

EDELWEISS FINANCIAL SERVICES LIMITED

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

NOTICE PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PASSING OF THE RESOLUTION BY POSTAL BALLOT) RULES, 2011

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 192A of the Companies Act, 1956 (the 'Act') read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 (the 'Rules') (including any statutory modification or re-enactment thereof for the time being in force):-

- (i) alteration of the Main Objects Clause of the Memorandum of Association of the Company under Section 17 of the Act; and
- (ii) transfer of the Merchant Banking business of the Company to a subsidiary.

In terms of Rule 5 of the Rules, the proposed resolutions have to be passed only through Postal Ballot. The Explanatory Statement setting out the material facts are also annexed to this Notice as required by Sections 192A(2) and 173(2) of the Act. A Postal Ballot form is also enclosed in this regard. Mr. Keyoor Bakshi, Partner, KBNT Associates, Practicing Company Secretary, 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. 5.30 p.m. on Tuesday, August 20, 2013. After completion of the scrutiny, 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 Monday, August 26, 2013.

RESOLUTIONS:

ITEM NO. 1:-

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 17, 192A and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), and subject to receipt of necessary approvals, the approval of the Members of the Company be and is hereby accorded for incorporating the following Sub-clause 5 after the existing Sub-clause 4A of Clause III(A) of the Memorandum of Association of the Company and the remaining Sub-clauses be renumbered accordingly:-

"5. To carry on the business as a Non-banking Financial Company, Holding Company, Investment Company, to undertake banking business/set up a banking company through a Non-operating Financial Holding Company or in such other manner, as may be prescribed by the Reserve Bank of India, from time to time."

FURTHER RESOLVED that the Board of Directors of the Company or any Committee thereof 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 or any Committee to secure any further approval of the Members of the Company."

ITEM NO. 2:-

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 293(1)(a), 192A and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approvals, consents, sanctions, if any, required from any authority and subject to such conditions as may be prescribed while granting such approvals, consents 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 the powers conferred by this Resolution), consent of the Company be and is hereby accorded to the Board to transfer, sell or otherwise dispose off in any manner, at an appropriate time, if necessary, the Company's Merchant Banking Business, together with all the assets and liabilities of the said business as a going concern to a subsidiary of the Company (hereinafter referred to as the Transferee Company), on such terms and conditions as may be decided by the Board in the best interest of the Company.

FURTHER RESOLVED that the Board be and is hereby authorised to negotiate and finalise the terms and conditions with the Transferee Company and to execute the necessary Agreements, papers, documents as may be necessary to give effect to this Resolution.

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 of
Edelweiss Financial Services Limited**

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

Mumbai, June 24, 2013.

NOTES

1. The Explanatory statement setting out the material facts pursuant to Sections 173(2) and 192A(2) of the Companies Act, 1956 is annexed hereto.
2. Mr. Keyoor Bakshi, Partner, KBNT Associates, Practicing Company Secretary, 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, July 5, 2013**.
4. A Member exercising vote through Postal Ballot may complete the enclosed Postal Ballot form and return in the attached self addressed 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. **The Postal Ballot forms shall reach the Scrutinizer not later than the close of business hours i.e. 5.30 p.m. on Tuesday, August 20, 2013.** The Postal Ballot forms received thereafter shall not be considered.
5. The Company is pleased to offer **e-voting facility** as an alternate, to its Members, enabling them to cast their vote electronically instead of dispatching the Postal Ballot form.
6. The procedure for e-voting is as under:
 - a. Open your web browser and log on to the e-voting website www.evotingindia.com.
 - b. Click on **"Shareholders"** to cast your vote.
 - c. Select the **"Electronic Voting Sequence Number" (EVSN)** alongwith **"Edelweiss Financial Services Limited"** from the drop down menu and click on **"SUBMIT"**.
 - d. Fill up the following details in the appropriate boxes:

Particulars	For Members holding shares in Demat form	For Members holding shares in Physical form
User-ID	For NSDL Clients -- 8 Character DP ID + 8 Digits Client ID For CDSL Clients -- 16 digits beneficiary ID	Registered Folio Number
Password	Your unique password has been printed on the Postal Ballot form / email forwarding the Notice in electronic form.	Enter the unique password printed on your Postal Ballot form / email forwarding the Notice in electronic form.
PAN or Default Number	Enter your 10 digit alpha-numeric Permanent Account Number (PAN) issued by the Income-tax Department or enter the Default Number as mentioned in (e) below.	

- e. Members who have not updated their PAN with the Depository Participants are requested to use the default number: **EDEL12345Z** in the PAN field or use physical Postal Ballot form for voting.
- f. After entering the details, click on "SUBMIT".
- g. Members holding shares in physical form will be directed to the voting screen.
- h. Members holding shares in demat form, who log in for the first time, will be required to mandatorily change their password in the "new password" field and will also have the option to enter their demographic details i.e. mobile number and e-mail id. **The Members are advised to remember the new password.**
The new password can be used for voting on future e-voting of the Company or any other company.
- i. Members holding shares in demat form and who had earlier logged on to www.evotingindia.com and cast his vote for any other company in the past, should use the existing password.
- j. Click on the **Resolution File Link** if you wish to view the complete Postal Ballot Notice.
- k. On the voting page, you will see Resolution Description and option for voting YES/NO. The option "YES" implies that you assent to the Resolution and "NO" implies that you dissent to the Resolution.
- l. Enter the **number of shares** (which represents number of votes) against each of the Resolution.
- m. After selecting the Resolutions 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.
- n. Once you "CONFIRM" your vote on the Resolutions, you will not be allowed to modify your vote.
- o. You can log in any number of times till you have voted on the Resolutions or till Tuesday, August 20, 2013, being the last date, whichever is earlier. The e-voting facility will be disabled after the business hours i.e. 5.30 p.m. on Tuesday, August 20, 2013 for voting by Members.
- p. **In addition to the above, the non-individual Members** (like Corporates, FIs, Mutual Funds, Banks, Trusts, etc) who opt for e-voting, are also required to submit the Board resolution/Power of Attorney/authority letter, etc. alongwith the attested specimen signatures of the duly authorized signatory(ies). Scanned copies of the aforesaid documents specifying "Corporate Name_EVSN" are required to be sent to the Scrutinizer through email at keyoorbakshi@gmail.com and a copy be marked to helpdesk.evoting@cdslindia.com. In case, the documents are not received, then the vote will be considered as invalid.
- q. In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com.
7. **The Members who have registered their email addresses for receipt of documents in electronic mode are being sent Notice of Postal Ballot by email.**
8. 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. The Postal Ballot forms should reach the Scrutinizer not later than the close of the business hours i.e. 5.30 p.m. on Tuesday, August 20, 2013. The Postal Ballot forms received thereafter shall not be considered.
9. **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.**
10. **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 and the results of the Postal Ballot will be announced on Monday, August 26, 2013 at the Registered Office of the Company at 11:00 a.m. The Members, who wish to be present at the time of declaration of results, may do so.**
11. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, between 2.00 p.m. to 4.00 p.m. till Tuesday, August 20, 2013.
12. 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

Explanatory statement setting out all the material facts and the reasons necessitating the Resolutions (Pursuant to Section 192A (2) and Section 173 (2) of the Companies Act, 1956)

Item No. 1:-

The Board of Directors of the Company at their meeting held on June 24, 2013 approved the proposal for making an application to the Reserve Bank of India (RBI) for a banking license in accordance with the provisions of the Guidelines for licensing of new banks in private sector (the Guidelines) issued by the RBI.

To undertake the banking business in accordance with the Guidelines, it would be necessary to incorporate a Non-operating Financial Holding Company.

The Company may also be required to register as a Non-banking Financial Company.

Therefore, it is proposed to alter the Memorandum of Association of the Company in the manner indicated at Item No. 1 of the Postal Ballot Notice dated June 24, 2013.

In accordance with the provisions of Section 192A of the Companies Act, 1956 (the 'Act') read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 (the 'Rules'), approval of the Members is sought by means of a Postal Ballot.

The Memorandum of Association together with the proposed alteration are available for inspection at the Registered Office of the Company on all working days, between 2.00 p.m. to 4.00 p.m. till Tuesday, August 20, 2013.

None of the Directors of the Company is concerned or interested in this item of business.

It may be noted that Mr. Rashesh Shah, Mr. Venkat Ramaswamy, Mr. Rujan Punjwani, Mr. Narendra Jhaveri, Mr. P. N. Venkatachalam, and Mr. Navtej S. Nandra are Members of the Company.

Item No. 2:-

Keeping in view the existing regulatory framework, the Board of Directors of the Company have subject to the approval of the Members and necessary regulatory approvals, approved the transfer of the Merchant Banking Business of the Company to a subsidiary at an appropriate time, if necessary, on such terms and conditions as may be decided by the Board in the best interest of the Company.

In terms of Sections 293(1)(a) and 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 (the 'Rules'), the proposed transfer of business of Merchant Banking of the Company requires the approval of the Members by means of a Postal Ballot.

Your Directors are of the view that the proposed transfer would not impact the profitability of the Company, on a consolidated basis and, therefore, recommend passing the Resolution as an Ordinary Resolution in the manner indicated at Item No. 2 of the Postal Ballot Notice dated June 24, 2013.

None of the Directors of the Company is concerned or interested in this item of business.

It may be noted that Mr. Rashesh Shah, Mr. Venkat Ramaswamy, Mr. Rujan Panjwani, Mr. Narendra Jhaveri and Mr. P. N. Venkatachalam and Mr. Navtej S. Nandra are Members of the Company.

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

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

Mumbai, June 24, 2013.