

# MINUTES BOOK

## SKS MICROFINANCE LIMITED

### MINUTES OF THE ELEVENTH ANNUAL GENERAL MEETING HELD ON SEPTEMBER 29, 2014

The Eleventh Annual General Meeting ("11<sup>th</sup> AGM") of the Members of SKS Microfinance Limited ("the Company") was held on Monday, September 29, 2014 at 11.00 a.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 Member
Mr. P. Krishnamurthy	Nominee Director - SIDBI
Mr. S Balachandran	Independent Director and Alternate Chairman of Nomination and Remuneration Committee
Mr. M Ramachandra Rao	Managing Director and CEO and Member
Mr. S Dilli Raj	President & Member
Mr. Ashish Damani	Chief Financial Officer & Member
Mr. Rajendra Patil	Sr. Vice President - Legal & Company Secretary

Total 64 Members representing 632272 equity shares were present in person at the meeting. 10 Proxies representing 26 Members holding 21518819 equity shares were received. 1 Corporate Representative in respect of 1631961 equity shares attended the meeting.

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.

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

- (a) Notice of the AGM;
- (b) Directors' Report along with Annexure thereto;
- (c) Audited Accounts & Auditors' Report thereon for the financial year ended March 31, 2014;
- (d) Proxy Register;
- (e) Register of Directors' and Key Managerial Personnel and their shareholdings;
- (f) Register of Contracts;



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(g) Auditors' Certificate in respect of the Employees Stock Option Plan of the Company.

With permission of the Members, the notice convening the 11th AGM was taken as read.

The Chairman requested Mr. Rajendra Patil, Sr. Vice President - Legal & Company Secretary to read the Auditors' Report. Mr. Patil read the Auditors' Report.

Thereafter, the Chairman gave a brief overview of the operations of the Company, financial results and other related matters. The Chairman also apprised the Members about the development of microfinance sector in India.

The Chairman informed that the substantive provisions of the new Companies Act, 2013 and the rules made thereunder have been notified and the same are in force to a large extent. The new Companies Act, 2013 has brought about several changes in the procedure for conducting a general meeting; accordingly the proceedings of the 11<sup>th</sup> AGM shall be carried out as per the revised requirements.

The Chairman requested Mr. Rajendra Patil, Sr. Vice President - Legal & Company Secretary to brief the Members about the revised voting procedure in respect of resolutions contained in the Notice of the 11<sup>th</sup> AGM.

Mr. Rajendra Patil, Sr. Vice President - Legal & Company Secretary informed that in line with the revised regulatory requirement and clarification issued by the Ministry of Corporate Affairs ("MCA"), voting by show of hands would not be permitted at a general meeting where e-voting facility was offered to the Members and that no poll could be demanded.

He further 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 ("e-voting") facility to enable Members to cast their votes electronically on all resolutions contained in the 11<sup>th</sup> 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 e-voting process is conducted in a fair and transparent manner and also to submit his report on results of e-voting with respect of all resolutions contained in the 11<sup>th</sup> AGM Notice.
- (c) The e-voting facility was extended during the period commencing from Tuesday, September 23, 2014 at 10 a.m. till Thursday, September 25, 2014 at 6.00 p.m.
- (d) The Scrutinizer has submitted his report on results of e-voting to the Chairman.



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- (e) The Members, who were present in person or through proxies at the 11<sup>th</sup> AGM and not exercised their voting rights through e-voting facility, could cast their vote through physical ballot forms that were provided to them.
- (f) 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 shareholders asked few questions on dividend, operations of the Company, future prospects, market price of shares, appointment of woman director, capital infusion etc. The Chairman, Mr. M. R. Rao, Managing Director & CEO and Mr. S. Dilli Raj, President answered these questions.

Thereafter, the Chairman requested Mr. Rajendra Patil, Sr. Vice President - Legal & Company Secretary to read out the business items as mentioned in the 11<sup>th</sup> AGM Notice for which approval of the Members was sought through e-voting and at the AGM.

Mr. Rajendra Patil, Sr. Vice President - Legal & Company Secretary read out the following business items mentioned in the 11<sup>th</sup> AGM notice and the following resolutions were deemed to be passed at 11<sup>th</sup> AGM subject to consolidated report of Scrutinizer on e-voting and voting through ballot at 11<sup>th</sup> AGM:

**Item No. 1 - Ordinary Resolution - Adoption of Accounts for the year ended March 31, 2014 and the Reports of the Directors' and Auditors**

"RESOLVED THAT the audited Balance Sheet of the Company as at March 31, 2014, the Profit & Loss Account and the Cash Flow Statement for the year ended March 31, 2014 together with reports of the Directors' and Auditors' thereon, be and are hereby approved and adopted."

**Item No. 2 - Ordinary Resolution - Reappointment of Mr. Sumir Chadha (DIN 00040789) as Director**

"RESOLVED THAT Mr. Sumir Chadha (DIN 00040789) who retired by rotation at the 11<sup>th</sup> 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 - Reappointment of S. R. Batliboi & Co. LLP, Statutory Auditors of the Company**

"RESOLVED THAT pursuant to the provisions of Sections 139 and 142 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, S. R. Batliboi & Co. LLP,



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Chartered Accountants (Registration No. 301003E), be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Eleventh Annual General Meeting till the conclusion of the Fourteenth Annual General Meeting (subject to ratification of the appointment by the Members at every Annual General Meeting held after this Eleventh Annual General Meeting) at such remuneration plus taxes, out-of-pocket expenses, travel and other expenses, etc. as may be fixed by the Board of Directors on recommendation of the Audit Committee."

**Item No. 4 - Ordinary Resolution - Appointment of Mr. P. H. Ravikumar (DIN: 00280010) as an Independent Director**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. P. H. Ravikumar, who was appointed as Director is liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term up to the conclusion of the Sixteenth Annual General Meeting of the Company to be held in the calendar year 2019."

**Item No. 5 - Ordinary Resolution - Appointment of Dr. Tarun Khanna (DIN: 01760700) as an Independent Director**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Tarun Khanna, who was appointed as Director is liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term up to the conclusion of the Sixteenth Annual General Meeting of the Company to be held in the calendar year 2019."

**Item No. 6 - Ordinary Resolution - Appointment of Mr. Geoffrey Tanner Woolley (DIN: 00306749) as an Independent Director**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Geoffrey Tanner Woolley, who was appointed as Director is liable to retire by rotation, be and is hereby



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appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term up to the conclusion of the Sixteenth Annual General Meeting of the Company to be held in the calendar year 2019."

## Item No. 7 - Ordinary Resolution - Appointment of Mr. S. Balachandran (DIN: 01962996) as an Independent Director

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. S. Balachandran, who was appointed as an Additional Director pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Eleventh Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. S. Balachandran for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term up to the conclusion of the Sixteenth Annual General Meeting of the Company to be held in the calendar year 2019."

## Item No. 8 - Special Resolution - Revision in commission payable to the Independent Directors

"RESOLVED THAT in partial modification of the resolution (appearing at Sr. No. 6 of Notice dated October 23, 2013 of the Tenth Annual General Meeting) passed by the Members at the Tenth Annual General Meeting of the Company held on December 3, 2013 and pursuant to the applicable provisions of the Companies Act, 2013 (the Act), the 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 Managing Director, Nominee Director(s) and Non-Executive Directors), 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 a sum not exceeding Rs. 25 lakh per Independent Director in a financial year provided that the aggregate amount payable to all Independent Directors shall not exceed one per cent (1%) of the net profits of the Company calculated in accordance with the provisions of the Act and rules framed thereunder for each financial year, whichever is lower, for a period of five years effective from FY15 in such a manner as the Board of Directors in its absolute discretion may decide from time to time.



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**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."

**Item No. 9 - Ordinary Resolution - Revision in the remuneration payable to Mr. M. Ramachandra Rao, Managing Director & Chief Executive Officer**

"**RESOLVED THAT** in partial modification of the resolution (appearing at Sr. No. 5 of Notice dated October 23, 2013 of the Tenth Annual General Meeting) passed by the Members at the Tenth Annual General Meeting of the Company held on December 3, 2013, pursuant to the applicable provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and the provisions of the Articles of Association of the Company, the approval of the Company be and is hereby accorded for revision in the remuneration payable to Mr. M. Ramachandra Rao as follows:

(a) Fixed Salary for FY15 - FY18 :	Rs. 157.50 lakh p.a. - Rs. 225 lakh p.a.; and
(b) Performance Bonus/ Special Award Pay/ Variable pay :	Not exceeding 60% of Fixed Salary for the respective year.

**RESOLVED FURTHER THAT** other terms and conditions relating to the appointment/remuneration of Mr. M. Ramachandra Rao as approved at the Tenth Annual General Meeting shall remain unchanged.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to determine the actual amount of salary (both fixed and variable) to be paid to Mr. M. Ramachandra Rao within the aforesaid limits approved at this meeting and to do all such acts, deeds, things and matters as the Board of Directors may, in its absolute discretion, consider necessary, proper, expedient, desirable or appropriate to give effect to this Resolution."

**Item No. 10 - Special Resolution - Adoption of new Articles of Association**

"**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association of the Company submitted to this meeting, be and are hereby approved and adopted in substitution of the existing Articles of Association, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.



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RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

The Members dropped the ballot forms in the ballot box. The Chairman stated that the meeting would stand concluded when the last vote was cast.

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 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.

Mr. K.V.S. Subramanyam, Scrutinizer on completion of the voting by all the Members and Proxies present, took custody of the ballot box.

Mr. Rajendra Patil, Sr. Vice President - Legal and Company Secretary proposed vote of thanks.


On the basis of the Scrutinizer's Report dated September 29, 2014 on consolidated voting results, the Chairman announced the results of voting on September 29, 2014 that all the Resolutions for the Ordinary and Special businesses as set out in Item No. 1 to 10 in the Notice of the 11<sup>th</sup> AGM of the Company have been duly passed by the requisite majority.

The consolidated results of voting were displayed on its websites of the Company and its Registrar and Transfer Agent. A summation of the consolidated voting results is enclosed and marked as Annexure I.

PLACE: MUMBAI

DATE: 22/10/2014

  
(CHAIRMAN)



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## Annexure I

Sr. No.	Particulars	Type of Resolution	% of Votes in favour	% of Votes against
1.	Adoption of Accounts and the Reports of the Directors' and Auditors.	Ordinary	99.9999%	0.0001%
2.	Appointment of a Director in place of Mr. Sumir Chadha and, being eligible, offered himself for re-appointment.	Ordinary	86.3971%	17.4866%
3.	Reappointment of S. R. Battiboi & Co. LLP as the Statutory Auditors of the Company.	Ordinary	99.9999%	0.0001%
4.	Appointment of Mr. P. H. Ravikumar as an Independent Director.	Ordinary	99.9573%	0.0427%
5.	Appointment of Dr. Tarun Khanna as an Independent Director.	Ordinary	97.9993%	2.0416%
6.	Appointment of Mr. Geoffrey Tanner Woolley as an Independent Director.	Ordinary	99.9999%	0.0001%
7.	Appointment of Mr. S. Balachandran as an Independent Director.	Ordinary	99.9999%	0.0001%
8.	Revision in commission payable to the Independent Directors.	Special	99.9996%	0.0004%
9.	Revision in the remuneration payable to Mr. M. Ramachandra Rao as the Managing Director & CEO.	Ordinary	99.9998%	0.0011%
10.	Adoption of new Articles of Association	Special	97.9994%	0.0548%

