

EW/Sec/2023-24/244

January 16, 2024

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
--	--

Dear Sir/Madam,

Sub: Update on ECL Finance Limited

Enclosed is the update filed by ECL Finance Limited, a Subsidiary of the Company.

Kindly take the same on record.

Thanking you,

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

Tarun Khurana
Company Secretary

Encl.: as above

January 16, 2024

BSE Limited

P J Towers,
Dalal Street, Fort,
Mumbai – 400 001.

National Stock Exchange of India Limited

Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051

Sub: Update on Investments in Alternative Investment Funds (AIFs)

Ref: Reserve Bank of India's notification dated December 19, 2023, bearing no. RBI/2023-24/90 DOR.STR.REC.58/21.04.048/2023-24

Madam/Dear Sir,

Pursuant to the Reserve Bank of India's notification dated December 19, 2023 bearing no. RBI/2023-24/90 DOR.STR.REC.58/21.04.048/2023-24 on "Investments in Alternative Investment Funds (AIFs)", and given investor queries on the subject, an update on the actions taken in this regard and its impact is shared below.

As on September 30, 2023, the value of AIFs held by ECLF was ₹ 1,464 Cr

1. Of this, ₹ 122 Cr pertains to Funds that have no prior exposure to debtor companies of ECLF. These are not impacted by the new regulation.
2. Approx ₹ 712 Cr are in AIFs that held only SRs. Given that these assets are already declared NPA and the purchase by the AIFs do not in any way change the nature of the exposure to debtor companies, this investment does not support evergreening, a key objective of the circular.
3. The balance of AIF investments consisted mainly of performing assets and were in a Funds structure to enable external investors (primarily international) to buy into these assets.

Whilst emphasizing that the AIFs held by ECLF were not intended to, nor helped in, evergreening of loans, ECLF has applied the proviso of the circular to the entire AIF book where the company had prior exposure to the debtors at any time in the past i.e. all AIFs covered under pt 2 and 3 above.

As on January 16, 2024, ECLF has exited all these AIFs, partly through partial unwinding of the AIFs and sale of AIF holdings at par value. ECLF does not require to take any provisions or capital adjustments on this account.

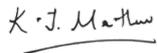
We will be declaring our quarterly results on January 25, 2024. On a provisional basis, PAT for Q3 24 remains per plan and in line with prior quarters' results. CAPAD at ~ 37% (as on September 30, 2023) is unimpacted and continues to be strong and is adequate for our ambitious growth plans. We continue to make progress on stated objectives of reducing the wholesale book and debt. Over the 12 months ending September 30, 2023, we have reduced our net wholesale book by ~ ₹ 3,500 Cr and debt by over ₹ 4,000 Cr.

You are requested to take the above on record.

Thanking you.

Yours faithfully,

For ECL Finance Limited



Kashmira Mathew

Executive Director & Head - Governance