

EW/Sec/2023-24/40

May 18, 2023

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

SUB: Disclosure under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

REF: Scheme of Arrangement between Edelweiss Financial Services Limited (Company) and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) and their respective shareholders and creditors (the Scheme)

This is further to various disclosures made by the Company with regard to the Scheme of Arrangement between Edelweiss Financial Services Limited and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) (Nuvama) 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) (the Scheme). We would like to inform you that the Scheme has been effective from today i.e. May 18, 2023. Kindly note that, in terms of the Scheme the Appointed Date of the Scheme is May 18, 2023.

Further, we would like to inform you that pursuant to the applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Scheme, the Company in consultation with Nuvama has mutually fixed June 2, 2023 as the Record Date for the purpose of determining the shareholders of the Company who would be allotted the equity shares of Nuvama pursuant to the Scheme.

The equity shareholders of the Company eligible for fractional entitlements of the equity shares of Nuvama pursuant to the Scheme, would be subject to the tax implications as provided in Annexure A to this letter.

Further, please find enclosed the Press Release being issued in this regard.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Edelweiss Financial Services Limited

Tarun Khurana
Company Secretary

Encl.: as above

Tax implications on distribution of proceeds of sale of consolidated fractional entitlement of equity shares of Nuvama

The Scheme *inter alia* provides that Nuvama shall, after the Record Date, issue and allot its equity shares, credited as fully paid-up, to those equity shareholders of the Company whose names appear in the register of members and the register of beneficial owners maintained by the depositories, on the Record Date i.e. June 2, 2023, in accordance with the provisions of the Scheme.

Further, the Scheme *inter alia* provides that all the fractional entitlements shall be consolidated and round up the aggregate of such fractions to the next whole number and be allotted to a Trustee authorised by the Board of Nuvama who shall sell such shares at such time(s) and at such price(s) on the stock exchange, as such Trustee deems fit, in compliance with the Circular No. SEBI/HO/CFD/DILI/CIR/P/2021/0000000665 dated 23rd November 2021 (as amended from time to time) issued by the Securities & Exchange Board of India, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the shareholders of the Company in proportion to their respective fractional entitlements.

In terms of the applicable tax provisions, distribution of sale proceeds of fractional entitlements shall be construed as “Income in the nature of capital gains” and accordingly applicable income tax shall be deducted at source (‘TDS’).

There is no TDS obligation in the case of resident shareholders. However, for non-resident shareholders, as per Section 195 of the Income-tax Act, 1961 (‘the Act’) and in compliance with other applicable provisions of the Act, the tax would be withheld by Nuvama on the amount of income arising to the non-resident at the time of payment or credit, whichever is earlier.

In view of the above, TDS as under would be deducted from the proceeds of sale of consolidated fractional entitlements, to the Non-Resident shareholders of Nuvama:

Particulars	Rate of Tax
Non-Resident shareholders	15.60 %
Higher rate of TDS in case of Non-Resident shareholders having no PAN/invalid PAN and Non-Resident shareholders having valid PAN but have not filed Income Tax Return for the previous year	31.20 % (i.e. twice the rate specified in the Act)

In case of any queries, shareholders may write to the Company at investors@edelweissfin.com or to Link Intime India Private Limited (Registrar and Share Transfer Agent) at rnt.helpdesk@linkintime.co.in.

Press Release, May 18, 2023

Edelweiss announces June 2, 2023, as the Record Date for determining shareholders who will receive equity shares of Nuvama

Mumbai, May 18, 2023 – Edelweiss Financial Services Ltd. (EFSL) has fixed **June 2, 2023**, as the Record Date for the purpose of determining the Shareholders of the Company who will be allotted the equity shares by Nuvama Wealth Management Limited (Nuvama) pursuant to the Scheme of Arrangement between EFSL and Nuvama and their respective shareholders and creditors (Scheme). The effective date of the Scheme as notified to the exchanges is May 18, 2023. This has paved the way for the listing of Nuvama.

This brings EFSL closer to the stated objective of value unlocking, thereby providing shareholders an opportunity to directly participate in Nuvama's growth journey in addition to EFSL's journey. With the Scheme becoming effective, Nuvama will allot 1,05,28,746 equity shares of the face value of Rs. 10 each to the shareholders of EFSL, on proportionate basis as a consideration for demerger. After listing, the shareholders of EFSL would hold 30% of the paid-share capital of Nuvama.

In 2020, PAG invested in the Wealth Management business of Edelweiss and the company announced the demerger and subsequent listing of its wealth management business in line with its focus on long-term value creation.

About Edelweiss Group

The Edelweiss Group is one of India's leading diversified financial services companies, providing a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions, and individuals. Edelweiss's products and services span multiple asset classes and consumer segments across domestic and global geographies. The Group's research driven approach and proven history of innovation has enabled it to foster strong relationships across all client segments. Its businesses include NBFC, Housing Finance, Asset Management, Asset Reconstruction, Life Insurance and General Insurance. Edelweiss group has presence across all major cities in India.

For Further details please contact:

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