

EW/Sec/2023-24/116

August 6, 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
---	---

Dear Sir/Madam,

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

In continuation of our letter No. EW/Sec/2023-24/115 dated August 4, 2023, kindly take the enclosed statement on record.

Thanking you,

Yours faithfully,
For Edelweiss Financial Services Limited

Company Secretary

Encl.: as above

Edelweiss is deeply saddened by the demise of Shri Nitin Desai under the tragic circumstances on August 2, 2023. His death is a big loss to the Indian film Industry.

In continuation of the filing EW/Sec/2023-24/115 dated August 4, 2023, in accordance with the applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, this is to inform you that a First Information Report has been filed at Khalapur Police Station, Raigad District, Maharashtra against 4 persons and Mr. Rashesh Shah, Chairman & Managing Director.

In view of this recent development and the media articles, we would like to place on record the following facts, which will establish that there was no wrongdoing of any nature.

Shri Nitin Desai was the promoter of ND's Art World Pvt Ltd (NDAWPL), which had obtained loans of Rs. 150 Crores and Rs. 35 Crores in 2016 and 2018 respectively from ECL Finance Ltd (ECLFL). These loans were mainly given towards capital expenditure for the theme park and partly for repayment of existing debt, general corporate purposes and working capital needs. We emphasize that NDAWPL was disbursed financial assistance at prevailing market rates.

NDAWPL encountered financial difficulties in 2019 and went into default thereafter. Various attempts to improve the financial condition of the company did not bear fruit. The loans were assigned to CFM Asset Reconstruction Company Pvt. Ltd. (CFM) which had initiated various legal actions under due provisions of law. Edelweiss ARC (EARC) acquired a portfolio of assets from CFM under auction process which included NDAWPL and merely continued with legal actions that were initiated earlier. The company was eventually admitted under IBC by NCLT Mumbai on July 25, 2023. The NCLT order is linked [here](#).

Shri Nitin Desai's appeal against the NCLT order was dismissed by the Honourable Appellate Tribunal (NCLAT) on August 01, 2023, and he took his life the following morning. The NCLAT order is linked [here](#).

We would like to state that ECLFL and EARC have acted fully in accordance with the letter and spirit of law and the regulatory framework established by the RBI which prescribes that, pursuing recoveries on NPA accounts is not just a right of creditor but also an obligation. The interest rate charged by ECLFL was as per prevailing market rates; legal processes for recovery are elaborately established under RBI and IBC guidelines and were duly followed by EARC. At no time was there any undue pressure being put on the borrower for recovery.

We will cooperate fully with the authorities and are confident that the processes set in motion will reaffirm that the ECLFL and EARC acted well within the boundaries set and the frameworks established by the RBI. We also hope that the process will help everybody find closure on this tragic event.

Lastly, our thoughts and prayers are with Shri Nitin Desai's family and the staff of NDAWPL during this difficult time.

Edelweiss is a diversified financial services company with seven independent and well-governed businesses. The businesses include Mutual Fund, Alternative Asset Management, Asset Reconstruction, Corporate lending, Housing Finance, Life and General Insurance. The businesses have robust operating platforms, dedicated management teams and strong boards that ensure the highest standards of governance. Edelweiss employs more than 5000 people, serves around 60 lakh customers and manages 200,000 cr of assets.