

MINUTES BOOK

SKS MICROFINANCE LIMITED

MINUTES OF THE TWELFTH ANNUAL GENERAL MEETING HELD ON SEPTEMBER 23, 2015

The Twelfth Annual General Meeting ("12th AGM") of the Members of SKS Microfinance Limited ("the Company") was held on Wednesday, September 23, 2015, which was commenced at 11.00 a.m. and concluded at 12.30 p.m. in Y. B. Chavan Auditorium, General Jagannath Bhosle Marg, Mumbai - 400 021, Maharashtra.

The following Directors and Officers were present on the dais:

Mr. P.H. Ravikumar	Non-Executive Chairman and Independent Director, Chairman of Audit Committee and Stakeholders Relationship Committee
Mr. S Balachandran	Independent Director and Chairman of Nomination and Remuneration Committee
Mr. M Ramachandra Rao	Managing Director and CEO
Mr. S Dilli Raj	President
Mr. Ashish Damani	Chief Financial Officer
Mr. Rajendra Patil	Sr. Vice President - Legal & Company Secretary

Mr. Viren Mehta, Partner of S. R. Batliboi & Co. LLP, Chartered Accountants representing Statutory Auditors and Mr. K.V.S. Subramanyam, Partner of BS & Company, Company Secretaries LLP, representing Secretarial Auditors were present.

Total 68 Members and 4 Proxies representing 10641315 equity shares were present at the meeting.

In accordance with Article 63 of the Articles of Association of the Company, Mr. P. H. Ravikumar, the Chairman of the Board of Directors, presided and the quorum being present declared the meeting open and welcomed the Members attending the meeting.

The Chairman introduced the Directors and other officials of the Company who were present on the dais. He further stated that Mr. Geoffrey Tanner Woolley, Mr. P. Krishnamurthy, Mr. Paresh Patel, Dr. Punita Kumar-Sinha, Mr. Sumir Chadha and Dr. Tarun Khanna, Directors could not attend due to pre-occupation.

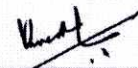
The Chairman informed that the following documents and Registers have been laid on the table and the same would be available to the Members for inspection.

- (a) Notice of the 12th AGM;
- (b) Directors' Report along with Annexures thereto;

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COMPANY SECRETARY

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- (c) Secretarial Auditors' Report
- (d) Audited Accounts for FY15 and Auditors' Report thereon;
- (e) Proxy Register;
- (f) Register of Directors' and Key Managerial Personnel (KMP) and their shareholdings;
- (g) Register of Contracts in which Directors and KMPs are interested;
- (h) Auditors' Certificate in respect of the implementation of ESOP of the Company.

With permission of the Members, the notice convening the 12th AGM was taken as read.

The Chairman requested Mr. Rajendra Patil, Sr. Vice President - Legal & Company Secretary to read the Auditors' Report and Auditors' comments in their Reports and Management's response to the said comments.

Further, it was informed that since there were no qualifications, observations or comments in the Secretarial Auditors Report, the same was not required to be read at the meeting.

The Members expressed that the Auditors' Report and other documents are available with them and the same be taken as read. As expressed by the Members, the aforesaid documents were taken as read with the permission of the Members.

Thereafter, the Chairman apprised the Members about the World economy and development of microfinance sector in India. He also briefed the Members about the important achievements of the Company for FY 15. He gave a brief overview of the operations of the Company, financial results and other related matters.

The Chairman thanked each member of the Company, regulatory authorities, management team, Sangam Members and employee of the Company for their continued support.

The Chairman requested Mr. Rajendra Patil, Sr. Vice President - Legal & Company Secretary to brief the Members about the voting procedure in respect of resolutions contained in the 12th AGM Notice.

Mr. Rajendra Patil, Sr. Vice President - Legal & Company Secretary informed that:

- (a) As per regulatory requirements and in order to have a wider participation of the Members in the approval process, the Company provided electronic voting ("remote e-voting") facility to enable Members to cast their votes electronically on all resolutions contained in the 12th AGM Notice.
- (b) Mr. K.V.S. Subramanyam, Partner of M/s. Ravi & Subramanyam, Company Secretaries was appointed as the Scrutinizer to ensure that the remote e-voting process is conducted in a fair and transparent manner and also to submit his report on results of remote e-voting with respect of all resolutions contained in the 12th AGM Notice.
- (c) Detailed Instructions and other information relating to remote e-voting were given in the 12th AGM Notice.



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- (d) The remote e-voting facility was extended for a period of five days during the period commencing from Friday, September 18, 2015 at 9.00 a.m. till Tuesday, September 22, 2015 at 5.00 p.m.
- (e) In line with the provisions of the Companies Act, 2013 ("the Act"), voting by 'Show of Hands' was not permitted at the general meeting where e-voting has been offered to the Shareholders.
- (f) The Members, who were present in person or through proxies at the 12th AGM and not exercised their voting rights through e-voting facility, could cast their vote through physical ballot forms that were provided to them.
- (g) The Members shall have votes in proportion to the number of shares held by them. It was noted that, in case of double voting, the vote casted through remote e-voting shall only be considered.
- (h) Mr. K.V.S. Subramanyam shall act as the Scrutinizer to scrutinize the ballot forms and shall submit the final consolidated report to the Chairman.

Thereafter, the Chairman invited the Members to raise their queries on the business to be transacted at the AGM.

Some of the Members appreciated the management for excellent financial results / performance of the Company, successfully managing AP MFI crisis and ensuring its presence in various states, carrying the financial inclusion business which replaces money lenders, disclosure of information in the annual report. The members also expressed their disappointment due to the fact that the Company did not get small finance bank licence.

Some of the members also raised few queries in relation to the payment of dividend, proposal for rights issue, diversification/acquisition plans, disbursement targets, reasons for not getting small finance bank license, impact of low rainfall on the Company's business, market price of shares, etc. They also made few suggestions which included change of Company's name, disclosure of last five years financial highlights in the annual report, invitation to the Members for investors' call, numbers in the annual report be stated in either lac or crore.

The Chairman, Mr. M. R. Rao, Managing Director & CEO and Mr. S. Dilli Raj, President answered the queries raised by the Members.

Thereafter, the Chairman read out the following business items as mentioned in the 12th AGM Notice for which approval of the Members was sought through e-voting and at the AGM.

Item No. 1 - Ordinary Resolution - Adoption of Financial Statements for FY 15 and the Reports of the Directors' and Auditors thereon

The Chairman informed that the Companies Act, 2013 requires adoption of financial statements for every financial year and the Reports of Directors and Auditors thereon by the members by passing an ordinary resolution.



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Thereafter, the following resolution was proposed by Mr. Aspi Bhesania and seconded by Mr. Binod Kumar Agarwal, Members.

"RESOLVED THAT the financial statements of the Company for FY 15, including the audited Balance Sheet of the Company as at March 31, 2015, the statement of Profit & Loss Account and the Cash Flow Statement for the year ended March 31, 2015 together with reports of the Directors' and Auditors' thereon, be and are hereby approved and adopted."

Item No. 2 - Ordinary Resolution - Reappointment of Mr. Paresh D. Patel (DIN 01689226) as Director

The Chairman informed that as per the provisions of the Companies Act, 2013, Mr. Paresh D. Patel retires by rotation and being eligible offered himself for reappointment. Profile of Mr. Patel was included in the 12th AGM Notice.

Thereafter, the following resolution was proposed by Mr. Aspi Bhesania and seconded by Mr. M. Naresh Kumar, Members.

"RESOLVED THAT Mr. Paresh D. Patel (DIN 01689226) who retired by rotation at the 12th Annual General Meeting and being eligible for reappointment, be and is hereby reappointed as Director, whose period of office shall be liable to retire by rotation."

Item No. 3 - Ordinary Resolution - Ratification of the appointment of S. R. Batliboi & Co. LLP as Statutory Auditors of the Company

The Chairman informed that at the 11th AGM held on September 29, 2014, the Members approved appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants as statutory auditors for a period of three (3) years commencing from the 11th AGM till the conclusion of the 14th AGM subject to ratification by Members every year at the AGM. As recommended by the Audit Committee and the Board, the appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants as statutory auditors of the Company for FY 15 was placed for ratification by the Members by passing an ordinary resolution.

Thereafter, the following resolution was proposed by Mr. Binod Kumar Agarwal and seconded by Mr. Aspi Bhesania, Members.

"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 (including statutory modification(s) or re-enactment thereof for the time being in force) as may be applicable and the Resolution passed by the Members at the Eleventh Annual General Meeting held on September 29, 2014, the appointment of S. R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm's Registration No. 301003E) as the Statutory Auditors of the Company, to hold office from



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the conclusion of this Meeting until the conclusion of the Thirteenth Annual General Meeting of the Company, be and is hereby ratified on a remuneration, inclusive of service tax and such other tax(es) (as may be applicable) and reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company (including terms of payment), to be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee."

Item No. 4 - Ordinary Resolution - Appointment of Dr. Punita Kumar-Sinha (DIN: 05229262) as an Independent Director

- The Chairman informed that the Board had appointed Dr. Punita Kumar-Sinha as an Additional & Independent Director w.e.f. March 23, 2015. Profile of Dr. Kumar Sinha was included in the Notice of the AGM. The members were required to pass an ordinary resolution for appointment of Dr. Kumar-Sinha.

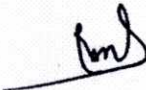
Thereafter, the following resolution was proposed by Mrs. Chetna Parekh and seconded by Mr. Aloysius Mascarenhas, Members.

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, (the "Act") and rules framed thereunder (including statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Punita Kumar-Sinha, who was appointed as an Additional and Independent Director pursuant to the provisions of the Act and the Articles of Association of the Company and who holds the office up to the date of this Twelfth Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing the candidature of Dr. Punita Kumar-Sinha for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) years with effect from March 23, 2015."

Item No. 5 - Special Resolution - Revision in commission payable to the Independent Directors.

The Chairman informed that the next agenda item relates to commission payable to Independent Directors. He further stated that he, being an Independent Director, would be considered as an interested in the passing of the resolution. Hence, he requested Mr. M. R. Rao, Managing Director & CEO to chair the meeting and conduct the proceedings of the meeting for the aforesaid agenda item. As requested, Mr. M. R. Rao, Managing Director & CEO, chaired the meeting and conducted the proceedings for this agenda item.

Mr. M. R. Rao, Managing Director & CEO of the Company informed that, the Members, at the 11th AGM of the Company held on September 29, 2014, approved payment of the commission not exceeding Rs.25 Lakh (Rupees Twenty Five Lakh Only) per Independent Director in a financial year or collectively up to one percent (1%) of the net profit of the Company calculated



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in accordance with the provisions of the Companies Act, 2013 for each financial year, whichever is lower, for a period of five years effective from FY15. It was proposed to authorize Board of Directors of the Company to approve payment of commission to Independent Directors within the overall limit of 1% permitted under the Act for a period of five years effective April 1, 2016.

Thereafter, the following resolution was proposed by Mr. M. Naresh Kumar and seconded by Mr. Binod Kumar Agarwal, Members.

"RESOLVED THAT in partial modification of the Resolution (appearing at Sr. No. 8 of Notice dated August 27, 2014, of the Eleventh Annual General Meeting) passed by the Members at the Eleventh Annual General Meeting of the Company held on September 29, 2014 and pursuant to the applicable provisions of the Companies Act, 2013 (the Act), approval of the Company be and is hereby accorded for payment of commission to the Independent Directors of the Company (that is, Directors other than the Whole-time Director (s), Nominee Director(s) and Non-Executive Director(s)), by way of annual payment, in addition to the sitting fees for attending the meetings of the Board of Directors or Committees thereof and reimbursement of expenses, up to 1% (one percent) per annum of the net profits of the Company calculated in accordance with the provisions of the Act and rules framed thereunder for a period of five (5) years effective April 1, 2016, in such a manner as the Board of Directors in its absolute discretion may decide from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to the above resolution."

Thereafter, Mr. M. R. Rao requested Mr. P.H. Ravikumar to chair the meeting and conduct proceedings for the remaining agenda item of the AGM. As requested, Mr. P. H. Ravikumar chaired the meeting and proceeded with next agenda item.

Item No. 6 - Special Resolution - Issue and allotment of Non-Convertible Debentures and other debt securities on private placement basis

The Chairman then took up the item no. 6. He informed that as per the provisions of Section 42 of the Act, and the rules made thereunder, a company offering or making an invitation to subscribe to Secured / Unsecured Redeemable Non-Convertible Debentures ("NCDs") on a private placement basis was required to obtain prior approval of the Members of the Company by way of a Special Resolution. Such Special Resolution would remain valid for a period of one year for all the offers and invitations for such NCDs to be made during the year.

The Members of the Company, by way of a Special Resolution dated December 16, 2014, accorded approval to the Board of Directors of the Company for offering NCDs on a private placement basis during the period of one year within the overall outstanding borrowing limit



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of Rs. 9,000 Crore. As the said resolution is valid only up to December 15, 2015, the approval of the Members was again sought in compliance with the provisions of the Act.

Thereafter, the following resolution was proposed by Mr. Aloysius Mascarenhas and seconded by Mr. V. Saikumar, Members.

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), (including any statutory modifications(s) or re-enactments(s) thereof, for the time being in force) read with the rules made thereunder including Companies (Prospectus and Allotment of Securities) Rules, 2014, as may be amended from time to time, and pursuant to applicable provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, and other applicable guidelines or regulations issued by the Securities and Exchange Board of India, the provision of the Memorandum and Articles of Association of the Company and subject to such other applicable laws, rules, regulations and guidelines, 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 term shall be deemed to include any of the existing Committees of the Board or which the Board may constitute to exercise its powers, including the powers conferred by this Resolution) for making offer(s) or invitation(s) to subscribe to Secured/ Unsecured Redeemable Non-Convertible Debentures including but not limited to subordinate debt, bonds, and/ or other debt securities, etc., (hereinafter collectively referred as "Securities") on a private placement basis, in one or more tranches, during the period of one year from the date of passing of this Special Resolution by the Members, within the overall outstanding borrowing limit of Rs.9,000 crore, as approved by the Members.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing Resolution, the Board be and is hereby authorized to determine the terms of the issue including the class of investors to whom such Securities to be issued, total amount to be raised by issuance of Securities, Securities to be offered, the number of Securities, timing of the issue, tranches, issue price, tenor, interest rate, premium/ discount, listing and to do all such acts, deeds, filings, matters and things and execute all such deeds, documents, instruments and writings as may be required, with powers on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard as the Board may in its sole and absolute discretion deem fit and delegate all or any of its powers herein conferred to any Director(s) and/ or Officer(s) of the Company, if required, as it may in its absolute discretion deem it necessary or desirable."

Thereafter, the Chairman requested the members to drop their ballot forms in the ballot box which was available in the auditorium.

Thereafter, the Chairman invited Mr. K.V.S. Subramanyam, Scrutinizer to take control of the physical ballot proceedings and requested him to submit his report after the conclusion of the voting at the AGM. He further informed that the consolidated voting results (i.e. remote e-

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voting and poll at AGM) would be displayed on the websites of the Company and its Registrar and Transfer Agent. Further, the voting results would be sent to the stock exchanges, on which the shares of the Company are listed, requesting them to display the same on their websites for the information of the investors. The Chairman stated that the meeting would stand concluded when the last vote was cast.

The Meeting was declared closed on completion of the voting process. Mr. Rajendra Patil, Sr. Vice President - Legal and Company Secretary proposed vote of thanks.


Mr. K.V.S. Subramanyam, Scrutinizer on completion of the voting by all the Members and Proxies present, took custody of the ballot box. The ballot box kept for the purpose of casting votes was unlocked in presence of the Scrutinizer and two independent witnesses. Thereafter, the ballot papers were scrutinized.

Based on the reports generated from the remote e-voting system provided by Karvy and votes casted on poll at the AGM, the Scrutinizer prepared and submitted to the Chairman, his duly signed report on the results of the voting. Based on the report submitted by the Scrutinizer, the Chairman declared the voting results which were sent to BSE Limited and National Stock Exchange of India Limited on September 23, 2015 and also placed on the websites of the Company and Karvy on September 24, 2015. A summary of the voting results and statement detailing details of consolidated voting (i.e. remote e-voting and physical ballots) on the agenda items contained in the 12th AGM Notice dated August 18, 2015 submitted by the Scrutinizer, have been enumerated in Annexures I and II respectively.

PLACE: MUMBAI

DATE: 07.10.2015


(CHAIRMAN)


06.10.2015

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Annexure I

Summary of the voting results

Item No.	Particulars	Total votes	Invalid / Abstained votes	Total valid votes	Votes "IN FAVOUR" of resolution	Votes "AGAINST" resolution
1	Adoption of financial statement for FY2014-15 and Reports of Directors and Auditors thereon (Ordinary Resolution)	67308869	7687462	59621407	59621347	60
					99.99990%	0.0001%
2	Reappointment of Mr. Paresh Patel as Director (Ordinary Resolution)	67308870	2917328	64391542	39350052	25041490
					61.11%	38.89%
3	Ratification for appointment of S.R. Batliboi & Co. LLP as Statutory Auditors (Ordinary Resolution)	67308870	542461	66766409	66766373	36
					99.9999%	0.0001%
4	Appointment of Dr. Punita Kumar Sinha as Independent Director (Ordinary Resolution)	67308869	542461	66766408	64670808	2095600
					96.86%	3.14%
5	Revision in the commission payable to Independent Directors (Special Resolution)	67308869	542461	66766408	66766203	205
					99.9997%	0.0003%
6	Issue of Non Convertible Debentures (NCDs) and other Debt Securities on private placement basis (Special Resolution)	67308869	542637	66766232	63190996	3575236
					94.65%	5.35%

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Details of consolidated voting (i.e. remote e-voting and physical ballots)

Item No. 1 - Adoption of Financial Statements for FY 2014-15 and Reports of Directors and Auditors thereon (Ordinary Resolution)

Mode	Ballot Received	Total Votes	Favour			Against			Invalid & Abstained		
			Ballots	Votes	%	Ballots	Votes	%	Ballots	Votes	%
E-Voting	220	57562704	214	49875206	86.65%	1	36	0.00%	5	7687462	13.35%
Physical	48	9746165	47	9746141	100.00%	1	24	0.00%	0	0	0.00%
Total	268	67308869	261	59621347	88.58%	2	60	0.00%	5	7687462	11.42%

Item No. 2 - Reappointment of Mr. Paresh D. Patel as Director (Ordinary Resolution)

Mode	Ballot Received	Total Votes	Favour			Against			Invalid & Abstained		
			Ballots	Votes	%	Ballots	Votes	%	Ballots	Votes	%
E-Voting	220	57562704	98	29603886	51.43%	109	2504149	43.50%	13	2917328	5.07%
Physical	48	9746166	100	9746166	100.00%	0	0	0.00%	0	0	0.00%
Total	268	67308870	198	39350052	58.46%	109	2504149	37.20%	13	2917328	4.33%

Item No. 3 - Ratification of appointment of S.R. Batliboi & Co. LLP, Statutory Auditors of the Company (Ordinary Resolution)

Mode	Ballot Received	Total Votes	Favour			Against			Invalid & Abstained		
			Ballots	Votes	%	Ballots	Votes	%	Ballots	Votes	%
E-Voting	220	57562704	219	57020207	99.06%	1	36	0.00%	0	542461	0.94%
Physical	48	9746166	48	9746166	99.06%	0	0	0.00%	0	0	0.00%
Total	268	67308870	267	66766373	99.19%	1	36	0.00%	0	542461	0.81%

Item No. 4 - Appointment of Dr. Punita Kumar-Sinha (DIN: 05229262) as an Independent Director of the Company (Ordinary Resolution)

Mode	Ballot Received	Total Votes	Favour			Against			Invalid & Abstained		
			Ballots	Votes	%	Ballots	Votes	%	Ballots	Votes	%
E-Voting	220	57562704	208	54924667	95.42%	12	2095576	3.64%	0	542461	0.94%
Physical	48	9746165	47	9746141	100.00%	1	24	0.00%	0	0	0.00%
Total	268	67308869	255	64670808	96.08%	13	2095600	3.11%	0	542461	0.81%

Item No. 5 - Revision in Commission payable to Independent Directors of the Company (Special Resolution)

Mode	Ballot Received	Total Votes	Favour			Against			Invalid & Abstained		
			Ballots	Votes	%	Ballots	Votes	%	Ballots	Votes	%
E-Voting	220	57562704	217	57020062	99.06%	3	181	0.00%	0	542461	0.94%
Physical	48	9746165	47	9746141	100.00%	1	24	0.00%	0	0	0.00%
Total	268	67308869	264	66766203	99.19%	4	205	0.00%	0	542461	0.81%

Item No. 6 - Issue and allotment of Non-Convertible Debentures and other debt securities on private placement basis (Special Resolution)

Mode	Ballot Received	Total Votes	Favour			Against			Invalid & Abstained		
			Ballots	Votes	%	Ballots	Votes	%	Ballots	Votes	%
E-Voting	220	57562704	197	53444855	92.85%	23	3575212	6.21%	0	542637	0.94%
Physical	48	9746165	47	9746141	100.00%	1	24	0.00%	0	0	0.00%
Total	268	67308869	244	63190996	93.88%	24	3575236	5.31%	0	542637	0.81%

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