

Notice

NOTICE IS HEREBY GIVEN THAT THE 21ST ANNUAL GENERAL MEETING OF THE MEMBERS OF EDELWEISS FINANCIAL SERVICES LIMITED WILL BE HELD ON TUESDAY, AUGUST 9, 2016 AT 3.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT EDELWEISS HOUSE, OFF C.S.T. ROAD, KALINA, MUMBAI – 400 098 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To consider and adopt:-
 - a) the audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board and the Auditors thereon; and
 - b) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Himanshu Kaji (DIN 00009438) who retires by rotation and, being eligible, offers himself for re-appointment.
3. **Ratification of appointment of the Auditors**

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

“**RESOLVED** that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of B S R & Associates LLP, Chartered Accountants (Firm’s Registration No. 116231W/W-100024), as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 22nd AGM of the Company to be held in the year 2017, at such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors.”

SPECIAL BUSINESS

4. **Re-appointment of Mr. Rujan Panjwani as an Executive Director**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

“**RESOLVED** that pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (the Act) the Rules, Regulations, Guidelines and Circulars issued in this regard and subject to necessary approvals, if any, approval of the members of the Company be and is hereby given for the re-appointment of Mr. Rujan Panjwani (DIN 00237366) as an Executive Director of the Company for a period of 5 years with effect from June 24, 2016, on the terms and conditions set out below:-

- i) Salary Limit: Not exceeding ₹ 2 crores per annum.
- ii) Bonus: Not exceeding ₹ 4 crores per annum.
- iii) Perquisites: Not exceeding ₹ 2 crores per annum.

FURTHER RESOLVED that where in any financial year during the tenure of Mr. Rujan Panjwani as an Executive Director, the Company has no profits or the profits are inadequate, approval of the members be and is hereby accorded to pay him the maximum remuneration in accordance with the provisions of the Act and Schedule V thereto.

FURTHER RESOLVED that the Board be and is hereby authorised to vary the terms of appointment and 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.”

5. **Payment of commission to the Non-executive Directors**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (“the Act”), approval of the members be and is hereby accorded for payment of commission to the Non-Executive Directors of the Company, upto 1% of the net profits of the Company computed in accordance with Section 198 of the Act.

FURTHER RESOLVED that subject to and in accordance with the provisions of the Act, the Board of Directors (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 and with power on behalf of the Company to settle 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.”

6. **Issue of Non-convertible Debentures on a Private Placement basis**

To consider and, if thought fit, 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 Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014 (as amended from time to time) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof), subject to the provisions of any other statutes, Regulations, if any, subject to 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 be and is hereby authorised on behalf of the Company to offer and invite subscriptions for the Non-Convertible Debentures (“the Debentures”) aggregating to ₹ 2,500 crores to the eligible investors on a private placement basis, in one or more tranches.

FURTHER RESOLVED that subject to and in accordance with the provisions of the Act, 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 do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power on behalf of the Company to settle 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.”

7. **‘Edelweiss Employees Stock Option Plan 2016’**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, subject to the Memorandum of Association and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as “SEBI SBEB Regulations”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be imposed or prescribed while granting such approvals, permissions and sanctions, approval of the members of the Company be and is hereby accorded to the ‘Edelweiss Employees Stock Option Plan 2016’ (hereinafter referred to as the “Plan”) and that the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which expression shall also include Compensation (ESOP) Committee or such other Committee that may be constituted by the

Board for this purpose (Committee)) to create, issue, grant, offer and allot from time to time, directly or through, 'Edelweiss Employees Stock Option Trust', a Trust to be set up by the Company, to the Eligible Employees (as defined in the Plan) as may be decided by the Board, such number of Options ('Options' as defined in the Plan) in one or more tranches and upon such terms and conditions as may be deemed appropriate by the Board, such that the aggregate of such Options to be granted under the Plan shall not exceed 4,00,00,000 Options, each Option giving the right but not the obligation to the holder, or other person entitled under the Plan, to subscribe for cash to one fully paid Equity Share of ₹ 1/- each of the Company ('Share') in terms of the Plan and the terms of the Grant (as defined in the Plan), provided that:

1. all the Employees of the Company and its subsidiaries and the Directors (other than the Independent Directors) of the Company and its subsidiaries, whether whole time or not, shall be eligible to participate under the Plan subject to the provisions of the Plan and the Board identifying them as Eligible Employees in terms of the Plan;
2. the Board/Committee shall determine the eligibility of the Employees entitled to participate under the Plan and the eligibility criteria for the Employees under the Plan based on an evaluation of the Employees on various parameters including but not limited to, length of service, grade, performance, technical knowledge, leadership qualities, merit, contribution, conduct, future potential and such other factors as may be deemed appropriate by it;
3. the total number of Options to be granted under the Plan shall not exceed 4,00,00,000 (save that the number of Shares shall stand adjusted accordingly if and as determined by the Board/Committee in the event of a bonus issue, share split, share consolidation or other corporate action that the Board/Committee determines requiring such adjustment);
4. the maximum number of Options granted under the Plan per Employee will not exceed 50,00,000 Options;
5. the maximum number of Options granted under the Plan to the Non-executive Directors (other than the Independent Directors) of the Company will not exceed 15,00,000 Options in any financial year and 75,00,000 in aggregate under the Plan.
6. the number of Options that may be granted to any employee including any Director of the Company (other than the Independent Directors) , in any one year under the Plan shall be less than 1% of the issued Equity Share Capital of the Company at any point of time;
7. Subject to continued employment of the Participant (as defined in the Plan) with the Company, and unless the Board/Committee determines otherwise, the Unvested Options shall Vest with the Participant within a period of not less than 12 months and not more than 60 months from the date of the Grant. The Board/Committee may determine the Vesting Period either generally or with reference to any specific Employee or Employees. The Vesting may also be contingent on achievement of performance parameters as determined by the Board/Committee or any delegated authority. The decision with regard to achievement/non-achievement of the performance parameters by the Participant shall be at the sole discretion of the Board/Committee and will be final and binding on the Participant;
8. Unless the Board/Committee determines otherwise, the Exercise Price of the Options (being the issue price of the Shares to be allotted pursuant to the exercise of the Options) shall be the higher of the closing market price of the equity Shares as on the date of grant or book value of the Shares as per the last audited balance sheet as on the date of the Grant, unless the Board/Committee determines otherwise, whether generally or in respect of any specific Option;
9. the Board/Committee is empowered to make a fair and reasonable adjustment to the Exercise Price in case of bonus issues, share split, share consolidation and other corporate action;

10. the Exercise Period of the vested Options shall be such period as may be determined by the Board/Committee. However, the Exercise Period in no case should be less than 12 months and not more than 60 months from the date of Vesting;
11. the Company shall comply with the disclosure and accounting policies prescribed by SEBI and any other appropriate authority (ies), from time to time;
12. the Company shall use the intrinsic value method for valuation of the Options unless the Board/Committee determines otherwise in consonance with the SEBI SBEB Regulations; and
13. the difference between the employee compensation cost so computed above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options, shall be disclosed in the Board's Report and also the impact of this difference on profits and on Earnings Per Share (EPS) of the Company shall be disclosed in the Board's Report.

FURTHER RESOLVED that the Board be and is hereby authorised to vary, modify or alter any of the terms and conditions of the Plan, including but not limited to those for the grant of Options, issue of Shares on Exercise of Options, Exercise Price for the purpose of the Grant, Vesting Period and Exercise Period, subject to the SEBI SBEB Regulations.

FURTHER RESOLVED that the Shares to be issued and allotted shall rank pari passu with the then existing Shares of the Company.

FURTHER RESOLVED that for giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental to, and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to, the Plan and its implementation including grant of Options, vesting of Options, allotment of Shares on exercise of Options and other matters whatsoever and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions or sanctions which may be necessary or desirable, as they may deem fit."

8. Extending the benefits of 'Edelweiss Employees Stock Option Plan 2016' to the employees of the Subsidiaries

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed thereunder, subject to the Memorandum of Association and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be imposed or prescribed while granting such approvals, permissions and sanctions, approval of the members of the Company be and is hereby accorded to the 'Edelweiss Employees Stock Option Plan 2016' (hereinafter referred to as the 'Board' which expression shall also include Compensation (ESOP) Committee or such other Committee that may be constituted by the Board for this purpose (Committee)) to create, issue, grant, offer and allot from time to time, directly or through, Edelweiss Employees Stock Option Trust, a Trust to be set up by the Company, for and on behalf of and at the request of its subsidiaries, to the employees of the subsidiaries of the Company ('Subsidiary Employees') (which expression shall, unless repugnant to the context, mean and include the permanent employees of the subsidiaries and the Directors of the subsidiaries of the Company whether whole-time or not) as may be decided by the Board, such number of Options ('Options'), (as defined in the Plan) in one or more tranches and upon such terms and conditions as may be deemed appropriate by the Board, such that the aggregate of such Options granted under the Plan not to exceed 4,00,00,000 Options, each Option giving the right but not the obligation, to the holder, or other person entitled to subscribe under the Plan, to subscribe for cash, to one fully paid Equity Share of ₹ 1/- each of the Company ('Share') in terms of the Plan and the terms of the Grant (as defined in the Plan).

FURTHER RESOLVED that the terms of the Plan as set out in Item No. 7 above shall mutatis mutandis apply to the Employees of the Subsidiaries.

FURTHER RESOLVED that for giving effect to this Resolution, the Board/Committee be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental to, and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to, the Plan and its implementation including grant of Options, vesting of Options, allotment of Shares on exercise of Options and other matters whatsoever and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions or sanctions which may be necessary or desirable, as they may deem fit."

9. **Acquisition of the Shares of the Company through 'Edelweiss Employees Stock Option Trust' for implementation of Edelweiss Employees Stock Option Plan 2016**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, subject to the Memorandum of Association and Articles of Association of the Company, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations"), and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be imposed or prescribed while granting such approvals, permissions and sanctions, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board' which expression shall also include Compensation (ESOP) Committee or such other Committee that may be constituted by the Board for this purpose (Committee)) to set up a Trust 'Edelweiss Employees Stock Option Trust' (hereinafter referred to as the "Trust") to implement the 'Edelweiss Employees Stock Option Plan 2016' (the Plan) and that the Trust be and is hereby authorised to acquire, hold and deal in Equity Shares of the Company either from the Company and/or from the secondary market through the Trust, such that the total number of shares under secondary acquisition held by the Trust does not exceed, at any time, 5% of the paid-up equity share capital of the Company, for the purpose of implementation of Edelweiss Employees Stock Option Plan 2016 (the Plan) or for any other purpose(s) as contemplated under and in due compliance with the provisions of the SEBI SBEB Regulations.

FURTHER RESOLVED that the Equity Shares that can be acquired from the secondary market in any financial year by the Trust shall not exceed 2% of the Paid-up Equity Share Capital as at the end of the previous financial year.

FURTHER RESOLVED that in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger or other re-organisation, if any, additional Equity Shares are required to be issued by the Company to the shareholders, the maximum number of Equity Shares to be acquired by the Trust from the secondary market in any financial year as well as the maximum number of Equity Shares acquired from the secondary market and held by the Trust at any point of time, as aforesaid, shall be increased in the same proportion as the number of such additional Equity Shares issued bears to the number of Equity Shares outstanding immediately prior to such issue.

FURTHER RESOLVED that the Board/Committee 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/Committee to secure any further approval of the members of the Company."

10. Scheme for provision of money to 'Edelweiss Employees Stock Option Trust' for acquisition of the shares of the Company for the benefit of the employees under Edelweiss Employees Stock Option Plan 2016

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 67 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (and any statutory modification(s) or re-enactment(s) thereof for the time being in force) as amended from time to time (hereinafter referred to as "Companies Rules"), subject to the Memorandum of Association and Articles of Association of the Company, regulations and guidelines of Securities and Exchange Board of India, including Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations"), and subject to such other approvals, permissions and sanctions as may be necessary and subject further to such conditions and modifications as may be imposed or prescribed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the 'Board' which expression shall also include Compensation (ESOP) Committee or such other Committee that may be constituted by the Board for this purpose (Committee)), approval of the members of the Company, be and is hereby accorded to the scheme for provision of money, by way of grant of loan or provision of guarantee or security in connection with loan to be granted, in one or more tranches, to 'Edelweiss Employees Stock Option Trust' (hereinafter referred to as "Trust") to be set up by the Company, in one or more tranches, for the purpose of subscription and /or purchase of equity shares of the Company by the Trust, in one or more tranches, for the benefit or welfare of employees under Edelweiss Employees Stock Option Plan 2016 (hereinafter referred to as the "Plan"), or for any other purpose(s) as permitted under and in due compliance with the provisions of the SEBI SBEB Regulations and all other applicable laws and regulations.

FURTHER RESOLVED that the total amount of loan to be provided by the Company under the scheme, by way of grant of loan and by way of guarantee/security for any loan to be granted by any other person, to the Trust and outstanding at any point of time, shall not exceed ₹ 400 crores and that any loan shall be granted by the Company on such terms and conditions as may be decided from time to time.

FURTHER RESOLVED that the Board/Committee 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/Committee to secure any further approval of the members of the Company."

11. Amendment to the Edelweiss Employees Stock Incentive Plan 2009

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that subject to the applicable laws, the SEBI (Share Based Employee Benefits) Regulations, 2014 and subject to such approvals as may be required, approval of the members of the Company be and is hereby accorded for amendment to the 'Edelweiss Employees Stock Incentive Plan 2009' (the Plan 2009) in the following manner:-

i) 'The following Clauses be inserted:-

'3.8A "Designated Window" shall mean the period of 21 days prior to the expiry of Options as may be notified by the Committee from time to time for the purposes of Clause 11A of this Plan. Such intimation shall be given atleast 7 days before the date of commencement of the Period'.

11A.1 Notwithstanding anything to the contrary contained in this Plan or any Grant Letter and subject to applicable laws, Participant/Beneficiary may, during any Designated Window in the Exercise Period, opt to receive cash compensation in lieu of exercising the Options Vested.

- 11A.2 The Participant/Beneficiary desirous of availing this facility shall make a request in writing in the prescribed form to the Committee that they are desirous of receiving cash compensation, in lieu of exercising the Options Vested.
- 11A.3 The term cash compensation for each Vested Option shall mean the positive difference between: (a) the closing market price of the Shares one day prior to the date on which the request under Clause 11A.2 is received by the Committee plus an addition of 5% to the closing market price and (b) the Exercise Price.
- 11A.4 The cash compensation shall be paid after deducting the taxes, other amounts, expenses and charges, if any, payable by such Participant/Beneficiary.
- 11A.5 Upon receipt of such cash compensation, the Vested Options in respect of which the request has been given by the Participant/Beneficiary shall be deemed to have lapsed in terms of this Plan without requiring any further act, deed or writing from the Participant/Beneficiary, Committee or the Company.
- 12.8 Notwithstanding anything contained herein, it shall be open to the Participant/Beneficiary to also avail cash compensation in lieu of Exercising the Vested Options, in the form and manner prescribed in Clause 11A of the Plan.

ii) The Clause 11.8 be deleted.

FURTHER RESOLVED that consequent to the aforesaid changes, necessary amendments be made appropriately in the Plan 2009.

FURTHER RESOLVED that 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 the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to comply with the applicable Regulations and 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 to settle 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."

12. Amendment to the Edelweiss Employees Stock Incentive Plan 2010

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that subject to the applicable laws, the SEBI (Share Based Employee Benefits) Regulations, 2014 and subject to such approvals as may be required, approval of the members of the Company be and is hereby accorded for amendment to the 'Edelweiss Employees Stock Incentive Plan 2010' (the Plan 2010) in the following manner:-

i) **'The following Clauses be inserted:-**

- '3.8A "Designated Window" shall mean the period of 21 days prior to the expiry of Options as may be notified by the Committee from time to time for the purposes of Clause 11A of this Plan. Such intimation shall be given atleast 7 days before the date of commencement of the Period'.
- 11A.1 Notwithstanding anything to the contrary contained in this Plan or any Grant Letter and subject to applicable laws, Participant/Beneficiary may, during any Designated Window in the Exercise Period, opt to receive cash compensation in lieu of exercising the Options Vested.

- 11A.2 The Participant/Beneficiary desirous of availing this facility shall make a request in writing in the prescribed form to the Committee that they are desirous of receiving cash compensation, in lieu of exercising the Options Vested.
- 11A.3 The term cash compensation for each Vested Option shall mean the positive difference between: (a) the closing market price of the Shares one day prior to the date on which the request under Clause 11A.2 is received by the Committee plus an addition of 5% to the closing market price and (b) the Exercise Price.
- 11A.4 The cash compensation shall be paid after deducting the taxes, other amounts, expenses and charges, if any, payable by such Participant/Beneficiary.
- 11A.5 Upon receipt of such cash compensation, the Vested Options in respect of which the request has been given by the Participant/Beneficiary shall be deemed to have lapsed in terms of this Plan without requiring any further act, deed or writing from the Participant/Beneficiary, Committee or the Company.
- 12.8 Notwithstanding anything contained herein, it shall be open to the Participant/Beneficiary to also avail cash compensation in lieu of Exercising the Vested Options, in the form and manner prescribed in Clause 11A of the Plan.

ii) The Clause 11.8 be deleted.

FURTHER RESOLVED that consequent to the aforesaid changes, necessary amendments be made appropriately in the Plan 2010.

FURTHER RESOLVED that 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 the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to comply with the applicable Regulations and 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 to settle 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."

13. Amendment to the Edelweiss Employees Stock Incentive Plan 2011

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that subject to the applicable laws, the SEBI (Share Based Employee Benefits) Regulations, 2014 and subject to such approvals as may be required, approval of the members of the Company be and is hereby accorded for amendment to the 'Edelweiss Employees Stock Incentive Plan 2011' (the Plan 2011) in the following manner:-

i) 'The following Clauses be inserted:-

- '3.8A "Designated Window" shall mean the period of 21 days prior to the expiry of Options as may be notified by the Committee from time to time for the purposes of Clause 11A of this Plan. Such intimation shall be given atleast 7 days before the date of commencement of the Period'.
- 11A.1 Notwithstanding anything to the contrary contained in this Plan or any Grant Letter and subject to applicable laws, Participant/Beneficiary may, during any Designated Window in the Exercise Period, opt to receive cash compensation in lieu of exercising the Options Vested.

- 11A.2 The Participant/Beneficiary desirous of availing this facility shall make a request in writing in the prescribed form to the Committee that they are desirous of receiving cash compensation, in lieu of exercising the Options Vested.
- 11A.3 The term cash compensation for each Vested Option shall mean the positive difference between: (a) the closing market price of the Shares one day prior to the date on which the request under Clause 11A.2 is received by the Committee plus an addition of 5% to the closing market price and (b) the Exercise Price.
- 11A.4 The cash compensation shall be paid after deducting the taxes, other amounts, expenses and charges, if any, payable by such Participant/Beneficiary.
- 11A.5 Upon receipt of such cash compensation, the Vested Options in respect of which the request has been given by the Participant/Beneficiary shall be deemed to have lapsed in terms of this Plan without requiring any further act, deed or writing from the Participant/Beneficiary, Committee or the Company.
- 12.8 Notwithstanding anything contained herein, it shall be open to the Participant/Beneficiary to also avail cash compensation in lieu of Exercising the Vested Options, in the form and manner prescribed in Clause 11A of the Plan.

ii) The Clause 11.8 be deleted.

FURTHER RESOLVED that consequent to the aforesaid changes, necessary amendments be made appropriately in the Plan 2011.

FURTHER RESOLVED that 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 the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to comply with the applicable Regulations and 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 to settle 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."

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

**B. Renganathan
Executive Vice President & Company Secretary
(F2922)**

May 13, 2016

Registered Office:
Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098.
CIN No.: L99999MH1995PLC094641
Email: efsl.shareholders@edelweissfin.com

NOTES:

1. The Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in respect of the Special Business to be transacted at the Annual General Meeting (AGM/Meeting) is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. Members/Proxies should bring the enclosed attendance slip duly filled in, for attending the Meeting, along with the Annual Report.
4. Pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ('ICSI'), information in respect of the Directors seeking appointment/re-appointment at the AGM, is given in the Annexure to the Notice.
5. All the documents referred to in the Notice and Statement pursuant to Section 102 of the Companies Act, 2013, are open for inspection between 2.00 p.m. to 4.00 p.m. on all working days upto the date of the AGM at the Registered Office of the Company and will also be available at the venue of the AGM.

6. **Book Closure**

The Register of Members and the Share Transfer Books of the Company will remain closed from August 1, 2016 to August 8, 2016 (both days inclusive).

7. **Nomination Facility**

The members holding the shares in physical form may obtain the Nomination Form from the Company's Registrar & Share Transfer Agent.

8. Members are requested to note that dividends not claimed or encashed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund (IEPF).
9. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid/unclaimed for a period of seven years from the date they become due for payment is to be transferred to the IEPF. Accordingly, the dividend declared for all the financial years ended upto March 31, 2008 had been transferred to IEPF. The amount so transferred cannot be claimed either from the Company or from IEPF.

Members who have not encashed the dividend warrants for the financial year 2008-09 and/or any subsequent years are requested to write to the Company/RTA giving the necessary details.

10. Pursuant to Section 205C(2) of the Companies Act, 1956 and the Rules framed thereunder, the details of the unclaimed dividend are hosted on the website of the Company.

11. Members desirous of getting any information in respect of the contents of the Annual Report are requested to forward the same to the Company at least ten days prior to the AGM so that the required information can be made available at the Meeting.

12. Green Initiative

- a) copies of the Annual Report of the Company for the financial year ended March 31, 2016 are being sent by electronic mode only to those Members whose e-mail addresses are registered with the Company/Depository Participant(s) unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report are being sent by the permitted mode. Members may also note that Notice and Explanatory Statement are also available on the website of the Company i.e. www.edelweissfin.com. Members intending to correspond with the Company in physical form may write to us on efsl.shareholders@edelweissfin.com.
- b) the Members who have not updated their e-mail addresses are requested to update the same with their respective Depository Participant(s) or communicate their e-mail addresses to the Registrar and Share Transfer Agent or the Company, so that the Company can send future communications to these Members in electronic mode. Members are requested to send a signed letter, communicating their Name, Folio No./DP ID / Client ID and e-mail address either by e-mail (scanned copy) to rnt.helpdesk@linkintime.co.in or send a hard copy thereof to them. Alternatively, the Members can also update their e-mail addresses with Company by sending an e-mail to efsl.shareholders@edelweissfin.com.

13. E-voting

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (the AGM) by electronic means and the business may be transacted through e-Voting services. The facility of casting votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for casting vote through ballot/polling paper shall be made available at the Meeting and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- III. The members who had cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period shall commence on August 5, 2016 (9:00 a.m.) and close on August 8, 2016 (5:00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 3, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast, the member shall not be allowed to change it subsequently or cast the vote again.

V. The process and the manner for remote e-voting are as under:

A. Members who are already registered with NSDL

In case a member is already registered with NSDL for remote e-voting, you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

B. Members who are not registered with NSDL

On receipt of an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:

- (i) Open the PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password provided is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Type user ID and the initial password provided in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting → Active Voting Cycles.
- (vii) Select “EVEN” of “Edelweiss Financial Services Limited”.
- (viii) Now you are ready for remote e-voting as the Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to keyoor@bnp-associates.com with a copy marked to evoting@nsdl.co.in.

C. In case a member receives physical copy of the Notice of AGM whose email IDs are not registered with the Company/Depository Participant (s) or requesting physical copy :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
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- (ii) Please follow all steps from Sl. No. B. (ii) to Sl. No. B. (xii) above, to cast the vote.

- (iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- (iv) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s)
- (v) The voting rights of members shall be in proportion to their shares held in the paid up equity share capital of the Company as on the cut-off date i.e. August 3, 2016.
- (vi) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the AGM Notice and holds shares as on the cut-off date i.e. August 3, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
- (vii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- (viii) Mr. B. Narasimhan, Company Secretary, M/s. B.N. & Associates, Company Secretaries, failing him, Mr. Keyoor Bakshi, Partner of M/s. BNP & Associates, Company Secretaries have been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (ix) The Chairman shall, at the AGM, allow voting with the assistance of scrutinizer, by use of "Ballot / Polling Paper" for all those members who are present at the AGM but have not cast their votes through the remote e-voting facility.
- (x) The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (xi) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.edelweissfin.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited.

ANNEXURE TO THE NOTICE DATED MAY 13, 2016

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4:-

The tenure of appointment of Mr. Rujan Panjwani as an Executive Director expires on June 23, 2016. Based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors at their meeting held on May 13, 2016 had, subject to the approval of the Members, re-appointed Mr. Rujan Panjwani as an Executive Director for a period of 5 years w. e. f. June 24, 2016.

Mr. Rujan Panjwani has over 25 years of experience in the financial services sector working across all asset classes. Mr. Rujan Panjwani is associated with the Company since 2000. Over the last 16 years he has played a key role in setting up several businesses and functions for the Edelweiss Group including Asset Management, Credit, Group Treasury and the Balance Sheet unit.

Mr. Rujan Panjwani plays a key role in several strategic initiatives for the Group including driving its Human Resources, Strategy and Business development. He is also a member of the Assets & Liabilities Committee that primarily manages the Group's balance sheet and the Global Risk Committee, the highest decision making body in Edelweiss on Risk-related issues. He is also on the Boards of various group companies.

The Directors recommend passing the Resolution set out in Item No. 4 of the Notice as a Special Resolution.

Except Mr. Rujan Panjwani, none of the Directors and the Key Managerial Personnel and their relatives are interested or concerned, in any manner in this item of business.

ITEM NO. 5:-

The members at the 17th Annual General Meeting of the Company held on July 26, 2012, had approved the payment of commission of upto 1% per annum of the net profits of the Company to the Non-executive Directors of the Company for a period of five years commencing April 1, 2012.

Pursuant to Section 197 of the Companies Act, 2013 and the Rules framed thereunder, a director other than a director in whole-time employment of the Company can be paid remuneration by way of commission upto 1% of the net profits of the Company. Approval of the members of the Company is required for the payment of remuneration to the Non-executive Directors by way of commission.

Accordingly, it is proposed to pass a special resolution seeking the approval of the members for payment of commission of upto 1% of the net profits of the Company to the Non-executive Directors of the Company.

The Directors recommend passing the Resolution set out in Item No. 5 of the Notice as a Special Resolution.

The Non-executive Directors of the Company may be deemed to be concerned or interested in this item of business. Ms. Vidya Shah, Non-executive Director of the Company is related to Mr. Rashesh Shah, Chairman, Managing Director & CEO.

ITEM NO. 6:-

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

The members at the 20th Annual General Meeting of the Company held on July 21, 2015, had approved the issue of Debentures on a private placement basis, for an amount not exceeding ₹ 2,500 crores and the said approval will remain in force for a period of 1 year.

To meet the financial requirements, the Company continues to raise funds by issue of Debentures on a private placement basis. Hence it is proposed to obtain the approval of the members for issue of Debentures on a private placement basis, for an amount not exceeding ₹ 2,500 crores. 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 (which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers) may determine.

The Special Resolution set out in Item No. 6 of the Notice shall remain in force for a period of 1 year. The Directors recommend passing the Resolution set out in Item No. 6 of the Notice as a Special Resolution.

None of the Directors and the Key Managerial Personnel and their relatives are interested or concerned, in any manner in this item of business.

ITEM NOS. 7 and 8:-

The Company proposes to launch a new Employees Stock Option Plan i.e., Edelweiss Employees Stock Option Plan, 2016 ('Plan') as per the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), so as to ensure commitment, attract and retain talent through ownership and financial motivation. Subject to the terms and conditions contained therein, the Plan envisages grant of Stock Options ('Options') and allotment of equity shares of the Company upon exercise of such Options to the Eligible Employees of the Company and its subsidiaries as determined by the Board of Directors of the Company (hereinafter referred to as the 'Board' which expression shall also include Compensation (ESOP) Committee or such other Committee that may be constituted by the Board for this purpose (Committee)). Each Option will give the holder thereof, or other person entitled under the Plan, the right but not the obligation to subscribe for cash to one fully paid up equity share of ₹ 1 each of the Company ('Share').

The Company intends to implement the Plan either directly or through an Edelweiss Employees Stock Option Trust (herein after referred to as "Trust") to be set up by the Company.

In accordance with the provisions of the SEBI SBEB Regulations, approval of the members is sought to introduce the Plan and to grant stock options under the Plan to the eligible employees/ Directors of the Company and those of its Subsidiaries as decided by Board in accordance with the provisions of the SEBI SBEB Regulations.

The main features of Plan are as under:

1. Brief Description of the Scheme(s):

The proposed Plan shall be called the Edelweiss Employees Stock Option Plan, 2016 (the Plan) and is intended to reward the Eligible Employees of the Company, its Subsidiaries in India and abroad, for their performance and to motivate them to contribute to the growth and profitability of the Company.

2. Total number of Options to be granted:

The total number of options that would be available for grant to the eligible employees of the Company and its Subsidiaries under the Plan, in one or more tranches, will not exceed 4,00,00,000. Each option would carry a right to apply for one Equity Share in the Company of ₹ 1/- each, fully paid-up.

Vested Options lapsed due to non-exercise and/or unvested Options that get cancelled due to resignation/termination of the employees or otherwise, would be available for being re-granted at a future date. The Board/Committee is authorized to re-grant such lapsed/cancelled Options as per the provisions of Plan.

The SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger or other re-organisation, if any, a fair and reasonable adjustment needs to be made to the

Options granted. Accordingly, if any, additional Equity Shares are required to be issued pursuant to any corporate action, the above ceiling of Equity Shares shall be deemed to be increased to the extent of such additional Equity Shares issued, subject to compliance with the SEBI SBEB Regulations.

3. Identification of classes of employees entitled to participate in the Plan:

Following classes of employees are entitled to participate in the Plan:

- (i) a permanent employee of the Company working in India or outside India; or
- (ii) a Director of the Company, whether a whole time director or not, but excluding an Independent Director; or
- (iii) an employee as defined in clauses (i) or (ii) above of the subsidiaries, in India or outside India, but does not include-
 - a) an employee who is a promoter or a person belonging to the promoter group; or
 - b) a Director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

4. Requirements of vesting and period of vesting:

The Options granted to an employee shall vest in him so long as he continues to be in the employment of the Company or the Subsidiaries, as the case may be, and unless the Board/Committee determines otherwise (which determination shall not be contrary to the SEBI SBEB Regulations), the Unvested Options shall Vest with the Participant within a period of not less than 12 months and not more than 60 months from the date of Grant. The Board/Committee may determine the Vesting Period either generally or with reference to any specific Employee or Employees. The Vesting may also be contingent on achievement of performance parameters as determined by the Board/Committee or any delegated authority. The decision with regard to achievement/non-achievement of the performance parameters by the Participant shall be at the sole discretion of the Board/Committee and will be final and binding upon the Participant.

5. Maximum period within which the Options shall be vested:

Options granted under the Plan would vest in the employees within a maximum period of 60 months from the date of grant of the Options, or as may be determined by the Board/Committee.

6. Exercise price or pricing formula:

Unless the Board/Committee determines otherwise, whether generally or in respect of any specific Options, the Exercise Price will be higher of:

- i) the closing Market Price of the Shares on the date of the Grant; or
- ii) the Book Value of the Shares as per the last audited balance sheet as on the date of the Grant.

'Market Price' means the latest available closing price on the stock exchange on which the Shares are listed, prior to the date of the meeting of the Committee in which the Options are Granted. If, at the relevant time, the Shares are listed on more than one stock exchange, then such latest available closing price of the Shares on the stock exchange where there is highest trading volume on the said date shall be considered.

7. Exercise period and the process of Exercise:

Unless the Board/Committee decides otherwise, the Exercise Period of the Vested Options shall not be less than 12 months and not more than 60 months from the date of Vesting.

The vested Options shall be exercisable by the employees by a written application to the Company/Trust expressing his/her intention to exercise such Options in such manner and in such format as may be prescribed by the Committee/Trust from time to time. The Options shall lapse if not exercised within the specified Exercise Period.

The Shares allotted/transferred to the Participant (as defined in the Plan) on Exercise of the Vested Options pursuant to the Plan may be subject to such lock-in, if any, as may be determined by the Committee/Trust, from time to time.

8. Appraisal process for determining the eligibility of employees for the Plan:

The appraisal process for determining the eligibility of the employees/class of employees will be decided by the Board/Committee from time to time, on various parameters which would inter alia include the length of service, grade, performance, technical knowledge, leadership quality, merit contribution, conduct and future potential.

9. Maximum number of options to be granted per employee and in the aggregate

The maximum number of Options to be granted under the Plan shall not exceed 4,00,00,000 (save that the number of Shares shall stand adjusted accordingly if and as determined by the Board/Committee in the event of a bonus issue, share split, share consolidation or other corporate action that the Board/Committee determines requiring such adjustment).

The maximum number of Options to be granted under the Plan per Employee will not exceed 50,00,000. The maximum number of Options granted under the Plan to the Non-executive Directors (other than the Independent Directors) of the Company will not exceed 15,00,000 Options in any financial year and 75,00,000 in aggregate under the Plan. The number of Options that may be granted to any employee including any Director of the Company (not being an Independent Director), in any one year under the Plan shall be less than 1% of the issued Equity Share Capital at any point of time.

10. Whether the scheme(s) is to be implemented and administered directly by the company or through a trust:

The Plan may also be implemented and administered by Edelweiss Employees Stock Option Trust, a Trust to be set up by the Company.

11. Source of Acquisition of Shares by the Trust:

The Plan contemplates both fresh issue of shares by the Company as well as acquisition of shares by the Trust on the stock exchanges or any other permitted mode, in accordance with the provisions of the SEBI SBEB Regulations.

12. The amount of loan provided for implementation of the Scheme by the Company to the Trust, its tenure, utilization, repayment terms etc.:

For the effective implementation of the Plan, the Company may provide loan to the Trust, from time to time, as per the following details:-

- i) Amount of Loan - Maximum amount of loan outstanding at any point of time shall not exceed ₹ 400 crores.
- ii) Tenure of Loan– Till the objects of the Trust are accomplished or repayment of the loan by the Trust, whichever is earlier.
- iii) Utilization of Loan – For implementation of the Plan by subscribing to the Shares from the Company or acquiring from the stock exchanges or any other permitted mode.
- iv) Repayment terms – The Trust shall repay the loan to the Company by utilizing the proceeds realized from the exercise of the Options by the Employees and/or as may be mutually agreed upon between the Company and the Trust from time to time.

13. Maximum percentage of Secondary Acquisition (subject to limits specified under the Regulations) that can be made by the Trust for the purpose of the Scheme:

The total number of Shares under secondary acquisition to be acquired by the Company in no case will exceed 5% of the outstanding paid up equity capital of the Company, at any point of time, provided that the Equity Shares that can be acquired from the secondary market in any financial year by the Trust shall not exceed 2% of the Paid-up Equity Share Capital as at the end of the financial year.

14. Accounting and Disclosure Policies:

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards/policies prescribed by the Institute of Chartered Accountants of India or Central Government or SEBI, from time to time, including the disclosure requirements prescribed therein.

15. Method of Option Valuation:

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the Options granted. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on earning per share of the Company shall also be disclosed in the Board's Report.

The Plan shall be available for inspection by any member at the Registered Office of the Company between 2.00 p.m. to 4.00 p.m. on all working days till the date of the Annual General Meeting.

The approval of the members is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and as per the SEBI SBEB Regulations.

The Board of Directors recommend the special resolutions set forth as Item Nos. 7 and 8 of the Notice for approval of the Members.

The eligible Directors and Key Managerial Personnel may be deemed to be concerned or interested in these resolutions to the extent of their participation in the Plan(s).

ITEM NO. 9:-

The Company intends to introduce a new 'Edelweiss Employees Stock Option Plan 2016', with a view to attracting and retaining key talent for the Company and its Subsidiaries. Under the Plan, the Company may issue fresh equity shares to the Option holders upon exercise of options, which would result in dilution of equity. Acquisition of shares from the secondary market will not result in dilution of equity. Therefore, the Plan, may be implemented through Edelweiss Employees Stock Option Trust (the Trust), a Trust to be set up, by the Company. The Trust would acquire the Company's shares from the secondary market.

The SEBI SBEB Regulations require approval of the shareholders of the Company for acquisition of shares from secondary market for implementation of employee benefit schemes, by passing a special resolution. Pursuant to the SEBI SBEB Regulations the secondary acquisition by the Trust, in any financial year, for implementing employee benefit schemes shall not exceed 2% of the total number of shares of the Company, at the end of the preceding financial year and the total number of shares acquired from the secondary market and held by the Trust at any time, shall not exceed 5% of the total number of shares of the Company at the end of the financial year preceding the year in which the resolution for secondary acquisition of shares is passed by the shareholders.

The Board of Directors recommend the special resolution set forth as Item No. 9 of the Notice for approval of the Members.

The eligible Directors and Key Managerial Personnel may be deemed to be concerned or interested in these resolutions to the extent of their participation in the Plan(s).

ITEM NO. 10:-

The Company intends to introduce a new Edelweiss Employees Stock Option Plan 2016 (the Plan), with a view to attracting and retaining key talent for the Company and its Subsidiaries. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, ("SEBI SBEB Regulations") which governs share based employee benefit schemes/plans permit implementation of the plan through a trust and in some situations, even makes it mandatory.

The Plan may be implemented through Edelweiss Employees Stock Option Trust, a Trust to be set up by the Company (hereinafter referred to as the Trust). The Trust may need funds, from time to time, for subscribing to the Company's Equity Shares (the Shares) or for purchasing the Shares on the Stock Exchanges or any other permitted mode, for implementing the Plan. As per the provisions of Companies Act, 2013, any provision of loan by a Company to any person for purchase of or subscription for its own shares has to be in accordance with a scheme approved by the members by way of a special resolution.

The major terms of the scheme are as below:

1. The total amount of loans to be granted by the Company, from time to time, to the Trust and the amount of guarantee/security to be provided by the Company in connection with a loan provided by another person to the Trust and outstanding at any point of time, shall not exceed ₹ 400 crores.
2. The loan shall carry interest at such rate, as may be determined by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof) of the Company, from time to time.
3. All other terms of the scheme shall be framed by the Board of Directors (including a Committee thereof).

Particulars in respect of the Trust:**a) Class of employess for whose benefit the scheme is being implemented and money is being provided for purchase of or subscription to shares:**

The Plan is being implemented and money is being provided for purchase and subscription of shares for the benefit of employees within the meaning of the Plan. The class/ classes of employess who are eligible subject to selection by the Board/Compensation (ESOP) Committee ("Committee") are as under:

- (i) a permanent employee of the Company who has been working in India or outside India; or
- (ii) a Director of the Company, whether a whole time director or not but excluding an Independent Director; or
- (iii) an employee as defined in clauses (i) or (ii) of the subsidiaries, in India or outside India, but does not include—
 - a) an employee who is a promoter or a person belonging to the promoter group; or
 - b) a Director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

b) The particulars of the Trustee or employees in whose favor such shares are to be registered:

The Trust shall acquire and hold the shares in due compliance of the relevant provisions of SEBI SBEB Regulations and other applicable statutes. The shares will be registered in the names of the Trustees.

c) The particulars of Trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any:

The following are the details of the Trust to be set for the implementation of the Plan.

Name and address of the Trust:

Edelweiss Employees Stock Option Trust,
Edelweiss House, Off CST Road, Kalina, Mumbai – 400 098

The proposed Trustees of the Trust are as under:-

Sr. No	Name	Address	Occupation	Nationality
1.	Mr. Nikhilesh Panchal	502 Ajay Apartment, T.H.Kataria Marg, Matunga (W) Mumbai 400016	Professional	Indian
2.	Mr. R. P. Soni	D-1604/05, Ekta Meadows CHS, Siddharth Nagar, Borivali (East), Mumbai – 400 066.	Professional	Indian
3.	Mr. T. V. Rangaswami	Flat no. 505, Aster Dosti Acres, Indian Hume Pipe, Wadala(E), Mumbai 400037.	Service	Indian

The Board (including a Committee thereof) at its sole discretion may re-constitute the Board of Trustees at any time.

None of the Trustees is related to the Promoters, Directors or Key Managerial Personnel of the Company.

d) Any interest of key managerial personnel, directors or promoters in such scheme or trust and effect thereof:

Promoters are not eligible to participate in the Plan and do not have any interest in the scheme or in the Trust. The Key Managerial Personnel and Non-promoter Directors (other than the Independent Directors) may be covered under the Plan in accordance with the SEBI SBEB Regulations and, therefore, may be considered to be interested in the scheme or the Trust to the extent of options which may be granted to them under the Plan.

e) The detailed particulars of benefits which will accrue to the employees from the implementation of the Scheme:

The Employees of the Company and its subsidiaries, considered eligible by the Board/Committee, may be granted stock options under the Plan which would vest according to the vesting conditions prescribed by the Board/Committee. After vesting and on exercise of the Options, either the Company or the Trust/Trustees may allot or transfer corresponding number of shares to the employees against payment of the Exercise Price. The employees may hold, sell or otherwise deal in such shares, as per their discretion subject to applicable laws and regulations. Provision of loans by the Company to the Trust enables the Trust to implement the Plan.

f) The details about who would exercise and how the voting rights in respect of the shares to be purchased under the Plan would be exercised:

As per SEBI SBEB Regulations, the Trustees shall not vote in respect of equity shares held by the Trust. The voting rights can be exercised by an employee only when the equity shares are transferred to them after due process of exercise of Options.

The Scheme shall be available for inspection by any member at the Registered Office of the Company between 2.00 p.m. to 4.00 p.m. on all working days till the date of the Annual General Meeting.

In accordance with the provisions of the SEBI SBEB Regulations read with the Companies (Share Capital and Debentures) Rules, 2014, approval of the Shareholders is being sought by way of a special resolution set forth as Item No. 10 of this Notice.

The Board of Directors recommend the special resolution set forth as Item No. 10 of the Notice for approval of the shareholders.

The eligible Directors and Key Managerial Personnel may be deemed to be concerned or interested in these resolutions to the extent of their participation in the Plan(s).

ITEM NOS. 11 to 13:-

With a view to provide the employees of the Company a share in the growth of the Company, to attract, retain and motivate the best available talent in the Company, the Company had formulated and implemented various Employees' Stock Option Plans.

As of date, the Stock Options granted under the following Plans are in force:-

1. Edelweiss Employees Stock Incentive Plan 2009;
2. Edelweiss Employees Stock Incentive Plan 2010; and
3. Edelweiss Employees Stock Incentive Plan 2011.

(hereinafter collectively referred to as 'the Plan(s)').

On exercise of Options granted pursuant to the Plans, presently the Company allots new shares for which the employees are required to pay the Exercise Price. With the passage of time and prevailing market practices, it is considered prudent to provide the employees an additional option to receive cash in lieu of exercise of the Vested Options in the manner provided in the Resolutions Item Nos. 11 to 13. The option to receive cash in lieu of Vested Options can be exercised by the employees at their sole discretion. In the event, the employees are not desirous of availing such an option, the employees can continue to exercise their Vested Options as per original terms which remain unchanged.

To incorporate the aforesaid, it is proposed to amend the Plan(s) in the manner provided in the resolutions. The proposed amendments to the Plans are not detrimental to the interest of the employees. The amendments shall be applicable to the existing and the future options that may be granted under the Plan(s).

The Plan(s) together with the proposed amendments shall be available for inspection by any member at the Registered Office of the Company between 2.00 p.m. to 4.00 p.m. on all working days till the date of the Annual General Meeting.

In terms of the SEBI (Share Based Employee Benefits) Regulations, 2014, any change to the terms of options already granted requires the prior approval of the shareholders of the Company. The Board recommend the Special Resolutions at Item Nos. 11 to 13 of the Notice for approval by the Members.

The eligible Directors and Key Managerial Personnel may be deemed to be concerned or interested in these resolutions to the extent of their participation in the Plan(s).

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

**B. Renganathan
Executive Vice President & Company Secretary
(F2922)**

May 13, 2016

Registered Office:

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

CIN No.: L99999MH1995PLC094641

Email: efsl.shareholders@edelweissfin.com

Details of Directors seeking appointment/re-appointment at the Annual General Meeting pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)

Name of the Director	Mr. Himanshu Kaji	Mr. Rujan Panjwani
Date of Birth	August 24, 1965	April 7, 1963
Age	50 years	53 years
Date of Appointment	November 1, 2011	June 24, 2013
Brief resume, qualification, experience and nature of expertise in specific functional areas	<p>Mr. Himanshu Kaji, Group Chief Operating Officer, is responsible for the overall functioning of Corporate Planning, Operations, Technology, Business Solutions, Governance, Compliance, Finance, Stakeholder Relations, Global Risk, Resources, Legal and Administration functions of the Group. He brings vital expertise and is involved in strategy development and implementation. Before joining Edelweiss in 2009, he served as corporate advisor to various large organisations in the financial services sector. Mr. Kaji was Honorary Treasurer & Official Spokesman and Director of Bombay Stock Exchange (BSE) from 1999 to 2002. Presently, he is a member of the Secondary Market Advisory Committee of SEBI. Mr. Kaji is a qualified Chartered Accountant with a Post-graduate Diploma in Securities Law.</p>	<p>Mr. Rujan Panjwani, has over 25 years of experience in the financial services industry working across all asset classes.</p> <p>Over the last 16 years he has played a key role in setting up several businesses and functions for the Edelweiss Group including Asset Management, Credit, Group Treasury and the Balance Sheet unit.</p> <p>Mr. Rujan Panjwani plays a key role in several strategic initiatives for the Group including driving its Human Resources, Strategy and Business development.</p> <p>He is also a member of the Assets & Liabilities Committee that primarily manages the Group's balance sheet and the Global Risk Committee, the highest decision making body in Edelweiss on Risk-related issues.</p> <p>Mr. Panjwani is an Electrical Engineer by qualification.</p>
No. of Board Meetings attended during the financial year ended March 31, 2016	5	4
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	<p>Public Companies</p> <ul style="list-style-type: none"> i) ECL Finance Limited ii) Edelweiss Tokio Life Insurance Company Ltd. iii) Edelweiss Trusteeship Company Limited iv) Edelweiss Holdings Ltd. v) Edelweiss General Insurance Company Ltd. 	<p>Public Companies</p> <ul style="list-style-type: none"> i) Edelweiss Tokio Life Insurance Company Ltd. ii) Edelweiss Commodities Services Ltd. iii) Edelweiss Asset Management Ltd. iv) Edel Land Ltd. v) Edelweiss Custodial Services Limited

Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Memberships of Committees of other Boards	Memberships of Committees of other Boards
	<ul style="list-style-type: none"> i) Edelweiss Trusteeship Company Limited – Audit & Risk Committee ii) Edelweiss Tokio Life Insurance Company Ltd -Audit Committee 	Edelweiss Asset Management Ltd – Audit & Risk Committee
Number of Shares held in the Company	9,37,500	1,23,16,380
Inter-se relationship with other Directors and Key Managerial Personnel	None	None
Details of Remuneration sought to be paid	Mr. Kaji is an Executive Director of the Company and will be paid the remuneration as approved by the members at the 20 th Annual General Meeting of the Company held on July 21, 2015.	Please refer Item No. 4 of the 21 st AGM Notice
Remuneration last drawn by the Director	Please refer Corporate Governance Report forming part of the Annual Report	



ROUTE MAP OF THE VENUE OF THE
21st ANNUAL GENERAL MEETING - AUGUST 9, 2016

AGM Venue:

Edelweiss Financial Services Limited

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

Prominent Landmark: University of Mumbai, Kalina

