

EW/Sec/2024-25/395

March 16, 2025

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

**Sub: Press Statement**

Enclosed is the Press Statement dated March 16, 2025, issued by the Company.

Kindly take the same on record.

Thanking you,

Yours faithfully,  
For **Edelweiss Financial Services Limited**

  
**Company Secretary**

Encl.: as above

## Facts Regarding Media Report Today

A media report today morning presents incomplete facts regarding the FIR on a complaint filed by Ecstasy Realty Pvt Ltd (Ecstasy) against Edelweiss and some group entities. The facts of the matter are:

- 1) Ecstasy Realty Pvt Ltd (Ecstasy) is a defaulting borrower and not an investor as misrepresented in the media report. As of December 31, 2024, Ecstasy owes ~₹1,683 crores to Edelweiss Asset Reconstruction Company Limited (EARC), including ₹480 crores of principal overdues plus interest and other charges under Non-Convertible Debentures (NCDs). The dispute is purely civil in nature and has been pending before the Hon'ble Bombay High Court since 2022. Ecstasy sought reliefs similar to the FIR contents, but the Bombay High Court denied interim relief on September 13, 2022.
- 2) Ongoing litigation against Ecstasy includes commercial civil suits in the Bombay High Court, insolvency proceedings at NCLAT, a recovery suit before DRT/DRAT, cheque bounce cases in the Sessions Court/MM Court, and a preliminary enquiry against Ecstasy by EOW, Mumbai. The Parthenon Project's implementation was delayed due to a failure to obtain the OC for Phase 1 and sluggish sales. Despite multiple efforts by EARC to resolve the matter, Ecstasy and its promoters did not engage in resolution talks and instead continued resorting to litigation
- 3) Edelweiss subscribed to the NCDs in March 2018 and disbursed ₹600 crores. Ecstasy failed to meet key project milestones, including obtaining the Occupation Certificate (OC) for Phase I of the Parthenon Project in Andheri, despite committing to do so before May 2018. This severely impacted project liquidity and led to sluggish sales. In response, Edelweiss provided financial support by purchasing 16 apartments for approx. ₹127 crores, later collectively sold for approx. ₹134 crores. All transactions were executed transparently via registered sale deeds and allegations of impropriety are completely baseless.
- 4) Ecstasy's interest rate was increased from 14% to 15% in March 2018 due to its lower credit rating, as documented in an Amendment to the Debenture Trust Deed. It was further revised to 16.25% in 2019, a change communicated by the Catalyst Trusteeship Limited (CTL), Debenture Trustee to which Ecstasy did not object. These adjustments were legitimate business decisions based on financial risk assessments. While Ecstasy continued making payments at the revised interest rate until March 2022, it contested the same, only after being declared a defaulter.
- 5) The ₹61.68 crore "siphoning" claim is baseless and lacks any evidence. The FIR does not clarify how this amount was determined. Edelweiss is the lender/creditor, not the borrower — Ecstasy owes money to Edelweiss, not the other way around. All financial transactions have been conducted transparently and in compliance with regulatory norms, ensuring adherence to the highest standards of governance.
- 6) Further, the headline of the media report reads "EOW registers ₹ 750 crore 'fraud' case against fin services grp". However, there is no mention of ₹ 750 crore fraud anywhere including the complaint and First Information Report.

Edelweiss Financial Services Limited is a listed company and remains committed to protecting shareholder value. We will pursue all legal avenues to recover our outstanding dues. We have encountered such tactics before — where defaulters attempt to weaponize public platforms and misuse the legal system to evade financial responsibilities. This has become a common playbook for defaulting borrowers seeking to stall enforcement actions.

The media narrative omits key facts shared by Edelweiss with the journalist in a detailed email dated March 5, 2025, leading to a one-sided representation that fails to acknowledge the full context of the case and amplifies the claims of a defaulter seeking to avoid repayment.

## **Annexure: Facts and Chronology of Events**

### **Pre-2018: Ecstasy's Financial Position & Need for Refinancing**

• Ecstasy had an existing funding exposure of ₹400 crores with a commercial bank. • Sought refinancing for Parthenon Project (Phase I & II) in Andheri, Mumbai. • Approached Edelweiss, presenting a business plan and financial projections. • Claimed Phase I was complete, and OC (Occupation Certificate) would be obtained before May 2018. • Agreed that failure to obtain OC by May 2018 would constitute an event of default.

### **March 2018: First Debenture Trust Deed (DTD 1) Execution**

• ₹600 crores in Non-Convertible Debentures (NCDs) issued by Ecstasy. • Edelweiss subscribed to these NCD's • Funds disbursed for General Corporate Purposes and repayment of the commercial banks debt. • Catalyst Trusteeship Limited (CTL) appointed as Debenture Trustee. • Ecstasy failed to obtain OC by May 2018, leading to delays in sales and cash flow issues. • Sought waivers on NCD terms due to slow property sales.

### **September 2018: Liquidity Challenges at Ecstasy**

• Sales remained slow due to OC delays and overestimated price expectations. • Edelweiss entered an Option Agreement for 5 apartments in Phase I. • ₹47 crores liquidity provided; additional 11 apartments purchased, totalling ₹127.85 crores liquidity. • Flats 602 & 702 purchased at ₹7.35 crores each, later sold for ₹6 crores each. • Total recovery from all 16 units exceeded purchase cost (~₹134 crores). • Transactions executed via legally registered sale deeds.

### **March 2018: Interest Rate Increase from 14% to 15%**

• Interest rate increased due to Ecstasy's lower credit rating. • Amendment to DTD 1 signed by Ecstasy confirming the revision.

### **February 2019: Further Interest Rate Increase to 16.25%**

• Email from CTL notified Ecstasy of the change; no dispute from Ecstasy. • Increase based on market conditions in the Banking and Financial Industry. • Ecstasy continued making payments at the revised interest rate until March 2022.

### **Covid Moratorium, Partial Refinance & Release of Securities**

• As per RBI circular, NCD Holders granted moratorium allowing interest capitalization & repayment in Nov 2020. • NCD holders allowed refinance of part of Ecstasy's debt and release of key securities to improve liquidity in March 2022. • Despite efforts, Ecstasy's account was classified as NPA in June 2022.

### **September 2018 – March 2022: Ecstasy's Defaults Due to Project Delays & Sluggish Sales**

• Struggled to pay interest due to slow sales and OC delays. • Moratorium request submitted in May 2022 and rejected by Debenture Holders in June 2022. • Default of ~₹1,683 crores as of December 31, 2024. • ₹480 crores of Principal plus interest & charges unpaid since April 2022.

### **Multiple Legal Proceedings Initiated Against Ecstasy**

• NCLAT: Insolvency proceedings reserved for orders. • Debt Recovery Tribunal (DRT) & DRAT: Recovery suit pending. • Sessions Court/MM Court: Cheque bounce cases pending. • EOW Mumbai: Preliminary Enquiry against Ecstasy ongoing.

### **Summary**

• Ecstasy is facing multiple legal proceedings due to financial defaults. • The matter is purely a civil dispute, already under litigation in multiple forums. • Edelweiss remains committed to pursuing all legal remedies to recover its dues under the provisions of law.