

Note: Edelweiss Broking Ltd. is a Lead Broker to the issue; accordingly, this note is prepared based on the Prospectus for informative purpose only.

EDELWEISS FINANCIAL SERVICES LIMITED

Public Issue Of Secured redeemable non-convertible debentures

Issue Highlights

Issue opens:	Tuesday, August 17, 2021
Issue closes:	Monday, September 06, 2021
Allotment:	First Come First Serve Basis
Face Value:	Rs.1,000 per NCD
Issue Price:	Rs.1,000 per NCD
Nature of Instrument:	Secured Redeemable Non-Convertible Debentures
Minimum Application:	10 NCDs (Rs.10, 000) & in multiple of 1NCD
Listing:	BSE
Rating:	“Acuite AA (read as ACUITE double A) (Outlook: Negative)” and “[ICRA]A+ (Negative)”

Registrar:	Kfin Technologies Private Limited
Issue Size:	Public issue by the Company of NCDs aggregating up to Rs.2,000 million, with an option to retain over-subscription up to Rs. 2,000 million, aggregating up to Rs. 4,000 million, on the terms and in the manner set forth herein

Issue Break up:

Category	Allocation	Amount in Crs.	
		Base Issue	Issue
Institutional Investors	10%	20	40
Non Institutional Investors	10%	20	40
HNI	40%	80	160
Retail Individual Investors	40%	80	160
Total	100%	200	400

* Persons resident outside India and other foreign entities are not allowed

Yield (p.a.)

Series	I	II*	III	IV	V	VI	VII	VIII
Frequency of Interest Payment	Monthly	Annual	Cumulative	Monthly	Annual	Cumulative	Monthly	Annual
Tenor	36 months	36 months	36 months	60 months	60 months	60 months	120 months	120 months
Coupon (% per annum) for NCD Holders in Category I, II, III & IV	8.75%	9.10%	NA	9.15%	9.55%	NA	9.30%	9.70%
Effective Yield (per annum) for NCD Holders in Category I, II, III & IV	9.10%	9.09%	9.10%	9.54%	9.54%	9.55%	9.70%	9.69%
Amount (₹ / NCD) on Maturity for NCD Holders in Category I, II, III & IV	₹1000	₹1000	₹1299	₹1000	₹1000	₹1578.25	₹1000	₹1000

*The Company shall allocate and allot Series II NCDs wherein the Applicants have not indicated the choice of the relevant NCD Series.

All Category of Investors in the proposed Issue who are also holders of NCD(s)/Bond(s) previously issued by the Company, and/ or the group company, ECL Finance Limited, Edelweiss Housing Finance Limited, Edelweiss Retail Finance Limited and Edelweiss Finance & Investments Limited as the case may be, and/or are equity shareholder(s) of Edelweiss Financial Services Limited (“EFSL”) as the case may be, on the Deemed Date of Allotment and applying in Series I, Series II, Series IV, Series V, Series VII and/or Series VIII shall be eligible for additional incentive of 0.20% p.a. provided the NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for payment of respective coupons, in respect of Series I, Series II, Series IV, Series V, VII NCDs and/or Series VIII.

For all Category of Investors in the proposed Issue who are also holders of NCD(s)/Bond(s) previously issued by the Company, and/ or the group company, ECL Finance Limited, Edelweiss Housing Finance Limited, Edelweiss Retail Finance Limited and Edelweiss Finance & Investments Limited as the case may be, and/or are equity shareholder(s) of Edelweiss Financial Services Limited (“EFSL”) as the case may be, on the Deemed Date of Allotment applying in Series III and/or VI, the maturity amount at redemption along with the additional yield would be ₹ 1,305.75 per NCD and/or ₹ 1,592.75 per NCD respectively provided the NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for redemption in respect of Series III and/or Series VI.

The additional incentive will be maximum of 0.20% p.a. for all Category of Investors in the proposed Issue, who are also holders of NCD(s)/Bond(s) previously issued by the Company, and/ or the group company, ECL Finance Limited, Edelweiss Housing Finance Limited, Edelweiss Retail Finance Limited and Edelweiss Finance & Investments Limited as the case may be, and/or are equity shareholder(s) of Edelweiss Financial Services Limited (“EFSL”) as the case may be, on the deemed date of allotment.

On any relevant Record Date, the Registrar and/or the Company shall determine the list of the Primary holder(s) of this Issue and identify such Investor/ NCD Holders, (based on their DP identification and/or PAN and/or entries in the Register of NCD Holders) and make the requisite payment of additional incentive.

The additional incentive will be given only on the NCDs allotted in this Issue i.e. to the Primary holder(s). In case if any NCD is bought/acquired from secondary market or from open market, additional incentive will not be paid on such bought/acquired NCD.

In case the Primary holder(s) sells/gifts/transfer any NCDs allotted in this Issue, additional incentive will not be paid on such sold/gifted/transferred NCD except in case where NCDs are transferred to the Joint holder/Nominee in case of death of the primary holder.

Issuer Overview

Edelweiss Financial Services Limited (“EFSL”), was incorporated on November 21, 1995 under the name Edelweiss Capital Limited and started operations as an investment banking firm after receipt of a Category II license from SEBI. Edelweiss Capital Limited subsequently received a Category I Merchant Banker license from SEBI with effect from October 16, 2000. The name of Edelweiss Capital Limited was changed to ‘Edelweiss Financial Services Limited’ with effect from August 1, 2011.

COMMON TERMS FOR ALL SERIES OF THE NCDs

Issuer	Edelweiss Financial Services Limited
Type of instrument	Secured, redeemable, non-convertible debentures
Nature of instrument / Seniority	Secured, redeemable, non-convertible debentures
Mode of issue	Public issue
Listing	The NCDs are proposed to be listed on BSE. The NCDs shall be listed within 6 Working Days from the date of Issue Closure. BSE has been appointed as the Designated Stock Exchange.
Rating of the instrument	The NCDs proposed to be issued under the Issue have been rated “Acuite AA (read as ACUITE double A) (Outlook: Negative)” for an amount of Rs. 4,000 million by Acuité Ratings & Research Limited vide their rating letter dated July 19, 2021 and revalidated by way of letter dated August 9, 2021, and “ “[ICRA]A+ (Negative)” for an amount of Rs.4,000 million by ICRA Limited vide their rating letter dated July 22, 2021.
Base Issue size	₹ 2,000 million
Option to retain oversubscription	₹ 2,000 million
Default interest rate	Our Company shall pay interest, over and above the agreed coupon rate, in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws. Our Company shall pay at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed if our Company fails to execute the trust deed within such period as prescribed under applicable law.
Day count basis	Actual / Actual.
Issue Price (in ₹)	₹ 1000 per NCD
Discount at which security is issued and the effective yield as a result of such discount	Not applicable.
Put Date or Put Price or Call Date or Call Price or Put Notification Time or Call Notification Time	Not applicable.
Face Value (in ₹)	₹ 1,000 per NCD.
Minimum application size and in multiples of debt securities thereafter	₹10,000 (10 NCDs) across all series collectively and in multiples of ₹ 1000 (1 NCDs) thereafter.
Deemed Date of Allotment	The date on which the Board of Directors/or the Debenture Fund Raising Committee approves the Allotment of the NCDs or such date as may be determined by the Board of Directors/ or the Debenture Fund Raising 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.
Issuance mode of the instrument	Dematerialised form only.
Trading	In dematerialised form only.
Depositories	NSDL and CDSL.
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors or the Debenture Fund Raising Committee or such other Committee (as may be authorised by the Board in this regard from time to time) in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of

	NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date
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*In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, the 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 the Company or the Debenture Fund Raising Committee. In the event of such early closure or extension subscription list of the Issue, the 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. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day post the Issue Closing Date. For further details please refer to the section titled “General Information” on page 54 of the Prospectus.

SPECIFIC TERMS FOR EACH SERIES OF NCDs

Series	I	II*	III	IV	V	VI	VII	VIII
Frequency of Interest Payment	Monthly	Annual	Cumulative	Monthly	Annual	Cumulative	Monthly	Annual
Minimum Application	₹ 10,000/- (10 NCDs) across all Series							
Face Value/ Issue Price of NCDs (₹/ NCD)	₹1,000/-							
In Multiples of thereafter (₹)	₹ 1,000/- (1 NCD)							
Tenor	36 months	36 months	36 months	60 months	60 months	60 months	120 months	120 months
Coupon (% per annum) for NCD Holders in Category I, II, III & IV	8.75%	9.10%	NA	9.15%	9.55%	NA	9.30%	9.70%
Effective Yield (per annum) for NCD Holders in Category I, II, III & IV	9.10%	9.09%	9.10%	9.54%	9.54%	9.55%	9.70%	9.69%
Mode of Interest Payment	Through various mode available							
Amount (₹ / NCD) on Maturity for NCD Holders in	₹1,000/-	₹1,000/-	₹1,299.00/-	₹1,000/-	₹1,000/-/-	₹1,578.25	₹1,000/-	₹1,000/-

Category I, II, III & IV								
Maturity / Redemption Date (Years from the Deemed Date of Allotment)	36 months	36 months	36 months	60 months	60 months	60 months	120 months	120 months
Put and Call Option	NA	NA	NA	NA	NA	NA	NA	

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For all Category of Investors in the proposed Issue who are also holders of NCD(s)/Bond(s) previously issued by the Company, and/ or its group company, ECL Finance Limited, Edelweiss Housing Finance Limited, Edelweiss Retail Finance Limited and Edelweiss Finance & Investments Limited as the case may be, and/or are equity shareholder(s) of Edelweiss Financial Services Limited (“EFSL”) as the case may be, on the Deemed Date of Allotment applying in Series III and/or VI, the maturity amount at redemption along with the additional yield would be ₹ 1,305.75 per NCD and/or ₹ 1,592.75 per NCD respectively provided the NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for redemption in respect of Series III and/or Series VI.

The additional incentive will be maximum of 0.20% p.a. for all Category of Investors in the proposed Issue, who are also holders of NCD(s)/Bond(s) previously issued by the Company, and/ or its group company, ECL Finance Limited, Edelweiss Housing Finance Limited, Edelweiss Retail Finance Limited and Edelweiss Finance & Investments Limited as the case may be, and/or are equity shareholder(s) of Edelweiss Financial Services Limited (“EFSL”) as the case may be, on the deemed date of allotment.

On any relevant Record Date, the Registrar and/or the Company shall determine the list of the Primary holder(s) of this Issue and identify such Investor/ NCD Holders, (based on their DP identification and /or PAN and/or entries in the Register of NCD Holders) and make the requisite payment of additional incentive.

The additional incentive will be given only on the NCDs allotted in this Issue i.e. to the Primary holder(s). In case if any NCD is bought/acquired from secondary market or from open market, additional incentive will not be paid on such bought/acquired NCD.

In case the Primary holder(s) sells/gifts/transfer any NCDs allotted in this Issue, additional incentive will not be paid on such sold/gifted/transferred NCD except in case where NCDs are transferred to the Joint holder/Nominee in case of death of the primary holder.

WHO CAN APPLY				
Categories	Category I	Category II	Category III	Category IV
	Institutional Portion	Non Institutional Investors	HNI	Retail
Allocation Ratio	10% of Overall Issue Size	10% of Overall Issue Size	40% of Overall Issue Size	40% of Overall Issue Size
	<ul style="list-style-type: none"> Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; Provident funds and pension funds each with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorised to invest in the 	<ul style="list-style-type: none"> Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; Co-operative banks and regional rural banks; Trusts including 	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	<ul style="list-style-type: none"> 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

	<p>NCDs;</p> <ul style="list-style-type: none"> • 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. 	<p>public/private charitable/religious trusts which are authorised to invest in the NCDs;</p> <ul style="list-style-type: none"> • 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 Association of Persons; and • Any other incorporated and/ or unincorporated body of persons. 	<p>options of NCDs in the Issue</p>	<p>and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.</p>
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