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EDELWEISS FINANCIAL SERVICES LIMITED

Registered Office: Edelweiss House, Off C.S.T. 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 resolution 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, upto 28% of the total paid-up Equity Share Capital of the Company 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).

The Explanatory Statement setting out the material facts is annexed to this Notice as required by Section 192A of the Companies Act, 1956 and Section 102 of the Companies Act, 2013. 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. 5.30 p.m. on Friday, February 14, 2014. 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 Thursday, February 20, 2014.

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 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 28% 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 of
Edelweiss Financial Services Limited

B. Renganathan
Sr. Vice President & Company Secretary

Mumbai, January 6, 2014

NOTES:-

1. The Explanatory statement setting out the material facts pursuant to Sections 102 of the Companies Act, 2013 and 192A of the Companies Act, 1956 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, January 3, 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. **The Postal Ballot forms shall reach the Scrutinizer not later than the close of business hours i.e. 5.30 p.m. on Friday, February 14, 2014.** 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:

   Open your web browser during the voting period and log on to the e-voting website **www.evotingindia.com**

   a. Click on **"Shareholders"** to cast your vote.

   b. Select the **"Electronic Voting Sequence Number" (EVSN) alongwith "Edelweiss Financial Services Limited"** from the drop down menu and click on **"SUBMIT".**

   c. 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 (d) below.	

   d. 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.

   e. After entering the details, click on **"SUBMIT".**

   f. Members holding shares in physical form will be directed to the voting screen.

   g. Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password is to be also used by the Demat holders for voting for resolution 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.

h. Members can also update their mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.

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. Members holding shares in physical form, the password and default number can be used only for e-voting on the Resolution contained in this Postal Ballot Notice.

k. Click on the **Resolution File Link** if you wish to view the complete Postal Ballot Notice.

l. 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.

m. Enter the **number of shares** (which represents number of votes) against each of the Resolution under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.

n. 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.

o. Once you **"CONFIRM"** your vote on the Resolution, you will not be allowed to modify your vote.

p. You can log in any number of times till you have voted on the Resolution or till Friday, February 14, 2014, 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 February 14, 2014 for voting by Members.

q. **In addition to the above, the non-individual Members** (like Corporates, FIIs, 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.

r. 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 February 14, 2014. 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 Thursday, February 20, 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.**

11. 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 Resolution (Pursuant to Section 192A (2) of the Companies Act, 1956 and Section 102 of the Companies Act, 2013)

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 Regulations further provide that the limit of 24% can be increased upto the sectoral cap/statutory ceiling as applicable, by passing a Special Resolution to that effect by its Members.

As at November 30, 2013, FIIs were holding 22.71% of the paid-up Equity Share Capital of the Company. It is proposed to raise the limit for investment by FIIs in the paid-up Equity Share Capital of the Company from 24% to 28%.

Accordingly, the Special Resolution set out in the Postal Ballot Notice is to enable the FIIs to acquire Equity Shares of the Company upto the proposed ceiling limit of 28% of the paid-up Equity Share Capital of the Company.

The Board recommends passing the Special Resolution.

Your approval is sought by voting through Postal Ballot pursuant to the provisions of Section 192A of the Companies Act, 1956 read together with the provisions of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 for passing the Special Resolution as set out in this Notice.

None of the Directors of the Company is any way, 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.

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

B. Renganathan
Sr. Vice President & Company Secretary

Mumbai, January 6, 2014.

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