

PROCEEDINGS OF THE 19th ANNUAL GENERAL MEETING OF THE MEMBERS OF EDELWEISS FINANCIAL SERVICES LIMITED HELD ON FRIDAY, JULY 25, 2014 AT 3.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT EDELWEISS HOUSE, OFF C.S.T. ROAD, KALINA, MUMBAI - 400 098.

Present:

Mr. Rashesh Shah	- Chairman, Managing Director, CEO & Member
Mr. Narendra Jhaveri	- Director & Member Chairman - Audit Committee
Mr. P. N. Venkatachalam	- Director & Member
Mr. Navtej S. Nandra	- Director & Member
Mr. Berjis Desai	- Director
Mr. Kunnasagaran Chinniah	- Director
Mr. Sanjiv Misra	- Director
Mr. Sunil Mitra	- Director
Mr. Venkat Ramaswamy	- Executive Director & Member
Mr. Himanshu Kaji	- Executive Director & Member
Mr. Rujan Panjwani	- Executive Director & Member

Present by Invitation:

Mr. S. Ranganathan	- Chief Financial Officer
Mr. B. Renganathan	- Company Secretary
Mr. N Sampath Ganesh	- Partner, B S R & Associates LLP, Statutory Auditors.

Few other Senior Executives of the Company were also present by invitation.

As the requisite quorum was present, the Chairman called the meeting to order. The Chairman welcomed the members to the 19th Annual General Meeting of the Company.

The Chairman informed that 52 members were present in person and 69 proxies representing 9,11,81,192 equity shares were received. The Notice convening the 19th Annual General Meeting was taken as read with the approval of the members present at the Meeting.

The Chairman in his opening remarks appraised the members on the following:-

- the consolidated revenue for the financial year ended March 31, 2014 stood at Rs. 2,556 crores and the Profit after Tax at Rs. 220 crores,



signifying an increase of revenues by 17% and increase in profits after tax by 23% respectively, over the last financial year.

- the consolidated revenue for the first quarter of FY - 15, stood at Rs. 815 crores and the Profit after Tax at Rs. 78 crores, signifying an increase of revenues by 31% and increase in profits after tax by 41% respectively, over corresponding period of the last financial year.
- during the financial year 2013-2014, the Indian macro economic conditions was challenging due to sharp depreciation in rupee rate in early FY - 14, inflation, interest rate cycle, liquidity squeeze and forex restrictions imposed to control currency rates.
- RBI and Government measures stabilized currency rates; CAD was brought down considerably and liquidity improved in second half of FY - 14.
- capital markets have rallied since February, 2014 in the hope of a stable and progressive Government and the Union Budget of FY - 15.
- FY - 14 was a year of challenges, but Edelweiss performance emphasizes our strategy:-

“To be a respected Financial Services Firm with a portfolio of high quality growth businesses.”

- NCDs issued by subsidiary and offered to the public received an overwhelming response from the investors.
- Finance Asia magazine readers (Investors and Analysts) have for second year in succession voted Edelweiss ‘Best Managed Company in India 2014’

Thereafter, Mr. B. Renganathan, Company Secretary, informed the members that pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the members were provided with the facility to cast their vote electronically, through e-voting on all items of business sought to be transacted at the 19th AGM of the Company and the e-voting services were provided by National Securities Depository Limited (NSDL). NSDL accordingly had set up the e-voting facility on their website, <https://www.evoting.nsdl.com>.



Mr. Keyoor Bakshi, a Practicing Company Secretary, Partner, KBNT & Associates, Company Secretaries, was appointed as the Scrutinizer, for e-voting and poll at the Annual General Meeting.

Thereafter, the Chairman moved the first item of the Notice convening the Annual General Meeting viz, the adoption of accounts:-

"RESOLVED that the audited Balance Sheet as at March 31, 2014 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon be and are hereby approved and adopted."

The above resolution was:-

Proposed by: Mrs. Ashalata Maheshwari.

Seconded by Mr. Tushar Sodha.

Before putting the resolution to vote, the Chairman invited the observations of the members on the performance of the Company for the financial year ended March 31, 2014.

The observations of the following members were noted:-

1. **Mrs. Ashalata Maheshwari**

Mrs. Maheshwari congratulated the management on the performance of the Company during FY - 14 and for rewarding the shareholders with dividend. She also congratulated the Secretarial team for transparent and detailed information in the Annual Report.

She wanted to know the:-

- details of buy-back offer of the Company.
- segment on which Edelweiss would concentrate for growth.
- plans for opening of branches, impact of budget, status of application for banking license, appointment of woman Director.
- the required break-even time for the life insurance business and expansion plans.

Mrs. Maheshwari supported all the resolutions.



2. **Mr. Tamal Kumar Majumdar**

Mr. Majumdar congratulated the management on the performance of the Company during the first quarter of FY - 15.

He wanted to know the:-

- plans of the Company for tapping the retail finance markets including housing finance and SMEs.
- details of the buy-back of Equity Shares, Whistle-Blower Policy, FII holdings.
- the break even period for the life insurance business.

Mr. Majumdar also discussed the performance of various subsidiaries.

3. **Dr. Arun Kumar Boppana**

Dr. Boppana complimented the management on the performance of the Company and for providing the exhaustive Annual Report.

He wanted to know about the FII holdings, plans for re-organisation of various subsidiaries, plans for introducing the REIT funds.

Dr. Boppana supported all the resolutions.

4. **Mr. Satish Shah**

Mr. Shah was overwhelmed by the support provided by the staff members and thanked the Company for good dividend payout and also supported all the resolutions.

He wanted to know about the banking license, FDI in life insurance, donations made by the Company, etc.

5. **Mr. Anil Parekh**

Mr. Parekh complimented the management on the performance of the Company and for providing exhaustive Annual Report.

He also congratulated the management on the guiding principles and the awards received by the Company and the credit ratings enjoyed by the Company.



He wanted to know the:-

- CSR expenditures, foreign exchange losses, NPA provisioning, details of loans/advances, segment wise reporting, related party transactions.
- the projections for the life insurance business and benchmark for the life insurance business.

He supported all the resolutions.

6. Mr. Beruz F. Pouredehi

Mr. Pouredehi had suggestions on the venue of the meeting.

7. Mr. Vinod Agarwal

Mr. Agarwal wanted to know the status of the banking license.

8. Mrs. Chetna Parekh

Mrs. Parekh congratulated the Company for the all round growth.

The Chairman acknowledged the valuable suggestions and the support extended by the members.

He appraised the members:-

- that the Company's approach is to have a stable growth;
- the Company expects growth from all five segments namely Wholesale Credit, Capital Markets, Commodities, Retail Housing Finance and Life Insurance;
- on the financial performance of various subsidiaries and restructuring of the subsidiaries;
- on the details of share buy-back including the rationale for the pricing and the SEBI Regulations;
- the Life Insurance business, break-even period and capitalization of the Life Insurance business.
- On the investor relations both Institutional, FIIs and the retail investors.



- Dividend policy, CSR initiatives, Whistle-blower mechanism adopted by the Company, opportunities in REIT, NPAs and the asset quality, cost income ratio.

Item No. 2:-

Declaration of Dividend on the equity shares of the Company

Mr. Vinod Agarwal proposed and Dr. Arun Kumar Boppana seconded the following resolution:-

“RESOLVED that a dividend at the rate of Re. 0.15/- per share be declared and paid on 77,76,20,488 equity shares of the Company, aggregating to Rs. 11,66,43,073.20 for the financial year ended March 31, 2014, to those members whose names appeared in the Register of Members as on the book closure date.”

Item No. 3:-

Re-appointment of Mr. Venkat Ramaswamy as a Director

Mr. Satish Shah proposed and Mr. Tushar Sodha seconded the following resolution:-

“RESOLVED that Mr. Venkat Ramaswamy (DIN 00008509), who retires by rotation be and is hereby re-appointed as a Director of the Company.”

Item No. 4:-

Re-appointment of B S R & Associates LLP, Chartered Accountants, as Auditors of the Company

Mrs. Chetna Parekh proposed and Mrs. Ashalata Maheshwari seconded the following 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, B S R & Associates LLP, Chartered Accountants (Firm's Registration No. 116231W), be and are hereby re-appointed as 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 (subject to ratification of their appointment at every AGM), at such remuneration



plus service tax, out-of-pocket, travelling expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

Item No. 5:-

Appointment of Mr. Narendra Jhaveri as an Independent Director

Mrs. Ashalata Maheshwari proposed and Mr. Beruz F. Pouredahi seconded the following resolution:-

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, Mr. Narendra Jhaveri (DIN 00198912), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company till the conclusion of the 22nd Annual General Meeting of the Company to be held in the year 2017."

Item No. 6:-

Appointment of Mr. P. N. Venkatachalam as an Independent Director

Mr. Tushar Sodha proposed and Mr. Vinod Agarwal seconded the following resolution:-

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, Mr. P. N. Venkatachalam (DIN 00499442), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company till the conclusion of the 22nd Annual General Meeting of the Company to be held in the year 2017."

Item No. 7:-

Appointment of Mr. Berjis Desai as an Independent Director

Mr. Beruz F. Pouredahi proposed the following resolution, which was seconded by Mr. Vinod Agarwal:-



"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, Mr. Berjis Desai (DIN 00153675), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company till the conclusion of the 22nd Annual General Meeting of the Company to be held in the year 2017."

Item No. 8:-

Appointment of Mr. Sanjiv Misra as an Independent Director

Dr. Arun Kumar Boppana proposed the following resolution, which was seconded by Mrs. Ashalata Maheshwari:-

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, Mr. Sanjiv Misra (DIN 03511635), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company till the conclusion of the 22nd Annual General Meeting of the Company to be held in the year 2017."

Item No. 9:-

Appointment of Mr. Sunil Mitra as an Independent Director

Mr. Tushar Sodha proposed the following resolution, which was seconded by Mr. Satish Shah:-

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, Mr. Sunil Mitra (DIN 00113473), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company till the conclusion of the 22nd Annual General Meeting of the Company to be held in the year 2017."



Item No. 10:-

Appointment of Mr. Navtej S. Nandra as an Independent Director

Mrs. Ashalata Maheshwari proposed following resolution, which was seconded by Dr. Arun Kumar Boppana:-

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, Mr. Navtej S. Nandra (DIN 02282617), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company till the conclusion of the 22nd Annual General Meeting of the Company to be held in the year 2017.”

Item No. 11:-

Appointment of Mr. Kunnasagar Chinniah as an Independent Director

Mr. Vinod Agarwal proposed the following resolution, which was seconded by Dr. Arun Kumar Boppana:-

“RESOLVED that pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, Mr. Kunnasagar Chinniah (DIN 01590108), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company till the conclusion of the 22nd Annual General Meeting of the Company to be held in the year 2017.”

Item No. 12:-

Re-appointment of Mr. Himanshu Kaji as an Executive Director

Mr. Anil Parekh proposed the following Special Resolution, which was seconded by Mr. Satish Shah:-

“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 accorded for re-appointment of Mr. Himanshu Kaji (DIN 00009438) as an Executive Director of the Company for a period of 5 years with effect from November 1, 2014 on the terms and conditions set out below:-

- (a) Salary Limit: Not to exceed Rs. 1,50,00,000/- per annum.
- (b) Performance Bonus: In addition to salary, performance based bonus, up to 200% of Salary Limit, may also be paid, and at such intervals as may be decided by the Board of Directors of the Company.
- (c) Perquisites: In addition to salary and the performance bonus, Mr. Himanshu Kaji shall also be entitled to the perquisites. The expenditure incurred by the Company on perquisites and contribution to Provident Fund, Superannuation, Annuity Fund, etc., shall be restricted to the Salary Limit as in (a) above.

FURTHER RESOLVED that the consent of the members of the Company be and is hereby accorded to the Board (hereinafter referred to as the 'Board' which expression shall also include the Nomination and Remuneration Committee of the Board) to vary the terms and conditions of the re-appointment of Mr. Himanshu Kaji from time to time as may be required.

FURTHER RESOLVED that where in any financial year during the tenure of Mr. Himanshu Kaji as an Executive Director, the Company has no profits or the profits are inadequate, the Board be authorised to determine the minimum remuneration to be paid to Mr. Himanshu Kaji subject to requisite approvals, if any.

FURTHER RESOLVED that the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the members of the Company."

Item No. 13:-

Adoption of new set of Articles of Association

Mr. Tushar Sodha proposed the following Special Resolution, which was seconded by Mrs. Ashalata Maheshwari:-

"RESOLVED that pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the



approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Himanshu Kaji (DIN 00009438) as an Executive Director of the Company for a period of 5 years with effect from November 1, 2014 on the terms and conditions set out below:-

- (a) Salary Limit: Not to exceed Rs. 1,50,00,000/- per annum.
- (b) Performance Bonus: In addition to salary, performance based bonus, up to 200% of Salary Limit, may also be paid, and at such intervals as may be decided by the Board of Directors of the Company.
- (c) Perquisites: In addition to salary and the performance bonus, Mr. Himanshu Kaji shall also be entitled to the perquisites. The expenditure incurred by the Company on perquisites and contribution to Provident Fund, Superannuation, Annuity Fund, etc., shall be restricted to the Salary Limit as in (a) above.

FURTHER RESOLVED that the consent of the members of the Company be and is hereby accorded to the Board (hereinafter referred to as the 'Board' which expression shall also include the Nomination and Remuneration Committee of the Board) to vary the terms and conditions of the re-appointment of Mr. Himanshu Kaji from time to time as may be required.

FURTHER RESOLVED that where in any financial year during the tenure of Mr. Himanshu Kaji as an Executive Director, the Company has no profits or the profits are inadequate, the Board be authorised to determine the minimum remuneration to be paid to Mr. Himanshu Kaji subject to requisite approvals, if any.

FURTHER RESOLVED that the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the members of the Company."

Item No. 13:-

Adoption of new set of Articles of Association

Mr. Tushar Sodha proposed the following Special Resolution, which was seconded by Mrs. Ashalata Maheshwari:-

"RESOLVED that pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the



Companies (Incorporation) Rules, 2014, the draft Regulations contained in the Articles of Association submitted to this Meeting be and are hereby approved and adopted in substitution and, to the entire exclusion of the Regulations contained in the existing Articles of Association of the Company.

FURTHER RESOLVED that the Board of Directors of the Company (which term shall be deemed to include any Committee thereof, which the Board has constituted or hereinafter constitute) be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the members of the Company."

Thereafter, the Chairman ordered the poll to be taken and informed that Mr. Keyoor Bakshi, the Scrutinizer, for e-voting, along with Mr. Tushar Sodha, a member, will act as the Scrutinizers for the Poll.

The ballot papers were thereafter distributed to the members.

The Chairman stated that the consolidated results of the e-voting and the poll will be declared within 48 hours and the resolutions as set out in the Notice shall be deemed to have been passed as per the report of the Scrutinizer on the date of the Meeting.

Mrs. Ashalata Maheshwari proposed a vote of thanks to the Chair.

There being no other business, the meeting concluded with a vote of thanks to the Chair.

