

EW/Sec/2011/177

August 22, 2011

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex
Bandra (E),
Mumbai-400051

Dear Sir,

Sub: Proceedings of the Sixteenth Annual General Meeting

Pursuant to Clause 31(d) of the Listing Agreement enclosed is a copy of proceedings of the Sixteenth Annual General Meeting of the Company held on July 25, 2011.

Kindly take the same on records.

Thanking you,

For Edelweiss Financial Services Limited
(formerly known as Edelweiss Capital Limited)


B. Renganathan
Sr. Vice President & Company Secretary

cc.: The Bombay Stock Exchange Limited
P J Towers, Dalal Street
Fort, Mumbai - 400 001.

**PROCEEDINGS OF THE SIXTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF
EDELWEISS CAPITAL LIMITED HELD ON MONDAY, JULY 25, 2011 AT 3.00 P.M. AT
Y. B. CHAVAN AUDITORIUM, YASHVANTRAO CHAVAN PRATISHTHAN, GENERAL
JAGANATH BHOSALE MARG, NARIMAN POINT, MUMBAI- 400 021.**

Present:

Mr. Rashesh Shah	-	Chairman & CEO	-	(Also a member)
Mr. Venkat Ramaswamy	-	Whole Time Director	-	(Also a member)
Mr. Narendra J Jhaveri	-	Director	-	(Also a member)
Mr. P. N. Venkatachalam	-	Director	-	(Also a member)
Mr. Berjis Desai	-	Director		
Mr. Kunnah Chinniah	-	Director		
Mr. Sanjiv Misra	-	Director		

Present by Invitation:

Mr. S. Ranganathan	-	Chief Financial Officer
Mr. B. Renganathan	-	Company Secretary
Mr. Akeel Master	-	Partner, BSR & Associates, Statutory Auditors

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

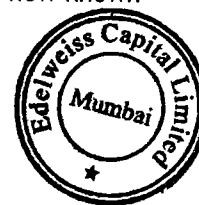
As the requisite quorum was present, the Chairman called the meeting to order and welcomed the members to the 16th Annual General Meeting of the Company. The Chairman introduced Mr. Sanjiv Misra, who was recently inducted to the Board.

The Chairman informed that 83 members were present in person and 88 proxies for 19,18,70,766 shares were received. The Notice convening the Annual General Meeting was taken as read with the approval of the members present at the meeting. At the request of the Chairman, the Company Secretary read out the Auditors' Report. With the consent of the members present, the Annexure to the Auditors' Report was taken as read. The Chairman informed that the statutory registers are open for inspection by the members.

Chairman's Speech:

The Chairman in his opening remarks apprised the members on the following:

- The consolidated revenue for the financial year ended March 31, 2011 stood at Rs. 1,491 crores and the Profit after Tax at Rs. 233 crores, signifying an increase of 53% and 2 % respectively, over the last financial year.
- The Stock broking subsidiary is ranked 1st in HNI category with a 16% market share and 3rd in retail category with 8% market share in terms of the total amount mobilized in IPOs as per Prime Database.
- The retail broking business continues to scale up through www.edelweiss.in with over 100,000 clients and 225,000 clients of Anagram - thus aggregating to 325,000 clients as of March '11.
- The integration of Anagram Capital Limited has been completed and now known as Edelweiss Financial Advisors Limited.



- The Housing Finance business, which was launched in second half of last year, crossed Rs. 100 crores of disbursements in March'11.
- The Life Insurance Subsidiary business received the R-3 approval from IRDA and operations have commenced this month.

After the opening remarks, the Chairman moved the first item of the Notice, pertaining to adoption of accounts.

Item No. 1

“RESOLVED THAT, the Audited Profit and Loss Account for the year ended on March 31, 2011, the Balance Sheet as at 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. Asha Lata Maheshwari

Seconded by: Mr. Aloysius Mascarenhas

Before putting the resolution to vote, the Chairman invited the observations of the members of the Company on the performance of the Company for the financial year ended March 31, 2011.

The observations of the following members were noted:

1. Mr. Nigel Gonsalves

Wanted to know the:

- necessity of having of so many subsidiaries and the business conducted by them
- Company's stake in Catholic Syrian Bank
- reasons for the high cost of operating expenses, seminars & conferences
- reasons for high salary to employees and why ESOP is granted only to senior level employees
- reasons for rise in creditors and debtors
- if the retail branches are really making profits

He suggested that:

- the Company should Buy-back its shares.
- the Company should not invest its entire money in the same kind of business
- the management should arrange meeting with the minority investors
- an existing insurance company should have been acquired instead of setting up a new one.
- the Company should explore opportunities in micro finance.



2. Mrs. Asha Lata Maheshwari

Mrs. Maheshwari congratulated the Management on the performance of the Company and placed on record her appreciation for the transparent and detailed information in the Annual Report.

She wanted to know:

- the Company's focus areas
- organic and inorganic growth for the current year

She supported all the resolutions.

3. Mr. Beruz Feramroz Pouredahi

Wanted to know:

- If any provision is made for contingent liabilities, and
- If the Company is contemplating Banking License

He suggested that:

- The Company should have given more dividend

4. Mr. Aloysius Mascarenhas

Wanted to know:

- The stake of Tokio Marine Holdings Inc. in the life insurance subsidiary of the Company
- The road map for the future

He suggested that:

- Conference calls should be initiated under green initiative by MCA
- The Company could have given more dividend

He supported all the resolutions

5. Mr. Kaushik Jhaveri

Mr. Jhaveri complimented the Management on the performance of the Company and the Secretarial team for the Annual Report which was very informative and stakeholder friendly.

He supported all the resolutions.

6. Mr. Dinesh Lakhani

Wanted to know:

- the effect of inflation and hike in interest rates by RBI



- the total cost of the Edelweiss House and savings in rent on account of the same
- reasons for marginal increase in PAT
- justification for increase in borrowings of the Company
- increase in sundry debtors, cash and bank balances, provision for doubtful assets and provisions for non performing assets.
- reasons for change in name of the Company

He suggested that the figures relating to financials be presented in lakhs/crores for the Indian Investors.

CHAIRMAN'S REPLY

The Chairman acknowledged the valuable suggestions and the support extended by the members. He apprised the members that:

- The Company has been maintaining dividend track record.
- Various factors are to be considered for buy-back, including an appropriate time for the same.
- The conferences are required to facilitate communication between the Company and investors.
- Tokio Marine Holdings Inc., the joint venture partner in the Life Insurance Business operates in many countries and holds 26% stake in the JV Subsidiary.
- Increase in subsidiaries is due to acquisition of Anagram Capital Limited along with its subsidiaries and also for the other business operations.
- Majority of the building premises would be used by the group.
- The loan book size has increased and the commodities and fixed income business is growing rapidly
- The Company has 5% stake in Catholic Syrian Bank and is a financial investment.
- In order to reflect the activities of the Company and its subsidiaries, the name of the Company is being changed from Edelweiss Capital Limited to Edelweiss Financial Services Limited.
- The increase in employee is due to acquisition of Anagram companies.
- Dilution in EPS is after taking into consideration outstanding ESOPs.
- NPA provisioning has gone up due to increase in book size and is as per the RBI guidelines.
- A good growth could be witnessed once the AMC, insurance and housing finance business starts generating profit
- Hedging strategy takes care of the increase in interest rates
- The likely investment by Tokio Marine Holdings Inc. will be around Rs. 1100 crores in the next 5 years.

The Chairman then put the first resolution to vote and on a show of hands, the same was passed with the requisite majority.

Item No. 2

Mr. Rakesh Gupta proposed and Mrs. Asha Lata Maheshwari seconded the following resolution:

"RESOLVED THAT, a dividend at the rate of Re. 0.35/- per share be declared and paid on 75,65,71,280 equity shares of the Company, aggregating Rs. 26,47,99,948 for the financial year ended on March 31, 2011, to those members whose names appeared in the Register of Members as on the book closure date."



The above resolution was put to vote and on a show of hands, the same was passed with the requisite majority.

Item No. 3

Mrs. Asha Lata Maheshwari proposed and Mr. Rakesh Gupta seconded the following resolution:

“RESOLVED THAT, Mr. Narendra Jhaveri, who retires by rotation be and is hereby re-appointed as a Director of the Company.”

The above resolution was put to vote and on a show of hands, the same was passed with the requisite majority.

Item No. 4

Mr. Pravin Sampat proposed and Mr. Aloysius Mascarenhas seconded the following resolution:

“RESOLVED THAT, Mr. P. N. Venkatachalam, who retires by rotation be and is hereby re-appointed as a Director of the Company.”

The above resolution was put to vote and on a show of hands, the same was passed with the requisite majority.

Item No. 5

Mrs. Celestine Mascarenhas proposed and Mr. Pravin Sampat seconded the following resolution:

“RESOLVED THAT, B S R & Associates, Chartered Accountants, Mumbai, (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 till the conclusion of the next Annual General Meeting of the Company, at a remuneration to be mutually agreed upon between the Board of Directors and the Auditors.”

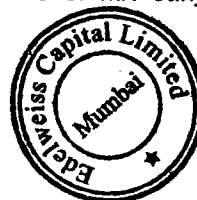
The above resolution was put to vote and on a show of hands, the same was passed with the requisite majority.

SPECIAL BUSINESS

Item No. 6

Mrs. Asha Lata Maheshwari proposed and Mr. Aloysius Mascarenhas seconded the following resolution:

“RESOLVED that Mr. Sanjiv Misra, who was appointed by the Board of Directors as an Additional Director and who holds office upto the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 (“the Act”) and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act, proposing the candidature of Mr. Sanjiv



Misra for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

The above resolution was put to vote and on a show of hands, the same was passed with the requisite majority.

Item No. 7

Mr. Biren Shah proposed the following Special Resolution, which was seconded by Mrs. Asha Lata Maheshwari:

“**RESOLVED** that in supersession of all the earlier Resolutions passed in this regard, consent of the Company be and is hereby accorded, pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company or any Committee thereof as may be authorised by the Board in this behalf for borrowing from time to time, any sum or sums of money for the purposes of the Company, upon such terms and conditions and with or without security, in Indian/Foreign currency, as the Board of Directors or any Committee thereof as may be authorised by the Board in this behalf may in its absolute discretion think fit, notwithstanding that the money or monies to be so borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from the Company’s Bankers in the ordinary course of business) together with the sums already borrowed, may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however that the sums so borrowed and remaining outstanding on account of principal shall not, at any time, exceed Rs. 10,000 Crores (Rupees Ten Thousand Crores only).”

The above resolution was put to vote and on a show of hands, the same was passed with the requisite majority.

Item No. 8

Mrs. Celestine Mascarenhas proposed the following Special Resolution, which was seconded by Mr. Rakesh Gupta :

“**RESOLVED** that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, approval of the members be and is hereby accorded for substitution of the existing Article 135 of the Articles of Association of the Company with the following:

- ‘135. The Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by or under the authority of the Directors or a Committee of Directors previously given and every deed or other instrument to which the Seal of the Company is required to be affixed shall, be affixed in the presence of a Director or the Manager or the Secretary or such other person as the Board/Committee of the Board may appoint for the purpose, who shall sign every instrument to which the Seal is so affixed in his presence, provided nevertheless, that any instrument bearing the Seal of the Company, and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity of the authority to issue the same.

The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act or any amendment thereof for



use in any territory, district or place outside India and shall be used by or under the authority of the Directors or a Committee of the Directors and granted, in favour of any person appointed for the purpose in that territory, district or place outside India.'

FURTHER RESOLVED that subject to and in accordance with the provisions of law, as may be applicable from time to time, the Board or a Committee thereof 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."

The above resolution was put to vote and on a show of hands, the same was passed with the requisite majority.

Item No. 9

Mrs. Asha Lata Maheshwari proposed the following Special Resolution, which was seconded Mr. Aloysius Mascarenhas:

"RESOLVED that subject to the approval of the Central Government under Section 21 of the Companies Act, 1956, the name of the Company be changed from 'Edelweiss Capital Limited' to 'Edelweiss Financial Services Limited' and accordingly the name of 'Edelweiss Capital Limited' wherever it appears in the Memorandum and Articles of Association and all other records of the Company be substituted by the name of 'Edelweiss Financial Services Limited'.

FURTHER RESOLVED that subject to and in accordance with the provisions of law, as may be applicable from time to time, the Board or a Committee thereof 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."

The above resolution was put to vote and on a show of hands, the same was passed with the requisite majority.

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

