

EW/Sec/2020/105

May 22, 2020

National Stock Exchange of India Limited

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

Dear Sir,

Ref.:- Symbol - EDELWEISS

Sub: Submission of Notice of Postal Ballot

Please find enclosed the Postal Ballot Notice dated May 21, 2020 seeking approval of the Members for the businesses mentioned therein.

Kindly take the same on record.

Thanking you,

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

**Sd/-
B. Renganathan
Executive Vice President & Company Secretary**

Encl.: as above.



EDELWEISS FINANCIAL SERVICES LIMITED

CIN: L99999MH1995PLC094641

Registered Office: Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098.

Phone: +91 22 – 4009 4400

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

NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

NOTICE is hereby given, pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (“the Rules”) and General Circulars No.14/2020 dated April 8, 2020 and No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (“the MCA Circulars”), in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID - 19” and subject to any other applicable laws and regulations, to transact the special businesses mentioned below by the members of Edelweiss Financial Services Limited (“the Company”) by passing resolutions through postal ballot (“Postal Ballot”) **ONLY** through remote e-voting:

1. **To increase the limit to 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 other body corporate, from ₹ 10,000 crores to ₹ 20,000 crores, under Section 186 of the Act.**
2. **To approve divestment/ pledge/ dilution / disposal of the Company’s investment(s) / asset(s) / undertaking(s).**

Considering the current threat posed by COVID-19 pandemic situation, the Company is sending the Postal Ballot Notice **only** in electronic form to all its members who have registered their e-mail addresses with the Company / Registrar & Transfer Agents / Depository Participants. In compliance with the provisions of Section 108 of the Act, the Company is providing remote e-voting facility to its Members for voting on the resolutions contained in this Postal Ballot Notice. The communication of assent / dissent of the members can only be given through the remote e-voting system, in accordance with the MCA Circulars. The Company is also extending the facility to register the email addresses of the members (please refer to the Notes to the Notice) who have not yet registered the same with the Company/ Depository Participants/the Registrar & Transfer Agents (RTA), in order to enable the members to cast their votes through e-voting facility.

The Explanatory Statement setting out the material facts is annexed to this Notice as required under Sections 102 and 110 of the Act.

The Board of Directors of the Company has appointed Mr. B. Narasimhan, Practicing Company Secretary, Proprietor - M/s. B. N. & Associates, Company Secretaries, failing him, Mr. K. Venkataraman, Practicing Company Secretary as the Scrutinizer(s) for conducting the Postal Ballot and e-voting process in a fair and transparent manner. The Scrutinizer’s decision on the validity of the Postal Ballot shall be final.

Please read the instructions provided in the Notes to the Notice and record your assent or dissent by means of remote e-voting facility provided by the Company from 09:00 a.m. on Saturday, May 23, 2020 - till 05.00 p.m. on Sunday, June 21, 2020. The resolutions shall be deemed to have been passed on the last date specified by the Company for casting the votes through electronic means.

The members are requested to consider and if thought fit, pass the following resolutions as Special Resolutions:

DRAFT RESOLUTIONS:-

1. **To increase the limit to 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, from ₹ 10,000 crores to ₹ 20,000 crores, under Section 186 of the Companies Act, 2013.**

“RESOLVED that in supersession of all the Resolutions passed earlier 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, provisions of all other statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable, as amended from time to time and such other approvals as may be required in that behalf, the consent of the Members 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 increase the limit to:

- make loans from time to time on such terms and conditions as it may deem expedient to any persons or other bodies corporate ;
- give any guarantee, or provide security in connection with a loan to any other bodies corporate or persons; and
- acquire by way of subscription, purchase or otherwise the securities of any other bodies corporate, from ₹ 10,000 crores (INR Ten Thousand Crores only) to ₹ 20,000 crores (INR Twenty Thousand Crores only), 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 which 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 of the Company, whichever is more, as per Section 186 of the Act.

FURTHER RESOLVED that the Board be and is hereby authorised to negotiate the terms and conditions of the above said investment(s), 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 give effect to this resolution including the 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.”

2. **To approve divestment/ pledge/ dilution / disposal of the Company’s investment(s) / asset(s) / undertaking(s).**

“RESOLVED that pursuant to the provisions of Regulation 24 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and pursuant to provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (“the Act”), the Memorandum of Association of the Company and subject to requisite statutory/regulatory and other appropriate approvals, if any, as may be required, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “Board”, which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute) to divest by way of sale, transfer, lease, assign or hiving off, dispose off, create pledge (including disposal upon invocation of pledge) / lien or any type of encumbrance with or without any change in control of, or otherwise deal, either in the entire or any substantial part of the investments made by the Company, directly or indirectly,

in one or more of its subsidiary / subsidiaries, present or future, whether material or not, including the subsidiaries mentioned in the Explanatory Statement, or dispose off more than 20 % of the assets of any of the subsidiary / subsidiaries or any undertaking of the Company, to the potential investors/ lenders/ buyers/ third-parties through various modes including by way of slump sale, asset sale or through other contractual arrangements, for any purpose in connection with the business activities of the Company or its subsidiaries including but not limited to the borrowing proposed to be availed by or investment to be made in subsidiary(ies), in one or more tranches, on such terms and conditions and in such manner as the Board may in its absolute discretion decide or as it may deem fit in the best interest of the Company.

FURTHER RESOLVED that the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things including but not limited to deciding on the timing, manner and extent of carrying out the aforesaid activities and to negotiate, finalise and execute agreement(s), such other document(s), by whatever name called and to do all acts, matters and things as may be necessary in this regard and to settle any questions or difficulties that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members and to delegate all or any of the powers or authorities herein conferred to any Director(s) or other Officer(s) of the Company, or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary.

Place: Mumbai
Date : May 21, 2020

For and on behalf of the Board of Directors of
EDELWEISS FINANCIAL SERVICES LIMITED

Registered Office:
Edelweiss House, Off C.S.T. Road,
Kalina, Mumbai – 400 098.

B. Renganathan
Executive Vice President & Company Secretary

Notes:

1. The Explanatory Statement pursuant to Section 102 and 110 of the Companies Act, 2013 (“the Act”) read with the Companies (Management and Administration) Rules, 2014 (“the Rules”) setting out the material facts in respect of the businesses set out in the Postal Ballot Notice (“the Notice”) is annexed hereto for your consideration.
2. The Notice is being sent to all the members whose names appear in the Register of Members/List of Beneficial Owners as on the close of business hours on Thursday, May 21, 2020 i.e. ‘the cut-off date’. Accordingly, the members whose names appear in the Register of Members/List of Beneficial Owners, has been considered for the purpose of voting. The voting rights of the members shall be in proportion to their equity shares held in the total paid up equity share capital of the Company as on the cut-off date i.e. Thursday, May 21, 2020.
3. Pursuant to the provisions of Section 108 of the Act, Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”), Electronic Voting (“e-voting”) facility is provided to all the eligible members of the Company. The facility of casting the vote by the members using e-voting system will be provided by Link Intime India Private Limited (“LIPL”), Electronice Voting Service Provider (“EVSP”) of the Company having its office at C-101, 247 Park, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli (West), Mumbai – 400 083, (Tel: +91 22 4918 6000; Fax: +91 22 4918 6060) through its ‘*instavote*’ platform at the link: <https://www.instavote.linkintime.co.in> ***Please note that a member who is entitled to vote, can exercise his/her/its vote only through e-voting.*** The members are requested to carefully read the instructions given below before casting their vote electronically.
4. The Portal for e-voting will remain open for the Members for exercising their voting from Saturday, May 23, 2020 at 09:00 a.m. India Standard Time (‘IST’) till Sunday, June 21, 2020 at 05:00 p.m. (IST), both days inclusive. Please note that e-voting will be disabled by the EVSP after the said date and time. During

this period, the Members of the Company holding equity shares either in physical form or dematerialised form, as on the cut-off date, may cast their vote electronically. Once the vote on a resolution is cast by a member, he/ she will not be able to change it subsequently or cast the vote again.

5. The Resolutions, if passed by the requisite majority, shall be deemed to have been passed on the last date specified by the Company for e-voting i.e. Sunday, June 21, 2020 which shall be deemed to have been passed at a general meeting.
6. The Members who have not registered their e-mail addresses either with the Company, RTA of the Company or their Depository Participant (DP) are requested to register the same with the RTA in accordance with the process specified herein below at point no. 11 for generating User Id, to enable them to cast their votes on the Resolutions set out in this Postal Ballot Notice. The Members can also register /update their e-mail address with the Company by sending an e-mail to efsl.shareholders@edelweissfin.com
7. For any query connected with the Resolution(s) proposed to be passed by means of the Postal Ballot, the Members may send an e-mail to efsl.shareholders@edelweissfin.com
8. The relevant documents, if any, pertaining to the above resolutions will be available for inspection on the website of the Company from Saturday, May 23, 2020 to Sunday, June 21, 2020 i.e. up to completion of postal ballot process.
9. As required by Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, read with the MCA Circulars and the Regulations, the details pertaining to the Postal Ballot will be published in one English daily Newspaper circulating in Mumbai (in English language) and one Marathi (vernacular) daily Newspaper circulating in Mumbai (in vernacular language, i.e. Marathi) in their electronic versions.
10. A copy of the Postal Ballot Notice is available on the website of the Company - www.edelweissfin.com Link Intime India Private Limited - EVSP to the event - www.linkintime.co.in and on the website of BSE Limited- www.bseindia.com and the National Stock Exchange of India Limited - www.nseindia.com ("the Stock Exchanges") on which the Equity Shares of the Company are listed.
11. **Procedure for registration of e-mail address by the Members of the Company:-**

i. For Temporary Registration:

The Members of the Company holding Equity Shares of the Company in Demat Form or Physical Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with the RTA / LIPL, by clicking the link: https://linkintime.co.in/emailreg/email_register.html and follow the registration process as guided therein. The members are requested to provide details such as Name, Address, DPID, ClientID/ Folio No., PAN. Post successful registration of the e-mail address, the member would get soft copy of the Postal Ballot Notice and the procedure for e-voting along with the user-id to enable e-voting for the Postal Ballot. In case of any query, a member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in and/ or to the Company at efsl.shareholders@edelweissfin.com

ii. For Permanent Registration

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) and in respect of physical holdings, with the RTA of the Company by following the procedure prescribed by the Depository Participant or the RTA, respectively.

iii. Validation of e-mail ids

Those members who have already registered their e-mail address are requested to keep their e-mail addresses validated with their Depository Participants / the Company's RTA, to enable servicing of notices / documents / Annual Reports electronically to their e-mail address.

Procedure / Instructions for Members to cast votes for Postal Ballot through e-voting

The procedure as prescribed by LIPL/EVSP are as under:

- (1) Log-in to e-voting website /system of LIPL at <https://instavote.linkintime.co.in>
- (2) Click on “Login” tab, available under ‘Shareholders’ section.
- (3) Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on “SUBMIT”.

For Members already registered with LIPL

If you are holding shares in demat form and had registered on to e-voting system of LIPL then you can use your existing password to log-in and cast your vote.

For Members using e-voting system of LIPL for the first time

If you are using e-voting system of LIPL for the first time or if you are holding shares in physical form, you need to follow the steps given below:

For USER ID, please refer the following table:

Manner of holding equity shares i.e. Demat (NSDL or CDSL) or Physical		Your User ID
a)	For Members who hold equity shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****
b)	For Members who hold equity shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your User ID is 12*****
c)	For Members holding equity shares in Physical Form.	Event Number followed by Folio Number registered with the Company For example, if folio number is A00005 and Event Number is 108341, then User ID is 108341A00005

For use of Password-

Click on “Sign Up” tab available under ‘Shareholders’ section to register your details and set the password of your choice and confirm (*The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter*).

For Members holding shares in Demat Form or Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department (applicable for members who hold shares in demat or physical). ➤ Members who have not updated their PAN with Depository Participant or with the Company are requested to use the serial number generated and displayed in the system generated electronic Postal Ballot Notice indicated in the PAN field.
DOB/DOI	Enter the Date of Birth (DOB)/ Date of Incorporation (DOI) as recorded with Depository Participant or with the Company in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number (Last Four Digits) as recorded in your demat account or with the Company for the said Account or folio number. ➤ Please enter the DOB/ DOI or Bank Account Number (Last Four Digits) in order to register. If the above mentioned details are not recorded with the Depository Participants or the Company, please enter Folio number in the Bank Account Number field.

Steps for Members who have forgotten password(both demat and physical):

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT". In case, the Member is having valid e-mail address, password will be sent to the Member's registered e-mail address. Else, Member can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

It is strongly advised not to share your password with any other person and take utmost care to keep your password confidential.

How to cast your vote electronically on e-voting System of LIPL ?

1. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No." of the Company, you choose to vote.
2. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/ Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'.

You may also choose to abstain from voting and the shares held will not be counted under 'Favour/ Against'.

3. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
4. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
5. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
6. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

General Guidelines for Members :

- (1) Institutional Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to e-voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.
- (2) Institutional Members are also required to upload a scanned certified true copy of the board resolution / authority letter/ power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same. The same can be sent to enotices@linkintime.co.in
- (3) A member can log in any number of times till the votes are cast on all the resolutions or till the end of the voting period, whichever is earlier.
- (4) Members holding multiple Folios/ Demat Accounts shall choose the voting process separately for each of the Folio/ Demat Account.
- (5) In case of any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and Instavote e-voting manual available at <https://instavote.linkintime.co.in> under Help Section. Members may also mail their queries relating to e-voting at enotices@linkintime.co.in

The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.edelweissfin.com and on the website of LIPL www.linkintime.co.in after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be forwarded to BSE Limited and National Stock Exchange of India Limited ("the Exchanges").

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF THE COMPANIES ACT, 2013

As required under Section 102 and 110 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the items mentioned in the Notice dated May 21, 2020.

ITEM No. 1

To increase the limit to 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, from ₹ 10,000 crores to ₹ 20,000 crores, under Section 186 of the Companies Act, 2013.

In accordance with the provisions of Section 186 of the Companies Act, 2013, the Members vide Postal Ballot dated September 10, 2014, 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 ₹ 10,000 crores, in excess of the limits prescribed under the said Section.

In order to enable the Company to further invest/make loans/provide guarantees/security, for an amount not exceeding ₹ 20,000 crores (INR Twenty Thousand Crores only), it is necessary to obtain prior approval of the members under the provisions of Section 186 of the Companies Act, 2013.

Further, in terms of Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014, the above limits is not applicable in case a company gives loan or guarantee or provides security to its wholly owned subsidiary companies or joint venture companies or makes investment in securities of its wholly owned subsidiary companies.

None of the Directors / Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution.

The Board recommends the resolution as set out in Item No. 1 of the Notice for the approval of the members as a Special Resolution.

Item No. 2

To approve divestment/pledge/dilution/disposal of the Company's investment(s)/asset(s)/undertaking(s).

The Company and its subsidiaries continuously keep exploring opportunities to raise funds from time to time to meet business requirements. In this regard, the proposal may envisage divestment by way of sale, transfer, lease, assignment or hiving off, disposal / pledge creation (including disposal upon invocation of pledge) / lien or any type of encumbrance with or without any change in control of, or otherwise deal, either in the entire or any substantial part of the investments made by the Company, directly or indirectly, in one or more of its subsidiary / subsidiaries or dispose of the assets of any of the subsidiary / subsidiaries including material subsidiaries, whether present or future (currently being ECL Finance Limited, Edelweiss Asset Reconstruction Company Limited, Edelweiss Rural & Corporate Services Limited, Edelweiss Tokio Life Insurance Company Limited, Ecap Equities Limited and Edelweiss Finvest Private Limited) and other non-material subsidiaries including Edelweiss Securities Limited, to potential investors / lenders / buyers / third-parties through various modes including by way of slump sale, asset sale or through other contractual arrangements, for any purpose in connection with the business activities of the Company or its subsidiary(ies) including but not limited to the borrowing proposed to be availed by or investment to be made in subsidiary(ies), in one or more tranches, on such terms and conditions (including timing, manner and extent of pledge/creation of lien or encumbrance) as the Board may in its absolute discretion decide or deem fit in the best interest of the Company.

In terms of Regulation 24(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), a listed company shall not dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the material subsidiary without passing a special resolution. Further, in terms of Regulation 24(6) of the Listing Regulations, selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of the members by way of a special resolution.

Further, Section 180(1)(a) of the Companies Act, 2013 ("the Act") inter alia provides that the Board of Directors of a company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking (as defined under the Act) of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings without the consent of the company by a special resolution.

In view of the aforesaid regulatory requirements, approval of the Members is sought as an enabling resolution to be given effect as and when the need arises.

The Board recommends the resolution as set out in Item No. 2 of the Notice for the approval of the members as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in this resolution.

Place: Mumbai

Date : May 21, 2020

Registered Office:

Edelweiss House, Off C.S.T. Road,
Kalina, Mumbai – 400 098.

For and on behalf of the Board of Directors of
EDELWEISS FINANCIAL SERVICES LIMITED

B. Renganathan
Executive Vice President & Company Secretary