



EDELWEISS FINANCIAL SERVICES LIMITED

Registered Office: Edelweiss House, Off CST Road, Kalina, Mumbai-400 098.

Corporate Identity Number: L99999MH1995PLC094641

Tel: 91 22 4009 4400 Fax: 91 22 4019 4890

Website: www.edelweissfin.com Email: efsl.shareholders@edelweissfin.com

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014

NOTICE is hereby given to the members of Edelweiss Financial Services Limited that the draft resolutions set out below shall be passed through Postal Ballot pursuant to Section 110 of the Companies Act, 2013 (the 'Act') read with the Companies (Management And Administration) Rules, 2014 (the 'Rules') (including any statutory modification or re-enactment thereof for the time being in force) to:-

1. borrow moneys in excess of the paid-up share capital and free reserves of the Company upto ₹ 10,000 crores and to secure repayment thereof, under Section 180 of the Act.
2. make loans to any person or other bodies corporate; give any guarantee or provide security in connection with a loan to any other body corporate or person; and acquire by way of subscription, purchase or otherwise securities of any body corporate, upto ₹ 10,000 crores, under Section 186 of the Act.
3. issue Non-convertible Debentures upto ₹ 1,000 crores on a private placement basis pursuant to Section 42 of the Act; and
4. enable Foreign Institutional Investors ("FIIs") registered with the Securities and Exchange Board of India ("SEBI") to acquire and hold, on their own account and on behalf of their SEBI approved sub-accounts, Equity Shares of the Company, upto 40% of the total paid-up Equity Share Capital of the Company.

The Explanatory Statement setting out the material facts is annexed to this Notice as required by Sections 110 and 102 of the Act. A Postal Ballot form is also enclosed in this regard. Mr. Keyoor Bakshi, Partner, KBNT & Associates, Company Secretaries, has been appointed as the Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner.

Please read the instructions printed in the Postal Ballot form and return the duly completed form in the attached self addressed postage prepaid Business Reply Inland Letter to the Scrutinizer on or before the close of the business hours i.e. 6.00 p.m. on Monday, September 8, 2014. The Scrutinizer will submit the Report to the Chairman/Executive Director. The Chairman/Executive Director will announce the results of the Postal Ballot at the Registered Office of the Company on Wednesday, September 10, 2014.

Draft Special Resolutions:-

1) To pass the following resolution as a Special Resolution:

"RESOLVED that in supersession of all the earlier Resolutions passed in this regard, consent of the Company be and is hereby accorded, pursuant to Sections 180(1)(c) and 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), and the Rules framed thereunder to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) for borrowing from time to time,

any sum or sums of money for the purposes of the Company, upon such terms and conditions and with or without security, as the Board may in its discretion think fit, notwithstanding that the money or monies to be so borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from the Company's Bankers in the ordinary course of business) together with the sums already borrowed, may exceed the aggregate of the paid-up share capital of the Company and its free reserves that is to say, reserves not set apart for any specific purposes, provided however that the sums so borrowed and remaining outstanding on account of principal shall not, at any time, exceed ₹ 10,000 crores."

2) To pass the following resolution as a Special Resolution:

"RESOLVED that in supersession of all the earlier Resolutions passed in this regard, pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), and the Rules framed thereunder including any statutory modification or re-enactment thereof for the time being in force, and such other approvals as may be required in that behalf, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to:

- make loans from time to time on such terms and conditions as it may deem expedient to any person or other bodies corporate;
- give on behalf of any person, body corporate, any guarantee, or provide security in connection with a loan made by any other person to, or to any other person by any body corporate; and
- acquire by way of subscription, purchase or otherwise the securities of any other body corporate, in excess of the limits prescribed under Section 186 of the Act up to an aggregate sum of ₹ 10,000 crores, notwithstanding that the aggregate of loans and investments so far made, the amounts for which guarantee or security so far provided to, along with the investments, loans, guarantee or security proposed to be made or given by the Board may exceed sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

FURTHER RESOLVED that the consent of the Company be and is hereby accorded to the Board to invest in the Subsidiaries, Associates, Related Parties, make loans to them; provide guarantees/security on their behalf, to person, within the limits, if any, as may be applicable from time to time and on such terms and conditions as may be deemed fit and expedient.

FURTHER RESOLVED that the Board be and is hereby authorised to negotiate the terms and conditions of the above said investments, loan(s), security(ies) or guarantee(s) as they deem fit and in the best interest of the Company and take all such steps as may be necessary to complete the same.

FURTHER RESOLVED that the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the Members of the Company."

3) To pass the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 42 and 71 of the Companies Act, 2013 (the 'Act') and the Companies (Prospectus and Allotment of Securities) Rules, 2014 (as amended from time to time) and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof) and relevant provisions of the Memorandum & Articles of Association of the

Company and subject to the approval, consent, permission, exemption and/or sanction of the appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions, as may be prescribed by any of them while granting any such approval, consent, permission, exemption or sanction, the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to issue, offer and allot Non-Convertible Debentures ("the Debentures") aggregating to ₹ 1,000 crores, on a private placement basis, in one or more tranches, to Mutual Funds, Banks, Venture Capital Funds, State Industrial Development Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions, companies, private or public or other entities, authorities and to such other persons, as the Board may in absolute discretion decide.

FURTHER RESOLVED that for the purpose of creating, offering, issuing and allotting the Debentures, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and with power on behalf of the Company to determine the terms and conditions of the issue of the Debentures, settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company."

4) To pass the following resolution as a Special Resolution:

"RESOLVED that in supersession of all the earlier Resolutions passed in this regard, pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 and all other applicable rules, regulations, guidelines and laws (including any statutory modifications or re-enactment thereof, from time to time) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), consent of the Company be accorded to the Board to enable Foreign Institutional Investors ("FIIs") registered with the Securities and Exchange Board of India ("SEBI") to acquire and hold, on their own account and on behalf of their SEBI approved sub-accounts, Equity Shares of the Company, provided that the Equity Shareholding(s) of all such FIIs and sub-accounts together shall not exceed 40% of the total paid-up Equity Share Capital of the Company.

FURTHER RESOLVED that the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the Members of the Company."

**For and behalf of the Board of Directors
Edelweiss Financial Services Limited**

**B. Renganathan
Executive Vice President & Company Secretary**

Mumbai, August 4, 2014.

NOTES:-

1. The Explanatory statement setting out all the material facts and reasons pursuant to Sections 110 and 102 of the Companies Act, 2013 (the 'Act') is annexed hereto.
2. Mr. Keyoor Bakshi, Partner, KBNT & Associates, Company Secretaries, will act as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
3. The Notice is being sent to all the Members, whose names appear in the Register of Members/Records of Depositories as on Friday, August 1, 2014.
4. A Member exercising vote through Postal Ballot may complete the enclosed Postal Ballot Form and return in the attached self addressed postage prepaid Business Reply Inland Letter. Postage will be borne and paid by the Company. Further, the Postal Ballot forms, if sent by courier/Registered Post at the expense of the Members will also be accepted. The Postal Ballot forms may also be lodged personally at the address given thereon.
5. The Postal Ballot forms shall reach the Scrutinizer not later than the close of business hours i.e. 6.00 p.m. on Monday, September 8, 2014. The Postal Ballot forms received thereafter shall not be considered.
6. In compliance with Clause 35B of the Listing Agreement and provisions of Section 110 of the Act read with the Rules, the Company is pleased to provide Electronic Voting ("e-voting") facility as an alternate, to all its Members, to enable them to cast their votes electronically instead of despatching the physical Postal Ballot form by post. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facility to its Members. It may be noted that e-voting is optional. **Kindly note that the Members can opt only one mode of voting i.e. either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote through Physical Ballot Form also and vice versa. However, in case a Member has cast his vote both through Physical Ballot and e-voting, then voting validly done through Physical Ballot Form shall prevail and voting done by e-voting shall be treated as invalid.**
7. The procedure for e-voting is as under:
 - I. **In case a Member receives an e-mail for Postal Ballot (for Members whose e-mail addresses are registered with the Company/Depositories):-**
 - (i) The voting period commences on August 9, 2014 (9.00 a.m. Indian Standard Time) and ends on Monday, September 8, 2014 (6.00 p.m. Indian Standard Time). During this period, Shareholders holding shares either in physical form or electronic form, as on August 1, 2014, may cast their votes electronically. The e-voting module shall be disabled by CDSL thereafter. Once the vote on a resolution is cast by a member, the same cannot be changed subsequently.
 - (ii) Log on to the e-voting website www.evotingindia.com during the voting period.
 - (iii) Click on "Shareholders" tab to cast your votes.
 - (iv) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used. If you are a first time user follow the steps given below.

- (v) Now, fill up the following details in the appropriate boxes:

For Members holding shares in Demat Form and Physical Form*	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the date of birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the dividend bank details as recorded in your demat account or in the company records for the said demat account or folio.

*please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “**SUBMIT**” tab.
- (vii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password can also be used by members holding shares in dematerialised form for voting in respect of the resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Select “EVSN” (E-voting Sequence Number) of **Edelweiss Financial Services Limited**. Now, you are ready for e-voting as the voting page appears.
- (x) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option **YES** implies that you assent to the resolution and option **NO** implies that you dissent to the resolution.
- (xi) Click on the “Resolutions File Link” if you wish to view the entire notice.
- (xii) After selecting the resolution you have decided to vote on, click on “**SUBMIT**”. A confirmation box will be displayed. If you wish to confirm your vote, click on “**OK**”, else to change your vote, click on “**CANCEL**” and accordingly modify your vote.
- (xiii) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xv) If demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password and enter the details as prompted by the system.

(xvi) Note for Non-Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodians, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- i. Please follow all steps from sl. no. (i) to sl. no. (xv) above to cast vote.
- ii. In case you have any queries or issues regarding e-voting, you may refer the frequently asked questions (FAQs) and e-voting manual available at www.evotingindia.com under help Section or write an email to helpdesk.evoting@cdslindia.com.

- II. **In case, the Members, who have been sent the Notice in electronic mode and who wish to avail the Notice and Postal Ballot in physical Form, may send a request to the Company on efsl.shareholders@edelweissfin.com. On receipt of such requests, the Company will dispatch the same.**
- III. **The Scrutinizer's decision on the validity of the Postal Ballot form shall be final and binding. The Scrutinizer will submit his Report to the Chairman/Executive Director after completion of the scrutiny of Postal Ballot received in electronic and physical mode and the results of the Postal Ballot will be announced on Wednesday, September 10, 2014 at the Registered Office of the Company at 4.00 p.m. The Members, who wish to be present at the time of declaration of results, may do so.**
- IV. The Results of the Postal Ballot will be declared on Wednesday, September 10, 2014 at 4.00 p.m. at the Registered Office of the Company. The Results and Report of the Scrutinizer will also be posted on the Company's website www.edelweissfin.com, BSE Limited, National Stock Exchange of India Limited and CDSL.
- V. The Members voting through Postal Ballot in physical mode are requested to carefully read the instructions printed on the Postal Ballot form before exercising their vote.

ANNEXURE TO THE NOTICE

The Explanatory Statement setting out the material facts and reasons pursuant to Sections 110 and 102 of the Companies Act, 2013

ITEM NO. 1: -

In accordance with the provisions of Section 293 of the Companies Act, 1956, the members at the 16th Annual General Meeting held on July 25, 2011, had authorised the Board of Directors of the Company to borrow monies in excess of the paid-up share capital and free reserves upto ₹ 10,000 crores and, to secure the re-payment thereof.

As per the provisions of Section 180 of the Companies Act, 2013 (the 'Act') and the Circulars issued thereunder, the said approval of the members will remain in force upto September 11, 2014. Therefore, it would be necessary to obtain the approval of the members for borrowing monies in excess of the aggregate of the paid-up capital of the Company and its free reserves and to secure the re-payment thereof.

The Board recommends passing the Special Resolution set out in Item No. 1 of the Postal Ballot Notice.

Your approval is being sought by voting through Postal Ballot pursuant to the provisions of Section 110 of the Act and the Rules as may be applicable for passing the Special Resolution as set out in this Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested in this item of business. It may be noted that Mr. Rashesh Shah, Mr. Venkat Ramaswamy, Ms. Vidya Shah, Mr. Himanshu Kaji, Mr. Rujan Panjwani, Mr. Narendra Jhaveri, Mr. P. N. Venkatachalam, Mr. Navtej S. Nandra, the Directors of the Company and Mr. S. Ranganathan and Mr. B. Renganathan, the Key Managerial Personnel are Members of the Company.

ITEM NO. 2: -

In accordance with the provisions of Section 372A of the Companies Act, 1956, the Members vide Postal Ballot dated July 28, 2008, had authorised the Board of Directors of the Company to make loans to bodies corporate; give any guarantee or provide security in connection with a loan to any other body corporate or person; and acquire by way of subscription, purchase or otherwise securities of any body corporate, upto ₹ 6,000 crores, in excess of the limits prescribed under the said Section.

As per the provisions of Section 186 of the Companies Act, 2013 (the 'Act'), it would be necessary to obtain the approval of the members for:-

- making loans to any person or other bodies corporate;
- giving guarantee or provide security in connection with a loan to any other bodies corporate or person; and
- acquiring by way of subscription, purchase or otherwise, the securities of any other body corporate, in excess of the limits of:-
 - 60% of the paid-up share capital and free reserves and securities premium account; or
 - 100% of the free reserves and securities premium account; whichever is higher.

The Company has been investing/making loans/providing guarantees/security. In order to enable the Company to invest/make loans/provide guarantees/security, it is considered necessary to obtain the approval of the members to make loan/invest/provide guarantees/security, for an amount not exceeding ₹ 10,000 crores, under the provisions of Section 186 of the Companies Act, 2013.

The Board recommends passing the Special Resolution set out in Item No. 2 of the Postal Ballot Notice.

Your approval is being sought by voting through Postal Ballot pursuant to the provisions of Section 110 of the Act and the Rules as may be applicable for passing the Special Resolution as set out in this Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested in this item of business. It may be noted that Mr. Rashesh Shah, Mr. Venkat Ramaswamy, Ms. Vidya Shah, Mr. Himanshu Kaji, Mr. Rujan Panjwani, Mr. Narendra Jhaveri, Mr. P. N. Venkatachalam, Mr. Navtej S. Nandra, the Directors of the Company and Mr. S. Ranganathan and Mr. B. Renganathan, the Key Managerial Personnel are Members of the Company.

ITEM NO. 3: -

To meet the financial requirements, the Company may from time to time offer or invite subscription for Non-convertible Debentures (the Debentures), in one or more series/tranches on a private placement basis.

As per the provisions of Section 42 of the Companies Act, 2013 (the 'Act') read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company offering or making an invitation to subscribe to Non-convertible Debentures on a private placement basis, is required to obtain the prior approval of the members by way of a Special Resolution.

The Debentures may be issued at par or at a premium and, may be listed on the stock exchanges and, on such other terms and conditions as the Board of Directors may deem fit.

The Special Resolution passed by the members shall remain in force for a year, from the date of passing thereof by the Members.

The Board recommends passing the Special Resolution set out in Item No. 3 of the Postal Ballot Notice.

Your approval is being sought by voting through Postal Ballot pursuant to the provisions of Section 110 of the Act and the Rules as may be applicable for passing the Special Resolution as set out in this Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested in this item of business. It may be noted that Mr. Rashesh Shah, Mr. Venkat Ramaswamy, Ms. Vidya Shah, Mr. Himanshu Kaji, Mr. Rujan Panjwani, Mr. Narendra Jhaveri, Mr. P. N. Venkatachalam, Mr. Navtej S. Nandra, the Directors of the Company and Mr. S. Ranganathan and Mr. B. Renganathan, the Key Managerial Personnel are Members of the Company.

ITEM NO. 4:-

In terms of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 (the Regulations), the Foreign Institutional Investors ("FIIs") registered with SEBI can acquire and hold on their own account and on behalf of their SEBI approved sub-accounts together, upto an aggregate limit of 24% of the paid-up Equity Share capital of an Indian company. The members vide Postal Ballot dated February 20, 2014, accorded their consent to FIIs to acquire Equity Shares of the Company upto 28% of the paid-up Equity Share Capital of the Company.

As at June 30, 2014, FIIs were holding 22.43% of the paid-up Equity Share Capital of the Company. It is now proposed to raise the limit for investment by FIIs in the paid-up Equity Share capital of the Company from 28% to 40%.

Accordingly, the Special Resolution set out in the Postal Notice is to enable the FIIs to acquire Equity Shares of the Company upto the proposed ceiling limit of 40% of the paid-up Equity Share Capital of the Company.

The Board recommends passing the Special Resolution set out in Item No. 4 of the Postal Ballot Notice.

Your approval is being sought by voting through Postal Ballot pursuant to the provisions of Section 110 of the Companies Act, 2013 and the Rules as may be applicable for passing the Special Resolution as set out in this Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested in this item of business. It may be noted that Mr. Rashesh Shah, Mr. Venkat Ramaswamy, Ms. Vidya Shah, Mr. Himanshu Kaji, Mr. Rujan Panjwani, Mr. Narendra Jhaveri, Mr. P. N. Venkatachalam, Mr. Navtej S. Nandra, the Directors of the Company and Mr. S. Ranganathan and Mr. B. Renganathan, the Key Managerial Personnel are Members of the Company.

**For and behalf of the Board of Directors
Edelweiss Financial Services Limited**

**B. Renganathan
Executive Vice President & Company Secretary**

Mumbai, August 4, 2014