



**EDELWEISS FINANCIAL SERVICES LIMITED**

**Corporate Identity Number (CIN):** L99999MH1995PLC094641

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

**Phone:** +91 22 4009 4400 | **Fax:** +91 4086 3610

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**NOTICE CONVENING MEETING OF EQUITY SHAREHOLDERS OF  
EDELWEISS FINANCIAL SERVICES LIMITED PURSUANT TO ORDER DATED JANUARY 12, 2023 OF  
THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**

<b>MEETING</b>	
<b>Day</b>	Friday
<b>Date</b>	February 24, 2023
<b>Time</b>	4.00 p.m. (IST)
<b>Mode of Meeting</b>	As per the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench, the Meeting shall be conducted through Video Conferencing (" <b>VC</b> ") / Other Audio-Visual Means (" <b>OAVM</b> ")
<b>Cut-off date for e-Voting</b>	Saturday, February 18, 2023
<b>Remote e-Voting start date and time</b>	Monday, February 20, 2023 at 9.00 a.m. (IST)
<b>Remote e-Voting end date and time</b>	Thursday, February 23, 2023 at 5.00 p.m. (IST)

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**The Notice of the Meeting, Statement under Sections 230 to 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the CAA Rules and Annexure I to Annexure X should be read together.**

FORM NO. CAA. 2

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

C.A.(CAA)/10/MB/2023

IN THE MATTER OF SECTIONS 230 TO 232

AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF THE SCHEME OF ARRANGEMENT BETWEEN

EDELWEISS FINANCIAL SERVICES LIMITED

AND

NUVAMA WEALTH MANAGEMENT LIMITED (FORMERLY KNOWN AS EDELWEISS SECURITIES LIMITED)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Edelweiss Financial Services Limited, a )  
company incorporated under the provisions )  
of the Companies Act, 1956 having )  
Corporate Identity Number )  
L99999MH1995PLC094641 and having its )  
Registered Office at Edelweiss House, Off. )  
C.S.T. Road, Kalina, Mumbai - 400 098, )  
Maharashtra )  
...Company / Demerged Company

**NOTICE CONVENING MEETING OF EQUITY SHAREHOLDERS**

To,  
The Equity Shareholders of  
Edelweiss Financial Services Limited

1. NOTICE is hereby given that, in accordance with the Order dated January 12, 2023 ("**Tribunal Order**") in the above mentioned Company Scheme Application, passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ("**Tribunal**"), a meeting of the Equity Shareholders of the Company, will be held for the purpose of their considering, and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Edelweiss Financial Services Limited ("**Demerged Company**" or "**Company**") and Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) ("**Resulting Company**") and their respective Shareholders and Creditors ("**Scheme**") on Friday, February 24, 2023 at 4.00 p.m. (IST) ("**Meeting**").
2. Pursuant to the Tribunal Order and as directed therein, the Meeting will be held through Video Conferencing ("**VC**")/ Other Audio Visual Means ("**OAVM**"), in compliance with the applicable provisions of the Companies Act, 2013 ("**Act**") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") to consider and, if thought fit, to pass, with or without modification(s), the following resolution for approval of the Scheme by requisite majority as prescribed under Section 230(1) and Section 230 (6) of the Act read with SEBI Master Circular dated November

23, 2021 bearing reference No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 and other applicable laws, as amended:

***“RESOLVED THAT** pursuant to the provisions of Sections 230 and 232 of the Companies Act, 2013, the Rules, Circulars and Notifications issued thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) and Circulars issued thereunder, for the time being in force) and all other applicable laws and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon’ble National Company Law Tribunal, Mumbai Bench (**“Tribunal”**) and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be deemed appropriate by the Parties to the Scheme (as defined hereinafter), at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Scheme of Arrangement between Edelweiss Financial Services Limited (**“Demerged Company”** or **“Company”**) and Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) (**“Resulting Company”**) and their respective Shareholders and Creditors (**“Scheme”**), be and is hereby approved.*

***FURTHER RESOLVED** that the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this Resolution and effectively implement the arrangement embodied in the Scheme and to make any modifications or amendments to the Scheme at any time and for any reason whatsoever, and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper.”*

3. **TAKE FURTHER NOTICE** that the Equity Shareholders of the Company shall have the facility and option of voting on the Resolution for approval of the Scheme by casting their votes: (a) through e-voting system available at the Meeting to be held virtually (**“e-voting at the Meeting”**); or (b) by remote electronic voting (**“remote e-voting”**) during the period as stated below:

REMOTE E-VOTING PERIOD	
Commencement of voting	Monday, February 20, 2023 at 9.00 a.m. (IST)
End of voting	Thursday, February 23, 2023 at 5.00 p.m. (IST)



4. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Company/ Depositories as on the cut-off date, i.e., Saturday, February 18, 2023 ("**Cut-Off Date**") only shall be entitled to exercise his/ her/ its voting rights on the Resolution proposed in the Notice and attend the Meeting. A person who is not an Equity Shareholder of the Company as on the Cut-Off date, should treat the Notice for information purpose only.
5. A copy of the Scheme, statement under Sections 230 to 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the CAA Rules) along with all annexures to such Statement are enclosed.
6. A copy of this Notice and the accompanying documents are also placed on the website of the Company and can be accessed at [www.edelweissfin.com](http://www.edelweissfin.com); the website of National Securities Depository Limited ("**NSDL**") viz. [www.evotingindia.nsdl.com](http://www.evotingindia.nsdl.com), being the agency appointed by the Company to provide the e-voting and other facilities for convening of the Meeting and the website of BSE viz. [www.bseindia.com](http://www.bseindia.com) and NSE viz. [www.nseindia.com](http://www.nseindia.com).
7. The Tribunal has appointed Mr. Rashesh Shah, Chairman of the Board of Directors of the Company, failing him, Mr. Venkatchalam Ramaswamy, Vice-Chairman and Executive Director of the Company, to be the Chairperson for the Meeting and Mr. B. Narasimhan, Proprietor – M/s. BN & Associates, Company Secretaries, failing him, Mr. Avinash Bagul, Partner – M/s. BNP & Associates, Company Secretaries, failing him, Mr. K. Venkataraman, Practicing Company Secretary, to be the Scrutinizer for the Meeting.
8. The Scheme, if approved at the Meeting, will be subject to the subsequent sanction of the Tribunal and such other approvals, permissions and sanctions of regulatory or other authorities, as may be necessary.

**Sd/-**  
**Rashesh Shah**  
**Chairperson appointed by the Tribunal for the Meeting**  
**DIN:00008322**

Mumbai, Monday, January 23, 2023

**Registered Office:**

Edelweiss House, Off. C.S.T. Road, Kalina,  
Mumbai - 400 098, Maharashtra, India  
CIN: L99999MH1995PLC094641  
Website: [www.edelweissfin.com](http://www.edelweissfin.com)  
E-mail: [efsl.shareholders@edelweissfin.com](mailto:efsl.shareholders@edelweissfin.com)  
Tel.: 022 4009 4400  
Fax: 022 4086 3610

### Notes for meeting of Equity Shareholders of the Company

#### **1. General instructions for accessing and participating in the Meeting through VC/ OAVM Facility and voting through electronic means including remote e-voting**

- (a) Pursuant to the Order passed by the Tribunal, the Meeting of the Equity Shareholders of the Company will be held through VC/ OAVM.
- (b) Since the Meeting is being held pursuant to Order passed by the Tribunal through VC/OAVM, physical attendance of the Equity Shareholders of the Company has been dispensed with. Accordingly, the facility for appointment of proxies by the Equity Shareholders of the Company will not be available for the Meeting. However, in pursuance of Section 113 of the Act, authorised representatives of institutional/ corporate shareholders may be appointed for the purpose of voting through remote e-voting, for participation in the Meeting through VC/ OAVM facility and e-voting during the Meeting, provided that such shareholder shall forward a scanned copy (PDF/JPG Format) of its board or governing body resolution/authorization etc., authorizing its representative to attend the Meeting through VC/ OAVM on its behalf, vote through e-voting during the Meeting and/ or to vote through remote e-voting, on its behalf. The said resolution/ authorization shall be sent to the scrutinizer by email through his registered email id address to [narasimhan.b8@gmail.com](mailto:narasimhan.b8@gmail.com); or [ab@bnpassociates.in](mailto:ab@bnpassociates.in); or [venkatk1960@yahoo.co.in](mailto:venkatk1960@yahoo.co.in) and to the Company at [efsl.shareholders@edelweissfin.com](mailto:efsl.shareholders@edelweissfin.com), before the VC/OAVM Meeting or before the remote e-voting period, as the case may be. The corporate shareholders can also upload documents in NSDL e-voting system for verification by the Scrutiniser.
- (c) The proceedings of the Meeting would be deemed to have been conducted at the Registered Office of the Company located at Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai - 400 098, Maharashtra, India.
- (d) Equity Shareholders attending the Meeting through VC/OAVM shall be reckoned for the purpose of quorum. Quorum for the Meeting shall be in terms of the Tribunal Order and Section 103 of the Act.
- (e) The aforesaid particulars are being sent through electronic mode to those Equity Shareholders whose e-mail IDs are registered with the Company's Registrar & Share Transfer Agent ("RTA") i.e., Link Intime India Private Limited or Depositories or the Company, as the case maybe. The aforesaid particulars are being sent to all the Equity Shareholders whose names appear in the register of members/ list of beneficial owners as on January 20, 2023.
- (f) NSDL (e-voting agency) will provide the facilities for voting by the Equity Shareholders of the Company through remote e-voting, for participation in the Meeting through VC/OAVM and e-voting during the Meeting.
- (g) **Voting rights of an Equity Shareholder/ beneficial owner (in case of electronic shareholding) shall be in proportion to his/ her/ its shareholding in the paid-up equity share capital of the Company as on the Cut-off Date (specified in the Notice).**

- (h) The Statement pursuant to Section 230 read with Section 102 and other applicable provisions of the Act and Rule 6 of the CAA Rules, in respect of the business set out in the Notice of the Meeting is annexed hereto.
- (i) Since the Meeting will be held through VC/ OAVM in accordance with the Order passed by the Tribunal, the route map, proxy form and attendance slip are not attached to this Notice.
- (j) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
- (k) A copy of the Scheme, Statement under Section 230 read with Section 102 and other applicable provisions of the CAA Rules and other applicable laws along with all annexures to Statement are enclosed herewith. A copy of this Notice and the accompanying documents are also placed on the website of the Company and can be accessed at: [www.edelweissfin.com](http://www.edelweissfin.com); the website of NSDL viz. [www.evoting.nsdl.com](http://www.evoting.nsdl.com), being the agency appointed by the Company to provide e-voting and other facilities for the Meeting and the website of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively. All the documents referred to in the accompanying Statement, shall be available for inspection through electronic mode during the proceedings of the Meeting. Equity Shareholders of the Company seeking to inspect copies of the said documents may send an email at [efsl.shareholders@edelweissfin.com](mailto:efsl.shareholders@edelweissfin.com). Further, all the documents referred to in the accompanying explanatory statement shall also be open for inspection by the Equity Shareholders at the Registered Office of the Company between 10:30 a.m. to 12:30 p.m., on all working days up to the date of the Meeting.
- (l) If so desired, Equity Shareholders may obtain a physical copy of the Notice and the accompanying documents, i.e., Scheme and the Statement under Section 230 read with Section 102 and other applicable provisions of the Act and the CAA Rules, free of charge. A written request in this regard, along with details of your shareholding in the Company, may be addressed to the Company Secretary at [efsl.shareholders@edelweissfin.com](mailto:efsl.shareholders@edelweissfin.com).
- (m) Subject to receipt of requisite majority of votes as per Section 230 to 232 of the Act and SEBI Master Circular, as amended, issued by the Securities and Exchange Board of India ("SEBI"), the Resolution proposed in the Notice shall be deemed to have been passed on the date of the Meeting (specified in the Notice).
- (n) In terms of Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 issued by the SEBI, the SEBI has mandated the submission of Permanent Account Number ("PAN") by every participant in the securities market. The Equity Shareholders of the Company holding shares in electronic form who have not submitted their PAN to their Depository Participants are requested to submit their PAN to their Depository Participants and those Equity Shareholders holding equity shares in physical form who have not submitted their PAN are requested to submit their PAN to the Company's RTA through Form ISR-1 duly filled with details including Folio Number

and attaching a self-attested copy of PAN card to the Registrar and Share Transfer Agent of the Company i.e., Link Intime India Private Limited.

- (o) The Equity Shareholders of the Company holding shares in physical mode, who have not registered / updated their email addresses with the Company, are requested to register/ update the same by sending an application to the RTA of the Company through Form ISR-1 as per the instructions provided hereinabove.

## **2. Procedure for joining the Meeting through VC/ OAVM**

- (a) The Company will provide VC/ OAVM facility to its Equity Shareholders for participating in the Meeting. The Equity Shareholders will be able to attend the Meeting through VC/ OAVM or view the live webcast of the Meeting at [www.evotingindia.nsdl.com](http://www.evotingindia.nsdl.com) by using their remote e-voting login credentials and selecting the 'EVEN' for the Meeting as per the instructions mentioned below. Individual shareholders having shares in demat mode will have to login from the depository website and non-individual shareholders and physical shareholders will have to login from NSDL portal for voting as well as for participation in the Meeting.
- (b) The Equity Shareholders may join the Meeting through laptops, smartphones, tablets or iPads for better experience. Further, the Equity Shareholders will be required to use internet with a good speed to avoid any disturbance during the Meeting. Equity Shareholders will need the latest version of Chrome, Safari, MS Edge or Mozilla Firefox.

Please note that the participants connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience audio/ video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

Facility to join the Meeting will be opened fifteen minutes before the scheduled time of the Meeting and will be kept open throughout the proceedings of the Meeting.

- (c) The Equity Shareholders who would like to express their views or ask questions during the Meeting may register themselves as speakers by mentioning their name, demat account number/ folio number, email id and mobile number, at [efsl.shareholders@edelweissfin.com](mailto:efsl.shareholders@edelweissfin.com). The speaker registration will be open during Friday, February 17, 2023 at 9.00 a.m. to Monday, February 20, 2023 at 5.00 p.m. (IST). Only those Equity Shareholders who are registered as speakers will be allowed to express their views or ask questions.
- (d) Equity Shareholders seeking any information with regard to the matter to be considered at the Meeting, are requested to write to the Company on or before Monday, February 20, 2023 at 5.00 p.m. (IST) through email on [efsl.shareholders@edelweissfin.com](mailto:efsl.shareholders@edelweissfin.com). The same will be replied by the Company suitably.
- (e) The Chairperson at its discretion reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the Meeting.

- (f) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

### **3. Procedure and Instructions relating to e-voting:**

#### **(a) Instructions relating to e-voting:**

- (i) Pursuant to the directions of the Tribunal given under the Tribunal Order, the Company is providing facility to its Equity Shareholders to exercise their right to vote on resolution proposed to be passed at the Meeting by electronic means.
- (ii) The manner of voting, including voting remotely by: (i) individual shareholders holding equity shares of the Company in demat mode; (ii) shareholders other than individuals holding equity shares of the Company in demat mode; (iii) shareholders holding equity shares of the Company in physical mode; and (iv) Equity Shareholders who have not registered their e-mail address, is explained in the instructions given hereinbelow.
- (iii) The remote e-voting will not be allowed beyond the end date and time specified in the voting period as stated in the Notice and the remote e-voting module shall be forthwith disabled by NSDL upon expiry of the aforesaid period.
- (iv) The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till the resolution proposed in the Notice is considered and voted upon at the Meeting and may be used for voting only by the Equity Shareholders holding shares as on the Cut-off Date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.
- (v) The Equity Shareholders who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting. Once the vote on the resolution is cast by an Equity Shareholder, whether partially or otherwise, the Equity Shareholder will not be allowed to change it subsequently or cast the vote again.
- (vi) An Equity Shareholder can opt for only single mode of voting i.e., either through remote e-voting or e-voting at the Meeting. If an Equity Shareholder casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".
- (vii) Mr. B. Narasimhan, (Membership No. FCS - 1303) Proprietor – M/s. BN & Associates, Company Secretaries, failing him Mr. Avinash Bagul (Membership No. FCS-5578), Partner – M/s. BNP & Associates, Company Secretaries, failing him Mr. K. Venkataraman, Practicing Company Secretary (Membership No. ACS -8897) has been appointed as the Scrutinizer for conducting the e-voting process including remote e-voting in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.

- (viii) The remote e-voting facility will be available during the following period:

REMOTE E-VOTING PERIOD	
Commencement of voting	Monday, February 20, 2023 at 9.00 a.m. (IST)
End of voting	Thursday, February 23, 2023 at 5.00 p.m. (IST)

- (ix) Any person holding equity shares of the Company in physical form and non-individual shareholders, who acquire equity shares of the Company and become Equity Shareholders of the Company after the Notice is sent through e-mail and holding shares as of the Cut-off Date (as specified in the Notice), may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you could reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800- 1020-990 and 1800-224-430.
- (x) In case of individual shareholders holding equity shares of the Company in demat mode, who acquire equity shares of the Company and become a shareholder of the Company after sending of the Notice and holding shares as of the Cut-off Date (as specified in the Notice), may follow steps mentioned in the Notice of the Meeting under ‘Access to NSDL e-Voting system’;
- (xi) It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to insert the correct password. In such an event, you will need to go through the ‘Forgot User Details/Password?’ or ‘Physical User Reset Password?’ option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password;
- (xii) To attend to any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-1020-990 and 1800- 224-430 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Ms. Pallavi Mhatre at the designated email id: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) at National Securities Depository Limited, Trade World, ‘A’ Wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India who will also address the grievances connected with the voting by electronic means.

**(b) Procedure for e-voting**

- (i) The details of the process and manner for remote e-voting and e-voting at the Meeting are explained below.
- (ii) The way to vote electronically on NSDL e-voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to the NSDL e-voting system

Step 2: Cast your vote electronically on NSDL e-voting system





(iii) Step 1: Access to NSDL e-voting system

**(A) Login method for e-voting and joining virtual meeting for individual shareholders holding equity shares of the Company in demat mode**

Individual shareholders holding equity shares of the Company in demat mode are allowed to vote through their demat account maintained with Depositories/ Depository Participants. Equity Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-voting facility.

Login method for individual shareholders holding equity shares of the Company in demat mode is given below:

Type of shareholders	Login Method
Individual shareholders holding equity shares of the Company in demat mode with NSDL.	<ol style="list-style-type: none"><li>Existing IDeAS user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page, click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on 'Access to e-Voting' under e-Voting services and you will be able to see e-Voting page. Click on the Company's name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-voting period or joining virtual Meeting &amp; e-voting at the meeting.</li><li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/Id easDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/Id easDirectReg.jsp</a>.</li><li>Visit the e-Voting website of NSDL. Open</li></ol>

Type of shareholders	Login Method
	<p>web browser by typing the following URL: <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on the Company's name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual Meeting &amp; e-voting during the Meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
Individual Shareholders holding equity shares in demat mode with Central Depository Services Limited	<p>1. Existing users who have opted for Easi/Easiest, they can login through their user ID and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on</p>



Type of shareholders	Login Method
("CDSL")	<p>New System Myeasi.</p> <ol style="list-style-type: none"> <li>After successful login of Easi/Easiest the user will be also able to see the e-voting Menu. The Menu will have links of e-voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at:   <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a> </li> <li>Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress.</li> </ol>
Individual shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on the Company's name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual Meeting &amp; e-voting during the Meeting.</p>

- (iv) **Important note:** Equity Shareholders of the Company who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at abovementioned website.
- (v) Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual shareholders holding securities in demat mode with NSDL	Equity Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30 [from 8:00 a.m. (IST) to 8:00 p.m. (IST)]
Individual shareholders holding securities in demat mode with CDSL	Equity Shareholders facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at +91-22-23058738 or +91-22-23058542-43 [from 10:00 a.m. (IST) to 6:30 p.m. (IST)]

**(B) Login method for e-voting and joining virtual meeting for Equity Shareholders other than individual shareholders holding equity shares of the Company in demat mode and physical mode**

**How to Log-in to NSDL e-voting website?**

- (i) Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- (ii) Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section.
- (iii) A new screen will open. You will have to enter your User ID, your Password/ OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- (iv) Your User ID details are given below:

<b>Manner of holding equity shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Equity Shareholders who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Equity Shareholders who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Equity Shareholders holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then  user ID is 101456001***

(v) Password details for Equity Shareholders other than individual shareholders are given below:

- (a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- (b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'Initial Password' which was communicated to you. Once you retrieve your 'Initial Password', you need to enter the 'Initial Password' and the system will force you to change your password.
- (c) How to retrieve your 'Initial Password'?
  - (i) If your email id is registered in your demat account or with the Company, your 'Initial Password' is communicated to you on your email id. Trace the email sent to you from NSDL from your mailbox. Open the email and

open the attachment i.e. a .pdf file. The Password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'Initial Password'.

- (ii) If your email id is not registered, please follow steps mentioned below in **process for those Shareholders whose email IDs are not registered**.
- (vi) If you are unable to retrieve or have not received the 'Initial Password' or have forgotten your Password:
  - (a) Click on 'Forgot User Details/Password?' (If you are holding equity shares of the Company in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - (b) 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - (c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.
  - (d) Equity Shareholders can also use the OTP (One Time Password) based login option available at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) for casting their vote on the e-voting system of NSDL.
- (vii) After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.
- (viii) Now, you will have to click on 'Login' button.
- (ix) After you click on the 'Login' button, Home page of e-voting will open.

**(C) Step 2: Cast your vote electronically at the Meeting/ join virtual meeting on NSDL e-voting system**

- (i) After successful login at Step 1, you will be able to see 'EVEN' of all the companies in which you are holding shares and whose voting cycle and the meeting is in active status.
- (ii) Select 'EVEN' of the Company for which you wish to cast your

vote during the remote e-voting period and casting your vote during the Meeting. For joining virtual Meeting, you need to click on 'VC / OAVM' link placed under 'Join Meeting'.

- (iii) Now you are ready for e-voting as the voting page opens.
- (iv) Cast your vote by selecting appropriate options i. e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
- (v) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (vi) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- (vii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**(D) Process for those Equity Shareholders of the Company whose email ids are not registered with the Depositories for procuring user ID and password and registration of email ids for e-voting for the resolutions set out in this Notice.**

- (i) In case equity shares of the Company are held in physical mode, please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to [efsl.shareholders@edelweissfin.com](mailto:efsl.shareholders@edelweissfin.com).
- (ii) In case equity shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16 digit beneficiary ID), Name, Client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [efsl.shareholders@edelweissfin.com](mailto:efsl.shareholders@edelweissfin.com). If you are an individual shareholder holding equity shares of the Company in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-voting and joining virtual Meeting, for individual shareholders holding equity shares of the Company in demat mode.
- (iii) Alternatively, shareholders may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring User ID and Password for e-voting by providing above mentioned documents.
- (iv) Equity Shareholders of the Company are required to update their mobile number and email id correctly in their demat account in order to access e-voting facility.

**(E) Instructions for attending the Meeting and cast votes through e-voting on the day of the Meeting:**

- (i) Equity Shareholders of the Company will be provided with a facility to attend the Meeting through VC/ OAVM through the NSDL e-voting system. Equity Shareholders of the Company may access by following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see link of 'VC / OAVM link' placed under 'Join meeting' menu against the Company's name. You are requested to click on VC / OAVM link placed under 'Join Meeting' menu. The link for VC/ OAVM will be available in Shareholder/Member login where the EVEN of the Company will be displayed. Please note that the shareholders who do not have the User ID and Password for e-voting at the Meeting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice to avoid last minute rush.
- (ii) The procedure for e-voting on the day of the Meeting is same as the instructions mentioned above for remote e-voting.
- (iii) Details of persons who may be contacted for any grievances connected with the facility for e-voting on the day of the Meeting is the same as that mentioned for remote e-voting.
- (iv) Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.

**(c) Results of the Meeting**

- (i) The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairperson of the Meeting. The result of voting for the Meeting will be declared within 2 (two) working days of the conclusion of the Meeting and the same, along with the consolidated Scrutinizer's Report, will be placed on the website of the Company: [www.edelweissfin.com](http://www.edelweissfin.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The result will simultaneously be communicated to the Stock Exchanges. The result will also be displayed at the registered office of the Company.
- (ii) Subject to receipt of requisite majority of votes (as per Sections 230 to 232 of the Act, and SEBI Master Circular bearing reference no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, as amended, issued by the SEBI, the Resolution proposed in the Notice shall be deemed to have been passed on the date of the Meeting (specified in the Notice).

**Equity Shareholders are requested to carefully read all the Notes set out herein and in particular, instructions for joining the Meeting, manner of casting vote through remote e-voting or e-voting at the Meeting.**

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

C.A.(CAA)/10/MB/2023

IN THE MATTER OF SECTIONS 230 TO 232  
AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013  
AND  
IN THE MATTER OF SCHEME OF ARRANGEMENT  
BETWEEN  
EDELWEISS FINANCIAL SERVICES LIMITED  
AND  
NUVAMA WEALTH MANAGEMENT LIMITED (FORMERLY KNOWN AS EDELWEISS SECURITIES LIMITED)  
AND  
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Edelweiss Financial Services Limited, a )  
company incorporated under the provisions )  
of the Companies Act, 1956 having )  
Corporate Identity Number )  
L99999MH1995PLC094641 and having its )  
Registered Office at Edelweiss House, Off. )  
C.S.T. Road, Kalina, Mumbai - 400 098, )  
Maharashtra ) ...Company / Demerged Company  
)

STATEMENT UNDER SECTIONS 230 AND 232 READ WITH SECTION 102 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ("ACT") AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 ("CAA RULES") AND OTHER APPLICABLE LAWS TO THE NOTICE OF THE MEETING OF EQUITY SHAREHOLDERS OF EDELWEISS FINANCIAL SERVICES LIMITED CONVENED PURSUANT TO ORDER OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH ("TRIBUNAL") DATED JANUARY 12, 2023 ("TRIBUNAL ORDER")

**1. MEETING FOR THE SCHEME**

This is a statement accompanying the Notice convening the meeting of Equity Shareholders ("**Meeting**") of Edelweiss Financial Services Limited, for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Edelweiss Financial Services Limited ("**Demerged Company**" or "**Company**") and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) ("**Resulting Company**") and their respective Shareholders and Creditors ("**Scheme**").

The Scheme provides for the demerger, transfer and vesting of the Demerged Undertaking (*as defined in the Scheme*) from the Demerged Company into the Resulting Company on a going concern basis and reduction of the capital of the Resulting Company. The Scheme also provides for various other matters consequential thereto or otherwise. A copy of the Scheme is enclosed hereto as **Annexure I**.

Capital terms not defined herein and used in the Notice and this Statement shall have the same meaning as ascribed to them in the Scheme.

## **2. RATIONALE AND BENEFITS OF THE SCHEME**

The circumstances which justify and/or have necessitated the said Scheme and the benefits of the same are, *inter alia*, as follows:

“

1. *The Demerged Company and the Resulting Company seek to reorganise their respective businesses, by transfer of the Demerged Undertaking from the Demerged Company to the Resulting Company, so as to consolidate the wealth management business under one single entity (i.e. the Resulting Company).*
2. *The demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company will result in the equity shares of the Resulting Company becoming listed on the National Stock Exchange Limited and BSE Limited, with the Resulting Company focusing exclusively on wealth management business and capable of independent valuation and participation therein by any suitable investor interested in such businesses, in the future.*
3. *The proposed restructuring pursuant to the said Scheme is expected, inter alia, to result in following benefits:*
  - (i) *value unlocking of wealth management business with ability to achieve valuation based on respective-risk return profile and cash flows;*
  - (ii) *attracting business specific investors and strategic partners and providing better flexibility in accessing capital, focused strategy and specialisation for sustained growth and thereby enable de-leveraging of the respective businesses in the longer-term;*
  - (iii) *segregation and unbundling of the wealth management business of the Demerged Company into the Resulting Company, will enable enhanced focus on the Demerged Company and the Resulting Company for exploiting opportunities in their respective business domains; and*
  - (iv) *focused management approach for pursuing the growth in the respective business' verticals and de-risk the businesses from each other.*

*The Scheme would be in the best interests of the shareholders, employees, creditors and other stakeholders of each of the Parties as it would result in enhancement of shareholder value, operational efficiencies and greater focus and would enable the management of each of the aforesaid companies to vigorously pursue revenue growth and expansion opportunities.”*

## **3. BACKGROUND OF THE COMPANIES:**

### **A. Particulars of the Company**

- (i) Edelweiss Financial Services Limited is a public company incorporated under the provisions of the Companies Act, 1956. The Registered Office of the Company is situated at Edelweiss House,



Off. C.S.T. Road, Kalina, Mumbai - 400 098, Maharashtra, India. The Company is registered with the Registrar of Companies, Maharashtra, Mumbai, having Corporate Identity Number (CIN) L99999MH1995PLC094641. Its Permanent Account Number with the Income Tax Department is AAACE1461E. The email address of the Company is [efsl.shareholders@edelweissfin.com](mailto:efsl.shareholders@edelweissfin.com) and the website is [www.edelweissfin.com](http://www.edelweissfin.com). The Company was incorporated on November 21, 1995, under the provisions of the Companies Act, 1956 under the name 'Edelweiss Capital Limited'. Subsequently the name of the Company was changed to its present name 'Edelweiss Financial Services Limited' and a fresh certificate of incorporation was issued by the Registrar of Companies, Maharashtra, Mumbai on August 1, 2011. The equity shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") ("Stock Exchanges").

(ii) Main objects of the Company have been reproduced as below:

1. *To carry on the business as Securities Brokers, Share and Stock brokers, finance and investment brokers, sub-brokers, underwriters, sub-underwriters and consultants for and to purchase, acquire, hold, sell, buy, invest, trade, exchange, deal, barter, borrow, lend, guarantee, give, comfort for pledge, hypothecate, charge and deal in investment instruments of all kinds and types whether securities or not including shares, stocks, debentures, bonds, cumulative convertible preference shares, certificates of deposits, commercial papers, participation certificates, other securities by original subscription, coupons, warrants, options and such other derivatives, units of Unit Trust of India and other mutual funds or any other securities issued by the Companies, Governments, Corporations, Co-operatives, Firms, Trusts, Societies, Authorities whether situated in India or abroad and to carry on financial operations of all kinds including credit rating, money changers, OTC dealers, Stock Exchange members, bought out deals, placement of shares, hedging. Also to carry on the business of portfolio management services.*
2. *To carry on the business of an investment Company and to invest the capital and other moneys of the Company in the purchase or upon the security of shares, stocks, units, debentures, debenture stocks, bonds, mortgages, obligations and securities of any kind issued by any company including securities issued by asset reconstruction companies or securitization companies and other companies in any manner or guaranteed by any company, corporation or undertaking of whatever nature whether incorporated or otherwise, and wheresoever constituted or carrying on business and to buy, sell or otherwise deal in Shares, Stocks, Debenture-stocks, Bonds, Notes, Mortgages, Obligation and other securities issued or guaranteed by any Government, Sovereign, Ruler, Commissioners, Trusts, Municipal, Local or other authority or body whatsoever nature in India or abroad and also to carry on the business of investment and research advisory services.*
3. *To act as money changers, brokers, buyers and sellers of all foreign currencies, to take positions and to trade on the movements of foreign currencies on behalf of customers or otherwise, to hold operate and transact in foreign currencies by maintaining foreign currency bank accounts or otherwise, and to issue or act as agents for travelers cheques, credit cards and all instruments in any currency, subject to all rules, regulations and approvals as may be necessary.*
4. *To carry on the business of Management Consultants, Merchant Bankers and Advisors on all aspects of Corporate Financial and Commercial matters.*

4A. To undertake and carry on the business and activities as an Asset Management Company and/or to sponsor the setup of an mutual fund, asset management company and trustee company.

5. To carry on the business as a Non-banking Financial Company, Holding Company, Investment Company, to undertake banking business/set up a banking company through a Non-operating Financial Holding Company or in such other manner, as may be prescribed by the Reserve Bank of India, from time to time.”

During the last five years, there has been no change in the main objects clause of the Memorandum of Association of the Company.

(iii) The Company is principally engaged in providing investment advisory services, merchant banking services (registered with Securities and Exchange Board of India), investment banking services and holding company activities comprising of development, managerial and financial support to the business of its subsidiaries.

(iv) The share capital of the Company as on December 31, 2022, is as follows:

Share Capital	Amount in Rs.
<b>Authorised Share Capital</b>	
123,00,00,000 equity shares of Re. 1 each	123,00,00,000
40,00,000 preference shares of Rs. 5 each	2,00,00,000
<b>Total</b>	<b>125,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
94,31,01,215 equity shares of Re. 1 each	94,31,01,215
<b>Total</b>	<b>94,31,01,215</b>

(v) The latest annual financial statements of the Company have been audited for the financial year ended on March 31, 2022 and the copy of the standalone financial results (limited reviewed) of the Company for the quarter and half year ended September 30, 2022 is enclosed hereto as **Annexure II**.

(vi) The details of the shares held by the Promoters and Promoter Group in the Company as on December 31, 2022, is as under:-

Sr. No.	Name	Category	Address	Number of Equity Shares held
1	Mr. Rashesh Shah	Promoter	223, Kalpataru Horizon B, S K Ahire Marg, Worli, Mumbai 400 018	14,56,01,730

Sr. No.	Name	Category	Address	Number of Equity Shares held
2	Mr. Venkatchalam Ramaswamy	Promoter	Flat No 2101/2201, Mangrishi Apartments, Kashinath Dhuru Road, Near Kirti College, Dadar West, Mumbai – 400 028	5,81,26,560
3	Ms. Vidya Shah	Promoter	223, Kalpataru Horizon B, S K Ahire Marg, Worli, Mumbai 400 018	3,10,31,200
4	Ms. Aparna T. C.	Promoter	Flat No 2101/2201, Mangrishi Apartments, Kashinath Dhuru Road, Near Kirti College, Dadar West, Mumbai – 400 028	1,22,10,000
5	Ms. Kaavya Venkat Arakoni	Promoter Group	Flat No 2101/2201, Mangrishi Apartments, Kashinath Dhuru Road, Near Kirti College, Dadar West, Mumbai – 400 028	1,17,90,000
6	Mr. Neel Rashes Shah	Promoter Group	223, Kalpataru Horizon B, S K Ahire Marg, Worli, Mumbai 400 018	20,00,000
7	Ms. Sneha Sripad Desai	Promoter Group	223, Kalpataru Horizon B, S K Ahire Marg, Worli, Mumbai 400 018	10,25,000

Sr. No.	Name	Category	Address	Number of Equity Shares held
8	Ms. Shilpa Urvish Mody	Promoter Group	Kamal, 4 <sup>th</sup> Floor, Flat No.46, 69, Walkeshwar Road, Mumbai – 400 006	9,50,000
9	Mr. Arakoni Venkatachalam Ramaswamy	Promoter Group	A1 Vanaprastha Kasthuri Naicken Palayam Vadavalli Rural, Coimbatore - 641 041	50,000
10	Mabella Trustee Services Private Limited (on behalf of M/s. Shah Family Discretionary Trust)	Promoter Group	Edelweiss House Off. CST Road, Kalina, Mumbai – 400 098	3,87,50,000
11	Spire Investment Advisors LLP	Promoter Group	Edelweiss House Off. CST Road, Kalina, Mumbai – 400 098	32,00,000
12	Ms. Sejal Premal Parekh	Promoter Group	223, Kalpataru Horizon B, S. K. Ahire Marg, Worli, Mumbai - 400 018	9,50,000
13	Ms. Avanti Rashesh Shah	Promoter Group	223, Kalpataru Horizon B, S. K. Ahire Marg, Worli, Mumbai - 400 018	20,00,000

(vii) The details of Directors of the Company along with their addresses are mentioned hereinbelow:

Sr. No.	Name	Designation	Address
1	Mr. Rashesh Shah	Chairman & Managing Director	223, Kalpataru Horizon B, S K Ahire Marg, Worli, Mumbai - 400 018
2	Mr. Venkatchalam Ramaswamy	Vice Chairman & Executive Director	Flat No. 2101/2201, Mangrishi Apartments, Kashinath Dhuru Road, Near Kirti College, Dadar West, Mumbai – 400 028

3	Mr. Himanshu Kaji	Executive Director	C/5, C/7 Ishwar Niwas, Sicka Nagar, V. P. Road, Mumbai – 400 004
4	Ms. Vidya Shah	Non- Executive Director Non- Independent Director	223, Kalpataru Horizon B, S K Ahire Marg, Worli, Mumbai - 400 018
5	Mr. Biswamohan Mahapatra	Independent Director	502, M1 Wing, Riddhi Gardens, Gen. A. K. Vaidya Marg, Malad (East), Mumbai - 400 097
6	Dr. Ashima Goyal	Independent Director	A 301/302 Raheja Sherwood, Nirlon Compound, Behind HUB Mall, Off W. E. Highway, Goregaon (East), Mumbai – 400 063
7	Mr. Ashok Kini	Independent Director	B - 202, Mantri Pride Apartment, Behind Madhavan Park, 1 <sup>st</sup> Block Jayanagar, Bengaluru - 560 011
8	Mr. Shiva Kumar	Independent Director	D 61, Westend Heights, DLF Phase 5, Gurgaon – 122 009

**B. Particulars of the Resulting Company**

- (i) Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) is a public company incorporated under the provisions of the Companies Act, 1956 in Mumbai, Maharashtra. The registered office of the Resulting Company is situated at Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai - 400 098, Maharashtra. The Resulting Company is accordingly registered with the Registrar of Companies, Mumbai, having Corporate Identity Number (CIN) U67110MH1993PLC344634. Its Permanent Account Number with the Income Tax Department is AAACK3972N. The email address of the Resulting Company is [Secretarial@nuvama.com](mailto:Secretarial@nuvama.com). The Resulting Company was incorporated on August 20, 1993 under the provisions of the Companies Act, 1956 in Mumbai, Maharashtra, under the name of 'Kayjay Financial Research Services Private Limited'. The name of the Resulting Company was changed from 'Kayjay Financial Research Services Private Limited' to 'KJS Securities Private Limited' on February 13, 1998. Subsequently, the name of the Resulting Company was changed from 'KJS Securities Private Limited' to 'Rooshnil Securities Private Limited' on May 4, 1998. Subsequently, the name of the Resulting Company was changed from 'Rooshnil Securities Private Limited' to 'Edelweiss Securities Private Limited' on May 12, 2004. Thereafter, the registered office of the Resulting Company was shifted to Hyderabad in the State of Andhra Pradesh on January 5, 2007 pursuant to which, fresh certificate of incorporation consequent on change of registered office was issued by the Registrar of Companies, Andhra Pradesh. Subsequently, the name of the Resulting Company was thereafter changed from 'Edelweiss Securities Private Limited' to 'Edelweiss

Securities Limited' on June 8, 2007. Thereafter, the registered office of the Resulting Company was shifted to Mumbai in the State of Maharashtra on August 26, 2020 pursuant to which, fresh certificate of incorporation consequent on change of registered office was issued by the Registrar of Companies, Mumbai. Subsequent to above, the name of the Resulting Company was changed to its present name 'Nuvama Wealth Management Limited' and a fresh certificate of incorporation was issued by the Registrar of Companies, Maharashtra, Mumbai on August 18, 2022. The equity shares of the Resulting Company are not listed on any Stock Exchanges.

(ii) Main objects of the Resulting Company have been reproduced as below:

“

1. *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 dealings 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 deal in shares, stocks, debentures, debenture-stock, bonds, obligations or securities of any Company or corporation and to carry on the business as brokers, sub-brokers or underwriters or sub-underwriters, IPO Managers, Mutual Fund distributors, distributors of banking products and other financial products, portfolio manager, 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.*
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 and 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, to subscribe or acquire, buy, hold, sell or otherwise trade and deal for commission or other wise in all kinds of money market or capital market , debt or commercial, negotiable or transferrable instruments of any Government or Government body, whether incorporated or not, or issued by any body 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.*
- 3.a\* *To undertake and carry on the business and activities as an Asset Management Company and to sponsor a mutual fund, Asset Management Company and Trustee Company and to engage in such other activities relating to the Asset Management business as permitted under the applicable laws.*

3.b\* *To act as a Settlor, Sponsor and Investment Manager to the Alternative Investment Funds and to engage in such other activities relating to the Alternative Investment Fund business as permitted under the applicable laws.*

3.c\*\* *To carry on the business as merchant banker on all aspects of corporate financial and commercial matters including to act as managers, advisors, arrangers, to the issue and offers, whether by way of public offer, private placement or otherwise, of securities including shares, stocks, debentures, bonds, units, participation certificates, deposits, bills, warrants or any other instruments whether or not transferable or negotiable, commercial or other paper or scrips (hereinafter collectively referred to as the 'securities'), to act as underwriters, sub-underwriters, to underwrite, sub- underwrite or to provide stand-by or procurement arrangements, in respect of the securities, to issue guarantees or to give any other commitments for subscribing or agreeing to subscribe or procure or agree to procure subscription for the securities, to provide financial services, syndication, international financial advisory and other related service.*

\* inserted vide Special Resolution dated July 31, 2019

\*\* inserted vide Special Resolution dated May 14, 2022

- (iii) Except as stated above, during the last five years, there has been no change in the main objects clause of the Memorandum of Association of the Company.
- (iv) The Resulting Company is registered as a trading and clearing member with the Stock Exchanges and provides securities broking, investment advisory and research analysis services to its clients. The Resulting Company is a SEBI registered stockbroker, investment advisor and research analyst. The Resulting Company also acts as a 'Sponsor' to Alternate Investment Funds.
- (v) The share capital of the Resulting Company as on December 31, 2022, is as follows:

Share Capital	Amount in Rs.
<b>Authorised Share Capital</b>	
79,95,40,000 equity shares of Rs. 10 each	799,54,00,000
4,60,000 preference shares of Rs. 10 each	46,00,000
1,20,00,000 preference shares of Rs. 1,000 each	1200,00,00,000
<b>Total</b>	<b>2000,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
3,50,48,208 equity shares of Rs. 10 each, fully paid up	35,04,82,080
<b>Total</b>	<b>35,04,82,080</b>

The latest annual financial statements of the Resulting Company have been audited for the financial year ended on March 31, 2022. The copy of the audited standalone financial statements for the quarter and half year ended September 30, 2022 is enclosed hereto as **Annexure III**.

- (vi) The details of the shares held by the Promoter and Promoter Group in the Resulting Company as on December 31, 2022, is as under:-

Sr. No.	Name	Category	Address	Number of Equity Shares held
1.	PAGAC Ecstasy Pte Limited (including 4 shares held by its nominees)	Promoter	20, Anson Road, #12-03 Twenty Anson, Singapore – 079 912	1,93,92,068
2.	Asia Pragati Strategic Investment Fund	Promoter Group	811, 8 <sup>th</sup> Floor, Ansal Bhawan, 16 K.G. Marg, New Delhi – 110 001	3,15,277

(viii) The details of Directors of the Resulting Company along with their addresses are mentioned hereinbelow:

Sr. No.	Name	Designation	Address
1.	Mr. Ramesh Abhishek	Non-executive Chairman	72, Ground Floor, E Block, Greater Kailash Part 2, New Delhi – 110 048
2.	Mr. Ashish Kehair	Managing Director & CEO	Wing M 1401, Jade Garden, Gandhinagar, Opposite MIG Cricket Club, Bandra East, Mumbai – 400051
3.	Mr. Shiv Sehgal	Executive Director	B-4301, Oberoi Esquire, Mohan Gokhale Road, Near Oberoi Wood Tower, Goregaon (East), Mumbai – 400 063
4.	Mr. Rashesh Shah	Non-executive Director	223, Kalpataru Horizon B, S K Ahire Marg, Worli, Mumbai - 400 018
5.	Mr. Venkatchalam Arakoni Ramaswamy	Non-executive Director	Flat No 2101/2201, Mangrish Apartments, Kashinath Dhuru Road, Near Kirti College, Dadar West, Mumbai – 400028
6.	Ms. Vidya Shah	Non-executive Director	223, Kalpataru Horizon B, S K Ahire Marg, Worli, Mumbai - 400 018



7.	Mr. Nikhilkumar Srivastava	Non-executive Director	B 2601, Omkar 1973, Worli, Mumbai – 400 030
8.	Mr. Aswin Vikram	Non-executive Director	B-1203, Lodha Parkside, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013
9.	Mr. Sujey Subramanian	Non-executive Director	33 Tanglin Road #07-10 Saint Regis Residences Singapore – 247 913
10.	Mr. Anthony Murray Miller	Non-executive Director	Room 1631, Four Seasons Place, No. 8 Finance Street, Central Hong Kong
11.	Mr. Birendra Kumar	Independent Director	3C, Tower D, Viceroy Park, Thakur Village, Kandivali (East), Mumbai – 400 101
12.	Mr. Kunnasagaran Chinniah	Independent Director	12, Countryside Grove, Singapore - 789967
13.	Mr. Navtej S. Nandra	Independent Director	22 West 15 Street, 18A, New York – 10011, USA.
14.	Ms. Anisha Motwani	Independent Director	Space 261, Nirvana Country, Sector 50 South City 2, Gurgaon - 122 018

#### 4. **SALIENT FEATURES OF THE SCHEME**

The salient features of the Scheme are, *inter-alia*, as stated below. The capitalized terms used herein shall have the same meaning as ascribed to them in Clause 1 of Part I of the Scheme:

- (i) The Scheme provides for the demerger, transfer and vesting of the Demerged Undertaking (*as defined in the Scheme*) from the Company into the Resulting Company on a going concern basis and reduction of the capital of Resulting Company. The Scheme also provides for various other matters consequential thereto or otherwise.
- (ii) The 'Appointed Date' of the Scheme means the Effective Date or such other date (if any) as may be decided by the Boards of the Parties and the 'Effective Date' means date on which last of the conditions specified in Clause 19 (Conditions Precedent) of this Scheme are complied with or waived, as may be applicable;

- (iii) Share Entitlement Ratio for demerger, transfer and vesting of the Demerged Undertaking (*as defined in the Scheme*) from the Company into the Resulting Company:

*Upon Part II of the Scheme coming into effect and in consideration of and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot 1,05,28,746 (One crore five lakhs twenty eight thousand seven hundred and forty six) fully paid up equity shares of INR 10 (Indian Rupees Ten) each of the Resulting Company ("**Resulting Company New Equity Shares**"), credited as fully paid up, to the equity shareholders of the Demerged Company whose name is recorded in the register of members/ records of the depository as members of the Demerged Company as on the Record Date, in each case, in proportion to the number of equity shares held by the shareholders in the Demerged Company.*

**Note: The above details are the salient features of the Scheme. The shareholders are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.**

## **5. RELATIONSHIP SUBSISTING BETWEEN PARTIES TO THE SCHEME**

The Company holds 30% of the issued, subscribed and paid-up equity share capital of the Resulting Company. Further, the Company along with its wholly owned subsidiaries hold 43.76% of the paid-up equity share capital of the Resulting Company.

## **6. APPROVALS AND INTIMATION IN RELATION TO THE SCHEME**

- (i) The Audit Committee and Committee of Independent Directors of the Company at their respective meetings held on May 13, 2022 had approved and recommended the Scheme to the Board of Directors of the Company. Basis the recommendations of the Audit Committee and the Committee of Independent Directors of the Company, the Board at its meeting held on May 13, 2022, unanimously approved the Scheme, as detailed below:

<b>Name of Director</b>	<b>Voted in favour/ against/ did not participate or vote</b>	<b>No. of Equity Shares held in the Company</b>	<b>No. of Equity Shares held in the Resulting Company</b>
Mr. Rashesh Shah	Did not participate	14,56,01,730	--
Mr. Venkatchalam Ramaswamy	Did not attend the meeting	5,81,26,560	--
Mr. Himanshu Kaji	In favour	29,75,000	--
Ms. Vidya Shah	Did not participate	3,10,31,200	--
Mr. Biswamohan Mahapatra	In favour	--	--
Dr. Ashima Goyal	In favour	--	--
Mr. Ashok Kini	In favour	--	--
Mr. Rujan Panjwani*	In favour	1,19,51,380	--
Mr. P. N. Venkatachalam**	In favour	2,70,000	--
Mr. Navtej S. Nandra**	Did not participate	79,74,180	--
Mr. Kunnasagaran Chinniah**	Did not participate	2,00,000	--

\*retired as Director with effect from September 2, 2022

\*\*ceased to be Independent Director with effect September 2, 2022

- Shares held singly or as first shareholder are only considered.
- As on the date of the Board Meeting i.e. May 13, 2022, Mr. Rashesh Shah, Mr. Venkatchalam Ramaswamy, Ms. Vidya Shah, Mr. Navtej S. Nandra and Mr. Kunnasagaran Chinniah were also the Directors on the Board of the Resulting Company.
- Mr. Tarun Khurana, Company Secretary, holds 61,600 equity shares of the Company and Ms. Ananya Suneja, Chief Financial Officer, doesn't hold any equity shares of the Company. Mr. Khurana and Ms. Suneja doesn't hold any equity shares in the Resulting Company.

(ii) The Board of Directors of the Resulting Company at its Board Meeting held on May 13, 2022 by resolution passed unanimously approved the Scheme, as detailed below:

Name of Director	Voted in favour/ against/ did not participate or vote	No. of Equity Shares held in the Resulting Company	No. of Equity Shares held in the Demerged Company
Mr. Ramesh Abhishek	In favour	--	--
Mr. Ashish Kehair	In favour	--	--
Mr. Shiv Sehgal	In favour	--	--
Mr. Rashesh Shah	Did not participate	--	14,56,01,730
Mr. Venkatchalam Ramaswamy	Did not attend the meeting	--	5,81,26,560
Ms. Vidya Shah	Did not participate	--	3,10,31,200
Mr. Nikhil Srivastava	In favour	--	--
Mr. Aswin Vikram	In favour	--	--
Mr. Anthony Miller	Did not attend the meeting	--	--
Mr. Birendra Kumar	In favour	--	--
Mr. Kunnasagaran Chinniah	Did not participate	--	2,00,000
Mr. Navtej S. Nandra	Did not participate	--	79,74,180
Ms. Anisha Motwani	In favour	--	--
Mr. Lincoln Pan*	Did not attend the meeting	--	--

\*resigned w.e.f. November 7, 2022

- Shares held singly or as first shareholder are only considered.
- As on the date of the Board Meeting i.e. May 13, 2022, Mr. Rashesh Shah, Mr. Venkatchalam Ramaswamy, Ms. Vidya Shah, Mr. Navtej S. Nandra and Mr. Kunnasagaran Chinniah were also the Directors on the Board of the Demerged Company.

(iii) In terms of Regulation 37 of the SEBI Listing Regulations read with SEBI Master Circular, BSE and NSE, by their letters dated December 15, 2022 and December 16, 2022, respectively, have issued their respective observation on the Scheme to the Company. There are no adverse observations on the Scheme in the said letters of BSE and NSE. Copies of the said observation letters issued by BSE and NSE to the Company are enclosed hereto as **Annexure IV**. Further, in terms of the said SEBI Master Circular, the Company has not received any complaint relating to the Scheme and "NIL" complaint reports were filed by the Company with BSE and NSE, copies of which are enclosed hereto as **Annexure V**.

- (iv) As per comments contained in the above observation letters, details of ongoing adjudication and recovery proceedings, prosecution initiated and all other enforcement action taken against the Company, its promoters and directors, as submitted to the Tribunal, are enclosed hereto as **Annexure VI**.
- (v) The abovementioned details of ongoing adjudication and recovery proceedings, prosecution initiated and all other enforcement action taken against the Company, its promoters and directors are provided as on December 27, 2022. Apart from the details mentioned in Annexure VI stated above, the Company is involved in various legal proceedings from time to time, arising in the ordinary course of business. These legal proceedings are primarily in the nature of notices for tax/duties disputes, labour disputes/third party claims, writ petitions, civil suits, arbitral proceedings including counter claims, accident compensation/insurance claims/workmen compensation, and disputes related to suppliers dues, pending before various adjudicating forums.
- (vi) Apart from the proceedings provided in the Annexure VI, there are no ongoing adjudication and recovery proceedings, prosecution initiated and enforcement action taken, against the Company, which if results in an adverse outcome may materially and adversely affect the Scheme, the Company's operations or its financial position, as the case may be.
- (vii) A copy of the Scheme has been filed by the Company with the Registrar of Companies, Maharashtra, Mumbai.
- (viii) In addition to the approval of the Tribunal, the Company will obtain such necessary approvals / sanctions / no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, as may be required.

## **7. INTEREST OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMPs) AND THEIR RELATIVES**

None of the Directors, KMPs (as defined under the Act and Rules framed thereunder) of the Company and the Resulting Company and their relatives (as defined under the Act and Rules framed thereunder) has any interest in the Scheme except to the extent of their shareholding in the Company, if any. Save as aforesaid, none of the Directors, the KMPs and their relatives has any particular interest in the Scheme.

Mr. Rashesh Shah, Mr. Venkatchalam Ramaswamy and Ms. Vidya Shah, the Directors of the Company are also the Directors of the Resulting Company.

## **8. EFFECT OF SCHEME ON STAKEHOLDERS**

The effect of the Scheme on various stakeholders is summarised below:

- (i) **Shareholders, Key Managerial Personnel, Promoter and Non-promoter Shareholders**  
The effect of the Scheme on the Equity Shareholders, KMPs, Promoter and Non-promoter shareholders of the Company and the Resulting Company is given in the reports adopted by the Board of Directors of the Company and the Resulting Company on May 13, 2022 pursuant to the provisions of Section 232 of the Act, which are enclosed hereto as **Annexure VII**.

(ii) **Directors**

- (a) The Scheme will have no effect on the office of the Directors of the Company and the Resulting Company. Further, no change in the Board of Directors of the Company and the Resulting Company is envisaged on account of the Scheme. It is clarified that the composition of the Board of Directors of the Company and the Resulting Company may change by appointments, retirements or resignations in accordance with the provisions of the Act, SEBI Listing Regulations and the Memorandum & Articles of Association of the Company and the Resulting Company.
- (b) The effect of the Scheme on the Directors of the Company and the Resulting Company in their capacity as shareholders of such companies are the same as in case of other shareholders of such company, as mentioned in the aforesaid report, enclosed as **Annexure VII**.

(iii) **Employees**

With effect from the Effective Date, the Resulting Company undertakes to engage, without any interruption in service, all employees forming part of the Demerged Undertaking, on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company immediately prior to the Effective Date.

Apart from the above, employees engaged in the Company and the Resulting Company will continue to be employees of the Company and the Resulting Company, respectively, on the same terms and conditions, as before.

(iv) **Creditors**

Except as stated in the Scheme, the creditors of the Company and the Resulting Company will continue to be creditors of the Company and the Resulting Company, respectively, on the same terms and conditions, post the Scheme becoming effective. Further, pursuant to the Scheme, creditors of the Company forming a part of the Demerged Undertaking will become creditors of the Resulting Company, on the same terms and conditions as were applicable to the Company, post the Scheme becoming effective.

(v) **Debenture holders and Debenture Trustees**

The Company has issued Non-convertible Debentures (NCDs) and has appointed Debenture Trustees.

The NCDs issued by the Company which are listed on BSE Limited, will continue to be listed on BSE Limited on the same terms and conditions at the time when they were issued and allotted.

Accordingly, there will be no adverse impact on the Debenture Trustees of the Company.

The Resulting Company has not issued any NCDs.

(vi) **Depositors and Deposit Trustees**

The Company and the Resulting Company have not accepted fixed deposits. Further, no deposit trustees have been appointed by the Company and the Resulting Company.

There will be no adverse effect on account of the Scheme on the aforesaid stakeholders. The Scheme is proposed to the advantage of all concerned, including the said stakeholders.

## 9. NO INVESTIGATION PROCEEDINGS

There are no proceedings pending under Sections 210 to 227 of the Act against the Company and the Resulting Company.

## 10. AMOUNTS DUE TO UNSECURED CREDITORS

- (i) The amount due to unsecured creditors by the respective companies, as on September 30, 2022 is as follows:

Sr. No.	Particulars	Amount in Rs.
1.	Edelweiss Financial Services Limited	62,90,16,255
2.	Nuvama Wealth Management Limited	578,77,89,754

- (ii) The Scheme embodies the arrangement between the Company and the Resulting Company, and its Shareholders and Creditors. No change in value or terms or any compromise or arrangement is proposed under the Scheme with any of the creditors of the Company.

## 11. SHARE CAPITAL / DEBT RESTRUCTURING

There is no debt restructuring envisaged in the Scheme. With effect from the Effective Date, the paid-up equity share capital of the Resulting Company to the extent held by Demerged Company, as on Effective Date shall without any further application, act, instrument or deed, stand cancelled, extinguished and annulled. Other than as mentioned in Clause 9 of the Scheme, the Scheme does not involved any capital/debt restructuring.

## 12. DETAILS OF CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

### (i) Capital Structure

The pre Scheme share capital structure of the Company and the Resulting Company is specified in Paragraphs 3.A.(iv) and 3.B.(v) above. Pursuant to the Scheme, there will no change in the share capital structure of the Company.

The post Scheme share capital of the Resulting Company will be as follows:

Share Capital	Amount in Rs.
<b>Authorised Share Capital</b>	
79,95,40,000 equity shares of Rs. 10 each	799,54,00,000
4,60,000 preference shares of Rs. 10 each	46,00,000
1,20,00,000 preference shares of Rs. 1,000 each	1200,00,00,000
<b>Total</b>	<b>2000,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
3,50,64,294 equity shares of Rs. 10 each, fully paid up	35,06,42,940
<b>Total</b>	<b>35,06,42,940</b>

### (ii) Shareholding Pattern

The pre-arrangement shareholding pattern of the Company as on December 31, 2022 is as follows:

Sr. No.	Particulars of Shareholder	No of Equity Shares held	% Holding
<b>A</b>	<b>Promoter and Promoter Group</b>		
1	Individuals	26,57,34,490	28.17
2	Bodies Corporate / Trust	4,19,50,000	4.45
	<b>TOTAL (A)</b>	30,76,84,490	32.62
<b>B</b>	<b>Public</b>		
<b>(I)</b>	<b>Institutions</b>		
1	Mutual Fund	5,78,890	0.06
2	Alternate Investment Funds	1,000	0.00
3	Banks	531	0.00
4	Insurance Companies	2,42,82,094	2.57
5	NBFCs registered with RBI	1,09,100	0.01
6	Other Financial Institutions	3,56,418	0.04
7	Foreign Portfolio Investors Category I	30,23,63,793	32.06
8	Foreign Portfolio Investors Category II	16,500	0.00
9	State Government / Governor	2,590	0.00
	<b>TOTAL B(I)</b>	32,77,10,916	34.75
<b>(II)</b>	<b>Non-Institutions</b>		
1	Individual Shareholder holding nominal share capital upto Rs. 2 Lakhs	10,65,91,522	11.30
2	Individual Shareholder holding nominal share capital in excess Rs. 2 Lakhs	9,50,92,472	10.08
3	IEPF	96,076	0.01
4	Trusts	17,808	0.00
5	HUF	50,08,708	0.53
6	Non-Resident Indians	2,63,57,114	2.79
7	LLP	29,11,106	0.31
8	Clearing Members	1,60,312	0.02
9	Bodies Corporate	2,34,58,292	2.49
10	Foreign Nationals	1,019	0.00
11	Foreign Companies	78,000	0.01
12	Directors and their relatives (excluding Independent Directors and nominee Directors)	29,75,000	0.32
13	Key Managerial Personnel	61,600	0.01
14	Employee Benefit Trust (under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021)	4,48,96,780	4.76
	<b>TOTAL B(II)</b>	30,77,05,809	32.63
	<b>TOTAL (B)</b>	63,54,16,725	67.38
	<b>GRAND TOTAL (A+B)</b>	94,31,01,215	100

Pursuant to the Scheme, there will be no change in shareholding pattern of the Demerged Company.

The pre-arrangement shareholding pattern of the Resulting Company as on December 31, 2022 is as follows:

Sr. No.	Particulars of Shareholder	No of Shares held	% Holding
<b>A</b>	<b>Promoter and Promoter Group</b>		
1	PAGAC Ecstasy Pte Ltd (including 4 shares held by its nominees)	1,93,92,068	55.34
2	Asia Pragati Strategic Investment Fund	3,15,277	0.90
	<b>TOTAL (A)</b>	<b>1,97,07,345</b>	<b>56.24</b>
<b>B</b>	<b>Public</b>		
1	Edelweiss Financial Services Limited	1,05,12,660	30.00
2	Edel Finance Company Limited	18,34,455	5.23
3	ECap Equities Limited	29,87,740	8.53
4	<u>Others</u>	6,008	-
	<b>TOTAL (B)</b>	<b>1,53,40,863</b>	<b>43.76</b>
	<b>GRAND TOTAL (A+B)</b>	<b>3,50,48,208</b>	<b>100</b>

The post-arrangement shareholding pattern of the Resulting Company is as follows (based on December 31, 2022):

Sr. No.	Particulars of Shareholder	No of Equity Shares held	% Holding
<b>A</b>	<b>Promoter and Promoter Group</b>		
1	PAGAC Ecstasy Pte Ltd (including 4 shares held by its nominees)	1,93,92,068	55.30
2	Asia Pragati Strategic Investment Fund	3,15,277	0.90
	<b>TOTAL (A)</b>	<b>1,97,07,345</b>	<b>56.20</b>
<b>B</b>	<b>Public</b>		
1	Promoter and promoter group of Edelweiss Financial Services Limited	34,34,990	9.80
2	Public shareholders of Edelweiss Financial Services Limited	65,92,528	18.80
3	Edel Finance Company Limited	18,34,455	5.23
4	ECap Equities Limited	29,87,740	8.52
5	Others	6,008	0.02
	<b>TOTAL (B)</b>	<b>1,48,55,721</b>	<b>42.37</b>
<b>C</b>	<b>Non Public Non Promoter</b>		
1	Employee Benefit Trust (under SEBI (Share based Employee Benefits and Sweat Equity)	5,01,228	1.43



Sr. No.	Particulars of Shareholder	No of Equity Shares held	% Holding
	Regulations, 2021) of Edelweiss Financial Services Limited		
	<b>TOTAL (C)</b>	<b>5,01,228</b>	<b>1.43</b>
	<b>GRAND TOTAL (A+B+C)</b>	<b>3,50,64,294</b>	<b>100</b>

- (iii) The Company and the Resulting Company has outstanding employee stock options and may further issue employee stock options, the exercise of which may also result in an increase in the issued, subscribed and paid-up share capital and change in the shareholding pattern of the Company and the Resulting Company, respectively.

### **13. VALUATION REPORT AND FAIRNESS OPINION**

- (i) A copy of the share entitlement ratio reports dated May 13, 2022 issued by M/s. Price Waterhouse & Co LLP and Mr. Suman Kumar Verma, Registered Valuer (IBBI Registration No. IBBI/RV/05/2019/12376) ("**Share Entitlement Ratio Reports**"), in connection with the Scheme is enclosed hereto as **Annexure VIII**. The respective valuers in the Share Entitlement Ratio Reports have carried out valuation of: (i) equity shares of the Resulting Company; and (ii) the Demerged Undertaking of the Company on the basis of Income Approach (i.e. DCF Approach). Further, in the requisite paragraphs of the Share Entitlement Ratio Reports, the reasoning for considering Income Approach (i.e. DCF approach) and not considering Asset Approach and Market Approach is provided by the respective valuers.
- (ii) A copy of the fairness opinion report dated May 13, 2022 issued by Equirus Capital Private Limited, an Independent SEBI Registered Merchant Banker, confirming that the share exchange ratio arrived at in Share Entitlement Ratio Reports is fair is enclosed hereto as **Annexure IX**.

### **14. ABRIDGED PROSPECTUS**

Abridged prospectus providing information pertaining to the unlisted entity i.e., Resulting Company involved in the scheme as per the format specified in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**") is enclosed hereto as **Annexure X**.

### **15. AUDITORS CERTIFICATE OF CONFORMITY OF ACCOUNTING TREATMENT IN THE SCHEME WITH ACCOUNTING STANDARDS**

The Auditors of the Company and the Resulting Company have confirmed that the accounting treatment in the said Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act and the applicable accounting standards.

### **16. INSPECTION OF DOCUMENTS**

In addition to the documents appended hereto, the electronic copy of following documents will be available for inspection in the investor section of the website of the Company at [www.edelweissfin.com](http://www.edelweissfin.com):

- a. Copy of the Tribunal Order;
- b. Memorandum & Articles of Association of the Company and the Resulting Company;
- c. Audited financial statements of the Company and the Resulting Company, for the financial year ended March 31, 2022;
- d. Copy of the Scheme;
- e. Certificate of the Statutory Auditor of the Company and Resulting Company confirming that the accounting treatment prescribed under the Scheme is in compliance with Section 133 of the Act and the applicable accounting standards;
- f. Certificate issued by Axis Capital Limited, SEBI Registered Merchant Banker, certifying the accuracy and adequacy of disclosures made in Annexure X; and
- g. All other documents displayed on the Company's website i.e., [www.edelweissfin.com](http://www.edelweissfin.com) in terms of the SEBI Master Circular on the Scheme.

Based on the above and considering the rationale and benefits, in the opinion of the Board, the Scheme will be of advantage to, beneficial and in the interest of the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. The Board of Directors of the Company recommend the Scheme for approval of the Equity Shareholders.

**Sd/-**  
**Rashesh Shah**  
**Chairperson appointed by the Tribunal for the Meeting**  
**DIN:00008322**

Mumbai, Monday, January 23, 2023

**Registered Office:**

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**SCHEME OF ARRANGEMENT**

**BETWEEN**

**EDELWEISS FINANCIAL SERVICES LIMITED**

**AND**

**NUVAMA WEALTH MANAGEMENT LIMITED  
(FORMERLY KNOWN AS EDELWEISS SECURITIES LIMITED)**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**UNDER SECTIONS 230 TO 232 READ WITH SECTION 52 AND OTHER APPLICABLE  
PROVISIONS OF THE COMPANIES ACT, 2013**

**(A) DESCRIPTION OF COMPANIES**

1. **Edelweiss Financial Services Limited (“Demerged Company”)** is a public limited company incorporated under the provisions of the Companies Act, 1956. The Demerged Company is principally engaged in providing investment advisory services, merchant banking services (registered with SEBI (*as defined hereinafter*)), investment banking services and holding company activities comprising of development, managerial and financial support to the business of its subsidiaries. The equity shares of the Demerged Company are listed on the Stock Exchanges (*as defined hereinafter*).
2. **Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) (“Resulting Company” or “NWML”)** is a public limited company incorporated under the provisions of the Companies Act, 1956. The Resulting Company is registered as a trading and clearing member with Stock Exchanges and provides securities broking, investment advisory and research analysis services to its clients. The Resulting Company is a SEBI registered stock broker, investment advisor and research analyst. The Resulting Company also acts as a ‘Sponsor’ to AIFs (*as defined hereinafter*).

**(B) OVERVIEW OF THE SCHEME**

1. This Scheme (*as defined hereinafter*) is presented under Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*) read with Section 2(19AA) and other applicable provisions of the Income Tax Act (*as defined hereinafter*) and provides for the for demerger, transfer and vesting of the Demerged Undertaking (*as defined hereinafter*) from the Demerged Company (*as defined hereinafter*) into the Resulting Company (*as defined hereinafter*) on a *going concern* basis and reduction of the capital of Resulting Company.
2. This Scheme also provides for various other matters consequent and incidental thereto.

**(C) RATIONALE**

1. The Demerged Company and the Resulting Company seek to reorganise their respective businesses, by transfer of the Demerged Undertaking from the Demerged Company to the Resulting Company, so as to consolidate the wealth management business under one single entity (i.e. the Resulting Company).
2. The demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company will result in the equity shares of the Resulting Company becoming listed on the National Stock Exchange Limited and BSE Limited, with the Resulting Company focussing exclusively on wealth management business and capable of independent valuation and participation therein by any suitable investor interested in such businesses, in the future.
3. The proposed restructuring pursuant to the said Scheme is expected, *inter alia*, to result in following benefits:

- (i) value unlocking of wealth management business with ability to achieve valuation based on respective-risk return profile and cash flows;
- (ii) attracting business specific investors and strategic partners and providing better flexibility in accessing capital, focused strategy and specialisation for sustained growth and thereby enable de-leveraging of the respective businesses in the longer-term;
- (iii) segregation and unbundling of the wealth management business of the Demerged Company into the Resulting Company, will enable enhanced focus on the Demerged Company and the Resulting Company for exploiting opportunities in their respective business domains; and
- (iv) focused management approach for pursuing the growth in the respective business' verticals and de-risk the businesses from each other.

The Scheme would be in the best interests of the shareholders, employees, creditors and other stakeholders of each of the Parties as it would result in enhancement of shareholder value, operational efficiencies and greater focus and would enable the management of each of the aforesaid companies to vigorously pursue revenue growth and expansion opportunities.

#### **(D) PARTS OF THE SCHEME**

The Scheme is divided into the following parts:

1. **PART I** deals with the definitions, share capital of the Parties (*as defined hereinafter*), date of taking effect and implementation of this Scheme;
2. **PART II** deals with the demerger, transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company on a *going concern* basis and reduction of capital of the Resulting Company; and
3. **PART III** deals with the general terms and conditions applicable to this Scheme.

## PART I

### DEFINITIONS, SHARE CAPITAL OF THE PARTIES AND DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

#### 1. DEFINITIONS

- 1.1 In this Scheme, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis shall have the meanings so ascribed; and (ii) the following expressions shall have the meanings ascribed hereunder:

**“Act”** means the Companies Act, 2013;

**“AIF”** means Alternate Investment Funds, registered with SEBI under the SEBI (Alternative Investment Funds) Regulations, 2012;

**“Applicable Law”** or **“Law”** means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, Tribunal; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time;

**“Appointed Date”** means the Effective Date or such other date (if any) as may be decided by the Boards of the Parties;

**“Appropriate Authority”** means:

- (a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunals, central bank, commission or other authority thereof;
- (b) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority or any regulatory authority including without limitation, SEBI, clearing corporations, RoC and the Tribunal; and
- (c) any stock exchange, as applicable.

**“Board”** in relation to a Party, means the board of directors of such Party, and shall include a committee of directors or any person authorized by such board of directors or any person authorized by such committee duly constituted by the directors and

authorized for the relevant matters pertaining to this Scheme or any other matter relating hereto;

**“Consents”** means permission, ratification, notice, approval, consent, clearance, waiver, no objection certificate, or other permission of whatever nature and by whatever name called, which is required to be granted by the board of directors, the shareholders, the creditors or any other Person (not being a Appropriate Authority);

**“Demerged Company”** means Edelweiss Financial Services Limited, a public listed company incorporated under Companies Act, 1956, under the corporate identity number L99999MH1995PLC094641 and having its registered office at Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai - 400 098, Maharashtra;

**“Demerged Undertaking”** means the entire undertaking of the Demerged Company pertaining to the Wealth Management Business as of the Appointed Date, and shall include (without limitation):

- (a) all the movable and/ immovable properties, tangible or intangible, including all computers and accessories, software, applications and related data, equity shares, preference shares, furniture, fixtures, vehicles, stocks and inventory, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, cash in hand, amounts lying in the banks, investments (including investment in Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)), escrow accounts, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, freehold/ leasehold rights, sub-letting tenancy rights, leave and license permissions, goodwill, other intangibles and rights of any nature whatsoever including know-how, websites, portals, domain names, or any applications for the above, assignments and grants in respect thereof, right to use and avail of telephones, telex, facsimile, email, internet, leased lines and other communication facilities, connections, installations and equipment, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits (including all work-in progress), of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other Person including customers, contractors or other counter parties, etc., all earnest monies and/ or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Company in relation to and pertaining to the Wealth Management Business;
- (b) any and all memberships and registrations of the Demerged Company in relation to and pertaining to the Wealth Management Business;

- (c) all receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/ or security deposits, payment against warrants, if any, or other entitlements of the Demerged Company in relation to and pertaining to the Wealth Management Business;
- (d) all contracts, agreements, purchase orders/ service orders, agreement with customers, purchase and other agreements with the supplier/ service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims and clearances and other instruments of whatsoever nature and description including all client registration forms/ KYC (know your customer)/ POA (power of attorney), whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Wealth Management Business;
- (e) all tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under Tax Laws including sales tax deferrals and minimum alternate tax paid under Section 115JB of the Income Tax Act, advance taxes, tax deducted at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, deferred tax assets, minimum alternate tax credit, sales tax credit, value added tax credit, service tax credit, goods and service tax credit, other indirect taxes credit, deductions and benefits under the Income Tax Act or any other Taxation statute enjoyed by the Demerged Company pertaining to the Wealth Management Business;
- (f) all debts, borrowings and liabilities, whether present, contingent or deferred tax liabilities, whether secured or unsecured, pertaining to the Wealth Management Business ("**Liabilities of the Wealth Management Business**") namely:
  - i. the debts of Demerged Company which arises out of the activities or operations of the Wealth Management Business;
  - ii. specific loans and borrowings raised, incurred and utilised by Demerged Company for the activities or operations of or pertaining to the Wealth Management Business; and
  - iii. general or multipurpose borrowings, if any, of the Demerged Company will be apportioned basis the proportion of the value of the assets transferred in this demerger of Wealth Management Business to the total value of the assets of Demerged Company immediately before the said demerger;
- (g) all Permits, licences, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, designs, copyrights, patents and other intellectual property rights of the Demerged Company pertaining to its Wealth Management Business, whether registered or unregistered and powers of every kind, nature and description whatsoever, whether from the government bodies or otherwise, pertaining to or relating to the Wealth Management Business;



- (h) entire experience, credentials, past record and market share of the Demerged Company pertaining to the Wealth Management Business;
- (i) all books, records, files, papers, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, pertaining to the Wealth Management Business of the Demerged Company; and;
- (j) all employees of the Demerged Company engaged in, or in relation to, the Wealth Management Business, on the date immediately preceding the Effective Date.

Any question that may arise as to whether a specific asset (tangible or intangible) or liability or employee pertains or does not pertain to the Demerged Undertaking shall be decided mutually by the Boards of the Parties.

**“Effective Date”** means date on which last of the conditions specified in Clause 19 (Conditions Precedent) of this Scheme are complied with or waived, as may be applicable. Reference in this Scheme to the date of **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** or **“effect of this Scheme”** or **“upon the Scheme becoming effective”** shall mean the Effective Date;

**“EFSL ESOP”** means the Edelweiss Employee Stock Incentive Plan and Edelweiss Stock Appreciation Rights of the Demerged Company as framed under SEBI ESOP Regulation 2014;

**“EFSL SARP”** means the Edelweiss Stock Appreciation Rights Plan and Edelweiss Stock Appreciation Rights of the Demerged Company as framed under SEBI ESOP Regulations 2014;

**“Encumbrance”** means (a) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; or (b) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, transfer, receipt of income or exercise; or (c) any hypothecation, title retention, restriction, power of sale or other preferential arrangement; or (d) any agreement to create any of the above; and the term **“Encumber”** shall be construed accordingly;

**“Income Tax Act”** means the Income-tax Act, 1961;

**“INR”** or **“Rupee(s)”** means Indian Rupee, the lawful currency of the Republic of India;

**“Parties”** shall mean collectively the Demerged Company and the Resulting Company and **“Party”** shall mean each of them, individually;

**“Permits”** means all consents, licences, permits, certificates, permissions, authorisations, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objection certificates, grant, franchise, concession, order, registration, decree, or notice, whether governmental, statutory, regulatory or otherwise as required under Applicable Law, which are, or are required to be, granted by any Appropriate Authority;

**“Person”** means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

**“Record Date”** means the date to be fixed by the Boards of the Demerged Company in consultation with the Resulting Company for the purpose of determining the shareholders of the Demerged Company for issue of the equity shares, pursuant to Part II of this Scheme;

**“Remaining Business of the Demerged Company”** means all the business, undertakings and assets and liabilities of the Demerged Company other than those forming part of the Demerged Undertaking;

**“Resulting Company”** means Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited), a public limited company incorporated under the provisions of the Act and having its corporate identity number U67110MH1993PLC344634 and registered office at Edelweiss House, Off CST Road, Kalina, Mumbai – 400 098, Maharashtra;

**“RoC”** means the relevant jurisdictional Registrar of Companies having jurisdiction over the Parties;

**“Scheme” or “this Scheme”** means this scheme of arrangement, as may be modified;

**“SEBI”** means the Securities and Exchange Board of India;

**“Stock Exchanges”** means BSE Limited and National Stock Exchange of India Limited collectively;

**“SEBI Circular”** means the circular issued by the Securities and Exchange Board of India, being Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23 November 2021, and any amendments thereof issued pursuant to Regulations 11, 37 and 94 of the SEBI LoDR;

**“SEBI ESOP Regulations 2014”** means the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

**“SEBI LoDR”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

**“Tax Laws”** means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax / value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;

**“Taxation”** or **“Tax”** or **“Taxes”** means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, collection at source, dividend distribution tax, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to any of the Parties or any other Person and all penalties, charges, costs and interest relating thereto;

**“Tribunal”** means the jurisdictional bench of the National Company Law Tribunal having jurisdiction over the Parties; and

**“Wealth Management Business”** means the business of the Demerged Company comprising of merchant banking, securities broking, investment advisory and research analysis services provided to clients and investments in any company carrying out such businesses.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting the singular shall include the plural and *vice versa*;

1.2.2 reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision;

1.2.3 any Person includes that Person’s legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be;

1.2.4 headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same; and

1.2.5 the words “include” and “including” are to be construed without limitation.

## **2. SHARE CAPITAL**

2.1 The share capital structure of the Demerged Company as on 31 March 2022 is as follows:

Particulars	Amount in INR
<b>Authorised share capital</b>	
123,00,00,000 equity shares of INR 1 each	123,00,00,000
40,00,000 preference shares of INR 5 each	2,00,00,000
<b>Total</b>	<b>125,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
94,30,97,965 equity shares of INR 1 each	94,30,97,965
<b>Total</b>	<b>94,30,97,965</b>

The Demerged Company has outstanding employee stock options, the exercise of which may also result in an increase in the issued, subscribed and paid-up share capital of the Demerged Company.

The equity shares of the Demerged Company are listed on the Stock Exchanges.

2.2 The share capital structure of Resulting Company as on 10 May 2022 is as follows:

Particulars	Amount in Rs
<b>Authorised share capital</b>	
79,95,40,000 equity shares of Rs 10 each	799,54,00,000
4,60,000 Preference Shares of Rs. 10 each	46,00,000
1,20,00,000 Preference Shares of Rs. 1,000 each	1200,00,00,000
<b>Total</b>	<b>20,00,00,00,000</b>
<b>Issued and subscribed and paid up share capital</b>	
3,50,42,200 equity shares of Rs 10 each, fully paid up	35,04,22,000
<b>Total</b>	<b>35,04,22,000</b>

The Resulting Company has outstanding employee stock options and may further issue employee stock options, the exercise of which may also result in an increase in the issued, subscribed and paid-up share capital of the Resulting Company.

The equity shares of Resulting Company are not listed on any stock exchanges.

### 3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

This Scheme in its present form or with any modification(s) made as per Clause 18 of this Scheme, shall become operative from the Effective Date and effective from the Appointed Date in accordance with the terms hereof.

## PART II

### DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

#### 4. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

- 4.1 With effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, the Demerged Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company on a *going concern* basis, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, debentures, duties and obligations of the Resulting Company by virtue of operation of law, and in the manner provided in this Scheme.

This Scheme complies with the definition of “demerger” as per Section 2(19AA) of the Income Tax Act. Subject to approval by the Boards of the Parties, if any terms of this Scheme are found to be or interpreted to be inconsistent with provisions of the Income Tax Act, then this Scheme shall stand modified to be in accordance with aforesaid provisions of the Income Tax Act.

- 4.2 Without prejudice to the generality of the provisions of Clause 4.1 above, the manner of transfer and vesting of assets and liabilities forming part of the Demerged Undertaking under this Scheme, is as follows:

4.2.1 In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature (including but not limited to all intangible assets, copyrights and all such other industrial and intellectual property rights of whatsoever nature excluding trademarks, brands and logos) or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon the Part II of the Scheme coming into effect and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Resulting Company without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly;

4.2.2 Subject to Clause 4.2.3 below, with respect to the assets forming part of the Demerged Undertaking other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in AIF units, shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any

further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company, with effect from the Appointed Date by operation of law as transmission in favour of Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required;

- 4.2.3 In respect of such of the assets and properties forming part of the Demerged Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto, the same shall stand transferred to the Resulting Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and/or the Resulting Company;
- 4.2.4 For the avoidance of doubt and without prejudice to the generality of Clause 4.2.3 above and Clause 4.2.5 below, it is clarified that, with respect to the immovable properties forming part of the Demerged Undertaking in the nature of land and buildings, the concerned Parties shall register the true copy of the orders of the Tribunal approving the Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 4.2.4 or Clause 4.2.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any property of the Demerged Company takes place and the assets and liabilities forming part of the Demerged Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;
- 4.2.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties forming part of the Demerged Undertaking in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and vesting in the Resulting Company, if the Resulting Company so decides, the concerned Parties, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme;
- 4.2.6 All the Liabilities of the Wealth Management Business shall pursuant to the applicable provisions of the Act and the provisions of Part II of this Scheme and

without any further act or deed become the debts, liabilities, duties and obligations of the Resulting Company and the Resulting Company shall undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. The amounts of general or multipurpose borrowings, if any, of the Demerged Company will be apportioned basis the proportion of the value of the assets transferred as part of the Demerged Undertaking to the total value of the assets of the Demerged Company immediately before the Appointed Date;

- 4.2.7 The Demerged Company may, at its sole discretion but without being obliged to, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, debenture or deposit, contracts or policies relating to the Demerged Undertaking stands transferred to and vested in the Resulting Company and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes;
- 4.2.8 Unless otherwise agreed to between the Boards of the Parties, the vesting of all the assets of the Demerged Company forming part of the Demerged Undertaking, as aforesaid, shall be free of Encumbrances.
- 4.2.9 Taxes, if any, paid or payable by the Demerged Company after the Appointed Date and specifically pertaining to Demerged Undertaking shall be treated as paid or payable by the Resulting Company and the Resulting Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable;
- 4.2.10 If the Demerged Company is entitled to any unutilized credits (including unutilised value added tax (VAT), sales tax, service tax, central value added tax (CENVAT), goods and services tax (GST) credits and unabsorbed depreciation or unabsorbed tax losses), exemptions, balances or advances, benefits under the incentive schemes and policies including tax holiday or concessions relating to the Demerged Undertaking under any Tax Laws or Applicable Laws, the Resulting Company shall be entitled as an integral part of the Scheme to claim such benefit or incentives or unutilised credits or exemptions, as the case may be, without any specific approval or permission;
- 4.2.11 Upon the Scheme becoming effective, the concerned Parties shall have the right to revise their respective financial statements, income tax returns, TDS returns and other statutory returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds, advance tax credits, MAT credit, credit of tax deducted at source, credit of foreign taxes paid/ withheld, carry forward of tax losses, credits in respect of sales tax, value added tax,

service tax, goods and services tax (GST), and other indirect taxes etc., and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. It is further clarified that the Resulting Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company;

- 4.2.12 Subject to Clause 4 and any other provisions of the Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;
- 4.2.13 On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of the Resulting Company and credited to the account of Resulting Company, if presented by Resulting Company;
- 4.2.14 Permits, including the benefits attached thereto of the Demerged Company, in relation to the Demerged Undertaking, shall subject to Applicable Law be transferred to the Resulting Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of Resulting Company as if the same were originally given by, issued to or executed in favour of Resulting Company and the Resulting Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company to carry on the operations of the Demerged Undertaking without any hindrance, whatsoever; and
- 4.2.15 Contracts in relation to the Demerged Undertaking, where the Demerged Company is a party, shall stand transferred to and vested in the Resulting Company pursuant to the Scheme becoming effective. The absence of any formal amendment or novation which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence. The Parties shall, wherever necessary, enter into and/ or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.



- 4.3 Without prejudice to the provisions of the foregoing sub-clauses of this Clause, the concerned Parties may execute any and all instruments or documents and do all the acts, deeds and things as may be required, including executing and filing necessary confirmatory deeds, filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme. The Resulting Company shall take such actions as may be necessary and permissible to get the assets, Permits and contracts forming part of the Demerged Undertaking transferred and/ or registered in its name.

## **5. EMPLOYEES**

- 5.1 With effect from the Effective Date, the Resulting Company undertakes to engage, without any interruption in service, all employees forming part of the Demerged Undertaking, on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company immediately prior to the Effective Date. The Resulting Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits. The decision on whether or not an employee is part of the Demerged Undertaking, shall be decided mutually by the Parties, and shall be final and binding on all concerned.
- 5.2 Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, employment information, including personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to the employees of the Demerged Undertaking and all forms, notifications, orders and contribution/ identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to the Resulting Company.
- 5.3 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by the Resulting Company and/ or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by the Resulting Company. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the said employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.
- 5.4 Employee stock options:

- 5.4.1 The employee stock options and employee stock appreciation rights granted by the Demerged Company under the EFSL ESOP and EFSL SARP respectively, would continue to be held by the employees concerned (irrespective of whether they continue to be employees of the Demerged Company or its subsidiaries or become employees of the Resulting Company or its subsidiaries). Upon coming into effect of the Scheme, the Demerged Company shall take necessary steps to modify the EFSL ESOP and EFSL SARP in a manner considered appropriate and in accordance with the Applicable Laws, in order to enable the continuance of the same in the hands of the employees who become employees of the Resulting Company or its subsidiaries, subject to the approval of the Stock Exchange and the relevant regulatory authorities, if any under Applicable Law;
- 5.4.2 Upon the Scheme coming into effect, the employee stock options and employee stock appreciation rights granted by the Demerged Company under the EFSL ESOP and EFSL SARP respectively, shall be restructured by the Board of the Demerged Company in such a manner that the employees on exercise of such employee stock options and employee stock appreciation rights will be entitled to the same benefit in terms of value of equity shares of the Demerged Company as they would have received on exercise of the employee stock options and employee stock appreciation rights prior to the demerger. While determining the minimum vesting period required for such employee stock options and employee stock appreciation rights, the Demerged Company shall take into account the period for which the employees forming part of the Demerged Undertaking held stock options and employee stock appreciation rights prior to their transfer to the Resulting Company pursuant to the Scheme.
- 5.4.3 The existing exercise price of the stock options and stock appreciation rights granted by the Demerged Company under the EFSL ESOP and EFSL SARP respectively, shall be modified and the Board of the Demerged Company shall determine the exercise price consequent to the demerger taking into account the transfer of the Demerged Undertaking to the Resulting Company pursuant to the Scheme.
- 5.4.4 The Board of the Demerged Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 5. Approval granted to the Scheme by the shareholders of the Demerged Company shall also be deemed to be approval granted to any modifications made to the EFSL ESOP and EFSL SARP of the Demerged Company.

## **6. LEGAL PROCEEDINGS**

Upon coming into effect of this Scheme, other than as may be agreed between the Parties, all such suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands and legal proceedings of whatsoever nature in relation to the Demerged Undertaking, for a period prior to the Effective Date, shall be

enforced against the Demerged Company and pertaining to the period after the Effective Date shall be enforced against the Resulting Company.

## **7. CONSIDERATION**

- 7.1 Upon Part II of the Scheme coming into effect and in consideration of and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot 1,05,28,746 (One crore five lakhs twenty eight thousand seven hundred and forty six) fully paid up equity shares of INR 10 (Indian Rupees Ten) each of the Resulting Company ("**Resulting Company New Equity Shares**"), credited as fully paid up, to the equity shareholders of the Demerged Company whose name is recorded in the register of members/ records of the depository as members of the Demerged Company as on the Record Date, in each case, in proportion to the number of equity shares held by the shareholders in the Demerged Company.
- 7.2 The Resulting Company New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of Resulting Company, as the case may be, and shall rank *pari passu* in all respects with any existing equity shares of Resulting Company, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of the Resulting Company.
- 7.3 The issue and allotment of Resulting Company New Equity Shares, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members of the Resulting Company and/ or the Demerged Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of Resulting Company New Equity Shares.
- 7.4 Subject to Applicable Laws, the Resulting Company New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. The register of members maintained by the Resulting Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Resulting Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Resulting Company) be updated to reflect the issue of Resulting Company New Equity Shares in terms of this Scheme. The shareholders of the Demerged Company who hold equity shares in physical form, should provide the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required, to the Resulting Company, prior to the Record Date to enable it to issue the Resulting Company New Equity Shares.
- 7.5 However, if no such details have been provided to the Resulting Company by the equity shareholders holding equity shares in physical share certificates on or before the Record Date, the Resulting Company shall deal with the relevant equity shares in

such manner as may be permissible under the Applicable Law, including by way of issuing the corresponding equity shares in dematerialised form to a trustee nominated by the Board of Resulting Company ("**Trustee of Resulting Company**") who shall hold these equity shares in trust for the benefit of such shareholder. The equity shares of Resulting Company held by the Trustee of Resulting Company for the benefit of the shareholder shall be transferred to the respective shareholder once such shareholder provides details of his/her/its demat account to the Trustee of Resulting Company, along with such other documents as may be required by the Trustee of Resulting Company. The respective shareholders shall have all the rights of the shareholders of the Resulting Company, including the right to receive dividend, voting rights and other corporate benefits, pending the transfer of equity shares from the Trustee of Resulting Company.

- 7.6 For the purpose of the allotment of the Resulting Company New Equity Shares, pursuant to this Scheme, in case any shareholder's holding in the Demerged Company is such that the shareholder becomes entitled to a fraction of a share of the Resulting Company, the Resulting Company shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated Resulting Company New Equity Shares to a trustee (nominated by the Resulting Company in that behalf) in dematerialised form, who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong for the specific purpose of selling such shares in the market at such price or prices and at any time within a period of 90 (ninety) days from the date of allotment of the Resulting Company New Equity Shares and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Resulting Company pertaining to the fractional entitlements.
- 7.7 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of the Resulting Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Demerged Company, after the effectiveness of this Scheme.
- 7.8 The Resulting Company New Equity Shares to be issued pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company.
- 7.9 The Resulting Company New Equity Shares to be issued by the Resulting Company *in lieu* of the shares of the Demerged Company held in the respective unclaimed

suspense account of the Demerged Company shall be issued to a new unclaimed suspense account created for shareholders of the Resulting Company.

- 7.10 In the event, the Demerged Company or the Resulting Company restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share entitlement ratio, per Clause 7.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions.
- 7.11 The Resulting Company shall apply for listing of its equity shares on the Stock Exchanges in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The equity shares of the Resulting Company issued to the shareholders of the Demerged Company, shall remain frozen in the depository system till listing/ trading permission is given by the designated stock exchange.
- 7.12 Upon listing of equity shares of the Resulting Company pursuant to this Scheme, the shareholders of the Resulting Company, except PAGAC Ecstasy Pte. Ltd and its affiliates, shall be categorised as 'public' shareholders and the term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957.
- 7.13 The Resulting Company shall comply with the minimum public shareholding requirement as prescribed under the applicable provisions of the SEBI Circular.
- 7.14 The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the concerned Stock Exchanges.
- 7.15 The Resulting Company shall, to the extent required, amend its memorandum of association to increase its authorized share capital in order to issue Resulting Company New Equity Shares, as per the applicable provisions of the Act, prior to allotment of Resulting Company New Equity Shares and amend its articles of association to reflect such increase.
- 7.16 There shall be no change in the shareholding pattern of the Resulting Company between the Record Date and the listing of equity shares of the Resulting Company on the Stock Exchanges which may affect the status of the approval of the Stock Exchanges under Regulation 37 of the SEBI LoDR.

## **8. REDUCTION AND CANCELLATION OF EXISTING EQUITY SHARES OF THE RESULTING COMPANY HELD BY THE DEMERGED COMPANY**

- 8.1 With effect from the Effective Date, the paid up equity share capital of the Resulting Company to the extent held by Demerged Company, as on Effective Date ("**Resulting Company Cancelled Shares**") shall without any further application, act, instrument or deed, stand cancelled, extinguished and annulled.
- 8.2 The reduction and cancellation of the Resulting Company Cancelled Shares shall be effected as an integral part of this Scheme under Sections 230 to 232 of the Act, without having to follow the process under Section 66 of the Act separately.

- 8.3 On effecting the reduction and cancellation of Resulting Company Cancelled Shares as stated in Clause 8.1 above, the share certificates in respect of the Resulting Company Cancelled Shares held by their respective holders shall also be deemed to have been cancelled.
- 8.4 On the Effective Date, the Resulting Company shall debit its share capital account in its books of account with the aggregate face value of the Resulting Company Cancelled Shares.
- 8.5 Notwithstanding the reduction and cancellation of Resulting Company Cancelled Shares, the Resulting Company shall not be required to add 'And Reduced' as suffix to its name consequent upon the reduction of capital under Clause 8.1 above.
- 8.6 The reduction and cancellation of the Resulting Company Cancelled Shares, does not involve any diminution of liability of in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

## **9. REDUCTION OF CAPITAL OF THE RESULTING COMPANY**

- 9.1 Any debit balance in the retained earnings of the Resulting Company as on the Effective Date shall be adjusted against the capital reserve of the Resulting Company and balance if any, shall be adjusted against the securities premium account of the Resulting Company.
- 9.2 The utilisation of capital reserve and securities premium account of the Resulting Company as mentioned in this Scheme shall be effected as an integral part of this Scheme under Sections 230 to 232 of the Act, without having to follow the process under Section 52 or Section 66 of the Act separately. Notwithstanding the above reduction in the capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name. It is further clarified that the procedure under Section 66 of the Act shall not be applicable in view of the explanation to Section 230 of the Act.
- 9.3 The reduction of capital of the Resulting Company, as above, does not involve any diminution of liability of in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

## **10. ACCOUNTING TREATMENT BY THE PARTIES IN RESPECT OF THEIR RESPECTIVE BOOKS OF ACCOUNTS**

### **10.1 Accounting treatment in the books of the Demerged Company:**

- 10.1.1 The Demerged Company shall account for the demerger/ distribution of Demerged Undertaking and investment in the equity share of the Resulting Company in accordance with Appendix A of Indian Accounting Standard ("Ind-AS") 10 'Distribution of Non-Cash Assets to Owners' prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, in the books of accounts of the Demerged Company, as on the Effective Date in the following manner:

- 10.1.1.1 The Demerged company shall measure a liability to distribute non-cash assets to its owners at the fair value of the Demerged Undertaking to be distributed with a corresponding debit to the retained earnings.
  - 10.1.1.2 The Demerged Company shall reduce from its books of accounts, the carrying amount of assets and liabilities pertaining to the Demerged Undertaking, being transferred to the Resulting Company.
  - 10.1.1.3 Inter-company balances and transaction between the Resulting Company and the Demerged Undertaking of the Demerged Company, if any, including inter-company investments will stand cancelled.
  - 10.1.1.4 The Demerged Company shall recognise the difference, if any, between the carrying amount of the liability as per Clause 10.1.1.1 above and the carrying value of assets and liabilities of Demerged Undertaking as per Clause 10.1.1.2 above and after giving effect to Clause 10.2.1.3 above in the statement of profit and loss account.
  - 10.1.1.5 For accounting purpose, the Scheme will be given effect on the date when all substantial conditions for the transfer of Demerged Undertaking are completed.
- 10.1.2 Any matter not dealt with in Clause hereinabove shall be dealt with in accordance with the Indian Accounting Standards applicable to the Demerged Company.

10.2 Accounting treatment in the books of the Resulting Company:

- 10.2.1 The Resulting Company shall account for transfer/ demerger of Demerged Undertaking of Demerged Company into the Resulting Company as per Indian Accounting Standard 103 on Business Combinations notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:
- 10.2.1.1 The Resulting Company shall recognize all assets and liabilities of the Demerged Undertaking of Demerged Company transferred to and vested in the Resulting Company pursuant to this Scheme using the acquisition method. Such assets may also include acquired identifiable intangible assets, whether previously recorded in the books of accounts of the Demerged Undertaking of Demerged Company or not. At the acquisition date (i.e., determined in accordance with IND AS 103), the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date. For this purpose, the liabilities

assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The difference between the assets and liabilities as recognized by the Resulting Company is referred as “**Net Assets**”.

10.2.1.2 The consideration for the Demerged Undertaking paid by the Resulting Company, as prescribed in Clause 7 above, will be determined on the date of acquisition determined as per Ind AS 103;

10.2.1.3 Pursuant to the demerger of Demerged Undertaking with the Resulting Company, the inter-company balances, if any, between the Resulting Company and the Demerged Undertaking, if any appearing in the books of the Resulting Company shall stand cancelled;

10.2.1.4 The difference between the aggregate of the consideration transferred as per Clause 10.2.1.2 above over the value of Net Assets of the Demerged Undertaking as per Clause 10.2.1.1 above and after giving effect to Clause 10.2.1.3 above shall be treated as goodwill in the books of the Resulting Company. If the amount of aggregate of the consideration transferred as per Clause 10.2.1.2 above is less than amount of Net Assets of the Demerged Undertaking as per Clause 10.2.1.1 above and after giving effect to Clause 10.2.1.3 above shall be treated as capital reserve.

10.2.2 The Resulting Company's own equity shares so demerged as per the Scheme shall stand cancelled against the equity share capital of the Resulting Company at face value. No gain or loss shall be recognised in profit or loss on the purchase or cancellation of an entity's own equity share capital. The cancellation of equity share will be affected as part of this Scheme in accordance with provisions of Sections 230 to 232 of the Act pursuant to Clause 8 of this scheme.

10.2.3 The Resulting Company shall credit to its equity share capital, the aggregate face value of the Resulting Company New Equity Shares issued by it pursuant to Clause 7.1 of this Scheme.

10.2.4 For accounting purpose, the Scheme will be given effect on the date when all substantial conditions for the transfer of the Demerged Undertaking are completed.

10.2.5 Any matter not dealt with in Clause hereinabove shall be dealt with in accordance with the Indian Accounting Standards applicable to the Resulting Company.



## **PART III**

### **GENERAL TERMS & CONDITIONS**

#### **11. DIVIDENDS**

- 11.1 The Parties shall be entitled to declare and pay dividends, whether interim or final, and/ or issue bonus shares prior to the Effective Date and in accordance with the Applicable Law and respective dividend policies of the Parties, if any, and in ordinary course of business.
- 11.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Parties to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of the Parties, and subject to approval of the shareholders of the Parties, as applicable.

#### **12. REMAINING BUSINESS**

- 12.1 The Remaining Business of the Demerged Company and all the assets, investments, liabilities and obligations of the Demerged Company, shall continue to belong to and be vested in and be managed by the Demerged Company. With effect from the Effective Date, only the Demerged Company shall be liable to perform and discharge all liabilities and obligations in relation to the Remaining Business of the Demerged Company and the Resulting Company shall not have any liability or obligation in relation to the Remaining Business of the Demerged Company.
- 12.2 All legal, Tax and/or other proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, which relate to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced against the Demerged Company. The Resulting Company shall in no event be responsible or liable in relation to any such legal, Tax or other proceedings relating to the Remaining Business of the Demerged Company.
- 12.3 If the Resulting Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, relating to the Remaining Business of the Demerged Company, the Parties shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to substitute the Resulting Company with the Demerged Company. However, if the Resulting Company is unable to get the Demerged Company so substituted in such proceedings, it shall defend the same or deal with such demand in accordance with the advice of the Demerged Company and at the cost of the Demerged Company and the latter shall

reimburse the Resulting Company against all losses, costs, liabilities and obligations incurred by or against the Resulting Company in respect thereof.

**13. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon the coming into effect of this Scheme, the resolutions/ power of attorney executed by the Demerged Company as considered necessary by the Board of the Demerged Company in relation to the Demerged Undertaking and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Resulting Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Demerged Company, shall be added to the limits, if any, under like resolutions passed by the Resulting Company and shall constitute the aggregate of the said limits in the Resulting Company.

**14. BUSINESS UNTIL EFFECTIVE DATE**

- 14.1 With effect from the date of approval of the Scheme by the respective Boards of the Parties and up to and including the Effective Date, the Demerged Company shall ensure that the Wealth Management Business forming part of the Demerged Undertaking is carried on in the ordinary course of business, other than as required to give effect to the provisions of this Scheme in accordance with Applicable Law. The Demerged Company shall carry on its Wealth Management Business with reasonable diligence and business prudence and in the same manner as had been doing hitherto.
- 14.2 The Demerged Company, with respect to Demerged Undertaking shall not alter or substantially expand its business, or undertake: (i) any material decision in relation to its business and affairs and operations other than that in the ordinary course of business; (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business); and (iii) any new business, or discontinue any existing business other than that in the ordinary course of business, except with the written concurrence of the Board of the Resulting Company.
- 14.3 The Demerged Company, with respect to Demerged Undertaking shall not vary the terms and conditions of employment of any of its employees, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken except with the written concurrence of the Resulting Company.
- 14.4 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Resulting Company shall at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Demerged Undertaking in accordance with the provisions of Sections 230 to 232 of the Act. The Resulting Company shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect

to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges, and be liable to pay all Taxes and charges and fulfil all its obligations, in relation to or applicable to all immovable properties, including mutation and/ or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Resulting Company pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Resulting Company. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/ or substitution.

## **15. PROPERTY IN TRUST**

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, Permit, contract and rights and benefits arising therefrom pertaining to the Demerged Undertaking are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to enjoy the property, asset, Permit, contract or the rights and benefits arising therefrom as if it were the owner of the property or asset or as if it were the original party to the Permit or contract. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed between the Parties, the Demerged Company will continue to hold the asset, property, Permit, contract and/or rights and benefits arising therefrom, as the case may be, in trust for and on behalf of the Resulting Company.

## **16. FACILITATION PROVISIONS**

It is clarified that approval of the Scheme by the respective shareholders of the Parties under Sections 230 to 232 of the Act shall be deemed to have also been accorded under Section 188 and other applicable provisions of the Act and that no separate approval of the Board (or committee of the Board) and/or shareholders of the Parties shall be required to be obtained by any Party.

## **17. APPLICATIONS/PETITIONS TO THE TRIBUNAL**

- 17.1 The Parties shall make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.
- 17.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Resulting Company may require to own the assets and/ or liabilities of the Demerged Undertaking and to carry on the Wealth Management Business.

## **18. MODIFICATION OR AMENDMENTS TO THIS SCHEME**

- 18.1 The Boards of the Parties, may consent jointly but not individually, to make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties acting jointly may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.
- 18.2 For the purposes of giving effect to this Scheme or any modification thereof, the Board of the Parties acting jointly may give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding on all Parties as if the same were specifically incorporated in this Scheme.
- 18.3 It is clarified that if any modifications are required post satisfaction of the conditions precedent mentioned in Clause 19 and the Scheme having been made effective, the Effective Date shall not be affected by any such modifications that might be required to be made and the Effective Date for such modified Scheme shall be same as the date on which Scheme was made effective prior to the modifications.

## **19. CONDITIONS PRECEDENT**

- 19.1 Unless otherwise decided (or waived) by the Parties, the effectiveness of this Scheme is and shall be conditional upon and subject to the fulfilment or waiver (to the extent permitted under the Applicable Law) of the following conditions precedent:
- 19.1.1 obtaining no-objection/ observation letter from BSE Limited and National Stock Exchange of India Limited in relation to the Scheme under Regulation 37 of the SEBI LoDR;
  - 19.1.2 approval of the Scheme by the requisite majority of each class of shareholders and such other classes of Persons of the Parties, if any, as applicable or as may be required under the Act and as may be directed by the Tribunal;
  - 19.1.3 the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast against the proposal by the public shareholders of the Demerged Company, as required under the SEBI Circular;
  - 19.1.4 the Demerged Company complying with other provisions of the SEBI Circular, including seeking approval of its shareholders through e-voting, as applicable;
  - 19.1.5 the sanctions and orders of the Tribunal for the Scheme, under Sections 230 to 232 being obtained by the Parties;
  - 19.1.6 the requisite consent, approval or permission of the Appropriate Authority or any other Person which by Applicable Law or contract, agreement may be necessary for the implementation of this Scheme;

- 19.1.7 any other conditions as may be mutually agreed between the Parties in writing, prior or after the date of filing of the Scheme with the Tribunal, as conditions precedent to the effectiveness of the Scheme; and
- 19.1.8 certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed by the Parties with the RoC having jurisdiction over the Parties.
- 19.2 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that Parties may have under or pursuant to all Applicable Laws.
- 19.3 On the approval of this Scheme by each class of shareholders of the Parties and such other classes of Persons of the Parties, if any, pursuant to Clause 19.1, such classes of shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the Scheme.

## **20. WITHDRAWAL OF THIS SCHEME AND NON-RECEIPT OF APPROVALS**

The Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective. In the event that any conditions precedent under Clause 19 have not been satisfied or the Scheme has not been made effective in accordance with the terms hereof within 36 (thirty six) months from 26 March 2021 ("**Long Stop Date**"), unless mutually extended by the Boards of the Parties, this Scheme shall stand revoked, cancelled and null and void.

## **21. SAVING OF CONCLUDED TRANSACTIONS**

Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by the Demerged Company in relation to the Demerged Undertaking until the Appointed Date, to the end and intent that the Resulting Company shall accept and adopt all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of the Resulting Company.

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**Edelweiss Financial Services Limited**

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**Standalone financial results for the quarter and half year ended 30 September 2022**

Particulars	Quarter Ended			Half Year Ended		(₹ in Crores)
	30 September 2022 (Reviewed)	30 June 2022 (Reviewed)	30 September 2021 (Reviewed)	30 September 2022 (Reviewed)	30 September 2021 (Reviewed)	Year Ended 31 March 2022 (Audited)
<b>1 Revenue from operations</b>						
(a) Interest income	88.47	91.70	52.38	180.17	100.53	291.81
(b) Dividend income	-	-	-	-	38.48	38.60
(c) Fee and commission income	15.90	16.79	22.82	32.69	42.19	88.96
(d) Net gain / (loss) on fair value changes	(47.77)	18.64	49.35	(29.13)	68.71	417.07
<b>Total revenue from operations</b>	<b>56.60</b>	<b>127.13</b>	<b>124.55</b>	<b>183.73</b>	<b>249.91</b>	<b>836.44</b>
<b>2 Other income (Refer Note 4)</b>	<b>368.73</b>	<b>0.04</b>	<b>94.13</b>	<b>368.77</b>	<b>171.62</b>	<b>536.03</b>
<b>3 Total income (1+2)</b>	<b>425.33</b>	<b>127.17</b>	<b>218.68</b>	<b>552.50</b>	<b>421.53</b>	<b>1,372.47</b>
<b>4 Expenses</b>						
(a) Finance costs	68.41	78.20	39.96	144.61	74.97	214.25
(b) Impairment on financial assets (Refer Note 9)	160.41	(2.32)	(3.17)	158.09	(3.10)	(5.49)
(c) Employee benefits expense (Refer Note 7)	17.55	(15.01)	14.74	2.54	49.17	42.63
(d) Depreciation and amortisation expense	0.07	0.07	0.09	0.14	0.17	0.35
(e) Other expenses	71.19	60.22	70.12	131.41	131.77	265.99
<b>Total expenses</b>	<b>315.63</b>	<b>121.16</b>	<b>121.74</b>	<b>436.79</b>	<b>252.98</b>	<b>517.73</b>
<b>5 Profit / (loss) before tax (3-4)</b>	<b>109.70</b>	<b>6.01</b>	<b>96.94</b>	<b>115.71</b>	<b>168.55</b>	<b>854.74</b>
<b>6 Tax expense</b>						
Current tax	-	-	-	-	-	(0.51)
Deferred tax	(36.49)	4.77	(91.99)	(31.72)	(91.99)	(78.11)
<b>7 Net profit / (loss) for the period (5-6)</b>	<b>146.19</b>	<b>1.24</b>	<b>188.93</b>	<b>147.43</b>	<b>260.54</b>	<b>933.36</b>
<b>8 Other comprehensive income / (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.01)</b>
<b>9 Total comprehensive income / (loss) (7+8)</b>	<b>146.19</b>	<b>1.24</b>	<b>188.93</b>	<b>147.43</b>	<b>260.54</b>	<b>933.35</b>
<b>10 Earnings Per Share (₹) (Face Value of ₹ 1/- each)</b>						
- Basic (Refer Note 3)	1.63	0.01	2.12	1.64	2.92	10.44
- Diluted (Refer Note 3)	1.63	0.01	2.11	1.64	2.91	10.43

**Notes:**

- The standalone financial results of Edelweiss Financial Services Limited ('EFSL' or 'the Company') for the quarter and half year ended 30 September 2022 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 09 November 2022.
- The standalone financial results of EFSL for the quarter and half year ended 30 September 2022 have been subjected to Limited Review by the Statutory Auditors of the Company and the auditors have issued an unmodified review report.
- Earnings per share for the quarters ended 30 September 2022, 30 June 2022, 30 September 2021 and half year ended 30 September 2022 and 30 September 2021 are not annualised.
- During the quarter ended 30 September 2022, other income includes gain amounting to ₹ 368.72 crores on sale of investments in a associate to a group company.
- Two Employee Welfare Trust(s) hold an aggregate 4,48,96,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.
- The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact if any, and account for the same once the rules are notified and become effective.
- During the quarter ended 30 June 2022, employee benefits expense includes a reversal of bonus provision of ₹ 47 crores.
- During the quarter and half year ended 30 September 2022, one subsidiary of the Company had sold certain financial assets amounting to ₹ 150.00 crores and ₹ 469.03 crores respectively (net of provisions) to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 127.50 crores and ₹ 398.68 crores (net of provision) respectively from these ARC Trusts. Ind AS 109 - 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from the subsidiary financial results. The Company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognized in subsidiary financial results. Based on assessment of probability of default, loss given default in respect of these financial assets and in light of various factors viz. exposures to certain sectors and assessment of credit and market risks for certain counter parties relative to such risks at initial recognition, the Company has recorded fair value loss of ₹ 56.18 crores (net) and ₹ 39.61 crores (net) for the quarter and half year ended respectively and is included in "Net gain / (loss) on fair value change".
- During the quarter ended 30 September 2022, the Company has recorded impairment provision of ₹ 160 crores on its investment in a subsidiary company on account of Group restructuring/demerger.

**Edelweiss Financial Services Limited**

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Website : www.edelweissfin.com


**10 Standalone segment results for the quarter and half year ended 30 September 2022**

Particulars	Quarter Ended			Half Year Ended		(₹ in Crores)
	30 September 2022 (Reviewed)	30 June 2022 (Reviewed)	30 September 2021 (Reviewed)	30 September 2022 (Reviewed)	30 September 2021 (Reviewed)	Year Ended 31 March 2022 (Audited)
<b>1 Segment revenue [Total income]</b>						
Agency	12.02	14.56	19.68	26.58	35.41	75.02
Holding Company activities	413.31	112.61	199.00	525.92	386.12	1,294.75
Unallocated	-	-	-	-	-	2.70
<b>Total income</b>	<b>425.33</b>	<b>127.17</b>	<b>218.68</b>	<b>552.50</b>	<b>421.53</b>	<b>1,372.47</b>
<b>2 Segment results [Profit / (loss) before tax]</b>						
Agency	0.03	2.89	6.72	2.92	10.11	21.27
Holding Company activities	109.67	3.12	90.22	112.79	158.44	830.77
Unallocated	-	-	-	-	-	2.70
<b>Total profit / (loss) before tax</b>	<b>109.70</b>	<b>6.01</b>	<b>96.94</b>	<b>115.71</b>	<b>168.55</b>	<b>854.74</b>
<b>3 Segment assets</b>						
Agency	22.93	13.21	8.73	22.93	8.73	15.64
Holding Company activities	7,779.53	7,720.01	6,147.46	7,779.53	6,147.47	7,815.40
Unallocated	250.32	211.62	213.41	250.32	213.41	211.02
<b>Total assets</b>	<b>8,052.78</b>	<b>7,944.84</b>	<b>6,369.60</b>	<b>8,052.78</b>	<b>6,369.61</b>	<b>8,042.06</b>
<b>4 Segment liabilities</b>						
Agency	7.62	17.74	8.36	7.62	8.36	16.28
Holding Company activities	3,009.51	2,930.58	2,018.21	3,009.51	2,018.21	3,024.77
Unallocated	0.79	0.79	1.70	0.79	1.70	0.79
<b>Total liabilities</b>	<b>3,017.92</b>	<b>2,949.11</b>	<b>2,028.27</b>	<b>3,017.92</b>	<b>2,028.27</b>	<b>3,041.84</b>
<b>5 Segment capital employed [Segment assets - Segment liabilities]</b>						
Agency	15.31	(4.53)	0.37	15.31	0.37	(0.64)
Holding Company activities	4,770.02	4,789.43	4,129.26	4,770.02	4,129.26	4,790.63
Unallocated	249.53	210.83	211.71	249.53	211.71	210.23
<b>Total capital employed</b>	<b>5,034.86</b>	<b>4,995.73</b>	<b>4,341.34</b>	<b>5,034.86</b>	<b>4,341.34</b>	<b>5,000.22</b>

Agency includes investment banking; Holding Company activities comprise of development, managerial and financial support to the businesses of subsidiaries and investment activities.

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**11 Standalone statement of assets and liabilities as at 30 September 2022**

(₹ in Crores)

Particulars	As at	As at
	30 September 2022 (Reviewed)	31 March 2022 (Audited)
<b>A ASSETS</b>		
<b>1 Financial assets</b>		
(a) Cash and cash equivalents	686.14	461.93
(b) Other bank balances	3.98	53.91
(c) Trade receivables	23.14	12.36
(d) Loans	1,757.51	2,170.38
(e) Investments	5,135.53	4,963.26
(f) Other financial assets	83.67	91.57
<b>Sub-total - Financial assets</b>	<b>7,689.97</b>	<b>7,753.41</b>
<b>2 Non-financial assets</b>		
(a) Current tax assets (net)	102.68	95.11
(b) Deferred tax assets (net)	147.63	115.91
(c) Property, plant and equipment	0.51	0.57
(d) Other intangible assets	0.06	0.08
(e) Other non-financial assets	111.93	76.98
<b>Sub-total - Non-financial assets</b>	<b>362.81</b>	<b>288.65</b>
<b>TOTAL - ASSETS</b>	<b>8,052.78</b>	<b>8,042.06</b>
<b>B LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
<b>1 Financial liabilities</b>		
(a) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	0.01
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	65.86	95.20
(b) Debt Securities	2,471.22	2,432.22
(c) Other financial liabilities	460.64	505.20
<b>Sub-total - Financial liabilities</b>	<b>2,997.72</b>	<b>3,032.63</b>
<b>2 Non-financial liabilities</b>		
(a) Current tax liabilities (net)	0.79	0.79
(b) Provisions	0.81	0.72
(c) Other non-financial liabilities	18.60	7.70
<b>Sub-total - Non-financial liabilities</b>	<b>20.20</b>	<b>9.21</b>
<b>3 Equity</b>		
(a) Equity share capital	89.82	89.82
(b) Other equity	4,945.04	4,910.40
<b>Total Equity</b>	<b>5,034.86</b>	<b>5,000.22</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>8,052.78</b>	<b>8,042.06</b>



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## 12 Standalone statement of cash flows for the half year ended 30 September 2022

(₹ in Crores)

Particulars	Half Year Ended	
	30 September 2022 (Reviewed)	30 September 2021 (Reviewed)
<b>A Cash flow from operating activities</b>		
Profit before tax	115.71	168.55
Adjustments for :		
Depreciation and amortisation expenses	0.14	0.17
Fair value change in investments	(10.49)	(0.06)
Fair value change in provisions	39.62	(68.64)
(Profit) / loss on sale of investments (net) <sup>1</sup>	(368.72)	(171.59)
Interest accrual on Investment in debentures	-	(1.13)
Impairment / (reversal) on financial assets	158.09	(3.10)
Dividend on investments	-	(38.48)
(Profit) / loss on sale of property, plant and equipment	0.01	(0.04)
Interest income	(180.17)	(100.53)
ESOP and SAR cost	1.16	1.01
Finance costs	144.61	74.97
<b>Operating cash flow before working capital changes</b>	<b>(100.04)</b>	<b>(138.87)</b>
Add/(Less): Adjustments for working capital changes		
Decrease /(Increase) in trade receivables	(8.87)	15.21
(Decrease)/increase in in trade payables	(29.35)	(163.73)
Decrease /(Increase) in other financial assets	13.46	17.44
Decrease /(Increase) in other non-financial assets	(34.95)	(29.36)
Decrease /(Increase) in other bank balances	49.93	(3.15)
(Decrease)/increase in provisions and other financial liabilities	(60.52)	(31.52)
(Decrease)/increase in other non-financial liabilities	10.89	4.99
<b>Cash generated from / (used in) operations</b>	<b>(159.45)</b>	<b>(328.99)</b>
Income taxes paid/(refund) during the period	(7.58)	(13.84)
<b>Net cash generated from / (used in ) operating activities – A</b>	<b>(167.03)</b>	<b>(342.83)</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(0.07)	(0.29)
Sale of property, plant and equipment	-	0.11
Purchase of investments	(335.00)	(183.34)
Sale of investments	371.45	380.27
Dividend on investments	-	38.48
Loan (given) / Repayment of loans <sup>1</sup>	412.88	(449.34)
Interest received	180.17	100.53
<b>Net cash generated from / (used in) investing activities – B</b>	<b>629.43</b>	<b>(113.58)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issuance of Share capital (including securities premium)	0.01	7.34
Repayment of non convertible debentures	(10.50)	(10.50)
Proceeds from debt securities	-	583.67
Proceeds from/(repayment of) borrowing <sup>1</sup>	-	(109.12)
Dividend paid	(132.60)	(131.46)
Finance costs	(95.10)	(23.66)
<b>Net cash generated from / (used in) financing activities – C</b>	<b>(238.19)</b>	<b>316.27</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>224.21</b>	<b>(140.14)</b>
Cash and cash equivalents as at the beginning of the period	461.93	148.18
Cash and cash equivalents as at the end of the period	686.14	8.04

<sup>1</sup> Net figures have been reported on account of volume of transactions.

Above Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.

13 The previous period/year figures have been regrouped/reclassified wherever necessary to conform to current period's presentation.

14 The standalone financial results will be available on the Company's website - www.edelweissfin.com

On behalf of the Board of Directors

RASHESH  
CHANDRAKANT  
ANT SHAH

Digitally signed by  
RASHESH  
CHANDRAKANT SHAH  
DN: cn=RASHESH CHANDRAKANT SHAH,  
o=Edelweiss Financial Services Limited,  
c=IN

Rashesh Shah  
Chairman

Mumbai, 09 November 2022.

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to  
The Board of Directors  
Edelweiss Financial Services Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Edelweiss Financial Services Limited (the "Company") for the quarter ended September 30, 2022 and year to date from April 1, 2022 to September 30, 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & Co. LLP  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

SHRAWAN  
BHAGWATI  
JALAN

Digitally signed by SHRAWAN  
BHAGWATI JALAN  
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Date: 2022.11.09 16:39:16 +05'30'

per Shrawan Jalan  
Partner  
Membership No.: 102102

UDIN: 22102102BCPUDL8783

Mumbai  
November 9, 2022

**Edelweiss Financial Services Limited**

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**Annexure**

(i) Pursuant to Regulation 52(7) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that issue proceeds of Non-Convertible Debentures (NCDs) issued by the Company and outstanding as on September 30, 2022 are being utilized as per the objects stated in the offer document. Further, we also confirm that there have been no deviations in the use of proceeds of issue of NCDs from the objects stated in the offer document.

(ii) Pursuant to Regulation 54 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we would like to state that all secured & redeemable debt securities issued by the Company and outstanding as on September 30, 2022 are fully secured by first charge / pari passu charge, as the case may be, on present & future receivables, book debts, loans and other financial & non- financial assets. Accordingly, the Company is maintaining asset cover of 1x or such higher asset cover required as per the terms of offer document/Information Memorandum.

**(iii) Information as required pursuant to Regulation 52 (4) of SEBI (Listing Obligations and Disclosures Requirements)**

	Particulars	Half Year Ended	Year Ended
		30 September 2022	31 March 2022
1	Debt-Equity Ratio ( Refer Note 1)	0.49	0.49
2	Net worth (Rs.in Crores) (Refer note 2)	5,034.86	5,000.22
3	Debt Service Coverage Ratio (Refer note 3)	2.42	10.48
4	Interest Service Coverage Ratio (Refer note 4)	1.80	4.99
5	Capital redemption reserve (Rs.in Crores)	0.20	0.20
6	Debenture redemption reserve (Refer note 5)	NA	NA
7	Net profit after tax (Rs.in Crores)	147.43	933.36
8	Earnings Per Share (₹) (Face Value of ₹ 1/- each)		
	-Basic	1.64	10.44
	- Diluted	1.64	10.43
9	Total debt to Total assets (%) (Refer Note 6)	0.31	0.30
10	Net profit margin (%) (Refer Note 7)	26.68%	68.01%

**Notes:**

- 1 Debt-equity Ratio = Total debt (Debt securities + Borrowings other than debt securities + subordinated liabilities) / Net worth
- 2 Net worth = Equity share capital + Other Equity
- 3 Debt Service Coverage Ratio = ( Profit before interest and tax)/ ( interest repayment + Principal repayment in next six months)
- 4 Interest Service Coverage Ratio = Profit before interest and Tax / interest expense
- 5 As per Rule 18 (7) (b) (iii) (A) B of the Companies (Share Capital and Debentures) Rules, 2014 the Company being listed company, is not required to create Debenture Redemption Reserve.
- 6 Total debt to Total assets = (Debt securities + Borrowings other than debt securities) / Total assets
- 7 Net profit margin = Net Profit for the period / Total Income
- 8 Current ratio, Long term debt to working capital, Bad Debts to account receivables ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating margin (%) are not applicable owing to the business model of the company.

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Nuvama Wealth Management Limited (formerly Edelweiss Securities Limited)

### Opinion

We have audited the accompanying interim condensed Ind AS standalone financial statements of Nuvama Wealth Management Limited (formerly Edelweiss Securities Limited) ("the Company"), which comprise the interim condensed standalone Balance Sheet as at September 30, 2022, and the interim condensed standalone Statement of Profit and Loss, including other comprehensive income, interim condensed standalone Cash Flow Statement and the interim condensed standalone Statement of Changes in Equity for the half year ended September 30, 2022, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying interim condensed Ind AS standalone financial statements have been prepared, in all material respects, in accordance with the recognition and measurement principles of Indian Accounting Standard 34 specified under section 133 of the Companies Act 2013 ("the Act"), read with of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

### Basis for Opinion

We conducted our audit of the interim condensed Ind AS standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim condensed standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the interim condensed Ind AS financial statements.

### Management's Responsibilities for the Interim condensed standalone Financial Statements

The Company's Board of Directors is responsible for the preparation of these Interim condensed Ind AS standalone financial statements in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 34 specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim condensed Ind AS standalone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim condensed Ind AS standalone financial statements, Board of Directors are responsible for assessing the ability of Company's to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Interim condensed standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim condensed standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim condensed Ind AS standalone financial statements.





As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the interim condensed standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Other matters

The comparative Ind AS standalone financial information of the Company for the corresponding half year ended September 30, 2021, included in the Statement, has not been subjected to audit and has been prepared and presented as certified by the management.

#### Other matters - restriction of use

The accompanying interim condensed Ind AS standalone financial statements have been prepared, and this report thereon is issued in connection with the purpose of complying with the requirements of the abridged prospectus prepared by the Company. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 22102102BANORH3864

Place of Signature: Mumbai

Date: October 21, 2022



**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Interim Condensed Standalone Balance Sheet as at September 30, 2022**

(Currency Indian rupees in million)

	Note	As at September 30, 2022	As at March 31, 2022
<b>ASSETS</b>			
<b>Financial assets</b>			
(a) Cash and cash equivalents	2.1	824.08	747.24
(b) Bank balances other than cash and cash equivalents	2.2	3,899.67	2,750.02
(c) Stock in trade*		0.00	0.00
(d) Trade receivables	2.3	806.14	491.78
(e) Investments	2.4	12,954.57	12,863.42
(f) Other financial assets	2.5	2,422.26	871.47
<b>Total financial assets</b>		<b>20,906.72</b>	<b>17,723.93</b>
<b>Non-financial assets</b>			
(a) Current tax assets (net)	2.6	318.34	292.86
(b) Property, plant and equipment	2.7	1,429.28	656.46
(c) Intangible assets under development	2.9	62.28	17.22
(d) Intangible assets	2.8	178.87	213.85
(e) Other non-financial assets	2.10	658.32	635.86
<b>Total non-financial assets</b>		<b>2,647.09</b>	<b>1,816.25</b>
<b>TOTAL ASSETS</b>		<b>23,553.81</b>	<b>19,540.18</b>
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
(a) Trade payables	2.11		
(i) total outstanding dues of micro enterprises and small enterprises		6.69	31.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,619.28	1,764.62
(b) Debt securities	2.12	3,418.96	-
(c) Other financial liabilities	2.13	1,276.55	1,582.97
<b>Total financial liabilities</b>		<b>7,321.48</b>	<b>3,378.99</b>
<b>Non-financial liabilities</b>			
(a) Current tax liabilities (net)	2.14	30.20	41.13
(b) Provisions	2.15	13.12	11.65
(c) Deferred tax liabilities (net)	2.16	61.41	72.60
(d) Other non-financial liabilities	2.17	137.57	117.58
<b>Total non-financial liabilities</b>		<b>242.30</b>	<b>242.96</b>
<b>TOTAL LIABILITIES</b>		<b>7,563.78</b>	<b>3,621.95</b>
<b>EQUITY</b>			
(a) Equity share capital	2.18	350.42	171.71
(b) Instruments entirely equity in nature	2.19	-	22,439.88
(c) Other equity	2.20	15,639.61	(6,693.36)
<b>TOTAL EQUITY</b>		<b>15,990.03</b>	<b>15,918.23</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>23,553.81</b>	<b>19,540.18</b>

\* Amount is less than ₹ 0.01 million

The accompanying notes are an integral part of the interim condensed standalone financial statements

1 & 2

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  
October 21, 2022



For and on behalf of the Board of Directors

Ashish Kehair  
Managing Director & CEO  
DIN: 07789972  
Mumbai

Shiv Sehgal  
Executive Director  
DIN: 07112524  
Mumbai

Lincoln Pan  
Non-executive Director  
DIN: 08895018  
Hong Kong

Shivaraman Iyer  
Chief Financial Officer  
Mumbai

Sonal R Tiwari  
Company Secretary  
Mumbai  
October 21, 2022



**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Interim Condensed Standalone statement of Profit and Loss for the period ended September 30, 2022**

(Currency Indian rupees in million)

	Note	For the period ended September 30, 2022	For the period ended September 30, 2021
<b>Revenue from operations</b>			
Fee and commission income	2.21	1,513.97	1,437.07
Interest income	2.22	70.75	46.87
Dividend income	2.23	0.01	-
Rental income	2.24	4.75	3.86
Net gain / (loss) on fair value changes	2.25	0.44	(0.20)
<b>Total revenue from operations</b>		<b>1,589.92</b>	<b>1,487.60</b>
<b>Other income</b>	2.26	<b>179.53</b>	<b>80.28</b>
<b>Total income</b>		<b>1,769.45</b>	<b>1,567.88</b>
<b>Expenses</b>			
Employee benefits expense	2.27	882.73	673.38
Finance costs	2.28	128.29	0.56
Impairment on financial instruments	2.29	2.72	0.41
Depreciation, amortisation and impairment	2.7 & 2.8	145.52	78.85
Other expenses	2.30	668.91	566.95
<b>Total expenses</b>		<b>1,828.17</b>	<b>1,320.15</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>(58.72)</b>	<b>247.73</b>
<b>Exceptional items</b>		<b>-</b>	<b>-</b>
<b>Profit/(loss) before tax</b>		<b>(58.72)</b>	<b>247.73</b>
<b>Tax expenses:</b>			
Current tax		18.56	(95.74)
Deferred tax		(11.19)	(8.51)
<b>Profit for the year</b>		<b>(66.09)</b>	<b>351.98</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plans - gratuity (OCI)		-	-
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>(66.09)</b>	<b>351.98</b>
<b>Earnings per equity share (Face value of ₹ 10 each):</b>			
(1) Basic		(2.12)	10.14
(2) Diluted	2.31	(2.12)	10.04

The accompanying notes are an integral part of the interim condensed standalone financial statements

1 & 2

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

October 21, 2022

For and on behalf of the Board of Directors

Ashish Kehair

Managing Director & CEO

DIN: 07789972

Mumbai

Lincoln Pan

Non-executive Director

DIN: 08895018

Hong Kong

Shiv Sehgal

Executive Director

DIN : 07112524

Mumbai

Shivaraman Iyer

Chief Financial Officer

Mumbai

Sonal Tiwari

Company Secretary

Mumbai

October 21, 2022





**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Interim Condensed Standalone statement of Cash flow for the period ended September 30, 2022**

(Currency Indian rupees in million)

	For the period ended September 30, 2022	For the period ended September 30, 2021
Net cash generated from / (used in) operating activities - A	(2,908.83)	387.31
Net cash used in investing activities - B	(305.35)	(138.93)
Net cash generated from / (used in) financing activities - C	3,291.02	(0.53)
Net increase in cash and cash equivalents (A+B+C)	76.84	247.85
Cash and cash equivalent as at the beginning of the period	747.24	302.09
Cash and cash equivalent as at the end of the period	824.08	549.94

**Notes:**

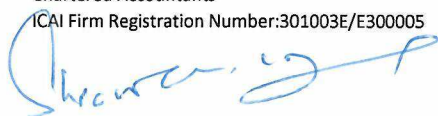
- Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013

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

October 21, 2022



**For and on behalf of the Board of Directors**

  
**Ashish Kehair**  
 Managing Director & CEO  
 DIN: 07789972  
 Mumbai

  
**Shiv Sehgal**  
 Executive Director  
 DIN : 07112524  
 Mumbai

  
**Lincoln Pan**  
 Non-executive Director  
 DIN: 08895018  
 Hong Kong

  
**Shivaraman Iyer**  
 Chief Financial Officer  
 Mumbai

  
**Sonal Tiwari**  
 Company Secretary  
 Mumbai  
 October 21, 2022





**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Interim Condensed Standalone statement of Changes in Equity**

(Currency Indian rupees in million)

**A. Equity share capital**

Particulars	For the period ended September 30, 2022	For the period ended September 30, 2021
Balance at the beginning of the period	347.27	347.27
Equity shares to be issued pursuant to the composite scheme of arrangement (Refer note 2.35)*	0.00	0.00
Cancellation of equity shares pursuant to composite scheme of arrangement (Refer note 2.35)	(175.56)	-
Conversion of CCDs into equity shares during the period	178.71	-
<b>Balance at the end of the period</b>	<b>350.42</b>	<b>347.27</b>

\* Amount is less than ₹ 0.01 million

**B. Other Equity**

Particulars	Reserves and Surplus						Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	General reserve	Revaluation reserve	Deemed capital contribution - ESOP	
Balance as at April 1, 2021	-	2.70	10,723.59	109.41	343.11	138.30	13,577.92
Profit or loss for the period	-	-	-	-	-	-	351.98
Other comprehensive income for the period	-	-	-	-	-	-	-
<b>Total Comprehensive Income for the period</b>	-	-	-	-	-	-	<b>351.98</b>
Adjustment of share based payments on lapsed /cancelled	-	-	-	-	-	-	33.60
Transfer from revaluation reserve	-	-	-	-	(10.30)	-	10.30
<b>Balance as at September 30, 2021</b>	<b>-</b>	<b>2.70</b>	<b>10,723.59</b>	<b>109.41</b>	<b>332.81</b>	<b>138.30</b>	<b>13,963.50</b>
Balance as at April 1, 2022	500.00	2.70	4,923.02	109.41	324.12	138.30	(12,796.70)
Profit or loss for the period	-	-	-	-	-	-	(66.09)
Other comprehensive income for the period	-	-	-	-	-	-	-
<b>Total Comprehensive Income for the period</b>	-	-	-	-	-	-	<b>(66.09)</b>
ESOP issued during the period	-	-	-	-	-	113.50	113.50
Transfer from revaluation reserve	-	-	-	-	(7.63)	-	7.63
Adjustment of share based payments on lapsed /cancelled	-	-	-	-	-	-	24.40
Conversion of CCDs into equity shares during the period	-	-	22,261.16	-	-	-	22,261.16
<b>Balance as at September 30, 2022</b>	<b>500.00</b>	<b>2.70</b>	<b>27,184.18</b>	<b>109.41</b>	<b>316.49</b>	<b>138.30</b>	<b>(12,830.76)</b>
							<b>15,639.61</b>

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number:301003E/E300005

For and on behalf of the Board of Directors

*Ashish Kehar*  
Ashish Kehar  
Managing Director & CEO  
DIN: 07789972  
Mumbai

per Shrawan Jalan

Partner

Membership No:102102

Mumbai

October 21, 2022

*Shiv Sehgal*  
Shiv Sehgal  
Executive Director  
DIN : 07112524  
Mumbai

*Shivaraman*  
Shivaraman  
Chief Financial Officer  
Mumbai

*Lincoln Pan*  
Lincoln Pan  
Non-executive Director  
DIN: 08895018  
Hong Kong

*Sonal R Tiwari*  
Sonal R Tiwari  
Company Secretary  
Mumbai



# **Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited)**

Notes to the interim condensed standalone financial statements for the period ended September 30, 2022

(Currency : Indian rupees in million)

## **1. Significant accounting policies**

### **1.1 Company background**

Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) ('the Company') is a public limited company domiciled and incorporated under the provisions of the Companies Act applicable in India. The Company was incorporated on August 20, 1993. PAGAC Ecstasy Pte. Limited is the holding company. On August 18, 2022, the Company has changed its name from Edelweiss Securities Limited to Nuvama Wealth Management Limited.

The Company is registered as a trading and clearing member with National Stock Exchange of India Limited ('NSEIL') and BSE Limited ('BSE') and Metropolitan Stock Exchange of India Limited ('MSEI') and provides broking services to its clients. The Company is also registered as a repository participant with National E-Repository Limited ('NERL'). The Company is also acting as distributor for Mutual Funds.

The Company is a broker with recognized stock exchanges. Also providing research services and acting as a syndicate member for distribution of IPO's.

### **1.2 Basis of preparation of standalone financial statements**

The interim condensed standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). These interim condensed Standalone financial statements for the half year ended September 30, 2022 (six months ended) have been approved for issue by the Board of Directors of the Company on October 21, 2022.

The interim condensed standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) 34 "Interim Financial Reporting" for the purpose of/ complying with the requirements of the abridged prospectus prepared by the Company.

The interim condensed standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments such as financial asset measured at fair value through other comprehensive income (FVOCI) instruments, and other financial assets held for trading, which have been measured at fair value. The standalone financial statements are presented in Indian Rupees (INR) and all values are rounded off to the nearest million, except when otherwise indicated.

The Company has followed the same accounting policies in preparation of the interim condensed standalone financial statements as those followed in preparation of the annual standalone financial statements as at and for the year ended March 31, 2022. These interim condensed standalone financial statements should be read in conjunction with the audited standalone financial statements and the related notes for the year ended March 31, 2022.





### **1.3 Determination of fair value**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

#### **Level 1 financial instruments:**

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

#### **Level 2 financial instruments**

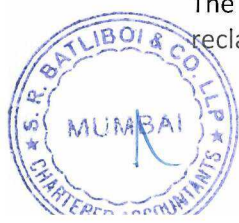
Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

#### **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 financial statements 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.

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 for the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The 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.



**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

	As at September 30, 2022	As at September 30, 2021
<b>2.1 Cash and cash equivalents</b>		
Cash in hand	-	-
Balances with banks		
- in current accounts	824.08	747.24
	<u>824.08</u>	<u>747.24</u>
<b>2.2 Bank balances other than cash and cash equivalents</b>		
Fixed deposits with banks	27.09	21.93
Fixed deposits with banks (refer note 2 below)	3,872.58	1,705.65
Balances with bank in current accounts (refer note 3 below)	-	1,022.44
	<u>3,899.67</u>	<u>2,750.02</u>

Note:

1. Fixed deposit balances with banks earns interest at fixed rate.

2. Fixed deposits pledged aggregating to ₹ 650.18 million (previous year ₹ 1,245.75 million) with exchanges to meet margin requirement, and Fixed deposits pledged aggregating to ₹ 3,222.40 million (previous year ₹ 459.90 million) with banks for securing credit facilities.

3. March 31, 2022 Bank balances amounting to ₹ 1,022.44 million pertains to Asset Management Business undertaking to be demerged from the Company into Edelweiss Securities And Investments Private Limited (ESIPL). Since the said amount does not pertain to the Company, a liability of equivalent amount is created in schedule 2.13 as 'Payable on account of composite scheme of arrangement'. Subsequently, on April 25, 2022 the Company has transferred the aforementioned amount to ESIPL pursuant to the Composite scheme of arrangement. (refer note 2.35).



Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)

Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)

(Currency Indian rupees in million)

2.3 Trade receivables	As at September 30, 2022	As at March 31, 2022
Unsecured considered good	816.26	494.45
Receivable - credit impaired	7.76	7.79
	<u>824.02</u>	<u>502.24</u>
Less : Impairment allowance (provision for expected credit loss)		
Unsecured considered good	10.12	2.67
Receivable - credit impaired	7.76	7.79
	<u>17.88</u>	<u>10.46</u>
	<u>806.14</u>	<u>491.78</u>

Trade receivable ageing

September 30, 2022	Outstanding for following periods from date of transaction						Total
	Unbilled	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Gross receivables</b>							
i) Undisputed Trade receivables – considered good	24.63	791.25	0.38	-	-	-	816.26
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.00	-	7.76	7.76
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total gross receivables (A)</b>	<b>24.63</b>	<b>791.25</b>	<b>0.38</b>	<b>-</b>	<b>-</b>	<b>7.76</b>	<b>824.02</b>
<b>ECL provision on receivables</b>							
i) Undisputed Trade receivables – considered good	-	9.74	0.38	-	-	-	10.12
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.00	-	7.76	7.76
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total ECL Provision on receivables (B)</b>	<b>-</b>	<b>9.74</b>	<b>0.38</b>	<b>-</b>	<b>-</b>	<b>7.76</b>	<b>17.88</b>
<b>Total receivables net of provision = (A)-(B)</b>	<b>24.63</b>	<b>781.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>806.14</b>

March 31, 2022	Outstanding for following periods from date of transaction						Total
	Unbilled	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Gross receivables</b>							
i) Undisputed Trade receivables – considered good	32.18	462.24	0.03	-	-	-	494.45
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.02	0.27	7.50	7.79
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Gross receivables (A)</b>	<b>32.18</b>	<b>462.24</b>	<b>0.03</b>	<b>0.02</b>	<b>0.27</b>	<b>7.50</b>	<b>502.24</b>
<b>ECL provision on receivables</b>							
i) Undisputed Trade receivables – considered good	-	2.64	0.03	-	-	-	2.67
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.02	0.27	7.50	7.79
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total ECL Provision on receivables (B)</b>	<b>-</b>	<b>2.64</b>	<b>0.03</b>	<b>0.02</b>	<b>0.27</b>	<b>7.50</b>	<b>10.46</b>
<b>Total receivables net of provision = (A)-(B)</b>	<b>32.18</b>	<b>459.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>491.78</b>

Reconciliation of impairment allowance on trade receivables:

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as on March 31, 2021	15.65
Add/ (less): asset originated or acquired (net)	(5.19)
Impairment allowance as on March 31, 2022	10.46
Add/ (less): asset originated or acquired (net)	7.42
Impairment allowance as on September 30, 2022	17.88





**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

	As at September 30, 2022			As at March 31, 2022		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<b>2.4 Investments</b>						
<b>(A) Investment in equity instruments of subsidiaries - Carried at cost</b>						
Nuvama Wealth Finance Limited (formerly Edelweiss Finance & Investments Limited) **	10	1,14,59,105	6,351.10	10	1,14,59,105	6,351.10
Nuvama Wealth and Investment Limited (formerly Edelweiss Broking Limited)	10	43,04,54,000	4,657.95	10	43,04,54,000	4,657.95
Edelweiss Custodial Services Limited	10	62,67,500	714.78	10	62,67,500	714.78
Nuvama Capital Services (IFSC) Limited (formerly Edelweiss Securities (IFSC) Limited)	10	1,76,64,144	187.09	10	1,76,64,144	187.09
Nuvama Investment Advisors Private Limited (formerly Edelweiss Investment Advisors Private Limited)	10	18,00,000	115.64	10	18,00,000	115.64
Edelweiss Financial Services Inc.	USD 1.25 million	1	79.67	USD 1.25 million	1	79.67
Nuvama Investment Advisors (Hong Kong) Private Limited (formerly Edelweiss Securities (Hongkong) Private Limited)	HKD 1	1,36,36,437	119.66	HKD 1	1,36,36,437	119.66
Nuvama Financial Services (UK) Limited (formerly Edelweiss Financial Services (UK) Limited)	GBP 1	3,00,000	26.26	GBP 1	3,00,000	26.26
Nuvama Asset Management Limited (formerly ESL Securities Limited)	10	3,59,60,000	359.60	10	2,69,60,000	269.60
			<u>12,611.75</u>			<u>12,521.75</u>
<b>(B) Investment in equity instruments of associate companies - Carried at cost</b>						
Nuvama Custodial Services Limited (formerly Edelweiss Capital Services Limited)	10	2,69,50,000	269.50	10	2,69,50,000	269.50
Edelweiss Asset Reconstruction Company Limited*	-	-	-	10	6,89,09,142	936.03
Less : Pursuant to composite scheme of arrangement (refer note 2.35)	-	-	-	-	(6,89,09,142)	(936.03)
			<u>269.50</u>			<u>269.50</u>
<b>(C) Investment in equity instruments of other companies - Carried at cost</b>						
Edelweiss Alternative Asset Advisors Limited	10	-	-	10	10,44,878	0.05
Less : Pursuant to composite scheme of arrangement (refer note 2.35)	-	-	-	-	(10,44,878)	(0.05)
			<u>-</u>			<u>-</u>
<b>(D) Investment in AIF</b>						
Edelweiss Crossover Opportunities Fund – Series III	10	23,79,484	31.48	10	23,79,484	31.23
Edelweiss Crossover Opportunities Fund - Series III A	10	24,24,556	28.33	10	24,24,556	28.25
Edelweiss Crossover Opportunities Fund - Series III B	10	12,49,900	13.51	10	12,49,900	12.69
			<u>73.32</u>			<u>72.17</u>
<b>Total (A + B + C + D)</b>			<u><u>12,954.57</u></u>			<u><u>12,863.42</u></u>

\*Edelweiss Financial Services Limited (EFSL) has issued and allotted debentures and in consideration of the debenture holders agreeing to subscribe to the debentures, the investment into 68,909,148 equity shares of Edelweiss Asset Reconstruction Company Limited (EARC) in the books of Edelweiss Securities Limited have been pledged by EFSL with Catalyst Trusteeship Limited (the Debenture Trustee). Further, the obligation to pay secured obligations by EFSL in relation to the Company shall be limited to the value of the Pledged Shares pledged by the Company in accordance with the terms of Pledge Agreement entered on March 15, 2021. Pursuant to composite scheme of arrangement, the shares are transferred to Edelweiss Securities And Investments Private Limited (refer note 2.35).

\*\* 19,03,114 equity shares of Nuvama Wealth Finance Limited (formerly Edelweiss Finance & Investments Limited) have been pledged for intraday facility taken from ICICI bank in favour of Edelweiss Custodial Services Limited and pledged 32,68,000 equity shares towards non convertible debentures issued by Nuvama Wealth and Investment Limited (formerly Edelweiss Broking Limited) in favour of Catalyst Trusteeship Limited, 25,47,000 equity shares of Nuvama Wealth Finance Limited (formerly Edelweiss Finance & Investments Limited) have been pledged in favour of Beacon Trusteeship Limited.



**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

**2.4 Investments**

Particulars	As at September 30, 2022						
	At Amortised cost (1)	Through OCI (2)	Through P&L (3)	Designated at fair value through profit or loss (4)	Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total 7 = (1+5+6)
<b>(i) Equity instruments</b>							
<b>a) Subsidiaries - Equity Shares</b>							
Nuvama Wealth Finance Limited (formerly Edelweiss Finance & Investments Limited)	-	-	-	-	-	6,351.10	6,351.10
Edelweiss Custodial Services Limited	-	-	-	-	-	714.78	714.78
Edelweiss Financial Services Inc.	-	-	-	-	-	79.67	79.67
Nuvama Investment Advisors (Hong Kong) Private Limited (formerly Edelweiss Securities (Hongkong) Private Limited)	-	-	-	-	-	119.66	119.66
Nuvama Financial Services (UK) Limited (formerly Edelweiss Financial Services (UK) Limited)	-	-	-	-	-	26.26	26.26
Nuvama Asset Management Limited (formerly ESL Securities Limited)	-	-	-	-	-	359.60	359.60
Nuvama Wealth and Investment Limited (formerly Edelweiss Broking Limited)	-	-	-	-	-	4,657.95	4,657.95
Nuvama Capital Services (IFSC) Limited (formerly Edelweiss Securities (IFSC) Limited)	-	-	-	-	-	187.09	187.09
Nuvama Investment Advisors Private Limited (formerly Edelweiss Investment Advisors Private Limited)	-	-	-	-	-	115.64	115.64
<b>b) Associates - Equity Shares</b>							
Nuvama Custodial Services Limited (formerly Edelweiss Capital Services Limited)	-	-	-	-	-	269.50	269.50
Edelweiss Asset Reconstruction Company Limited	-	-	-	-	-	-	-
<b>b) Other group company - Equity Shares</b>							
Edelweiss Alternative Asset Advisors Limited	-	-	-	-	-	-	-
<b>(ii) AIF Fund</b>							
Edelweiss Crossover Opportunities Fund – Series III	-	-	31.48	-	31.48	-	31.48
Edelweiss Crossover Opportunities Fund - Series III A	-	-	28.33	-	28.33	-	28.33
Edelweiss Crossover Opportunities Fund - Series III B	-	-	13.51	-	13.51	-	13.51
<b>Total - Gross (A)</b>	-	-	73.32	-	73.32	12,881.25	12,954.57
Investments outside India	-	-	-	-	-	341.23	341.23
Investment in India	-	-	73.32	-	73.32	12,540.02	12,613.34
<b>Total - Gross (B)</b>	-	-	73.32	-	73.32	12,881.25	12,954.57
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
<b>Total Net (A - C)</b>	-	-	73.32	-	73.32	12,881.25	12,954.57

Particulars	As at March 31, 2022						
	At Amortised cost (1)	Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)	Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total 7 = (1+5+6)
<b>(i) Equity instruments</b>							
<b>a) Subsidiaries - Equity shares</b>							
Nuvama Wealth Finance Limited (formerly Edelweiss Finance & Investments Limited)	-	-	-	-	-	6,351.10	6,351.10
Edelweiss Custodial Services Limited	-	-	-	-	-	714.78	714.78
Edelweiss Financial Services Inc.	-	-	-	-	-	79.67	79.67
Nuvama Investment Advisors (Hong Kong) Private Limited (formerly Edelweiss Securities (Hongkong) Private Limited)	-	-	-	-	-	119.66	119.66
Nuvama Financial Services (UK) Limited (formerly Edelweiss Financial Services (UK) Limited)	-	-	-	-	-	26.26	26.26
Nuvama Asset Management Limited (formerly ESL Securities Limited)	-	-	-	-	-	269.60	269.60
Nuvama Wealth and Investment Limited (formerly Edelweiss Broking Limited)	-	-	-	-	-	4,657.95	4,657.95
Nuvama Capital Services (IFSC) Limited (formerly Edelweiss Securities (IFSC) Limited)	-	-	-	-	-	187.09	187.09
Nuvama Investment Advisors Private Limited (formerly Edelweiss Investment Advisors Private Limited)	-	-	-	-	-	115.64	115.64
<b>b) Associates - Equity Shares</b>							
Nuvama Custodial Services Limited (formerly Edelweiss Capital Services Limited)	-	-	-	-	-	269.50	269.50
<b>(ii) AIF Fund</b>							
Edelweiss Crossover Opportunities Fund – Series III	-	-	31.23	-	31.23	-	31.23
Edelweiss Crossover Opportunities Fund - Series III A	-	-	28.25	-	28.25	-	28.25
Edelweiss Crossover Opportunities Fund - Series III B	-	-	12.69	-	12.69	-	12.69
<b>Total - Gross (A)</b>	-	-	-	-	-	12,791.25	12,863.42
Investments outside India	-	-	-	-	-	341.23	341.23
Investment in India	-	-	-	-	-	12,450.02	12,450.02
<b>Total - Gross (B)</b>	-	-	-	-	-	12,791.25	12,791.25
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
<b>Total Net (A - C)</b>	-	-	-	-	-	12,791.25	12,863.42

\*Edelweiss Financial Services Limited (EFSL) has issued and allotted debentures and in consideration of the debenture holders agreeing to subscribe to the debentures, the investment into 68,909,148 equity shares of Edelweiss Asset Reconstruction Company Limited (EARC) in the books of Edelweiss Securities Limited have been pledged by EFSL with Catalyst Trusteeship Limited (the Debenture Trustee). Further, the obligation to pay secured obligations by EFSL in relation to the Company shall be limited to the value of the Pledged Shares pledged by the Company in accordance with the terms of Pledge Agreement entered on March 15, 2021. Pursuant to composite scheme of arrangement, the shares are transferred to Edelweiss Securities And Investments Private Limited (refer note 2.35).

\*\* 19,03,114 equity shares of Nuvama Wealth Finance Limited (formerly Edelweiss Finance & Investments Limited) have been pledged for intraday facility taken from ICICI bank in favour of Edelweiss Custodial Services Limited and pledged 32,68,000 equity shares towards non convertible debentures issued by Nuvama Wealth and Investment Limited (formerly Edelweiss Broking Limited) in favour of Catalyst Trusteeship Limited, 25,47,000 equity shares of Nuvama Wealth Finance Limited (formerly Edelweiss Finance & Investments Limited) have been pledged in favour of Beacon Trusteeship Limited.



**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

	As at September 30, 2022	As at March 31, 2022
<b>2.5 Other financial assets</b>		
(Unsecured Considered good, unless stated otherwise)		
Security Deposits	115.89	10.52
Deposits placed with/ for exchange/ depositories	1,454.29	433.32
Accrued interest on margin	5.75	8.65
Receivable from exchange /clearing house (net)	769.98	163.00
Other assets	76.35	174.21
Receivable on account of composite scheme of arrangement	-	81.77
	<u>2,422.26</u>	<u>871.47</u>

Note:

<b>2.6 Current tax assets (net)</b>		
Advance income taxes	318.34	292.86
	<u>318.34</u>	<u>292.86</u>





Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)

(Currency Indian rupees in million)

2.7 Property, plant and equipment

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block	
	As at April 01, 2022	Additions during the half year	Deductions / Adjustments during the half year	As at September 30, 2022	As at April 01, 2022	For the half year	Deductions during the half year	As at September 30, 2022
Building *	695.59	-	-	695.59	86.51	17.18	-	591.90
Leasehold improvements	5.22	-	-	5.22	1.85	0.42	-	2.95
Furniture and fixtures	3.82	0.05	-	3.87	1.78	0.27	-	1.82
Vehicles	3.92	-	-	3.92	3.40	0.09	-	0.43
Office equipment	5.92	-	-	5.92	4.07	0.39	-	1.46
Computers	343.97	75.81	118.75	301.03	304.37	50.74	118.62	64.54
Right of use	-	767.02	-	767.02	-	0.84	-	766.18
<b>Total</b>	<b>1,058.44</b>	<b>842.88</b>	<b>118.75</b>	<b>1,782.57</b>	<b>401.98</b>	<b>69.93</b>	<b>118.62</b>	<b>1,429.28</b>

2.8 Intangible Assets

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block	
	As at April 01, 2022	Additions during the half year	Deductions / Adjustments during the half year	As at September 30, 2022	As at April 01, 2022	For the half year	Deductions during the half year	As at September 30, 2022
Software	609.92	40.61	-	650.53	396.07	75.59	-	178.87
<b>Total</b>	<b>609.92</b>	<b>40.61</b>	<b>-</b>	<b>650.53</b>	<b>396.07</b>	<b>75.59</b>	<b>-</b>	<b>178.87</b>

\* During FY 2020-21, Edelweiss Custodial Services Limited ("ECDSL"), a wholly owned subsidiary of the Company, challenged an order, by an investigating agency, marking lien on its clearing account, before the 47th Additional Chief Metropolitan Magistrate Court, Mumbai. Since the investigation against the trading member, for which ECDSL was a clearing member, is under process, the Court contended that it had no objection to setting aside the lien order issued by investigating agency, upon ECDSL providing an undertaking to keep sufficient assets unencumbered. ECDSL has since provided this undertaking to keep sufficient assets amounting to Rs. 662.56 million belonging to the Company unencumbered and the said lien order has been set aside. Accordingly, the management is of the view that there is no adjustment required in the financial statements for the half-year ended September 30, 2022.

Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)

(Currency Indian rupees in million)

2.7 Property, plant and equipment

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block
	As at April 01, 2021	Additions during the year	Deductions / Adjustments during the year	As at April 01, 2021	Charge for the year	Disposals during the year	As at March 31, 2022
Building *	662.56	33.03	-	37.43	49.08	-	609.08
Leasehold improvements	8.47	3.86	7.11	5.51	0.58	4.24	3.37
Furniture and fixtures	3.78	1.01	0.97	1.36	0.56	0.14	2.04
Vehicles	12.15	-	8.23	8.64	0.62	5.86	0.52
Office equipment	10.17	0.66	4.91	7.03	1.29	4.25	1.85
Computers	302.77	63.19	21.99	194.52	128.89	19.04	39.60
Right of use	19.96	-	19.96	19.70	-	19.70	-
<b>Total</b>	<b>1,019.86</b>	<b>101.75</b>	<b>63.17</b>	<b>274.19</b>	<b>181.02</b>	<b>53.23</b>	<b>656.46</b>

2.8 Intangible Assets

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block
	As at April 01, 2021	Additions during the year	Deductions / Adjustments during the year	As at April 01, 2021	Charge for the year	Disposals during the year	As at March 31, 2022
Software	651.40	30.91	72.39	328.07	140.38	72.38	213.85
<b>Total</b>	<b>651.40</b>	<b>30.91</b>	<b>72.39</b>	<b>328.07</b>	<b>140.38</b>	<b>72.38</b>	<b>213.85</b>

\* During FY 2020-21, Edelweiss Custodial Services Limited ("ECDSL"), a wholly owned subsidiary of the Company, challenged an order, by an investigating agency, marking lien on its clearing account, before the 47th Additional Chief Metropolitan Magistrate Court, Mumbai. Since the investigation against the trading member, for which ECDSL was a clearing member, is under process, the Court contended that it had no objection to setting aside the lien order issued by investigating agency, upon ECDSL providing an undertaking to keep sufficient assets unencumbered. ECDSL has since provided this undertaking to keep sufficient assets amounting to Rs. 662.56 million belonging to the Company unencumbered and the said lien order has been set aside. Accordingly, the management is of the view that there is no adjustment required in the financial statements for the year ended March 31, 2022.



2.9 Intangible assets under development

As at September 30, 2022	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	
Data Migration and upgradation Software	58.00	-	-	-	58.00
Finance Software	2.77	-	-	-	2.77
Trading Software	0.39	-	-	-	0.39
Other Software	1.12	-	-	-	1.12
<b>Total</b>	<b>62.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62.28</b>

As at March 31, 2022	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	
Trading software	16.12	-	-	-	16.12
Compliance Management Software	1.10	-	-	-	1.10
<b>Total</b>	<b>17.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.22</b>

2.10 Other non-financial assets

(Unsecured Considered good, unless stated otherwise)

	As at September 30, 2022	As at March 31, 2022
Input tax credit	-	10.59
Other deposits	11.17	6.17
Contribution to gratuity fund (net)	1.37	6.15
Prepaid expenses	66.72	47.68
Vendor Advances	43.76	29.76
Capital advance	66.92	66.92
Advances to others	467.48	467.48
Employee Advances	0.90	1.11
	<b>658.32</b>	<b>635.86</b>

2.11 Trade Payables

September 30, 2022		Outstanding for following periods from date of transaction				
Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	6.69	0.00	0.00	0.00	0.00	6.69
(ii) Others	272.66	2,342.74	0.99	0.84	2.05	2,619.28
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>279.35</b>	<b>2,342.74</b>	<b>0.99</b>	<b>0.84</b>	<b>2.05</b>	<b>2,625.97</b>

March 31, 2022		Outstanding for following periods from date of transaction				
Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	30.99	0.41	0.00	0.00	0.00	31.40
(ii) Others	281.69	1,478.57	1.63	1.03	1.70	1,764.62
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>312.68</b>	<b>1,478.98</b>	<b>1.63</b>	<b>1.03</b>	<b>1.70</b>	<b>1,796.02</b>

Trade Payables includes ₹ 6.69 million (Previous year: ₹ 31.40 million) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this Act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.





Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)

Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)

(Currency Indian rupees in million)

	As at September 30, 2022	As at March 31, 2022
<b>2.12 Debt securities</b>		
<u>Unsecured</u>		
Commercial paper	3,450.00	-
Less: Unamortised discount	31.04	-
	<u>3,418.96</u>	<u>-</u>
<b>2.13 Other financial liabilities</b>		
Other payables	6.19	15.78
Payable on account of composite scheme of arrangement*	-	1,022.44
Margin money		
Payable to client	0.87	0.79
Others		
Accrued salaries and benefits	242.99	467.58
Payable to exchange / clearing house (net)	315.08	75.73
Deposits from sub-brokers	0.06	0.06
Retention money payable	0.20	0.59
Lease Liability	711.16	-
	<u>1,276.55</u>	<u>1,582.97</u>
* March 31, 2022 Bank balances amounting to ₹ 1,022.44 million pertains to Asset Management Business undertaking to be demerged from the Company into Edelweiss Securities And Investments Private Limited (ESIPL). Since the said amount does not pertain to the Company, a liability of equivalent amount is created in schedule 2.13 as 'Payable on account of composite scheme of arrangement'. Subsequently, on April 25, 2022 the Company has transferred the aforementioned amount to ESIPL pursuant to the Composite scheme of arrangement. (refer note 2.35).		
<b>2.14 Current tax liabilities (net)</b>		
Provision for taxation	30.20	41.13
	<u>30.20</u>	<u>41.13</u>
<b>2.15 Provisions</b>		
Provision for employee benefits		
Compensated leave absences	13.12	11.65
	<u>13.12</u>	<u>11.65</u>
<b>2.16 Deferred tax liabilities (net)</b>		
<b>Deferred tax assets</b>		
<u>Trade &amp; other receivable</u>		
Provision for expected credit losses	2.56	2.32
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation (including intangibles)	42.93	33.38
<u>Employee benefit obligations</u>		
Provision for leave accumulation	2.99	2.62
<b>Sub total (A)</b>	<u>48.48</u>	<u>38.32</u>
<b>Deferred tax liabilities</b>		
<u>Property, plant and equipment and intangibles</u>		
Revaluation of Property, plant, equipment	105.80	108.49
<u>Investments and other financial instruments</u>		
Fair valuation of investments	2.14	2.43
<u>Borrowings</u>		
Unamortised loan origination costs	1.95	-
<b>Sub total (B)</b>	<u>109.89</u>	<u>110.92</u>
<b>Total (B - A)</b>	<u>61.41</u>	<u>72.60</u>
<b>2.17 Other non-financial liabilities</b>		
Income received in advance	60.96	22.85
Others		
Statutory liabilities	73.23	91.02
Others	3.38	3.71
	<u>137.57</u>	<u>117.58</u>



**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

2.18 Equity share capital	As at September 30, 2022		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
<b>Authorised :</b>				
Equity shares of ₹ 10 each	79,95,40,000	7,995.40	79,95,40,000	7,995.40
Preference shares of ₹ 10 each	4,60,000	4.60	4,60,000	4.60
Preference shares of ₹ 1000 each	1,20,00,000	12,000.00	1,20,00,000	12,000.00
	<b>81,20,00,000</b>	<b>20,000.00</b>	<b>81,20,00,000</b>	<b>20,000.00</b>
<b>Issued, Subscribed and Paid up:</b>				
Equity shares of ₹ 10 each	3,47,26,823	350.42	3,47,26,823	347.27
Less : Share suspense account		-		(175.56)
	<b>3,47,26,823</b>	<b>350.42</b>	<b>3,47,26,823</b>	<b>171.71</b>

**Note:**

Share suspense account represents cancellation of Equity shares of the Company held by Edelweiss Global Wealth Management Limited pursuant to the composite scheme of arrangement (Refer note 2.35).

**A. Reconciliation of number of Equity shares :**

	As at September 30, 2022		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
<b>Equity share capital</b>				
Balance at the beginning of the year	3,47,26,823	347.27	3,47,26,823	347.27
Equity shares to be issued pursuant to the composite scheme of arrangement (Refer note 2.35)*	100	0.00	-	-
Cancellation of equity shares pursuant to composite scheme of arrangement (Refer note 2.35)	(1,75,55,986)	(175.56)	-	-
Conversion of CCDs into equity shares during the period	1,78,71,263	178.71	-	-
<b>Balance at the end of the year - A</b>	<b>3,50,42,200</b>	<b>350.42</b>	<b>3,47,26,823</b>	<b>347.27</b>
<b>Share suspense account</b>				
Balance at the beginning of the year	1,75,55,986	175.56	1,75,55,986	175.56
Cancellation of equity shares pursuant to composite scheme of arrangement (Refer note 2.35)	(1,75,55,986)	(175.56)	-	-
Equity shares issued pursuant to the composite scheme of arrangement (Refer note 2.35)*	(100)	0.00	100	0.00
<b>Balance at the end of the year - B</b>	<b>-</b>	<b>-</b>	<b>1,75,55,986</b>	<b>175.56</b>
<b>Net (A - B)</b>	<b>3,50,42,200</b>	<b>350.42</b>	<b>1,71,70,937</b>	<b>171.71</b>

\* Amount is less than ₹ 0.01 million.

**Note:**

- The Company had issued 100 equity shares of Rs 10 each on April 27, 2022 to Edelweiss Financial Services Limited as a consideration for transfer of Wealth Management Business Undertaking to the Company (Refer note 2.35).
- 17,55,986 equity shares of Rs 10 each held by Edelweiss Global Wealth Management Limited in the Company had been extinguished and cancelled on April 26, 2022 (Refer note 2.35).
- On May 10, 2022, the Company had issued 17,871,263 equity shares of Rs. 10 each on account of conversion of its entire Compulsorily convertible debentures of Rs. 22,439.88 million.

**B. Terms/rights attached to equity shares :**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share held.

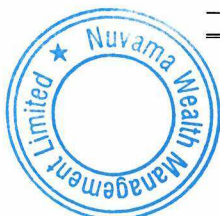
In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

**C. Shares held by holding/ultimate holding company and/or their subsidiaries/associates :**

	As at September 30, 2022		As at March 31, 2022	
	No of shares	% holding	No of shares	% holding
<b>Ultimate Holding Company</b>				
PAGAC Ecstasy Pte. Ltd (including shares held by the nominees)	-	0.00%	18,36,082	5.29%
<b>Holding Company</b>				
PAGAC Ecstasy Pte. Ltd (including 4 shares held by the nominees)	1,93,92,068	55.34%	-	0.00%
Edelweiss Global Wealth Management Limited	-	0.00%	1,75,55,986	50.55%
<b>Others</b>				
Edelweiss Financial Services Limited	1,05,12,660	30.00%	1,35,00,300	38.88%
Edel Finance Company Limited	18,34,455	5.23%	18,34,455	5.28%
Asia Pragati Strategic Investment Fund	3,15,277	0.90%	-	0.00%
Edel Land Limited	29,87,740	8.53%	-	0.00%
	<b>3,50,42,200</b>	<b>100.00%</b>	<b>3,47,26,823</b>	<b>100.00%</b>

**D. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company :**

	As at September 30, 2022		As at March 31, 2022	
	No of shares	% holding	No of shares	% holding
<b>Ultimate Holding Company</b>				
PAGAC Ecstasy Pte. Ltd (including shares held by the nominees)	-	0.00%	18,36,082	5.29%
<b>Holding Company</b>				
PAGAC Ecstasy Pte. Ltd (including 4 shares held by the nominees)	1,93,92,068	55.34%	-	0.00%
Edelweiss Global Wealth Management Limited*	-	0.00%	1,75,55,986	50.55%
<b>Others</b>				
Edelweiss Financial Services Limited	1,05,12,660	30.00%	1,35,00,300	38.88%
Edel Finance Company Limited	18,34,455	5.23%	18,34,455	5.28%
Edel Land Limited	29,87,740	8.53%	-	0.00%
	<b>3,47,26,923</b>	<b>99.10%</b>	<b>3,47,26,823</b>	<b>100.00%</b>



**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)

(Currency Indian rupees in million)

**2.18 Equity share capital (Continued)**

**E. Details of shares held by Promoters :**

**For the financial year 2022-23**

	As at September 30, 2022			
	No of shares	% holding	Change during the half year	% change during the half year
PAGAC Ecstasy Pte. Ltd (including shares held by the nominees)	1,93,92,068	55.34%	1,75,55,986	10.46%
Asia Pragati Strategic Investment Fund	3,15,277	0.90%	-	100.00%
Edelweiss Global Wealth Management Limited*	-	0.00%	(1,75,55,986)	-100.00%
	<u>1,97,07,345</u>	<u>56.24%</u>	<u>-</u>	<u>10.46%</u>

**For the financial year 2021-22**

	As at March 31, 2022			
	No of shares	% holding	Change during the year	% change during the year
PAGAC Ecstasy Pte. Ltd (including shares held by the nominees)	18,36,082	5.29%	(18,34,455)	(5.28)%
Edelweiss Global Wealth Management Limited*	1,75,55,986	50.55%	-	0.00%
	<u>1,93,92,068</u>	<u>55.84%</u>	<u>(18,34,455)</u>	<u>(5.28)%</u>

\*Pursuant to the Composite scheme of arrangement, Equity Shares held by Edelweiss Global Wealth Management Limited have been cancelled on April 26, 2022 post giving effect of the Demerger of Wealth Management Business Undertaking into the Company basis effective date of accounting under Appendix C of IND AS 103 (Business Combinations of entities under common control) i.e. March 26, 2021 (Refer note 2.35).

**2.19 Instruments entirely equity in nature**

**A. Issued, Subscribed and Paid up:**

	As at September 30, 2022		As at March 31, 2022	
	No of CCDs	Amount	No of CCDs	Amount
0.001% compulsorily convertible debentures of ₹ 1,000 each, fully paid-up	-	-	2,24,39,875	22,439.88
	<u>-</u>	<u>-</u>	<u>2,24,39,875</u>	<u>22,439.88</u>

**Note:**

On May 10, 2022 the Company has converted entire CCDs into 17,871,263 Equity shares of Rs. 10 each.



**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

2.20	Other equity	As at September 30, 2022	As at March 31, 2022
a)	Capital reserve (refer note 2.35)	500.00	500.00
b)	Capital redemption reserve	2.70	2.70
c)	Securities premium reserve	27,184.18	4,923.02
d)	General reserve	109.41	109.41
e)	Revaluation reserve	316.49	324.12
f)	Deemed capital contribution - ESOP	138.30	138.30
g)	ESOP reserve	219.29	105.79
h)	Retained earnings	(12,830.76)	(12,796.70)
		<b>15,639.61</b>	<b>(6,693.36)</b>

**Nature and purpose of reserve**

**a) Capital reserve**

Capital reserve represents the gains of capital nature which is not freely available for distribution.

**b) Capital redemption reserve**

Capital redemption reserve is used to record redemption of preference shares. Capital redemption reserve is used for issuing fully paid bonus shares in accordance of the provision of the Companies Act, 2013.

**c) Securities premium reserve**

Securities premium reserve is used to record premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance of the provision of the Companies Act, 2013.

**d) General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. This reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

**e) Revaluation reserve**

Revaluation reserve used when a revaluation assessment finds that the carrying value of the asset has changed.

**f) Deemed capital contribution - ESOP**

Deemed capital contribution relates to share options granted to eligible employees of the Company by the erstwhile parent Company under its employee share option plan.

**g) ESOP reserve**

ESOP reserve is created on equity-settled Employee Stock Option Plans ("ESOP") granted to its employees by the Company.

**h) Retained earnings**

Retained earnings comprises of the Company's undistributed earnings after taxes.





**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

	As at September 30, 2022	As at March 31, 2022
<b>2.20 Other equity (Continued)</b>		
a) Capital reserve - Opening balance	500.00	-
Add : Additions during the period	-	500.00
Less : Issue of shares pursuant to composite scheme of arrangement * (refer note 2.35)	-	0.00
	<u>500.00</u>	<u>500.00</u>
* Amount is less than ₹ 0.01 million in previous year March 31, 2022		
b) Capital redemption reserve - Opening balance	2.70	2.70
Add : Additions during the period	-	-
	<u>2.70</u>	<u>2.70</u>
c) Securities premium account	4,923.02	4,923.02
Add : Conversion of CCDs in equity shares during the period	22,261.16	-
	<u>27,184.18</u>	<u>4,923.02</u>
d) General reserve	109.41	109.41
Add : Additions during the period	-	-
	<u>109.41</u>	<u>109.41</u>
e) Revaluation reserve (OCI)	324.12	343.12
Less : Transfer to retained earnings	(7.63)	(19.00)
	<u>316.49</u>	<u>324.12</u>
f) Deemed capital contribution - ESOP	138.30	138.30
Add : Additions during the period	-	-
	<u>138.30</u>	<u>138.30</u>
g) ESOP reserve	105.79	-
Add : Additions during the period	113.50	105.79
	<u>219.29</u>	<u>105.79</u>
h) Retained earnings		
Opening Balance	(12,796.70)	(13,339.59)
Adjustment of share based payments on lapsed /cancelled	24.40	121.51
(Reduction) on account of composite scheme of arrangement (refer note 2.35)	-	(1,473.13)
Add: Profit for the year	(66.09)	1,879.41
Add: Other comprehensive income for the period	-	(3.90)
Add: Transfer from revaluation reserve	7.63	19.00
	<u>(12,830.76)</u>	<u>(12,796.70)</u>
Amount available for appropriation		
Appropriations:		
Interim dividend	-	-
	<u>(12,830.76)</u>	<u>(12,796.70)</u>
<b>Total (a+b+c+d+e+f+g+h)</b>	<u><u>15,639.61</u></u>	<u><u>(6,693.36)</u></u>





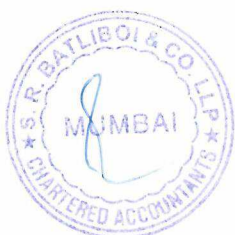
**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

	For the period ended September 30, 2022	For the period ended September 30, 2021
<b>2.21 Fee and commission income</b>		
Income from securities broking	1,054.43	1,071.35
Advisory and other fees	459.54	365.72
	<u>1,513.97</u>	<u>1,437.07</u>
<b>2.21A Service transferred at a point in time</b>	1,482.91	1,398.17
Service transferred over time	31.06	38.90
	<u>1,513.97</u>	<u>1,437.07</u>
<b>2.22 Interest income</b>		
<b>On financial assets measured at amortised cost</b>		
Interest on deposits with Banks	59.50	36.72
Other interest income	11.25	10.15
	<u>70.75</u>	<u>46.87</u>
<b>2.23 Dividend Income</b>		
Dividend on stock in trade*	0.01	-
	<u>0.01</u>	<u>-</u>
<b>2.24 Rental Income</b>		
Rental income	4.75	3.86
	<u>4.75</u>	<u>3.86</u>
<b>2.25 Net gain / (loss) on fair value changes</b>		
Loss on error trade (net)	(0.71)	(3.44)
Fair value gain on investment measured at FVTPL	1.15	3.24
<b>Total Net gain/(loss) on fair value changes</b>	<u>0.44</u>	<u>(0.20)</u>
<b>Fair Value changes:</b>		
Realised gain/(loss)	(0.71)	(3.44)
Unrealised gain/(loss)	1.15	3.24
<b>Total</b>	<u>0.44</u>	<u>(0.20)</u>
<b>2.26 Other income</b>		
Profit on sale of fixed assets (net)	1.90	-
Interest on Income tax refund	3.17	-
Corporate cost allocation income	171.95	80.16
Miscellaneous income	2.51	0.12
	<u>179.53</u>	<u>80.28</u>

\* Amount is less than ₹ 0.01 million



**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

	For the period ended September 30, 2022	For the period ended September 30, 2021
<b>2.27 Employee benefit expenses</b>		
Salaries and wages	759.23	603.47
Contribution to provident and other funds	34.67	29.37
Expense on share based payments - refer note below	76.51	34.93
Staff welfare expenses	12.32	5.61
	<u>882.73</u>	<u>673.38</u>

Note:

- 1) Nuvama Wealth Management Limited (formerly Edelweiss Securities Limited) has granted Employee Stock Option Plans ("ESOP") to the Group's employees on an equity-settled basis. The Company has recognised share based payment expenses of ₹ 58.08 million for the period ended September 30, 2022 based on fair value as on the grant date calculated as per option pricing model.
- 2) Edelweiss Financial Services Limited ("EFSL") the Company exercising significant influence over the Company, has granted ESOP/ESAR option to acquire equity shares of EFSL that would vest in a graded manner to Company's employees. Based on policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost.

**2.28 Finance costs**

**At amortised cost**

Interest on borrowings (other than debt securities)	79.99	0.02
Interest on debt securities	42.80	-
Other interest expense	5.50	0.54
	<u>128.29</u>	<u>0.56</u>

**2.29 Impairment on financial instruments**

On trade receivables	2.72	0.41
	<u>2.72</u>	<u>0.41</u>



**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

	For the period ended September 30, 2022	For the period ended September 30, 2021
<b>2.30 Other expenses</b>		
Advertisement and business promotion	14.66	3.91
Auditor's remuneration (refer note below)	6.67	4.15
Commission and brokerage	66.97	38.68
Communication	77.45	84.01
Directors' sitting fees	0.96	0.42
Insurance	8.73	5.95
Legal and professional fees	88.70	72.12
Printing and stationery	4.71	(0.19)
Rates and taxes	0.11	0.02
Rent	36.83	29.33
Repairs and maintenance	0.23	(0.36)
<b>Other expenditure</b>		
Electricity charges	3.53	7.58
Foreign exchange loss (net)	2.87	2.02
Computer expenses	13.29	71.81
Computer software	106.95	63.93
Corporate social responsibility	2.50	3.34
Clearing & custodian charges	41.26	40.81
Rating support fees	0.12	0.32
Loss on sale of property, plant and equipment	-	0.57
Membership and subscription	39.58	34.35
Office expenses	0.94	0.27
ROC expenses	0.05	0.09
Seminar & conference	5.08	0.01
Goods & Service tax expenses	5.97	4.26
Stamp duty	8.63	14.66
Stock exchange expenses	91.64	55.69
Travelling and conveyance	25.45	9.03
Miscellaneous expenses	2.58	2.26
Outside services cost	12.45	14.16
Commission to Non-Executive Directors	-	3.75
	<b>668.91</b>	<b>566.95</b>
<b>Auditors' remuneration:</b>		
For statutory audit fee	2.43	1.90
For limited review fee	2.94	1.42
For certification	1.22	0.82
Towards reimbursement of expenses	0.08	0.01
	<b>6.67</b>	<b>4.15</b>



**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

**2.31** In accordance with Indian Accounting Standard 33 on Earnings per share as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:

	Particulars	For the period ended September 30, 2022	For the period ended September 30, 2021
(A)	Profit after tax (as per Statement of Profit and Loss)	(66.09)	351.98
	Less: dividend on preference share including dividend distribution tax	Nil	Nil
	Net profit for the year attributable to equity shareholders	(66.09)	351.98
(B)	Calculation of weighted average number of equity Shares of Rs. 10 each		
	Number of shares outstanding at the beginning of the year	1,71,70,937	3,47,26,823
	Conversion of CCDs in equity shares during the period	1,78,71,263	-
	Total number of equity shares outstanding at the end of the year	3,50,42,200	3,47,26,823
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	3,12,33,570	3,47,26,823
(C)	Weighted average number of dilutive potential equity shares	-	3,15,277
(D)	Basic earnings per share (in rupees) [A/B]	(2.12)	10.14
(E)	Diluted earnings per share (in rupees) [A/(B+C)]	(2.12)	10.04

ESOPs issued during the period and outstanding as at September 30, 2022 are anti dilutive in nature. Hence, ESOPs have not been considered for computing diluted earnings per share for period ended September 30, 2022.

Basic earning per share (EPS) is calculated by dividing the net profit for the period attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares (net of tax)) by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.





**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

**2.32 Segment reporting**

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

Operating Segment	Activities covered
Agency business	Broking and capital market advisory businesses. The same includes equity broking, research services, Referral Fee and all other allied business streams.
Holding company activities	Income from treasury operations and income from investment and dividend.

Basis of allocation :

1. Segment disclosure not exclusively pertaining to either of the segments are shown as unallocated
2. Employee cost is allocated based on efforts for the segment respectively.
3. All common costs are allocated based on employee cost ratio for the respective segment.
4. Assets and liabilities are allocated based on direct identification with respective businesses.
5. Tax and similar assets and liabilities allocated to unallocated segment.

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.

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

The following table gives information as required under the Indian Accounting Standard -108 on Segment Reporting:

Particulars	For the period ended September 30, 2022	For the period ended September 30, 2021
<b>I Segment revenue</b>		
a) Agency business	1,590.47	1,484.48
b) Holding company activity	175.81	83.40
c) Unallocated	3.17	-
<b>Total Income</b>	<b>1,769.45</b>	<b>1,567.88</b>
<b>II Segment results (Profit before tax)</b>		
a) Agency business	(64.17)	245.04
b) Holding company activity	8.95	6.87
c) Unallocated	(3.50)	(4.18)
<b>Total</b>	<b>(58.72)</b>	<b>247.73</b>
Particulars	For the period ended September 30, 2022	For the year ended March 31, 2022
<b>III Segment assets</b>		
a) Agency business	9,804.28	4,877.89
b) Holding company activity	13,431.19	14,358.84
c) Unallocated	318.34	303.45
<b>Total</b>	<b>23,553.81</b>	<b>19,540.18</b>
<b>IV Segment liabilities</b>		
a) Agency business	7,397.54	2,391.82
b) Holding company activity	1.40	1,025.39
c) Unallocated	164.84	204.74
<b>Total</b>	<b>7,563.78</b>	<b>3,621.95</b>
<b>V Capital expenditure</b>		
a) Agency business	940.60	64.16
b) Holding company activity	5.17	0.42
c) Unallocated	-	-
<b>Total</b>	<b>945.77</b>	<b>64.58</b>
<b>VI Depreciation and amortisation</b>		
a) Agency business	144.72	78.34
b) Holding company activity	0.80	0.51
c) Unallocated	-	-
<b>Total</b>	<b>145.52</b>	<b>78.85</b>
<b>VII Non cash expenditure other than depreciation</b>		
a) Agency business	13.24	10.11
b) Holding company activity	0.06	0.06
c) Unallocated	-	-
<b>Total</b>	<b>13.30</b>	<b>10.17</b>

**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

**2.33 Contingent liabilities, commitments**

**A. Contingent liabilities (to the extent not provided for)**

- a) Taxation matters in respect of which appeal is pending ₹ Nil (Previous year: ₹ Nil).
- b) Litigation pending against the Company amounting to ₹ 6.84 million (Previous year: ₹ 6.84).

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with income tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The Company has filed appeal/s and is defending its position. Based on the favourable outcome in Appellate proceedings in the past and as advised by the tax advisors, Company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote.

- c) The Company has provided corporate guarantees to banks for securing credit facilities and bank guarantees on behalf of subsidiary companies. Guarantee amount ₹ 18,600.00 million (Previous year: ₹ 5,750.00) and utilized amount as on September 30, 2022 is ₹ 17,341.70 million (Previous year: ₹ 4,740.00).

**B. Capital commitments (to the extent not provided for)**

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 65.38 million (net of advances) (Previous year: ₹ 87.37 million).



**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

**2.34 Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 :**

**(A) Names of related parties by whom control is exercised**

PAGAC Ecstasy Pte Limited(w.e.f. March 27, 2021)

Holding company

**(B) Names of related parties who exercise significant influence**

Edelweiss Financial Services Limited(w.e.f. March 27, 2021)

**(C) Subsidiaries/entities which are controlled by the Company**

Edelweiss Custodial Services Limited

Edelweiss Financial Services Inc.

Nuvama Financial Services (UK) Limited (formerly Edelweiss Financial Services (UK) Limited)

Nuvama Investment Advisors (Hongkong) Private Limited (formerly Edelweiss Securities (Hongkong) Private Limited)

Nuvama Wealth Finance Limited (formerly Edelweiss Finance & Investments Limited)

Nuvama Asset Management Limited (formerly ESL Securities Limited)

Nuvama Wealth and Investment Limited (formerly Edelweiss Broking Limited)

Nuvama Investment Advisors Private Limited (formerly Edelweiss Investment Advisors Private Limited)

Nuvama Capital Services (IFSC) Limited (formerly Edelweiss Securities (IFSC) Limited)

**(D) Subsidiaries of entity exercising significant influence with whom the Company has transactions**

Edel Land Limited

Edelweiss Financial Services Limited

Edelcap Securities Limited

Edelweiss Investment Adviser Limited

Edel Investments Limited

Edelweiss Tokio Life Insurance Company Limited

Edelweiss General Insurance Company Limited

Edelweiss Rural & Corporate Services Limited

EdelGive Foundation

Edelweiss Securities And Investments Private Limited

Edelweiss Asset Management Limited

Edelweiss Alternative Asset Advisors Limited

ECL Finance Limited

Edelweiss Global Wealth Management Limited

ECap Equities Limited

EC Commodity Limited

Edelweiss Housing Finance Limited

Edelweiss Gallagher Insurance Brokers Limited

Edelweiss Asset Reconstruction Company Limited

Edelweiss Comtrade Limited

Edelweiss Retail Finance Limited

**(E) Fellow entity of the ultimate holding Company with whom transactions have taken place during the period:**

Asia Pragati Strategic Investment Fund

**(F) Associate companies with whom the Company has transactions:**

Nuvama Custodial Services Limited (formerly Edelweiss Capital Services Limited)

**(G) Key Management Personnel (KMP):**

Ms. Anisha Motwani

Mr. Anthony Miller

Mr. Ashish Kehair

Mr. Aswin Vikram

Mr. Birendra Kumar

Mr. David Kim

Mr. Kunnasagaran Chinniah

Mr. Lincoln Pan

Mr. Navtej S. Nandra

Mr. Nikhil Srivastava

Mr. Nitin Jain

Mr. Pankaj Razdan

Mr. Ramesh Abhishek

Mr. Rashesh Shah

Ms. Shirin Patel

Mr. Shiv Sehgal

Mr. Shivaraman Iyer

Ms. Sonal Tiwari

Mr. Tarun Khurana

Mr. Venkatchalam Ramaswamy

Ms. Vidya Shah

Independent Director (w.e.f. July 30, 2021)

Non- Executive Director (w.e.f March 19, 2021)

MD & CEO (w.e.f. Sept 21, 2021)

Non- Executive Director (w.e.f. Jan 11, 2022)

Independent Director (w.e.f. Nov 17, 2021)

Non- Executive Director (upto July 30, 2021)

Independent Director

Non-executive Director (w.e.f. July 30, 2021)

Independent Director (w.e.f March 19, 2021)

Non- Executive Director (w.e.f March 19, 2021)

Managing Director (upto April 7, 2021), Executive Director from April 7, 2021 upto Sept 30, 2021 and CEO – upto Aug 30, 2021

Executive Director – (upto April 7, 2021) and Vice Chairman and MD (from April 7, 2021 upto Jan 11, 2022)

Non- Executive Director (w.e.f March 19, 2021)

Non- Executive Director (w.e.f March 19, 2021)

Company Secretary (w.e.f April 7, 2021 and upto Dec 30, 2021)

Managing Director & CEO (upto March 19, 2021), Executive Director (w.e.f. Jan 11, 2022)

Chief Financial Officer (w.e.f. August 1, 2020)

Company Secretary (w.e.f Dec 30, 2021)

Company Secretary (upto April 6, 2021)

Independent Director (w.e.f March 19, 2021)

Non- Executive Director (w.e.f March 19, 2021)





**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

2.34 Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 :

Sr. No	Nature of Transaction	Related Party Name	For the half year ended September 30, 2022	For the half year ended September 30, 2021
	<b>Capital account transactions</b>			
1	Investment in equity shares of	Nuvama Asset Management Limited	50.00	90.00
		Nuvama Custodial Services Limited	14.70	-
2	Equity share capital (Conversion of Compulsorily Convertible Debentures )	PAGAC Ecstasy Pte Limited		22,044.00
		Asia Pragati Strategic Investment Fund		395.88
	<b>Secondary market transaction</b>			
3	Advisory/Referral/Research fee and Brokerage/commission income received from	Edelweiss Financial Services Limited	155.07	18.73
		Edelweiss Custodial Services Limited	60.44	6.47
		Nuvama Wealth and Investment Limited	-	124.23
		Nuvama Wealth Finance Limited	0.23	-
		Edelweiss Housing Finance Limited	0.02	-
		ECap Equities Limited	3.69	-
		Edelweiss Investment Adviser Limited	-	7.53
		Edelcap Securities Limited	1.71	9.00
		Edelweiss General Insurance Company Limited	-	0.06
		ECL Finance Limited	0.64	-
		EC Commodity Limited	1.50	-
		Edel Land Limited	0.60	34.58
		Edelweiss Retail Finance Limited	0.05	-
		Edel Investments Limited	-	9.00
4	Branding fees paid to	Edelweiss Financial Services Limited	17.96	21.96
5	Branding fees recovered from	Nuvama Wealth Finance Limited	4.15	4.45
		Nuvama Wealth and Investment Limited	7.38	11.35
		Edelweiss Custodial Services Limited	3.02	2.44
		Nuvama Asset Management Limited	0.11	0.48
6	Brokerage income earned from	EC Commodity Limited	5.09	-
		ECL Finance Limited	3.39	-
		Edel Land Limited	1.76	0.03
		Edelcap Securities Limited	2.89	-
		Edelweiss General Insurance Company Limited	-	0.15
		Edelweiss Retail Finance Limited	0.03	-
		Nuvama Wealth Finance Limited	2.30	0.01
		Edelweiss Housing Finance Limited	0.03	-
		Edelweiss Tokio Life Insurance Company Limited	-	0.78
		Edelweiss Investment Adviser Limited	-	3.00
		ECap Equities Limited (refer note 1)	-	-
7	Interest income on ICD	Edelweiss Rural & Corporate Services Limited	-	2.71
8	Chaperoning Fees paid to	Nuvama Investment Advisors Private Limited	13.52	18.16
		Edelweiss Financial Services Inc.	11.75	10.70
		Nuvama Investment Advisors (Hongkong) Private Limited	12.39	15.02
		Nuvama Financial Services (UK) Limited	7.71	13.25
9	Clearing charges paid to	Edelweiss Custodial Services Limited	0.01	41.24
10	Corporate Allocation received from	Nuvama Wealth Finance Limited	20.04	26.97
		Nuvama Wealth and Investment Limited	40.08	110.52
		Edelweiss Custodial Services Limited	20.04	34.46
11	Corporate social responsibility -Donation	EdelGive Foundation	3.34	2.50
12	Cost reimbursement paid to	ECap Equities Limited	1.07	-
		Edelweiss Rural & Corporate Services Limited	5.67	2.92
		Edelweiss Financial Services Limited	0.88	4.50
		Nuvama Asset Management Limited	0.01	-
		Nuvama Wealth Finance Limited	-	0.01
		Edel Land Limited	-	0.00
		Edelweiss Tokio Life Insurance Company Limited	-	-
		Edelweiss Asset Management Limited	0.03	-
		Nuvama Wealth and Investment Limited	0.22	0.18
		Edelweiss Alternative Asset Advisors Limited	0.06	-
		Edelweiss General Insurance Company Limited	1.56	11.40





**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

2.34 Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 :

Sr. No	Nature of Transaction	Related Party Name	For the half year ended September 30, 2022	For the half year ended September 30, 2021
13	Cost reimbursement recovered from	Nuvama Custodial Services Limited	0.07	0.33
		Edelweiss Global Wealth Management Limited	0.02	-
		Edelweiss Alternative Asset Advisors Limited	0.02	0.01
		Edelweiss Custodial Services Limited	0.77	1.38
		Edelweiss Financial Services Limited	9.35	12.71
		Nuvama Wealth Finance Limited	0.04	1.76
		Nuvama Wealth and Investment Limited	2.69	11.96
		Edelweiss Gallagher Insurance Brokers Limited	0.15	-
		Edelweiss Rural & Corporate Services Limited	0.57	0.00
		Nuvama Investment Advisors Private Limited	-	0.48
		Nuvama Investment Advisors (Hongkong) Private Limited	-	0.76
		Edelweiss Securities And Investments Private Limited	-	0.52
		Edel Land Limited	-	0.90
		Edelweiss Investment Adviser Limited	-	0.86
		Edelweiss Asset Reconstruction Company Limited	0.05	-
		Edelweiss Asset Management Limited	0.03	0.05
		ECL Finance Limited	0.01	0.00
		Nuvama Asset Management Limited	0.01	0.38
14	Credited for equity segment	Nuvama Wealth Finance Limited	12,250.77	1.58
		ECL Finance Limited	14,950.97	-
		Edelcap Securities Limited	12,398.18	-
		ECap Equities Limited	20,266.85	-
		EC Commodity Limited	2,660.54	-
		Edel Land Limited	2.71	-
		Edelweiss Retail Finance Limited	386.28	-
		Edelweiss Housing Finance Limited	333.83	-
15	Debited for equity segment	Nuvama Wealth Finance Limited	10,300.34	3.09
		ECL Finance Limited	15,112.97	-
		Edelcap Securities Limited	10,805.67	-
		ECap Equities Limited	18,729.95	-
		EC Commodity Limited	2,655.35	-
		Edel Land Limited	2.71	138.26
		Edelweiss Retail Finance Limited	323.85	-
		Edelweiss Housing Finance Limited	237.53	-
16	Expense on share based payments Paid to	Edelweiss Financial Services Limited	34.93	18.44
17	Interest received on margin from	Edelweiss Custodial Services Limited	10.15	8.54
18	Margin placed with	Edelweiss Custodial Services Limited	1,32,307.12	7,30,500.21
19	Margin withdrawn from	Edelweiss Custodial Services Limited	1,30,990.02	7,29,863.62
20	Property, plant and equipment purchased from	Edelweiss Financial Services Limited	0.02	-
		Nuvama Wealth Finance Limited	0.04	-
		Edelweiss Housing Finance Limited	0.01	-
		ECap Equities Limited	7.50	-
		Edelweiss Rural & Corporate Services Limited	0.02	59.00
		Edelweiss Asset Management Limited	0.01	-
		Edelweiss Gallagher Insurance Brokers Limited	0.01	-
		ECL Finance Limited	0.01	-
		Nuvama Custodial Services Limited	0.01	-
		Edelweiss Global Wealth Management Limited	0.04	-
		Nuvama Wealth and Investment Limited	0.34	-
		Edelcap Securities Limited	-	0.00
		Edelweiss Investment Adviser Limited	0.01	-
21	Property, plant and equipment sold to	Edelweiss Financial Services Limited	0.75	-
		Edel Investments Limited	-	0.03
		Nuvama Wealth Finance Limited	0.02	-
		Edelweiss Rural & Corporate Services Limited	0.01	-
		Edelweiss Asset Management Limited	0.01	-
		ECL Finance Limited	0.01	-
		Nuvama Asset Management Limited	0.01	-
		Nuvama Custodial Services Limited	0.01	-
		Edelweiss Global Wealth Management Limited	0.01	-
		Nuvama Wealth and Investment Limited	0.26	-
		Edelweiss Custodial Services Limited	0.02	-
		Edel Land Limited	0.01	-



**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

2.34 Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 :

Sr. No	Nature of Transaction	Related Party Name	For the half year ended September 30, 2022	For the half year ended September 30, 2021
22	Rating support fees paid to	Edelweiss Rural & Corporate Services Limited	0.02	-
23	Remuneration paid to	Key Management Personnel	83.48	102.58
24	Rent paid to	Edelweiss Rural & Corporate Services Limited	6.80	6.25
		Nuvama Wealth and Investment Limited	0.84	1.20
		Edelweiss Custodial Services Limited	18.24	24.32
25	Rent recovered from	Nuvama Custodial Services Limited	0.65	0.67
		Edelweiss Global Wealth Management Limited	0.15	-
		Nuvama Wealth and Investment Limited	0.04	0.13
		Edelweiss Alternative Asset Advisors Limited	0.01	-
		Edelweiss Custodial Services Limited	3.13	3.60
26	Technology Shared Service Cost paid to	Edelweiss Rural & Corporate Services Limited	131.67	150.04
27	Technology Shared Service Income received from	Edelweiss Financial Services Limited	3.51	5.99
		Nuvama Wealth Finance Limited	24.67	21.68
		Nuvama Asset Management Limited	3.80	10.99
		Nuvama Wealth and Investment Limited	62.65	144.18
		Edelweiss Custodial Services Limited	14.03	26.62
		Edelcap Securities Limited	0.01	-
28	Trade Exposure charges paid to	Edelweiss Custodial Services Limited	40.74	-
29	Software usage fees received from	Nuvama Wealth and Investment Limited	-	49.41
30	Infrastructure Service Charges	Edelweiss Custodial Services Limited	-	5.00
31	Interest expenses on loan	Nuvama Wealth Finance Limited	-	73.20
32	Interest expenses on Compulsorily Convertible Debentures	Asia Pragati Strategic Investment Fund #	-	0.00
		PAGAC Ecstasy Pte Limited	-	0.02
33	Other Reimbursements (ESOP) recovered from	Nuvama Wealth Finance Limited	-	4.43
		Nuvama Asset Management Limited	-	9.56
		Nuvama Wealth and Investment Limited	-	38.54
		Edelweiss Custodial Services Limited	-	1.00
		Nuvama Investment Advisors Private Limited	-	1.36
		Nuvama Investment Advisors (Hongkong) Private Limited	-	0.54
34	Reversal of share based payments (Through Reserves & Surplus) Recovered from	Edelweiss Financial Services Limited	-	24.40
35	Directors' sitting fees	Key Management Personnel	-	0.96
36	Purchase of debt instruments from	Nuvama Wealth Finance Limited	-	639.75
37	Inter corporate deposit placed with	Edelweiss Rural & Corporate Services Limited	-	600.00
38	Inter corporate deposit withdrawn from	Edelweiss Rural & Corporate Services Limited	-	600.00
39	Short term loans taken from	Nuvama Wealth Finance Limited	-	91,340.00
40	Short term loans Repaid to	Nuvama Wealth Finance Limited	-	91,340.00



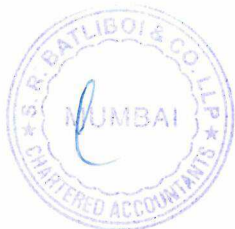
**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

2.34 Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 :

Sr. No	Nature of Transaction	Related Party Name	As at September 30, 2022	As at March 31, 2022
	<b>Balances with related parties</b>			
41	Accrued interest income on margin placed with	Edelweiss Custodial Services Limited	5.75	8.65
42	Investments in equity shares	Nuvama Wealth Finance Limited	6,351.10	6,351.10
		Nuvama Asset Management Limited	359.60	269.60
		Nuvama Custodial Services Limited	269.50	269.50
		Nuvama Wealth and Investment Limited	4,657.95	4,657.95
		Edelweiss Custodial Services Limited	714.78	714.78
		Nuvama Capital Services (IFSC) Limited	187.09	187.09
		Nuvama Investment Advisors Private Limited	115.64	115.64
		Edelweiss Financial Services Inc.	79.67	79.67
		Nuvama Investment Advisors (Hongkong) Private Limited	119.66	119.66
		Nuvama Financial Services (UK) Limited	26.26	26.26
43	Margin payable to	Edelweiss Custodial Services Limited	751.53	114.95
44	Trade payables to	Edelweiss Financial Services Limited	21.95	41.03
		Nuvama Wealth Finance Limited	10.10	4.36
		Edelweiss Rural & Corporate Services Limited	52.27	28.52
		Nuvama Wealth and Investment Limited	0.24	0.93
		Edelweiss Custodial Services Limited	4.44	3.02
		Edel Land Limited	-	0.14
		Edelweiss Financial Services Inc.	6.26	3.49
		Nuvama Investment Advisors (Hongkong) Private Limited	2.13	3.10
		Nuvama Financial Services (UK) Limited	4.71	0.59
		Nuvama Investment Advisors Private Limited	12.37	12.52
		Nuvama Asset Management Limited	-	0.02
		Edelweiss Asset Reconstruction Company Limited #	-	0.00
		Nuvama Custodial Services Limited	-	0.01
45	Trade payables to *	Edelweiss Rural & Corporate Services Limited	-	0.02
		Nuvama Wealth and Investment Limited	-	0.01
		Edelweiss Custodial Services Limited	-	1.15
46	Other Payable	Edelweiss Rural & Corporate Services Limited	1.60	36.18
		Edelweiss Financial Services Limited	4.33	0.98
		Edel Investments Limited	-	0.24
		Nuvama Wealth and Investment Limited	-	4.92
		Nuvama Wealth Finance Limited	-	2.22
		Nuvama Asset Management Limited	-	0.25
47	Other Payable *	Edelweiss Financial Services Limited	-	2.41
		Nuvama Asset Management Limited	-	0.11
		Nuvama Wealth Finance Limited	-	0.55
48	Trade receivables from	Edelweiss Financial Services Limited	15.22	45.07
		Nuvama Wealth Finance Limited	21.63	20.76
		Edelweiss Rural & Corporate Services Limited #	-	0.00
		Edelweiss Asset Management Limited	0.01	0.01
		Nuvama Asset Management Limited	9.09	1.38
		Nuvama Custodial Services Limited	0.13	0.19
		Nuvama Wealth and Investment Limited	141.02	45.25
		Edel Land Limited	5.11	0.41
		Edelweiss Tokio Life Insurance Company Limited	-	0.18
		Edelweiss Asset Reconstruction Company Limited	-	0.00
		Edelweiss Investment Adviser Limited	2.21	0.22
		Edelweiss Alternative Asset Advisors Limited #	-	0.00
		Edelweiss Housing Finance Limited #	-	0.00
		Edelweiss Custodial Services Limited	25.91	17.29
		ECL Finance Limited #	-	0.00
		Edelweiss Alternative Asset Advisors Limited	0.00	-
		Nuvama Investment Advisors Private Limited	0.24	-
		Nuvama Investment Advisors (Hongkong) Private Limited	0.38	-
		Edelweiss Securities And Investments Private Limited	0.56	-
		Edelcap Securities Limited	1.62	-
		Edel Investments Limited	1.62	-



**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

2.34 Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 :

Sr. No	Nature of Transaction	Related Party Name	As at September 30, 2022	As at March 31, 2022
49	Trade receivables from *	Nuvama Wealth and Investment Limited	-	26.24
		Edelweiss General Insurance Company Limited	-	0.02
		Edel Land Limited	-	7.25
50	Other Receivable	Edelweiss Financial Services Limited	-	30.83
		Nuvama Capital Services (IFSC) Limited	0.05	0.06
		Edelweiss General Insurance Company Limited	0.20	0.80
		Nuvama Wealth Finance Limited	2.01	4.65
		Nuvama Wealth and Investment Limited	18.86	37.33
		Edelweiss Custodial Services Limited	0.29	2.11
		Nuvama Asset Management Limited	4.75	9.03
		Nuvama Investment Advisors Private Limited	0.67	1.28
		Nuvama Investment Advisors (Hongkong) Private Limited	0.27	0.52
		Edelweiss Rural & Corporate Services Limited	-	0.67
		ECL Finance Limited	-	0.03
51	Other Receivable *	Edelweiss Comtrade Limited	-	0.15
52	Advance given to	Edelweiss Financial Services Limited	467.48	467.48
53	Security Deposit	Edelweiss Rural & Corporate Services Limited	7.33	7.33
54	Commission to Non-Executive Directors Payable to	Key Management Personnel	-	10.63
55	Liquidity support fees payable to	Asia Pragati Strategic Investment Fund	60.00	60.00
56	Interest payable on Compulsorily Convertible Debentures (CCDs) *	PAGAC Ecstasy Pte Limited	-	0.23
57	Interest payable on Compulsorily Convertible Debentures (CCDs)	Asia Pragati Strategic Investment Fund #	-	0.00
	<b>Off Balance sheet items</b>			
58	Corporate guarantee given to	Edelweiss Custodial Services Limited	8,250.00	1,750.00
		Nuvama Wealth and Investment Limited	9,091.70	2,990.00
59	Liquidity support availed from	Asia Pragati Strategic Investment Fund	6,000.00	6,000.00

# Amount is less than ₹ 0.01 million

**Notes:**

Note 1 : \* Pertains to Wealth Management Business undertaking demerged from Edelweiss Global Wealth Management Limited, accounted in accordance with appendix C of IND AS 103 (Business Combinations of entities under common control).

Note 2 : Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.

Note 3 : Loan received from fellow subsidiary companies are for the general corporate business.





## Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)

### Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)

(Currency Indian rupees in million)

#### 2.35 Composite scheme of arrangement

The Board of Directors of the Company at its meeting held on April 07, 2021, had approved the Composite scheme of arrangement amongst Edelweiss Securities Limited, Edelweiss Securities And Investments Private Limited ("ESIPL"), Edelweiss Global Wealth Management Limited ("EGWML") and their respective shareholders and creditors, under section 230 to 232 and other applicable provisions of the Companies Act, 2013, which inter-alia envisaged the following:

- (i) Demerger of Asset Management Business Undertaking ("Demerged Undertaking 1" as defined in the Scheme) of the Company into ESIPL.
- (ii) Demerger of Wealth Management Business Undertaking ("Demerged Undertaking 2" as defined in the Scheme) of EGWML into the Company.

The National Company Law Tribunal Bench at Mumbai (Tribunal) has approved the aforementioned scheme vide its order dated March 31, 2022 under the applicable provisions of the Companies Act, 2013. Certified copy of the said order of the Tribunal was received by the Company on April 05, 2022 and filed with the Registrar of Companies on April 22, 2022.

Accordingly, the Board of Directors of the respective companies at its meeting held on April 22, 2022 have decided to give effect to the Scheme in the following manner based on the order of Tribunal:

- (i) Demerger of Asset Management Business with effect from Appointed date April 01, 2021.
- (ii) Demerger of Wealth Management Business Undertaking with effect from Appointed date April 26, 2022.

As per the Scheme, the Company will transfer assets and liabilities of Asset Management Business Undertaking to ESIPL at their respective book values from the appointed date. Also, EGWML will transfer assets and liabilities of Wealth Management Business Undertaking to the Company at their respective book values from the appointed date.

Since the Scheme was sanctioned by the NCLT on March 31, 2022, it is an adjusting event in accordance with IND AS 10. Accordingly, the financial statements for the year ended March 31, 2022 have been presented after taking effect of aforementioned demerger considering book value of assets and liabilities of Asset Management Business and Wealth Management Business Undertaking as at March 31, 2022.

#### Demerger of Asset Management Business of the Company into ESIPL

Assets and Liabilities of Asset Management Business as at March 31, 2022

Particular	Asset Management Business Undertaking
<b>Financial assets</b>	
Cash and cash equivalents *	1,022.44
Investments	936.08
<b>Total financial assets</b>	<b>1,958.52</b>
<b>Non-financial assets</b>	
Property, plant and equipment	0.01
<b>Total non-financial assets</b>	<b>0.01</b>
<b>TOTAL ASSETS</b>	<b>1,958.53</b>
<b>Non-financial liabilities</b>	
Provisions	0.03
Other non-financial liabilities	485.37
<b>TOTAL LIABILITIES</b>	<b>485.40</b>
<b>NET ASSETS TRANSFERRED</b>	<b>1,473.13</b>

\* Bank balances amounting to ₹ 1,022.44 million pertains to Asset Management Business undertaking to be demerged from the Company into Edelweiss Securities And Investments Private Limited (ESIPL). Since the said amount does not pertain to the Company, a liability of equivalent amount is created in schedule 2.13 as 'Payable on account of composite scheme of arrangement'. Subsequently, on April 25, 2022, the Company has transferred the aforementioned amount to ESIPL pursuant to the Composite scheme of arrangement.

The excess of the book value of asset over liabilities of Rs. 1473.13 million have been debited to retained earnings.



**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

**2.35 Composite scheme of arrangement (Continued)**

**Demerger of Wealth Management Business Undertaking of EGWML into the Company**

Demerger of Wealth Management Business Undertaking of EGWML into the Company has been accounted under 'Pooling of Interests Method' in accordance with Appendix C of IND AS 103 (Business Combinations of entities under common control). Accordingly comparative financial statements has been restated from March 26, 2021 (the date from which the said business undertaking was in common control with respect to ESL and EGWML).

**Assets and Liabilities of Wealth Management Business Undertaking**

	<b>As on April 26, 2022</b>	<b>As on March 31, 2022</b>
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	136.54	81.77
Trade receivables	18.96	33.61
Investments	21,576.52	21,576.52
Other financial assets	11.76	43.58
<b>Total financial assets</b>	<b>21,743.78</b>	<b>21,735.48</b>
<b>Non-financial assets</b>		
Property, plant and equipment	2.21	2.27
Intangible assets	178.68	187.45
Other non- financial assets	536.22	536.18
<b>Total non-financial assets</b>	<b>717.11</b>	<b>725.90</b>
<b>A. TOTAL ASSETS</b>	<b>22,460.89</b>	<b>22,461.38</b>
<b>LIABILITIES</b>		
<b>Financial liabilities</b>		
Trade payables	8.06	7.41
Other financial liabilities	73.32	62.98
<b>Total financial liabilities</b>	<b>81.38</b>	<b>70.39</b>
<b>Non-financial liabilities</b>		
Provisions	11.64	11.51
Other non-financial liabilities	0.40	0.40
<b>Total non-financial liabilities</b>	<b>12.04</b>	<b>11.91</b>
<b>B. TOTAL LIABILITIES</b>	<b>93.42</b>	<b>82.30</b>
<b>C. Instruments entirely equity in nature</b>	<b>22,044.00</b>	<b>22,044.00</b>
<b>D. Loss for the period/year transferred under the Scheme</b>	<b>(176.53)</b>	<b>(164.92)</b>
<b>E. New equity share capital to be issued *</b>	<b>0.00</b>	<b>0.00</b>
<b>CAPITAL RESERVE created on above (A-B-C-D-E)</b>	<b>500.00</b>	<b>500.00</b>

\* Amount is less than ₹ 0.01 million

**Pursuant to the Composite Scheme of Arrangement and upon the Scheme coming into effect -**

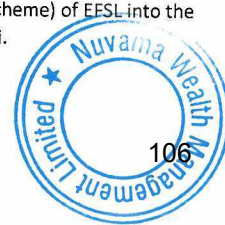
- The Company has issued 100 equity shares of Rs 10 each on April 27, 2022 to Edelweiss Financial Services Limited, being equity shareholder of EGWML, as a consideration for transfer of Wealth Management Business Undertaking to the Company.
- 17,555,986 equity shares of Rs 10 each held by EGWML in the Company have been extinguished and cancelled on April 26, 2022.
- The Company has on April 27, 2022 issued 22,044,000 CCDs of Rs. 1,000 each to PAGAC Ecstasy Pte Limited in lieu of 22,044,000 CCDs of Rs. 1,000 held by PAGAC Ecstasy Pte Limited in EGWML.

**Following table shows movement on account of cancellation of equity share capital and investments**

<b>Particulars</b>	<b>Amount</b>
Cancellation of investments in the Company held by EGWML	21,576.52
Equity share capital to be cancelled	175.56
Securities premium to be cancelled on account of cancellation of above equity shares	5,800.57
<b>Retained earnings to be debited (A-B-C)</b>	<b>15,600.39</b>

Phase III disclosure

The Board of Directors of the Company on May 13, 2022 have approved Scheme of Arrangement between Edelweiss Financial Services Limited ('EFSL') and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) and their respective shareholders and creditors under Sections 230 - 232 read with section 52 and other applicable provisions of the Companies Act, 2013 ('Scheme') for demerger of the Wealth Management Business including investment in the Company (Demerged Undertaking, as defined in the Scheme) of EFSL into the Company. The Company is in the process of filing the said Scheme with the National Company Law Tribunal, Mumbai.



**Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**

**Notes to the Interim Condensed Standalone financial statements for the period ended September 30, 2022 (Continued)**

(Currency Indian rupees in million)

**2.36 Fair value measurement**

**Financial assets by fair value hierarchy**

**September 30, 2022**

Particulars	Total carrying value	Total fair value	Level 1	Level 2	Level 3
Investments - units of AIF	73.32	73.32	-	73.32	-

**March 31, 2022**

Particulars	Total carrying value	Total fair value	Level 1	Level 2	Level 3
Investments - units of AIF	72.17	72.17	-	72.17	-

**2.37** 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.

**2.38** The Company is in the process of identifying the transactions with struck off companies. The disclosures with respect to struck off companies; if any, will be disclosed at the time of preparation of annual audited financial statements.

**2.39 Previous period/year comparatives**

The Comparative figures for corresponding six months ended September 30, 2021 included in Interim condensed financial statements are based on management certified financial statement.

Previous period / year's figures have been regrouped and rearranged wherever necessary to confirm to current year's presentation /classification.

Signature to notes forming an integral part of the interim condensed standalone financial statements.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number:301003E/E300005

per Shrawan Jalan

Partner

Membership No:102102

Mumbai

October 21, 2022

**For and on behalf of the Board of Directors**

**Ashish Kehar**

Managing Director & CEO

DIN: 07789972

Mumbai

**Lincoln Pan**

Non-executive Director

DIN: 08895018

Hong Kong

**Sonal Tiwari**

Company Secretary

Mumbai

October 21, 2022

**Shiv Sehgal**

Executive Director

DIN : 07112524

Mumbai

**Shivaraman Iyer**

Chief Financial Officer

Mumbai







DCS/AMAL/TL/IP/2599/2022-23

“E-Letter”

December 15, 2022

The Company Secretary,  
**Edelweiss Financial Services Ltd.**  
 Edelweiss House, Off. C.S.T. Road,  
 Kalina, Mumbai, Maharashtra, 400098

Dear Sir,

**Sub: Observation letter regarding the Scheme of Arrangement between Edelweiss Financial Services Limited and Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) their respective Shareholders and Creditors**

We are in receipt of the Scheme of Arrangement of Edelweiss Financial Services Limited as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated December 14, 2022 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- a) “Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon’ble NCLT and shareholders, while seeking approval of the scheme.”
- b) “Company shall ensure that additional information and undertaking, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- c) “Company shall ensure compliance with the SEBI circulars issued from time to time.”
- d) “The entities involved in the Scheme shall duly comply with various provisions of the Circular.”
- e) “Company is advised that the information pertaining to all the Unlisted Companies involved in the Scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.”
- f) “The Transferor Company shall disclose the additional details submitted with respect to valuation report, as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013.”
- g) “Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.”
- h) “Company is advised that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders.”

- i) **“Company is advised that the proposed equity shares to be issued in terms of the ‘Scheme’ shall mandatorily be in demat form only.”**
- j) **“Company shall ensure that the “Scheme” shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.”**
- k) **“Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI.”**
- l) **“Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon’ble NCLT and the Company is obliged to bring the observations to the notice of Hon’ble NCLT.”**
- m) **“Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.”**
- n) **“It is to be noted that the petitions are filed by the company before Hon’ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon’ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) shall comply with SEBI Act, Rules, Regulations,

directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) is at the discretion of the Exchange. In addition to the above, the listing of Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all details of Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
  - i. "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
  - ii. "There shall be no change in the shareholding pattern of Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,  
Sd/-

**Prasad Bhide**  
Senior Manager

Sd/-

**Tanmayi Lele**  
Assistant Manager

**National Stock Exchange Of India Limited**

Ref: NSE/LIST/31261

December 16, 2022

The Company Secretary  
Edelweiss Financial Services Limited  
Edelweiss House, Off C.S.T Road,  
Kalina, Mumbai – 400098.

**Kind Attn.: Mr. Tarun Khurana**

Dear Sir,

**Sub: Observation Letter for draft scheme of arrangement between Edelweiss Financial Services Limited (“Demerged Company” or “EFSL”) and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) (“Resulting Company” or “NWML”) and their respective shareholders and creditors under sections 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013.**

We are in receipt of draft scheme of arrangement between Edelweiss Financial Services Limited (“Demerged Company” or “EFSL”) and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) (“Resulting Company” or “NWML”) and their respective shareholders and creditors under sections 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013 vide application dated May 31, 2022.

Based on our letter reference no. NSE/LIST/31261 dated October 04, 2022, submitted to SEBI and pursuant to SEBI Master circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 and Regulation 94(2) of SEBI (LODR) Regulations 2015, SEBI vide its letter dated December 14, 2022 has inter alia given the following comment(s) on the draft scheme of arrangement:

- a. Company shall ensure disclosure of all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*
- b. Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter, is displayed on the websites of the listed Company and the Stock Exchanges.*
- c. The entities involved in the Scheme shall duly comply with various provisions of the Circular.*
- d. Company shall ensure that information pertaining to all the unlisted Companies involved in the Scheme, shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*
- e. The Transferor Company shall disclose the additional details submitted with respect to valuation report, as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the Company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act, 2013.*



- f. Company shall ensure that the financials in the Scheme including financials considered for valuation report are not for period more than 6 months old.*
- g. Company shall ensure that the details of the proposed Scheme under consideration as provided to the Stock Exchange shall be prominently disclosed in the notice sent to the shareholders.*
- h. Company shall ensure that the proposed equity shares to be issued in terms of the “Scheme” shall mandatorily be in demat form only.*
- i. Company shall ensure that the “Scheme” shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the Scheme document.*
- j. Company shall ensure that no changes to the draft scheme except those mandated by the regulators/authorities/ tribunals shall be made without specific written consent of SEBI.*
- k. Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*
- l. Company shall comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed Scheme.*
- m. It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock Exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*

**It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.**

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

The Company should also fulfil the Exchange’s criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) is at the discretion of the Exchange.

The listing of Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) and its group companies in line with the disclosure requirements applicable for public issues with National Stock Exchange of India Limited (“NSE”) for making the same available to the public through website of the companies. The following lines must be inserted as a disclaimer clause in the Information Memorandum:

***“The approval given by the NSE should not in any manner be deemed or construed that the Scheme has been approved by NSE; and/ or NSE does not in any manner warrant, certify or endorse the correctness or completeness of the details provided for the unlisted Company; does not in any manner take any responsibility for the financial or other soundness of the Resulting Company, its promoters, its management etc.”***

2. To publish an advertisement in the newspapers containing all the information about Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) in line with the details required as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all the material information about Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
  - (a) “The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.”
  - (b) “There shall be no change in the shareholding pattern or control in Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) between the record date and the listing which may affect the status of this approval.”

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from December 16, 2022, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.



**The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.**

Yours faithfully,  
For National Stock Exchange of India Limited

Dipti Chichkhede  
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:  
<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>

EW/Sec/2022/118

June 28, 2022

<b>BSE Limited</b> P J Towers, Dalal Street, Fort, Mumbai – 400 001.  <b>Scrip Code: 532922</b>	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.  <b>Symbol: EDELWEISS</b>
--	--

**Sub: Application for obtaining approval under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) for the Scheme of Arrangement between Edelweiss Financial Services Limited (“Demerged Company”) and Edelweiss Securities Limited (“Resulting Company”) and their respective shareholders and creditors under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 (“Scheme”).**

**Ref: Report on Complaint in terms of Para I(A)(6) of the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 as amended from time to time (“SEBI Master Circular”).**

Dear Sir/ Madam,

This is in reference to the Scheme filed by the Company under Regulation 37 of the LODR Regulations with BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”).

As per Para I(A)(6) of the SEBI Master Circular, the Company is *inter alia* required to submit a ‘Report on Complaints’ containing the details of the complaints received by the Company in connection with the Scheme. The Report is required to be filed within 7 days of the expiry of 21 days from the date of uploading of the Scheme and related documents on the website of the stock exchanges.

The Scheme along with related documents were uploaded on the website of BSE on June 3, 2022 and the period of 21 days expired on June 24, 2022. Accordingly, we are enclosing herewith the ‘Report on Complaints’, as **Annexure**.

The Report is also being uploaded on the website of the Company, i.e., [www.edelweissfin.com](http://www.edelweissfin.com), as per requirements of the SEBI Master Circular.

We request you to take the Report on record as compliance under the applicable provisions of the LODR Regulations and SEBI Master Circular.

Thanking you,

Yours faithfully,

**For Edelweiss Financial Services Limited**

**TARUN**

**KHURANA**

Digitally signed by  
TARUN KHURANA  
Date: 2022.06.28  
14:20:13 +05'30'

**Tarun Khurana**  
**Company Secretary**

Encl: as above

**Annexure**
**COMPLAINTS REPORT**

[Scheme of Arrangement between Edelweiss Financial Services Limited and Edelweiss Securities Limited and their respective Shareholders and Creditors]

Period of Complaints Report: June 3, 2022 to June 24, 2022

**Part A**

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges/ SEBI	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not applicable
5.	Number of complaints pending	Not applicable

**Part B**

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable		

EW/Sec/2022/158

August 22, 2022

Manager - Listing Compliance  
National Stock Exchange of India Ltd  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G Block,  
Bandra Kurla Complex, Bandra,  
Mumbai – 400 051

**Scrip Code: EDELWEISS**

**Sub: Application for obtaining approval under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) for the Scheme of Arrangement between Edelweiss Financial Services Limited (“Demerged Company”) and Edelweiss Securities Limited (“Resulting Company”) and their respective shareholders and creditors under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 (“Scheme”).**

**Ref: Report on Complaints in terms of Para I(A)(6) of the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 as amended from time to time (“SEBI Master Circular”).**

Dear Sir/ Madam,

This is in reference to the Scheme filed by the Company under Regulation 37 of the LODR Regulations with BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”).

As per Para I(A)(6) of the SEBI Master Circular, the Company is *inter alia* required to submit a ‘Report on Complaints’ containing the details of the complaints received by the Company in connection with the Scheme. The Report is required to be filed within 7 days of the expiry of 21 days from the date of uploading of the Scheme and related documents on the website of the stock exchanges.

The Scheme along with related documents were uploaded on the website of NSE on July 27, 2022 and the period of 21 days expired on August 17, 2022. Accordingly, we are enclosing herewith the ‘Report on Complaints’, as **Annexure**.

The Report is also being uploaded on the website of the Company, i.e., [www.edelweissfin.com](http://www.edelweissfin.com), as per requirements of the SEBI Master Circular.

We request you to take the Report on record as compliance under the applicable provisions of the LODR Regulations and SEBI Master Circular.

Thanking you,

Yours faithfully,

**For Edelweiss Financial Services Limited**



**Tarun Khurana**  
**Company Secretary**

Encl: as above

**Annexure**
**COMPLAINTS REPORT**

[Scheme of Arrangement between Edelweiss Financial Services Limited and Edelweiss Securities Limited and their respective Shareholders and Creditors]

Period of Complaints Report: July 27, 2022 to August 17, 2022

**Part A**

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges/ SEBI	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not applicable
5.	Number of complaints pending	Not applicable

**Part B**

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable		



**Details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken against the Demerged Company, its Promoters and Directors**

**1. Material civil litigations and all regulatory actions involving our Company:-**

- (a) As on the date of this Draft Shelf Prospectus, following are material civil litigations in our Company:

**(i) Civil Litigation**

**By our Company**

Our Company along with ECL Finance Limited, Edelweiss Retail Finance Limited, Edel Finance Company Limited, Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited), Edelweiss Finvest Limited (now merged with Edel Finance Company Limited), Allium Finance Private Limited, Edelweiss Housing Finance Limited ("**Plaintiff**") jointly filed a defamation suit against Moody's Corporation and others ("**Moody's**") before the Bombay High Court ("**Court**"), as Moody's in their research report titled "*Nonbank financial institutions – India*" and "*Economic slowdown worsened by coronavirus will exacerbate liquidity stress*", published misleading information about Edelweiss' liquidity position on May 18, 2020. On July 23, 2020, the Court issued directions to Moody's to publish a clarification specifying that the error in the report dated May 18, 2020, pertaining to Edelweiss has been rectified and that report of May 18, 2020 should not be relied upon. The matter is currently pending.

**Against our Company**

Our Company 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**"). Our Company 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. EFSL filed 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 proprietries 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. Our Company also adopted further appropriate steps by way of Appeal challenging the said order. The matter is currently pending.

(ii) **Criminal Litigation**

By our Company

- A. Our Company *vide* its letter dated December 30, 2011 had filed a complaint under various sections of IPC, the Information Technology Act, 2000, Trademark Act, 1999, and the Copyright Act, 1957 against Vaibhav Singh, Percept Profile, Harindra Singh, Shailendra Singh, Rajeev Mehrotra and unknown persons in relation to press release titled "*Edelweiss Asset Management Head Quits, to Start Own*", which was allegedly released by the aforesaid employees of Percept Profile on behalf of our Company. Our Company also moved a criminal writ petition before Bombay High Court against the State of Maharashtra and others, praying *inter alia*, that the respondents or the Central Bureau of Investigation ("**CBI**") or any other agency be directed to register and investigate the aforesaid complaint dated December 30, 2011. The Bombay High Court *vide* its order dated July 23, 2012, directed the police to register a first information report on August 6, 2012 ("**FIR**"). Subsequently, Harindra Singh and Shailendra Singh filed a Criminal Application before the Bombay High Court praying *inter alia* for quashing the FIR. Further, Rajeev Mehrotra filed a criminal application before Bombay High Court *inter alia* praying for declaration that investigation under FIR is null and void and for staying further proceedings in the FIR. The Court, *vide* its order dated December 3, 2012, directed that a 72 hours' advance notice has to be given prior to any arrest of any of the accused in the case, so that appropriate remedy can be sought. The matter is currently pending.
- B. On June 13, 2020, our Company filed a criminal complaint against LeapUp-Edutech Private Limited and its two directors ("**Accused**") for having committed offences under provisions of Indian Penal Code, *inter alia* defamation, cheating, criminal breach of trust, hatching a criminal conspiracy along with mischief for publishing defamatory video against our Company, on its private channel on YouTube. The video has been taken down by the Accused. The matter is currently pending.

Against our Company

Nil

(iii) **Regulatory Proceedings involving our Company**

- A. Our Company (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 ("**Complainant**"), 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. Our Company filed its application dated July 07, 2022 challenging maintainability of the captioned petition on merit alongwith copy of criminal complaint filed against the directors of the Complainant. The Petition is pending for hearing.

## 2. Litigation or all legal or regulatory actions involving our Promoter as on the date of this Draft Shelf Prospectus

- (i) The Enforcement Directorate, Ministry of Finance, (“ED”) *vide* a letter dated January 3, 2020 (“**Summon**”), issued under Sections 37(1) and (3) of the Foreign Exchange Management Act, 1999 read with Section 131(1) of the Income Tax Act, 1961 and Section 30 of the Code of Civil Procedure 1908, the Chairman of our Company and requested his personal attendance in case of Capstone Forex Private Limited and others on January 9, 2020 to give evidence and produce books of account or other documents specified in the Summon. The Chairman of our Company attended the office of ED on January 15, 2020, and the authorized representative of our Company *vide* letter dated January 15, 2020, *inter alia* responded to the Summon and provided the information sought in the Summon. Subsequently, further queries were responded to *vide* email dated January 17, 2020 and letter dated January 22, 2020. No request for information or personal appearance is pending to be complied. The matter is currently pending.
- (ii) Sharad Jagtiani, a client of Nuvama Wealth Management Limited (“NWML”) filed an application dated November 11, 2008 under Section 156(3) of the Criminal Procedure Code, 1973 (“CrPC”) before the Additional Chief Metropolitan Magistrate, Rohini Courts, Delhi (“Court”) against NWML and others, including our Company’s Promoters Rashesh Shah and Venkatchalam Ramaswamy, alleging unauthorised trading in futures and options (“F&O”) in Sharad Jagtiani’s account and a loss of approximately ₹4.1 million to Sharad Jagtiani’s son on account of cheating, breach of trust and conspiracy. A first information report dated January 16, 2009 (“FIR”) was registered in Subhash Palace Police Station, Delhi, alleging loss of approximately ₹4.1 million in the stock market trade on account of cheating, breach of trust and conspiracy by the Sharad Jagtiani. The police proceeded to investigate the allegations and on October 11, 2010, a closure report (“Report”) was filed by the investigating officer before the Court. The Report was challenged by Sharad Jagtiani by way of Application under Section 173 (8) of the CrPC. The matter is currently pending.
- (iii) S & D Financials Private Limited (“SDFL”), a client of Nuvama Wealth Management Limited (“NWML”) 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 NWML and our Company’s Directors and Promoters, Rashesh Shah and Venkatchalam Ramaswamy and others. In the FIR, SDFL *inter-alia* alleged Rashesh Shah and Venkatchalam Ramaswamy and others of unauthorised trading, criminal breach of trust and cheating SDFL in future and options transactions

amounting to ₹8.48 million. NWML 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 NWML against SDFL for non-payment of monies which are currently pending; and (b) there was a running account maintained between NWML 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 NWML. The matter is currently pending.

- (iv) ECL Finance Limited, our Promoter Rashesh Shah and other employees of ECL Finance Limited ("**Accused**") are in receipt of a complaint under various section of IPC filed by one Amir Ahmad ("**Complainant**"). The Complainant has alleged that ECL Finance Limited arbitrarily liquidated his 4383 equity shares of HDFC Bank Limited, pledged with ECL Finance Limited as Security for repayment of ESOP loan facility amounting to ₹ 5.74 million and unsecured loan facility amounting to ₹ 2.35 million availed by the Complainant. ECL Finance limited vide its letter dated January 12, 2021 replied to the said notice alongwith relevant documents denying the allegations made by the Complainant. Further, all the Accused have filed their replies *vide* letter dated February 2, 2021. The investigation is currently pending.
- (v) ECL Finance received notice dated April 5, 2021, from its borrower Dr. Mohammad Ali Kaka Patankar (A to Z Diagnostic Centre), Mumbai ("**Borrower**") through his Advocate regarding alleged high-handed behaviour of collection executives during their visit to his residence on March 30, 2021, for recovery of outstanding dues/EMIs. The Borrower vide another letter dated April 7, 2021, made a complaint before the President of the Maharashtra State Minorities Commission ("**MSMC**") for alleged intimidation ("**Complaint**"). Based on the Complaint, the MSMC issued a notice under Section 10 of the MSMC Act 2004 to the Deputy Commissioner of Police, Circle 5, Mumbai and Mr. Rashesh Shah, Chairman for appearance and hearing. The matter is currently pending.
- (vi) BE Office Automation Product Private Limited ("**Petitioners**") filed Civil Original Contempt Petition No. 362 of 2021 before the Punjab and Haryana High Court ("**Court**") against various parties including our Promoter, Mr. Venkatchalam Arakoni Ramaswamy, for willfully and deliberately violating order dated December 8, 2017 passed by the Commercial Court, Gurugram in Arbitration Case No. 04 of 2017.

The Petitioners and Orris had entered into commercial arrangements to develop certain residential properties on land provided by the Petitioners. Certain disputes arose between Petitioners and Orris, and the Petitioners filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 before the ADJ, Commercial Court, and Gurugram against Orris and others praying for restraint on alienation of inventory of the project in which third party rights were already created. By an order dated December 8, 2017, the Court restrained Orris from creating third party rights on the remaining units to be allocated to the Petitioners.

EARC entered into a deed of assignment ("**Deed**") with L&T Housing Finance whereby a security interest was created in favour of L&T Housing Finance on certain immovable assets in the Project. EARC issued a Public Caution Notice after the execution of the Deed, *inter-alia* directing that an NOC has to be availed from EARC before selling any units to a prospective purchaser. Any sale without the NOC of EARC will be null and void. Pursuant to publication of the notice the Petitioners

informed EARC that certain properties mentioned in the public notice form part of the properties already handed over by Orris to the Petitioners pursuant to the order dated December 8, 2017. EARC has admitted that inclusion of the said properties was a typographical error and has replied to the contempt petition on merits. The matter is pending.

3. **Material litigations involving our Directors as on the date of this Draft Shelf Prospectus**

A. **Civil litigation**

Other than as mentioned under “-Material litigation or legal or regulatory actions involving our Promoter”, there are no other civil proceedings against the Directors of EFSL.

B. **Criminal litigation**

Other than as mentioned below and under “-Material litigation or legal or regulatory actions involving our Promoter”, there are no other criminal proceedings against the Directors of EFSL.

- (i) Smt. Iti, a client of Edelweiss Financial Advisors Limited (“**EFAL**”) (now amalgamated with Edelweiss Broking Limited (“**EBL**”)), filed a first information report on June 30, 2012 (“**FIR**”), before Hari Parvat, Janpad Police Station, Agra (“**Station**”) against Saurabh Jain, Richa Jain and Mahendra Jain (collectively “**Accused**”), under Sections 420, 467, 468, 471 read with Section 120B of the Indian Penal Code, 1860 and Sections 66, 66C and 66D of the Information Technology Act, 2000, for alleged unauthorised trading by modifying her trading account and password with EBL. The total amount claimed by Smt. Iti is ₹ 13.8 million. Thereafter, notices were received by the director of EFSL, namely Himanshu Kaji (“**Directors**”) from the Station and was followed by a supplemental charge sheet of the Station filed with the Chief Judicial Magistrate, Agra (“**CJM, Agra**”). In response, a quashing petition under S 482 of the Criminal Procedure Code was filed by the Directors in the Allahabad High Court (“**AHC**”) which stayed the proceedings before the CJM, Agra. Similarly, a supplemental charge sheet was also filed by the Station against employees and directors of EBL with the CJM, Agra. This was also stayed by the AHC pursuant to a Section 482 application. Further, in August 2019, the AHC clubbed the above Section 482 applications. The matter is pending.

## Director (Including Subsidiary Litigations)

### Mr. Rashesh Shah

- (i) Sharad Jagtiani, a client of Nuvama Wealth Management Limited (“NWML”) filed an application dated November 11, 2008 under Section 156(3) of the Criminal Procedure Code, 1973 (“CrPC”) before the Additional Chief Metropolitan Magistrate, Rohini Courts, Delhi (“Court”) against NWML and others, including our Company’s Promoters Rashesh Shah and Venkatchalam Ramaswamy, alleging unauthorised trading in futures and options (“F&O”) in Sharad Jagtiani’s account and a loss of approximately ₹4.1 million to Sharad Jagtiani’s son on account of cheating, breach of trust and conspiracy. A first information report dated January 16, 2009 (“FIR”) was registered in Subhash Palace Police Station, Delhi, alleging loss of approximately ₹4.1 million in the stock market trade on account of cheating, breach of trust and conspiracy by the Sharad Jagtiani. The police proceeded to investigate the allegations and on October 11, 2010, a closure report (“Report”) was filed by the investigating officer before the Court. The Report was challenged by Sharad Jagtiani by way of Application under Section 173 (8) of the CrPC. The matter is currently pending.
- (ii) S & D Financials Private Limited (“SDFL”), a client of Nuvama Wealth Management Limited (“NWML”) 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 NWML and our Company’s Directors and Promoters, Rashesh Shah and Venkatchalam Ramaswamy and others. In the FIR, SDFL inter-alia alleged Rashesh Shah and Venkatchalam Ramaswamy and others of unauthorised trading, criminal breach of trust and cheating SDFL in future and options transactions amounting to ₹8.48 million. NWML 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 NWML against SDFL for non-payment of monies which are currently pending; and (b) there was a running account maintained between NWML 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 NWML. The matter is currently pending.
- (iii) ECL Finance Limited, our Promoter Rashesh Shah and other employees of ECL Finance Limited (“Accused”) are in receipt of a complaint under various section of IPC filed by one Amir Ahmad (“Complainant”). The Complainant has alleged that ECL Finance Limited arbitrarily liquidated his 4383 equity shares of HDFC Bank Limited, pledged with ECL Finance Limited as Security for repayment of ESOP loan facility amounting to ₹ 5.74 million and unsecured loan facility amounting to ₹ 2.35 million availed by the Complainant. ECL Finance limited vide its letter dated January 12, 2021 replied to the said notice alongwith relevant documents denying the allegations made by the Complainant. Further, all the Accused have filed their replies *vide* letter dated February 2, 2021. The investigation is currently pending.
- (iv) ECL Finance received notice dated April 5, 2021, from its borrower Dr. Mohammad Ali Kaka Patankar (A to Z Diagnostic Centre), Mumbai (“Borrower”) through his Advocate regarding alleged high-handed behaviour of collection executives during their visit to his residence on March 30, 2021, for recovery of outstanding dues/EMIs. The Borrower vide another letter dated April 7, 2021, made a complaint before the President of the Maharashtra State Minorities Commission (“MSMC”) for alleged intimidation (“Complaint”). Based on the Complaint, the MSMC issued a notice under Section 10 of the MSMC Act 2004 to the Deputy Commissioner of Police, Circle 5, Mumbai and Mr. Rashesh



Shah, Chairman for appearance and hearing. The matter is currently pending.

- (v) ECL Finance has received notices dated December 28, 2020 from Investigating Officer (IO), Mahanagar Police Station, Lucknow, UP issued under Section 41 (A) of Cr. PC addressed in the name of ECL Finance Limited, Ms. Madhur Bhatia, relationship manager, Romanshu Tandon, Himanshu Chhatrawal, Zonal Manager and Rashesh Shah, Chairman (the “**Accused**”) *inter-alia* informing that FIR being No. 497 of 2020 has been registered against the Accused under Section 406 and 420 of IPC based on Complaint filed by one Amir Ahmad (“**Complainant**”) and directed to appear before IO for investigation with respect to the said FIR. Complainant alleged that ECL Finance arbitrarily liquidated his 4383 equity shares of HDFC Bank Limited, pledged with ECL Finance as Security for repayment of ESOP loan facility amounting to ₹ 5.74 million and unsecured loan facility amounting to ₹ 2.35 million availed by the Complainant. ECL Finance limited vide its letter dated January 12, 2021, replied to the said notice along with 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.
- (vi) 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 NWIL) and its employees, alleging criminal breach of trust and misappropriation of the Complainant’s money by conducting unauthorised trades leading to a loss of ₹0.03 million under Sections 406, 409 and 34 of the Indian Penal Code, 1860. Subsequently, the Complainant moved an application dated December 24, 2014 (“Application Order”) before the Court to implead Rashesh Shah as one of the co-accused in the Criminal Case, subsequent to the amalgamation of Anagram Securities Limited with NWIL. 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. NWIL filed quashing petition at High Court against the order and Criminal Complaint. The High Court of Kerala subsequently stayed the Order. On November 25, 2015 a stay order passed in the Criminal Miscellaneous Application by Kerala High Court (Ernakulum) was produced before the Metropolitan Magistrate Court. By an Order dated January 10, 2018, the Kerala High Court has set aside the Order dated July 7, 2015 passed by the Magistrate Court, Ernakulum to implead Rashesh Shah as party respondent as in the finding the High Court concluded that the procedure adopted by the Metropolitan Magistrate Court to implead Rashesh Shah per se is illegal. On February 15, 2019, George Ommen filed another petition to implead Rashesh Shah as an accused and the same has been dismissed by the Court. Complainant thereafter, on May 27, 2019 filed fresh Petition before Chief Judicial Magistrate, Kochi for substitution of Anagram Securities Limited to Edelweiss Financial Services Ltd. On August 31, 2019, NWIL filed its objection to the fresh Petition. Complainant, thereafter, filed two separate Petitions both dated October 22, 2022 for substitution of M/s Anagram Securities Ltd to our Company Edelweiss Financial Services Ltd and Petition under Section 91 of Cr. PC 1973 *inter-alia* prying to direct EBL to produce relevant documents showing the amalgamation of M/s Anagram Securities Ltd. with our Company and also to produce Memorandum of Association of our Company respectively. EBL filed its objections dated November 22, 2022, to the said Petitions. The matter is currently pending.

- (vii) Economic Offences Cell, Panaji, Goa, (“EOC”) vide its call letter dated May 18, 2022 informed our Company’s Promoter Rashesh Shah and Venkatchalam Ramaswamy that department is conducting inquiry into the complaint filed by Complainant / Investor Mr. Caesar Fernandes (client of Edelweiss Broking Limited) against them for committing unfair trade practices, criminal breach of trust and cheating through their company and asked their presence before Investigating Officer (“IO”) for application inquiry. NWIL officials attended the office of EOC on July 04, 2022 and July 11, 2022, when officials were asked to reply on queries raised by the IO on or before July 15, 2022. On July 15, 2022, NWIL filed its final reply before EOC. The matter is currently pending.

### **Mr. Himanshu Kaji**

- (i) Smt. Iti, a client of Edelweiss Financial Advisors Limited (“EFAL”) (now amalgamated with Edelweiss Broking Limited (“EBL”)), filed a first information report on June 30, 2012 (“FIR”), before Hari Parvat, Janpad Police Station, Agra (“Station”) against Saurabh Jain, Richa Jain and Mahendra Jain (collectively “Accused”), under Sections 420, 467, 468, 471 read with Section 120B of the Indian Penal Code, 1860 and Sections 66, 66C and 66D of the Information Technology Act, 2000, for alleged unauthorised trading by modifying her trading account and password with EBL. The total amount claimed by Smt. Iti is ₹ 13.8 million. Thereafter, notices were received by the director of EFSL, namely Himanshu Kaji (“Directors”) from the Station and was followed by a supplemental charge sheet of the Station filed with the Chief Judicial Magistrate, Agra (“CJM, Agra”). In response, a quashing petition under S 482 of the Criminal Procedure Code was filed by the Directors in the Allahabad High Court (“AHC”) which stayed the proceedings before the CJM, Agra. Similarly, a supplemental charge sheet was also filed by the Station against employees and directors of EBL with the CJM, Agra. This was also stayed by the AHC pursuant to a Section 482 application. Further, in August 2019, the AHC clubbed the above Section 482 applications. The matter is pending.
- (ii) ECL Finance has received notices dated December 28, 2020 from Investigating Officer (IO), Mahanagar Police Station, Lucknow, UP issued under Section 41 (A) of Cr. PC addressed in the name of ECL Finance Limited, Ms. Madhur Bhatia, relationship manager, Romanshu Tandon, Himanshu Chhatrawal, Zonal Manager and Rashesh Shah, Chairman (the “Accused”) *inter-alia* informing that FIR being No. 497 of 2020 has been registered against the Accused under Section 406 and 420 of IPC based on Complaint filed by one Amir Ahmad (“Complainant”) and directed to appear before IO for investigation with respect to the said FIR. Complainant alleged that ECL Finance arbitrarily liquidated his 4383 equity shares of HDFC Bank Limited, pledged with ECL Finance as Security for repayment of ESOP loan facility amounting to ₹ 5.74 million and unsecured loan facility amounting to ₹ 2.35 million availed by the Complainant. ECL Finance limited vide its letter dated January 12, 2021, replied to the said notice along with 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.

**Mr. Venkatchalam Ramaswamy**

- (i) Sharad Jagtiani, a client of Nuvama Wealth Management Limited ("**NWML**") filed an application dated November 11, 2008 under Section 156(3) of the Criminal Procedure Code, 1973 ("**CrPC**") before the Additional Chief Metropolitan Magistrate, Rohini Courts, Delhi ("**Court**") against NWML and others, including our Company's Promoters Rashesh Shah and Venkatchalam Ramaswamy, alleging unauthorised trading in futures and options ("**F&O**") in Sharad Jagtiani's account and a loss of approximately ₹4.1 million to Sharad Jagtiani's son on account of cheating, breach of trust and conspiracy. A first information report dated January 16, 2009 ("**FIR**") was registered in Subhash Palace Police Station, Delhi, alleging loss of approximately ₹4.1 million in the stock market trade on account of cheating, breach of trust and conspiracy by the Sharad Jagtiani. The police proceeded to investigate the allegations and on October 11, 2010, a closure report ("**Report**") was filed by the investigating officer before the Court. The Report was challenged by Sharad Jagtiani by way of Application under Section 173 (8) of the CrPC. The matter is currently pending.
- (ii) S & D Financials Private Limited ("**SDFL**"), a client of Nuvama Wealth Management Limited ("**NWML**") 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 NWML and our Company's Directors and Promoters, Rashesh Shah and Venkatchalam Ramaswamy and others. In the FIR, SDFL inter-alia alleged Rashesh
- (iii) Shah and Venkatchalam Ramaswamy and others of unauthorised trading, criminal breach of trust and cheating SDFL in future and options transactions amounting to ₹8.48 million. NWML 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 NWML against SDFL for non-payment of monies which are currently pending; and (b) there was a running account maintained between NWML 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 NWML . The matter is currently pending.
- (iv) BE Office Automation Product Private Limited ("**Petitioners**") filed Civil Original Contempt Petition No. 362 of 2021 before the Punjab and Haryana High Court ("**Court**") against various parties including our Promoter, Mr. Venkatchalam Arakoni Ramaswamy, for willfully and deliberately violating order dated December 8, 2017 passed by the Commercial Court, Gurugram in Arbitration Case No. 04 of 2017.
- (v) Edelweiss Commodities Services Limited (now known as Edelweiss Rural & Corporate Services Limited, ("**ERCSL**") has been served with a letter from the Enforcement Directorate ("**ED**") on August 26, 2016, concerning an enquiry for an alleged violation of the provisions of the Foreign Exchange Management Act, 1999 in relation to import of pulses by commodities importer and advised to produce certain details like memorandum of association, annual report/balance sheet, bank accounts and details of pulses import since 2011. ERCSL duly complied with the requisitions in September 2016. ERCSL also furnished with additional information about the pulses business – listing of all suppliers, imports, local sales, bank statements, warehousing details and other information with last such request for information in June 2021. Personal appearances of the ERCSL's executives were sought and the same have been complied with. A show cause notice was issued by the authorities to the company and the then directors/key executives in this matter in

August 2021 and the same has been responded in December 2021. Mr Venkat Ramaswamy & Mr Rujan Panjwani, both Executive Directors, Edelweiss Financial Services Ltd, received the said notice in their capacity as directors in ERCSL. No further information has been sought by the office of ED and the matter is pending before the authorities since then.

- (vi) Economic Offences Cell, Panaji, Goa, (“EOC”) vide its call letter dated May 18, 2022 informed our Company’s Promoter Rashesh Shah and Venkatchalam Ramaswamy that department is conducting inquiry into the complaint filed by Complainant / Investor Mr. Caesar Fernandes (client of Edelweiss Broking Limited) against them for committing unfair trade practices, criminal breach of trust and cheating through their company and asked their presence before Investigating Officer (“IO”) for application inquiry. NWIL officials attended the office of EOC on July 04, 2022 and July 11, 2022, when officials were asked to reply on queries raised by the IO on or before July 15, 2022. On July 15, 2022, NWIL filed its final reply before EOC. The matter is currently pending.

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF EDELWEISS FINANCIAL SERVICES LIMITED AT ITS MEETING HELD ON FRIDAY, MAY 13, 2022 AT 7.30 P.M. EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT BETWEEN EDELWEISS FINANCIAL SERVICES LIMITED (“COMPANY” OR “DEMERGED COMPANY”) AND EDELWEISS SECURITIES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230 TO 232 READ WITH SECTION 52 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON PROMOTER SHAREHOLDERS**

**1. Background**

- 1.1. The Board of Directors (“**Board**”) of the Company at its meeting held on May 13, 2022 has approved the Scheme of Arrangement between Edelweiss Financial Services Limited (“**Company**” or “**Demerged Company**”) and Edelweiss Securities Limited (“**Resulting Company**”) and their respective shareholders and creditors under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 (“**Act**”) (“**Scheme**”).
- 1.2. Provisions of Section 232(2)(c) of the Act require the Board to adopt a report explaining the effect of the arrangement on each class of shareholders, promoters and non-promoter shareholders and key managerial personnel (“**KMPs**”) of the Company laying out in particular the share exchange ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.
- 1.3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.
- 1.4. The following documents were, *inter alia*, placed before the Board:
  - 1.4.1. Draft Scheme duly initialled by the Company Secretary of the Company for the purpose of identification;
  - 1.4.2. Copy of the Share Entitlement Reports dated May 13, 2022 issued by M/s Price Waterhouse & Co. LLP and Mr. Suman Kumar Verma, Registered Valuers (“**Share Entitlement Ratio Report**”) duly initialled by the Company Secretary of the Company for the purpose of identification;
  - 1.4.3. Draft of the fairness opinion dated May 13, 2022 (“**Fairness Opinion**”) issued by Equirus Capital Private Limited, on the fairness of the share entitlement ratio determined under the Share Entitlement Ratio Report in connection with the proposed Scheme; and

- 1.4.4. Draft certificate dated May 13, 2022, issued by M/s. S. R. Batliboi & Co., Chartered Accountants, the Statutory Auditors of the Demerged Company, confirming the accounting treatment prescribed in the Scheme.

## **2. Share entitlement report and issue of consideration pursuant to the Scheme**

- 2.1. In terms of the Scheme, it is proposed to demerge, transfer and vest the Demerged Undertaking (*as defined in the Scheme*) from the Company into the Resulting Company on a *going concern* basis. Pursuant to the Scheme, the Resulting Company shall issue consideration to the members of the Company as on Record Date (*as defined in the Scheme*) in the following manner:

“1,05,28,746 (One crore five lakhs twenty eight thousand seven hundred and forty six) fully paid up equity shares of INR 10 (Indian Rupees Ten) each of the Resulting Company (**“Resulting Company New Equity Shares”**), credited as fully paid up, to the equity shareholders of the Demerged Company.”

- 2.2. The Registered Valuer has certified that the abovementioned consideration for the proposed Scheme, is fair.
- 2.3. No special valuation difficulties were reported.

## **3. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company**

- 3.1. In consideration for the demerger, transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company on a *going concern* basis, the shareholders of the Company, as on the Record Date shall receive equity shares of the Resulting Company. As on the Record Date, both, the promoter and non promoter shareholders of the Company will receive the equity shares of the Resulting Company.
- 3.2. Upon the Scheme becoming effective, all equity shares of the Resulting Company held by the Company, shall stand reduced and cancelled without any further application, act or deed.
- 3.3. After the effectiveness of the Scheme and subject to receipt of regulatory approvals, the equity shares of the Resulting Company, shall be listed on BSE Limited and National Stock Exchange of India Limited.

## **4. Effect of the Scheme on the KMPs of the Company**

- 4.1. The KMPs forming part of the Demerged Undertaking shall become employees of the Resulting Company on effectiveness of the Scheme.

- 4.2. Pursuant to the Scheme, there shall be no impact on the existing KMPs of the Demerged Company not forming part of the Demerged Undertaking.
- 4.3. Except to the extent of the equity shares, if any, held by KMPs, in the Company, none of the KMPs have any particular interest in the Scheme.
- 4.4. In the opinion of the Board, the Scheme will be of advantage and beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable.

**For and on behalf of the Board**  
**Edelweiss Financial Services Limited**

Sd/-  
**Rashesh Shah**  
**Chairman & Managing Director**  
**DIN: 00008322**

**Place: Mumbai**  
**Date: May 13, 2022**



**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF EDELWEISS SECURITIES LIMITED AT ITS MEETING HELD ON FRIDAY, MAY 13, 2022 AT 6:00 P.M. EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT BETWEEN EDELWEISS FINANCIAL SERVICES LIMITED AND EDELWEISS SECURITIES LIMITED ("COMPANY" OR "RESULTING COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS UNDER SECTIONS 230 TO 232 READ WITH SECTION 52 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON PROMOTER SHAREHOLDERS**

**1. Background**

- 1.1. The Board of Directors ("**Board**") of the Company at its meeting held on May 13, 2022 have approved the Scheme of Arrangement between Edelweiss Financial Services Limited ("**Demerged Company**") and Edelweiss Securities Limited ("**Company**" or "**Resulting Company**") and their respective shareholders under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 ("**Act**") ("**Scheme**").
- 1.2. Provisions of Section 232(2)(c) of the Act require the Board to adopt a report explaining the effect of the arrangement on each class of shareholders, key managerial personnel ("**KMPs**"), promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.
- 1.3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.
- 1.4. The following documents were, *inter alia*, placed before the Board:
  - 1.4.1. Draft Scheme duly initialled by the Company Secretary of the Company for the purpose of identification;
  - 1.4.2. Copy of the share entitlement report dated May 13, 2022 issued by M/s. Price Waterhouse & Co. LLP and Mr. Suman Kumar Verma, Registered Valuers ("**Share Entitlement Ratio Report**") duly initialled by the Company Secretary of the Company for the purpose of identification; and
  - 1.4.3. Certificate dated May 13, 2022, issued by M/s. S R B C & CO LLP, (ICAI Firm Registration No. 301003E/E300005 ), the Statutory Auditors of the Company, confirming the accounting treatment prescribed in the Scheme<sup>1</sup>.

## **2. Share entitlement report and issue of consideration pursuant to the Scheme**

- 2.1. In terms of the Scheme, it is proposed to demerge, transfer and vest the Demerged Undertaking (*as defined in the Scheme*) from the Demerged Company into the Company on a *going concern* basis. Pursuant to the Scheme, the Company shall issue consideration to the members of the Demerged Company as on Record Date (*as defined in the Scheme*) in the following manner:

“1,05,28,746 (One crore five lakhs twenty eight thousand seven hundred and forty six) fully paid up equity shares of INR 10 (Indian Rupees Ten) each of the Resulting Company (“Resulting Company New Equity Shares”), credited as fully paid up in the proportion of the number of equity shares held by the shareholders in the Demerged Company”

- 2.2. The Registered Valuer has certified that the abovementioned consideration for the proposed Scheme, is fair.
- 2.3. No special valuation difficulties were reported.

## **3. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company**

- 3.1. The Company shall issue consideration to the shareholders of the Demerged Company for the demerger and vesting of Demerged Undertaking to the Company as per the share entitlement ratio stated in the Share Entitlement Ratio Report. As on the Record Date, both, the promoter and non-promoter shareholders of the Demerged Company will receive the equity shares of the Company.
- 3.2. Upon the Scheme becoming effective, all equity shares of the Company held by Demerged Company, shall stand reduced and cancelled without any further application, act or deed.
- 3.3. As on the Effective Date the debit balance in the reserves of the Company shall be adjusted against the securities premium account of the Company.
- 3.4. After the effectiveness of the Scheme and subject to receipt of regulatory approvals, the equity shares of the Resulting Company, shall be listed on BSE Limited and the National Stock Exchange of India Limited.

## **4. Effect of the Scheme on the KMPs of the Company**

- 4.1. Pursuant to the Scheme, there shall be no impact on the existing KMPs/ employees of the Company.
- 4.2. The KMPs forming part of the Demerged Undertaking shall become employees of the Resulting Company upon effectiveness of the Scheme.

- 4.3. Further, none of the KMPs, have any interest in the Scheme except to the extent of the equity shares held by them, if any in the Company.
- 4.4. In the opinion of the Board, the Scheme will be of advantage and beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable.

**For and on behalf of the Board**

**Sd/-**

**Name: Ashish Kehair**

**Designation: Managing Director & CEO**

**DIN: 07789972**

**Place: Mumbai**

**Date: May 13, 2022**

# Price Waterhouse & Co LLP

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## Private and Confidential

13 May 2022

Board of Directors  
Edelweiss Securities Limited  
Edelweiss House,  
Off. C.S.T. Road,  
Kalina, Mumbai 400 098

Board of Directors  
Edelweiss Financial Services Limited,  
Edelweiss House,  
Off. C.S.T. Road,  
Kalina, Mumbai 400 098

Dear Sir/Madam,

**Subject:** Recommendation of share entitlement ratio for proposed demerger of the entire undertaking of Edelweiss Financial Services Limited ('EFSL') pertaining to the Wealth Management Business from EFSL into the Edelweiss Securities Limited.

We refer to, the engagement letter dated 11 May 2022 whereby Edelweiss Financial Services Limited (hereinafter referred to as "EFSL" or "Demerged Company") and Edelweiss Securities Limited (hereinafter referred to as "ESL" or "Resulting Company") have appointed Price Waterhouse & Co LLP, Chartered Accountants (hereinafter referred to as 'PW&Co' or 'us' or 'we') to recommend the share entitlement ratio for the proposed demerger of the entire undertaking of the Demerged Company pertaining to the Wealth Management Business ('Demerged Undertaking') from EFSL to ESL ('Demerger' or 'Transaction'), for internal consideration. ESL will issue its equity shares to the equity shareholders of EFSL as a consideration for the proposed Demerger.

EFSL and ESL are together are referred to as ('Companies').

## 1 BACKGROUND OF COMPANIES

1.1 **Edelweiss Financial Services Limited** is a public limited company incorporated under the provisions of the Companies Act, 1956. The Demerged Company is principally engaged in providing investment advisory services, merchant banking services (registered with SEBI i.e., Securities and Exchange Board of India), investment banking services and holding company activities comprising of development, managerial and financial support to the business of its subsidiaries. The equity shares of the Demerged Company are listed on the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

The issued and subscribed equity share capital of EFSL as at 31<sup>st</sup> March 2022 is consisting of 943,097,965 equity shares of face value of INR 1/- each. The shareholding pattern is as follows:

Shareholding Pattern as on 31 March 2022	No of shares	% Share Holding
Promoter Group	307,684,490	32.63%
Public	590,516,695	62.61%
Shares held by Employee Trust	44,896,780	4.76%
<b>Total</b>	<b>943,097,965</b>	<b>100.00%</b>

Source: Management of EFSL



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Price Waterhouse & Co (a Partnership Firm) converted into Price Waterhouse & Co LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-2731) with effect from April 24, 2014. Post its conversion to Price Waterhouse & Co LLP, its ICAI registration number is 016844N/N-500015 (ICAI registration number before conversion was 016844N)

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- 1.2 **Edelweiss Securities Limited** is a public limited company incorporated under the provisions of the Companies Act, 1956. The Resulting Company is principally engaged in the business of providing stock broking services and is registered with SEBI as a stock broker and also providing the research analysis services to its clients.

The issued and subscribed equity share capital of ESL as on 10 May 2022 is as follows:

Shareholding Pattern as on 10 May 2022	No of shares	% Share Holding
Edelweiss Financial Services Limited	1,05,12,660	30.00%
Edel Finance Company Limited	18,34,455	5.23%
PAGAC Ecstasy Pte. Ltd	1,93,92,064	55.34%
Nominees of PAGAC	4	0.00%
Asia Pragati Strategic Investment Fund	3,15,277	0.90%
Edel Land Limited*	29,87,740	8.53%
<b>Total</b>	<b>3,50,42,200</b>	<b>100.00%</b>

Source: Managements of ESL

\*Currently held by EFSL. Submitted for prior approval of stock exchanges for transfer

## 2 SCOPE AND PURPOSE OF THIS REPORT

- 2.1 We understand that the management of EFSL and ESL (hereinafter collectively referred to as the 'Management') are evaluating the following, pursuant to a Scheme of Arrangement under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Proposed Scheme" or the 'Scheme'):
- 2.2 A Demerger of the entire undertaking of the Demerged Company pertaining to the Wealth Management Business from EFSL to ESL.
- 2.3 We understand that the Demerger is being planned as all-share deal, which would involve issue of equity shares of ESL to the shareholders of EFSL. Further, equity share capital of the Resulting Company to the extent held by Demerged Company, shall stand cancelled.
- 2.4 The Transaction is proposed to be carried out with effect from the appointed date, as specified in the Proposed Scheme.
- 2.5 For the aforesaid purpose, the Board of Directors of EFSL and ESL have appointed PW&Co to submit a valuation report recommending the share entitlement ratio for the Demerger, based on the valuations of the Demerged Undertaking and ESL ("Share Entitlement Ratio")
- 2.6 The Ratio has been recommended for consideration of the Board of Directors of the Companies for internal consideration.
- 2.7 The scope of our services is to conduct a relative (and not absolute) valuation of the Demerged Undertaking and ESL and to issue a report on the share entitlement ratio for the Demerger in accordance with the ICAI Valuation Standards 2018 ('ICAI VS 2018') issued by the Institute of Chartered Accountants of India ('ICAI').
- 2.8 We have been provided with the historical carved out financial information of the Demerged Undertaking and ESL. We have considered the same in our analysis and made adjustments for further facts made known (past or future) to us till the date of our report.
- 2.9 We have relied on the above while arriving at the fair Share Entitlement Ratio for the Proposed Scheme.





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- 2.10 For the purpose of this Report, the basis of value is 'Relative Value' and the valuation is based on 'Going Concern' premise. For the purpose of this valuation, 13 May 2022 has been considered as the 'Valuation Date'.
- 2.11 This report is our deliverable for the above engagement.
- 2.12 This report is subject to the scope, assumptions, exclusions, limitations, and disclaimers detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

## 3 PROCEDURES ADOPTED

The procedures used in our analysis included such substantive steps, as we considered necessary under the circumstances, including, but not necessarily limited to the following:

- Requested and received the historical financial statements and qualitative information of the Demerged Undertaking and ESL;
- Requested and received the financial estimates of the Demerged Undertaking and ESL providing estimates of projected income statement, cash flow and balance sheet, including underlying assumptions, which the Managements believes to be their best estimate as to the operating results for the future years ("Management Projections");
- Discussions with Managements to inter-alia understand the historical performance, expectations of future performance, key value drivers affecting the business of the Demerged Undertaking and ESL, key assumptions underlying the Management Projections and to obtain requisite explanations and clarifications on the data provided;
- Analysis of general market data, and industry information that may affect the value including considering the information readily available in public domain as may be relevant under the circumstances;
- Analysis of other facts and data considered pertinent to this Valuation;
- Selection of valuation approaches and methods as considered appropriate by us;
- Computation of value to arrive at conclusion of value and determination of the share entitlement ratio;
- Prepared and issued this valuation report.

## 4 SOURCES OF INFORMATION

We carried out the analysis of following information related to the Demerged Undertaking and ESL as furnished to us by the Managements of the Companies or as available in public domain:

- Standalone and Consolidated Audited financial statements of ESL for the 3 years ended 31 March 2019, 31 March 2020, 31st March 2021 and for the nine months period ended 31 December 2021.
- Carved-out financial statements of the Demerged Undertaking for the 2 years ended 31 March 2020 and 31 March 2021 and for the nine months period ended 31 December 2021.
- Latest shareholding details of EFSL and ESL.
- Financial estimates of the Demerged Undertaking and ESL providing estimates of projected income statement, cash flow and balance sheet, including underlying assumptions, which the management believes to be their best estimate as to the operating results for certain future years ('Management Projections').
- Draft Scheme of Arrangement ('Scheme' or 'Scheme of Arrangement' or 'Proposed Scheme');
- General market data, including economic, governmental and industry information from the Managements and from information as available in the public domain.
- Analyses of other facts and data considered pertinent to arrive at a conclusion of Share Entitlement Ratios.
- Such other data, analysis, reviews and inquiries, as we considered necessary.



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During the discussions with the Management of Companies, we have also obtained explanations and additional information considered reasonably necessary for our exercise.

The Companies have been provided with the opportunity to review the draft report (excluding the recommended Ratios) as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final report.

## 5 VALUATION APPROACHES

The Proposed Scheme of Arrangement under the provisions of Section 230 to 232 of the Companies Act, 2013 contemplates a demerger of the Demerged Undertaking of EFSL into ESL.

Arriving at the fair equity share entitlement ratios for the proposed demerger of Demerged Undertaking into ESL, would require determining the relative equity valuation of the Demerged Undertaking and ESL, based on methodologies explained herein and various qualitative factors relevant to the Demerged Undertaking and ESL.

The three main valuation approaches are the market approach, income approach and asset approach. There are several commonly used and accepted methods within the market approach, income approach and asset approach, for determining the relative fair value of equity shares of a company, which can be considered in the present valuation exercise, to the extent relevant and applicable, to arrive at the fair equity Share Entitlement Ratio for the purpose of the demerger, such as:

1. Asset Approach - Net Asset Value (NAV) Method
2. Income Approach
  - Discounted Cash Flow (DCF) Method
3. Market Approach
  - Market Price Method
  - Comparable Companies' Multiples (CCM) Method

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

### Asset Approach

The Asset approach focuses on the net worth or net assets of a company or business. In the Net Assets Value (NAV) method, widely used under the Asset approach, the assets and liabilities are considered as stated in the financial statements either on book value basis or realizable value basis or fair value basis. The NAV method does not capture the future earnings capacity of the business/company. A Scheme of Arrangement would normally be proceeded with on the assumption that the Companies/businesses would continue as going concerns and an actual realization of the operating assets is not contemplated.





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In such a going concern scenario, the relative earning power and future wealth generating capability of the business/company is of importance for the determination of the share entitlement ratio and the values arrived at on the net asset basis may not be relevant. Accordingly, the Asset Approach has not been adopted for this valuation.

### Income Approach

The income approach can be considered for valuation under "Going Concern" premise. The Income approach focuses on the income generated by the business/company as well as its future earning capability. The Income approach to valuation includes methods such as Discounted Cash Flow (DCF) Method.

Under the DCF method, the projected free cash flows from subject assets/businesses after considering fund requirements for projected capital expenditure, working capital and taxes are discounted at the Cost of Equity (CoE) if free cash flows to equity are being considered. The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business. This is adjusted with value of surplus cash, net debt or debt like items and other assets/liabilities, if any, to arrive at equity value.

We have used DCF method and have adopted Income Approach for this valuation exercise.

### Market Approach

It is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or similar or comparable assets, liabilities or a group of assets and liabilities such as business.

The market price of equity shares as quoted on a stock exchange is normally considered as the value of the business of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. The equity shares of ESL are however not quoted (ie not traded) on stock exchanges and there is no listing or trading in Demerged Undertaking on stock exchanges separately (as it is only a part of EFSL). Under the Comparable Companies' Multiple ('CCM') method of valuation within the Market Approach, value of the business of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed comparable companies or from comparable transactions. There are no listed companies that are directly comparable to ESL/Demerged Undertaking nor we could find any transactions involving companies that can be considered as directly comparable to ESL/Demerged Undertaking considering the profile, size and nature of operations of ESL/Demerged Undertaking. Further, the transaction multiples may also include acquirer specified considerations, synergy benefits, control premium and minority adjustments. We have hence not adopted the Market Approach for the present valuation exercise.



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**6 FAIR EQUITY SHARE ENTITLEMENT RATIO**

The share entitlement ratio has been arrived at on the basis of a valuation (on a per share basis) of the Demerged Undertaking and ESL based on the various approaches and methodologies as explained herein earlier and various qualitative factors relevant to each business and the business dynamics and growth potentials of the businesses of the Companies/businesses, having regard to information base, key underlying assumptions and limitations.

The basis of Demerger of the Demerged Undertaking from EFSL into ESL has been determined after taking into consideration all the factors and methodologies discussed above. In the ultimate analysis, it is essential to arrive at a single value while considering the different applicable methodologies of valuation. The valuation attempts at arriving at the relative value of the Demerged Undertaking and ESL to determine the fair equity share entitlement ratio.

**Computation of Fair Share Entitlement Ratio:**

Valuation Approach	Demerged Undertaking		ESL	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset Approach*	NA	NA	NA	NA
Income Approach	13.88	100%	1,243.32	100%
Market Approach**	NA	NA	NA	NA
<b>Relative Value per Share</b>	<b>13.88</b>	<b>100%</b>	<b>1,243.32</b>	<b>100%</b>
<b>Fair Equity Share Entitlement Ratio (A)</b>	0.011164000338			
<b>Number of equity shares of EFSL considered (B)</b>	94,30,97,965			
<b>Equity shares of ESL to be issued to the shareholders of EFSL (A) x (B)</b>	1,05,28,746			

NA = Not applied/Not Applicable

\*Since the business of ESL and Demerged Undertaking are intended to be continued on a 'going concern basis' and there is no intention to dispose off the assets, therefore the Asset Approach is not adopted for the present valuation exercise

\*\*There are no listed companies that are directly comparable to ESL/Demerged Undertaking nor we could find any transactions involving companies that can be considered as directly comparable to ESL/Demerged Undertaking considering the profile, size and nature of operations of ESL/Demerged Undertaking. Further, the transaction multiples may also include acquirer specified considerations, synergy benefits, control premium and minority adjustments. Also, the equity shares of ESL are not traded or quoted on stock exchanges and there is no listing or trading in Demerged Undertaking on stock exchanges separately (as it is only a part of EFSL). We have hence not adopted the Market Approach for the present valuation exercise

**Share Entitlement Ratio Recommendation:**

**1,05,28,746 fully paid up equity shares of INR 10 (Indian Rupees Ten) each of the Resulting Company, credited as fully paid up, to the equity shareholders of the Demerged Company.**



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In light of the above and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, we recommend as consideration for the Demerger, the Resulting Company shall issue and allot to the shareholders of the Demerged Company whose name is recorded in the register of members/ records of the depository as members of the Demerged Company as on the Record Date (as defined in the Scheme), in each case, in proportion to the number of equity shares held by the shareholders in the Demerged Company, 1,05,28,746 (One Crore Five Lakhs Twenty Eight Thousand Seven Hundred and Forty Six) fully paid up equity shares of INR 10/- each (Indian Rupees Ten each) of the Resulting Company, credited as fully paid up, to the equity shareholders of the Demerged Company.

### 7 SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

- 7.1 Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.
- 7.2 This report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this report and (iii) and are based on the information as explained in the Sources of Information section of this report.
- 7.3 The recommendation(s) rendered in this report only represent our recommendation(s) based upon information till 13 May 2022, furnished by the Companies (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).
- 7.4 The outbreak of the Novel Coronavirus (Covid-19), declared by the World Health Organisation as a "Global Pandemic" has impacted global financial markets and is still ongoing as on the Valuation Date. It may be relevant to highlight that the potential variation between projected and actual results is likely to be materially greater than it might otherwise have been.
- 7.5 A valuation of this nature is necessarily based on the prevailing stock market, financial, economic, and other conditions in general and industry trends in particular, and the information made available to us. The report is issued on the understanding that the management of the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Demerged Undertaking and ESL and any other matter, which have an impact on our opinion, on the fair equity share entitlement ratio for the demerger as on the Valuation Date. We have considered only circumstances existing at the Valuation Date and events occurring up to the Valuation Date. Events and circumstance may have occurred since the Valuation Date concerning the financial position of Demerged Undertaking and ESL or any other matter and such events or circumstances might be considered material by the Companies or any third party. We have taken into account, in our value analysis, such events and circumstances occurring upto the report date as disclosed to us by the Companies, to the extent considered appropriate by us based on our professional judgment. Further, we have no responsibility to update the report for any events and circumstances occurring after the date of this report.
- 7.6 In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by PW&Co and judgment taking into account all the relevant factors. There will always be several factors, e.g., present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions.



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- 7.7 The determination of share entitlement ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no indisputable single share entitlement ratio. While we have provided our recommendation of the equity share entitlement ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the fair equity share entitlement ratio. The final responsibility for the determination of the equity share entitlement ratio at which the demerger shall take place will be with the Board of Directors who should take into account other factors such as their own assessment of the demerger and input of other advisors.
- 7.8 In the course of the Valuation, we were provided with both written and verbal information, including market, technical, financial, and operating data. In accordance with the terms of our respective engagements, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this report and (ii) the accuracy of information made available to us by the Companies. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy, or completeness, we have obtained information as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information.

Our Valuation does not constitute an audit or review in accordance with the auditing standards applicable in India, accounting/ financial/ commercial/ legal/ tax/ environmental due diligence or forensic or investigation services and does not include verification or validation work. In accordance with our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed, certified, carried out a due diligence or otherwise investigated the historical financial information provided to us.

We have not independently investigated or otherwise verified the data provided by the Companies. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financials/ financial statements and projections. The assignment did not involve us to conduct any financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of Demerged Undertaking and ESL. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The Management of the Companies has indicated to us that they have understood that any omissions, inaccuracies, or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report. Nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the report. Also, we assume no responsibility for technical information (if any) furnished by the Companies.

- 7.9 The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Companies.
- 7.10 This report does not look into the business/ commercial reasons behind the demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Demerger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.





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- 7.11 No investigation of the Companies' claim to title of assets has been made for the purpose of this report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 7.12 We must emphasize that realizations of free cash flow forecast used in the analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material.
- 7.13 We have not conducted or provided an analysis or prepared a model for any individual assets/liabilities and have wholly relied on the information provided by the Companies in this regard.
- 7.14 The fee for the engagement is not contingent upon the results reported.
- 7.15 We owe responsibility to only the Boards of Directors of the respective company that has appointed us under the terms of our respective engagement letters and nobody else.

We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions of or advice given by any other to the Companies. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the Companies, their directors, employees, or agents. In no circumstances shall the liability of the Valuer, its partners, its directors, or employees, relating to the services provided in connection with the engagement set out in this report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

- 7.16 This valuation report is subject to the laws of India.
- 7.17 This report does not in any manner address the prices at which EFSL's or ESL's equity shares will trade following consummation of the Demerger and we express no opinion or recommendation as to how the shareholders/ creditors of either Company should vote at any shareholders'/ creditors' meeting(s) to be held in connection with the Demerger. Our report and the opinion/ valuation analysis contained herein is not and nor should it be construed as advice relating to investing in, purchasing, selling, or otherwise dealing in securities or as providing management services or carrying out management functions. It is understood that this analysis does not represent a fairness opinion.
- 7.18 Any discrepancies in any table/ annexure between the total and the sums of the amounts listed are due to rounding-off.

**8 RELIANCE ON THE MANAGEMENT**

During our Valuation, we have relied upon financial and other information, provided by and on behalf of the Managements. Our conclusions are dependent on such information being accurate and complete in all material respects. While we have carried out our analytical procedures on the information, the scope of our work will not enable us to accept responsibility for the accuracy and completeness of this information. We have not conducted an independent audit or validation of such financial and other information. Accordingly, we do not express an opinion or any other form of assurance thereon and we accept no responsibility or liability for any losses occasioned to EFSL, ESL, their directors or shareholders, prospective investors or to any other parties as a result of our reliance on such information.



## Price Waterhouse & Co LLP

Chartered Accountants

### 9 DISTRIBUTION OF OUR REPORT

This report is prepared for the Board of Directors of the Companies for their internal considerations. Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, without our prior written consent.

We would like to record our appreciation for the courtesy and co-operation received by us during the course of our work.

#### For Price Waterhouse & Co LLP

Chartered Accountants

LLP No: AAC-2731

ICAI FRN 016844N/N500015



Mihir Gada

Partner

Membership No: 109195

UDIN No: 22109195AIXHUIJ7332

13<sup>th</sup> May 2022

**STRICTLY PRIVATE & CONFIDENTIAL**

To,

**The Board of Directors,**

**Edelweiss Securities Limited**

Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai 400 098

**The Board of Directors,**

**Edelweiss Financial Services Limited**

Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai 400 098

**Subject: Recommendation of share entitlement ratio for proposed demerger of the entire undertaking of Edelweiss Financial Securities Limited ('EFSL') pertaining to the Wealth Management Business from EFSL into Edelweiss Securities Limited**

Dear Sir/Madam,

**CONTEXT AND PURPOSE**

We understand that the Managements of the above companies are contemplating a Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013, (the "Scheme") wherein you require determination of the share entitlement ratio for the proposed demerger of the entire undertaking of Edelweiss Financial Securities Limited ('EFSL' or 'Demerged Company') pertaining to the Wealth Management Business ('Demerged Undertaking') from EFSL into Edelweiss Securities Limited ('ESL' or 'Resulting Company') ('Transaction' or 'Demerger'). ESL and EFSL are jointly referred to as the 'Companies'.

ESL will issue its equity shares to the shareholders of EFSL as consideration for the proposed Demerger. Further, equity share capital of the Resulting Company to the extent held by the Demerged Company, shall stand cancelled. The Appointed Date for this Demerger will be the date as specified in the Scheme.

In this regard, Suman Kumar Verma, Registered Valuer with IBBI Registration Number IBBI/RV/05/2019/12376 ('SKV' or the 'Valuer' or 'I' or 'We' or 'Suman Verma' or 'Suman Kumar Verma') has been appointed by the Companies to recommend the fair share entitlement ratio of equity shares for the proposed Demerger of the Demerged Undertaking from EFSL into ESL. The scope of our services is to conduct a valuation and recommend the fair equity share entitlement ratio ('Share Entitlement Ratio') for the proposed Demerger of the Demerged Undertaking from EFSL into ESL. This report is our deliverable to the same.





The Share Entitlement Ratio has been recommended for the consideration of the Board of Directors (including Audit Committee and Committee of Independent Directors, as applicable) of the Companies, in accordance with the applicable relevant laws, rules and regulations. The report will be placed before the Audit Committee, Committee of Independent Directors and the Board of Directors of EFSL and ESL, as per the relevant laws as applicable, and to the extent mandatorily required under applicable laws of India, this report may be produced before the judicial, regulatory and government authorities, courts, tribunals, stock exchanges, shareholders and other persons in connection with the Demerger.

This report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein. The Valuation Date for this report is 13 May 2022.

This report is structured under the following broad heads:

- Background of Companies and Corporate Overview
- Shareholding Pattern
- Information sources
- Procedures followed
- Valuation Approaches and Methodologies
- Share Entitlement Ratio
- Caveats, Limitations and Disclaimers



## BACKGROUND OF COMPANIES AND CORPORATE OVERVIEW

**Edelweiss Financial Services Limited** is a public limited company incorporated under the provisions of the Companies Act, 1956. The Demerged Company is principally engaged in providing investment advisory services, merchant banking services (registered with SEBI i.e. Securities and Exchange Board of India), investment banking services and holding company activities comprising of development, managerial and financial support to the business of its subsidiaries. The equity shares of the Demerged Company are listed on the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

**Edelweiss Securities Limited** is a public limited company incorporated under the provisions of the Companies Act, 1956. The Resulting Company is principally engaged in the business of providing stock broking services and is registered with SEBI as a stock broker and also providing the research analysis services to its clients.

## SHAREHOLDING PATTERN

The issued and subscribed equity share capital of ESL as on 10 May 2022 is as follows:

Shareholding Pattern	No. of shares	% Share Holding
Edelweiss Financial Services Limited	10,512,660	30.00%
Edel Finance Company Limited	1,834,455	5.23%
PAGAC Ecstasy Pte. Ltd (PAGAC)	19,392,064	55.34%
Nominees of PAGAC	4	0.00%
Edel Land Limited*	2,987,740	8.53%
Asia Pragati Strategic Investment Fund	315,277	0.90%
<b>Total</b>	<b>35,042,200</b>	<b>100%</b>

\* Currently held by EFSL. Submitted for prior approval of stock exchanges for transfer



The issued and subscribed equity share capital of EFSL as at 31<sup>st</sup> March 2022 is consisting of 943,097,965 equity shares of face value of INR 1/- each. The shareholding pattern is as follows:

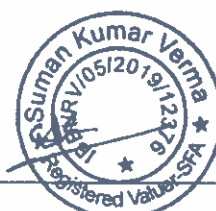
Shareholding Pattern as on 31 <sup>st</sup> March 2022	No. of shares	% Share Holding
Promoter & Promoter Group	307,684,490	32.63%
Public	590,516,695	62.61%
Shares held by Employee Trust	44,896,780	4.76%
<b>Total</b>	<b>943,097,965</b>	<b>100%</b>

## INFORMATION SOURCES

In connection with this valuation exercise, we have considered, amongst others, the following information as received from the Managements and gathered from public domain:

- Standalone and Consolidated Audited financial statements of ESL for the 3 years ended 31 March 2019, 31st March 2020, 31st March 2021 and for the nine months period ended 31 December 2021.
- Carved-out financial statements of the Demerged Undertaking for the 2 years ended 31 March 2020 and 31 March 2021 and for the nine months period ended 31 December 2021
- Latest shareholding details of EFSL and ESL
- Financial estimates of the Demerged Undertaking and ESL providing estimates of projected income statement, cash flow and balance sheet, including underlying assumptions, which the management believes to be their best estimate as to the operating results for certain future years ('Management Projections').
- Draft Scheme of Arrangement ('Scheme' or 'Scheme of Arrangement');
- General market data, including economic, governmental and industry information from the Managements and from information as available in the public domain
- Analyses of other facts and data considered pertinent to arrive at a conclusion of Share Entitlement Ratios;
- Such other data, analysis, reviews and inquiries, as we considered necessary.

We have held discussions with the Management of Companies to understand the information and we have also obtained explanations and other additional information considered necessary for our exercise. The Companies have been provided with the opportunity to review the draft report (excluding the recommended Share Entitlement Ratio) as part of our standard practice to ensure that any factual omission or inaccuracy is avoided in the final signed report.





## **PROCEDURES FOLLOWED**

We have undertaken the following procedures covering our valuation exercise for the said valuation and recommendation of Share Entitlement Ratio:

- Requested and received the relevant data (including the relevant financials and qualitative data) from the Managements of EFSL and ESL;
- Discussions with the Managements on understanding of the businesses and fundamental factors that affect the earnings capacity of the businesses including historical performance, future plans and prospects, etc.
- Analysis and review of the historical financials and of the financial projections as provided to us including projected income statement, cash flow and balance sheets ("Management Projections"), along with a discussion on the underlying assumptions which were based on Management's best estimate for the explicit forecast period;
- Discussions with the Managements to obtain an understanding on the historical financial data and relevant assumptions considered to prepare such Management Projections;
- Analysis of market data and industry information available in public domain which could affect the valuation;
- Strengths, Weakness, Opportunity and Threat analysis of the industry and of ESL/Demerged Undertaking
- Selection of valuation approaches and valuation methodologies as considered appropriate by us
- Analysis of other relevant facts and data, including consideration of the ICAI Valuation Standards, 2018 issued by The Institute of Chartered Accountants of India
- Computation of relative values to arrive at valuation conclusion and to determine the fair equity share entitlement ratio
- Prepared and issued this valuation report as required under the applicable laws.

## **VALUATION APPROACHES AND METHODOLOGIES**

Arriving at the fair equity share entitlement ratio for the said valuation purpose would require determining the fair value of the Demerged Undertaking and fair value of the equity shares of ESL. These values are to be determined independently but on a relative basis, and without considering the proposed transaction, to arrive at the share entitlement ratio.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner.

The three main approaches of valuation are the market approach, income approach and asset approach. There are several commonly used and accepted methods including those



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set out in the ICAI valuation standards, within the asset approach, income approach and market approach, for determining the relative fair value of the Demerged Undertaking and ESL, which can be considered in the present case, to the extent relevant and applicable, to arrive at the Share Entitlement Ratio for the purpose of demerger, as mentioned above.

### **Asset Approach**

The Asset approach focuses on the net worth or net assets of a company or business. In the Net Assets Value (NAV) method, widely used under the Asset approach, the assets and liabilities are considered as stated in the financial statements either on book value basis or realizable value basis or fair value basis. The NAV method does not capture the future earnings capacity of the business/company. A Scheme of Arrangement would normally be proceeded with on the assumption that the Companies/businesses would continue as going concerns and an actual realization of the operating assets is not contemplated. In such a going concern scenario, the relative earning power and future wealth generating capability of the business/company is of importance for the determination of the share entitlement ratio and the values arrived at on the net asset basis may not be relevant. Accordingly, the Asset Approach has not been adopted for this valuation.

### **Income Approach**

The income approach can be considered for valuation under "Going Concern" premise. The Income approach focuses on the income generated by the business/company as well as its future earning capability. The Income approach to valuation includes methods such as Discounted Cash Flow (DCF) Method.

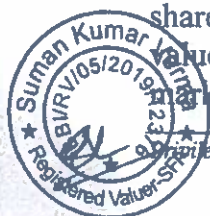
Under the DCF method, the projected free cash flows from subject assets/businesses after considering fund requirements for projected capital expenditure, working capital and taxes are discounted at the Cost of Equity (CoE) if free cash flows to equity are being considered. The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business. This is adjusted with value of surplus cash, net debt or debt like items and other assets/liabilities, if any, to arrive at equity value.

We have used DCF method and have adopted Income Approach for this valuation exercise.

### **Market Approach**

It is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or similar or comparable assets, liabilities or a group of assets and liabilities such as business.

The market price of equity shares as quoted on a stock exchange is normally considered as the value of the business of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. The equity shares of ESL are however not quoted (ie not traded) on stock



exchanges. Under the Comparable Companies' Multiple ('CCM') method of valuation within the Market Approach, value of the business of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed comparable companies or from comparable transactions. There are no listed companies that are directly comparable to ESL/Demerged Undertaking nor we could find any transactions involving companies that can be considered as directly comparable to ESL/Demerged Undertaking considering the profile, size and nature of operations of ESL/Demerged Undertaking. Further, the transaction multiples may also include acquirer specified considerations, synergy benefits, control premium and minority adjustments. Also, the equity shares of ESL are not traded or quoted on stock exchanges and there is no listing or trading in Demerged Undertaking on stock exchanges separately (as it is only a part of EFSL). We have hence not adopted the Market Approach for the present valuation exercise.





## SHARE ENTITLEMENT RATIO

The share entitlement ratio has been arrived at on the basis of a valuation (on a per share basis) of the Demerged Undertaking and ESL based on the various approaches and methodologies as explained herein earlier and various qualitative factors relevant to each business and the business dynamics and growth potentials of the businesses of the Companies/businesses, having regard to information base, key underlying assumptions and limitations.

The basis of Demerger of the Demerged Undertaking from EFSL into ESL has been determined after taking into consideration all the factors and methodologies discussed above. In the ultimate analysis, it is essential to arrive at a single value while considering the different applicable methodologies of valuation. The valuation attempts at arriving at the relative value of the Demerged Undertaking and ESL to determine the share entitlement ratio.

### Computation of Fair Share Entitlement Ratio:

Valuation Approach	Demerged Undertaking		ESL	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset Approach*	NA	NA	NA	NA
Income Approach	13.88	100%	1,243.32	100%
Market Approach**	NA	NA	NA	NA
Relative Value Per Share	13.88	100%	1,243.32	100%
Fair Equity Share Entitlement Ratio (rounded off) (A)	0.011164000338			
Number of equity shares of EFSL considered (B)	94,30,97,965			
Equity shares of ESL to be issued to the shareholders of EFSL (A) x (B)	1,05,28,746			

NA = Not applied/Not Applicable

\*Since the business of ESL and Demerged Undertaking are intended to be continued on a 'going concern basis' and there is no intention to dispose off the assets, therefore the Asset Approach is not adopted for the present valuation exercise

\*\*There are no listed companies that are directly comparable to ESL/Demerged Undertaking nor we could find any transactions involving companies that can be considered as directly comparable to ESL/Demerged Undertaking considering the profile, size and nature of operations of ESL/Demerged Undertaking. Further, the transaction multiples may also include acquirer specified considerations, synergy benefits, control premium and minority adjustments. Also, the equity shares of ESL are not traded or quoted on stock exchanges and there is no listing or trading in Demerged Undertaking on stock exchanges separately (as it is only a part of EFSL). We have hence not adopted the Market Approach for the present valuation exercise

### **Share Entitlement Ratio Recommendation:**

**1,05,28,746 fully paid up equity shares of INR 10 (Indian Rupees Ten) each of the Resulting Company, credited as fully paid up, to the equity shareholders of the Demerged Company.**

As consideration for the Demerger, the Resulting Company shall issue and allot to the shareholders of the Demerged Company whose name is recorded in the register of members/ records of the depository as members of the Demerged Company as on the Record Date (as defined in the Scheme), in each case, in proportion to the number of equity shares held by the shareholders in the Demerged Company 1,05,28,746 (One Crore Five Lakhs Twenty Eight Thousand Seven Hundred and Forty Six) fully paid up equity shares of INR 10/- each (Indian Rupees Ten each) of the Resulting Company, credited as fully paid up, to the equity shareholders of the Demerged Company.

We certify that the abovementioned consideration for the proposed Scheme is fair.

### **CAVEATS, LIMITATIONS, DISCLAIMERS AND CONFIRMATIONS**

We have no present or prospective contemplated financial interest in the Companies and we have no personal interest with respect to the Promoters and Board of Directors of the Companies. We have no bias/prejudice with respect to any matter that is the subject of the valuation report. The fee for the valuation engagement is not contingent upon the results reported and no way influenced the results of our valuation analysis. No special valuation difficulties were reported or encountered by us in conducting this valuation.

Any discrepancy in any table between the total and sum of the amounts listed are due to rounding-off.

An analysis of such nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of the date of this report.

We have adopted Relative Value as the valuation base and Going Concern value as the premise of value. While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with the generally accepted auditing standards. We have placed reliance on various information provided by the Management of ESL and EFSL and their respective authorized representatives. Our reliance is based on the completeness and accuracy of the facts provided; which if not entirely complete or accurate, should be communicated to us immediately, as the inaccuracy or incompleteness could have a material impact on our findings. We further assume that the Managements of the Companies have brought to our attention all material transactions, events or any other factor having an impact on the share entitlement ratio.

This document has been prepared solely for the purposes stated herein and should not be relied upon for any other purpose. This document is strictly confidential and (save to the extent required by applicable law and / or regulation) must not be released to any third party without our express written consent which is at our sole discretion.

This document has been prepared solely for the purpose of assisting the Management of the Companies, under consideration, in assessing the share entitlement ratio.

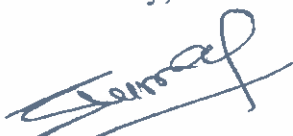
By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment. This report is subject to the laws of India and should be used in connection with the Scheme.

We confirm that the Audited financials of last 3 years (financials not being older than 6 months) of the unlisted company (ie ESL) involved in the Scheme of Arrangement has been considered appropriately for preparation of this report and especially under Income Approach.

In accordance with requirements of valuation standards, we have analyzed the projections for reasonableness and also satisfied ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement. We affirm that information provided and assumptions used by the Managements in developing the projections have been appropriately reviewed and appropriate enquiries have been made regarding the basis of key assumptions in the context of the current valuation exercise.

We affirm that information provided was adequate and we were provided with adequate time for carrying out the valuation.

Yours faithfully,



**Suman Kumar Verma**

*Registered Valuer (Securities or Financial Assets)*

IBBI Registration No.: IBBI/RV/05/2019/12376

Date: 13 May 2022

Place: Delhi

UDIN: 2228453A1MG8S3MPE8

**Equirus Capital Private Limited**

12<sup>th</sup> Floor, C Wing, Marathon Futurex,  
N. M. Joshi Marg, Lower Parel,  
Mumbai - 400 013  
Tel: +91-22- 4332-0600  
Fax: +91-22-4332-0601

May 13, 2022

**The Board of Directors****Edelweiss Financial Services Limited**

Edelweiss House,  
Off C.S.T. Road,  
Kalina,  
Mumbai 400 098

Dear Sirs,

We refer to the engagement letter dated May 4, 2022 ("**Engagement Letter**") whereby Edelweiss Financial Services Limited ("**EFSL**" or "**Demerged Company**") have appointed Equirus Capital Private Limited ("**Equirus**"), a SEBI registered merchant banker, to provide a fairness opinion ("**Opinion**") on the Share Entitlement Ratio (as defined below) in relation to the proposed demerger of Wealth Management Business ("**Demerged Undertaking**") from EFSL into Edelweiss Securities Limited ("**ESL**" or "**Resulting Company**") ("**Demerger**" or "**the Scheme**").

**Background of the Companies**

EFSL is a public limited company incorporated under the Companies Act, 1956 and having its registered office at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai 400 098. EFSL is principally engaged in providing investment advisory services, merchant banking services (registered with SEBI), investment banking services and holding company activities comprising of development, managerial and financial support to the business of its subsidiaries. The equity shares of EFSL are listed on BSE Limited and the National Stock Exchange of India Limited (referred to as "**BSE**" and "**NSE**", respectively, and the together as "**Stock Exchanges**"). ESL is a public limited company incorporated under the provisions of the Companies Act, 1956. ESL is principally engaged in the business of providing stock broking services and is registered with SEBI as a stock broker and also providing the research analysis services to its clients.

**Proposed Transaction**

The Demerger of the Demerged Undertaking is proposed, pursuant to a Scheme of Arrangement under the provisions of Section 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 ("**the Proposed Scheme**"). Demerger is being planned as an all-share transaction, which would involve issue of equity shares of ESL to the shareholders of EFSL. Further, equity share capital of the Resulting Company to the extent held by Demerged Company, shall stand cancelled.

Our scope is restricted to providing an Opinion on the share entitlement ratio for the Demerger ("**Share Entitlement Ratio**"), based on the respective share entitlement ratio reports for the Proposed Scheme prescribed by Price Waterhouse & Co LLP, Chartered Accountants ("**PwC**") and Suman Kumar Verma, Registered Valuer (IBBI Regn. No. IBBI/RV/05/2019/12376) in their share entitlement ratio reports dated May 13, 2022.

## Source of Information

For the said examination and for arriving at the opinion set forth below, we have received:

1. Historical financial statements of ESL, carved out balance sheet of Demerged Undertaking and summary financial projections;
2. Valuation Reports issued by both the valuers;
3. Draft of the Proposed Scheme of Arrangement; and
4. Various other documents provided by EFSL and ESL including those available in public domain;

We have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the representatives of the Company.

## Scope Limitations

- We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us for the purposes of this Fairness Opinion.
- We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of EFSL or ESL or Demerged Undertaking and neither express any opinion with respect thereto nor accept any responsibility, therefore.
- We have not made any independent valuation or appraisal of the assets or liabilities of EFSL or ESL or Demerged Undertaking.
- Other than the Source of Information as laid out in the previous section, we have not reviewed any other non-public reports for the purposes of this Fairness Opinion.
- We have assumed that the Proposed Scheme will be approved by regulatory authorities and that the Proposed Scheme will be consummated substantially in accordance with the terms set forth in the Proposed Scheme.
- We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects, other than those disclosed in the information provided or considered in the Proposed Scheme.
- We understand that the management of EFSL, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion.
- We have assumed that in the course of obtaining necessary regulatory or other consents or approval for the Proposed Scheme, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the benefits of the Proposed Scheme that may have been contemplated.



- Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and, on the information, made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving EFSL and ESL or any of its assets, nor did we negotiate with any other party in this regard.
- In the ordinary course of business, Equirus is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services, by itself or through its affiliates. In the ordinary course of its trading, brokerage and financing activities, any member of the Equirus group may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or loans of any company that may be involved in the Proposed Scheme
- We express no opinion whatsoever and make no recommendation at all as to EFSL's or ESL's underlying decision to effect the Proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of Company should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Proposed Scheme. We also express no opinion and accordingly accept no responsibility for or as to the price at which the equity shares of EFSL will trade following the announcement of the Proposed Scheme or as to the financial performance of EFSL and ESL following the consummation of the Proposed Scheme.
- This Fairness Opinion is addressed to the Board of Directors of EFSL solely for the purpose of providing them with an independent opinion on the fairness of the share entitlement ratio as determined by the valuer(s). The Fairness Opinion shall not be disclosed or referred to publicly or to any other third party, other than as required by Indian law without our prior written consent. The Fairness Opinion should be read in totality and not in parts. Further this Fairness Opinion should not be used or quoted for any purpose. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. Neither this Fairness Opinion nor its contents may be referred to or quoted to/by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.





## Conclusion

Based on the facts, information and explanations relevant in the present case, our examination of the share entitlement ratio reports and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned herein below and to the best of our knowledge and belief, we are of the opinion that the share entitlement ratio of equity shares of ESL to be issued to the shareholders of EFSL on account of the Demerger pursuant to the Proposed Scheme, is fair.

Yours faithfully,

For **Equirus Capital Private Limited**



Donald D'Souza

Managing Director and Co-Head, Investment Banking

FOR PRIVATE CIRCULATION TO THE SHAREHOLDERS OF NUVAMA WEALTH MANAGEMENT LIMITED  
(FORMERLY KNOWN AS EDELWEISS SECURITIES LIMITED) ONLY

This is an abridged prospectus containing the information pertaining to the unlisted company, Nuvama Wealth Management Limited (*formerly known as Edelweiss Securities Limited*) (“**Resulting Company**” or “**NWML**” or the “**Company**”), involved in the Scheme of Arrangement between Edelweiss Financial Services Limited (“**EFSL**” or “**Demerged Company**”) and the Resulting Company and their respective shareholders and creditors under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 (the “**Act**”) (hereinafter referred to as the “**Scheme**” / “**Scheme of Arrangement**”) in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 4, 2022 in accordance with SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 issued by the Securities and Exchange Board of India (“**SEBI**”). The Scheme of Arrangement is also available on the websites of BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com). Nothing herein constitutes an offer or invitation by or on behalf of NWML or EFSL to subscribe for or purchase any of the securities of NWML.

**THIS ABRIDGED PROSPECTUS CONTAINS 18 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES**

(Capitalised terms not defined herein shall have the meanings ascribed to them under the Scheme of Arrangement. This Abridged Prospectus dated January 23, 2023 should be read together with the Scheme of Arrangement)



**NUVAMA WEALTH MANAGEMENT LIMITED**  
(Formerly known as Edelweiss Securities Limited)

**CIN: U67110MH1993PLC344634, Date of Incorporation: August 20, 1993**

Registered office	Corporate office	Contact person	Email and Telephone	Website
Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098.	N.A.	Mihir Nanavati – Chief Financial Officer	Email: secretarial@nuvama.com  Telephone: +91 22 4009 4400	NA

**NAME OF PROMOTER OF THE COMPANY: PAGAC Ecstasy Pte. Limited**

**Details of Offer to Public**

Type of Issue (Fresh/ OFS/ Fresh & OFS)	Fresh Issue Size (by no. of shares or by amount in Rs)	OFS Size (by no. of shares or by amount in Rs)	Total Issue Size (by no. of shares or by amount in Rs)	Issue Under 6(1)/ 6(2)	Share Reservation		
					QIB	NII	RII
Not applicable as this document is issued pursuant to Scheme of Arrangement							

OFS: Offer for Sale

**SCHEME DETAILS AND LISTING**

**DETAILS OF THE SCHEME OF ARRANGEMENT**

Scheme of Arrangement between Edelweiss Financial Services Limited and Nuvama Wealth Management Limited (*formerly known as Edelweiss Securities Limited*) (and their respective shareholders and creditors under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013.

The Scheme provides for demerger, transfer and vesting of entire undertaking of Demerged Company pertaining to wealth management business from the Demerged Company into Resulting Company on a going concern basis and reduction of capital of the Resulting Company.

“Appointed Date” means Effective Date, or such other date (if any) as may be decided by the Boards of the Parties.

“Effective Date” means date on which last of the conditions specified in Clause 19 (Conditions Precedent) of the Scheme are complied with or waived, as may be applicable.

The Scheme shall become operative from the Effective date and effective from the Appointed Date.

#### Consideration

The Resulting Company shall issue and allot its equity shares on a proportionate basis to shareholders of the Demerged Company, in the manner given below:

*“issue and allot 1,05,28,746 (one crore five lakhs twenty eight thousand seven hundred and forty six) fully paid up equity shares of INR 10 (Indian Rupees Ten) each of the Resulting Company, credited as fully paid up, to the equity shareholders of the Demerged Company whose name is recorded in the register of members/ records of the depository as members of the Demerged Company as on the Record Date, in each case, in proportion to the number of equity shares held by the shareholders in the Demerged Company”*

With effect from the Effective Date, the paid-up equity share capital of the Resulting Company to the extent held by Demerged Company, as on Effective Date shall without any further application, act, instrument or deed, stand cancelled, extinguished and annulled.

#### LISTING

The equity shares of the Resulting Company, including equity shares issued to the shareholders of the Demerged Company, are proposed to be listed on BSE Limited and the National Stock Exchange of India Limited.

*For further details please refer the Scheme of Arrangement.*

#### **Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders (up to a maximum of 10 selling shareholders)**

Name	Type	No of Shares offered/ Amount in Rs	WACA in Rs per Equity	Name	Type	No of Shares offered/ Amount in Rs	WACA in Rs per Equity
<b>Not applicable as this document is issued pursuant to Scheme of Arrangement</b>							

P: Promoter; PG: Promoter Group; OSS: Other Selling shareholder; WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis

<b>Price Band, Minimum Bid Lot &amp; Indicative Timelines</b>	
Price Band*	<b>Not applicable as this document is issued pursuant to Scheme of Arrangement</b>
Minimum Bid Lot Size	
Bid/Offer Open On	
Bid/Closes Open On	
Finalisation of Basis of Allotment	
Initiation of Refunds	
Credit of Equity Shares to Demat accounts of Allottees	
Commencement of trading of Equity Shares	

\*For details of price band and basis of offer price, please refer to price band advertisement and page xx of RHP- **Not applicable**

#### **Details of WACA of all shares transacted over the trailing eighteen months from the date of RHP- Not applicable**

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper End of the Price Band is 'X' times the WACA	Range of acquisition price Lowest Price- Highest Price (in Rs.)
Trailing Eighteen Month from the date of RHP	<b>Not applicable as this document is issued pursuant to Scheme of Arrangement</b>		

WACA: Weighted Average Cost of Acquisition shall be calculated on a fully diluted basis for the trailing eighteen months from the date of RHP

<b>RISKS IN RELATION TO THE FIRST OFFER</b>
<b>Not applicable as this document is issued pursuant to Scheme of Arrangement</b>


GENERAL RISKS	
Investment in equity & equity-related securities involve a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. Shareholders are advised to read the risk factors carefully before taking an investment decision in the Scheme. For taking an investment decision, shareholders must rely on their own examination of the Company and the Scheme, including the risks involved. The Equity Shares of the Company have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does, SEBI guarantee the accuracy or adequacy of the contents of the Scheme of Amalgamation or Abridged Prospectus.	
Specified attention of the shareholders is invited to the section titled " <i>Internal Risk Factors</i> " on page 15 of this Abridged Prospectus.	

PROCEDURE
The procedure with respect to public issue/ offer would not be applicable as the issue and allotment of equity shares of Resulting Company is only to the shareholders of the Demerged Company, pursuant to the Scheme, without any cash consideration. Hence, the procedure with respect to a General Information Document is not applicable.

PRICE INFORMATION OF BRLM's*				
Issue Name	Name of Merchant Banker	+/- % change in closing price, (+/- % change in closing benchmark)- 30th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark)- 90th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark) - 180th calendar days from listing
Not applicable as this document is issued pursuant to Scheme of Arrangement				

\*Disclosures subject to recent 7 issues (initial public offerings) in the current financial year and two preceding financial years managed by each Merchant Banker with common issues disclosed once.

Name of BRLMs and contact details (telephone and email id)	Not applicable as this document is issued pursuant to Scheme of Arrangement
Name of Statutory Auditor	Please see details below

Name of Registrar to the Issue and contact details (telephone and email id)	Not applicable as this document is issued pursuant to Scheme of Arrangement
Name of Syndicate Members	
Name of Credit Rating Agency and the rating or grading obtained, if any	
Name of Debenture trustee, if any.	
Self-Certified Syndicate Banks	
Non Syndicate Registered Brokers	
Details regarding website address(es)/ link(s) from which the investor can obtain list of registrars to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	 Axis Capital Limited Contact Person: Harish Patel Telephone: +91-22- 4325 2183 Email: harish.patel@axiscap.in
Name of Merchant Banker and contact details (telephone and email id)	
Name of Statutory Auditor	

PROMOTER OF THE COMPANY			
Sr. No.	Name	Individual/Corporate	Experience & Educational Qualification
1.	PAGAC Ecstasy Pte Limited ("PAG")	Foreign Body Corporate	PAG is a leading alternative investment firm focused on the Asia Pacific region with three core strategies: Credit & Markets, Private Equity, and Real Assets. PAG has

			<p>more than USD50 billion of assets under management for nearly 300 global institutional fund investors.</p> <p>Within its private equity strategy, PAG manages pan-Asia funds focused on large-scale buyouts and structured transactions across Asia Pacific.</p> <p>PAG has a strong track record of successful deals across a wide range of sectors, including financial services. It has demonstrated significant value creation in investments such as Universal Studios Japan, Tencent Music Entertainment, and Craveable Brands.</p> <p>PAG Private Equity manages USD18 billion across three different funds:</p> <ul style="list-style-type: none"> <li>• PAG Asia I LP - PAG Asia I LP is the firm's first buyout-focused, pan-Asian private equity fund, focusing on investments across sectors including retail, pharmaceuticals, auto services, industrials, financial services, and media/entertainment. The fund closed in 2012 with US\$2.5 billion in capital commitments.</li> <li>• PAG Asia II LP - PAG Asia II LP is the firm's second buyout-focused pan-Asian private equity fund, following a largely similar investment thesis as its successful predecessor fund, PAG Asia I LP. The fund closed in 2016 with US\$3.6 billion in capital commitments.</li> <li>• PAG Asia III LP - PAG Asia III LP is the firm's third buyout-focused pan-Asian private equity fund focusing on buyout opportunities in major markets across Asia. The fund closed in 2018 with US\$6 billion in capital commitments.</li> </ul> <p>PAG's private equity business in India is led by Nikhil Srivastava, Partner and Managing Director of PAG Private Equity. Nikhil has previously worked at KKR and Goldman Sachs.</p> <p>Key investments in India across the PAG Group:</p> <ul style="list-style-type: none"> <li>• Minority investment in SME lender - U Gro Capital</li> <li>• Debt investment in Shapoorji Pallonji Real Estate</li> <li>• In October 2020, PAG, along with other co-investors, acquired a controlling stake in Anjan Drug Pvt. Ltd., a Chennai-based manufacturer of Active pharmaceutical ingredients (API)</li> <li>• In September 2021, PAG acquired a controlling stake in Acme Formulations Private Limited, an Indian CMO (Contract Manufacturing Operations) focusing on sterile dosages and oral solids</li> <li>• In September 2022, PAG, along with other co-investors, acquired a controlling stake in Optimus Drugs Private Limited, a Hyderabad-based manufacturer of Active pharmaceutical ingredients (API)</li> </ul>
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**Company Overview:** The Company was incorporated as Kayjay Financial Research Services Private Limited on August 20, 1993, as a private limited company under the Companies Act, 1956. Thereafter, the name of the Company was changed to KJS Securities Private Limited with effect from February 13, 1998. The name of the Company was further changed to Rooshnil Securities Private Limited with effect from May 4, 1998. The name of the Company was further changed to Edelweiss Securities Private Limited with effect from May 12, 2004. The name of the Company was further changed to Edelweiss Securities Limited consequent upon conversion to a public company with effect from June 8, 2007. Further the name of the changed to Nuvama Wealth Management Limited with effect from August 18, 2022.

**Product/Service Offering:**

The Company is a trading member of various stock exchanges in India including, BSE Limited, National Stock Exchange of India Limited, Metropolitan Stock Exchange of India Limited, National Commodity Exchange of India Limited and Multi Commodity Exchange of India Limited. The Company is also SEBI registered Investment Adviser and Research Analyst and acts a syndicate member for distribution of IPOs.

The Company also acts as a holding company to several entities (Company along with subsidiaries and associates, collectively known as “**Nuvama Group**” or the “**Group**”). Nuvama Group is engaged primarily in:

- Wealth management business, which includes Distribution of financial products, Investment advisory, Broking business and also includes lending against securities
- Investment Management business, which includes portfolio management services and investment management for AIFs across strategies.
- Capital market business includes equity broking, debt broking, depository services and clearing services

The Group largely caters to Affluent & HNIs, UHNIs and Institutional and Corporate clients.

**Revenue segmentation by product/service offering:**

(₹ In million)

Particulars	Six months ended September 2022	Financial Year 2022	Financial Year 2021	Financial Year 2020
Agency business	7,883.78	12,099.36	10,036.34	6,709.39
Capital based business	711.41	1,649.32	888.35	1,105.59
Financing business	1,679.96	2,476.88	1,405.08	-
Holding company activity*	10.28	19.79	1,361.85	-
Unallocated	7.10	1.26	51.45	988.94*
<b>Total income</b>	<b>10,292.53</b>	<b>16,246.61</b>	<b>13,743.07</b>	<b>8,803.92</b>

\*Segment revenue includes share in profit of an associate.

**Description of segment:**

Particulars	Activities covered
Agency business	Income from Broking, advisory, product distribution and other fees-based business
Capital based business	Income from treasury operations, income from investments and dividend income
Financing business	Income from lending activities
Holding company activity	Investments into subsidiaries and associates

1) Data for the half year ended September 30, 2022 is extracted from interim condensed audited consolidated financial statements for the half year ended September 30, 2022. Data for the year ended March 31, 2022 is extracted from audited consolidated financial statements for the year ended March 31, 2022. Data for the year ended March 31, 2021 and year ended March 31, 2020 is extracted from the comparative numbers as appearing in the audited consolidated financial statements for the year ended March 31, 2022 and March 31, 2021 respectively.

2) W.e.f half year ended September 30, 2022, the Company has presented certain expenses amounting to Rs 751.33 million on gross basis in its financial statements. Accordingly in the above table, segment revenues are appearing on gross basis for the half year ended September 30, 2022. Whereas for the periods till FY22, segment revenues are presented on net basis.

3) Segmental revenues for discontinued operations is included in Agency business segment.

**Geographies Served:** Predominantly India.

**Revenue segmentation by geographies:** Since the business operations of the Group are primarily concentrated in India, the Group is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

**Key Performance Indicators:**

(₹ In million)

Particulars	Six months ended	Financial Year 2022	Financial Year 2021	Financial Year 2020
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	September 2022			
Total Revenue* (Refer note 1, 2 & 3)	10,292.53	16,246.61	13,743.07	8,803.92
Profit before exceptional items and tax from continuing operations	1,821.12	3,034.77	2,122.29	3,566.50
Profit after tax but before exceptional items from continuing operations (Refer note 4)	1,322.87	2,255.01	1,538.73	2,827.56
Profit after tax from discontinuing operations	-	2.60	78.21	32.07
Profit after tax (including discontinuing operations) excluding exceptional items (Refer note 5)	1,322.87	2,257.61	1,616.94	2,859.63
Return on Networth (annualised) (Refer note 6)	13.30%	12.82%	11.29%	27.51%

\*includes share in profit of an associate.

**Notes:**

- 1) Data for the half year ended September 30, 2022 is extracted from interim condensed audited consolidated financial statements for the half year ended September 30, 2022. Data for the year ended March 31, 2022 is extracted from audited consolidated financial statements for the year ended March 31, 2022. Data for the year ended March 31, 2021 and year ended March 31, 2020 is extracted from the comparative numbers as appearing in the audited consolidated financial statements for the year ended March 31, 2022 and March 31, 2021 respectively.
- 2) W.e.f half year ended September 30, 2022, the Company has presented certain expenses amounting to Rs 751.33 million on gross basis in its financial statements. Accordingly in the above table, total revenues are appearing on gross basis for the half year ended September 30, 2022. Whereas for the periods till FY22, total revenues are presented on net basis
- 3) Revenues for discontinued operations is included in Agency business segment.
- 4) Profit after tax but before exceptional items from continuing operations = Profit / (Loss) after tax from continuing operations - Exceptional items. For details regarding Exceptional items refer financial information and note 7 as presented in 'Consolidated Audited Financials' section of this abridged prospectus.
- 5) Profit after tax (including discontinuing operations) excluding exceptional items = Profit/ (Loss) for the period after tax - Exceptional items. For details regarding Exceptional items refer financial information and note 7 as presented in 'Consolidated Audited Financials' section of this abridged prospectus.
- 6) Return on Net worth = Profit after tax (including discontinuing operations) excluding exceptional items / [(Opening net worth + Closing net worth)/2] \*100

**Client Profile or Industries Served:**

Affluent + High Net worth Individuals ("HNI")	Ultra-High Net worth Individuals ("UHNI")	Institutions
Salaried	Entrepreneurs	Corporates
Business owners	Family offices	Financial Institutions
-	UHNI led corporates	Funds and Financial Sponsors

**Revenue segmentation in terms of top 5/10 clients or Industries:** Nuvama Group works with large number of clients across categories and earns revenue through multiple business segments. Top 5/10 clients do not contribute significant amount to total revenue. Segment revenue by services/products/ businesses has been provided in the table on revenue segmentation above.

**Intellectual Property, if any:** Nil

**Market Share:** Not applicable

**Manufacturing plant, if any:** Not Applicable

**Employee Strength:** Total employee strength as on September 30, 2022, is 2,943.

BOARD OF DIRECTORS				
Sr. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience & Educational Qualification	Other Directorships
1.	Anisha Motwani (DIN: 06943493)	Independent Director	Anisha Motwani has over 30 years of experience in diverse industries. She has been the advisor with the World Bank on prestigious projects. She founded StormTheNorm venture, a company specializing in Brand, Digital & Innovation Projects. She was voted as one of the '50 Most Powerful Women in Indian Business' for three consecutive years since 2009 by Business Today and recognized amongst the 'Top 50 Women in Media, Marketing and Advertising' for 4 consecutive years since 2011 by impact Colors amongst many others.	<b>Indian Companies:</b> i.) Philips Domestic Appliances India Limited ii.) Prataap Snacks Limited iii.) Welspun India Limited iv.) Star Health and Allied Insurance Company Limited v.) Dvara Kshetriya Gramin Financial Services Private Limited vi.) Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance and Investments Limited) vii.) Abbott India Limited viii.) Hindware Home Innovation Limited ix.) Godrej Finance Limited <b>Foreign Companies:</b> Nil
2.	Anthony Murray Miller (DIN: 08926326)	Non- executive Nominee Director, (Nominee of PAGAC Ecstasy Pte Limited)	Anthony Miller has overall experience of approximately 35 years. He has a bachelor's degree in economics and urban studies from Brown University and holds a master's in business administration from Harvard Business School. He is a Partner at PAG.	<b>Indian Companies:</b> Nil <b>Foreign Companies:</b> i.) Pacific Alliance Asia Opportunity Feeder Fund Limited ii.) Pacific Alliance Asia Opportunity Feeder Fund II Limited iii.) Pacific Alliance Asia Opportunity Feeder Fund III Limited iv.) Pacific Alliance Group Asset Management Limited v.) Pacific Alliance Feeder Fund IV Management Limited vi.) PAGAC II-2 Limited vii.) Yinglian Pharmaceutical Holdings Group Limited viii.) Golden Apple Holding (Cayman) Limited ix.) PAGAC II – 4 Limited x.) PAGAC II Holding III Limited xi.) PAGAC Tea Holdings I Limited xii.) Jayson Auto Safety Holdings S.A. xiii.) PAGAC II-7 Limited xiv.) PAG Asia Opportunity S Class GP Limited

				xv.) PAG Asia Opportunity S Class Feeder I GP Limited xvi.) PAG Asia Opportunity B GP Limited xvii.) PAG Infrastructure Acquisition Crop. xviii.) Cushman & Wakefield PLC
3.	Ashish Kehair (DIN: 07789972)	Managing Director and Chief Executive Officer	Ashish Kehair has over 23 years of experience in the financial services sector. He is a qualified Chartered Accountant and Cost Accountant. Prior to being part of Nuvama, he was associated with IDFC Bank as Head – Wealth Management & Private Banking was the part of the Senior Management. His past associations include ICICI Securities Ltd, ICICI Bank & TAIB BANK E.C.	<b>Indian Companies:</b> i.) Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited) ii.) Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited) <b>Foreign Companies:</b> Nil
4.	Aswin Vikram (DIN: 08895013)	Non- executive Nominee Director, (Nominee of PAGAC Ecstasy Pte Limited)	Aswin Vikram is an Executive Director with PAG and has been working in the private equity industry since 2011. He has completed his Bachelor of Technology degree from the Indian Institute of Technology, Madras and his post graduate diploma in management from the Indian Institute of Management, Bangalore.	<b>Indian Companies:</b> i.) Acme Formulation Private Limited ii.) Novaair Technologies Private Limited iii.) Novaair Private Limited iv.) PAGAC Advisors India Private Limited v.) Sekhmet Pharmaventures Private Limited <b>Foreign Companies:</b> Nil
5.	Birendra Kumar (DIN: 00163054)	Independent Director	Birendra Kumar has been a career banker with over five decades of rich and diverse experience in commercial, credit, investment and international banking in Indian and abroad and asset reconstruction business. He is postgraduate in Mathematics from University of Delhi and Certified Associate of Indian Institute of Bankers, Mumbai.	<b>Indian Companies:</b> i.) Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited) ii.) Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited) iii.) Wisler Investment Management Private Limited <b>Foreign Companies:</b> Nil
6.	Kunnasagaran Chinniah (DIN: 01590108)	Independent Director	Kunnasagaran Chinniah has more than three decades of experience in the financial sector. He is a CFA, and his other academic qualifications include a bachelor's degree in electrical engineering and a master's degree in business administration. He retired as the Managing	<b>Indian Companies:</b> i.) ECL Finance Limited ii.) MMK Toll Road Private Limited iii.) Nirlon Limited iv.) Nuvama Wealth Finance Limited (formerly known as

			Director/Global Head of Portfolio, Strategy & Risk Group with GIC Special Investments, the Private Equity arm of the Government of Singapore Investment Corporation and has held various positions with them..	Edelweiss Finance & Investments Limited) <b>Foreign Companies:</b> i.) Changi Airport International Pte. Ltd. ii.) Keppel Infrastructure Fund Management Pte Ltd. iii.) Azalea Asset Management Pte. Ltd iv.) Astrea III Pte Ltd v.) Astrea IV Pte Ltd vi.) Astrea V Pte Ltd vii.) Ascendas Funds Management(S) Pte Ltd viii.) Astrea VI Pte Ltd.
7.	Navtej S. Nandra (DIN: 02282617)	Independent Director	Navtej S. Nandra has over three decades of global financial services experience. He has a PGDM from IIM (Ahmedabad) and a Bachelor of Commerce (Honours) from Sri Ram College of Commerce (Delhi). He has served as President of E*TRADE Financial, Head of International for Morgan Stanley Investment Management, ExCo roles across Merrill Lynch Wealth Management and Investment Banking, co-founded The Cambridge Group New York, and was a partner at BoozAllen.	<b>Indian Companies:</b> i.) Edelweiss Tokio Life Insurance Company Limited <b>Foreign Companies:</b> i.) Pidilite USA, Inc. ii.) Cadence Group, Inc.
8.	Nikhil Kumar Srivastava (DIN: 07308617)	Non- executive Nominee Director, (Nominee of PAGAC Ecstasy Pte Limited)	Nikhil Srivastava has a bachelor's degree in electrical and electronics engineering from BITS Pilani, a master's degree in electrical engineering from Stanford University, and an MBA from Harvard Business School. He is the Partner and Managing Director, Head of India Private Equity at PAG. Before joining PAG, he was with KKR, Goldman Sachs and Co., and Inphi Corporation.	<b>Indian Companies:</b> i.) Anjan Drug Private Limited ii.) ACME Formulation Private Limited iii.) Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited) iv.) PAGAC Advisors India Private Limited v.) Sekhmet Pharmaventures Private Limited  <b>Foreign Companies:</b> Nil
9.	Ramesh Abhishek (DIN: 07452293)	Chairman and Non- executive Nominee Director, (Nominee of PAGAC Ecstasy Pte Limited)	Ramesh Abhishek has a master's degree in business administration from Sikkim Manipal University and a master's degree in public administration from Harvard University. In 1982, he joined the IAS, Bihar Cadre and worked in various capacities across the civil services including serving as a district magistrate in Bihar,	<b>Indian Companies:</b> i.) Cyient Limited ii.) Paras Healthcare Private Limited iii.) Aditya Birla Sun Life AMC Limited iv.) Nuvama Wealth Finance Limited (formerly known as

			director in the Ministry of Food Processing Industries, joint secretary in department of justice, v.) Chairman of the Forward Markets Commission and as secretary in the Department for Promotion of Industry and Internal Trade.	Edelweiss Finance & Investments Limited) v.) Paytm Payments Bank Limited vi.) Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited) vii.) Eodb Advisors (OPC) Private Limited viii.) Ravindra Energy Limited ix.) Indus Towers Limited <b>Foreign Companies:</b> Nil
10.	Rashesh Shah (DIN: 00008322)	Non- executive Nominee Director, (Nominee of Edelweiss Financial Services Limited)	Rashesh Shah has diverse experience in the financial markets. He holds a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad, and a post-graduate diploma in international trade from the Indian Institute of Foreign Trade.	<b>Indian Companies:</b> i.) Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited) ii.) Rashesh & Vidya Shah Family Foundation iii.) Mabella Trustee Services Private Limited iv.) ECL Finance Limited v.) Edelweiss Tokio Life Insurance Company Limited vi.) Edelweiss Asset Reconstruction Company Limited vii.) Edelweiss Financial Services Limited <b>Foreign Companies:</b> Nil
11.	Shiv Sehgal (DIN: 07112524)	Executive Director	Shiv Sehgal is president and head of Institutional Securities division of the Company. He is a CFA from the CFA Institute, USA and holds a master's in finance from Griffith University. He also holds a bachelor's degree in arts (honours course) from the University of Delhi. He has experience in the investment management and financial services industry for more than two decades.	<b>Indian Companies:</b> i.) Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited) ii.) Nuvama Capital Services (IFSC) Limited (formerly known as Edelweiss Securities (IFSC) Limited) iii.) Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited) <b>Foreign Companies:</b> Nil
12.	Sujeey Subramanian (DIN: 08900190)	Non- executive Nominee Director, (Nominee of PAGAC Ecstasy Pte Limited)*	Sujeey Subramanian is a Managing Director at PAG Asia Capital, the private equity division of PAG, where he also serves as Deputy Chief Investment Officer and	<b>Indian Companies:</b> i.) Novaair Technologies Private Limited ii.) Novaair Private Limited

			<p>Head of Southeast Asia. He holds a bachelor's and a master's from Stanford University and is a CFA charterholder. Prior to joining PAG, he was working with TPG Capital, one of the world's largest alternative investment managers and has also worked at Merrill Lynch's Investment Banking Division.</p>	<p><b>Foreign Companies:</b></p> <ul style="list-style-type: none"> <li>i.) Yinglian Pharmaceutical Holdings Group Limited</li> <li>ii.) PAG India Pte. Ltd.</li> <li>iii.) Paradise Group Holdings Pte Ltd</li> <li>iv.) PAG India II Pte. Ltd.</li> <li>v.) PAGAC Dushu Holding Pte. Ltd.</li> <li>vi.) Canghai Innovation Pte. Ltd.</li> <li>vii.) Huashan Pte. Ltd.</li> <li>viii.) Wenxua Technology Pte. Ltd.</li> <li>ix.) PAG Investment Advisors Pte. Ltd.</li> <li>x.) PAGAC III Investment Holding (Singapore) VCC</li> <li>xi.) PAGAC Ecstasy Pte. Ltd.</li> <li>xii.) PAGAC Ariane Pte. Ltd.</li> <li>xiii.) GRIT Holding II (SG) Pte. Ltd.</li> <li>xiv.) Orlando investment Pte. Ltd.</li> <li>xv.) Cathay Yihan Pte. Ltd.</li> <li>xvi.) PAGAC Gamma Ray Holding Pte. Ltd.</li> <li>xvii.) PAGAC Wonderland Holding Pte. Ltd.</li> <li>xviii.) PAGAC4 Secretaries Limited</li> <li>xix.) PAGAC Shiraz Holding (Singapore) Pte. Ltd.</li> <li>xx.) Gamot API Pte. Ltd.</li> <li>xxi.) PAGAC Canvas Holding GP Limited</li> <li>xxii.) PAGAC Quark Holding GP Limited</li> <li>xxiii.) PAGGC II Mango Holding GP Limited</li> <li>xxiv.) ICPAG CI Mgmt Pte. Ltd.</li> <li>xxv.) SCREP VII Sing VCC</li> <li>xxvi.) PAGAC II-4 Limited</li> <li>xxvii.) PAGAC II Holding III Limited</li> <li>xxviii.) PAG Growth Autobots Holding (HK) Limited</li> <li>xxix.) GRIT Holding II Limited</li> <li>xxx.) PAGAC III Holding Pte. Ltd.</li> <li>xxxi.) PAGAC III Holding II Pte. Ltd.</li> <li>xxxii.) PAGAC Piranha Holding (Singapore) Pte. Ltd.</li> <li>xxxiii.) PAGAC IV-1 (Singapore) Pte. Ltd.</li> <li>xxxiv.) PAGAC IV-2 (Singapore) Pte. Ltd.</li> <li>xxxv.) Iris Capital (HK) Limited</li> </ul>
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				xxxvi.) TCS Retail International Holdings V Pte. Ltd. xxxvii.) Novo Holding I Pte. Ltd. xxxviii.) Novo Holding II Pte. Ltd. xxxix.) PAGAC Cluck Holdings III Pte. Ltd. xl.) Yolo India Pte. Ltd. xli.) PAGAC Pearlet Holding Pte. Ltd. xlii.) PAGAC Ecstasy II Pte. Ltd. xliii.) PAGAC Regulus Holding Pte. Ltd. xliv.) PAGAC Urban Holding (Singapore) Pte. Ltd. xlv.) Color Box Holding (Cayman) Limited xlvi.) PAGAC IV-3 (Cayman) Limited xlvii.) PAGAC IV-4 (Cayman) Limited xlviii.) PAGAC IV-5 (Cayman) Limited xlix.) Logic Limited l.) Iris Holding GP Limited
13.	Venkatchalam Arakoni Ramaswamy (DIN: 00008509)	Non- executive Nominee Director, (Nominee of Edelweiss Financial Services Limited)	Venkatchalam Ramaswamy has over three decades of experience in the financial markets. He holds a master's degree in business administration from the University of Pittsburgh, and a bachelor's degree in engineering (electronics and communication branch) from Karnataka University, Dharwad.	<b>Indian Companies:</b> i.) ECL Finance Limited ii.) Edelweiss Global Wealth Management Limited iii.) Edelweiss Asset Reconstruction Company Limited iv.) Edelweiss Financial Services Limited v.) Edelweiss Asset Management Limited vi.) Edelweiss Real Assets Managers Limited  <b>Foreign Companies:</b> i.) Edelweiss Alternative Asset Advisors Pte. Ltd.
14.	Vidya Shah (DIN:00274831)	Non- executive Nominee Director, (Nominee of Edelweiss Financial Services Limited)	Vidya Shah has over three decades of rich industry experience. She holds a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. She has established EdelGive Foundation as a platform for strategic philanthropy.	<b>Indian Companies:</b> i.) Mabella Trustee Services Private Limited ii.) Kimyo Learning Private Limited iii.) Rashesh & Vidya Shah Family Foundation iv.) Foundation For Reinventing Governance v.) Vardhman Special Steels Limited vi.) Jan Sahas Foundation

				vii.) Toolbox India Foundation viii.) Edelgive Foundation ix.) Edelweiss Asset Reconstruction Company Limited x.) Edelweiss Financial Services Limited xi.) Edel Finance Company Limited xii.) Foundation for Promotion of Sports and Games <b>Foreign Companies:</b> Nil
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The list of directors in the table have been arranged in alphabetical order

\*Subject to ratification in the next general meeting of the Company

### OBJECTS OF THE SCHEME

Following are the rationale and expected benefits of the Scheme:

1. The Demerged Company and the Resulting Company seek to reorganise their respective businesses, by transfer of the Demerged Undertaking from the Demerged Company to the Resulting Company, so as to consolidate the wealth management business under one single entity (i.e. the Resulting Company).
2. The demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company will result in the equity shares of the Resulting Company becoming listed on the National Stock Exchange of India Limited and BSE Limited, with the Resulting Company focussing exclusively on wealth management business and capable of independent valuation and participation therein by any suitable investor interested in such businesses, in the future.
3. The proposed restructuring pursuant to the Scheme is expected, inter alia, to result in following benefits:
  - i.) value unlocking of wealth management business with ability to achieve valuation based on respective-risk return profile and cash flows;
  - ii.) attracting business specific investors and strategic partners and providing better flexibility in accessing capital, focused strategy and specialisation for sustained growth and thereby enable de-leveraging of the respective businesses in the longer-term;
  - iii.) segregation and unbundling of the wealth management business of the Demerged Company into the Resulting Company, will enable enhanced focus on the Demerged Company and the Resulting Company for exploiting opportunities in their respective business domains; and
  - iv.) focused management approach for pursuing the growth in the respective business' verticals and de-risk the businesses from each other.

#### Details of means of finance – Not applicable as this document is issued pursuant to Scheme of Arrangement

The fund requirements for each of the objects of the Issue are stated as follows: (Rs. in crores)

Sr. No.	Objects of the Issue	Total estimate cost	Amount Deployed till	Amount to be financed from Net Proceeds	Estimated Net Proceeds Utilization	
					Fiscal 20XX	Fiscal 20XX
Not applicable as this document is issued pursuant to Scheme of Arrangement						

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues / rights issue, if any, of the Company in the preceding 10 years. - Not applicable as this document is issued pursuant to Scheme of Arrangement**

**Name of monitoring agency, if any- Not applicable as this document is issued pursuant to Scheme of Arrangement**

**Terms of Issuance of Convertible Security, if any**

Convertible securities being offered by the Company	<b>Not applicable as this document is issued pursuant to Scheme of Arrangement</b>
Face Value / Issue Price per Convertible securities	
Issue Size	
Interest on Convertible Securities	
Conversion Period of Convertible Securities	
Conversion Price for Convertible Securities	
Conversion Date for Convertible Securities	
Details of Security created for CCD	

#### Shareholding Pattern as on December 31, 2022:

Sr. No.	Particulars	Pre-Scheme number of shares	% Holding of Pre Scheme
1.	Promoter and Promoter Group <sup>#</sup>	1,97,07,345	56.24
2.	Public	1,53,40,863	43.76
	<b>Total</b>	<b>3,50,48, 208</b>	<b>100.00</b>

<sup>#</sup> Includes 1 (One) Equity Shares each held by Vishal Ved, Prashant Mody, Atul Bapna and Keyur Ajmera as Nominee of PAGAC Ecstasy Pte. Ltd

Number/amount of equity shares proposed to be sold by selling shareholders, if any- Not applicable

#### CONSOLIDATED AUDITED FINANCIALS

(₹ In million)

Particulars	For the half year ended/ As on September 30, 2022	For the year ended/ As on March 31, 2022	For the year ended/ As on March 31, 2021	For the year ended/ As on March 31, 2020
Total income from operations (Refer note 2)	10,233.82	16,093.95	11,996.21	7,597.74
Other income	52.30	101.24	984.28	147.10
Total income (Refer note 2)	10,286.12	16,195.19	12,980.49	7,744.84
Total expenses (Refer note 2)	8,471.41	13,170.45	11,312.20	4,962.55
Profit/ (Loss) before Exceptional item, share in profit of associates and tax	1,814.71	3,024.74	1,668.29	2,782.29
Share in profit of associates	6.41	10.03	454.00	784.21
Profit/ (Loss) before Exceptional item and tax	1,821.12	3,034.77	2,122.29	3,566.50
Exceptional items (Refer note 7)	-	6,316.32	(6,366.77)	-
Profit/ (Loss) before tax from continuing operations	1,821.12	9,351.09	(4,244.48)	3,566.50
Tax expenses	498.25	779.76	583.56	738.94
Profit/ (Loss) after tax from continuing operations	1,322.87	8,571.33	(4,828.04)	2,827.56
Profit/ (Loss) after tax from discontinuing operations	-	2.60	78.21	32.07
Profit/ (Loss) for the period after tax	1,322.87	8,573.93	(4,749.83)	2,859.63
Other comprehensive income	25.24	(2.40)	70.80	319.16
Total comprehensive income	1,348.11	8,571.53	(4,679.03)	3,178.79
Equity Share Capital	350.42	171.71	171.71	262.14
Instruments entirely equity in nature	-	22,439.88	22,439.88	-
Reserves and Surplus	20,298.65	(3,483.11)	(6,516.75)	10,562.96
Non-controlling interests	-	-	-	1,713.08
Net worth (Refer note 3)	20,649.07	19,128.48	16,094.84	12,538.18
Basic earnings per share (Rs.) (Refer note 4)	42.35	499.33	(168.59)	109.09
Diluted earnings per share (Rs.) (Refer note 4)	42.35	244.67	(168.59)	109.09
Return on net worth (%) (annualised) (Refer note 5)	13.30%	12.82%	11.29%	27.51%
Net asset value per share (Rs.) (Refer note 6)	589.26	545.87	459.30	478.30

Notes:

- 1) Data for the half year ended September 30, 2022 is extracted from interim condensed audited consolidated financial statements for the half year ended September 30, 2022. Data for the year ended March 31, 2022 is extracted from audited consolidated financial statements for the year ended March 31, 2022. Data for the year ended March 31, 2021 and year ended March 31, 2020 is extracted from the comparative numbers as appearing in the audited consolidated financial statements for the year ended March 31, 2022 and March 31, 2021 respectively.
- 2) W.e.f. half year ended September 30, 2022, the Company has presented certain expenses amounting to Rs 751.33 million on gross basis in its financial statements. Accordingly in the above table, total revenues and total expenses are appearing on gross basis for the half year ended September 30, 2022. Whereas for the periods till FY22, these expenses are presented on net basis.
- 3) Net worth = Equity share capital + Instruments entirely equity in nature + Reserves and Surplus + Non-controlling interests
- 4) Earnings per share for the half year ended September 30, 2022 is not annualised. Earnings per share is calculated on Net profit for the period after tax which includes profits from discontinuing operations.
- 5) Return on net worth = [Profit/ (Loss) for the period after tax - Exceptional items] / [(Opening net worth + Closing Net worth)/2] \*100

- 6) *Net asset value per share = Net worth / (No. of outstanding equity shares as at end of period + No. of equity shares to be issued on conversion of instruments entirely equity in nature)*
- 7) *The Board of Directors of the Company had approved Composite Scheme of arrangement ('Scheme') to, inter-alia, transfer Asset Management business undertaking ('undertaking') vide demerger from the Company into Edelweiss Securities and Investments Private Limited (Subsidiary company of Edelweiss Financial Services Limited, erstwhile holding company).*

*The Scheme provides for non-reciprocal transfer of undertaking of the Company. Accordingly, the Company had impaired the carrying values of Asset Management Business Undertaking pursuant to Ind AS 36 in financial year ended March 31, 2021 and disclosed it as an "Exceptional item" in the statement of profit and loss.*

*Subsequently in financial year ended March 31, 2022, consequent to pronouncement of scheme and in line with IND AS requirement, the Company has given effect as per the scheme of arrangement. Correspondingly the Company has reversed the aforementioned impairment of Asset Management Business Undertaking and the same has been disclosed in the statement of profit and loss as an "Exceptional item".*

## INTERNAL RISK FACTORS

**The below-mentioned risks are the top 7 risk factors:**

1. A substantial portion of our revenue comprises of commission on account of sale of asset management products, such as mutual funds, alternative investment funds, and portfolio management services to high net worth individuals. Further, we also earn large portion fees and commission from broking services offered to our various clients in our wealth management business and our institutional clients. We also offer loans against securities. Any change in client preferences for the products and services we offer, adverse change in competitive landscape, adverse development in securities markets, financial conditions in Indian and / or international financial markets or may adversely affect our business, revenues,, results of operations, financial condition, cash flows and business prospects.
2. We have incurred indebtedness and may incur 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. Further our inability to raise the funds at competitive rates for the desired maturity may impact spreads on our lending business.
3. There is a change in the name of our brand which can adversely impact our ability to attract customers and to expand our business, which in turn could adversely affect our revenues and profitability.
4. Our Group 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.
5. We are highly dependent on our management team, key managerial personnel and relationship managers and other personnel. Any loss of key team members or the inability to attract or retain management personnel may have material adverse effect on our business performance.
6. 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 and accurate manner and to provide a seamless digital experience to our clients. Further, we rely extensively on our business processes and risk management practices to contain operational and fraud risks in our businesses. A disruption or failure of our information processing or communication systems would limit our ability to process transactions. Any failure of, or inadequacies in our IT systems would impair our ability to service our clients and execute trades on behalf of clients. Further, failure of our business processes and risk management practices could materially and adversely affect our financial condition, cash flows and results of operations.
7. We operate in a highly regulated environment, which is subject to change, and the existing and new laws, regulations and government policies; including but not limited to anti-money laundering laws 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,. Further, we are subject to various laws relating to the prevention of insider trading, front running and other conflicts of interest.

# SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

## A. Total number of outstanding litigations against the company and amount involved

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs in crores)
<b>Company</b>						
By the Company	Nil	8	Nil	Nil	Nil	36.45
Against the Company	2	7	Nil	Nil	Nil	20.98
<b>Directors</b>						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	3	Nil	Nil	Nil	Nil	Nil
<b>Promoter</b>						
By Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoter	Nil	Nil	Nil	Nil	Nil	Nil
<b>Subsidiaries</b>						
By Subsidiaries	9	17	Nil	Nil	Nil	16.97
Against Subsidiaries	19	4	3	Nil	9	256.19

## B. Brief details of top 5 material outstanding litigations against the company and amount involved

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved
1.	Sharad Jagtiani (“ <b>Complainant</b> ”) filed an application dated November 11, 2008 (“ <b>Complaint</b> ”) under section 156(3) of the Criminal Procedure Code, 1973 (“ <b>Cr. P.C</b> ”) before the A.C.M.M. Rohini Courts, Delhi (“ <b>Court</b> ”) against senior officials and director of Edelweiss Securities Limited, Kunnasagaran Chinniah (collectively, the “ <b>Accused</b> ”). Pursuant to the Complaint filed by the Complainant and an order dated January 13, 2009, passed by the Court, a first information report dated January 16, 2009 (No. 27 of 2009) was registered in Subhash Palace Police Station, Delhi, alleging loss of Rs 41 lacs in the stock market trade on account of cheating, breach of trust and conspiracy by the Accused. The police proceeded to investigate the allegations and subsequently, on October 11, 2010, a closure report was filed by the investigating officer before the Metropolitan Magistrate. The closure report was protested by the Complainant before the Court, which vide an order dated January 31, 2012, directed the police to further investigate the matter. Subsequently, the investigating officer issued notices dated March 28, 2012, and June 04, 2013, and April 02, 2014 (“ <b>IO Order</b> ”) to ESL, under Section 91 of the Code, to produce information, documents, and materials for the purpose of further investigation. Vide letters dated May 28, 2012, and October 14, 2013, ESL tendered their detailed reply to the IO Order. IO Pramod Kumar issued fresh notices u/s. 160 of Cr. PC for appearance on 05.04.2014 and 05.08.2014, which were duly complied with by officials of ESL. On 12.02.2015, Magistrate directed IO to file his report. Police filed challan on 18.02.2016 and matter is currently pending for say IO report.	Sharad P. Jagtiani	Pending before the A.C.M.M. Rohini Courts, Delhi	Not Applicable
2.	S & D Financials Private Limited (“ <b>Complainant</b> ”) filed an application under Section 156(3) of the Criminal Procedure Code, 1973 pursuant to an order dated 05.03.2008, the Magistrate passed an order directing the Police to investigate the matter. The Police filed a FIR (No. 142) dated 22 March 2008 (“ <b>FIR</b> ”) was registered under Sections 406, 420 and 120B of the Indian Penal Code, 1860 against Rashesh Shah, Hiralal Chopra,	S & D Financials Private Limited	Pending at Hare Street Police Station, Calcutta	Not Applicable

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved
	Naresh Kothari, Venkat Ramaswamy and Edelweiss Securities Limited (collectively, the “ <b>Accused</b> ”). The Complainant alleged that the Accused committed criminal breach of trust and cheated the Complainant in future and options transactions amounting to INR 84.80 Lakhs. Thereafter, Edelweiss Securities Limited denied the allegations vide a letter dated 08 September 2008 and requested for closure of case. The matter is currently pending.			
3.	Nuvama Wealth Management Limited (“ <b>Assessee/ Company</b> ”) has considered Brokerage income earned on securities transactions from Foreign Institutional Investors (‘ <b>FII</b> ’) as an Export of Services and has not charged Service Tax on the same during July 2012 to March 2014. The Service Tax department has issued Show Cause Notice (“ <b>SCN</b> ”) on the Company demanding Service tax along with interest and penalty on the FII brokerage income. The department has stated that the said brokerage is taxable income as same will fall under Rule 4(a) of Place of Supply of Services Rules (“ <b>POPS Rules</b> ”) which is relating to performance-based services since services provided are relating to the securities which were always located in India and not under Rule 3 which is general rule. The Company has contested the said position in its reply filed against said SCN. However, Principal Commissioner in its order has confirmed demand raised under SCN. The Company has preferred an appeal against said order which is pending at the CESTAT.	Nuvama Wealth Management Limited	Pending at CESTAT	₹ 36,12,99,945
4.	Nuvama Wealth Management Limited (“ <b>Assessee/ Company</b> ”) has claimed rebate under section 88E of the Income tax Act, 1961, in its return of income filed for AY 2007-08. During the course of the assessment proceedings, the assessing officer allowed the said claim in the order passed under section 143(3). However, the said claim was disallowed in the reassessment proceedings under section 148 read with section 147. Since the claim was disallowed, the Company appealed against the same before the CIT-A wherein a favorable order was passed by the CIT-A. However, the said order was appealed by the Income tax department before the ITAT who passed an order upholding the order of the CIT-A. Further, the Income tax department has again preferred an appeal against this order which is pending at the Bombay High court.	Income Tax Department	Pending at Bombay High court	₹ 5,12,21,704
5.	Nuvama Wealth Management Limited (“ <b>Assessee/ Company</b> ”) has claimed rebate under section 88E of the Income tax Act, 1961, in its return of income filed for AY 2008-09. During the course of the assessment proceedings, the assessing officer allowed the said claim in the order passed under section 143(3). However, the said order was set aside by the CIT under section 263 and disallowed the said claim post which assessing officer passed an order under section 143(3) read with section 263. Since the claim was disallowed, the Company appealed against the same before the CIT-A wherein a favorable order has been issued by the CIT-A. However, the said order was appealed by the Income tax department before the ITAT who passed an order upholding the order of the CIT-A. Further, the Income tax department has again preferred an appeal against this order which is pending at the Bombay High court.	Income Tax Department	Pending at Bombay High court	₹ 7,06,02,195

C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchanges against the Promoter in last 5 financial years including outstanding action, if any (200 – 300 word limit in total)

Nil

D. Brief details of outstanding criminal proceedings against Promoter (200 – 300 word limit in total)

Nil

**ANY OTHER IMPORTANT INFORMATION AS PER MERCHANT BANKER/ COMPANY**

**NIL**



## **DECLARATION BY THE COMPANY**

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

For **Nuvama Wealth Management Limited**  
*(Formerly Edelweiss Securities Limited)*

SD/-

Ashish Kehair  
Managing Director and Chief Executive Officer  
DIN: 07789972  
Place: Mumbai  
Date: January 23, 2023