	-	25	-

41e (ii) 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.

As at March 31, 2022	Increase in basis points	Effect on Profit before tax	Decrease in basis points	Effect on Profit before tax
Equity shares and debt Instruments*	25	3.63	25	(3.63)

As at March 31, 2021	Increase in basis points	Effect on Profit before tax	Decrease in basis points	Effect on Profit before tax
Equity shares and debt Instruments	25	0.01	25	(0.01)

As at March 31, 2020	Increase in basis points	Effect on Profit before tax	Decrease in basis points	Effect on Profit before tax
Equity shares and debt Instruments	25	-	25	-

*does not include unlisted equity shares remeasured at realisable values basis agreements entered with prospective buyers.

(Currency : Indian rupees in millions)

42 Financial assets available to support future funding

a. Following table sets out availability of assets to support funding:

March 31, 2022	**Pledge as collateral**	**others *(refer note 1)***	**Available as collateral**	**others *(refer note 2)***	**Total carrying amount**
Cash and cash equivalents	-		829.51	1,505.38	2,334.89
Bank balances other than cash and cash equivalents	3,203.03	-	-	916.28	4,119.31
Derivative financial instruments	-	200.70	-	-	200.70
Securities held for trading	-	-	1,911.67	-	1,911.67
Trade receivables	2,996.31	-	-	-	2,996.31
Loans	4,455.87	-	5,424.35	-	9,880.22
Other financial assets	-	9,828.27	206.58	13.66	10,048.51
Total assets	**10,655.21**	**10,028.97**	**8,372.10**	**2,435.33**	**31,491.61**

March 31, 2021	**Pledge as collateral**	**others *(refer note 1)***	**Available as collateral**	**others *(refer note 2)***	**Total carrying amount**
Cash and cash equivalents	-		151.84	545.99	697.83
Bank balances other than cash and cash equivalents	3,190.87	-	-	169.45	3,360.31
Derivative financial instruments	-	-	-	-	-
Securities held for trading	-	-	5.75	-	5.75
Trade receivables	-	-	946.42	-	946.42
Loans	-	-	2,918.08	-	2,918.08
Other financial assets	-	8,122.70	117.76	18.63	8,259.09
Total assets	**3,190.87**	**8,122.70**	**4,139.85**	**734.07**	**16,187.48**

March 31, 2020	**Pledge as collateral**	**others *(refer note 1)***	**Available as collateral**	**others *(refer note 2)***	**Total carrying amount**
Cash and cash equivalents	-	-	105.72	1,265.00	1,370.72
Bank balances other than cash and cash equivalents	1,432.40	-	-	61.38	1,493.78
Derivative financial instruments	-	-	-	-	-
Securities held for trading*	-	-	0.00	-	0.00
Trade receivables	-	-	1,205.13	-	1,205.13
Loans	-	-	964.00	-	964.00
Other financial assets	-	6,105.19	181.21	21.14	6,307.54
Total assets	**1,432.40**	**6,105.19**	**2,456.06**	**1,347.52**	**11,341.17**

** Indicates amounts less than 0.00 millions*

Note

1 Represents assets which are not pledged and Company believes it is restricted from using to secure funding for legal or other reason.

2 Represents assets which are not restricted for use as collateral, but that the Company would not consider readily available to secure funding in the normal course of

b. Undrawn borrowing commitments

The Company has undrawn borrowing commitments from banks amounting to ₹ 1,010.00 millions as on March 31, 2022 (as on March 31, 2021: ₹ 17.90 millions; as on March 31, 2020: ₹ Nil).

(Currency : Indian rupees in millions)

43 Fair Value measurement:

a. 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:

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

b. Valuation governance framework

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. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company 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

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

c. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

As at March 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Embedded derivatives in market-linked debentures	**-**	**-**	**200.70**	**200.70**
Total derivative financial instruments - A	**-**	**-**	**200.70**	**200.70**
Financial Assets held for trading				
Equity Shares	**947.28**	**459.94**		**1,407.23**
Debt instruments	**-**	**504.44**	**-**	**504.44**
Total Financial assets held for trading - B	**947.28**	**964.38**	**-**	**1,911.67**
Total Financial assets measured at fair value (A+B)	**947.28**	**964.38**	**200.70**	**2,112.36**

As at March 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Embedded derivatives in market-linked debentures	**-**	**-**	**-**	**-**
Total derivative financial instruments - A	**-**	**-**	**-**	**-**
Financial Assets held for trading				
Equity Shares	-	0.01	-	0.01
Debt instruments	-	5.74	-	5.74
Total Financial assets held for trading - B	-	5.75	-	5.75
Total Financial assets measured at fair value (A+B)	**-**	**5.75**	**-**	**5.75**

As at March 31, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Embedded derivatives in market-linked debentures	**-**	**-**	**-**	**-**
Total derivative financial instruments - A	**-**	**-**	**-**	**-**
Financial Assets held for trading				
Equity Shares*	-	0.00	-	0.00
Debt instruments	-	-	-	-
Total Financial assets held for trading - B	-	0.00	-	0.00
Total Financial assets measured at fair value (A+B)	**-**	**0.00**	**-**	**0.00**

** Indicates amounts less than 0.00 millions*

43 Fair Value measurement:

d. Valuation techniques:

Debt securities:

Whilst most of these instruments are standard fixed rate securities. 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. The Company has used quoted price of stock exchange wherever bonds are traded actively.

Equity Shares:

The majority of equity shares are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Equity shares in non listed entities are initially recognized at transaction price and remeasured at each reporting date with realizable values basis agreements entered with prospective buyer. Such equity shares are classified at level 2.

e. There have been no transfers between levels during the year ended March 31, 2022, March 31, 2021 and March 31, 2020.

f. The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

	Embedded derivatives		
Assets measured at fair value on a recurring basis	**Assets**	**Liabilities**	**Net Balance**
As at April 1, 2021			
Issuances of Market linked debentures	212.08	-	212.08
Changes in fair value recognised in reformatted statement of profit and loss	(11.38)	-	(11.38)
As at March 31, 2022	**200.70**	**-**	**200.70**

As at March 31, 2021 and as at March 31, 2020, there were no financial instruments which were classified under level 3 hierarchy. Hence, reconciliation table is not disclosed.

(Currency : Indian rupees in millions)

43 Fair Value measurement:

g. Impact on fair value of level 3 financial instrument of changes to key unobservable inputs

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 Instruments i.e. Derivative instruments. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

Type of Financial Instruments	Fair value of asset as on 31 March 2022	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Embedded derivatives (net)	200.70	Fair value using Black Scholes model or Monte Carlo approach	Nifty level	17,465	5% increase in Nifty Index curve	44.60	5% Decrease in Nifty Index curve	(53.50)
			Underlying discount rate	4.50% to 6%	1% increase in Risk-adjusted discount rate	31.60	1% Decrease in Risk-adjusted discount rate	(35.40)

As at March 31, 2021 and March 31, 2020, there were no financial instruments which were classified under level 3 hierarchy.

h. With respect to financial instruments not measured at fair value, their carrying amounts approximates fair value.

44 Foreign currency transactions

a. The Company has incurred following expenditure in foreign currency (on accrual basis)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchase of Securities	1,017.92	-	-
Referral & other expenses	46.57	5.14	0.24

b. The Company has earned following income in foreign currency (on accrual basis)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Fees & Advisory Income	9.32	-	-

45 Additional disclosure on fixed deposits

1. Fixed deposits aggregating to ₹ 2,107.00 millions for FY 2021-22 (FY 2020-21: ₹ 3,162.26 millions; FY 2019-20: ₹ 1,046.85 millions) have been pledged with exchanges for meeting margin requirement.
2. Fixed deposits aggregating to ₹ 15.13 millions for FY 2021-22 (FY 2020-21: ₹ 12.13 millions; FY 2019-20: ₹ 11.13 millions) have been pledged with exchanges for meeting base capital requirement.
3. Fixed deposits aggregating to ₹ 233.40 millions for FY 2021-22 (FY 2020-21: ₹ 24.32 millions; FY 2019-20: ₹ 22.42 millions) have been pledged with exchanges towards arbitration.
4. Fixed deposits aggregating to ₹ 375.00 millions for FY 2021-22 (FY 2020-21: ₹ 100.00 millions; FY 2019-20: ₹ 350.00 millions) have been pledged with bank for availing bank guarantees.
5. Fixed deposits aggregating to ₹ 1,300.00 millions for FY 2021-22 (FY 2020-21: ₹ 19.90 millions; FY 2019-20: ₹ Nil) have been pledged with banks for availing Working Capital Demand Loan (WCDL)/ bank overdraft.
6. Fixed deposits ₹ 2.00 millions for FY 2021-22 (FY 2020-21: ₹ 2.00 millions; FY 2019-20: ₹ 2.00 millions) have been placed with Pension Fund Regulatory & Development Authority (PFRDA).

46 Cost sharing

Edelweiss Securities Limited, being the Holding Company incurred expenditure like branding fee, senior management cost, technology and administrative cost etc. which is for the common benefit of itself and its subsidiaries and associates. These costs expended are reimbursed by the Company on the basis of number of employees, actual identifications, etc. On the same lines, branch running costs expended (if any) by the Holding Company for the benefit of its subsidiaries and associates are recovered by the Holding Company. Accordingly, and as identified by the management, the expenditure heads in *notes 30 and 31* include reimbursements paid and are net of reimbursements received based on the management's best estimate.

Edelweiss Financial Services Limited, being the erstwhile Ultimate Holding Company (till March 26, 2021) along with fellow subsidiaries incurs expenditure like Group Mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its subsidiaries including the Company. These costs expended are reimbursed by the Company on the basis of number of employees, actual identifications etc. On the same lines, branch running costs expended (if any) by the Company for the benefit of fellow subsidiaries and associate are recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in *notes 30 and 31* include reimbursements paid and are net of reimbursements received based on the management's best estimate.

47 Brokerage income is disclosed net of related (i) sub-brokerage expenses ₹ 939.16 millions for FY 2021-22 (FY 2020-21: ₹ 704.01 millions; FY 2019-20: ₹ 500.16 millions); and (ii) stock exchange expenses ₹ (99.20 millions) for FY 2021-22 (FY 2020-21: ₹ Nil; FY 2019-20: ₹ (2.04) millions)).

48 Segment wise disclosure as required as per Regulation 31 (2) of Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015

Segment wise disclosure for Revenues received for Insurance intermediation and other income from Insurers as per Regulation 31 (2) of Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015:

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Edelweiss Tokio Life Insurance Company Limited			
Brokerage commission earned from	0.14	0.54	1.70
Commission earned on selling life insurance policies	99.57	71.53	37.49
Group Life insurance for employees paid	22.76	-	-
Edelweiss General Insurance Company Limited			
Commission earned on selling general insurance policies	3.61	6.06	0.36
Rent and related cost recovery	-	0.01	2.76
Group mediclaim insurance for employees paid	48.50	34.68	-
Sale of Property, Plant and Equipment*	-	0.00	0.03
Edelweiss Gallagher Insurance Brokers Limited			
Research fees received from	5.65	-	-
Rent and related cost recovery	1.11	2.74	0.60
Cost reimbursement recovered	0.02	-	-
Cost reimbursement paid	-	-	0.02
Purchase of securities	513.81	-	-
Purchase of Property, Plant and Equipment	0.10	0.28	0.44
Sale of Property, Plant and Equipment*	0.00	0.11	0.11
HDFC Life Insurance Company Limited			
Commission income earned	17.08	6.45	-
Star Health and Allied Insurance Company Limited			
Commission income earned	1.13	0.58	-

** Indicates amounts less than 0.00 millions*

49 Large Corporate Disclosure

Pursuant to SEBI Circular no. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018, the Company has been identified as large corporate and therefore the following information is being disclosed as at March 31, 2022:

Sr. No.	Particulars	Details
1	Name of Company	Edelweiss Broking Limited
2	CIN	U65100GJ2008PLC077462
3	Outstanding long term borrowing (at face value) of the Company as on March 31, 2022.	Rs. 2,078.30 millions
4	Highest Credit Rating During the previous Financial year along with name of the Credit Rating Agency.	AA rating from Acuite Ratings & Research Limited
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework.	BSE Limited

50 Additional regulatory information required under (WB) (xiv) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the company as it is in broking business and not an NBFC registered under section 45-IA of Reserve Bank of India Act, 1934.

51 There have been no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

52 The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

53 The Company has not been declared wilful defaulter by any bank or financial institution or government or any other lender.

54 The Company does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

55 The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

56 The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

57 There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company.

58 The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

59 The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022, March 31, 2020 and March 31, 2019.

60 The Company has not declared or paid any dividend.

61 Transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

For March 31, 2022			
Name of Struck off Company	**Nature of transactions with struck-off Company**	**Balance outstanding**	**Relationship with the Struck off Company**
Aakanksha Leasing And Services Private Limited	Trade payable	-	None
Br Wealth Advisors Private Limited	Trade payable	-	None
DNM Finserve Private Limited	Trade payable	-	None
PCS Securities Limited	Trade payable	-	None
Falguni Sales Trading Agency Private Limited*	Trade receivable	0.00	None
Jyoti Financial Consultant Private Limited*	Trade receivable	0.00	None

For March 31, 2021			
Name of Struck off Company	**Nature of transactions with struck-off Company**	**Balance outstanding**	**Relationship with the Struck off Company**
PCS Securities Limited	Trade payable	-	None
Falguni Sales Trading Agency Private Limited*	Trade receivable	0.00	None
Jyoti Financial Consultant Private Limited*	Trade receivable	0.00	None

** Indicates amount less than 0.00 million*

For March 31, 2020			
Name of Struck off Company	**Nature of transactions with struck-off Company**	**Balance outstanding**	**Relationship with the Struck off Company**
During the year, there were no transactions with struck off companies.			

62 (A) During the year ended March 31, 2022, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

62 (B) During the year ended March 31, 2022, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

63 Subsequent events

There have been no events or transactions which have occurred since the date of reformatted statement of assets and liabilities or are pending that would have a material effect on the reformatted financial information and requires adjustment to the accounting estimates and disclosures included in the reformatted financial information at that date or for the period then ended, other than those reflected or fully disclosed in the financial statements.

No events have occurred that are of such significance in relation to the Company's affairs to require mention in a note to the reformatted financial information in order to make them not misleading regarding the financial position, results of operations, or cash flows or changes in equity of the Company.

64 The financial statements of the Company for the year ended March 31, 2021 and March 31, 2020 included in these reformatted financial information, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 25, 2021 and June 25, 2020 respectively.

65 Previous year comparatives

Previous year's numbers have been regrouped and rearranged wherever necessary to confirm to current year's presentation/ classification.

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

For and on behalf of the Board of Directors

per Shrawan Jalan
Partner

Membership No.: 102102

Rahul Jain
Managing Director & Chief Executive Officer

Din: 00387505

Prashant Mody
Executive Director

Din: 03101048

Viral Thanawala
Chief Financial Officer

Dipankar Basu
Company Secretary

Mumbai
June 16, 2022

Mumbai
June 16, 2022

Edelweiss Broking Limited

Reformatted statement of dividend paid/proposed, rate of dividend **Annexure VI**

(Currency : Indian rupees in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Equity Shares			
Dividend paid/proposed	Nil	Nil	Nil
Rate of dividend (%)	Nil	Nil	Nil
Dividend amount (per share)	Nil	Nil	Nil
Face value per equity share	10	10	10
Redeemable Preference shares			
Dividend paid/proposed	Nil	Nil	Nil
Rate of dividend (%)	Nil	Nil	Nil
Dividend amount (per share)	Nil	Nil	Nil
Face value per preference share	Nil	Nil	Nil

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

For and on behalf of the Board of Directors

per Shrawan Jalan
Partner

Membership No.: 102102

Rahul Jain
Managing Director & Chief Executive Officer
DIN: 00387505

Prashant Mody
Executive Director
DIN: 03101048

Viral Thanawala
Chief Financial Officer

Dipankar Basu
Company Secretary

Mumbai
June 16, 2022

Mumbai
June 16, 2022

MATERIAL DEVELOPMENTS

Other than as disclosed elsewhere in this Draft Prospectus and hereinafter below, there have been no material developments since March 31, 2022, and there have risen no circumstances that materially or adversely affects the operations, cash flows or financial condition or profitability of our Company or the value of our assets or our ability to pay our material liabilities over the next 12 months.

FINANCIAL INDEBTEDNESS

As on March 31, 2022, our Company had outstanding Total Borrowings, on a standalone basis, of ₹ 11,194.70 million.

Sr. No.	Nature of Borrowings	Amount Outstanding (in ₹ million)	%
1.	Secured borrowings	3,491.28	31.19
2.	Unsecured borrowings	7,703.42	68.81
Total Borrowings		**11,194.70**	**100.00**

Set forth below, is a summary of the borrowings by our Company outstanding as on March 31, 2022, together with a brief description of certain significant terms of such financing arrangements.

A. Details of secured borrowings as on March 31, 2022:

Our Company's secured outstanding borrowings, on a standalone basis, as on March 31, 2022 amounts to ₹ 3,491.28 million. The details of the secured borrowings are set out below:

1. ***Term Loans from Banks/ Financial Institutions: Nil***

2. ***Cash Credit / Working Capital Loans/ Working Capital Demand Loans/ Short Term Loans from Banks:***

Sr. No.	Name of Lender	Type of Facility	Date of Sanction/ Renewal	Amount Sanctioned (₹ in million, unless otherwise stated)	Principal Amount Outstanding as on March 31, 2022 (₹ in million, unless otherwise stated)	Repayment Date / Schedule	Security
1.	ICICI Bank Limited	OD/ WCDL	August 26, 2021	1,000.00	NIL	NA** (maximum tenor of each tranche shall be 180 days; Minimum tenor of each tranche: 7 days. Unless notified otherwise each tranche shall be drawn for a period of 95 days. Principal amount of each tranche is to be repaid as bullet payment on the maturity date. The facility is valid till 11 July, 2022)	30% - Cash Assets 70% - First Pari Pasu charge on receivables with 1.50x security cover. Cover period of not more than 90 days. Corporate Guarantee from ESL
2.	IDFC First Bank Limited	WCDL	September 24, 2021	250.00	250.00	April 25, 2022 (Repayable on demand, Minimum and maximum tenor of any drawdown shall be 7 days and 3 months respectively from the date of drawdown)	First Pari Pasu charge on receivables with 1.50x security cover and CG from ESL
3.	State Bank of India	WCDL	January 25, 2022	1,000.00	1,000.00	April 18, 2022 (demand loan facility valid up to 23 January 2023)	100% fixed deposit under lien of bank

***The outstanding position as on March 31, 2022 is Nil so the repayment schedule has been mentioned as Not Applicable*

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for

compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

- *ICICI Bank Limited: The Borrower will have the option to prepay the individual drawl, without any prepayment penalty, during 60 days prior to the scheduled maturity date of the drawl or during residual tenure not greater than 1/3rd of the original tenure (in days), whichever is longer in duration. Unless specified otherwise in the documents in relation to the Facility, if the Borrower wishes to prepay any part of or whole of the Facility, it may do so with payment of Prepayment Premium of 0.25% on principal amount of the loan being prepaid subject to the Borrower giving at least 15 days prior irrevocable written notice of the same to ICICI Bank.*

- *IDFC First Bank: 2% of the pre-paid amount.*

Rescheduling: *Nil*

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

- ICICI Bank Limited:

  i. Default has occurred in the payment of any monies in respect of the facilities on the due dates (whether at stated maturity, by acceleration or otherwise) for payment thereof or otherwise;
  ii. Breach of any representation, warranty, declaration or confirmation has occurred / been committed or any incorrect certification has been given by the Company;
  iii. If the Company ceases or threatens to cease to carry on any of its businesses or gives notice of its intention to do so or if all or any part of the assets of the Company required or essential for its business or operations are damaged or destroyed or there occurs any change from the date of the agreement in the general nature or scope of the business, operations, management or ownership of the borrower, which could have a material adverse effect;
  iv. Any person acting singularly or with any other person (either directly or indirectly acquires control of the Company or of any other person who controls the Company, without the approval of the bank; and
  v. Any government, governmental authority, agency, official or entity (including any stock exchange) takes or threatens any action : (a) for dissolution of the Company, or any action which deprives or threatens to deprive the Company : (1) from conducting any of its businesses or carrying out its operations in the manner it is being conducted or carried out, or (2) of the use of any of its assets; (b) to revoke or terminate or to refuse to provide or renew any authorization or to impose onerous conditions on or on the grant or renewal of any authorization; (c) with a view to regulate, administer, or limit, or assert any form of administrative control over the rates applied, prices charged or rates of return achievable, by the Company in connection with its business; which, in each case could have a material adverse effect.

- IDFC First Bank Limited:

  i. The Company fails to pay/repay any monies in respect of the facilities on the due dates, whether at stated maturity, by acceleration or otherwise;
  ii. The Company fails to create and/or perfect security within such period as contemplated under this agreement and/or other transaction documents (including Sanction Letter) or such other period as may be allowed by the bank at its sole discretion or if the security is in jeopardy;
  iii. Breach by the Company of any statement, representation, warranty, covenant or confirmation made herein or Company's proposal / application or in transaction documents or otherwise on the part of the Company/third party;
  iv. The Company suspends or ceases to carry on all or a material part of its business;
  v. Any other event/material change which may have material adverse effect;
  vi. The Company is in breach of any agreement with any person who has provided loans, deposits, advances, guarantees or other financial facilities to the Company;
  vii. Any steps taken by the Company/security providers/guarantor/affiliates under the insolvency or bankruptcy law.

Restrictive covenants under the 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 lenders before carrying out such activities. For instance, our Company, inter-alia, is required to obtain the prior written consent in the following instances:

i. Create or permit to subsist any security interest over any of the assets or sell, lease, transfer, grant or lease or otherwise dispose of any its fixed assets;
ii. Effect any scheme of amalgamation or reconstruction, merger, de-merger;
iii. Assume or incur or prepay any financial indebtedness;
iv. Declare or pay any dividend;
v. Pay any commission to its promoters, directors, managers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability in connection with any Indebtedness incurred;
vi. Changes made to the general nature of the functions of the Borrower;
vii. Alter its financial year so that such financial year ends on any date other than on March 31 of each year;
viii. Issue of guarantees, letters of comfort or undertaking of a similar nature on behalf of any other person.

3. *Overdraft against Fixed Deposit ("ODFD") facility availed by our Company:* *Nil*

4. *External Commercial Borrowings:* *Nil*

5. *Secured Redeemable Non-Convertible Debentures on private placement basis:*

Our Company has issued on private placement basis, secured, redeemable, non-convertible debentures under various series of which ₹ 2,233.53 million is outstanding as on March 31, 2022, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Sr No	ISIN	Tenor	Coupon Rate	O/S as on March 31, 2022	Principal O/S	Date of allotment	Credit rating	Interest Payment Frequency/ Repayment Schedule
1	INE523L07058	40 months 15 days	N.A.	89.31	79.20	February 15, 2022	N.A	On Maturity
2	INE523L07041	37 months 15 days	N.A.	34.35	30.00	February 15, 2022	N.A	On Maturity
3	INE523L07066	40 months 13 days	N.A.	182.55	162.00	February 22, 2022	N.A	On Maturity
4	INE523L07074	40 months 13 days	N.A.	139.85	123.70	March 2, 2022	N.A	On Maturity
5	INE523L07082	40 months 14 days	N.A.	265.01	236.50	March 8, 2022	N.A	On Maturity
6	INE523L07090	37 months 14 days	N.A.	17.07	15.00	March 8, 2022	N.A	On Maturity
7	INE523L07108	40 months 14 days	N.A.	2.79	2.50	March 10, 2022	N.A	On Maturity
8	INE523L07116	40 months 16 days	N.A.	44.73	40.00	March 11, 2022	N.A	On Maturity
9	INE523L07124	40 months 14 days	N.A.	229.07	204.50	March 15, 2022	N.A	On Maturity
10	INE523L07140	40 months 13 days	N.A.	260.15	234.00	March 22, 2022	N.A	On Maturity
11	INE523L07132	37 months 14 days	N.A.	20.32	18.00	March 22, 2022	N.A	On Maturity
12	INE523L07157	37 months 14 days	N.A.	32.71	29.00	March 29, 2022	N.A	On Maturity
13	INE523L07165	40 months 13 days	N.A.	136.49	122.90	March 29, 2022	N.A	On Maturity
14	INE523L07025	23 months 29 days	N.A.	747.21	749.00	January 19, 2022	CRISIL PP-MLD AA-r/ Negative	On Maturity
15	INE523L07033	36 months 1 day	N.A.	31.92	32.00	January 19, 2022	CRISIL PP-MLD AA-r/ Negative	On Maturity

Security Clause

Above debentures are fully secured by first pari passu charge by way of hypothecation on (i) all current assets (excluding receivables and securities held on account and behalf of the clients) and (ii) such other assets (owned by the Company excluding receivables and securities held on account and behalf of the clients) as may be agreed between the Company and the debenture trustee or created pursuant to the deed of hypothecation and in accordance with the debenture trust deed and the other transaction documents excluding the client's assets (cash and non- cash) which are lying with the Company and shares lying in either pool account or client unpaid securities accounts or under repledge facility to the extent equal to the principal and interest amounts of the debentures outstanding at any point of time , ranging from 1x times the outstanding amount.

Penalty Clause

a) In case of default in payment of interest and/or principal redemption on the due dates, additional interest of @ 2% p.a. over the coupon rate shall be payable by the Company for the defaulting period.

b) In case of delay in listing of the debt securities beyond 4 trading days from the date of closure of issue, the Company shall pay penal interest of @ 1 % p.a. over the coupon rate for the period of delay from the date of allotment till the listing of such debt securities to the investor.

Event of Default

The occurrence of any of the following events shall constitute an event of default by the company in relation to the Secured Debentures:

c) Default is committed in payment of any amount due and payable with respect to the debentures under the transaction documents and such default is not cured by the Company within the cure period as specified herein below from the date of the default;
d) If without the prior consent of the trustee and the debenture holders any assets offered as security under the security documents or part thereof are sold, assigned, securitized, disposed of, or encumbered, however this will not be applicable if Company ensures to maintain adequate security cover as mentioned in the security clause and the additional security clause;
e) It is or becomes unlawful for the Company to perform its obligations under any transaction documents or any obligation under any transaction document becomes invalid or unenforceable;
f) failure of the Company to pay any sum pursuant to any final judgement or any final order passed by a court of competent jurisdiction, and which has not been set aside within 90 Days of it being passed;
g) The Company being declared or adjudicated as insolvent or bankrupt or order for winding up being instituted against the Company in accordance with the Insolvency and Bankruptcy Code, 2016;
h) Any expropriation, attachment, sequestration, distress or execution or other process of similar nature that may adversely affect the performance of the Company under the transaction documents;
i) When the Company without the consent of debenture holders ceases to carry on its business or gives notice of its intention to do so;
j) When any material breach of the terms of the placement memorandum inviting the subscriptions of debentures or of the covenants of the placement memorandum is committed;
k) When a non-appealable order has been made by the tribunal or a special resolution has been passed by the members of the Company for winding up of the Company;
l) When in the opinion of the trustees the security of the debenture holders is in jeopardy; and
m) The cure period for the events of default provided for above shall be 90 days.

6. ***PTC Transactions:*** *Nil*

7. ***Collateralised borrowing and lending obligation:*** *Nil*

8. ***Corporate Guarantee:*** *Nil*

B. Details of unsecured borrowings as on March 31, 2022:

Our Company's unsecured outstanding borrowings, on a standalone basis, as on March 31, 2022 amounts to ₹ 7,703.42 million. The details of the unsecured borrowings are set out below**:**

1. *Commercial Papers*

Our Company has issued the following commercial papers as on March 31, 2022 amounting to ₹ 6,712.11 million:

Sr. No.	ISIN	Date of Allotment	Coupon p.a. (in %)	Amount outstanding as on March 31, 2022 (in ₹ million)*	Redemption Date	Repayment Terms	Credit Rating
1	INE523L14039	20-01-2022	8.00%	47.80	October 31, 2022	On Maturity	CRISIL A1+ | BWR A1+
2	INE523L14013	20-01-2022	7.00%	97.98	July 19, 2022	On Maturity	CRISIL A1+ | BWR A1+
3	INE523L14021	21-01-2022	5.85%	2,487.78	May 2, 2022	On Maturity	CRISIL A1+ | BWR A1+
4	INE523L14047	21-01-2022	8.25%	478.60	October 19, 2022	On Maturity	CRISIL A1+ | BWR A1+
5	INE523L14062	16-02-2022	8.55%	465.97	February 10, 2023	On Maturity	BWR A1+ | CRISIL A1+
6	INE523L14070	25-02-2022	5.90%	2,991.83	April 18, 2022	On Maturity	BWR A1+ | CRISIL A1+
7	INE523L14088	24-03-2022	8.00%	47.25	December 23, 2022	On Maturity	CRISIL A1+ | BWR A1+
8	INE523L14096	28-03-2022	7.25%	94.90	December 27, 2022	On Maturity	BWR A1+ | CRISIL A1+

2. *Inter-Corporate Deposits: Nil*

3. *Inter-Corporate Loans: Nil*

4. *Loan from Directors and Relatives of Directors: Nil*

5. *Subordinated Debts: Nil*

6. *Details of Unsecured Term Loans*:

Sr. No.	Name of Lender	Type of Facility	Date of Sanction/ Renewal	Amount Sanctioned (₹ in million, unless otherwise stated)	Principal Amount Outstanding as on March 31, 2022 (₹ in million, unless otherwise stated)	Repayment Date / Schedule
1.	State Bank of India	WCDL	January 25, 2022	1,000.00	200.00	April 18, 2022 (demand loan facility valid up to 23 January 2023
		OD			790.00	Callable

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

(a) Irregularity in account: Penal interest of 5% p.a. is applicable on the irregular portion for the period of irregularity.
(b) Non-submission of monthly statements for Broker (by 25th day of the succeeding month): ₹ 5,000 for each month of delay beyond due date for submission.
(c) Non-submission of Renewal Data, including Audited Balance Sheet
   1. Non-submission of renewal data 30 days before the due date for renewal limits: Flat ₹ 50,000 upto the due date of renewal and flat ₹ 100,000 per month thereafter till the date of submission.
   2. Non-submission of audited balance sheet within 6 months of the closure of the financial year of the borrowing entity:
   - *Delay of one month: Nil*
   - *Delay of more than one month: Pricing to go up by 25 basis points till the audited balance sheet is submitted*

(d) *Diversion of Funds: 2.00% on the entire outstanding (over and above the aggregate penal interest of 3% p.a.) till such time the position is rectified.*
(e) *Non-renewal of insurance policy in a timely manner of inadequate insurance cover: Flat penalty (penal interest) of ₹ 200 for each day of delay beyond due date.*

Rescheduling: *Nil*

Events of Default: The facility documents executed by the Company stipulates *certain events as "Events of Default"*, pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

Each of the following events will attract penal interest/ charges as applicable, at rates circulated from time to time, over and above the normal interest applicable in the account:

(a) *Interest applicable in the account: For the period of overdue interest/installment in respect of Term Loans and overdrawing above the Drawing Power/limit in Fund Based Working Capital accounts on account of Interest/devolvement of Letters of Credit/Bank Guarantee, insufficient stocks and receivables etc.*
(b) *Non-submission of stock statements within 20 days of the succeeding month.*
(c) *Non-submission of Audited Balance Sheet within 6 months of closure of financial year.*
(d) *Non-submission/delayed submission of FFRS, wherever stipulated, within due date.*
(e) *Non-submission of review/renewal data at least one month prior to due date.*
(f) *Non-renewal of Insurance policy (les) in a timely manner or inadequate Insurance cover.*
(g) *Non-renewal of ECR covering entire banking exposure.*

C. Servicing behavior on existing debt securities, payment of interest on due dates on financing facilities or debt securities: *Nil*

D. List of top 10 debenture holders* (secured and unsecured) as on March 31, 2022:

Sr. No	Name	Amount (₹ in million, unless otherwise stated)	Category	Face Value per NCD	Holding as a % of total NCD outstanding
1	Anand Rathi Wealth	148.90	Corporate	100,000.00	7.16
2	Juzar Saifuddin Khorakiwala	70.00	Public	1,000,000.00	3.37
3	Ashwini Shetty	63.00	Public	1,000,000.00	3.03
4	Vinod Bhavanji Chheda	50.00	Public	1,000,000.00	2.41
	RBD Shelters LLP	50.00	Corporate	1,000,000.00	2.41
5	Indfos Industries Private Limited	40.00	Corporate	100,000.00	1.92
6	Saswat Trusteeship Private Limited	30.00	Corporate	1,000,000.00	1.44
	Amiti Software Technologies Private Limited	30.00	Corporate	1,000,000.00	1.44
	Prakash Venkatesan	30.00	Public	1,000,000.00	1.44
	Jay Vinod Chheda	30.00	Public	1,000,000.00	1.44
	Ravi Shankar Prasad	30.00	Public	100,000.00	1.44
7	Deccapel Fashions Private Limited	26.00	Corporate	1,000,000.00	1.25
8	Arcot Bhuvaneswari Rao	22.00	Public	100,000.00	1.06
9	Sanjay Kapoor	20.00	Public	100,000.00	0.96
	Rashesh Chandrakant Gogri	20.00	Public	1,000,000.00	0.96
	Southern Power Equipment Company Private Limited	20.00	Corporate	1,000,000.00	0.96
	L Ravichandran	20.00	Public	1,000,000.00	0.96
	Manju Vinod Chheda	20.00	Public	1,000,000.00	0.96
	Suresh Sid	20.00	Public	1,000,000.00	0.96
10	Ashwini Shetty	16.00	Public	1,000,000.00	0.77
	Harini Manohar Shetty	16.00	Public	1,000,000.00	0.77

E. Details of any outstanding borrowings taken/ debt securities issued where taken/ issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on March 31, 2022:

Please find below the details of re-issuance of non-convertible debentures issued under the same ISIN at a premium/discount:

(₹ in million, unless otherwise stated)

Sr No	ISIN	Secured/ Unsecured	Premium/ Discount	Tenor	Coupon Rate	Amount Outstanding	Date of allotment	Maturity Date	Credit rating
1	INE523L07025	Secured	(4.63)	23 months 14 days	N.A.	294.01	February 11, 2022	January 17, 2024	CRISIL PP-MLD AA-r/Negative
2	INE523L07025	Secured	(1.42)	22 months 20 days	N.A.	116.61	February 25, 2022	January 17, 2024	CRISIL PP-MLD AA-r/Negative
3	INE523L07025	Secured	0.55	21 months 25 days	N.A.	38.62	March 23, 2022	January 17, 2024	CRISIL PP-MLD AA-r/Negative
5	INE523L07033	Secured	0.18	33 months 28 days	N.A.	12.20	March 23, 2022	January 20, 2025	CRISIL PP-MLD AA-r/Negative

F. Details of rest of borrowings if any, including hybrid debt instruments such as foreign currency convertible bonds or convertible debentures and preference shares as on March 31, 2022: *Nil*

G. As on the date of this Draft Prospectus, there has been no default and/or delay in payment of principal or interest on any existing term loan, debt security issued by the Issuer and other financial indebtedness including corporate guarantee issued by the Issuer, in the past three years.

H. As on the date of this Draft Prospectus, there has been no default and non-payment of statutory dues.

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 involving our Company, Subsidiaries, Promoters, Directors and group companies or any other person that would have a material adverse effect on our operations and/or financial position which may affect the issue or the investor's decision to invest in the Issue.

The Debentures Committee has set a materiality threshold for disclosure of events or information in relation to the Issue encompassing all pending litigation involving our Company, other than criminal proceedings regulatory proceedings and taxation matters (which would be disclosed in a consolidated manner), as 'material' for the purposes of disclosure in this Draft Prospectus if: (i) the monetary amount of claim by or against the entity or person in any such pending litigation is in excess of 1% of the networth of the Company as on Fiscal 2022, i.e. ₹ 53.39 million, rounded off to ₹50 million, 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. The materiality threshold for disclosure of events or information in relation to the Issue encompassing all pending litigation involving our 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 Draft 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 ₹1,000 million, 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/Operations 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 or non-payment of statutory dues by the Company;*

c. *litigation or legal action pending or taken against the Promoters 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;*

g. *inquiries, inspections or investigations initiated or conducted under the Securities laws or Companies Act, 2013, or any previous companies law (including where there were any prosecutions filed and whether such prosecutions are pending or not) and fines imposed or compounding of offences by our Company in the last three years immediately preceding the year of issue of this Draft Prospectus against our Company and our Subsidiaries;*

h. *Details of disciplinary action taken by SEBI or Stock Exchanges against the Promoters/Group companies in the last five financial years, including outstanding action; and*

i. any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc.) which may affect the issue or the investor's decision to invest in the Issue

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 Draft Prospectus.

1. Material litigations and regulatory actions involving our Company

(a) As on the date of this Draft Prospectus, following are material litigations in our Company:

(i) Civil Litigation

Against our Company

1. Our Company and ECL Finance have been served with Writ Petition bearing (stamp) no. 6589 of 2021 along with summons filed by Yes Bank AT1 Bondholders Associations (398 bondholders) before the Bombay High Court against RBI & 15 others including Union of India through Secretary, Ministry of Finance, 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 crore against Yes Bank. Our Company and ECL Finance, 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 our Company and ECL Finance not to leave India, during the pendency of the proceeding. Matter is pending for appearance and hearing before Bombay High Court.

2. Jayant Kantilal Sanghvi, a client of our Company filed an arbitration application bearing No. NSEVAD/0005702/21-21/ARB for allegedly carrying out unilateral unauthorised trades in futures segment dated March 13, 2020 and made a claim of ₹ 9,56,77,941 before NSE, Vadodara, vide application dated April 30, 2021. Our Company received proceeding along with intimation of arbitration on June 2, 2021. Further, our Company filed its statement of defense dated July 8, 2021. After hearing on July 30, 2021 and August 9, 2021, written arguments were filed by both the parties on August 12, 2021. An award stating a claim of sum of ₹ 9,56,77,941 along with interest of 9% per annum was passed in favour of the applicant vide order dated August 18, 2021 ("**Order**"). Challenging the Order, our Company filed an appeal before the NSE, Ahmedabad on October 14, 2021. On January 31, 2022 the matter was argued by both the parties. As per the directive given by arbitrators panel, our Company has submitted the written arguments dated February 14, 2022. An award dated March 30, 2022 was passed in favour of Jayant Kantilal Sanghvi.

3. Pratham Investment, a client of our Company filed an arbitration application bearing No. 0017663/20-21/ISC/ARB for allegedly carrying out unilateral unauthorised trades in futures segment on dated March 13, 2020 and made a claim of ₹ 7,71,67,420 before NSE, Vadodara, vide application dated April 30, 2021. Our Company received proceeding along with intimation of arbitration on June 2, 2021. Further, our Company filed its statement of defense dated July 7, 2021. The respondent filed its rejoinder on July 30, 2021. After hearing on July 30, 2021 and August 9, 2021, written arguments were filed by both the parties on August 12, 2021. An award stating a claim of sum of ₹ 7,71,67,420 along with interest of 9% per annum was passed in favour of the applicant vide order dated August 18, 2021 ("**Order**"). Challenging the Order, our Company filed an appeal before the NSE, Ahmedabad on October 14, 2021. On January 31, 2022 the matter was argued by both the parties. As per direction given by panel of arbitrators, our Company has submitted its written arguments dated February 14, 2022. Award dated March 30, 2022 passed in favour of Pratham Investment.

(ii) Criminal Litigation

By our Company

1. Our Company 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 IPC. The matter is currently pending.

2. Our Company has 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 Trademarks 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 IT Act 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.

3. Our Company has filed a criminal complaint dated December 14, 2021 before Station House Officer, Desh Bandhu Gupta Road, Pahar Ganj, New Delhi against its Ex-employee Ishan Pundit and other unknown persons for he having engaged in illicit activities of unauthorised trading in clients account thereby causing a loss of about ₹ 1.24 million. The investigation is pending.

4. Our Company has filed criminal cases under Section 138 of the Negotiable Instrument Act, 1881, against our clients for dishonour of cheques towards trading account dues, which are currently pending before the Magistrate Court.

Against our Company

1. Rajat Tyagi ("**Complainant**") has filed a complaint and lodged FIR on February 22, 2020 ("**FIR**") under Section 406 of IPC with the Kotwali police station, Bijnor, Uttar Pradesh against Mohit Singhal, advisor of our Company. The authorized 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 our Company) and its employees Manoj Tomar and Manoj Gupta (collectively, the "**Accused**") under sections 406, 417 and 506 of IPC 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 CrPC. 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. Our Company received a notice from Economic Offences Wing asking to produce documents from account opening date, which were furnished in first week of May 2013. During personal visit to Ludhiana on May 14, 2013 by our Company's representative, Investigating Officer directed our Company to produce more documents in respect of trades executed from March 2012 till April 2013 along with voice recording. Statement has been recorded by Investigating Officer on July 26, 2013, and relevant documents have been taken on record. Final hearing took place on September 13, 2013 before the investigating officer for closure of complaint. The matter is 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 CrPC for violation of Sections 408, 418, 381 and 506(2) of IPC 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 our Company 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 our Company *vide* its letter dated December 13, 2013 and December 23, 2013. The erstwhile 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 our Company, filed a police complaint before S Roopesh Raj, PSI, Anjalummoodu, Kollam Police station under Sections 408, 418, 468 and 420 of IPC for unauthorised trading in his account. His complaint is that one of our Company'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 CrPC directing EBL to provide the relevant documents, which have been duly submitted. The matter is currently pending.

6. 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 IPC against Sanjay Kumar, Asha Batham, Anita Gupta and Edelweiss Financial Advisory Limited (now amalgamated with our Company) (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 CrPC 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 stayed and currently pending.

7. 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 our Company) 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 IPC. 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 our Company. 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. Our Company filed a 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.

8. On December 11, 2020, our Company received a notice under section 54 of 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. Our Company 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.

9. Malvika Saluja and Jyotika Saluja both of Bhubhneshwar, investors in Edelweiss Multi Strategy Fund Management Private Limited **("EMSFMPL")** filed two separate criminal complaints both dated February 3, 2021 with Laxminagar Police Station, Bhubhneshwar against employees of our Company, 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 9, 2021, our Company's officials received telephonic directions from Laxminagar Police Station to provide details and documents relating to the said investments in the matter. Our Company's 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.

10. Mr. Bhopalam, filed a criminal complaint against Dinesh Kumar G and Niraj R. Sharma, officials of our Company with Thousand Lights Police Station, Chennai – 6 *inter alia* raising concerns about his investment of ₹1.50 million made in Crossover Fund Series II offered by Edelweiss Asset Management Limited. 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. On June 15, 2022 , said Dinesh Kumar and Niraj R Sharma had attended the Police station as per the call received from the said police. The matter is currently pending.

11. Our Company 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 our Company's Senior Branch Manager for the branch at Karol Bagh, Delhi under Section 91 of CrPC *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 IPC against our Company 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. Our Company, 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.

12. Smt. Iti**,** a client of Edelweiss Financial Advisors Limited ("**EFAL**") (now amalgamated with our Company), 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 IPC and Sections 66, 66C and 66D of the IT Act, for alleged unauthorised trading by modifying her trading account and password with our Company. The total amount claimed by Smt. Iti is ₹ 13.8 million. Thereafter, notices were received by three of the directors of Edelweiss Financial Services Limited **("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 section 482 of CrPC 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 our Company including Prashant Mody 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.

13. Our Company received two notices both dated July 7, 2021, issued by Senior Inspector of Police, District Investigation Unit, Chanakya Puri Police Station, New Delhi under Section 91 and 160 of CrPC *inter-alia* informing that the investigation is being conducted in case FIR No. 5 of 2021 and FIR No. 6 of 2021, both registered under sections 420, 467, 468, 471 read with sections 34 and 120B of IPC, based on the complaints of Shri Jagrit Sahni and Shri Gurmanak Sahni respectively **("Complainants")** against one Rajesh Ambwani (No relation with Edelweiss) and Ms. Saloni Singh (represented herself as Relationship Manager of our Company) for having induced the Complainants with dishonest intention to invest a sum of ₹ 6 million and ₹ 2.5 million respectively and caused the loss for the same. Our Company furnished the required details and documents vide its letter dated July 12, 2021 and July 26 , 2021. The investigation is pending.

14. Chayya Jitendra Mohite, a client of our Company 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 our Company, 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, our Company 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.

15. Mr. Paras H. Shah and Mrs. Joyti H Shah filed a special criminal application bearing no. 923 of 2022 before the High Court of Gujarat against i) Bombay Stock Exchange, ii) Superintendent of Police (SP), Bhavnagar iii) Edelweiss Financial Advisors Limited (now Edelweiss Broking Limited), iv) Shree Naman Securities and Finance Pvt Ltd, and v) State of Gujarat, (collectively the **"Respondents**") *inter-alia* seeking for an order to release of amount of about ₹ 1.72 million alongwith interest withheld by the Respondent No. 1 in pursuance to letter dated June 29, 2012 of Asst. Commissioner of Police, Economic Offences Wing, Mumbai and for declaration that the Respondent No. 2 have no jurisdiction to investigate the transaction in relation to the trades carried out on the stock exchange in shares of Dinesh Allogra Limited on June 28, 2012 for offences under Securities (Contract) Regulations Act, 1956 and other reliefs claimed therein. There are no allegations or claim against EBL. The petition is pending for hearing.

(iii) Regulatory proceedings against our Company

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 our Company while dealing with Yatin Parekh, client of our Company, named in the investigation report in the aforesaid matter. Our Company had duly responded to the SEBI letter on October 25, 2018. SEBI vide its email dated February 18, 2022 had intimated about transfer of matter to new designated authority **("DA")** and scheduled for hearing before new DA. The matter is currently pending for hearing.

2. Our Company 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 our Company's client, Bhawarlal Ramnivas Jajoo in the script of Reliance Industries Limited for a period from March 1, 2020 to March 31, 2020. Our Company 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**"). Our Company 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 our Company, along with other persons were actively involved in the placement and execution of transactions mentioned hereinabove. SEBI in the order also advised our Company 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. SEBI vide its confirmatory order dated February 18, 2022 had lifted the restrictions imposed on the entities vide interim order dated August 12, 2021 subject to the outcome of the appeal proceedings filed by SEBI against the order of SAT before the Hon'ble Supreme Court of India. The matter is currently pending.

4. On January 19, 2022 NSE issued a show cause notice to EBL ("**SCN**"), pursuant to an off-site inspection. The crux of the observation in the SCN was that on 23 dates during the period October 1, 2021 to December 17, 2021 the funds available in the client bank accounts of EBL together with balances available with clearing member and funds with clearing corporation were less than the funds payable (credit balances) to clients. NSE also observed certain instances wherein EBL had reported incorrect amounts under the head collaterals deposited with the clearing member.

   EBL has submitted a detailed response to NSE on January 31, 2022 wherein it has demonstrated that, it was well capitalised and has maintained a networth of over ₹3000 million and further, EBL demonstrated that it had sufficient balances in its own bank accounts, Exchange Dues accounts and borrowed credit lines from banks which were sufficient to meet any obligations due to client and such amounts were far in excess of the shortage as pointed out by NSE. EBL also mentioned that it had ensured from January 2022 that the balances available in the client bank accounts along with the cash collateral with clearing member and clearing corporation were sufficiently in excess of the credit balances due to clients. EBL also mentioned that it had not reported any incorrect amounts under the head collaterals deposited with clearing member and such discrepancy was on account of liquid mutual funds being included in the working.

4. Materal litigation or legal or regulatory actions involving our Promoter as on the date of this Draft Prospectus

(i) Criminal Litigations

1. Sharad Jagtiani, a client of our Promoter, Edelweiss Securities Limited, filed an application dated November 11, 2008 under Section 156(3) of the CrPC before the Additional Chief Metropolitan Magistrate, Rohini Courts, Delhi ("**Court**") against directors and senior officer of our Promoter, 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.

2. S & D Financials Private Limited ("**SDFL**"), a client of our Promoter, 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 our Promoter and others. In the FIR *inter alia* alleged unauthorised trading, criminal breach of trust and cheating 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 our Promoter. The matter is currently pending.

5. Material litigations involving our Directors as on the date of this Draft Prospectus

(i) Criminal litigation

1. Except as disclosed below and under "*Material litigations and regulatory actions involving our Company – Criminal Proceedings filed against our Company*", there are no other criminal proceedings filed against Directors of our Company.

6. Litigation involving group companies

Except as disclosed below there are no material outstanding civil proceedings, criminal proceedings or regulatory proceedings involving our group companies.

(a) Edelweiss Financial Services Limited ("EFSL")

(i) Civil proceedings filed by EFSL

1. ECL Finance along with Edelweiss Housing Finance Limited, Edelweiss Financial Services 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 ("**Plaintiffs**") 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 proceedings filed by EFSL

1. EFSL *vide* its letter dated December 30, 2011 had filed a complaint under various sections of IPC, the IT Act, 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 EFSL. EFSL 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.

2. On June 13, 2020, EFSL filed a criminal complaint against LeapUp-Edutech Private Limited and its two directors ("**Accused**") for having committed offences under provisions of IPC, *inter alia* defamation, cheating, criminal breach of trust, hatching a criminal conspiracy along with mischief for publishing defamatory video against EFSL, on its private channel on YouTube. The video has been taken down by the Accused. The matter is currently pending.

3. EFSL has filed various criminal cases under Section 138 of the Negotiable Instrument Act, 1881, against its clients for dishonour of cheques, which are currently pending before the Magistrate Court.

(iii) Civil proceedings filed against EFSL

1. EFSL has been served with provisional attachment order dated May 18, 2020 ("**PAO**") 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. It is revealed from PAO that certain non-performing asset were taken over by our group entity, Edelweiss Asset Reconstruction Company Limited ("**EARC**") under assignment deed from State Bank of Patiala (now merged with State Bank of India) in its ordinary course of business. Our Promoter has been served with show cause notice dated July 10, 2020 from the Adjudicating Authority, PMLA, New Delhi ("**Authority**"). EFSL has been served with 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 dated December 7, 2020 before Adjudicating Authority, PMLA and advanced submissions that it has been incorrectly arraigned in the present proceedings. EARC, also filed its reply dated November 2, 2020 before the Authority on merit to decline confirmation of PAO. Upon noting the submission of EFSL, the Adjudicating Authority adjourned the matter for final arguments. The Authority vide its order dated December 28, 2021 confirmed the PAO against the proprieties under provisions of the PMLA Act and ordered to continue pending investigation. Being aggrieved, EARC preferred an Appeal being no 4530 of 2022 before the Hon'ble Appellate Tribunal constituted under PMLA Act challenging said order and the same is pending for hearing. EFSL is considering further appropriate steps against the said order. The matter is currently pending.

(iv) Regulatory proceedings involving EFSL

1. EFSL (ought to have been ECL Finance Limited) has been served with a notice dated February 16, 2022 ("**Notice**") issued by Member Secretary, Micro and Small Enterprises Facilitation Council, MMR Region, Mumbai inter-alia informing that one M/s. Pagdandi Marketing Solutions Private Limited, the complainant has filed a petition on Samadhan Portal under Section 18(1) of Micro Small Medium Enterprises Development Act, 2006. The Complainant, being channel partner of ECL Finance Limited for sourcing equipment and mortgaged finance, alleged against ECL Finance Limited for non-payment of commission / invoice amounting to ₹ 2.36 million along with interest of ₹ 2.30 million aggregating to ₹ 4.66 million for processing of loan business. ECL Finance Limited is in process of filing of defense statement on merit alongwith required balance sheet. The Petition is pending for hearing.

2. 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.

(b) ECL Finance Limited ("ECL Finance")

(i) Civil proceedings filed by ECL Finance

Except as disclosed below and under *"Litigation involving group companies – Edelweiss Financial Services Limited – Civil Proceedings filed by EFSL",* there are no other civil proceedings filed by ECL Finance.

Civil proceedings against ECL Finance

Except as disclosed below and under "*Material litigations and regulatory actions involving our Company – Civil Litigation – Against our Company",* there are no other civil proceedings filed against ECL Finance.

1. 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, Edelweiss Asset Reconstruction Company Limited, 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 that the classification of NCD account of Defendant Smaaash as non-performing asset 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 Edelweiss Asset Reconstruction Company Limited 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.

2. A Rani ("**Plaintiff**") has filed a suit against ECL Finance and others before for the Court of District Munsiff at Poonamalee for declaration and injunction that the deed of mortgage dated February 23, 2018 which was executed in favour of ECL Finance Limited is invalid and *inter alia* claiming ownership with respect to the mortgaged property. The suit property is one of the properties forming part of the security for the loan of ₹1,450 million sanctioned by ECL Finance to Neptune Developers Private Limited. The Plaintiff has challenged the ownership right of Neptune Developers Private Limited with respect to the said property. Subsequently, ECL Finance has assigned the debt along with underlying securities (which includes mortgage of said property) to Assets Care and Reconstruction Enterprise Limited ("**ACRE ARC**") under deed of assignment dated March 27, 2020. The matter is currently pending.

3. Arvind Ghai ("**Petitioner**"), a resident of Ghaziabad and a retail client of ECL Finance filed an injunction suit ("**Suit**") before the Court of Civil Judge, Senior Division, Ghaziabad ("**Court**") against ECL Finance and others ("**Defendants**"), seeking permanent injunction and has prayed to restrain any dispossession from his residential property till the final disposal of the recovery suit filed by ECL Finance before the District Judge, Patiala House Court, Delhi. The Court vide an order dated July 23, 2019 dismissed the Suit. The Petitioner thereafter filed restoration application before the Upper Civil Judge (Senor Division) Ghaziabad against the Defendants. The matter is pending.

4. 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 ₹7,200 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 of Fortis Holdings and some of their companies had given certain undertakings and subsequently Delhi High court restrained 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 off the said applications of the secured creditors including that of ECL Finance, the Hon'ble Supreme Court of India on February 15, 2018 allowed the applications of the secured creditors and passed an order *inter alia* clarifying] 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 (CC. 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 © 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 of Fortis Holdings 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.

(i) Criminal proceedings filed 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 sections 420 34 of IPC. 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 sections 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 3, 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.

5. ECL Finance has 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 clients for dishonour of cheques. Further, in some of the cases, clients have filed appeal against ECL finance. These cases are currently pending across different courts in India.

(ii) Criminal proceedings against ECL Finance

Except as disclosed below and under "*Material litigations and regulatory actions involving our Company – Civil Litigation – Against our Company",* there are no other civil proceedings filed 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 PMLA against Kingfisher Airlines Limited, Vijay Mallya, and others for acquisition of property using proceeds of crime in terms of Section 2(1)(u) of PMLA. Certain shares of Vijay Mallya and his associates were pledged with ECL Finance 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 Finance 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. ECL Finance 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 the 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 CrPC addressed in the name of ECL Finance, Ms. Madhur Bhatia, relationship manager, Romanshu Tandon, Himanshu Chhatrawal, Zonal Manager and Rashesh Shah, Chairman (the "**Accused**") *inter alia* informing that FIR No. 497 of 2020 has been registered against the Accused under sections 406 and 420 of IPC based on the 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.

5. ECL Finance received a notice dated January 12, 2021 from Station House Officer ("SHO"), Bhankrota Police Station, Jaipur (west) under Section 91 of Cr. P. C. *inter-alia* informing that he is investigating crime in FIR No. 371of 2020 registered under Sections 420, 467, 468, 471 read with Section 120 B of IPC filed by one Vinod Kumar Bothra **("Complainant")** against Moolchand Bothra, Trilokchand Das Ahuja, Kamal Kumar Bothra, Sunil Jain, Saurabh Khandelwal and Manager, ECL Finance. The Complainant alleged that accused made a forged mortgaged document, in respect of plot of land being No. F-69, Bindayaka Industrial Estate, RIICA, Jaipur belongs to his partnership firm Jain Industries without his knowledge and consent and availed a loan from ECL Finance.

6. SHO requested to furnish certain mortgaged loan documents pertaining to Borrowers, Jain Industries such as Loan Agreement, statement of accounts etc. During September 2021, officials of ECL Finance attended investigation and submitted copies of required information and documents. SHO vide another notice dated December 15, 2021 requested to furnish original loan agreement alongwith name and contact details of sanctioning authorities. ECL Finance is in process of complying with the same. The investigation is pending.

(c) Edelweiss Global Wealth Management Limited ("EGWML")

(i) Criminal Proceedings against EGWML

1. 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.

(d) Edel Finance Company Limited ("Edel Finance")

(ii) Civil proceedings filed by Edel Finance

Except as disclosed under "*Litigations involving group companies – ECL Finance Limited – Civil proceedings filed by ECL Finance",* there are no other civil proceedings filed by Edel Finance.

(iii) Criminal proceedings by Edel Finance

1. 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.

2. Edel Finance has filed various criminal cases under Section 138 of the Negotiable Instrument Act, 1881, against their clients for dishonour of cheques dues, which are currently pending before Magistrate Court.

(e) 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 Act) to appear before Adjudicating Authority (Prevention of Money Laundering Act), New Delhi ("Adjudicating Authority") 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 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

1. 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 IPC for the defamation and loss of reputation caused to EAML, due to the acts and actions of the Accused. The matter is currently pending.

(f) Edelweiss Asset Reconstruction Company Limited ("EARC")

(i) Civil proceedings filed by EARC

1. IDFC First Bank Limited (Assignor bank and applicant in the original application) filed an application in Debt Recovery Tribunal, Hyderabad ("**DRT**") 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, which was allowed.

   Defendants 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 a 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) has undergone liquidation under IBC, 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

Except as disclosed below and under "*Litigation involving group companies – ECL Finance – Civil proceedings against ECL Finance",* there are no other civil proceedings filed against EARC.

1. 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 3, 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 5, 2020 with the observations that Winsome Yarns Limited shall assist the Court on the legal aspect of payment of stamp duty. On December 7, 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 the 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.

(iii) Criminal proceedings filed 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 Instruments 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 Court issued non-bailable warrants against the accused and have asked for report on execution of the warrants from the police. The matter is currently pending and is listed for hearing on July 11, 2022.

2. EARC has 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 clients for dishonour of cheques. Further, in some of the cases, clients have filed appeal against EARC. These cases are currently pending across different courts in India.

(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 CPC 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, an 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 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 SARFAESI 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 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 the Committee of Creditors through Punjab National Bank, seeking clarification on retrospective applicability of section 32A under IBC. The matter is currently pending.

(g) 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 CrPC *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 earned etc., more particularly mentioned therein. Edelweiss Comtrade *vide* its letter dated January 22, 2019 provided the required details as were 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 CrPC *inter alia* informing that department is investigating the offences registered against National Spot Exchange Limited ("**NSEL**"), its directors, Financial Technologies 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 is investigating the 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 the written submission, SEBI granted personal hearing to Edelweiss Comtrade on December 11, 2019. The matter is currently pending.

(ii) Regulatory Proceedings involving Edelweiss Comtrade

The Economic Offences Wing ("**EOW**") is investigating a matter against National Spot Exchange Limited and others. Further to this, EOW has served a notice on Edelweiss Comtrade dated October 28, 2021 requiring submission of information and personal attendance for the further investigation of the matter. Edelweiss Comtrade vide its reply dated November 15, 2021 submitted various documents requested by EOW. Later, Edelweiss Comtrade provided additional documents vide its reply dated January 21, 2022 that were requisitioned by EOW vide its notice dated December 31, 2021.

(h) Edelweiss Housing Finance Limited ("EHFL")

(i) Civil proceedings filed by EHFL

Except as disclosed under "*Litigation involving group companies – ECL Finance – Civil Proceedings filed by ECL Finance",* there are no other civil proceedings filed by EHFL.

(ii) Criminal proceedings filed 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 CrPC against the Accused before the Authority under sections 420, 465, 468, 471, 120-B, 467 and 34 of the IPC. Thereafter, EHFL issued a notice dated January 20, 2016 under section 13(2) of the SARFAESI to the Accused for payment of the outstanding amount due. However, we did not receive any reply to such notice. Hence, EHFL filed an application under Section 14 of the SARFAESI on September 22, 2016 before the 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, alleging 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 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 Debt Recovery Tribunal, 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 CPC 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 the Debt Recovery Tribunal.

3. EHFL issued a notice dated October 20, 2016 to P. Aravindan and A. Aruna (collectively, the "**Accused**") under Section 13(2) of 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 us 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* 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, J. Vinayagamoorthy, K. Babu and B. Saravanan 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 SARFAESI for payment of the amount due to us 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 us, it was found that the Accused along with Tholkappian and a previous employee of EHFL, 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 an 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. A securitization application under Section 17 of the SARFAESI Act was filed before DRT-II on September 6, 2018. The complaint has been registered after rigorous follow up with EOW and a first information report was lodged on dated September 28, 2018 by EOW. EHFL filed an application before Chief Metropolitan Magistrate Court, Delhi seeking the status of investigation from EOW. 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 SARFAESI. We thereafter issued a notice dated March 29, 2016 under Section 13(4) of SARFAESI 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, for which we have provided the relevant documents. The matter is currently pending.

7. Rayabarapu Ranapratap availed a loan from EHFL for the purchase of plot at Enumamula location. In the year 2001, Kasarala Laxminarsimha Rao, Kasarala Ranga Rao, and Kodari Sadanandam, executed the registered sale deed in favour of Betheli Santosh Kumar. In the year 2012, Betheli Santosh Kumar executed the general power of attorney dated February 23, 2012 in favour of Masna Sampath Kumar and cancelled it in the year October 2015. In the same month Betheli Santosh Kumar executed self-declaration deed for change of boundaries. EHFL has filed a criminal complaint on February 9, 2019, against Rayabarapu Ranaprathapunder various sections of IPC for showing the non-existing property and obtained the loan amount fraudulently before PS Hanmakonda Warangal District. The matter is currently pending.

8. EHFL has filed a criminal complaint on January 13, 2020 against Pawan Kumar Goel under various sections of IPC, for showing the non-existing property and obtaining 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 has filed five separate criminal complaints against its borrowers, Amit Sesmal Jain and nine others before Economic Offences Wing, Pune under various sections of CrPC 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 the Borrower in connivance with seller submitted fraudulent registered property agreements to EHFL towards the 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 EHFL is registered on subject property. EHFL has filed an application under Section 14 of SARFAESI Act before District Magistrate Court, Nagpur on December 8, 2020 and the said matter is pending for orders from District Magistrate.

11. EHFL had provided a 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 the 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 EHFL is first as our disbursement is prior to other financial institutions. We have filed an application under Section 14 of SARFAESI 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.

12. EHFL had provided a home loan of ₹ 2 million to Bhausaheb Balasaheb Jahdav ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that the 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 is yet to initiate the SARFAESI proceedings, we have reported this case as fraud to National Housing Board.

13. EHFL had provided a 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 the Borrower had submitted fraudulent property papers/registered agreements with absence of layout plan, mismatched dimensions of property stated in the 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 a 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 the builder had done multiple transactions on the subject property and sold the property to multiple buyers. The builder has provided fraudulent registered property agreement to the Borrower which was submitted to EHFL towards the home loan. The builder has absconded and is not traceable. Currently, the subject property is occupied by third parties and they are claiming to be the owner of the property. EHFL has filed criminal complaint on September 24, 2020 against the Borrower at Koramangala Police station, Bangalore. The matter pending for investigation.

15. EHFL had provided a home loan of ₹ 2 million to Menta Bhanuprakash ("**Borrower"**). The Borrower turned delinquent and on carrying out further checks, it was found that the Borrower defrauded EHFL by submitting colour xerox/fake property documents. The subject property falls under prohibited property list. EHFL has filed application under section 14 of SARFAESI before the District Magistrate Court, Nellore on December 22, 2019. The said application is pending for order.

16. EHFL had provided a home loan of ₹ 4.99 million to Rajkumar Silarpur ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that the Borrower had misrepresented the facts about seller and submitted an invalid sale deed. The general power of attorney basis which the sale deed was executed was not valid as the seller was not alive at the time of execution and consequently the sale deed also becomes invalid. The subject property is in the possession of some third party, B. Karunakar, who is claiming to be the original owner of the property. The third party has filed an application before the Debt Recovery Tribunal on October 6, 2020 against EHFL, which is pending for hearing. EHFL has filed application under section 14 of SARFAESI before District Magistrate Court, Secunderabad on January 8, 2021 and is pending for orders.

17. EHFL had provided a home loan of ₹ 2.82 million to Sham Suryawanshi ("**Borrower"**). The Borrower turned delinquent and on carrying out further checks, it was found that the Borrower in connivance with the builder and landowner submitted fraudulent registered property agreements to EHFL. The builder sold the property initially to Magal Jagtap, and parallelly allotted the same flat to one of the landowner, who in turn sold the same flat to Rahul Khadve. Subsequently, Rahul Khandve sold the property to the Borrower. EHFL has filed an application under section 14 of SARFAESI before District Magistrate Court, Pune on December 22, 2019. The Upper District Magistrate, Pune vide its order July 31, 2021 directed Tahsildar, Haveli, Pune to handover possession of mortgaged property to EHFL. The matter is pending for possession.

18. EHFL had provided a home loan of ₹ 1.5 million to Yernamma Kommineni ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that the Borrower in connivance with the seller defrauded EHFL by misrepresenting the facts and creating a false profile and submitting fake business and income documents. The Borrower is not traceable. The subject property was overvalued by more than ₹1.9 million (It was valued at ₹3 million at acquisition. The latest valuation is at ₹1.08 million). The valued property lies near the highway/main road and is different from the subject property mentioned in the sale deed, that lies in the interiors. EHFL has sold the property in auction to third party. EHFL is in process of filing an original application for loss on sale before the Debt Recovery Tribunal. Though EHFL is yet to initiate SARFAESI proceedings, we have reported this case as fraud to the National Housing Board.

19. EHFL had provided a 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 that the Borrowers in connivance with the developer have defrauded EHFL by misrepresenting the unit numbers being mortgaged with us, submitting forged approved plan, and issuing no-objection certificate, 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 were put on the fabricated plan. On February 25, 2021, EHFL filed a criminal complaint against the Borrowers, and Neeraj M Ved, Proprietor of Shreenath Corporation, Builders and Developers alleging forgery, criminal breach of trust and cheating with BKC Police Station, Bandra, Mumbai. The complaint is pending for investigation.

20. EHFL had provided a 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 us, submitting forged approved plan, and issuing no-objection certificate, 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 filed a criminal complaint against the Borrowers, and Neeraj M Ved, Proprietor of Shreenath Corporation, Builders and Developers alleging forgery, criminal breach of trust and cheating with BKC Police Station, Bandra, Mumbai. The Complaint is pending for investigation.

21. EHFL filed a complaint before the Senior Police Inspector, Chaturshrungi Police Station, Pune against Ganesh Shankar Rakshe and Rupali Ganesh Rakshe (collectively, the "Accused") vide its letter dated June 22, 2021 alleging fraud and cheating with reference to a property situated at the Flat No 703, 7th floor, in the Building No.1 known as "California Heights S. No. 101/2, situated at Rakshewadi, Tal. Khed, District Pune ("**Secured**

Property"). Subsequently, EHFL issued a demand notice dated April 30, 2019 to Ganesh Rakshe & Rupali Rakshe ("**Accused**") under Section 13(2) of SARFAESI for payment of the amount due to us in relation to charge created on the property under a home loan dated 31, May 22017entered between EHFL and the Accused ("**Home Loan Agreement**"). Thereafter, EHFL came to know that borrower has availed multiple loans from various other Banks and Financial Institutions by submitting forged documents. Hence, we have issued Loan Recall Notice dated June 20, 2021.

22. EHFL filed a complaint before the Senior Police Inspector, Chaturshrungi Police Station, Pune against Aashish Nandkumar Gaikwad and Sonali Aashish Gaikwad (collectively, the "**Accused**") vide its letter dated 04/03/21 alleging fraud and cheating with reference to a property situated at Flat no.102, 1st floor, Bldg A, Samarth residency, Gavane wasti, CTS No. 3308 P, Bhosari Pune. ("**Secured Property**"). EHFL issued a demand notice dated 29/06 2019 to Aashish Nandkumar Gaikwad and Sonali Aashish Gaikwad ("**Accused**") under Section 13(2) of SARFAESI for payment of the amount due to us in relation to charge created on the property under a home loan dated 14/12/2017 entered between EHFL and the Accused ("**Home Loan Agreement**"). Thereafter, EHFL came to know that borrower has availed multiple loans from various other Banks and Financial Institutions by submitting forged documents. Hence, we have issued Loan Recall Notice dated 20/06/2021.

23. EHFL, filed a criminal complaint dated December 4, 2021 before the Dy. Commissioner of Police- Central, Faridabad, Haryana against Manish Kumar Pandey, ii) Haribansh Kumari Pandey and iii) Raghav Sharma (collectively, the "**Accused**") for committing offence of criminal breach of trust, fraud, cheating punishable under various provisions of IPC while availing mortgage loan against the property situated at H/No. 2161, Type MIG, Sec 28 HB Colony, Faridabad, Haryana. It is alleged that the accused persons have submitted the forged title and loan documents and availed a loan of ₹ 150 million. Subsequently, under detailed verification it's revealed that the original property owner was deceased much prior to executing sale deed/title deed and Accused persons obtained the loan against forged documents. EHFL reported this case as Fraud to Central Fraud Monitoring Cell, RBI, Bengaluru and Department of Non-Banking Supervision, RBI, Mumbai as well as National Housing Bank, Department of Supervision, New Delhi. The investigation is currently pending.

24. EHFL filed a criminal complaint dated February 24, 2022 before the In-charge, Police chowki, Sector 28, Faridabad, Haryana against Renu Dialani, Vinay Kumar Bhatia, Vishal Pawar, DSA, Pramod Agarwal, Rekha Agarwal, Mrs. Veena Pahwa, Kuldeep Arya alias Kuldeep Pundir (collectively, the "**Accused**") for committing offence of criminal breach of trust, fraud, cheating punishable under various provisions of IPC while availing mortgage loan against the property situated at House No. 2148, Type – MIG, Sector 28, Housing Board Colony, Faridabad – 121 008. The Accused persons have submitted the forged title and loan documents, while availing mortgage loan of ₹ 118 million. Subsequently, under detail verification it's revealed that the Borrowers, the Accused Nos. 1 & 2 are not original owners of the mortgaged property and property has been claimed by the Accused Nos. 4 and 5 after purchasing from Accused No. 6. EHFL reported this case as Fraud to Central Fraud Monitoring Cell, RBI, Bengaluru and Department of Non-Banking Supervision, RBI, Mumbai as well as National Housing Bank, Department of Supervision, New Delhi. The investigation is currently pending. During the investigation EHFL, also noticed similar fraud committed by the Accused Nos. 3, 4, 5 and 7 in another mortgage loan account wherein the borrowers Ms. Smita Singh and Abhishek Singh availed a mortgaged loan of ₹ 29,50,000 against the property namely, Flat No. 406, Tower – D-5, 4th Floor, KLJ Platinum Plus situated at Village Neemka, Sector – 77, Faridabad, Haryana. This mortgaged property is occupied and claimed by Gaurav Agarwal and Ms. Chetana Agarwal, daughter, and son-in-law of the Accused Nos. 4 and 5 under gift deed. The investigation is currently pending. EHFL reported this case as fraud to Central Fraud Monitoring Cell, RBI, Bengaluru and Department of Non-Banking Supervision, RBI, Mumbai as well as National Housing Bank, Department of Supervision, New Delhi.

25. EHFL has 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 clients for dishonour of cheques. Further, in some of the cases, clients have filed appeal against EHFL. These cases are currently pending across different courts in India.

(iii) Criminal proceedings filed 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 recalling 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**"), Enforcement Director, Government of India, Mumbai **("ED"),** *inter-alia* attached the Suit Property being the proceeds of crime *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 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 us liberty to approach the Appellate Tribunal, New Delhi ("**Tribunal**") under PMLA. EHFL filed an appeal dated January 5, 2017 before the Appellate Tribunal under Section 26 of PMLA 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 non-adherence of certain policy circular. EHFL 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.

(i) Edelweiss Investment Advisors 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. The next hearing is schedule on July 15, 2022.

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. 2 for sale of 95% share in one fourth undivided share, right, title and interest in all that piece and parcel of land hereditaments and premises equivalent to 11,198 square yards equivalent to 9,363 square meters of Malabar Cumballa Hill Division together with the bungalow known as 'Kilachand House' by Defendant no.1, as null and void. The matter is currently pending.

(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.

(j) Edelweiss Retail Finance Limited ("Edelweiss Retail")

(i) Civil proceedings filed by Edelweiss Retail

Except as disclosed under "*Litigation involving group companies – Edelweiss Housing Finance Limited – Civil proceedings filed by EHFL",* there are no other civil proceedings filed by Edelweiss Retail.

(ii) **Criminal proceedings filed by Edelweiss Retail**

Edelweiss Retail has 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 clients for dishonour of cheques. Further, in some of the cases, clients have filed appeal against Edelweiss Retail. These cases are currently pending across different courts in India.

(k) Edelweiss Rural & Corporate Services Limited (erstwhile Edelweiss Commodities Services Limited) ("ERCSL")

(i) Civil proceedings against ERCSL

1. 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, its directors and key managerial personnel, and others ("**Defendant**"), *inter-alia* for recovery of an amount of ₹5.91 million together with interest @ 18% 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) Criminal proceedings by ERCSL

1. 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.

2. ERCSL has filed various criminal cases under Section 138 of the Negotiable Instrument Act, 1881, against their clients for dishonour of cheques dues, which are currently pending before Magistrate Court.

(iii) 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. Edelweiss Commodities Services Limited (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 with authorities.

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 with authorities.

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. No request for information or for personal appearance is pending to be complied with. The matter is currently pending with authorities.

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 with authorities.

(iv) 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 ("**FEMA**") 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. In June 2021, ERCSL also furnished with additional information about the pulses business – listing of all suppliers, imports, local sales, bank statements, warehousing details and other information. Personal appearances of the ERCSL's executives were sought and the same have been complied with. A show cause notice ("**SCN**") has been served to the ERCSL and the then directors/key executives in this matter in August 2021 by ED under sections 16(3), 10(6) and 42(1) of FEMA. The authorities have alleged 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. 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. ERCSL is in the process of filing its response to the SCN.

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.

(l) Edelweiss Tokio Life Insurance Company Limited ("Edelweiss Tokio")

(i) Criminal proceedings against Edelweiss Tokio

1. Sekhar Kumar Chanda **("Complainant"),** a policyholder filed a first information report dated March 13, 2018, before Baguihati Police Station, Kolkata under Section 420, 468, 470 and 471 of IPC alleging signature forgery and cheating vis-à-vis mis-selling against Edelweiss Tokio and others. Police authorities have filed final report before Addl. Chief Judicial Magistrate, BDN, North 24 Parganas, Kolkata for discharge of accused persons. The matter is currently pending for final orders.

(m) Edelweiss Custodial Services Limited ("ECSL")

(i) Civil proceedings against ECSL

1. 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 petition has been filed under Section 9 of the Arbitration and Conciliation Act, 1996, seeking interim relief pending arbitration. The matter is currently pending.

2. 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 claim 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. As Economic Offences Wing ("**EOW**") is already seized of the matter on account of the complaints filed with the it by certain end-investors of Anugrah, EOW has been directed to submit a report on the progress of the investigation. The matter is currently pending.

3. Writ Petition has been filed before the Bombay High Court by Nimish Shah and others including Karim Maredia, Alpita Apurva Mayekar and others, 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, Edelweiss Custodial Services Limited, Anugrah and Teji Mandi, and pass appropriate orders to protect the interest of the petitioners and other investors As the petition involves a common cause of action and similar/overlapping reliefs, the parties were given the liberty to make an application to tag the above petition with other writ petitions filed before the Bombay High Court. All the writ petitions have been tagged together and common orders have been passed in all the writ petitions. The matter is currently pending for hearing.

(ii) 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 a 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, on ECSL submitting an Undertaking that ECSL will maintain unencumbered assets which were worth Rs.4603.2 million till the miscellaneous application filed by ECSL is finally decided.. The matter is currently pending.

(iii) 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 certain observations in its SCN and a personal hearing was scheduled before the Member and Core Settlement Guarantee Fund Committee ("**MCSGFC**") of NCL. The MCSGFC of NCL passed an order dated February 12, 2020 stating that ECSL should reinstate such securities that are liquidated by ECSL. ECSL thereafter filed an appeal against the impugned order with Securities Appellate Tribunal ("**SAT**") and a Miscellaneous Application. SAT by its order dated February 26, 2020 granted a stay on the matter until the matter is disposed of and directed ECSL to maintain its unutilized and free collateral with NCL above ₹240 million till the appeal has been decided. 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 MCSGFC of NCL passed an order dated October 20, 2020 stating that post detailed scrutiny of NSE, the quantum of securities to be re-instated will be intimated by NSE to ECSL for further action. Further, a penalty of ₹ 0.1 million has also been levied. 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. NCL had further sought clarifications on certain points vide its letter dated March 17, 2022 which are duly responded by ECSL vide its letter dated April 27, 2022 to NCL. The matter is currently pending.

4. SEBI jointly with the clearing corporations had conducted joint inspection of clearing business of ECSL for the period April 2020 to December 2021 and raised certain observations vide its letter dated March 30, 2022. The same has been responded by ECSL to SEBI on April 8, 2022. Awaiting further revert from SEBI.

(n) 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.

2. Taxation

As on the date of this Draft Prospectus, there are no tax matters involving the Company, wherein the amount involved is above ₹50 million.

3. Details of acts of material frauds committed against our Company in the last three years immediately preceding the date of this Draft Prospectus, if any, and if so, the action taken by our Company

Nil

4. 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

5. Pending proceedings initiated against our Company for economic offences

Nil

6. 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.

Except as described below, 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 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 in the last three years:

Sr. No.	Month/ Year	Details of violations / observations / matters requiring attention or action	Regulatory / Relevant Authority (FMC / SEBI / Exchange / Others**)	Action taken	Corrective Steps taken by thereupon in respect of observations	Status	Amount (if any)
1	October, 2018	Economic Offence Wing ("**EOW**") investigation relating to investigation into alleged fraud involving physical shares and demat accounts, lack of due skill, care, diligence, professionalism, and efficiency by EBL while dealing with Mr. Yatin Parekh, client of EBL, named in the investigation report in the aforesaid matter.	SEBI	Matter under process	Matter under process	Pending	-
2	June, 2020	Trading under Margin Trading Facility ("**MTF**")	NSE	Penalty has been levied	Matter under process	Closed with	Securities Appellate

Sr. No.	Month/ Year	Details of violations / observations / matters requiring attention or action	Regulatory / Relevant Authority (FMC / SEBI / Exchange / Others**)	Action taken	Corrective Steps taken by thereupon in respect of observations	Status	Amount (if any)
						SAT	Tribunal finalised the order and levied penalty of ₹ 25,00,000 against our Company
3	October, 2019	Erroneous transfer of Electronic warehouse receipt, non / delayed communication to client	CDSL Commodity Repository Limited	Show cause notice has been served	The matter was satisfactorily closed after discussion with respective client.	Closed	Nil
4	July, 2020	NSE sought a trading rationale from client for the trades which has resulted synchronised / matched transactions executed and reversed in derivatives segment	NSE	Advice / Warning given	NSE has informed to refrain from entering into such abnormal/ non genuine transactions and to put in place requisite systems to monitor abnormal/ non-genuine transactions so that such transactions are not executed on the exchange in future	Closed	Nil
5	September, 2019	Observation pertaining to Enhanced supervision	Metropolitan Stock Exchange of India Limited	Advice for non-recurrence of observation in future	Our Company has rectified the observations	Closed	Nil
6	August, 2020	Delayed intimation of registered office address changed	SEBI	Administrative warning has been issued	Our Company has strengthened our system	Closed	Nil
7	September, 2019	Discrepancies regarding the KYC, Actual Settlement of client accounts, trading terminals etc were observed	NSE	Penalty has been levied	Our Company has rectified the observations	Closed	₹ 136,000
8	December, 2020	SEBI had issued summon to EBL dated December 7, 2020 to compel production of documents before investigating authority under section 11C (3) of the SEBI Act, 1992 in the matter of dealing in the scrip Reliance Industries Limited by Mr. Bhawarlal Ramnivas Jajoo (PAN – AABPJ0947J) a client registered with EBL. EBL have submitted the	SEBI	SEBI summoned to produce documents in investigation matter	Our Company has submitted the documents	Closed	Nil

Sr. No.	Month/ Year	Details of violations / observations / matters requiring attention or action	Regulatory / Relevant Authority (FMC / SEBI / Exchange / Others**)	Action taken	Corrective Steps taken by thereupon in respect of observations	Status	Amount (if any)
		requirement to SEBI.					
9	February, 2020	The major observations are: • Funding of securities other than Group I equity shares under the margin trading facility • Incorrect email id and mobile number in the Unique Client Code database • Submission of incorrect data towards the monthly clients' securities balances For other violations. the Exchange issued warning and advice.	NSE	Penalty has been levied	Matter under process	Closed	₹ 775,500
10	December, 2020	The major observation for which the penalty was levied was for incorrect data uploaded in the weekly holding statement as on September 30, 2020. For other violations. the Exchange issued warning and advice.	NSE	Penalty has been levied	Matter under process	Closed	₹ 25,000
11	June, 2021	Settlement of fund or securities/commodities were not done on monthly / quarterly basis as specified by the client	National Commodity and Derivatives Exchange	Penalty has been levied	Matter under process	Closed	15,000
12	March, 2019	1. One account was opened under inappropriate category. 2. The Depository Participant – Clearing Member ("**DP-CM**") agreement has not been executed for clearing members of BSE.	SEBI/NSDL/ CDSL	Warning has been issued	1. We have opened new account (Beneficiary Owner ID: 03288744) in the correct category on May 31, 2019. Post transfer of securities to new account, Beneficiary Owner ID 3164031 - United Service Institution of India, demat account has been closed on June 4, 2019. 2. The DP-CM agreement has been executed between Edelweiss Broking Limited and the beneficiary owner i.e. Edel Investments	Closed	Nil

Sr. No.	Month/ Year	Details of violations / observations / matters requiring attention or action	Regulatory / Relevant Authority (FMC / SEBI / Exchange / Others**)	Action taken	Corrective Steps taken by thereupon in respect of observations	Status	Amount (if any)
					Limited (BSE Clearing Member) on April 15, 2019.		
13	May, 2021	Corrective actions are taken by DP, for cases kept on hold – rejected by KRA (Refer Comm 2774)	CDSL	Warning has been issued	We had contacted the BOs for obtaining the requisite information / documents. On receipt of these details we have updated the details and images in KRA system. All the mentioned accounts have been KYC Registration Agency verified.	Closed	Nil

7. 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 Draft Prospectus:

Nil

8. Any material event/ development or change having implications on the financials/credit quality at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.

Except as disclosed below, there are no material events/developments or changes having implications on the financials/credit quality at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities:

Sr. No	Details of Violations / observations / matters requiring attention or action	Regulatory / Relevant Authority (FMC / SEBI / Exchange / Others)	Action taken	Status	Amount (if any)
1	SEBI, stock exchanges and depositories has conducted the inspection of books of accounts for the period April 2017 to February 2019. During the course of inspection, NSE has found certain discrepancies regarding the Funding, SEBI Margin Trading and Funding ("**SMTF**"), Enhanced Supervision, KYC, non-reconciliation of back office holding with stock lying in client beneficiary a/c trading terminals etc.	NSE	Penalty of ₹ 18,010,000 levied as per Member and Core Settlement Guarantee Fund Committee /Committee. The penalty levied pertains to securities other than group 1 considered for collection of margin / for trading under Margin Trading Funding ("**MTF**") – ₹ 0.5 million and non-adherence to leverage and exposure limits – ₹ 17,510,000. The matter was placed with the Securities Appellate Tribunal.	Closed with Securities Appellate Tribunal	The Securities Appellate Tribunal finalised the order and levied penalty of ₹ 2,500,000 against EBL in January 2021 towards.

9. Details of disciplinary action taken by SEBI or Stock Exchanges against the Promoters/Group companies in the last five financial years, including outstanding action

1. EFSL 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.

2. SEBI had issued a show cause notice (No. EAO/MC/DPS/17392/2018) to Edelweiss Securities Limited ("**ESL**") wherein it was alleged that ESL had failed to segregate its own proprietary funds from client funds (e.g. made proprietary fund pay in obligation from the client bank accounts) and had other lapses in internal control measures in relation to access to its Institutional Trading Desk Dealing Room operations. Accordingly, ESL was found to be in violation of SEBI Circular No. SMD/SED/CIR/93/2331 date November 18, 1993 and clause 3 of SEBI circular No. Cir/ISD/1/2011 dated March 23, 2011, read with clauses A(2) and A(5) of the code of conduct specified under schedule II read with Regulation 9(f) of the SEBI (Stockbrokers & Sub Brokers) Regulations, 1992. ESL had submitted its response vide letter dated July 3, 2018 that it has undertaken remedial measures.-ESL filed for settlement application with SEBI and the proposed terms were put forth. The High Powered Advisory Committee ("**HPAC**") recommended that the case be settled at an amount of Rs. 3,531,537, which was agreed upon by the panel of SEBI whole time members. The settlement order was granted to ESL and passed on March 13, 2019.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Issuer's Absolute Responsibility

"The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft 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 Draft 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 January 21, 2022, the Board of Directors approved the issuance of NCDs to the public. Pursuant to such resolution, the present Issue through this Draft Prospectus of NCDs of face value of ₹ 1,000 each is approved by the Debentures Committee of the Company in its meeting held on June 17, 2022. The NCDs will be issued on terms and conditions as set out in the Prospectus, the issue of which is being made as decided by the Board of Directors.

Further, the present borrowing is within the borrowing limits of INR 75,000 million under Sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013 duly approved by the members of our Company at the Extraordinary General Meeting on January 28, 2022.

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 the Promoters or Directors of our Company is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by the Board.

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 Draft Prospectus.

The Company, as on date of this Draft 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 RBI.

Willful Defaulter

Our Company, and/or our Directors and/or our Promoters have not been categorised as a willful 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, 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 MANAGERS, HAVE 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, EQUIRUS CAPITAL PRIVATE LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [•] WHICH READS AS FOLLOWS:

[•]

EDELWEISS FINANCIAL SERVICES LIMITED IS DEEMED TO BE OUR ASSOCIATE AS PER THE SECURITIES AND EXCHANGE BOARD OF INDIA (MERCHANT BANKERS) REGULATIONS, 1992, AS AMENDED (MERCHANT BANKERS REGULATIONS). FURTHER, IN COMPLIANCE WITH THE PROVISIONS OF REGULATION 21A AND EXPLANATION TO REGULATION 21A OF THE MERCHANT BANKERS REGULATIONS, EDELWEISS FINANCIAL SERVICES LIMITED WOULD BE INVOLVED ONLY IN MARKETING OF THE ISSUE AND AS PER REGULATION 25 (3) OF SEBI NCS REGULATIONS AND SHALL NOT ISSUE A DUE DILIGENCE CERTIFICATE

DISCLAIMER CLAUSE OF BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS APPROVAL DATED [•] GIVEN PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGE 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, ACUITÉ 'S RATING SCALE AND ITS DEFINITIONS.

DISCLAIMER STATEMENT OF CRISIL

CRISIL RATINGS LIMITED (CRISIL RATINGS) HAS TAKEN DUE CARE AND CAUTION IN PREPARING THE MATERIAL BASED ON THE INFORMATION PROVIDED BY ITS CLIENT AND / OR OBTAINED BY CRISIL RATINGS FROM SOURCES WHICH IT CONSIDERS RELIABLE (INFORMATION). A RATING BY CRISIL RATINGS REFLECTS ITS 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. 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. THE RATING IS NOT A RECOMMENDATION TO INVEST / DISINVEST IN ANY ENTITY COVERED IN THE MATERIAL AND NO PART OF THE MATERIAL SHOULD BE CONSTRUED AS AN EXPERT ADVICE OR INVESTMENT ADVICE OR ANY FORM OF INVESTMENT BANKING WITHIN THE MEANING OF ANY LAW OR REGULATION. CRISIL RATINGS ESPECIALLY STATES THAT IT HAS NO LIABILITY WHATSOEVER TO THE SUBSCRIBERS / USERS / TRANSMITTERS/ DISTRIBUTORS OF THE MATERIAL. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NOTHING IN THE MATERIAL IS TO BE CONSTRUED AS CRISIL RATINGS PROVIDING OR INTENDING TO PROVIDE ANY SERVICES IN JURISDICTIONS WHERE CRISIL RATINGS DOES NOT HAVE THE NECESSARY PERMISSION AND/OR REGISTRATION TO CARRY OUT ITS BUSINESS ACTIVITIES IN THIS REGARD. EDELWEISS BROKING LIMITED WILL BE RESPONSIBLE FOR ENSURING COMPLIANCES AND CONSEQUENCES OF NON-COMPLIANCES FOR USE OF THE MATERIAL OR PART THEREOF OUTSIDE INDIA. CURRENT RATING STATUS AND CRISIL RATINGS' RATING CRITERIA ARE AVAILABLE WITHOUT CHARGE TO THE PUBLIC ON THE WEBSITE, WWW.CRISIL.COM. FOR THE LATEST RATING INFORMATION ON ANY INSTRUMENT OF ANY COMPANY RATED BY CRISIL RATINGS, PLEASE CONTACT CUSTOMER SERVICE HELPDESK AT 1800- 267-1301.

DISCLAIMER CLAUSE OF CARE ADVISORY RESEARCH AND TRAINING LIMITED (CAREEDGE RESEARCH)

THIS REPORT IS PREPARED BY CARE ADVISORY RESEARCH AND TRAINING LIMITED (CAREEDGE RESEARCH). CAREEDGE RESEARCH HAS TAKEN UTMOST CARE TO ENSURE ACCURACY AND OBJECTIVITY WHILE DEVELOPING THIS REPORT BASED ON INFORMATION AVAILABLE IN CAREEDGE RESEARCH'S PROPRIETARY DATABASE, AND OTHER SOURCES CONSIDERED BY CAREEDGE RESEARCH AS ACCURATE AND RELIABLE INCLUDING THE INFORMATION IN PUBLIC DOMAIN. THE VIEWS AND OPINIONS EXPRESSED HEREIN DO NOT CONSTITUTE THE OPINION OFCAREEDGE RESEARCH TO BUY OR INVEST IN THIS INDUSTRY, SECTOR OR COMPANIES OPERATING IN THIS SECTOR OR INDUSTRY AND IS ALSO NOT A RECOMMENDATION TO ENTER INTO ANY TRANSACTION IN THIS INDUSTRY OR SECTOR IN ANY MANNER WHATSOEVER.

THIS REPORT HAS TO BE SEEN IN ITS ENTIRETY; THE SELECTIVE REVIEW OF PORTIONS OF THE REPORT MAY LEAD TO INACCURATE ASSESSMENTS. ALL FORECASTS IN THIS REPORT ARE BASED ON ASSUMPTIONS CONSIDERED TO BE REASONABLE BY CAREEDGE RESEARCH; HOWEVER, THE ACTUAL OUTCOME MAY BE MATERIALLY AFFECTED BY CHANGES IN THE INDUSTRY AND ECONOMIC CIRCUMSTANCES, WHICH COULD BE DIFFERENT FROM THE PROJECTIONS.

NOTHING CONTAINED IN THIS REPORT IS CAPABLE OR INTENDED TO CREATE ANY LEGALLY BINDING OBLIGATIONS ON THE SENDER OR CAREEDGE RESEARCH WHICH ACCEPTS NO RESPONSIBILITY, WHATSOEVER, FOR LOSS OR DAMAGE FROM THE USE OF THE SAID INFORMATION. CAREEDGE RESEARCH IS ALSO NOT RESPONSIBLE FOR ANY ERRORS IN TRANSMISSION AND SPECIFICALLY STATES THAT IT, OR ITS DIRECTORS, EMPLOYEES, PARENT COMPANY – CARE RATINGS LTD., OR ITS DIRECTORS, EMPLOYEES DO NOT HAVE ANY FINANCIAL LIABILITIES WHATSOEVER TO THE SUBSCRIBERS/USERS OF THIS REPORT. THE SUBSCRIBER/USER ASSUMES THE ENTIRE RISK OF ANY USE MADE OF THIS REPORT OR DATA HEREIN. THIS REPORT IS FOR THE INFORMATION OF THE AUTHORISED RECIPIENT IN INDIA ONLY AND ANY REPRODUCTION OF THE REPORT OR PART OF IT WOULD REQUIRE EXPLICIT WRITTEN PRIOR APPROVAL OF CAREEDGE RESEARCH.

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DISCLAIMER STATEMENT FROM THE LEAD MANAGERS

THE LEAD MANAGERS ACCEPT NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE DRAFT PROSPECTUS OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE COMPANY 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 DRAFT PROSPECTUS AND THE 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 DRAFT PROSPECTUS AND THE 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 DRAFT 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 15 OF THIS DRAFT PROSPECTUS.

OUR COMPANY, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS DRAFT PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS DRAFT 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 HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKE THIS DRAFT 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 DRAFT PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGES WEBSITES WHERE THE NCDs ARE PROPOSED TO BE LISTED.

OUR COMPANY DECLARES THAT NOTHING IN THE DRAFT 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 Managers

The track record of past issues handled by the Lead Managers, as required under SEBI NCS Regulations and SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of Lead Managers	Website
Equirus Capital Private Limited	www.equirus.com
Edelweiss Financial Services Limited	www.edelweissfin.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 Draft 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 unblocking intimations/allotment letters are not dispatched and/or demat credits are not made to investors within six 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 Managers, (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 and Training Limited (CareEdge Research) in relation to the Industry Report on Wealth Management and Stock Broking have been obtained from them and and the same will be filed along with a copy of the 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 Draft Prospectus with the Stock Exchange.
**The consents will be procured at the Prospectus stage.*

Our Company has received the written consent dated June 17, 2022 from M/s. 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 Draft 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 report dated June 16, 2022, on the Reformatted Financial Information of the Company as at and for each of the years ended March 31, 2022, 2021 and 2020 pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 as amended; and (ii) the report on statement of possible tax benefits dated June 17, 2022, included in this Draft Prospectus, and such consent has not been withdrawn as on the date of this Draft 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 Draft Prospectus:

Our Company has received the written consent dated June 17, 2022 from M/s. 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 Draft 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 report dated June 16, 2022, on the reformatted financial information of the Company as at and for each of the years ended March 31, 2022, 2021 and 2020 pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 as amended; and (ii) the report on statement of possible tax benefits dated June 17, 2022, included in this Draft Prospectus, and such consent has not been withdrawn as on the date of this Draft 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 Draft 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 included in the SEBI Operational Circular.

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 Draft 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 created/ shall create 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.

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 as disclosed in Debenture Trustee Agreement dated June 17, 2022.

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:

- An Independent 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 JUNE 17, 2022, AS PER THE FORMAT SPECIFIED IN ANNEXURE A TO THE DT CIRCULAR AND SCHEDULE IV OF SEBI NCS REGULATIONS, WHICH READS AS FOLLOWS:

We, the Debenture Trustee (s) to the above-mentioned forthcoming issue state as follows:

1. We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.

2. On the basis of such examination and of the discussions with the issuer, its directors and other officers, other agencies and of independent verification of the various relevant documents, reports and certifications,

WE CONFIRM that:

a) The issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.

b) The issuer has obtained the permissions / consents necessary for creating security on the said property (ies).

c) The issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of debt securities.

d) All disclosures made in the offer document with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

e) 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.

f) 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.

g) 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 and Schedule IV of the SEBI NCS Regulations.

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 Managers, Lead Brokers/ Consortium Members, 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 Draft Prospectus. For further details see, "*Objects of the Issue*" on page 62.

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 of financial assets in which such unutilised monies have been invested;

(iv) we shall utilize the Issue proceeds only upon creation of security as stated in this Draft Prospectus in the section titled *"Terms of the Issue"* on page 216 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 the Issue; (c) completion of Allotment and unblocking 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 not be utilized for providing loans to or acquisition of shares of any entity who is part of the Promoter Group or group companies;

(vii) 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

(viii) If Allotment is not made, application monies will be 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 Draft Prospectus

Public Issues by our Company:

Our Company has not undertaken any public issue in last three years.

Rights Issue by our Company

Except as mentioned below, our Company has not undertaken any rights issue of equity shares in the last three years:

Date of Allotment	No of Equity Shares	Face value (₹)	Issue Price (₹)	Consideration (Cash, other cash, etc)	Nature for Allotment	Cumulative		
						No. of equity shares	Equity Share Capital	Equity Share Premium
March 30, 2019	18,300,000	10	16.45	Cash	Rights basis	177,190,000	1,771,900,000	432,336,580
March 30, 2021	170,000,000	10	10	Cash	Rights basis	347,190,000	34,719,00,000	432,336,580
March 11, 2022	83,264,000	10	12.01	Cash	Rights basis	430,454,000	4,304,540,000	599,697,220

Public / Rights Issues (to the public) by our group companies in the last 3 (three) years from this Draft Prospectus*:*

i. Edelweiss Financial Services Limited has undertaken the following debenture public issue prior to the date of this Draft Prospectus:

Date of Opening	April 1, 2021
Date of Closing	April 23, 2021
Total Issue Size	₹4,000 million
Amount raised in the Issue	₹ 2,187. 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.

Date of Opening	December 6, 2021
Date of Closing	December 27, 2021
Total Issue Size	₹ 5,000 million
Amount raised in the Issue	₹ 4562.50 million
Date of Allotment	December 28, 2021
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 borrowings of our Company and general corporate purposes.

ii. 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.

iii. 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.

iv. Edelweiss Housing 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	April 6, 2022
Date of Closing	April 26, 2022
Total Issue Size	₹ 3,000 million
Amount raised in the Issue	₹ 2759.05 million
Date of Allotment	April 29, 2022
Net Utilisation of Proceeds	The funds raised through the above issue has been utilized for the purpose of onward lending, repayment/ prepayment of interest and principal of existing loans and general corporate purposes.

Utilisation of issue proceeds of previous issues

The proceeds from the previous issuance of non-convertible debentures and equity shares through rights issue by the Company have been and/or are being utilized in accordance with the use of proceeds set out in the respective offer documents and/or information memorandums under which such non-convertible debentures and equity shares, respectively were issued.

Public Issue by our Subsidiaries in the last three years from this Draft Prospectus

NA

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 Draft 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 March 31, 2022, our Company has outstanding non-convertible debentures. For further details see chapter titled "*Financial Indebtedness*" on page 159.

Our Company has not issued any preference shares as of March 31, 2022.

Further, save and except as mentioned in this Draft Prospectus, our Company has not issued any other debentures as on March 31, 2022.

Dividend

Dividend declared to the Equity Shareholders of our Company over the last three years ended March 31, 2022:

Particulars		**For the Fiscal Year ended March 31,**		
		2022	**2021**	**2020**
Equity Share Capital (₹ in million)		4,304.54	3,471.90	1,771.90
Face Value Per Equity Share (₹)	(a)	10	10	10
Interim Dividend on Equity Shares (₹ per Equity Share)	(b)	Nil	Nil	Nil
Interim dividend on Equity Shares (₹ in million, unless otherwise stated)		Nil	Nil	Nil

Particulars		For the Fiscal Year ended March 31,		
		2022	2021	2020
Interim Dividend Declared Rate (in %)	(c=b/a)	0.00%	0.00%	0.00%
Final Dividend on Equity Shares (₹ per Equity Share)	(d)	Nil	Nil	Nil
Final dividend on Equity Shares (₹ in million, unless otherwise stated)		Nil	Nil	Nil
Final Dividend Declared Rate (In %)	(e=d/a)	0.00%	0.00%	0.00%

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 June 17, 2022 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 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 center 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 Centers, 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 Limited
(Formerly known as 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: ebl.ncdipo@kfintech.com
Investor Grievance ID: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
Compliance Officer: Anshul Jain
SEBI Registration Number: INR000000221
CIN: U72400TG2017PTC117649

The Registrar shall endeavor 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:

Dipankar Basu
Company Secretary and Compliance Officer

Edelweiss Broking Limited
Edelweiss House,
Off. CST Road,
Kalina, Mumbai - 400 098
Tel: + 91 79666 29900
Email: EWM.Secretarial@edelweissfin.com

Corporate Office:
Edelweiss House,
Off CST Road, Kalina,
Mumbai 400 098, Maharashtra, India
Tel: +91 22 4086 3535
Fax: +91 22 4019 4890
Website: https://www.edelweiss.in/
Email: EWM.Secretarial@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
M/s. S.R. Batliboi & Co. LLP *Chartered Accountants*	12th Floor, The Ruby, 29, Senapati Bapat Marg Dadar (West), Mumbai – 400 028.	June 16, 2021

Change in auditors of our Company during the last three years

Name of the Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
NGS & Co. LLP, *Chartered Accountants*	B-46, 3rd Floor, Pravasi Estate, V N Road, Goregaon (E), Mumbai 400 063	September 29, 2015	September 30, 2019	NA
M/s. GMJ & Co., *Chartered Accountants*	3rd & 4th Floor, Vaastu Darshan, "B" Wing, Above Central Bank of India, Azad Road, Andheri (East), Mumbai 400 069	September 30, 2019	June 15, 2021	June 15, 2021
S. R. Batliboi & Co. LLP *Chartered Accountants*	12th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai 400 028	June 16, 2021*	NA	NA

**Approved by members on June 21, 2021*

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 the Prospectus with the ROC and the date of the release of the statutory advertisement will be included in the statutory advertisement.

Auditors' Remarks

There are no reservations or qualifications or adverse remarks in the auditors' report on the financial statements of our company in the last three Fiscals immediately preceding this Draft Prospectus.

Trading

The non-convertible debentures of our Company are listed on 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, Maharashtra, India.

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The key common terms and conditions of the NCDs / term sheet are as follows:

Issuer	Edelweiss Broking 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 Managers	Equirus Capital Private Limited and Edelweiss Financial Services Limited*. **Edelweiss Financial Services Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, Edelweiss Financial Services Limited would be involved only in marketing of the Issue and as per Regulation 25 (3) of SEBI NCS Regulations and shall not issue a due diligence certificate.*
Debenture Trustee	Beacon Trusteeship Limited
Depositories	NSDL and CDSL
Registrar	KFIN Technologies Limited *(formerly known as KFIN Technologies Private Limited)*
Issue	Public issue of secured redeemable NCDs of our Company of face value of ₹1,000 each aggregating up to ₹1,500 million, with an option to retain over-subscription up to ₹1,500 million, aggregating up to ₹3,000 million, on the terms and in the manner set forth herein.
Minimum Subscription	Minimum subscription is 75% of the Base Issue, i.e., ₹ 1,125 million
Issue Size	₹ 1,500 million
Option to Retain Oversubscription Amount	Up to ₹ 1,500 million.
Eligible Investors	Please see "*Issue Procedure – Who can apply?"* on page 231
Objects of the Issue	Please see "*Objects of the Issue*" on page 62.
Details of Utilization of the Proceeds	Please see "*Objects of the Issue*" on page 62.
Interest Rate on each category of investor	Please see "*Terms of Issue*" on page 216
Step up/ Step Down Interest rates	NA
Interest type	Fixed
Interest reset process	NA
Frequency of interest payment	Please see "*Terms of Issue*" on page 216
Interest payment date	Please see "*Terms of Issue*" on page 216
Day count basis	Actual / Actual
Interest on application money	NA
Default Interest rate	Our Company shall pay interest, over and above the agreed coupon rate, in connection with any delay in allotment, unblocking, 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	Please see "*Terms of Issue*" on page 216
Redemption Date	Please see "*Issue Related Information"* on page 211
Redemption Amount	Please see "*Issue Structure – Specific Terms for NCDs*" on page 214
Redemption Premium/ Discount	Please see "*Issue Structure – Specific Terms for NCDs*" on page 214
Face Value	₹ 1,000 per NCD

Issue Price	₹ 1,000 per NCD
Discount at which security is issued and the effective yield as a result of such discount	NA
Put date	NA
Put price	NA
Call date	NA
Call price	NA
Put notification time	NA
Call notification time	NA
Minimum Application size and in multiples of NCD thereafter	₹ 10,000 (10NCD) and in multiple of ₹ 1,000 (1 NCD) thereafter.
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 ₹ 300 Crores by CRISIL Ratings Limited vide their rating letter dated February 1, 2022, revalidated as on March 04, 2022, revalidated as on March 28, 2022, revalidated as on April 19, 2022, revalidated as on May 17, 2022 and further revalidated as on June 09, 2022 and "ACUITE AA" (pronounced as ACUITE double A rating with negative outlook) for an amount of ₹ 300 Crores by Acuité Ratings & Research Limited vide their rating letter dated May 17, 2022, revalidated as on June 08, 2022 and further revalidated as on June 14, 2022.
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 see *"Issue Structure – Terms of Payment"* on page 214
Issuance mode of the Instrument*	In dematerialised form only
Trading mode of the instrument*	In dematerialised form only
Issue opening date	[●]
Issue closing date**	[●]
Issue Timing	[●]
Record date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under this Draft 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 exchange shall be considered as Record Date.
Settlement mode of instrument	As specified in the Prospectus
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	As specified in the Prospectus and the Debenture Trust Deed.
Description regarding security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed this Draft	The principal amount of the NCDs to be issued in terms of the Draft Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of exclusive and/or pari-passu charge on the assets of the company including loans and advances, receivables, investments, stock in trade, current & other assets and immovable property / fixed assets held by the Company, created in favour of the Debenture Trustee, and/or over the Pledged Securities in favour of the Debenture Trustee for the benefit of the Debenture holders, except those specifically and exclusively charged in favour of certain existing charge holders as specifically set out in and fully described in the Debenture Trust Deed and/or Share Pledge Agreement 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

Prospectus	favour of the Debenture Trustee in relation to the NCDs. The NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and RoC or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee. Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in the Prospectus, till the execution of the Debenture Trust Deed. The security shall be created prior to making the listing application for the NCDs with the Stock Exchange(s). 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 216.
Issue documents	This Draft Prospectus, the 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 Managers 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 /Consortium Agreement. For further details, please see "*Material Contracts and Documents for Inspection*" on page 279.
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 218.
Creation of recovery expense fund	Our Company undertakes to deposit in the manner as may be 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.
Deemed date of Allotment	The date on which the Board of Directors/or the Debentures Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the Debentures 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 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 217.
Risk factors pertaining to the Issue	Please see section titled "*Risk Factors*" on page 15.
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 Debentures 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 see "General Information" on page 48.*

**For the list of documents executed/ to be executed, please see "Material Contracts and Documents for Inspection" on page 279.*

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 is maintained, however, the possibility of 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 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/ Unblocking*" on page 224.

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 Draft 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. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

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 230.

TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company held on January 21, 2022, the Board of Directors approved the issuance of NCDs of the face value ₹ 1,000 each, for an amount up to ₹ 3,000 million. Further, the present borrowing is within the borrowing limits of ₹500,000 million under Section 180(1)(c) of the Companies Act, 2013 duly approved by the members of our Company on January 28, 2022.

The NCDs pursuant to this Issue will be issued on terms and conditions as set out in the Prospectus.

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 Draft Prospectus, the Prospectus, the Abridged Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE/NSE, 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 exclusive and/or pari-passu charge on the assets of the company including loans and advances, receivables, investments, stock in trade, current & other assets and immovable property / fixed assets held by the Company, created in favour of the Debenture Trustee, and/or over the Pledged Securities in favour of the Debenture Trustee for the benefit of the Debenture holders, except those specifically and exclusively charged in favour of certain existing charge holders as specifically set out in and fully described in the Debenture Trust Deed and/or Share Pledge Agreement 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 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 or security is created are free from any encumbrances and if the assets are encumbered or already charged, the permissions or consent to create any further charge on the Pledged Securities have been obtained from the existing creditors.

Our Company has applied to the existing creditors for such permissions or consents and has received such permissions or consents from all such creditors.

Security

The principal amount of the NCDs to be issued in terms of the Draft Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of exclusive and/or pari-passu charge on the assets of the company including loans and advances, receivables, investments, stock in trade, current & other assets and immovable property / fixed assets held by the Company, created in favour of the Debenture Trustee, and/or over the Pledged Securities in favour of the Debenture Trustee for the benefit of the Debenture holders, except those specifically and exclusively charged in favour of certain existing charge holders as specifically set out in and fully described in the Debenture Trust Deed and/or Share Pledge Agreement 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.

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 Prospectus and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value and shall ensure that the minimum security cover shall be maintained until the redemption of the NCDs.

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 Draft 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).

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 Draft Prospectus, the Prospectus, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s)/ Beneficial Owner(s) for financial assistance by way of subscription to the Debenture is or proves to be misleading or incorrect in any material respect or is found to be incorrect;
(vi) Default is committed if the Company is unable to or admits in writing its inability to pay its debts as they mature or proceedings for taking it into liquidation have been admitted by any competent court;
(vii) The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law or suffered any action to be taken for its reorganisation, liquidation or dissolution;
(viii) Default is committed if any extraordinary circumstances have occurred which makes it impossible for the Company to 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
(xix) Any other event described as an Event of Default in this Draft Prospectus, the 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 other applicable statutory and/or regulatory requirements, 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 Draft Prospectus, the Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of 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 up-to-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 roll-over of NCDs shall be as per regulation 39 of the SEBI NCS Regulations.

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 Draft 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 230.

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 223 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.

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.

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.

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.

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.

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.

Period of subscription

ISSUE PROGRAMME	
ISSUE OPENS ON	[●]
ISSUE CLOSES ON	[●]

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 Centers, 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 Managers 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

[●]

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 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. Please see "*Terms of the Issue – Manner of Payment of Interest / Unblocking*" at page 224.

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 230, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft 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 will be disclosed in the Prospectus.

Maturity and Redemption

[•]

Application Size

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereof. Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹ 1,000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of this Draft Prospectus(es).

Manner of Payment of Interest / Unblocking

The manner of payment of interest / unblocking in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / unblocking / 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 Managers, our Company or the Registrar shall have no responsibility and undertake no liability for the same.

In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Company along with the rematerialisation request. For further details, please see "*Terms of the Issue – Procedure for Rematerialization of NCDs*" on page 221.

Printing of Bank Particulars on Interest/redemption Warrants

As a matter of precaution against possible fraudulent encashment of unblocking intimations 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 Ahmedabad 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 minimum security cover is maintained on the NCDs and the interest thereon and after obtaining the consent of, the NCD Holders or the Debenture Trustee regarding the creation of a charge

over such security, as per the statutory/regulatory requirement.

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 Managers 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 Draft 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 Prospectus with the RoC

A copy of the 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 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 Draft 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 [•]. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

Guarantee/Letter of Comfort

The Security proposed for 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 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 ₹ 500,000 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 Intermediaries at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Draft 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 as amended on April 13, 2022 and May 19, 2022.

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 Managers 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 Draft 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 Managers 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 THE PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE LEAD MANAGERS, THE LEAD BROKERS/ CONSORTIUM MEMBERS 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 holiday of commercial banks in Mumbai. Furthermore, for the purpose of post issue period, i.e., period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai.

Availability of this Draft Prospectus, Prospectus, Abridged Prospectus and Application Forms

The copies of the Draft Prospectus, the Prospectus, Abridged Prospectus together with Application Forms may be obtained

from our Registered Office, Lead Managers to the Issue, Lead Brokers/ *Consortium Members* for marketing of the Issue, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, the 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 Managers and the SCSBs.

In addition, Application Forms would also be made available to all the recognised stock exchange. 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 ₹500,000 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 Managers, Members of Consortium/Syndicate 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 Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus.

How to apply?

Copies of the Abridged Prospectus containing the salient features of the Prospectus together with Application Forms and copies of the Prospectus may be obtained from our Registered Office, the Lead Managers, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, the Prospectus and the Application Forms will be available

(i) for download on the website of BSE at www.bseindia.com and the website of the Lead Managers at www.equirus.com and/or www.equirussecurities.com and/or www.edelweissfin.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.

Please note that there is a single Application Form for, persons resident in India.

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 Centers, i.e., to the respective Syndicate Members at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centers, 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 Managers 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 Exchange*

    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 Exchange have extended their web-based platforms i.e., 'BSE Direct' 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 up to ₹ 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 investment; 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 Managers, 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 Managers may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his or her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Funds

Application made by a National Investment Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Systematically Important Non-banking financial companies

Applications made by systematically important non-banking financial companies registered with the RBI and under other applicable laws in India must be accompanied by certified true copies of: (i) memorandum and articles of association/charter of constitution; (ii) power of attorney;(iii) board Resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

The Syndicate Members and their respective associates and affiliates are permitted to subscribe in the Issue.

Applications cannot be made by:

a. Minors without a guardian name* (A guardian may apply on behalf of a minor. However, the name of the guardian will also need to be mentioned on the Application Form);
b. Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
c. Person's resident outside India and other foreign entities;
d. Foreign Institutional Investors;
e. Foreign Portfolio Investors;
f. Non-Resident Indians;
g. Qualified Foreign Investors;
h. Overseas Corporate Bodies**;
i. Foreign Venture Capital Funds; and
j. Person's 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 (belonging to Category IV) may also 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 Exchange 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 Managers or Lead Broker/ Consortium Member 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 Managers 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 Managers or Lead Broker/ Consortium Member 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 center 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 exchange 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 Prospectus 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 Prospectus 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 *th*e 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 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 Prospectus for the Issue to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID, PAN AND UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM) IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID PAN AND UPI ID GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID, PAN AND UPI ID AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID, PAN and UPI ID provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and unblocking intimations, 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/ unblocking of funds, 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 unblocking intimations (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Allotment Advice would be mailed by post or e-mail at the address of the Applicants in accordance with the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of unblocking through electronic modes as detailed in *the* Prospectus, unblocking 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/ Consortium Members, Lead Managers, 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/ Consortium Members, Lead Managers 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/ Consortium Members, Lead Managers 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 up to ₹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/ Consortium Members, Lead Managers 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/ Consortium Members, Lead Managers 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 Managers and Trading Members of the Stock Exchange at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Prospectus is made available on their websites.

(b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Lead Managers 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 see section titled "*Issue Related Information*" on page 211.

(c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Managers or Lead Broker/ Consortium Member 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* Draft Prospectus, the 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 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 Managers, Lead Broker/ Consortium Member, 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 Managers, Lead Broker/ Consortium Member, 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 Managers, Lead Broker/ Consortium Member, 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 Managers, Lead Broker/ Consortium Member, 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 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 unblocking intimations/unblocking 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 Managers, 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 unblocking intimations, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical unblocking intimations (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 unblocking intimations/ 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 unblocking intimations. Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Lead Managers, 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 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 unblocking intimation and mailing of unblocking intimations/ 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 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 Managers, Lead Broker/ Consortium Member, 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 centers 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 Managers 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 Draft 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 the 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 Managers, Lead Broker/ Consortium Member, 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 211.
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 up to the application value of ₹500,000;
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 Managers or Lead Broker/ Consortium Member 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 Managers or Lead Broker/ Consortium Member 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 Issue 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 Managers or Lead Broker/ Consortium Member 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/ Consortium Members, 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 Managers 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 Managers 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 ₹ 500,000;

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 January 19, 2022, and between us, the Registrar to the Issue and CDSL for offering depository option to the Applicants.
2. Tripartite Agreements dated January 19, 2022, 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/ unblocking intimations 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 230.

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 unblocking, 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 the Prospectus in the section titled "*Terms of the Issue*" on page 216 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 Exchange;

(f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

(g) The allotment letter shall be issued, or application money shall be unblocked within 15 days from the closure of the Issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

Other Undertakings by our Company

Our Company undertakes that:

(a) Complaints received in respect of the Issue will be attended to by our Company expeditiously and satisfactorily;

(b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;

(c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 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 the 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 *the* 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 Managers, 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 Managers, 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 Issue 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 Managers 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 Managers, Lead Broker/ Consortium Member 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 Managers 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

[•]

Allocation Ratio

[•]

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/ Consortium Members, 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 Managers, Lead Broker/ Consortium Member, or Trading Members of the Stock Exchange at the Specified Cities, upon receipt of the request for withdrawal from the Applicant, the relevant Lead Managers, 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 Managers 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 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.

SECTION VIII - KEY PROVISIONS OF ARTICLES OF ASSOCIATION

Part-A

Interpretation

1. 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 Broking Limited, incorporated under the Companies Act, 2013.

   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

2. 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 Directors 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 a premium or at par and at such time as they may from time to time think fit.

3. 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.

4. 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.

5. 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.

6.

(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.

7.

(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.

8. 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 the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

9.

(1) 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.

(2) 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

10.

(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.

11. 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.

12.

(1) To give effect to any such sale, the Board may authorise some 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 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 in reference to the sale.

13.

(1) The proceeds of the sale shall be received by the company and applied in 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.

(3) 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.

(4) The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

Alteration of Capital

14. 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.

15. 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.

Capitalization of Profits

16.

(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 unissued 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.

Buy-Back of Shares

17. 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

18. All general meetings other than annual general meeting shall be called extraordinary general meeting.

19.

(1) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(2) If at any time 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

20.

(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.

21.

(1) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

(2) No business shall be discussed or transacted at any general meeting except the election of the Chairperson, whilst the chair is vacant.

(3) 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.

22. 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.

23. 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.

Adjournment of Meeting

24.

(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 meeting.

(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

25. 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.

26. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

27.

(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.

28. 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.

29. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

30. 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.

31.

(1) 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.

(2) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

32.

(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.

33. An instrument appointing a proxy shall be in the form as prescribed in the Act.

34. 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

35.

(1) 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).

(2) 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.

36.

(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.

37. 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.

38. 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.

39.

(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.

40.

(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.

41.

(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

42.

(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) (3) 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.

43.

(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.

44.

(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.

45.

(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.

46.

(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.

47.

(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.

48. 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.

49. Duties of Directors:

(1) act in accordance with the provisions of the Act, Applicable law and these Articles of Association of the Company.

(2) 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.

(3) exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

(4) 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.

(5) 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.

(6) not assign his office and any assignment so made shall be void.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

50. 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 thinks 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.

51. A provision 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

52. 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 Reserve

53. 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.

54. 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.

55.
    (1) 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 equalizing 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.

    (2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

56.
    (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 regulation 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.

57. 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.

58.
    (1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post 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.

59. 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.

60. 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.

61. No dividend shall bear interest against the company.

Accounts

62. 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

63. 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

64. 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.

PART B

Notwithstanding anything to the contrary contained in the preceding Articles 1 to Article 64 contained in Part A, the provisions of Article 65 to Article 93 and Schedule 1 contained in Part B of these Articles shall also apply in accordance with their terms and in the event of any inconsistency or contradictions between the provisions of Part A of these Articles and the provisions of Part B of these Articles, the provisions of Part B of these Articles shall override and prevail over the provisions of Part A of these Articles. Part B of these Articles shall cease to apply in entirety when the ESL Shareholders' Agreement is terminated as against all Parties.

Definitions and Interpretation

65. Definitions

"**Act**" means the (Indian) Companies Act, 2013, as amended from time to time;

"**Affiliate**" shall have the meaning assigned to such term in the EGWML Investment Agreement;

"**Applicable Law**" means the laws that apply to a Person, and shall include: (a) any law, legislation, statute, act, regulation, subordinate legislation, rule, by-law, order, proclamation, decree, ordinance, directive or code which is enacted, issued or promulgated by a Governmental Authority; (b) the rules and regulations of any stock exchange; (c) principles of law established by judgements or decisions of courts; and (d) any Authorisations (including any conditions or requirements under them);

"**Articles**" means the articles of association of the Company, as amended from time to time;

"**Authorisation**" means any permit, permission, license, approval, authorization, consent, clearance, waiver, grant, license, franchise, concession, no objection certificate, certificate, exemption, order, registration, declaration, report, decree, notice or other authorization of whatever nature and by whatever name called granted by any Governmental Authority;

"**Benchmark Price**" means such price as may be agreed in writing between PAG and EFSL under the ESL Shareholders' Agreement;

"**Board**" means the board of directors of the Company; "**Board Meeting**" means a meeting of the Board;

"**Business Day**" means a day, other than a Saturday, Sunday or a public holiday in Mumbai and Singapore, on which banks are open in Mumbai and Singapore for general commercial business;

"**Chairperson**" shall have the meaning ascribed to it in Article 71; "**Committee(s)**" shall have the meaning ascribed to it in Article 91 (a); "**Company**" shall mean Edelweiss Broking Limited;
"Deed of Adherence" means a deed of adherence in accordance with the format specified in Schedule 3 of ESL Shareholders' Agreement;

"**Director**" means a director on the Board;

"**EAM Business**" shall have the meaning ascribed to it in the Implementation Agreement;

"**EAML**" means Edelweiss Asset Management Limited "**ECAP**" means Ecap Equities Limited;

"**ECaSL**" means Edelweiss Capital Services Limited; "**ECuSL**" means Edelweiss Custodial Services Limited;

"**EFSL**" means Edelweiss Financial Services Limited;

"**EFSL Director**" shall have the meaning ascribed to it in Article 68 (a); "**EGWML**" means Edelweiss Global Wealth Management Limited;

"**EGWML Investment Agreement**" means the amended and restated investment agreement dated 18 March 2021 by and among EGWML, EFSL, PAG, Asia Pragati Strategic Investment Fund and ESL;

"**Equity Shares**" means equity shares of the Company, of face value of INR 10 (Indian Rupees Ten) each;

"**Equity Securities**" means the Equity Shares or any options, warrants or other securities (including any preference shares) that are convertible into, or exercisable or exchangeable for, or which carry a right to subscribe to or purchase, Equity Shares or any other equity share capital of the Company (whether or not such securities are issued) or any instrument or certificate representing a beneficial ownership interest in such instruments;

"**ESL**" means Edelweiss Securities Limited;

"**ESL Shareholders' Agreement**" means the amended and restated shareholders' agreement dated 18 March 2021 by and among PAG, EFSL, EGWML and ESL, in respect of the Transaction;

"**EWM Business**" means the following businesses:

(X) Main EWM Business means the following activities:

(i) in relation to affluent, high net worth and ultra high net worth clients in India:

A. brokerage activity and related activities permitted to be undertaken by brokers under applicable SEBI regulations/directions/circulars, including distribution of financial products including mutual funds, IPO, structured products, portfolio management services, alternative investment funds, infrastructure investment trusts (InVITs), real estate investment trusts (REITs) other than those manufactured by EFSL or its Affiliates, loans;

B. loan for financing intermediaries in the securities market, financing for share based employee benefits, margin funding;

C. investment advisory activities;

D. wealth structuring solutions;

E. depository participant services provided that this shall not include the designated depository participant services being provided by ECaSL;

(ii) For institutions in India and globally:

A. services in relation to merchant and investment banking being fund raising through primary/secondary equity capital markets, private equity fund raising, debt capital markets and debt syndication;

B. clearing services;

C. institutional and retail equity and/or fixed income research (save and except for any research that is distributed by EFSL and its Affiliates as a part of its fund management business to the investors in its funds), as well as institutional broking services, Equity securities market business and Equity institutional securities business in India & globally

(Y) Other EWM Businesses being:

A. Loans against financial products as primary collateral, funding against primary issuances or other corporate actions like buyback, offer for sale, unsecured financing to existing and new clients who have availed secured funding; IPO / bond subscription funding; FPO subscription funding;

B. advisory business, including services in relation to merchant and investment banking in relation to merger and acquisitions, hedging and foreign currency exchange related services, process advisor to corporate insolvency resolution process and resolution professionals;

C. distribution of non-financial products like commercial and residential real estate and physical commodities;

D. distribution of alternative investment funds, INVITs & REITs manufactured by EFSL or its Affiliates,

security receipts;

E. liberalised remittance scheme (LRS) oriented funds;

F. fund accounting, trusteeship services;

G. treasury operations including trading and investing in government securities and corporate bonds and other bonds, listed and unlisted securities, structured equity-linked notes and other structured products;

H. access funds;

I. client referral activity; and

J. Edelweiss Crossover Opportunities Fund I and II managed by EAML in terms of the Implementation Agreement and '*Edelweiss Infinity Strategy*' in the form of a PMS scheme or an AIF scheme.

For avoidance of doubt, it is clarified that the term '*EWM Business*' shall not cover the businesses currently undertaken by the EAM Business and EFSL and other group companies of EFSL in their Ordinary Course of Business;

"**EWM Group Companies**" means the Group Companies undertaking the EWM Business which, notwithstanding anything to the contrary stated in the Transaction Documents, shall not include EAML and ECAP;

"**Fair Market Value**" means the fair market value of the relevant securities or the EWM Business, as the case may be, for the purposes of these Articles, which shall be determined in accordance with the principles set forth in Schedule 5 of the ESL Shareholders' Agreement;

"**Fully Diluted Basis**" means, with reference to any amount or percentage of the share capital of a company, such amount or percentage calculated as if all of the Equity Securities, then issued and outstanding, had been exercised in full (whether or not such Equity Securities are at such time exercisable or convertible), except any contractual rights under any financing agreements in favour of any lenders which carry a right in favour of the lenders to convert cash loans into equity shares;

"**First Closing Date**" shall have the meaning ascribed to the term 'Closing Date' under the EGWML Investment Agreement;

"**General Meeting**" shall have the meaning ascribed to it in Article 86;

"**Governmental Authority(ies)**" means any government (supranational (including the European Union and its successor entities) national, state or local), any department, agency, instrumentality, officer or minister of any government, quasi-governmental or private body exercising any regulatory or governmental authority, judicial authority, quasi-judicial authority, arbitrator or such other law, rule or regulation-making entity having jurisdiction;

"**Group Company**" means each of ESL and its Subsidiaries, and "**Group Companies**" shall be construed accordingly;

"**Implementation Agreement**" means the amended and restated implementation agreement dated 18 March 2021 by and among *inter alia* PAG, Asia Pragati Strategic Investment Fund, EFSL, EGWML, ECAP and ESL, in respect of the Transaction;

"**Initial Meeting**" shall have the meaning ascribed to it in Article 79(c);

"Investors" shall collectively mean PAG and EWGML and shall individually be referred to as **"Investor"**.

"**Investor Directors**" shall have the meaning ascribed to it in Article 68 (a); "**Listing**" means the listing of the Equity Shares on any Recognized Stock Exchange; "**Listing Date**" means the date on which Listing is achieved;

"**Ordinary Course of Business**" means the ordinary course of business of a Person, consistent with past business custom and practice, but only to the extent consistent with Applicable Law, and it is clarified that a series of two or more related transactions, which taken together are not in the ordinary course of business shall not, separately, be

considered to be in the ordinary course of business;

"**PAG**" means PAGAC Ecstasy Pte. Ltd.;

"**Parties**" shall collectively mean EFSL, EGWML, PAG and ESL, who shall individually be referred to as "**Party**";

"**Person**" means any natural person, firm, company, Governmental Authority, joint venture, association, partnership, limited liability partnership, trust, body corporate or other entity (whether or not having separate legal personality);

"**Recognized Stock Exchange**" means the National Stock Exchange of India Limited and/or the BSE Limited or any other nationally or internationally recognized stock exchange on which the Equity Shares are proposed to be listed;

"**Reserved Matter(s)**" means the matters set out in Schedule 1 of these Articles;

"**Shareholder**" means any Person holding Equity Securities, who is either a Party to the ESL Shareholders' Agreement as an original Party or by virtue of having executed a Deed of Adherence in accordance with the terms thereof;

"**Share Capital**" means the total issued and paid-up equity share capital of the Company, on a Fully Diluted Basis;

"**Subsidiaries**" shall have the meaning ascribed to the term under the Act; "**Transaction**" shall have the meaning ascribed to it in the Implementation Agreement;

"**Transaction Documents**" shall have the meaning ascribed to it in the Implementation Agreement.

66. Interpretation

In these Articles, unless a contrary intention appears:

(a) any reference, express or implied, to any legislation in any jurisdiction includes: (i) that legislation as re-enacted, amended, extended or applied by or under any other legislation made before or after adoption of these Articles; (ii) any legislation which that legislation re-enacts with or without modification; and (iii) any subordinate legislation made before or after adoption of these Articles under that legislation, including (where applicable) that legislation as re-enacted, amended, extended or applied as described in Paragraph (i) above, or under any legislation which it re- enacts as described in Paragraph (ii) above;

(b) subject to Clause 24.8 (Assignment) of the ESL Shareholders' Agreement, references to a Party to these Articles include the successors-in-title or permitted assigns of that Party;

(c) unless otherwise indicated, a reference to any time is a reference to that time in Mumbai, India;

(d) the terms "hereof", "herein", "hereby", "hereto" and derivative or similar words refer to Part B of these Articles or specified articles or schedules of these Articles, as a whole and not to any particular article or other subdivision as the case may be;

(e) the words "directly or indirectly" mean directly or indirectly through one or more intermediary Persons or through contractual or other legal arrangements, and "direct or indirect" have the correlative meanings;

(f) time is of the essence in the performance of the Parties' respective obligations. If any time period specified herein is extended, such extended time shall also be of the essence;

(g) if any provision in these Articles 65 and 66 is a substantive provision conferring rights or imposing obligations on any Party, effect shall be given to it as if it were a substantive provision in the body of these Articles;

(h) if there is any conflict or inconsistency between a term in the body of these Articles and a term in any of the Schedules or any other document referred to or otherwise incorporated into these Articles, the term in the body of these Articles shall take precedence, unless the relevant schedule or other document which is referred to or otherwise incorporated into these Articles expressly provides that the term in it is to take precedence over the

term in the body of these Articles;

(i) singular words include the plural and vice versa;

(j) a word of any gender includes the corresponding words of any other gender;

(k) if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning;

(l) general words must not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words, and references to "includes" mean "includes without limitation".

(m) in these Articles, unless a contrary intention appears, a reference to an Article, Paragraph, Schedule or Annexure is a reference to a recital, clause, sub-clause, paragraph, schedule of or annexure to these Articles. The Schedules and Annexures form part of these Articles.

(n) headings, subheadings and titles, subtitles to clauses, sub-clauses, sections and paragraphs are for information only and shall not form part of the operative provisions of these Articles or the schedules hereto and shall be ignored in construing or interpreting the same.

(o) reference to days, months and years are to calendar days, calendar months and calendar years, respectively.

(p) any reference to "writing" shall include printing, typing and email communications.

(q) any reference to an authorisation, approval or consent or permission of any Person means such authorisation, approval, consent or permission, obtained in writing from that Person.

(r) references to an agreement or document shall be construed as a reference to such agreement or document as the same may have been amended, varied, supplemented or novated, in writing, at the relevant time in accordance with the requirements of such agreement or document and, if applicable, of these Articles with respect to amendments.

(s) Any capitalised term used but not specifically defined under these Articles shall have the meaning ascribed to it in the Implementation Agreement or any other relevant Transaction Document.

(t) Any shareholding threshold mentioned in these Articles shall be adjusted to take into account any corporate actions including share-split, consolidation, division, sub-division, reduction or restructuring in any manner of the share capital/ securities.

67. Things required to be done other than on a Business Day

Unless otherwise indicated, where the day on which any act, matter or thing is to be done is a day other than a Business Day, that act, matter or thing must be done on or by the next Business Day.

Governance and Management

68. Board Composition

(a) On and from the First Closing Date, the Board of the Company shall comprise of up to 5 (five) directors, of which 4 (four) directors shall be persons nominated by the Investor (**"Investor Directors"**) and 1 (one) director shall be a person nominated by EFSL (**"EFSL Director"**). In case any independent directors are required to be appointed to the Board of the Company, the Investor shall have the right to recommend persons for such appointment. In the event, the board strength of the Company is increased to more 5 (five) directors, the board composition shall be as set out in Clause 5.1.1 of ESL Shareholders' Agreement in relation to the Company.

(b) Notwithstanding anything contained in these Articles, the Company and the Shareholders shall take all necessary steps and actions (including exercise of voting rights available to such Party in respect of the Company) to appoint and give effect to the appointment (or re-appointment, as applicable) of the Investor Directors, the EFSL Director and the independent directors in accordance with Article 68(a) above. The Investor and EFSL shall ensure that each person nominated by it for appointment as a Director is sufficiently qualified and experienced

to act as a Director.

(c) The right of the Investor and EFSL to appoint the Investor Directors and the EFSL Director, respectively under these Articles shall include the right of such Party to determine the period during which such Person shall hold the office of Director and to remove, at any time, such Investor Directors or the EFSL Directors as the case may be, from office as a Director in accordance with Article 69 If an Investor Director or an EFSL Director is removed under Article 69 or ceases to hold office for any other reason, the Investor or EFSL, as the case may be, shall be entitled to nominate another Person for appointment as Director in his or her place, and the Parties agree to procure that he or she is appointed as a Director as promptly as practicable.

(d) In the event that any appointment or removal of any Director nominated by any Party requires prior approval from any Governmental Authority, such appointment or removal shall be subject to receipt of such approval and the Company shall make an application for seeking the prior approval of the relevant Governmental Authority in respect of such appointment or removal.

(e) Independent Directors

(i) The Parties shall, in good faith, evaluate the performance of the independent directors appointed on the Board (in accordance with Article 68(a)) from time to time and consider if the independent directors recommended by each of them should be recommended for re-appointment from time to time, subject to Applicable Law.

(ii) An independent director recommended in accordance with the terms of this Article 68(e) shall, subject to compliance with Applicable Law, be appointed by the Board (in accordance with Article 68(a)) and approved by the Shareholders, provided however that nothing in this Article 68(e) will require, or be deemed to obligate, an independent director to represent the interests of the Shareholder who has made the recommendation for his or her appointment.

69. Removal of Directors; Vacancy

(a) Each of the Investor and EFSL shall be entitled, by notice in writing to the Company, to require any Director nominated by it to resign or be removed from such position and such Director may only be removed by the Investor or EFSL, as the case may be, and no Shareholder shall otherwise exercise any voting rights or other power to remove a Director appointed by another Shareholder, except:

(i) where EFSL ceases to have the right to appoint the EFSL Directors in accordance with Clause 16.5 of the ESL Shareholders' Agreement (*Fall Away of Rights*), and EFSL, has failed to procure the resignation of the EFSL Director from the Board within 2 (two) days of ceasing to be entitled to have the right to nominate such Director to the Board; or

(ii) where such Director is, or becomes, disqualified or ineligible to act as a Director under Applicable Law.

(b) In case of a removal of a Director in accordance with Article 69(a) above, except where such removal is not with the consent of the Person resigning, the Investor or EFSL, as the case may be, shall ensure that a signed written resignation is delivered to the Company by the Director being so removed along with an unconditional release by such Person from any claims or demands against the Company in respect of fees, remuneration, compensation for loss of office or otherwise.

(c) If any vacancy in the position of an Investor Director or EFSL Director exists and no replacement is nominated by the Investor or EFSL, respectively, then such position on the Board will remain vacant unless otherwise required to be filled under Applicable Law. It is clarified that any vacancy in respect of any position on the Board will not impact or diminish the rights of any Party entitled to appoint a Director under these Articles.

70. Alternate Directors

Subject to Applicable Law, the Board shall, if requested by any Director, appoint another Person to act as an alternate Director in place of such Director during his or her absence from India, or remove such Person who has been appointed as his/her alternate Director. The appointment of the alternate Director shall be in accordance with the provisions of the Act and shall be the first matter to be decided at any Board Meeting.

71. Chairperson of the Board

The chairperson of the Board shall be one of the Investor Directors nominated by the Investor ("**Chairperson**") and the Chairperson shall preside over all meetings of the Board. In the absence of the Chairperson at any such meeting, any of the other Investor Directors shall preside over such meeting and be considered as the Chairperson for such meeting.

72. Qualification

The Directors shall not be required to hold any qualification shares unless required by Applicable Law.

73. Retirement by Rotation

To the maximum extent permissible under Applicable Law, the EFSL Directors shall be permanent directors, whose office will not be capable of being vacated by retirement or rotation.

Board Meeting

74. Frequency of meeting

The Board shall meet as necessary to discharge its duties, but in any case, no less frequently than as required under Applicable Law.

75. Notice

Any Director may at any time request in writing that a Board Meeting be called. Except in the case of urgency (in which case the shorter notice convening the meeting must indicate the nature of, and the reasons for, the urgency), or any adjourned meeting held in accordance with Article 79(c), at least 7 (seven) Business Days' written notice of each meeting of the Board must be given to each Director by the Chairperson, the company secretary of the Company or any Director, in accordance with Applicable Law.

76. Agenda

A notice calling a Board Meeting must be accompanied by an agenda of all the business to be transacted at such meeting, along with necessary background and all other related information and/or supporting documents pertaining to the business proposed to be transacted at such meeting. No matter shall be raised at such Board Meeting that is not on the agenda. However, matters (other than Reserved Matters), that are not on the agenda, may be raised at a Board Meeting, if a written notice of such additional matter is given to each Director at least 24 hours prior to the scheduled Board Meeting.

77. Location

Each Board Meeting must be held in Mumbai at the time set out in the notice of meeting, on a Business Day.

78. Use of Technology

(a) The Board may, subject to Applicable Law, conduct meetings by video-conferencing or other audio-visual means:

(i) which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time; and

(ii) which will enable each Director to: (a) hear (or otherwise receive real-time communications made by) each of the other Directors participating in the meeting; and (b) address (or otherwise communicate in real time with) all of the other Directors participating in the meeting simultaneously, even if all the Directors are not physically present in the same place.

(b) In case of a Board Meeting held under Article 78(a) above, the scheduled venue of the meeting as set forth in the notice convening the meeting shall be deemed to be the place of such meeting and all recordings of

the proceedings at the meeting shall be deemed to be made at such place.

(c) Subject to Article 79 (*Quorum*), if a technological link fails, the Board Meeting held under Article 78(a) above will be adjourned until the failure is rectified.

(d) The provisions of this Article 78 will be subject to Applicable Law and physical meetings shall be conducted for any matters that cannot be dealt with through video-conferencing or other audio-visual means technology under Applicable Law.

79. Quorum

(a) Subject to Applicable Law and Article 93 (*Reserved Matters*), the quorum for a meeting of the board of directors of the Company shall be the presence of 3 (three) Directors, which shall include the presence of (i) 2 (two) directors nominated by the Investor; and (ii) 1 (one) director nominated by EFSL. In the event the strength of the board of directors of the Company is increased from 5 (five) directors in accordance with Article 68(a), the quorum for board meetings of the Company shall be the same as the quorum applicable to ESL in accordance with Clause **Error! Reference source not found.** of the ESL Shareholders' Agreement (*Quorum*).

(b) For the purposes of determining whether a quorum is present in accordance with this Article 79, an alternate Director is to be counted as a Director for each Director on whose behalf the alternate Director is attending the meeting.

(c) If a quorum is not present at a duly convened Board Meeting within 30 (thirty) minutes of the time appointed for the start of the meeting ("**Initial Meeting**"), the meeting shall stand adjourned to the same day of the immediately following week (if such day is not a Business Day, then the meeting shall be held on the next Business Day), at the same time and place, and the quorum for any such adjourned meeting shall be any 7 (seven) Directors and all business transacted thereat shall be regarded as having been validly transacted and all resolutions passed thereat shall be regarded as having validly passed, provided that (i) no decision regarding any Reserved Matter shall be taken at any meeting (including any adjourned meeting) unless an EFSL Director, is present or the consent of EFSL, has been obtained in accordance with Article 93 (*Reserved Matters*); and (ii) the Board shall only be authorized to transact business as provided in the notice of the Initial Meeting.

80. Voting Rights

Each Director shall be entitled to 1 (one) vote on any matter placed before the Board. The Chairperson shall not have a casting vote.

81. Board Decisions

Subject to Article 93 (*Reserved Matters*), all resolutions at meetings of the Board shall be decided by a majority of votes cast by the Directors present in the meeting in accordance with Applicable Law.

82. Circular Resolution

Subject to Article 94 (*Reserved Matters*) and Applicable Law, the Directors may pass a resolution capable of being passed by circulation under the Act, without a meeting of the Board provided (a) such resolution has been circulated in draft format to the Directors; and (b) such notice is accompanied with the agenda, an explanatory statement setting out in reasonable detail the rationale for proposing the resolution, information and appropriate documents required to reach a decision in respect of such proposed resolution) to all Directors. Any resolution passed by circulation under this Article 82 shall be noted at the subsequent Board Meeting, and made part of the minutes of such meeting. Any circular resolution passed without the Directors having been provided notice materially in accordance with this Article 82 above will be null and void.

83. Expenses of Directors

Subject to Applicable Law, the Company shall reimburse the Directors in respect of all expenses reasonably incurred by them in connection with performance of their duties as Directors, subject to such limits as may be approved by the Board. Further, the Company shall obtain and at all times maintain a directors' and officers'

insurance policy from a reputed insurance company, for an amount as determined by PAG and EFSL (from time to time) for the Directors.

General Meetings

84. Chairperson

The Chairperson shall be the chairperson of General Meetings and shall preside over all meetings of the shareholders of the Company. In the absence of the Chairperson at any such meeting, any of the other Investor Directors shall preside over such meeting and be considered the chairperson for such meeting.

85. Frequency and Location of General Meetings

Subject to Applicable Law, the Parties agree that General Meetings of the Company must be held in Mumbai or the registered office.

86. Notice

At least 21 (twenty-one) clear days' (or such other minimum number of days prescribed under the Act) prior written notice of every annual or extraordinary general meeting of Shareholders ("**General Meeting**") shall be given to all the Shareholders whose names appear on the register of members of the Company. A meeting of the Shareholders may be called by giving a shorter notice as provided under the Act.

87. Quorum

(a) Subject to Applicable Law and Article 93 (*Reserved Matters*), the quorum for a General Meeting shall require the presence in person, or by proxy, of at least one representative of the Investor and EFSL at such meeting. The Chairperson shall not have a casting vote.

(b) If a quorum is not present at a General Meeting within 30 (thirty) minutes of the time appointed for the start of the meeting, the meeting will be adjourned to the same time and place on the same day in the following week, or to such other date and such other time and place as the Board may determine. If a valid quorum is not present at such adjourned General Meeting, notwithstanding anything to the contrary contained in this Article 87 (*Quorum*) and subject to Applicable Law, all the business, other than any Reserved Matters, transacted thereat shall be regarded as having been validly transacted, as provided in the notice of the original General Meeting at such adjourned meeting.

88. Voting Rights

(a) Subject to Applicable Law, voting at General Meetings shall be by way of a poll.

(b) Subject to Article 93 (*Reserved Matters*), each Shareholder shall be entitled to, on a poll, 1 (one) vote for each Equity Share held by that Shareholder.

89. Shareholder decisions

Subject to Applicable Law and Article 94 (*Reserved Matters*), a resolution of the Shareholders of the Company may only be carried if it is passed by a majority of votes entitled to be cast on the resolution.

Management and Decision Making

90. Authority and responsibility of the Board

Subject to Applicable Law, the Board shall be responsible for the management of the Company and the EWM Business in accordance with these Articles.

91. Committees

(a) The Board may constitute, and delegate any of its powers to committees of the Board ("**Committee(s)**") in accordance with Applicable Law, to assist it in its decision-making on specific matters, comprising such representatives as it deems fit, and having such authorities, powers and terms of reference as the Board may determine at the time of the establishment of the Committee.

(b) Subject to Applicable Law, the composition of the committees formed by the Board shall be determined by the Board, provided that: (i) EFSL shall have the right to nominate an observer to the nomination and remuneration committee of the board of directors of the Company; (ii) such observer shall have the right to attend all meetings of the nomination and remuneration committee (whether in person, or by electronic means) in a non-voting, observer capacity and the Company shall provide to the observer, concurrently with the members of the nomination and remuneration committee, and in the same manner, notice of committee meetings and a copy of all materials provided to such members; (iii) any decision of the nomination and remuneration committee would also require to be approved by the nomination and renumeration committee of ESL.

(c) All resolutions at meetings of the Committees shall be decided by a majority of votes cast by its members present in the meeting in accordance with Applicable Law, subject to Article 93 *(Reserved Matters)*. It is clarified that if any decision in relation to a Reserved Matter is delegated to a Committee or to the executives of the Company, no decision shall be taken or implemented in relation to such matter except with the prior written consent of the relevant Party. If any Committee cannot agree on any matter, the Committee shall refer the matter to the Board.

(d) The procedural requirements applicable to Committees, including requirements relating to calling of meetings, providing notice of meetings and waiver of notice and agenda requirements, signing of resolutions without a meeting, and recording of minutes shall be determined by the Committee in accordance with Applicable Law.

92. Executive Management

The members of the executive management of the Company shall be determined by the Board. This executive management of the Company shall be responsible for the day-to- day operations and running of the EWM Business, subject to Article 93 (*Reserved Matters*) and the directions and supervision of the Board.

93. Reserved Matters

(a) Notwithstanding any other provision of these Articles, the Parties agree that subject to Clause 16.5 of the ESL Shareholders' Agreement (Fall Away of Rights), on and from the First Closing Date until the Listing Date, neither the Company nor the Shareholders, nor any Director, officer, Committee, Committee member, employee, agent or any of their respective delegates shall, with respect to the Company, take any decisions or actions in relation to any of the Reserved Matters without the approval of EFSL, obtained in (i) accordance with this Article 93, or otherwise in writing; (ii) at a Board Meeting, through the affirmative vote of an EFSL Director; or at a Shareholders' meeting, through the affirmative vote of the representative of EFSL as the case may be.

(b) Where any Reserved Matter is proposed to be considered at a Board Meeting, the Board shall provide a written notice of such proposed matter to EFSL.

(c) Notwithstanding anything contained in this Article 93, it is clarified that the Reserved Matters shall not apply to any matter which is specifically required to be undertaken under the Transaction Documents or undertaken pursuant to an exercise of the Investor's rights under the Transaction Documents.

(d) To the extent that EFSL has provided its approval in writing to a Reserved Matter in accordance with this Article 93 or at a Board Meeting through the affirmative vote of an EFSL Director, EFSL shall ensure that the EFSL Directors at a Board Meeting and the representative of EFSL at a General Meeting, as the case may be, vote to approve such matter at the relevant Board Meeting or General Meeting and take all other actions required to approve the relevant matter.

(e) In the event of any conflict between the provisions of these Articles and the ESL Shareholders' Agreement, the provisions of the ESL Shareholders' Agreement shall govern and prevail bind the Company.

SCHEDULE 1 RESERVED MATTERS

1. Amendment of the memorandum of association or articles of association of the Company, that would result in any rights of EFSL, being varied or modified in a manner that is adverse to it (except in accordance with the Transaction Documents).

2. Presenting of any scheme or petition for winding up or liquidation of the Company (including making any filing for voluntary liquidation or for voluntary initiation of the corporate insolvency resolution process under Applicable Law).

3. Transactions between (a) the Company (on one hand) and (b) the Investor, Affiliates of PAG and portfolio companies on which PAG exercises significant influence (on the other hand).

4. Any changes to the Share Capital of the Company, including: (i) changes or modifications to the authorized, issued or paid up share capital, issuing, creating or allotting (other than an issuance of Equity Securities as set out in paragraph 6 below) or repurchasing/ buyback, reducing, redeeming, altering, reorganizing or retiring any Equity Securities; or any rights attached thereto or otherwise permitting any change in class rights attaching to any Equity Securities; (ii) share-split, consolidation, division, sub-division, reduction or restructuring in any manner of the share capital/ securities; and (iii) any reclassification or creation of new class or series of securities.

5. Effecting any: (i) consolidation, merger, demerger, spin-off, divestment, amalgamation, reconstruction, scheme of arrangement, recapitalization, change in constitution, or restructuring or reorganization (which has a similar effect) in relation to ESL and/or the Company and/or any other EWM Group Company; (ii) disposal of assets (including securities and investments) (whether by way of a slump sale or otherwise), by the ESL and/or the Company and/or any other EWM Group Company other than: (a) replacement of assets in the Ordinary Course of Business, on account of wear and tear of such assets; or (b) sale or disposal of assets in the Ordinary Course of Business; and in case of (a) and (b) both, of an aggregate value less than INR 40,00,00,000 (Rupees Forty Crores) in a financial year; (c) disposal of securities and investments by the Company, ESL, ECuSL, Edelweiss Finance & Investments Limited and ESL Securities Limited in the Ordinary Course of Business including treasury investments.

6. Any issue of Equity Securities by the ESL and/or the Company and/or any other EWM Group Company:

   (A) for the purpose of raising capital for the purpose of M&A activities, save and except: one or more issuances of an aggregate amount not exceeding INR 500,00,00,000 (Rupees Five Hundred Crores) (in the aggregate), provided that any such permitted issuances up to INR 500,00,00,000 (Rupees Five Hundred Crores) (in the aggregate) are undertaken at a price per Equity Security which is:

      (X) equal to or more than 140% (one hundred and forty percent) of the Benchmark Price, if any such permitted issuance occurs within a period of 18 (eighteen) months from the First Closing Date: or

      (Y) equal to or more than the higher of (i) the Fair Market Value or (ii) the Benchmark Price, if any such permitted issuance occurs after the expiry of 18 (eighteen) months from the First Closing Date;

   (B) for any purpose other than as set out in (A) above, except:

      (i) one or more issuances of an aggregate amount not exceeding INR 350,00,00,000 (Rupees Three Hundred and Fifty Crores), provided that any such permitted issuance up to INR 350,00,00,000 (Rupees Three Hundred and Fifty Crores):

         (X) is undertaken at a price per Equity Security equal to or more than the Fair Market Value of such security; and

         (Y) the capital is being raised for non-growth kind of business situation and where ESL and/or the Company has a negative profit before tax for a particular quarter of the financial year;

      (ii) any grant of employee stock options (and or other similar employee benefit) and issue of securities pursuant to exercise of such options, up to 10% of the Share Capital;

   (C) for any purpose, one or more issuances of an aggregate amount not exceeding INR 250,00,00,000 (Rupees Two Hundred and Fifty Crores) (in the aggregate), provided that any such permitted issuances of up to INR

250,00,00,000 (Rupees Two Hundred and Fifty Crores) (in the aggregate) is undertaken at a price per Equity Security equal to or more than the Benchmark Price but less than 140% (one hundred and forty percent) of the Benchmark Price, if any such permitted issuance occurs within a period of 18 (eighteen) months from the First Closing Date.

7. Any M&A activity by the ESL and/or the Company and/or any other EWM Group Company, other than (i) using capital raised in accordance with paragraphs 6(A) and 6(C) above; or (ii) using surplus cash available with the ESL and/or the Company and/or any other EWM Group Company.

8. Commencement of private debt fund management business (including the business of setting up/ managing funds employing the following 4 strategies, i.e. special opportunities fund, real estate investing, special situations/ distress investing and yield funds) by the Company between the First Closing Date and the date falling 18 (eighteen) months from the First Closing Date.

9. Shutting down any existing material line of EWM Business, as on the First Closing Date.

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 2nd Floor, office no. 201-203, Zodiac Plaza, Xavier College Road, Off C G Road Ahmedabad – 380 009, Gujarat, India between 10 am to 5 pm on any Working Days from the date of the filing of this Draft Prospectus with Stock Exchange.

MATERIAL CONTRACTS

1. Issue Agreement dated June 17, 2022 between our Company and the Lead Manager.

2. Registrar Agreement dated June 17, 2022 between our Company and the Registrar to the Issue.

3. Debenture Trustee Agreement dated June 17, 2022 executed between our Company and the Debenture Trustee.

4. Tripartite agreement dated January 19, 2022, among our Company, the Registrar to the Issuer and CDSL.

5. Tripartite agreement dated January 19, 2022, among our Company, the Registrar to the Issuer and NSDL.

6. Public Issue Account and Sponsor Bank Agreement dated [•], 2022 between our Company, the Lead Managers, Registrar to the Issue and Public Issue Account Bank, Refund Bank and the Sponsor Bank.

7. Consortium Agreement dated [•] among our Company, Lead Managers and Consortium Members.

8. Debenture Trust Deed as may be entered between the Debenture Trustee and our Company, in agreed form.

9. Share Pledge Agreement as may be entered between the Debenture Trustee and our Company, in agreed form.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.

2. Certificate of Incorporation of our Company dated February 7, 2008, issued by the RoC.

3. Certificate of Incorporation of our Company dated October 22, 2008 in relation to change of name of our Company to “Edelweiss Broking Limited”

4. Certificate of Incorporation of our Company dated November 13, 2013 in relation to change of state from Hyderabad, Telangana (Erstwhile Andhra Pradesh) to Ahmedabad, Gujarat.

5. Certificate of commencement of business dated February 19, 2008, issued by the RoC.

6. Amended and Restated Shareholders’ Agreement dated March 18, 2021 between PAGAC Ecstasy Pte. Ltd., Edelweiss Global Wealth Management Limited, Edelweiss Securities Limited, Edelweiss Financial Services Limited read with deed of adherence dated March 19, 2021 executed by Asia Pragati Strategic Investment and read with Deed of Adherence dated December 1, 2021 between Edel Finance Company Limited and PAGAC Ecstasy Pte. Ltd Fund.

7. Copy of shareholders’ resolution on January 28, 2022 under Section 180(1)(a) and Section 180(1)(c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.

8. Copy of the resolution passed by the Board of Directors dated January 21, 2022 approving the issue of NCDs.

9. Copy of the resolution passed by the Debentures Committee at its meeting held on June 17, 2022 approving this Draft Prospectus.

10. Rating Letter dated February 1, 2022, revalidated as on March 04, 2022, revalidated as on March 28, 2022, revalidated as on April 19, 2022, revalidation letter dated May 17, 2022 and revalidation letter dated June 09, 2022 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 and press release dated March 4, 2022.

11. Rating Letter dated May 17, 2022 and revalidation letter as on June 08, 2022 and revalidation letter as on June 14, 2022 by Acuité Ratings and Research Limited assigning a rating of "ACUITE AA" (pronounced as ACUITE double A rating with negative outlook) for the Issue with rating rationale dated February 1, 2022.

12. Consents of the Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Lead Managers, to the Issue, Legal Advisor to the Issue, Credit Rating Agencies, Bankers to our Company, Registrar to the Issue and the Debenture Trustee for the NCDs.

13. Consent of CARE Advisory Research and Training Limited (CareEdge Research) dated June 15, 2022 as the agency issuing the industry report titled "*Industry Report on Wealth Management and Stock Broking*" dated June 15, 2022 forming part of the Industry Overview chapter.

14. Our Company has received the written consent dated June 17, 2022 from M/s. 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 Draft 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 report dated June 16, 2022, on the reformatted financial information of the Company as at and for each of the years ended March 31, 2022, 2021 and 2020; pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 as amended; and (ii) the report on statement of possible tax benefits dated June 17, 2022, included in this Draft Prospectus, and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993.

15. The examination report dated June 16, 2022 in relation to the Reformatted Financial Information.

16. The reports on statement of possible tax benefits dated June 17, 2022.

17. Annual Report of our Company for the last three Fiscals.

18. In-principle listing approval from BSE by its letter no. [●] dated [●].

19. Due Diligence Certificate dated [●] filed by Equirus with SEBI.

20. Due Diligence certificate dated June 17, 2022 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, as amended, and the rules prescribed thereunder, to the extent applicable 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, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be have been complied with and no statement made in this Draft 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 Draft 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 Draft 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 Draft Prospectus. No information material to the subject matter of this form has been supressed or concealed and whatever is stated in this Draft Prospectus is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the Promoters subscribing to the Memorandum of Association and Articles of Association.

Signed by the Directors of the Company

Rahul Jain
Managing Director & CEO
DIN: 00387505

Prashant Mody
Executive Director
DIN - 03101048

Ashish Kehair
Non- Executive Director
DIN - 07789972

Kamala Kantharaj
Non- Executive Director
DIN: 07917801

Birendra Kumar
Independent Director
DIN: 00163054

Vinod Juneja
Independent Director
DIN: 00044311

Place: Mumbai

Date: June 17, 2022

ANNEXURE A – CRISIL RATING AND RATIONALE

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Ratings

CRISIL
An S&P Global Company

CONFIDENTIAL

RL/EDLBKL/288544/NCD/0322/27396/102882655
March 04, 2022

Mr. Shivaraman Iyer
Chief Financial Officer
Edelweiss Broking Limited
Edelweiss House, 11th Floor
Off C.S.T. Road, Kalina,
Mumbai City - 400098

Dear Mr. Shivaraman Iyer,

Re: Review of CRISIL Rating on the Rs.300 Crore Non Convertible Debentures& of Edelweiss Broking Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL AA-/Negative (pronounced as CRISIL double A minus rating with Negative outlook) rating on 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.

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

& Proposed public issue

***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
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RL/EDLBKL/288544/NCD/0322/27396/102882655/1
March 28, 2022

Mr. Shivaraman Iyer
Chief Financial Officer
Edelweiss Broking Limited
Edelweiss House, 11th Floor
Off C.S.T. Road, Kalina,
Mumbai City - 400098

Dear Mr. Shivaraman Iyer,

Re: CRISIL Rating on the Rs.300 Crore Non Convertible Debentures& of Edelweiss Broking Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letter dated March 04, 2022 bearing Ref. no: RL/EDLBKL/288544/NCD/0322/27396/102882655

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	300	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.

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Should you require any clarification, please feel free to get in touch with us.

Yours sincerely,

Malvika Bhotika
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

& Proposed public issue

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Ratings

CRISIL
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RL/EDLBKL/288544/NCD/0322/27396/102882655/2
April 19, 2022

Mr. Shivaraman Iyer
Chief Financial Officer
Edelweiss Broking Limited
Edelweiss House, 11th Floor
Off C.S.T. Road, Kalina,
Mumbai City - 400098

Dear Mr. Shivaraman Iyer,

Re: CRISIL Rating on the Rs.300 Crore Non Convertible Debentures& of Edelweiss Broking Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letter dated March 28, 2022 bearing Ref. no: RL/EDLBKL/288544/NCD/0322/27396/102882655/1

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	300	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.

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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

& Proposed public issue

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Ratings

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RL/EDLBKL/288544/NCD/0322/27396/102882655/3
May 17, 2022

Mr. Shivaraman Iyer
Chief Financial Officer
Edelweiss Broking Limited
Edelweiss House, 11th Floor
Off C.S.T. Road, Kalina,
Mumbai City - 400098

Dear Mr. Shivaraman Iyer,

Re: CRISIL Rating on the Rs.300 Crore Non Convertible Debentures& of Edelweiss Broking Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letter dated April 19, 2022 bearing Ref. no: RL/EDLBKL/288544/NCD/0322/27396/102882655/2

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	300	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.

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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

& Proposed public issue

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Ratings

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RL/EDLBKL/288544/NCD/0322/27396/102882655/4
June 09, 2022

Mr. Shivaraman Iyer
Chief Financial Officer
Edelweiss Broking Limited
Edelweiss House, 11th Floor
Off C.S.T. Road, Kalina,
Mumbai City - 400098

Dear Mr. Shivaraman Iyer,

Re: CRISIL Rating on the Rs.300 Crore Non Convertible Debentures[&] of Edelweiss Broking Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letter dated May 17, 2022 bearing Ref. no: RL/EDLBKL/288544/NCD/0322/27396/102882655/3

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	300	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

& Proposed public issue

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Rating Rationale

March 04, 2022 | Mumbai

Edelweiss Broking Limited

'CRISIL AA- / Negative' assigned to Non Convertible Debentures

Rating Action

Total Bank Loan Facilities Rated	**Rs.300 Crore**
Long Term Rating	**CRISIL AA-/Negative (Reaffirmed)**

Rs.1000 Crore Non Convertible Debentures	**CRISIL AA-/Negative (Assigned)**
Rs.250 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD AA- r /Negative (Reaffirmed)**
Rs.300 Crore Non Convertible Debentures&	**CRISIL AA-/Negative (Reaffirmed)**
Rs.200 Crore Short Term Principal Protected Market Linked Debentures	**CRISIL PPMLD A1+ r (Reaffirmed)**
Rs.1500 Crore Commercial Paper	**CRISIL A1+ (Reaffirmed)**

& Proposed public issue
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 the Rs 1,000 crore non-convertible debentures (NCDs) of Edelweiss Broking Ltd (EBL; part of the Edelweiss group) and has reaffirmed its 'CRISIL AA-/CRISIL PP-MLD AA-r/Negative/CRISIL PP-MLD A1+r/CRISIL A1+' ratings on other debt instruments of the company.

The ratings continue to reflect the adequate capitalisation level of the group, supported by multiple rounds of capital raising; the 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, which should continue to support earnings. The group also maintains adequate liquidity on an ongoing basis.

The continuation of the 'Negative' outlook reflects the challenges in 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, over the medium term, will be key monitorables.

Despite the challenging macro environment for non-banking companies, the group has been able to raise capital from marquee global investors. During the last quarter of fiscal 2021, the group concluded the sale of its majority stake in Edelweiss Wealth Management (EWM; comprising wealth management and capital markets business) to PAG (Pacific Alliance Group, Asia-focused alternative investment managers) for Rs 2,366 crore. As on December 31, 2021, PAG holds 55.84% of the business, while the Edelweiss group holds 44.16% (increased from 38.5% as on September 30, 2021). Between March and November 2019, 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). It had also raised Rs 268 crore in October 2021, by divesting its 61% stake in the insurance broking venture to Arthur Gallagher. The latter now holds 91% in the insurance broking venture of the Edelweiss group and will acquire the balance 9% in the current fiscal.

These stake sales have helped absorb asset-side risk. Despite business losses in fiscals 2020 and 2021, networth has been steady at Rs 8,542 crore as on March 31, 2021 (Rs 8,715 crore as on March 31, 2019). With decline in borrowings, gearing also reduced to around 3 times from around 4 times over the same period. Networth and gearing stood at Rs 8,663 crore and 2.8 times, respectively, as on December 31, 2021.

The group has diversified business interests in financial services domain. Over the years, It has significantly scaled up operations of its non-lending businesses, including the asset reconstruction company (ARC), asset management and wealth management, which now contribute a higher share of revenue and profits and are likely to support the overall earnings profile going forward.

The group also maintains adequate liquidity. The overnight on-balance-sheet liquidity (including cash, liquid investments and treasury assets) stood at around Rs 1,900 crore and unutilised bank lines at Rs 300 crore as on January 31, 2022. The group also has other liquid assets (investments and securities-based lending) that can be accessed, if necessary. This was Rs 3,050 crore as on January 31, 2022. The group raised Rs 7,565 crore in fiscal 2021 and Rs 5,873 crore from April to January 31, 2022 through bank loans, securitisation, structured NCDs and retail bonds.

As for asset quality, overall reported gross stage III assets in the lending business improved to 4.89% as on December 31, 2021, from 7.7% as on March 31, 2021 (5.3% in the previous year). On an absolute basis, stage III assets reduced to Rs 657 crore as on December 31, 2021, from Rs 1,182 crore as on March 31, 2021 (Rs 1,114 crore, a year earlier), supported by write-offs and sale to ARCs worth Rs 382 crore during the first nine months of fiscal 2022, and Rs 2,047 crore in fiscal 2021. The group had also restructured 3.7% of its portfolio in line with the Resolution Framework for Covid-19-related stress (restructuring 2.0), released by the Reserve Bank of India (RBI) August 2020.

The group had aligned stage III assets with gross NPAs and reported stage III assets to factor in impact of RBI's clarification on recognition and calculation of NPAs released on November 12, 2021.

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. Although, the group has already concluded transactions aggregating over Rs 2,500 crore in the past 18 months, the overall sell-down has been lower than anticipated., nevertheless, the group is in discussions for concluding additional transactions.

The increased stress in the loan book and consequent rise in provisions, including management overlay, had impacted the group's earnings profile during fiscals 2021 and 2020; however, credit cost has normalised during the nine months through fiscal 2022. On a consolidated basis, while the group reported net profit of Rs 254 crore in fiscal 2021 (loss of Rs 2,044 crore in fiscal 2020), it was primarily due to a one-off gain from stake sale in the wealth management business. Excluding this one-off gain, the group would have reported net loss in fiscal 2021 as well. For nine months ended fiscal 2022, the group reported net profit of Rs 146 crore after reducing wealth management shareholder's profit of Rs 21 crore, compared to loss of Rs 382 crore during corresponding period of previous fiscal.

Improvement in asset quality and profitability will be key rating sensitivity factors.

Analytical Approach

For arriving at the ratings, CRISIL Ratings has combined the business and financial risk profiles of Edelweiss Financial Services Ltd (EFSL), its subsidiaries (including EBL) 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 Rs 4,008 crore (of which Rs 40 crore is expected in the last quarter of fiscal 2022), over the past 36 months across the lending, wealth management and asset management businesses. This has helped maintain the capital position, despite elevated credit cost and absorb asset-side risk.

With the scale-down of the lending business in the past few quarters, borrowings have also come down. With this, gearing has improved to 2.8 times as on December 31, 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

The Edelweiss group is a diversified financial services player, present in five verticals i.e., credit (wholesale and retail), insurance (life and general), asset management (AMC and alternate asset management), asset reconstruction and wealth management. The group has attained sizeable scale in many of these businesses over a period, which is likely to lend greater stability to earnings over time.

In the lending business of book size of Rs 13,424 crore as on December 31, 2021 (Rs 13,719 crore as on September 30, 2021 and 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 part of this strategy, it will focus on growing the retail book (~52% of total credit book as on December 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 41,814 crore as on December 31, 2021 (vis-à-vis 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 11% as on December 31, 2021.

Scale and profit of fee-based businesses have also increased in the past few fiscals. The group has an established franchise in institutional broking and investment banking, and growing reach in the retail broking, wealth management and asset management segments.

Assets under advice in the global wealth management business were Rs 1,93,500 crore (Rs 1,55,000 crore as on March 31, 2021) and assets under management (AUM) in the asset management business were Rs 1,12,100 crore (of which Rs 82,000 crore are mutual fund assets and Rs 30,200 crore are alternative assets) as on December 31, 2021. The group is among the larger players in the alternate assets space.

Furthermore, the life and general insurance businesses are gaining scale and are also expected to break even over the medium term.

Weaknesses

Asset quality remains vulnerable

Overall stage III assets ratio rose to 4.9% (Rs 657 crore) as on December 31, 2021, from 4.5% (Rs 617 crore) as on September 30, 2021; yet remained below 7.7% reported as on March 31, 2021 (Rs 1,182 crore). This is largely attributed to the clarification on recognition and calculation) released by the RBI on November 12, 2021, as the group has also aligned the stage III assets with gross NPAs; without considering the impact; on a like-to-like basis, the stage III assets have reduced.

Stage III assets in the retail book increased to Rs 303 crore as on December 31, 2021 (4.30%) from Rs 243 crore (3.4%) as on September 30, 2021; however, remains below March 2021 levels of Rs 316 crore (Rs 3.9% as on March 31, 2021 and 1.2% a year earlier). The reported stage III assets ratio in the wholesale book improved to 5.5% (Rs 354 Crore) as on December 31, 2021 as against 5.7% (Rs 374 crore) and 12% (Rs 866 crore) as on September 30, 2021 and March 31, 2021 respectively.

Despite this, 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 48% of the total loan book as on December 31, 2021 (47% as on March 31, 2021). Also, the wholesale loan book remains concentrated with 10 largest loans constituting ~39% of the wholesale portfolio. Nevertheless, the group has reasonable collateral cover for its wholesale loans and has also built strong recovery capabilities.

Any sharp weakening of 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 fiscals 2021 and 2020, on account of higher credit cost.

The group reported net profit of Rs 254 crore in fiscal 2021, supported by one-off income as compared to loss of Rs 2,044 crore in fiscal 2020. Consequently, return on assets (annualised) and return on equity (annualised) improved to 0.5% and 3.0%, respectively, in fiscal 2021 (negative 3.4% and negative 23.7%, respectively, in fiscal 2020). The group reported net profit in the three consecutive quarters of fiscal 2022, with net profit (excluding minority shareholder's share in profit) of Rs 146 crore for the first nine months of fiscal 2022 (loss of Rs 363 crore during the corresponding period of the previous fiscal). Furthermore, with continued provisioning, the provision coverage ratio has improved to 52% for the nine months ended December 31, 2021, from 47% as on March 31, 2021.

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), which is 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 remain loss-making, given their long gestation periods. Breakeven in the insurance businesses, will benefit overall 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 1,900 crore and unutilised bank lines of around Rs 300 crore as on January 31, 2022. The group also has other liquid assets (investments and securities-based lending book), which can be accessed if necessary. These were Rs 3,050 crore. As on January 31, 2022, the overall liquidity was adequate to meet the debt obligation maturing over the next four months till May 31, 2022. The maturity profile of assets and liabilities continue to be well-matched.

Outlook Negative

The 'Negative' outlook factors in challenges faced by the Edelweiss group due to stressed assets in its credit business, especially in its wholesale lending book, and their impact on profitability.

Rating Sensitivity factors

Upward factors

- Significant improvement in the group's asset quality with stage III assets ratio less than 3% on sustained basis, coupled with reduction in level of stressed assets
- Demonstration of profitability across businesses

Downward factors

- Continued pressure on profitability, with sustained losses (negative PAT excluding one-off gains)
- Deterioration in asset quality of the Edelweiss group
- Funding access challenges with limited fundraising by the group

- Lack of progress on planned scale-down of wholesale portfolio

About the Company

EBL is a broking company registered on various exchanges in India, and with SEBI and IRDAI. It was incorporated in fiscal 2008. EBL is also a distributor for various financial products such as mutual funds, bonds, NCDs, portfolio management service (PMS), structured products and alternative investment funds. As on December 31, 2021, the company had assets of Rs 2,571 crore.

EBL reported PAT of Rs 3 crore on total income of Rs 399 crore for fiscal 2021, against loss of Rs 30 crore on total income of Rs 434 crore for fiscal 2020. During the nine months of fiscal 2022, the company reported net profit of Rs 77 crore on total income of Rs 539 crore.

About the Group

The Edelweiss group comprised 48 subsidiaries and associates as on March 31, 2021. The number of companies has come down from 74 as on March 31, 2016,and may come down further over the next few quarters (subject to requisite approvals). The group had 293 offices (including 10 international offices in 6 locations) in around 136 cities as on December 31, 2021. Furthermore, as part of streamlining its operating structure, the group has restructured the businesses into five verticals namely credit, insurance, asset management, asset reconstruction and wealth management.

The group is present across various financial services businesses, including loans to corporates and individuals, mortgage finance - loans against property and small-ticket housing loans, MSME finance, 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.

The group reported PAT of Rs 254 crore on total income of Rs 10,849 crore for fiscal 2021, against net loss of Rs 2,044 crore and total income of Rs 9,603 crore in fiscal 2020. During the nine months of fiscal 2022, the group reported net profit of Rs 167 crore on total income of Rs 5,389 crore, compared to net loss of Rs 382 crore and total income of Rs 6,367 crore during corresponding period in previous fiscal.

Key Financial Indicators : EFSL (consolidated)

As on/For period ended December 31		2021	2020
Total assets	Rs crore	44108	53438
Total income	Rs crore	5389	6367
PAT (before minority interest)	Rs crore	167	-382
PAT (after minority interest)	Rs crore	146	-363
Stage III assets	%	4.9	6.19
Gearing	Times	2.8	3.6
Return on assets	%	0.5	-0.9

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 the instrument	Date of issuance	Coupon rate (%)	Maturity date	Issue size (in crore)	Complexity levels	Rating assigned with Outlook
INE523L07033	Long-term principal-protected market-linked debentures	19-Jan-22	Gsec Linked	20-Jan-25	2	Highly complex	CRISIL PP-MLD AA-r/Negative
INE523L07025	Long-term principal-protected market-linked debentures	19-Jan-22	Gsec Linked	20-Jan-25	29.9	Highly complex	CRISIL PP-MLD AA-r/Negative
NA	Long-term principal-protected market-linked debentures *	NA	NA	NA	218.1	Highly complex	CRISIL PP-MLD AA-r/Negative
NA	Short-term principal-protected market-linked debentures*	NA	NA	NA	200	Highly complex	CRISIL PP-MLD A1+r

NA	Commercial paper	NA	NA	7 to 365 Days	1500	Simple	CRISIL A1+
NA	Proposed long-term bank loan facilities&	NA	NA	NA	300	Simple	CRISIL AA-/Negative
NA	Non-convertible debentures*^	NA	NA	NA	300	Simple	CRISIL AA-/Negative
NA	Non-convertible debentures*	NA	NA	NA	1000	Simple	CRISIL AA-/Negative

**yet to be issue*
^Proposed public issue
&Interchangeable between short-term and long-term

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 Real Assets Managers Ltd	Full	Subsidiary
Sekura India Management Ltd	Full	Subsidiary
Edelweiss Securities Ltd	Proportionate	Associate
Edelweiss Finance & Investments Ltd	Proportionate	Associate
Edelweiss Broking Ltd	Proportionate	Associate
Edelweiss Custodial Services Ltd	Proportionate	Associate
Edelweiss Financial Services Inc	Proportionate	Associate
Edelweiss Investment Advisors Pvt Ltd	Proportionate	Associate
Edelweiss Securities (Hong Kong) Pvt Ltd	Proportionate	Associate
Edelweiss Financial Services (UK) Ltd	Proportionate	Associate
Edelweiss Securities (IFSC) Ltd	Proportionate	Associate
ESL Securities Ltd	Proportionate	Associate

Annexure - Rating History for last 3 Years

	Current			2022 (History)		2021		2020		2019		Start of 2019
Instrument	**Type**	**Outstanding Amount**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Rating**
Fund Based Facilities	LT	300.0	CRISIL AA-/Negative	31-01-22	CRISIL AA-/Negative	24-09-21	CRISIL AA-/Negative		--		--	--
			--		--	27-08-21	CRISIL AA-/Negative		--		--	--
Commercial Paper	ST	1500.0	CRISIL A1+	31-01-22	CRISIL A1+	24-09-21	CRISIL A1+		--		--	--
			--		--	27-08-21	CRISIL A1+		--		--	--
Non Convertible Debentures	LT	1300.0	CRISIL AA-/Negative	31-01-22	CRISIL AA-/Negative		--		--		--	--

Short Term Principal Protected Market Linked Debentures	ST	200.0	CRISIL PPMLD A1+ r	31-01-22	CRISIL PPMLD A1+ r	24-09-21	CRISIL PPMLD A1+ r		--		--	--
Long Term Principal Protected Market Linked Debentures	LT	250.0	CRISIL PPMLD AA- r /Negative	31-01-22	CRISIL PPMLD AA- r /Negative	24-09-21	CRISIL PPMLD AA- r /Negative		--		--	--
			--		--	27-08-21	CRISIL PPMLD AA- r /Negative		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Proposed Long Term Bank Loan Facility&	**300**	**Not Applicable**	**CRISIL AA-/Negative**

This Annexure has been updated on 03-Mar-22 in line with the lender-wise facility details as on 25-Aug-21 received from the rated entity.

& - Interchangeable between short term and long term

Criteria Details

Links to related criteria
Rating Criteria for Finance Companies
CRISILs Criteria for rating short term debt
Criteria for Notching up Stand Alone Ratings of Companies based on Group Support
CRISILs Criteria for Consolidation

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ANNEXURE B – ACUITE RATING AND RATIONALE

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Acuite RATINGS & RESEARCH

Rating Revalidation Letter

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May 17, 2022

Edelweiss Broking Limited
2nd Floor, Office No. 201-203, Zodiac Plaza,
Xavier College Road,
Off C G Road, Ahmedabad- 380009

Kind Attn.: Mr. Vishal Goradia,VP Credit BG Resources(Tel.No.981977224)

Dear Mr. Goradia,

Sub.: Credit Rating of Proposed Secured Redeemable Non-Convertible Debenture Issue by Edelweiss Broking Limited Aggregating Rs. 300 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

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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
Proposed Non Convertible Debentures	LongTerm	300.00	ACUITE AA/ Negative
Total Debt		**300.00**	

- public issue of secured redeemable non-convertible debentures .

Acuité Ratings & Research Limited
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Acuite RATINGS & RESEARCH

Rating Revalidation Letter

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June 08, 2022

Edelweiss Broking Limited
2nd Floor, Office No. 201-203, Zodiac Plaza,
Xavier College Road,
Off C G Road, Ahmedabad- 380009

Kind Attn.: Mr. Vishal Goradia,VP Credit BG Resources(Tel.No.981977224)

Dear Mr. Goradia,

Sub.: Credit Rating of Proposed Secured Redeemable Non-Convertible Debenture Issue by Edelweiss Broking Limited Aggregating Rs. 300 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:

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For Acuité Ratings & Research Limited

Suman Chowdhury

Suman Chowdhury
Chief Analytical Officer

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ANNEXURE - I

Instrument	Scale	Amount (Rs. Cr)	Ratings
Proposed Non Convertible Debentures	LongTerm	300.00	ACUITE AA/ Negative
Total Debt		**300.00**	

- public issue of secured redeemable non-convertible debentures .

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Acuité RATINGS & RESEARCH

Rating Revalidation Letter

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June 14, 2022

Edelweiss Broking Limited
2nd Floor, Office No. 201-203, Zodiac Plaza,
Xavier College Road,
Off C G Road, Ahmedabad- 380009

Kind Attn.: Mr. Vishal Goradia, VP Credit BG Resources (Tel.No.981977224)

Dear Mr. Goradia,

Sub.: Credit Rating of Proposed Secured Redeemable Non-Convertible Debenture Issue by Edelweiss Broking Limited Aggregating Rs. 300 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.

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Yours truly,
For Acuité Ratings & Research Limited

Suman Chowdhury

Suman Chowdhury
Chief Analytical Officer

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ANNEXURE - I

Instrument	Scale	Amount (Rs. Cr)	Ratings
Proposed Non Convertible Debentures	LongTerm	300.00	ACUITE AA/ Negative
Total Debt		**300.00**	

- public issue of secured redeemable non-convertible debentures .

Acuité Ratings & Research Limited
SEBI Registered | RBI Accredited

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| CIN:U74999MH2005PLC155683

Press Release

Edelweiss Broking Limited

February 01, 2022

Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non- Convertible Debentures (NCD)	300.00	ACUITE AA | Negative | Assigned	-
Total Outstanding Quantum (Rs. Cr)	300.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has assigned the long term rating of **'ACUITE AA' (read as ACUITE double A)** on the Rs.300.00 Cr proposed Secured Retail Non-Convertible Debentures of Edelweiss Broking Limited (EBL). 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 with balance 39% held by Edelweiss Group. Recently, Edelweiss Group raised its stake to 44.16% with PAG's stake now at 55.84%. 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.12,328 Cr. (excluding Loan Against Securities portfolio forming part of wealth management business) as on September 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 subdued asset quality (GNPA of 7.73% as on March 31,2021 as against 5.3% as of March 31,2020). The GNPA stood at 4.5% as on September 30,2021. Furthermore, high concentration in wholesale Credit(Top 20 borrowers accounting for about 29% of overall loan book as on September 30,2021, 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 company

Incorporated in 2008, EBL, wholly owned subsidiary of Edelweiss Securities Limited (ESL), is a 100% subsidiary of Edelweiss Securities Limited and is registered as a trading member with National Exchange of India Ltd, BSE Ltd, Metropolitan Stock Exchange of India Ltd, Multi-commodity Exchange of India Ltd, National Commodity and Derivatives Exchange Ltd and provides broking services to its clients. The company is also registered as a Depository Participant with National Securities Depository Ltd and Central Depository Services (India) Ltd. The company is a distributor for various financial products such as mutual funds, bonds, NCDs, structured products, PMS and alternative investment funds, etc. The company is registered at Ahmedabed and continues to receive the brand name, managerial expertise, operational and financial support from the Edelweiss Group.

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, 30 subsidiaries, 10 associate as on December 31,2021 and 76 trusts as on March 31,2021. Post divestment of significant stake in wealth management business, the number of subsidiaries and assocate companies have changed.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 notes change in ownership structure of wealth management business post acquisition of controlling stake by PAG (~56%) with balance ~44% held by Edelweiss Financial Services Limited (EFSL) and given that entities under the wealth management business continue to operate under Edelweiss brand and their operational team remain the same, Acuité has adopted a consolidated approach on Edelweiss Financial Services Limited (EFSL) along with its 30 subsidiaries, 10 associate (for list of subsidiaries and associate refer Annexure I) as on December 31,2021 and 76 trusts as on March 31,2021, collectively referred to as 'Edelweiss group'. The approach is driven by shared brand name and significant operational synergies between the companies. Acuité has rated secured NCDs as well as perpetual NCDs issued by Edelweiss group companies.

Extent of consolidation: Full

Key Rating Drivers

Strength

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.12,328 Cr. (excluding Loan Against Securities portfolio which used to form part of wealth management business) as on September 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.5.768 Cr. (Rs.6,813 as on March 31,2021) and wholesale credit at Rs.6,560 Cr. as on September 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 midcorporate 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 fundbased 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.25,695 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 September 30, 2021, borrowings stood at Rs.24,775 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.7,680 Cr. (31%) as on September 30, 2021 as against Rs.5,371 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 3.31 times as on September 30,2021. Further, the Group continued to maintain adequate liquidity buffer over this period and reported liquidity of Rs.5,750 Cr. as on October 30,2021 comprising Rs.5,450 Cr. of overnight liquidable and treasury assets and Rs.300 Cr. in bank lines.

Weakness

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.

Subdued asset quality

Edelweiss Group's key product offerings are spread across two segments i.e. retail segments and wholesale segments. The retail segment (47% of the loan book as on September 30,2021) comprises housing finance, Loan against Property, Construction finance, SME loans, Loan against Securities while the wholesale segment (53% of the loan book as on September 30,2021) comprises Structured Collateralized Credit and Real Estate financing. The Group had loan book of Rs.12,328 Cr. (excluding Loan Against Securities portfolio forming part of wealth management business) as on September 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 with early signs of pick-up in disbursements seen in the retail segment. While there is decline in loan book, the asset quality witnessed positive traction with the Group's Gross NPAs (GNPAs) at Rs.622 Cr. (4.5% of loan assets) as on September 30, 2021 as against Rs.1182 Cr. (7.7% of loan assets) as on March 31, 2021 with retail segment at Rs.247 Cr.(3.5% as on September 30,2021) as against Rs.316 Cr. (3.9% as on March 31,2021) and wholesale at Rs.375 Cr. (5.7% as on September 30,2021) as against Rs.866 Cr. (12.0% as on March 31,2021). As on September 30, 2021, top 20 exposures accounted for ~29% 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 coorigination 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 ~45% of the overall loan book as on September 30, 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.

ESG Factors Relevant for Rating

Edelweiss Group offers a bouquet of financial services to a diversified client base across domestic and global geographies. The Group has 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.Adoption and upkeep of strong business ethics is a sensitive material issue for the financial services business linked to capital markets to avoid fraud, insider trading and other anti-competitive behaviour. Other important governance issues relevant for the industry include management and board compensation, board independence as well as diversity, shareholder rights and role of audit committee. As regards the social factors, product or service quality has high materiality so as to minimise misinformation about the products to the customers and reduce reputational risks. For the industry, retention, and development of skilled manpower along with equal opportunity for employees is crucial. While data security is highly relevant due to company's access to confidential client information, social initiatives such as enhancing financial literacy and improving financial inclusion are fairly important for the financial services sector. The material of environmental factors is low for this industry.

Edelweiss Group's board comprises of eleven directors with two women directors. Of the total eleven directors, six are independent directors. The Group maintains adequate disclosures for business ethics which can be inferred from its policies relating to code of conduct, whistle blower protection and related party transactions. The Group has formed a Risk Committee with four out of five members being independent directors for among other things, identifying and evaluating risks and development, implementing and tracking risk management efforts. All the members of Audit Committee are independent directors. For redressal of grievances of the security holders, it has constituted a Stakeholders' Relationship Committee. The Group also has a committee for appointment, remuneration and performance evaluation of the Board. On the social aspect, the Group has taken development and training initiatives towards career development of its employees. The Group has put in place data privacy policy to ensure adequate safeguards for collection, storage and processing of personal and sensitive information and data of customers and third parties. Further, the Group has set up EdelGive foundation, a grant-making foundation which is funding and supporting the growth of small to mid-sized grassroots NGOs committed to empowering vulnerable children, women, and communities. Over the last 13 years, EdelGive has supported over 150 organizations across 111 districts in 14 states of India.

Rating Sensitivity

- 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 December 20,2021, '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.5,750 Cr. (includes bank lines of Rs.300 Cr.) as on October 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

Key Financials - Standalone / Originator

	Unit	FY21 (Actual)	FY20 (Actual)
Total Assets	Rs. Cr.	1703.88	1252.12
Total Income*	Rs. Cr.	372.03	366.68
PAT	Rs. Cr.	2.81	(30.18)
Net Worth	Rs. Cr.	337.15	163.53
Return on Average Assets (RoAA)	(%)	0.19	(2.28)
Return on Average Net Worth(RoNW)	(%)	1.12	(16.64)
Total Debt/Tangible Net Worth (Gearing)	Times	0.63	1.65

**Total income equals to Total Income net off interest expense*

Ratios as per Acuité calculations

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

Status of non-cooperation with previous CRA (if applicable):
None

Any other information
None

Applicable Criteria
• Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
• Consolidation Of Companies: https://www.acuite.in/view-rating-criteria-60.htm
• Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm
• Non-Banking Financing Entities: https://www.acuite.in/view-rating-criteria-44.htm

Note on complexity levels of the rated instrument
https://www.acuite.in/view-rating-criteria-55.htm

Rating History :
Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Not Applicable	Not Applicable	Proposed Secured Non-Convertible Debentures	Not Applicable	Not Applicable	Not Applicable	300.00	ACUITE AA | Negative | Assigned

Annexure I: The following subsidiaries and associate company of EFSL have been considered for consolidation: As on December 31, 2021.

Sr. No.	Name of entity	Relationship with EFSL
1	ECap Equities Limited	Subsidiary
2	Edelweiss Investment Adviser Limited	Subsidiary
3	EC Commodity Limited	Subsidiary
4	Edel Land Limited	Subsidiary
5	Edel Finance Company Limited	Subsidiary
6	Edelweiss Rural & Corporate Services Limited	Subsidiary
7	EdelGive Foundation	Subsidiary
8	ECL Finance Limited	Subsidiary
9	Edelweiss Housing Finance Limited	Subsidiary
10	Edelweiss Retail Finance Limited	Subsidiary
11	Edelweiss Asset Reconstruction Company Limited	Subsidiary
12	Edelweiss Alternative Asset Advisors Limited	Subsidiary
13	Edelweiss Asset Management Limited	Subsidiary
14	Edelweiss Trusteeship Company Limited	Subsidiary
15	Allium Finance Private Limited	Subsidiary
16	Edel Investments Limited	Subsidiary
17	Edelcap Securities Limited	Subsidiary
18	Edelweiss Capital Services Limited	Subsidiary
19	Edelweiss Comtrade Limited	Subsidiary
20	Edelweiss Securities and Investments Private Limited	Subsidiary
21	Edelweiss Real Assets Managers Limited	Subsidiary
22	Sekura India Management Limited	Subsidiary
23	Edelweiss Tokio Life Insurance Company Limited	Subsidiary
24	Edelweiss General Insurance Company Limited	Subsidiary
25	EC International Limited	Subsidiary
26	Edelweiss Alternative Asset Advisors Pte. Limited	Subsidiary
27	Edelweiss International (Singapore) Pte. Limited	Subsidiary
28	EAAA LLC	Subsidiary

29	Edelweiss Global Wealth Management Limited	Subsidiary
30	EW Special Opportunities Advisors LLC	Subsidiary
31	Edelweiss Securities Limited	Associate
32	Edelweiss Finance & Investments Limited	Associate
33	Edelweiss Broking Limited	Associate
34	Edelweiss Custodial Services Limited	Associate
35	ESL Securities Limited	Associate
36	Edelweiss Securities (Hong Kong) Private Limited	Associate
37	Edelweiss Investment Advisors Private Limited	Associate
38	Edelweiss Financial Services Inc	Associate
39	Edelweiss Financial Services (UK) Limited	Associate
40	Edelweiss Securities (IFSC) Limited	Associate

Contacts

Analytical	Rating Desk
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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 8,850 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 Kanjurmarg, Mumbai.

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ANNEXURE C – DEBENTURE TRUSTEE CONSENT LETTER

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BEACON TRUSTEESHIP

Consent letter from the Debenture Trustee to the Issue

Ref no: 22136/BTL/OPR/2022-23
Date: 17th June, 2022

Edelweiss Broking Limited
Edelweiss House,14th Floor,
Off CST Road,
Kalina,
MUMBAI-400098,Maharashtra
India

Dear Ma'am/Sir

Sub: Proposed Public Offering of Secured Redeemable Non-Convertible Debenture ("NCDs") for an amount up to ₹ 1500 million ("Base Issue"), with an option to retain over-subscription up to ₹ 1500 million, aggregating up to ₹ 3000 million ("Issue") of Edelweiss Broking Limited ("Company" or "Issuer").

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 Prospectus to be filed with the BSE Limited and/or National Stock Exchange of India Limited ("**Stock Exchange**") and to be forwarded to Securities and Exchange Board of India ("**SEBI**") and the Prospectus to be filed with the Registrar of Companies, Mumbai ("**RoC**"), Stock Exchange 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:

Name:	Beacon Trusteeship Limited
Address:	4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East), Mumbai- 400 051.
CIN:	U74999MH2015PLC271288
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
Logo:	BEACON

Beacon Trusteeship Limited

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 confirm that we have not been prohibited to act as a debenture trustee by the SEBI.

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.

We confirm that we will immediately inform the Company and the Lead Manager of any change to the above information until the date when the proposed Public Issue of NCDs commence trading on the Stock Exchange. 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 you, the Lead Manager and the legal advisor to the Issue in respect of the Issue.

Sincerely

For **Beacon Trusteeship Limited**

Beacon Trusteeship Limited

Name: Ms. Deepavali Vankalu
Designation: Asst. Vice President - Operation

CC:

Lead Manager to the Issue

Equirus Capital Private Limited
12th Floor, C Wing
Marathon Futurex
N.M. Joshi Marg
Lower Parel, Mumbai 400 013
Maharashtra, India.

Edelweiss Financial Services Limited
Edelweiss House,
Off CST Road
Kalina, Mumbai 400 098
Maharashtra, India

डिबेंचर न्यासी

प्रपत्र ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993

(DEBENTURE TRUSTEE) REGULATIONS, 1993

000270

(विनियम 8)

(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा 12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

BEACON TRUSTEESHIP LIMITED
4C & D, SIDDHIVINAYAK CHAMBERS,
GANDHI NAGAR, OPP. MIG CRICKET CLUB,
BANDRA EAST, MUMBAI - 400051
MAHARASHTRA, INDIA

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।

as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।

2) Registration Code for the debenture trustee is **IND000000569**

This Certificate of registration shall be valid for permanent, unless suspended or cancelled by the Board

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।

3) Unless renewed, the certificate of registration is valid from to

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : Mumbai

तारीख Date : February 12, 2021

ANUPMA CHADHA

प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

Beacon Trusteeship Limited

Annexure B

BEACON TRUSTEESHIP

Date: 17th June, 2022

Edelweiss Broking Limited
Edelweiss House,14th Floor,
Off CST Road,
Kalina,
MUMBAI-400098,Maharashtra
India

Dear Ma'am/Sir

Sub: Proposed Public Offering of Secured Redeemable Non-Convertible Debenture ("NCDs") for an amount up to ₹ 1500 million ("Base Issue"), with an option to retain over-subscription up to ₹ 1500 million, aggregating up to ₹ 3000 million ("Issue") of Edelweiss Broking Limited ("Company" or "Issuer").

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

We hereby enclose a copy of our SEBI registration certificate.

We shall immediately intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the relevant Stock Exchange. In the absence of any such communication the listing and trading of the non-convertible debentures on the relevant Stock Exchange.

For **Beacon Trusteeship Limited**

Beacon Trusteeship Limited

Name: Ms. Deepavali Vankalu
Designation: Asst. Vice President – Operation