

EW/Sec/2023-24/73

June 23, 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 and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) and their respective Shareholders and Creditors (the Scheme)

Please find enclosed the communication being issued for general guidance of the shareholders of the Company in relation to the method of calculation and apportionment of the cost of acquisition of the Company's shares between the equity shares of the Company and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) as per the provisions of the Income-tax Act, 1961.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Edelweiss Financial Services Limited

Tarun Khurana
Company Secretary

Encl.: as above

**FOR THE ATTENTION OF SHAREHOLDERS OF
EDELWEISS FINANCIAL SERVICES LIMITED**

The Hon'ble National Company Law Tribunal, Bench at Mumbai (NCLT) vide its Order dated April 27, 2023 (the Order) has approved 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 (the Scheme).

As per the provisions of the Scheme, with effect from May 18, 2023, the Wealth Management business of the Company has been demerged and stands transferred and vested in Nuvama, on a going concern basis.

In accordance with the provisions of the Scheme, Nuvama has on June 9, 2023 allotted equity shares to those shareholders of the Company, whose name were recorded in the register of members and records of the depository as members of the Company, on the Record Date i.e. June 2, 2023.

This communication is being issued for general guidance of the shareholders of the Company in relation to the method of calculation and apportionment of the cost of acquisition of Company's shares between the equity shares of the Company and Nuvama as per the provisions of the Income-tax Act, 1961.

Pursuant to Section 49(2C) and Section 49(2D) of the Income Tax Act, 1961, the cost of acquisition of shares of the Resulting Company shall be based on the ratio of "net book value" of the assets of the Demerged Business to the "net worth" of the Demerged Company, immediately before the demerger.

For the purpose of determining the post demerger cost of acquisition of the equity shares of the Company and the cost of equity shares of Nuvama under the Income-tax Act, 1961, the shareholders are advised to apportion their pre-demerger cost of acquisition of the Company's equity shares in the following manner:

Name of the Company	% of Cost of Acquisition of the Company's Equity Shares
Edelweiss Financial Services Limited	67.50
Nuvama Wealth Management Limited	32.50
Total	100

Accordingly, the cost of acquisition of equity shares allotted in Nuvama will be 32.50% of the total cost of acquisition of the equity shares held in the Company prior to the demerger.

The Company has been advised that as per Section 47(vi)(d) of the Income-tax Act, 1961, the issue of shares by Nuvama pursuant to the Scheme, will not be regarded as transfer and, accordingly, the date of acquisition of the equity shares of the Company will be deemed to be the date of acquisition for the equity shares of Nuvama also.

This communication is merely for the general guidance of the shareholders and should not be considered as a substitute for any independent opinion that the shareholders may obtain. The concerned regulatory, statutory or judicial authority, including any assessing officer, appropriate appellate authority, could take a different view. The Company takes no express or implied liability in relation to this guidance.

Mumbai, June 23, 2023