



EDELWEISS FINANCIAL SERVICES LIMITED

CIN: L99999MH1995PLC094641

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

Phone: +91 22 – 4009 4400, **Fax:** +91 22 – 4086 3759

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

NOTICE OF POSTAL BALLOT

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

Dear Member(s),

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

1. Approval of the Edelweiss Employee Stock Appreciation Rights Plan 2019;
2. Extending the benefits of Edelweiss Employee Stock Appreciation Rights Plan 2019 to the eligible employees of the subsidiaries of the Company.

The Explanatory Statement setting out the material facts is annexed to this Notice as required under Sections 102 and 110 of the Act. A Postal Ballot Form is also enclosed in this regard.

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

Please read the instructions provided in the Notes to the Notice and return the duly completed Postal Ballot Form in the enclosed self-addressed Business Reply Envelope to the Scrutinizer on or before the close of the business hours i.e. 5.00 p.m. on Tuesday, April 30, 2019.

In compliance with the provisions of Section 108 and 110 of the Act read with the Rules and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015('Listing Regulations') (including any statutory modification or re-enactment thereof for the time being in force), the Company is pleased to extend E-voting facility as an alternative, to enable the Members to cast their votes electronically instead of voting through the Postal Ballot Form(s).

The resolutions shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed Postal Ballot Forms and Electronic Votes, if approved by the Members with requisite majority.

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

DRAFT RESOLUTIONS:

1. Approval of the 'Edelweiss Employees Stock Appreciation Rights Plan 2019'

"RESOLVED that in accordance with the provisions of Section 62(1)(b) of the Companies Act, 2013, and the Rules framed there under and such other applicable provisions if any, (including any amendments, statutory modification(s) and /or re-enactment thereof for the time being in force) ('the Companies Act'), subject to the Memorandum and the Articles of Association of the Company, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as '**SBEB Regulations**'), the relevant regulations, circulars and notifications, if any, issued by the Securities and Exchange Board of India ('**SEBI**') from time to time 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 which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the '**Board**' which expression shall also include the Compensation (ESOP) Committee/any other Committee of the Board ('**Committee**'), to exercise its powers, including the powers granted under this resolution), the consent of the Members of the Company be and is hereby accorded for the 'Edelweiss Employees Stock Appreciation Rights Plan 2019' (hereinafter referred to as the '**SAR Plan 2019**') and enabling the Board / Committee to create, offer, grant, issue and allot from time to time, to the Eligible Employees (as defined in the SAR Plan 2019), such number of Stock Appreciation Rights ('**SARs**') (as defined in the SAR Plan 2019) in one or more tranches and upon such terms and conditions as specified in the SAR Plan 2019 and as may be deemed appropriate by the Board / Committee, such that the aggregate number of SARs granted under the SAR Plan 2019 shall not exceed such number of SARs as would be exercisable into not more than 4,00,00,000 fully paid-up equity shares of face value ₹ 1 each of the Company ('Equity Shares') (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, rights issue, share split, share consolidation or such other corporate actions that the Board determines requiring such adjustments) and that the SAR Plan 2019 be formulated and implemented in lieu of the Edelweiss Employees Stock Incentive Plan 2016 ('ESOP 2016') under which no options were granted and the approval for issuance of the 4,00,00,000 Equity Shares by the Members for ESOP 2016 be extended to SAR Plan 2019;

FURTHER RESOLVED that each SAR confers the right on the Eligible Employee to receive the difference between the Market Price (as defined in SAR Plan 2019) of the Equity shares of the Company on the date of exercise and the SAR Price ('Appreciation Value') to be settled either in cash or by issue of Equity Shares at the sole discretion of the Board / Committee.

FURTHER RESOLVED that in case the SARs are to be settled by way of Equity Shares to the Eligible Employees, the number of Equity Shares shall be calculated by dividing the Appreciation Value by the Market Price (as defined in SAR Plan 2019) of the Equity Shares on the date of exercise, on such terms and conditions as mentioned in the SAR Plan 2019 subject to payment of the face value of ₹ 1 per Equity Share, provided that:

1. the maximum number of SARs granted under the SAR Plan 2019 per Eligible Employee shall not exceed such number of SARs as would be exercisable into not more than 50,00,000 Equity Shares;
2. the number of SARs that may be granted to any Eligible Employee in any one financial year under the SAR Plan 2019 shall be less than 1% of the total issued and paid-up equity share capital of the Company at the time of grant (excluding outstanding warrants and convertible securities);
3. the Board/Committee shall determine the eligibility criteria of the employees entitled to participate under the SAR Plan 2019 based on evaluation 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;
4. subject to continued employment of the Eligible Employees with the Company or its subsidiaries and other provisions of the SAR Plan 2019, and unless the Board/Committee determines otherwise, the SARs shall vest with the Eligible Employees within a period of not less than 12 months and with the maximum period as may be decided by the Board/Committee, which in any case shall not exceed 96 months from the date of grant;
5. the Board/ Committee may at its discretion determine the vesting period either generally or with reference to any specific Eligible Employee(s), which shall be based on evaluation parameters and shall be final and binding on the Eligible Employees;
6. the exercise period of the vested SARs shall be such period as may be determined by the Board/Committee which shall start from the date of vesting and shall not exceed 96 months from the date of vesting;
7. unless the Board/Committee determines otherwise, whether generally or in respect of any specific SARs, the 'SAR Price' of the SARs granted under the SAR Plan 2019 shall be the higher of the closing market price of the Equity Shares as on the date of grant or book value of the Equity Shares as per the last audited balance sheet as on the date of the grant;
8. the Board/Committee is also empowered to make, subject to provisions of the SBEB Regulations, a fair and reasonable adjustment to the exercise price in case of bonus issue, right issue, share split, share consolidation and other corporate action;
9. the Company shall use fair valuation method for valuation of SARs under the SAR Plan 2019, unless the Board /Committee determines otherwise in consonance with the SBEB Regulations; and
10. the Company shall comply with the relevant notified Accounting Standards and/or policies prescribed by the SEBI, from time to time, including the disclosure requirements prescribed therein.

FURTHER RESOLVED that subject to the applicable provisions of SBEB Regulations, the Board/Committee be and is hereby authorized to vary, modify or alter any of the terms and conditions of the SAR Plan 2019, including but not limited to those for the grant of SARs, allotment of Equity Shares on exercise of SARs, exercise price for the purpose of the grant, vesting period and exercise period;

FURTHER RESOLVED that the Equity Shares as may be required to be issued and allotted in accordance with the terms of the SAR Plan 2019 shall, subject to Articles of Association of the Company, rank pari-passu with the then existing Equity Shares of the Company in all aspects;

FURTHER RESOLVED that for giving effect to this Resolution, and subject to applicable laws, the Board/Committee be and is hereby authorized 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 SAR Plan 2019 and its implementation including grant of SARs, vesting of SARs, allotment of Equity Shares on exercise of vested SARs 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 without being required to seek any further consent or approval of the Members of the Company and the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution;

FURTHER RESOLVED that the Board be and is hereby authorized to delegate all or any of the powers herein conferred on it, to any Committee or any director or officers of the Company, in such manner as they may deem fit in their absolute discretion with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper to give effect to aforesaid resolution."

2. **Approval for extending the benefits of Edelweiss Employees Stock Appreciation Rights Plan 2019 to the employees of the Company's subsidiaries:**

"RESOLVED that in accordance with the provisions of Section 62(1)(b) of the Companies Act, 2013, and the Rules framed there under and such other applicable provisions if any, (including any amendments, statutory modification(s) and /or re-enactment thereof for the time being in force) ('the Companies Act'), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as '**SBEB Regulations**'), the relevant regulations, circulars and notifications, if any, issued by the Securities and Exchange Board of India ('**SEBI**') from time to time 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 which may be agreed to by the Board of Directors of the Company (hereinafter referred to as '**Board**') which expression shall also include the Compensation (ESOP) Committee/any other Committee of the Board ('**Committee**') to exercise its

powers, including the powers granted under this resolution), the consent of the Members of the Company be and is hereby accorded to the Board/ Committee to create, offer, grant, issue and allot, from time to time, in one or more tranches, to such Eligible Employees (as defined in the SAR Plan 2019) of the subsidiaries, such number of Stock Appreciation Rights (SARs) (as defined in the SAR Plan 2019) upon such terms and conditions as specified in the SAR Plan 2019, pursuant to the 'Edelweiss Employees Stock Appreciation Rights Plan 2019' (hereinafter referred to as the 'SAR Plan 2019')

FURTHER RESOLVED that the Board be and is hereby authorized to delegate all or any of the powers herein conferred on it, to any Committee or any director or officers of the Company, in such manner as they may deem fit in their absolute discretion with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper to give effect to aforesaid resolution."

Place: Mumbai
Date : March 26, 2019

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

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

B. Renganathan
Executive Vice President & Company Secretary

Notes:

1. The Explanatory Statement pursuant to Section 102 and 110 of the Companies Act, 2013 (the Act) setting out the material facts pertaining to the proposed resolutions are annexed hereto along with the Notice of Postal Ballot ('the Notice') for your consideration.
2. The Notice is being sent to all the Members whose names appear in the Register of Members/List of Beneficial Owners as on the close of business hours on March 27, 2019 i.e. 'the cut-off date'. Accordingly, the Members whose names appear in the Register of Members/List of Beneficial Owners as on cut-off date, has been considered for the purpose of voting. The voting rights of Members shall be in proportion to their shares held in the total paid-up equity share capital of the Company as on the cut-off date i.e. March 27, 2019.
3. Pursuant to the provisions of Sections 108 and other applicable provisions, if any, of the Act, the rules framed thereunder, E-voting facility is provided to all the eligible Members of the Company. The facility of casting vote by the Members using electronic voting system will be provided by National Securities Depository Limited ('NSDL'). Please note that E-voting is optional. The Members are requested to read carefully the instructions given below before casting their vote electronically. A Member can log in any number of times till the votes are cast on all the resolutions or till the end of the voting period, whichever is earlier.
4. The Postal Ballot Form and self-addressed Business Reply Envelope is enclosed for use of the Members and it bears the address to which the duly completed Postal Ballot Forms are to be sent. The Members are requested to read carefully the instructions stated here under and return the form duly completed and signed in the attached self-addressed Business Reply Envelope so as to reach the Scrutinizer on or before 5:00 p.m. on Tuesday, April 30, 2019, failing which it shall be strictly treated as if no reply has been received from such Members.
5. Only a Member who is entitled to vote is entitled to exercise his/her/its vote through Postal Ballot or E-voting. The date of completion of dispatch of the Notice will be announced through Notice in newspapers and any recipient of this Notice who has no voting rights as on the date mentioned in point 2 above should treat the same as intimation only.
6. For any query connected with the Resolution(s) proposed to be passed by means of Postal Ballot including voting by electronic means, the Members may contact the Company Secretary at the Registered Office of the Company at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098, Phone: +91 22 – 4009 4400, Fax: +91 22 – 4086 3759, Email: efsl.shareholders@edelweissfin.com
7. Kindly note that a Member can opt only one mode of voting i.e. either through Physical Postal Ballot Form or E-voting. In case a Member opts for E-voting, he cannot exercise his vote through Physical Postal Ballot Form and vice-versa. However, in case a Member exercises his/her/its vote both by Physical Ballot and E-voting, then the voting done through E-voting shall prevail and voting done by Physical Ballot will be treated as invalid. The Scrutinizer's decision on the validity of the votes cast through E-voting/Postal Ballot shall be final.
8. The relevant documents pertaining to the above resolutions will be available for inspection at the Registered Office of the Company on any working day between 3:00 p.m. to 5:00 p.m. up to the last date of receipt of Postal Ballot Form specified in the accompanying Notice.
9. Copy of the Notice will be available on the website of the Company: www.edelweissfin.com till April 30, 2019, the last date specified by the Company for receipt of the Postal Ballot from the Members.
- 10. Voting through electronic means:**
The instructions for the Members voting electronically are as under:
 - (i) The voting period begins on Monday, April 01, 2019 at 9.00 a.m. and ends on Tuesday, April 30, 2019 at 5:00 p.m. During this period the Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. March 27, 2019, may cast their vote electronically. The E-voting module shall be disabled by NSDL for voting thereafter.

Procedure for e-Voting as prescribed by NSDL:

For Members whose e-mail addresses are registered with the Company/Depositories:

Open the e-mail received from NSDL and follow instructions mentioned therein to cast your vote.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful log-in at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Edelweiss Financial Services Limited.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bn@bnp-associates.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

11. The instructions for Members voting through physical "Postal Ballot" are as under:

A Member desirous for exercising vote by physical Postal Ballot may complete the Postal Ballot Form and send it to the Scrutinizer in the enclosed self-addressed Business Reply Envelope. Postage will be borne by the Company.

The Postal Ballot Form should be completed and signed by the Member as per the specimen signature registered with the Company. In case of joint holding, the same should be completed and signed by the first-named Member and in his / her absence, by the next-named Member.

Corporate / Institutional Members (that is, other than Individuals, HUF, NRI, etc.) opting for physical Postal Ballot are required to send certified true copy of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer along with the Postal Ballot Form.

The consent must be accorded by recording the assent in the column **FOR** and dissent in the column **AGAINST** by placing a tick mark (✓) in the appropriate box.

The vote(s) of a Member will be considered invalid *inter alia* on any of the following grounds, if:

- a) Postal Ballot Form other than one issued by the Company is used;
- b) the Member's signature does not tally;
- c) the Member has put a tick mark (✓) in both the columns, that is, for Assent and also for Dissent to the resolution in such manner that the aggregate shares voted for Assent and Dissent exceed the total number of shares held;
- d) the Postal Ballot Form is unsigned, incomplete or incorrectly filled;
- e) the Member has imposed any condition while exercising his vote;
- f) the Postal Ballot Form is received torn or defaced or mutilated;
- g) any competent authority has given directions in writing to the Company to freeze the voting rights of the Member.

The duly completed Postal Ballot Form should reach the Scrutinizer on or before 5:00 p.m. (IST) on Tuesday, April 30, 2019. If any Postal Ballot Form is received after this date and time, it will be strictly treated as if reply from such Member has not been received.

A Member may request for a duplicate Postal Ballot Form, if so required by mentioning his/her Folio/DP ID and Client ID Number from Link Intime India Private Limited, C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400 083 (Tel: +91 22 4918 6270 E-mail: rnt.helpdesk@linkintime.co.in). However, the duly filled in duplicate Postal Ballot Forms should reach the Scrutinizer not later than 5:00 p.m. (IST) on Tuesday, April 30, 2019.

Members are requested NOT to send any other paper along with the Postal Ballot Form in the enclosed self-addressed Business Reply Envelope. Any extraneous paper found in such envelope would be destroyed by the Scrutinizer and the Company would not act on the same.

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

ANNEXURE TO THE NOTICE DATED MARCH 26, 2019

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 AND 110 OF THE COMPANIES ACT, 2013

As required under Section 102 and 110 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to Item No. 1 & 2 of the Notice dated March 26, 2019.

Item No 1 & 2

The Company believes in rewarding its employees as well as that of the Company's subsidiaries for their continuous hard work, dedication and support, which has led and will lead the Company and its subsidiaries on the growth path. The equity based compensation is considered to be an integral part of the employee compensation which enables alignment of personal goals of the employees with organizational objectives by enabling participation of the employees in the ownership of the Company. In view of the same, the Company intends to introduce 'Edelweiss Employees Stock Appreciation Plan 2019' ('**SAR Plan 2019**') which will have lesser impact in dilution of equity as compared to an Employee Stock Option Scheme.

The proposed SAR Plan 2019 is in lieu of the Edelweiss Employees Stock Incentive Plan 2016 ('ESOP 2016') under which issuance of 4,00,00,000 equity shares of face value of ₹ 1/- ('Equity Shares') were approved by the Members of the Company at the Annual General Meeting held on August 9, 2016 and hence, SAR Plan 2019 will not result in any additional dilution in the share capital of the Company.

In accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('**SBEB Regulations**'), approval of the Members of the Company is being sought to introduce the SAR Plan 2019 for granting SARs to the Eligible Employees (as defined in SAR Plan 2019) of the Company and its subsidiaries.

The main features of SAR Plan 2019 are as under:

1. Brief Description of the Plan:

The proposed SAR Plan 2019 is intended to retain and reward the Eligible Employees of the Company, its Subsidiary Companies, in India and/or outside India, for their performance and to motivate them to contribute to the overall growth and profitability of the Company. The SARs granted to the Eligible Employees would entitle them to receive appreciation in the value of Equity Shares at a future date and in a pre-determined manner, where such appreciation may be settled by way of cash payment or by issuance and allotment of Equity Shares of the Company, at the discretion of the Board/ Committee.

The SAR Plan 2019 will be administered and implemented by the Board/ Committee of the Company. In the event of settlement by Equity Shares, the Company shall issue fresh Equity Shares to such Eligible Employees of the Company or the Subsidiary Companies, at the time of exercise.

2. Total number of SARs to be granted:

The total number of SARs to be granted under the SAR Plan 2019 shall not exceed such number of SARs as would be exercisable into not more than 4,00,00,000 fully paid-up equity shares of face value ₹ 1 each of the Company (save that the number of Equity Shares shall stand adjusted accordingly, if and as determined by the Board/Committee in the event of a bonus issue, rights issue, share split, share consolidation or such other corporate actions that the Board determines requiring such adjustments).

Each SAR would carry a right to receive appreciation in equivalent amount of cash or apply for such number of Equity Shares calculated by dividing the Appreciation Value by the Market Price (as defined in SAR Plan 2019) of the Equity Shares on the date of exercise on such terms and conditions as mentioned in the SAR Plan 2019, subject to payment of the face value of ₹ 1 per Equity Share

The vested SARs lapsed due to non-exercise and/or unvested SARs that get cancelled due to resignation/termination of the Employees or forfeiture or otherwise, would be available for being re-granted at a future date. The Board/Committee is authorized to re-grant such lapsed/cancelled/forfeited SARs as per the provisions of the SAR Plan 2019.

3. Identification of classes of employees entitled to participate in, and be beneficiaries of the Plan:

The following classes of employees are entitled to participate in the SAR Plan 2019:

- (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 a subsidiary, in India or outside India, of the Company

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 SARs granted to an Eligible Employee shall vest in him so long as he/she continues to be in employment of the Company or its subsidiaries. The SARs upon grant shall vest with the Eligible Employee within a period of not less than 12 months and not more than 96 months from the date of grant.

The Board/Committee may determine the vesting period either generally or with reference to any specific Eligible Employee(s). The vesting may also be contingent and conditional on achievement of performance based parameters as determined by the Board/Committee. The decision with regard to achievement/non-achievement of the performance parameters by the Employee shall be at the sole discretion of the Board/Committee and will be final and binding upon the Eligible Employee.

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

The SARs granted under the SAR Plan 2019 shall vest with the Eligible Employee within a maximum period of 96 months from the date of grant, or such other period as may be determined by the Board/Committee.

6. SAR Price or pricing formula:

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

- i) the closing Market Price of the Equity Shares on the date of grant; or
- ii) the book value of the Equity 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 Equity Shares are listed, prior to the date of the meeting of the Board/ Committee in which SARs are granted. If, at the relevant time, the Equity Shares are listed on more than one stock exchange, then such latest available closing price of the Equity 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 SARs shall start from the date of vesting and shall not exceed 96 months from that date.

The Board/Committee shall have the discretion to settle the appreciation value either in cash or in Equity Shares to the Eligible Employees at the time of exercise of the SAR, subject to payment of ₹ 1 per share.

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 SARs to be granted / issued to per employee and in the aggregate

The maximum number of SARs to be granted under the SAR Plan 2019 per Eligible Employee shall not exceed such number of SARs as would be exercisable into not more than 50,00,000 Equity Shares . The number of SARs that may be granted to any Eligible Employee, in any financial year under the SAR Plan 2019 shall be less than 1% of the total issued and paid-up equity share capital of the Company on the date of grant (excluding outstanding warrants and convertible securities).

If the appreciation settlement results in fraction of an Equity Share, the consideration for such fraction shall be settled in cash in terms of the provisions of the SBEB Regulations.

10. Maximum quantum of benefits to be provided per employee under the Plan:

The maximum quantum of benefits to be provided per employee shall be limited to the appreciation value in the Market Price of the Equity Shares of the Company on the date of exercise and the SAR Price.

11. Whether the Plan is to be implemented and administered directly by the Company or through a trust:

The SAR Plan 2019 shall be implemented and administered directly by the Company .

12. Whether the Plan involves new issue of Equity Shares by the Company or secondary acquisition by the trust or both:

The SAR Plan 2019 contemplates new issue of Equity Shares by the Company in accordance with the provisions of the SBEB Regulations.

13. The amount of loan provided for implementation of the Plan by the Company or its Subsidiary Companies, its tenure, utilization, repayment terms etc.:

The SAR Plan 2019 will be implemented and administered directly by the Company and accordingly, no loan is required to be provided for implementation of the said SAR Plan 2019.

14. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the Plan

Not Applicable.

15. Accounting and disclosure policies

The Company shall follow the relevant notified Accounting Standards and/or 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 in compliance with relevant provision of the SBEB Regulations.

16. Method of valuation of SARs:

The Company shall use fair valuation method for valuation of SARs under the SAR Plan 2019, unless the Board /Committee determines otherwise in consonance with the SBEB Regulations. To calculate the employee compensation cost, the Company shall use the fair value method for valuation of the SARs granted. The fair value of SARs is estimated using an option pricing model or a binomial model, considering various factors viz., exercise price, life of the option, current price of the shares, expected volatility, dividend yield, risk free interest rate for the life of the option etc.

In terms of the SBEB Regulations, a special resolution is required to be passed separately if the benefits under the SAR Plan 2019 are also extended to the employees of the subsidiaries. A Special Resolution is therefore proposed accordingly for Item No. 2 of this Notice to cover the employees of subsidiaries.

The SAR Plan 2019 shall be available for inspection by any Member at the Registered Office of the Company between 3.00 p.m. to 5.00 p.m. on all working days till the date of end of voting period.

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 SBEB Regulations.

The Board of Directors recommend the Special Resolutions set forth as Item Nos. 1 and 2 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 SAR Plan 2019.

Place: Mumbai

Date : March 26 , 2019

Registered Office:

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

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

B. Renganathan
Executive Vice President & Company Secretary

Form No. MGT-12
POLLING PAPER

*[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies
(Management and Administration) Rules, 2014]*

Name of the Company: Edelweiss Financial Services Limited
Registered Office: Edelweiss House, Off CST Road, Kalina, Mumbai – 400 098
CIN: L99999MH1995PLC094641

POSTAL BALLOT PAPER

S. No.	Particulars	Details
1.	Name of the first named Shareholder (In Block Letters)	
2.	Postal Address	
3.	Name (s) of the joint-holder(s), if any	
4.	Registered Folio No. /*Client ID No. (*applicable only to Members holding shares in dematerialized form)	
5.	Number of Equity Shares held	

I/We hereby exercise my/our vote(s) in respect of the following Special Resolutions to be passed by means of Postal Ballot for the business stated in the Postal Ballot Notice dated March 26, 2019, issued by the Company, by conveying my / our assent or dissent to the said resolutions in the following manner:

No.	Resolution	No. of Equity Shares held by me	I assent to the Resolution (FOR)	I dissent from the Resolution (AGAINST)
Special Business				
1	Approval of the “ Edelweiss Employees Stock Appreciation Rights Plan 2019”			
2	Approval for extending the benefits of Edelweiss Employees Stock Appreciation Rights Plan 2019 to the employees of the Company’s subsidiaries			

Place:

Date:

Signature of the Sole / First / Joint Member

PARTICULARS OF E-VOTING

Members opting to vote through e-voting, instead of voting through the physical Postal Ballot, may access the e-voting facility through the web link: <https://www.evoting.nsdl.com>. Particulars for e voting are as under.

EVEN (E-Voting Event Number)	USER ID	Password

Note: Please read the instructions given in the Postal Ballot Notice carefully before exercising your vote. Facility to exercise vote(s) by means of Postal Ballot, including voting through e-voting will be available during the following period.

Commencement of voting	End of voting
From 9.00 a.m. (IST) on Monday, April 1, 2019	Upto 5.00 p.m. (IST) on Tuesday, April 30, 2019